



2023 WIRELESS RETAIL REPORT

REP-LEVEL SALES CONVERSION AND GROSS PROFIT

This report explores the findings of a 90-day study.

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Introduction

In today's retail environment, understanding and maximizing sales performance and profitability is crucial. ReBiz, a leader in sales analytics and video-based monitoring for retailers, recently conducted a study to gauge the impact of traffic count verification and employee-level sales conversion tracking on wireless retail stores.

This report explores the findings of this 90-day study.

Literature Review

Historically, wireless retail stores have leveraged unverified people counts and store-level metrics to gauge sales performance. However, with advanced analytical tools, there's an opportunity to delve deeper into the sales process and customer behavior—getting beyond store-level data to individual employee-level performances. With insufficient empirical studies on advanced sales analytics and performance levels, this study fills a significant gap in the research.



Across the study, over 1.51 million customer interactions conducted by approximately 2,000 reps were tracked. The stores were monitored 97.57% of all business hours for all participating locations.



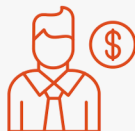
Research Overview

A comprehensive study was carried out on 600 wireless retail stores that implemented traffic count verification and employee-level sales conversion tracking. These stores were observed over a 90-day period. To ensure uniformity of data comparisons, the stores' performance from days 31 through 90 was compared to their first 30 days' performance.

To mitigate the effects of seasonality and varying management practices, the study ensured that the stores were onboarded throughout the year and belonged to a broad number of companies. Across the study, over 1.51 million customer interactions conducted by approximately 2,000 reps were tracked. The stores were monitored 97.57% of all business hours for all participating locations.



600
Stores



2,000+
Sales Reps



1,510,714
Sales Interactions



97.57%
Monitoring Time



Key Findings

Traffic Stability: The overall monthly traffic showed minor fluctuations, with months 2 and 3 reporting a decrease of approximately 2.95% compared to month 1.

Conversion Rate: Across all stores, the global average conversion rate was 18.88%. About 60% of the stores reported an uptick in their conversion rates, averaging an increase of 4.29 points, translating to a 33% improvement.

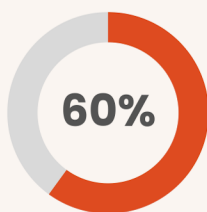
Gross Profits: By the end of the study, nearly half the stores had increased their gross profit by an average of \$8,247 per store, a 51% improvement.

Profit per Traffic: Approximately 55% of the stores saw a rise in their gross profit per traffic, increasing by \$9, a 37% boost.

Top Performer Results: The elite 5% of stores, when ranked by gross profit per traffic, experienced a remarkable conversion rate increase of 15.75 points and achieved an increase in gross profit per traffic of \$36.24.

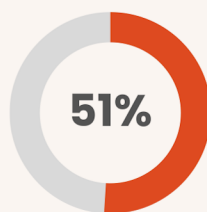
The notable results from the study

4.29 points



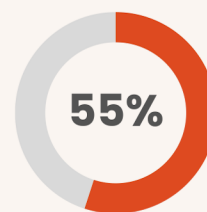
Stores Improved
Conversion Rates

+\$8,247



Improved Gross
Profit / Store

+\$9



Improved Gross
Profit / Traffic



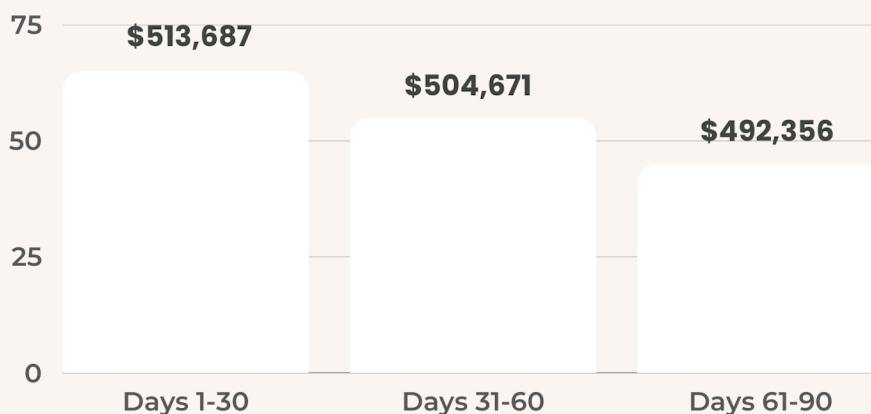
Discussion

Traffic Fluctuations

The stable traffic count (-2.97%) underscores that the performance enhancements were not due to increased footfall. Rather, the utilization of traffic count verification and rep-level conversion tracking likely contributed to improved sales conversion and overall profitability.

The findings from the study suggest that while an increase in traffic did not directly lead to improvements in other performance areas, analyzing verified traffic data on a month-to-month basis can still be a valuable tool for optimizing retail store operations. By identifying patterns and trends in traffic, stores can set optimal opening/closing times, and schedule top performing reps during peak traffic times to increase conversion rates and gross profit.

**Total verified buyer traffic was down slightly,
-2.95% in days 30-90 over days 1-30**





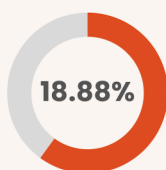
Impacts on Conversion Rate

In post-study interviews, managers consistently reported that the ability to assess individual rep-level performances and coach reps with undisputed, verified data led to fewer excuses and increased results. That was in contrast to their prior situations where only store level conversions and inaccurate traffic counts that included non-buyers existed. Feedback suggested that it took both reps and managers several weeks to transition to trusting the verified data once available. As familiarity and trust grew, the attitudes towards improving performance improved as well.

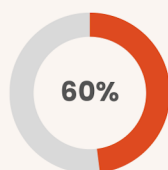
At the management level, having visibility into traffic-per-rep and individual conversion rates also allowed management to adjust staffing and scheduling. They were able to both align staffing levels to match projected traffic as well as schedule top reps to handle more selling opportunities (both while on the sales floor and throughout the week).

A key aspect for improvement of conversion rates was the evaluation of both the busiest days of the week and the lowest converting days of the week. The few busiest days were consistently a strong opportunity to staff correctly and focus on achieving the highest daily conversion rates. Lowest converting days were often found to be understaffed, have little to no management presence, or have a high percentage of newly hired or low converting employees.

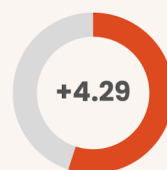
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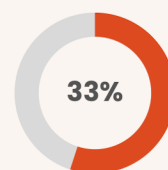
Global Avg Conversion



Improved Conversion Rates



Avg Conv. Rate Increase



Avg Con. Rate Improvement



Impacts on Gross Profit

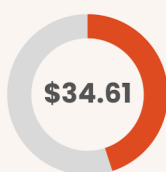
With relatively flat traffic across the study population, those who had improvements in conversion rates also typically had corollary improvements in gross profit. Since store and labor expenses did not change significantly, the additional sales and revenue translated to gross profits.

This suggests that by tracking gross profit per traffic, retailers can identify which sales strategies and tactics lead to the highest profitability, allowing them to make data-driven decisions about how to optimize their sales performance.

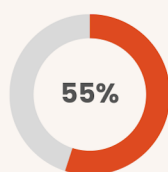
For example, if a particular sales rep consistently generates a higher gross profit per customer, the retailer can study their approach to identify best practices that can be implemented across the sales team. Alternatively, if a particular time of day consistently generates higher gross profit per customer, the retailer can schedule more sales reps during those times to maximize their sales performance.

In post-study interviews, owners and managers reported that they had suspected that the potential for additional gross profits existed and were happy to have unlocked them. In cases, it was not just underperforming stores that realized higher gross profits, but also high volume stores who were hitting their top line revenue goals. These stores had what the managers called “camouflaged underperformance” – cases where low conversions either at the store or rep levels were being covered by high traffic and top line sales.

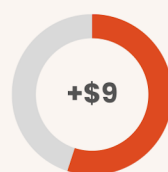
A popular hybrid metric: True traffic / Conversion / Gross Profit



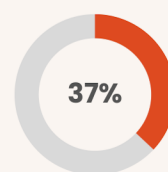
Global Avg
GP/Traffic



Improved GP/traffic



Avg GP/traffic
Increase



Avg GP/traffic
Improvement



Some participants preferred to manage to gross profit per store per month, whereas others preferred to focus on gross profit per traffic (or “per visit”). Regardless of the metric, those with newly increased gross profits were optimistic about their opportunities to improve further, expand faster, and in cases to turn around stores that were slated for closing.

Recommendations

Wireless retail stores keen on bolstering their sales metrics should consider the following:

- **Adopt Advanced Analytics:** Implementing sophisticated tools like traffic count verification can yield tangible results, as evidenced by the study.
- **Focus on Individual Conversion Rates:** Even with relatively flat traffic trends, retailers should prioritize strategies and training to boost sales conversion.
- **Leverage Data Insights for Decision Making:** Regularly review and update practices based on analytics to maintain a competitive edge.

Conclusion

ReBiz, with its extensive suite of tools including verified traffic counting, sales rep-level conversion reporting, average interaction time tracking, and more, stands at the forefront of retail sales and operations enhancement. The compelling results of this study underscore the substantial benefits retail stores can reap by integrating sales performance analytics.



Future Research

While this study provides a comprehensive view of the short-term impacts, long-term performance remains an area ripe for future exploration. ReBiz is in the process of studying long-term performance with a cohort of clients who have implemented the tools in this study for over 24 months.

References

- [1] ReBiz (2023). Advanced Analytics in Wireless Retail. ReBiz Research Division.
- [2] Johnson, L. (2022). The Digital Shift in Retail Analytics. RetailTech Journal.