

Designing compelling retail video solutions to increase efficiency and boost profits



Retail video surveillance solutions: delivering business intelligence and loss prevention



With the emergence of powerful, affordable business intelligence analytics, retail video solutions today are achieving rapid return-on-investment while delivering exciting new benefitsts.

In performance and value, these next generation solutions are out-performing conventional video systems that are focused solely on security.

In fact, AI-powered retail analytics are proving to be as valuable to retail business development directors, marketing departments, and heads of finance.

Winning projects by adding exciting new value

This means that for systems integrators there is a window of opportunity to sell to a wider range of retail stakeholders and senior decision makers, and to deliver winning solutions that demonstrate exciting added value.

This eBook explains how.

It draws on IDIS's ongoing successes working with a wide range of retail businesses, including fashion and beauty branch retailers; franchises; luxury boutiques; and supermarkets chains. And it shows how systems integrators can design and install solutions that deliver multiple benefits, not just protecting profits but supporting growth.

Integrators can compete for retail projects



The retail AI analytics market is highly fragmented, making it difficult for retailers to evaluate which vendors are best positioned to help them – ie. which can deliver a cost-effective suite of accurate analytics that will allow them to use the same cameras to meet their loss prevention, security, and staff safety needs.

Their choice is made more difficult by AI vendors coming in from outside the industry, pushing overly-sophisticated analytics with expensive recurring revenue fees. Many also specify additional cameras solely for AI functions, further increasing upfront costs, and specifying additional high-end camera models.

to use video surveillance to understand what’s happening in their stores.

For systems integrators, understanding these changes and knowing how AI analytics can support retailers’ expansion plans and boost profitability, can unlock major upgrades and support successful project bids.

Connecting with new decision makers

Increasingly we are finding that loss prevention managers are not the only, or even the most important, decision makers when it comes to buying video. Systems integrators are connecting with a much broader range of retail executives.

Business owners and senior operations managers are looking to take advantage of improved surveillance coverage, automated video detection and analysis, and seamless integrated management systems, to drive up efficiency and gain a competitive edge.

Opportunities working with trusted vendors

To compete against this, integrators have an opportunity work with proven, trusted surveillance vendors to deliver true end-to-end AI video – solutions that have all the advantages of robust performance and value, and assured ease-of-installation.

Established surveillance vendors excel in both conventional video security and AI-enhanced business intelligence solutions, using minimal cameras that blend into store aesthetics and without impacting the customer experience.

Retail is changing – so is the requirement for video

The bricks-and-mortar retail sector is evolving rapidly, with new customer expectations and competitive pressures, and we are seeing important changes in the way video is being used. In this multi-channel online-offline environment, it’s no longer just heads of security who want

AI video should not be expensive or complex to use

Retailers are looking for suppliers who are able to keep costs and complexity low, with options for easy adoption and low-cost migration to more advanced solutions.

In addition, they want intuitive interfaces that mean security staff and authorized non-security personnel can be familiarized with systems quickly, reducing training burdens. The same is true with at-a-glance dashboards that allow head office staff and store managers to see how each store is operating in real time and review historical data.



Simple set up



Allowing systems integrators to meet this demand, AI-enhanced video is no longer complex to deploy or to work with and can be as simple to set up as older analog technology. And it's no longer expensive, or a technology that requires integrators with specialist IT experience, such as routing and switching.

The development of simple data logs allows video data to be easily fed into

wider operational systems such as inventory and ERP systems, giving head office staff complete awareness across their branch networks and ensuring they have the correct stock, staff allocation, and much more.

Why business intelligence matters

Retailers aiming to grow and expand their branch networks can only succeed with accurate and accessible data to inform their decision-making. Up until recently, this has been difficult and expensive to access.

For single stores and stand-alone retail businesses, managers and owners often rely on observation, experience and instinct to make crucial decisions. Or they have to put their faith in data provided by mall operators and property owners

But in recent years this approach is becoming less feasible, with brick-and-mortar retailers facing more competition, the cost-of-living impacting consumer confidence, and the rapid rise of e-commerce.

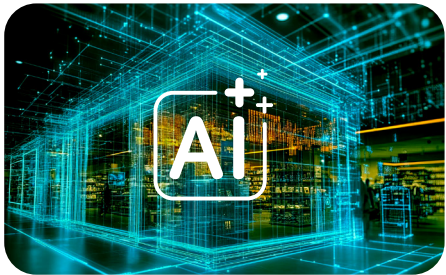
The challenge for central management teams

Centralized management teams, challenged with overseeing multiple remote branches, need to have a clear picture of what is happening at each location in order to understand how each store is performing.

Only based on accurate information can they make decisions around: where to open, close, or expand stores; what rents are realistic in each location; and how local store managers and staff are performing vs decisions made centrally around stock, promotions, marketing, and displays.



What video analytics can measure, and what can it reveal?



Automated video monitoring tools – available via edge AI cameras, add-on AI box devices, or system-wide via VMS - can now provide accurate answers to a wide range of questions that matter to retailers, for example:

- How many people are passing by each store (location footfall)?
- What is the age, gender, and demographic profile of these potential customers?
- How many passers-by are coming into each store (capture rate)?
- What percentage of those people actually make purchases (conversion rate)?
- Which areas of the store see the most and least traffic, and which displays attract the most attention (dwell time)?
- And how does this picture change over time, and seasonally (trend data)?



This information really matters to retail managers because it allows them to compare the like-for-like performance of individual stores and their operations and meaningfully assess customer reactions to store layouts and displays.

People counting: demonstrating lower costs and greater accuracy



For most retailers, people-counting technology is now essential. Knowing exactly how many people pass by each store entrance and how many come in underpins important analysis of a range of key metrics and overall store performance, including spend-per-customer.

IDIS has demonstrated that AI video analytics can be significantly less expensive and 30% more accurate than leading conventional people-counting devices. No additional hardware is needed because the same cameras installed for security monitoring and other analytics functions are used. These also come without an ongoing per-door subscription burden.

Vital distinction between individuals and groups

The latest AI-powered video people counting is not prone to failed detection (undercounting) and can also distinguish between individuals and groups, providing a more accurate picture of customer footfall. For example, couples or families entering a women’s fashion store can be classified as single customers rather than multiple buyers.

This granular analysis of customer demographics (age, gender, proximity to others, etc.) is not possible with traditional ‘blind’ people counting solutions, leaving retailers with potentially misleading metrics around capture rates and conversion rates. This intelligence underpins essential decision-making, such as determining what rent is reasonable for each location and how large stores should be.

Queue management, staffing levels, and customer service

With video analytics that can detect whenever queues start to build, and that send automated real-time alerts, local store teams can be supported in providing more responsive customer service.

Queue management data can also be reviewed by head office to identify where problems may be occurring, and to investigate whether that is due to under-staffing or poor performance at local level.

This queue management data can be analyzed alongside other performance metrics, such as conversion rates and sales figures, to reveal stores where there is a correlation between poor service and lower sales – or vice versa.

Data-driven decisions on staffing

The result is informed, data-driven decisions around staffing, helping to reduce the risk of leaving customers waiting, avoiding the costs of over-resourcing, and revealing which managers and staff are performing well.

Improving service efficiency also has benefits beyond building customer loyalty: it can reduce the risk of confrontations and aggression, which in turn can improve staff retention.



Heatmaps and metadata unlock valuable insights

Heatmapping is becoming particularly valuable, with the ability to measure customer dwell time in specific locations, showing how much attention different merchandise displays attract. Many stores have multiple brands or sell different goods by demographics (men's, women's, children's clothing etc.) with signage demarking those zones. AI-powered video metadata can create actionable data, based on wording or brand names, so managers can see where customers are spending time and don't have to invest hours reviewing video to understand customer behavior.

By using metadata, store managers can understand which brands and displays are most popular, they can change their offerings accordingly, test promotions, and offer discounts.

They can also identify dead zones and make better use of the space, for example putting in selfie areas (especially for stores that attract younger customers, which can benefit from by making their outlets "Instagrammable"); or adding seating outside changing rooms, allowing a spouse or friend to rest while buyers feel more comfortable taking time trying on outfits.

Stores have previously have moved men's departments to the ground level, based on the belief that men would be less likely to climb stairs or use an escalator. Today, these kinds of decisions can be tested by hard data, and retailers can gain granular insights into how every customers is moving around each store at different times of the year and during peak gift buying seasons.



Tailoring authorization for multiple retail management teams



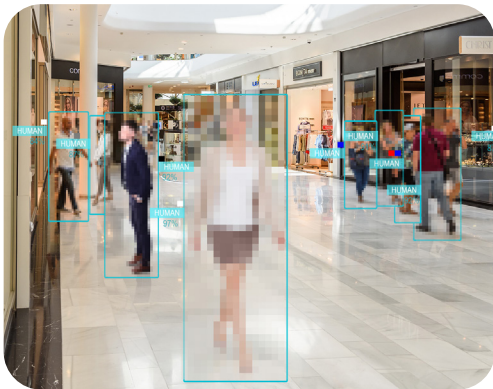
With multiple retail departments now keen to use video data – including operations managers, marketing managers, senior directors, and security teams – it's important that authorization levels can be set to allow only the appropriate level of access.

This control of who has visibility can be vital for compliance with privacy legislation, and for internal fraud prevention.

For example, some users may be allowed to see full video feeds; some will see privacy-masked footage; and others will only have access to dashboards which give them analytics metrics.

The importance of privacy masking in retail settings

Privacy compliance and data protection, such as EU GDPR, is an obligation that retailers take incredibly seriously, and we have seen examples of significant financial penalties against businesses breaching regulations. IDIS privacy masking technologies now allows masking of both recorded and real-time video feeds with unprecedented clarity and accuracy.



Cybersecurity, a priority concern

Cybersecurity is also a critical issue for retailers, with stores facing continual attacks and ransomware threats. It's important to show how any proposed video solution comes with the assurance of enhanced, multi-layered cybersecurity protection, with simplified mutual authentication of devices, one click configuration of devices, and protocols and encryption techniques covering recording, transmission and storage of data.

IDIS Smart Privacy Masks

Demonstrating best value to compete on cost

Retail is always a cost-sensitive sector, and systems integrators can develop successful project bids by demonstrating better value than competitor solutions.

Key points include:



- Showing how costs can be eliminated by replacing conventional detection systems (for example people counting solutions with per-door pricing structures).
- Showing how costs can be reduced by using fewer cameras to achieve better scene coverage (for example 360-degree fisheye cameras are widely used to replace conventional cameras and provide gap-free coverage of retail outlets.)
- Showing how successful system designs can be replicated across large numbers of branches, to deliver economies of scale.
- Showing how significant TCO savings (total cost of ownership) can be achieved across the solution's full lifecycle – for example with extended equipment warranties; no ongoing license fees or hidden extra costs to scale and upgrade systems; faster installation; the ability to integrate and retain existing infrastructure.
- Showing how the AI video solution can be a valuable resource.

Next steps: working with IDIS to develop successful retail video bids

IDIS is today one of the world's leading AI video end-to-end video retail vendors, working with systems integrators to deliver advanced, best-value solutions for broad range of stores globally. IDIS has years of experience at the forefront of the security sector and a track record working with systems integrators, consultants, and retailers to develop robust solutions that give outstanding value.

We are committed to supporting our integration partners to build business cases and proof of concept testing, collaborating to ensure successful project bids, and with sustaining long-term partnerships that benefit their customers – to find out more about how you can benefit from IDIS AI video analytics for retail business intelligence by contacting your local IDIS representative, emailing info@idisglobal.com or email or contact our regional offices listed below.



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