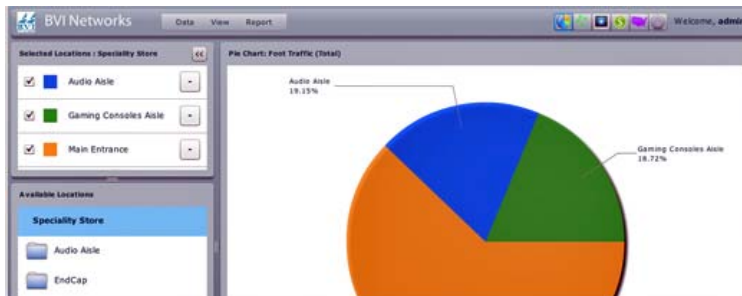


How to Understand In-store shopper behavior to Improve Sales and Profit using BVI Networks

Whether you are a retailer or a manufacturer selling through retailers, you have limited options to understand how customers actually shop. Yet this is becoming more and more important. For many years people relied on intuition and experience, but gradually more disciplined, data-driven methods have been developed. Among these have been exit interviews, store observation studies, and “shopalongs.” However, the accuracy of these has been in doubt, because they rely either on claimed behavior or observing someone who could be self-conscious about being watched. In addition, because of the thousands of data points for each shopper, they are more qualitative than quantitative and often lack precision. More recently, a very few retailers and marketers have started using Virtual Reality or hidden cameras. Both of these are subject to huge sources of error. BVI Networks’ solution, “RetailNext,” eliminates all these issues, and using sophisticated computer analytics, it allows quantitative analysis of the behavior of many shoppers who are not self-conscious of being watched as they carry out a routine shopping trip.



Even more important, the user is not left with just a snapshot of static data, but is given a dynamically interactive tool which allows for rapid, frequent, and accurate ongoing analysis. This allows for optimization of in-store functions in numerous key areas. Examples of these are:

- Retail operations management can make better use of staff through shift optimization and in-store assignment.
- Store layout can be optimized to grow average revenue per trip.
- Profitability of the shopping basket can be optimized by increasing likelihood of purchase of higher margin items.
- Inventory control can be improved by better prediction of SKU offtake.
- Manufacturers can optimize in-store display and placement.



While much is said today about the “First Moment of Truth,” RetailNEXT provides the only way to not only observe it and quantify it on a large scale, but to precisely optimize it.

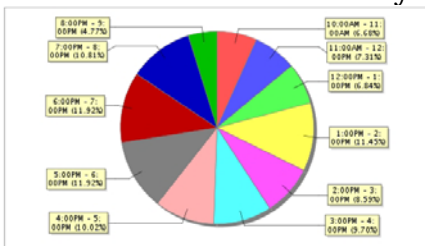
So how does your customer shop? How does he or she walk the store, look at the shelf, pick up the product and make a selection? If you do not know this already as quantified fact, then RetailNext should be a serious option for you.

RetailNext uses your existing security cameras, augmented with specially located cameras for optimizing the collection of data specific to the retailer's areas of study. The system picks up the activity of all the shoppers in the store – far too many to analyze manually – without disturbing their normal behavior in any way. It uses powerful software to determine all patterns of behavior, from traffic patterns to which products are noticed, picked up, and purchased. This information is invaluable to store operations, merchandising, and marketing, as well as to the sales and marketing management of product manufacturers. Any retailer or manufacturer using this service gets a strong competitive edge over all others.

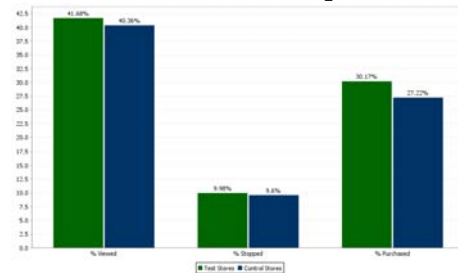


Most importantly, it allows a business to test changes in their own store environment and get nearly instant feedback. So whether the changes are store layout changes, planogram changes, displays and merchandising changes, package design changes, or the effects of in-store media, the impact can be seen and optimized. The ability to test and analyze across multiple stores, comparing geographic, demographic, and cultural differences in shopper behavior, is now a simple step in the same daily dashboard view.

Much of the analysis can be customized to the needs of the client. An apparel retailer will have very different needs than a CPG manufacturer. A mall owner will want different information than an electronics marketer. So, for example, a retailer might want to understand traffic by hour. BVI Networks can provide this (see pie chart):



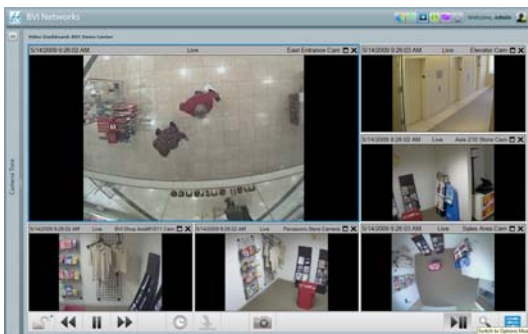
This kind of information may be less important to a manufacturer, who may be far more interested in how the shopper behaves in-store. For example, did a new display or merchandising layout lead to



greater conversion? This system allows for this type of analysis (see bar chart):

These reports are all available on the web, allowing users to carry out as much or as little of their own analysis as they want. For a

manufacturer the focus will be on a particular part of the store, whether shelf, front-end, end-cap or other location. BVI Networks provides macro level reporting of results, trends while also allow the user to drill down, and view actual video if needed (see video display):



In summation, this is a powerful tool which allows users to absorb and analyze enormous quantities of data in a brief period of time. BVI

Networks can also provide analytical help, and by drawing on its own database of proprietary information, can make precise, actionable, recommendations.