An effective Store Traffic and Conversion program starts with accurate data – that's why HeadCount® relies on Brickstream® sensors

Confidence in the data can make or break a program

The first step in a successful traffic and conversion program is having traffic count data that everyone trusts and believes. Without confidence in the data, managers will focus their effort on questioning traffic counts instead of applying the insights to improve performance.

"If you can't trust your traffic count data, nothing else matters," says Mark Ryski, CEO and Founder of HeadCount Corporation and author of *Conversion: The Last Great Retail Metric.* "It all starts with an accurate traffic count and getting that is not as easy as it sounds," he says. "In fact, it's not uncommon for even the largest, most sophisticated retailers to struggle with traffic count quality issues."

Ryski says it's critical because traffic data is the foundation for calculating conversion rates and ultimately measuring store performance. "When we provide a traffic and conversion report to a store manager we expect that she will make decisions and take action based on this information – she can't afford to second guess the data and neither can we as the analytics provider."

Beyond day-to-day decision making, increasingly retailers are incorporating conversion rate goals into compensation plans, which rightly creates an even higher level of scrutiny.

To deliver that essential organizational trust in the data, HeadCount installs Brickstream® 3D video traffic counting sensors from FLIR® Integrated Imaging Solutions, Inc. Brickstream 3D sensors offer multiple advantages over traditional traffic data collection devices. The advanced stereo vision technology provides extremely accurate counts even in high traffic environments – both indoor and outdoor – and in areas with dynamic lighting or areas where precise count lines are required.





With more than 200,000 Brickstream traffic counters installed worldwide and more than 20 years in the market, Brickstream has become the top choice for traffic counters among leaders in the industry, including HeadCount – the leader in helping retailers use and apply traffic and conversion analytics.

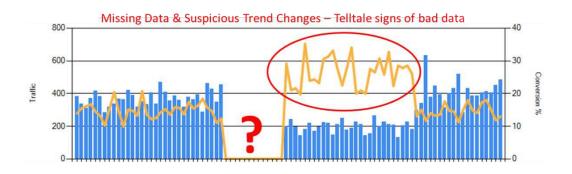
Rebuilding trust with good data

For retailers, the biggest decisions often hinge on the smallest data point. By starting off with the best traffic counting technology available, retailers can establish trust in their data from the outset, rather than trying to regain it later – which is significantly harder to do.

As the leader in the use and application of store traffic and conversion analytics, HeadCount works with retailers that already have traffic count data from existing systems as well as retailers who aren't yet counting. And, according to Ryski, working with retailers who are using traffic counters other than Brickstream can be a significant challenge.

Yankee Candle, a 600+ store candle and gift retailer, is a good example. When HeadCount started working with Yankee Candle, they had two different types of traffic counters installed in about one-third of their stores, and they were having traffic data quality issues with both of them.

According to Alex Winiecki, who was the Senior Vice-President of Retail for Yankee Candle at that time, "no one trusted the traffic counts at all and the count data were incomplete and incorrect." Today, HeadCount installs only Brickstream cameras in all new Yankee Candle stores and continues to upgrade locations where old counters were installed.



However, merely changing out the traffic counters didn't automatically win back store managers. Store Managers were still skeptical. But that's where Brickstream's superior traffic count auditing tools come in.

As Winiecki recounts, "later, even with new traffic equipment installed by HeadCount, we had some store managers tell us that they didn't believe the traffic counts. HeadCount would immediately get on the phone with the store manager and work through their questions and even conduct audits to prove the counts were right until the manager could say, 'yeah, that's it. That's my number."

A similar scenario played out when HeadCount began working with office supplies leader Staples Canada who was almost two years into their traffic and conversion program that produced more frustration than results.

According to Staples, what HeadCount was able to do beyond a shadow of a doubt was re-establish trust in data integrity. "If you see huge swings in data, instead of asking questions, managers will disengage. I knew if that happened I would lose buy-in and the entire traffic and conversion program would lose traction. My field managers trust the data and that is a critical benefit of working with HeadCount," says Lindsay Gillians, Manager, Retail Customer Experience Solutions, Communications & Services Operations with Staples Canada.

Says Ryski, "It's HeadCount's job to deliver reliable, actionable insights. Our clients rely on us and we rely on Brickstream traffic counting cameras for accurate and reliable data."

Why Brickstream technology stands out: accuracy, functionality and reliability

HeadCount has been serving retailers for almost 15 years and over that time has tested and deployed virtually every type of traffic counter available. While HeadCount still considers itself 'technology agnostic' and continues to evaluate new traffic counting technologies, there are several reasons why Brickstream has become its de facto standard.

According to James Cummings, HeadCount's Vice President of Operations who oversees all technology implementation and support of traffic counters, Brickstream has earned HeadCount's trust.

"We evaluate traffic counters based on three primary criteria: count accuracy, functionality and reliability and Brickstream is the only traffic counting solution that delivers on all three."

Accuracy – not just about the sensor

The traffic counting sensor itself is critical, and Brickstream's 3D stereo vision sensor is an excellent product, but collecting consistently accurate traffic counts takes more than just an excellent product.

According to Cummings, some retailers are led to believe that you can simply string up a bunch of traffic counters in your store and you're off-to-the-races, but that's not how it works in reality. Says Cummings, "there are numerous factors that can impact traffic count accuracy including store entrance configuration, merchandising and ceiling height to name a few. You can have the best device in the world, but if it's not installed and calibrated properly and constantly monitored, you won't get consistently clean, reliable traffic counts."

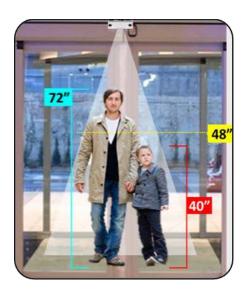
Merchandising and display fixtures near the front entrance can be particularly problematic, says Cummings, "some retailers we work with have elaborate merchandising displays at the front entrance of their stores and this can wreak havoc with traffic counters. Brickstream device management software is very sophisticated and enables us to set very precise count lines which define the moment a count is captured – even around complex merchandise displays."

While virtually all traffic counter manufacturers make claims about accuracy – 95% accuracy seems to be most cited – these can often be theoretical or lab results and not based on tests conducted in actual field conditions. Says Cummings, "now with over five years' experience working with Brickstream sensors and many thousands of installations, I can tell you that we are achieving accuracy levels of 95% routinely and frequently even higher."

Functionality - eliminate kid counts and more

All traffic count data has some amount of 'noise' and one of the most common impediments are counts generated by children. Brickstream's 3D stereo vision sensor provides a height setting so that counts generated by children can be separated from adult counts or eliminated altogether. Scheduling staff to shoppers is an important tactic in driving conversion rates and without the ability to eliminate superfluous counts generated by children, retailers risk over-staffing.

But setting height thresholds is only one of the more obvious features. According to Cummings, "all traffic counters need to be constantly monitored and maintained. From sensor monitoring and trouble-shooting to conducting traffic count audits, the device management software tools with Brickstream are truly superior to anything else we've tested."



Traffic count auditing is one of the most important features and at HeadCount, it's used frequently. Says Cummings, "it's not uncommon for store managers to question the accuracy of their traffic counts, and it's HeadCount's job to not only ensure they are correct, but to also provide managers with evidence to prove it." According to Cummings, Brickstream's device management software provides a number of ways to audit counts including recording video samples or watching counts in real-time."

Reliability – a function of quality

Traffic counters represent a significant capital investment, particularly in chains with hundreds or even thousands of stores, so cost is a significant factor in the purchase decision. According to FLIR, Brickstream sensors have a Mean Time Between Failures (MTBF) of 10 years and HeadCount's experience corroborates this.

Brickstream cameras are not the least expensive traffic counters, but when it comes to reliability, quality matters and you do get what you pay for.

"Tight budgets are typical in retail and naturally our clients are looking to keep costs down. But the real cost of supporting poor technology, not to mention the negative impact inaccurate or incomplete data can have on a traffic and conversion program, is significantly higher than investing in a quality traffic counter from the start. At HeadCount, we refuse to install cheap, substandard traffic counters – we would be doing our clients a disservice if we did," says Cummings.

'Future Proofing' your Store

Today, retailers are bombarded by companies selling a vast array of sensors, cameras and data systems – it can boggle the mind. While these systems are interesting, retailers need to be clear about their data priorities. Traffic counting should be at the top of the list.

Some systems claim to capture multiple data streams in a single device, in addition to traffic counting, and thus provide retailers with a hedge against future needs – 'future proofing' the store.



The reality is that more bells and whistles don't necessarily deliver more value on its promise to future proof your stores. In fact, adding too many other functions can actually degrade the device's reliability and impact traffic counting functionality.

As the leading expert in store traffic and conversion analytics Ryski says, "retailers are often lured by cool technology and promises of deeper insights and better business results, but many of these systems have yet to be proven and the value of the insights is questionable. I'd advise all retailers to start with a solid foundation of store traffic and conversion analytics first before spending time and resources on more speculative analytic efforts."

So then, what's the most effective way to 'future proof' your retail business? Install traffic counting technology that is stable, reliable and has a demonstrated life span in the field – for HeadCount, the answer is clear, Brickstream by FLIR.

For more information about the Brickstream 3D traffic counting technology, <u>click here</u>. To read more about clients who are working with HeadCount, <u>click here</u>. Questions? Email to find out more information at <u>talk@headcount.com</u> or to request a call.