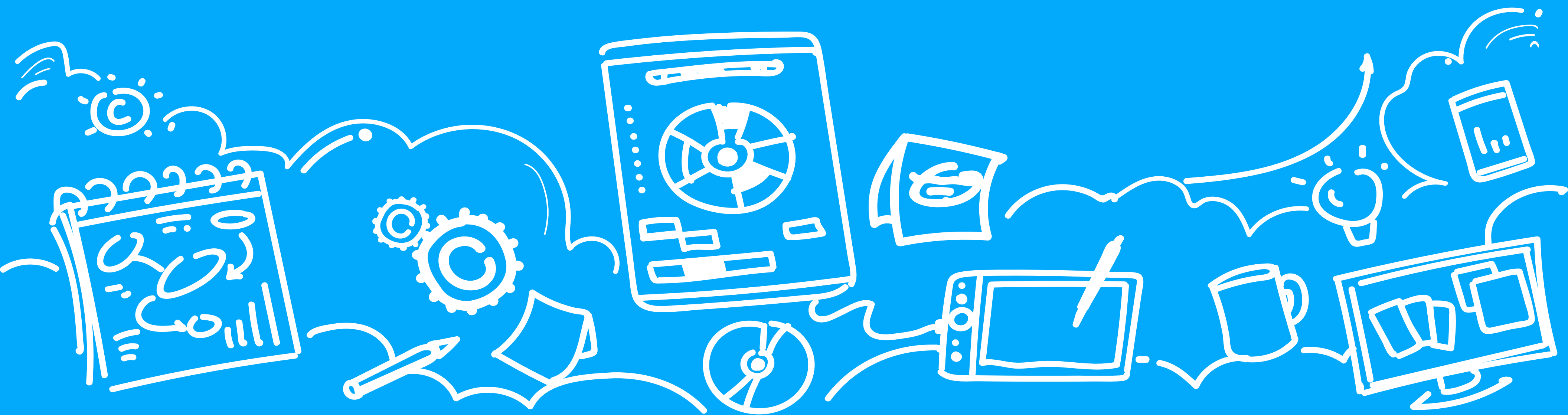
Agilence

The Complete Retail Data Analytics Guide



RETAIL ANALYTICS DRIVE YOUR BUSINESS

Analytics is the key to retail profitability. Narrow margins, increased competition, competitive wages, and shrink are all challenges to your bottom line. Without real-time reporting, retailers can only guess at the real impact these pressures have on store operations.

Retail data analytics are evolving to empower data-centric decision making. Big Data applications now allow retailers to see the impact of micro and macro changes on their store operations. For instance, will upcoming weather patterns necessitate a change in floor layout? Are BOPIS (Buy Online Pickup In-Store) and BORIS (Buy Online Return In-Store) customers eating into store productivity? These are common questions that retail data analytics can answer, keeping retailers more competitive.

Retailers can no longer depend on outdated spreadsheets, assumptions, and general industry advice to run their operations. Detailed data and reporting reveal insights that allow retailers to make decisions at the location, region, product, or team level that impacts enterprise-wide success.

How Data Helps Operators Make Insightful Decisions

Sales Optimization

KPI's are the lifeblood of retail operations, revealing the success (or failure) of managerial decisions and store operations. Retail data analytics support leaders to make informed decisions and maximize the time spent on executing revenue-producing promotions and programs.

Visual, intuitive analytics dashboards reveal top-line sales, margin, average transaction, department level, and company-specific sales goals. Transparent reporting lowers the risk of revenue leakage and optimizes sales. Without data, leaders cannot accurately assess the impact of their revenue-producing decisions.

Promotion Performance

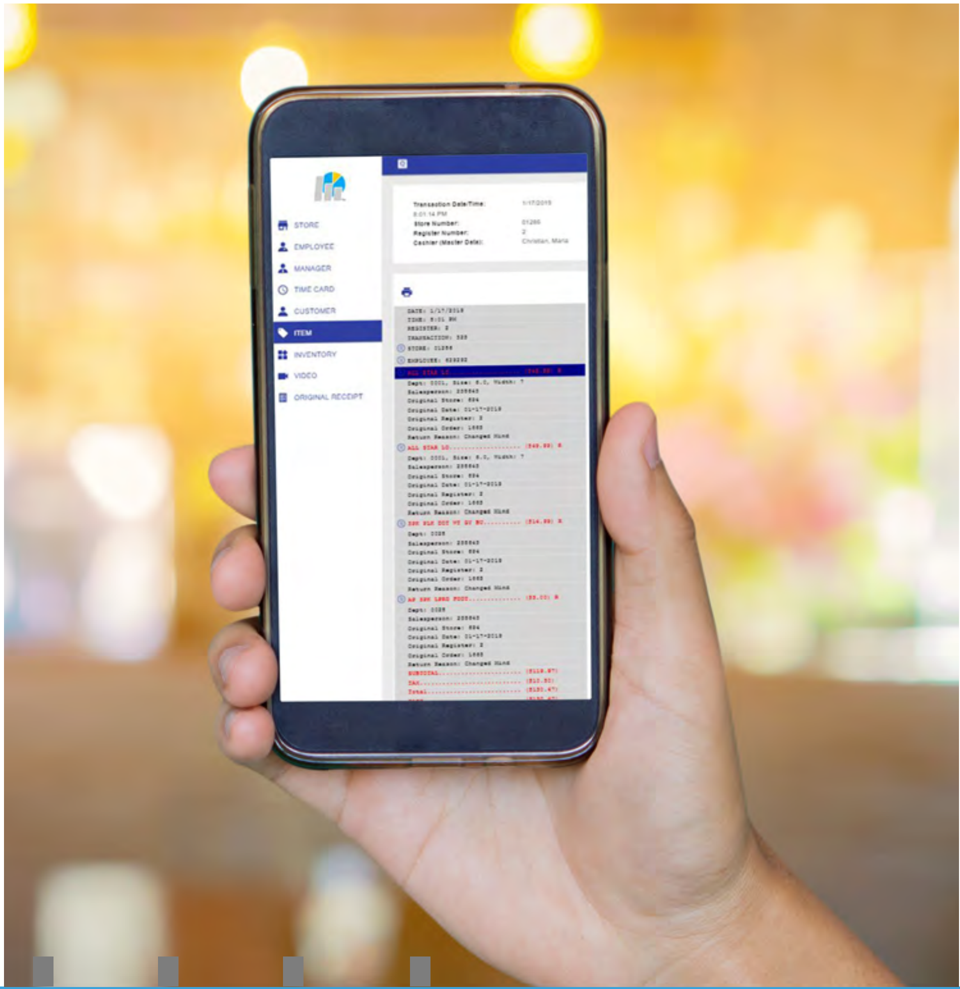
Promotions are meant to drive store traffic, increase basket size, raise awareness, or otherwise increase sales. But how do you know if a promotion is successful unless it is measured? Retail data analytics provides key insights to customer behavior, allowing leaders to analyze the overall impact of promotions on the bottom line. These insights can also be used to fine-tune future promotions to maximize margin impact.

Testing and monitoring spend can identify promotional abuse or misuse that is eating profits instead of driving sales. Retail data analytics solutions provide key insights to evaluate promotional concepts and optimize them for maximum results prior to an enterprise-wide rollout.

Aggregated, Centralized Data

Today's retailers must be responsive. They can no longer wait 30 days for reporting to see what happened last month. Retailers need insightful data to help them make strategic, profitable decisions today.
Modern retail data analytics tools can aggregate data from multiple sources that include POS transactions, labor costs, product inventory, and third-party and supplier data, and more – seamlessly – to deliver actionable insights to decision-makers. An intuitive, graphics-based dashboard allows retailers to see data visualizations all in one place, providing a birds' eye view of all operations.

Time Savings for Decision-Makers



Retail data analytics systems remove the unproductive issue of the "cost-benefit" analysis. No longer must leaders ask how long will it take me to review this data vs. what financial benefit will it bring? Current, aggregated data is immediately available in one convenient dashboard, allowing leaders to make decisions quickly and move on to the next task at hand. Objective, up-to-date, and reliable information eliminates guesswork and saves valuable time.

Searching for the root cause of store operational problems can be time-consuming. But with retail data analytics, issues are more easily discovered by pinpointing the time, date, and place of outliers, allowing leaders to react quickly and address revenue leakage issues.

Prescriptive alerts notify managers to missed sales opportunities, loss prevention issues, or unwanted employee behavior at or near the time of occurrence with pre-approved action plans to ensure the issue is handled appropriately. Identifying these core problems allows retailers to quickly respond to root causes, not assumptions.

What are the Most Important Retail Analytics?

Sales Transaction metrics

Choosing the right metrics is key for maximizing retail profits. Average sales per square foot, average basket size, year-over-year sales, sales by time of day, location, or region are all KPI's that leaders require to make insightful decisions.

Retail data analytics provide a granular look at sales transactions, allowing users to take a deep dive into success factors. Retail data analytics have the power to reveal which employees drive sales (and which ones don't), the result of new promotions or merchandising at the SKU level, and the cost of supporting emerging shopping trends like third-party shoppers, changing demographics, BOPIS, and fluctuating in-store conversion rates.

Inventory Levels

Monitoring inventory, coordinating with suppliers, and reacting to everything from weather emergencies to stock outages is something that every retailer must manage.

With a granular approach to reporting, retailers can better protect inventory investments, especially for high-ticket items. Supplier performance is also more easily analyzed within a centralized application with robust reporting. KPI's that measure inventory, sell-through rates, customer and vendor returns, and out-of-stocks are critical to optimizing stock levels.

Labor

Controlling labor costs is vital, especially in a competitive job market where hourly pay is at an all-time high. Tack on high-cost benefits like health insurance overtime and labor costs can skyrocket – if not monitored and managed appropriately.

Data insights into overtime, sales by employee and team, or sales per labor hour helps retailers control labor costs by location. Labor metrics and alerts can help management identify and correct operational inefficiencies to maximize the productivity of employees.

Loss Management

Shrink continues to eat into the bottom line. Identifying the source of shrink is key to stopping revenue leakage but has historically been difficult to pin down. Prescriptive alerts help managers identify situations that exceed thresholds and provide detailed reporting into actual events. The result is laser-focused reporting that pinpoints specific issues and reduces loss.

BOPIS & BORIS Conversions

Retailers are rapidly evolving to meet consumer demands, but data collection has not kept pace. Retail data analytics can now assess cashier wait times, store productivity, average transaction size, and inventory forecasts which have resulted from the expanding number of BOPIS (Buy Online, Return In-Store) customers.

To protect margins, retail data analytics can identify BOPIS customer behavior, segmenting these purchases from online orders, third-party shoppers or in-store traffic. Above-average transaction size, increased labor costs, and upsell training are required to serve the BOPIS customer, but leaders must understand the associated costs to serve this market segment profitably.

Retailers are now presented with an unexpected opportunity: Buy Online Return In Store (BORIS). When customers return online purchases to a store, retailers have a golden opportunity to find out why the product didn't meet their needs and to upsell them to another product while they are in the store. Not only does this potentially increase customer loyalty and appreciation by training staff to help with returns, but they can also convert the sale to a higher margin item, turning it into a win-win scenario.

How Analytics Improve Profitability

Highlight Real-Time Revenue Leakage

Identifying cost outliers through system alerts stops potential loss in its tracks. Corporate-specific alerts can focus on unwanted employee behavior like excessive voids or discounts. Outliers that indicate issues with people, products, or processes trigger notifications that keep loss down and margins in check.

Identify Sales Opportunities

Monitoring upselling and active promotions highlight opportunities for increased sales. Retail data analytics systems can reveal unique sales opportunities like promotional items, deals, and discounts at the store-level and leverage them to other locations.

Inventory Forecasting

Third-party shoppers, online orders, BOPIS, and traditional in-store customers all have different buying patterns that impact stock levels. Understanding unique customer buying (and return) patterns can improve inventory forecasting and procurement.

eCommerce Sales Monitoring

eCommerce has evolved into a number of hybrids, each with different revenue streams and cost structures. Retailers must now balance traditional online sales and returns with hybrids like BOPIS and BORIS and third party shopper models.

Monitoring the sales and costs associated with each eCommerce method can be daunting. But for those retailers who can segment eCommerce customer types, opportunities prevail. For instance, statistics show that BOPIS customers' transaction size can be 10% or higher than the original online order. Identifying which locations are meeting or exceeding this average – and which locations need additional focus – can be uniquely identified by using retail data analytics to enhance sales.

How Analytics Help
Align Corporate Operations

50,000 Foot View

Retailers must understand the global picture of store operations on a frequent and consistent basis. KPI's for revenue, costs, margins, and specific corporate or brand-wide metrics give retailers factual insights on daily operations. Dashboard metrics provide instant transparency of potential issues that affect enterprise-wide profitability.

Less Analysis, Better Decisions

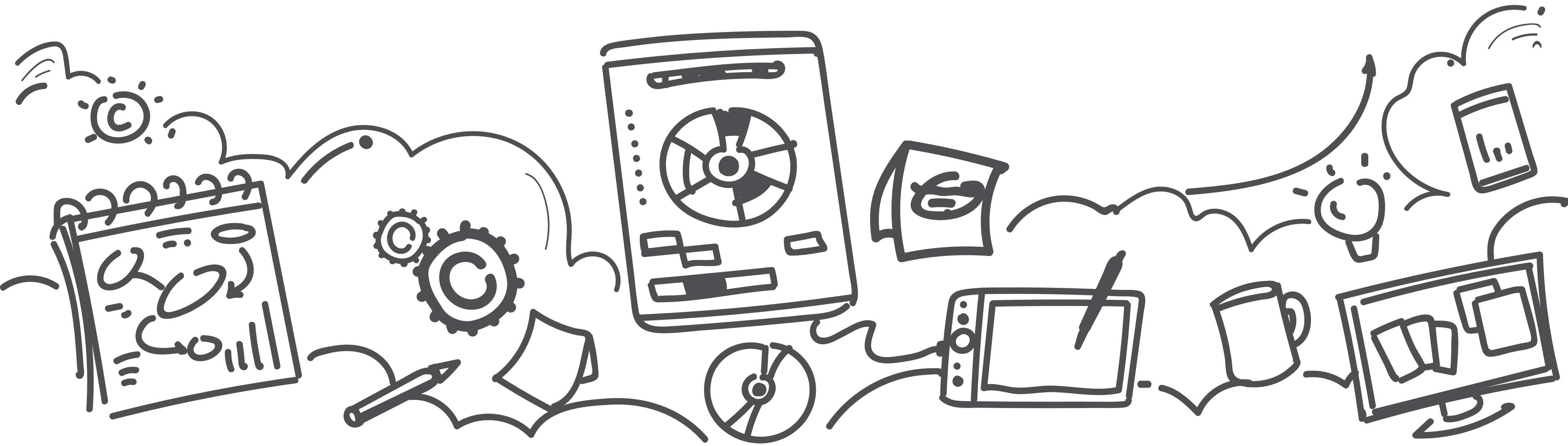
A single source of data, with verifiable and current inputs and up-to-date reporting, eliminates errors, reduces wasted managerial time and effort, and provides accurate and consistent data across all units. Aggregated data provides cost-effective insights that allows leaders to spend more time executing strategic decisions that support business objectives.

Alerts for Laser-Focused Corrective Action

Programmable alerts heighten awareness of potentially troublesome events at the store, employee, brand, or other desired level of visibility. Retail data analytics provide instant awareness of issues that affect profitability, including fraud, inventory levels, loyalty card purchases, or labor data that fall outside of expected norms. Based on this information, managers can investigate and take actionable steps that align with corporate policies.

What To Look For In
Data Analytics Software

- **CONSOLIDATED DATA FEED** – easily integrate data feeds from your POS, eComm, HR, financial reporting, product inventory, and other business systems with no additional hardware or POS upgrades required.
- **POWERFUL YET SIMPLE REPORTING** – create any report, dashboard, query, or alert with simple click-and-drag functionality without burdening IT.
- **MANAGE AND TRACK INTERNAL TEAMS 24/7** – follow what at the store level with role-based alerts and workflows that include prescriptive actions tailored to your company.
- **ALIGN YOUR ORGANIZATION PERFORMANCE** – keep corporate goals front and center by ensuring your workforce is always focusing on what matters most.
- **IMPROVE ENTERPRISE-WIDE DECISION MAKING** – quickly turn your data into insights that inform strategic decisions and improve business outcomes at every level of the organization.
- **PRODUCT SUPPORT** – professional customer service that provides in-depth product training and application support. Make sure you have access to real people who are dedicated to making your job easier.



Agilence is the leader in data analytics and reporting in the retail, restaurant, grocery, convenience, and pharmacy industries. We developed an intelligent solution that enables organizations to easily connect the dots within their stores to identify anomalies and trends that can improve operations, measure enterprise-wide performance, and boost profits. Agilence provides users with a complete view of their business, empowering them to make informed decisions faster and improving efficiency across the enterprise.

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