



Counting on numbers

Adding up the number of folks who cross a store's threshold is nothing new. But it's turning that information into something more than a simple graph chart of day-to-day traffic flows that really counts in today's competitive world.

For Doug Dea, General Manager of Campers Village Store, for example, working with the numbers of customers visiting his two locations in Edmonton and Calgary is a big part of analyzing day-to-day sales and staff performance. For Vancouver-based Rick Bohonis, Co-owner and Director of 25 Urban Barn stores, tracking conversion

rates of store traffic to purchases is a ticket to improving sales performance. And for London Drugs Inc. in Richmond, B.C., analyzing store traffic is a key part of maximizing staff efficiency in 68 locations, according to Clint Mahlman, Vice-President of Retail Operations and Distribution.

As Mark Ryski, president of HeadCount Corporation in Edmonton, a provider of store counting data collection and reporting services, explains, there's a lot of hidden power to be found in such seemingly simple numbers. "While most retailers seem to intuitively understand the value of counting traffic in their stores, the problem is gaining an

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Mark Ryski,
President,
HeadCount Corporation

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understanding of what the data means and how to use it to drive performance in stores and identify potential opportunities,” he says.

So what kind of information can you extract from your traffic numbers? For one, analyzing traffic can help you decide when and where to deploy staff to their best advantage. Retailers can also track numbers to understand the effectiveness of promotions or ad campaigns, or the impact of weather patterns. Or they can check out store performance by comparing overall traffic to sales conversions.

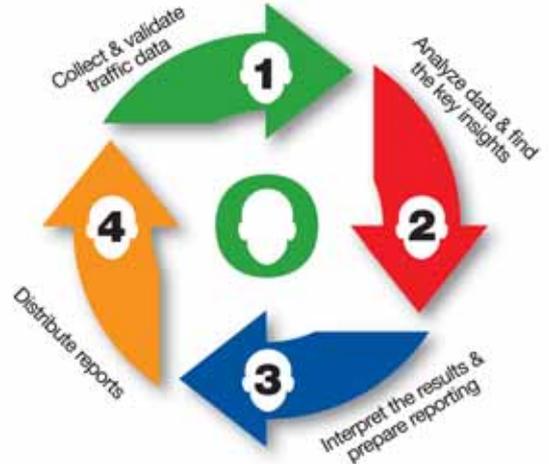
In a world where competition is stiff and margins tighter than ever, the ability to track performance and adjust accordingly can be worth its weight in gold. “Over the last decade, retail has become so fiercely competitive we’re always looking for ways to deploy labour more efficiently,” Mahlman says. “Ten years ago, a 0.5 per cent payroll savings wasn’t a big deal. Today, we’re scrapping for one-hundredths of a point in labour cost savings. Any decision tool that helps us to manage that is valuable.”

Urban Barn’s Bohonis notes that in the past staffing was a matter of “guesstimating” based on simple traffic counts and sales numbers. HeadCount now provides Bohonis with detailed online weekly, monthly and yearly reports that allow him to track traffic numbers and sales conversion rates on a store-by-store basis. Reports are also distributed to regional managers to review individual store performance and provide insight into what is driving sales results.

“The reports also give us a good read [on performance] for new locations,” says Bohonis. “The best part is, it removes what was once a really difficult job for our managers each month [and makes it easier]. And we have better information to show for it.”

Even a two-store operation with a handful of staff can realize the benefits of traffic by numbers. “Traffic and sales conversion analysis is not just for the large players,” notes Ryski.

Dea says he has conducted head counts in his own two stores for almost a decade. However, his old way of downloading and analyzing the numbers at the end of the day was a time-consuming job, and certainly not as detailed as it could be. “Basically, we would take the number of transactions for the



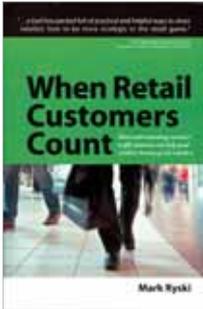
HeadCount solves retailers’ traffic dilemma by offering a complete traffic monitoring and analysis service. HeadCount also does the analysis so retailers can focus on running their stores.

day and divide those by the headcount to get our close rates for the day,” he explains.

With more sophisticated analysis tools, Dea can look at hourly breakdowns of traffic, compare numbers to transaction rates, review numbers with sales staff, compare performance to sales goals, and study the effectiveness of promotions and ad campaigns. “Using traffic data analysis services means we don’t have to rely on our gut feelings and we can keep a history of the data to compare how we are doing compared to other years,” he says.

Dea finds that he even uses analysis tools to check out the competitive landscape. “We can go to a Mountain Equipment Co-op or Coast Mountain Sports store to eyeball their traffic patterns on any given day and then analyze our patterns in depth for that day to see how we compare.”

Whether checking out the competition, figuring out the best way to deploy staff or understanding what can turn a casual browser into a paying customer, there’s something to be said for finding better ways to crunch the numbers, says Mahlman. “We used to use POS transactions as a proxy for customer counts,” he explains. “But that won’t cut it anymore. Now you need tools in your arsenal that allow you to figure out how to get that last inch of efficiency.” **CT**



Mark Ryski’s book, *When Retail Customers Count*, informs retailers as to how knowing their customers’ traffic patterns can improve their business.



Retail Council of Canada (RCC) and HeadCount have teamed up to offer an exclusive opportunity to save on traffic monitoring equipment, data collection and validation, and data analysis and reporting. Members can sign up for as low as \$139 per month, per location. Call (877) 463-7004, ext. 226 for more information.