



Use Video Analytics and Data Decision Making to Grow Your Business

According to research from M.I.T. and the Wharton Business School, using data to guide business decisions adds 5 to 6% to a company's productivity.¹

What if there was a gold mine of data that was going untapped by your data decision-making programs? Today, the role of video can extend far beyond security; data gathered from video surveillance can now help decision makers actually grow a business rather than just protect it. Analytics software makes it possible to distill millions of hours of raw video footage from locations such as bank branches and retail outlets into structured, searchable data. This powerful new source of intelligence can build a more meaningful picture of business performance for decision makers in sales, marketing, and customer service.

The purpose of this paper is to explain the role that video analytics can play in business decision-making and how actionable information from video analytics can translate to competitive advantage.

Do You Know What You Don't Know?

Video analytics may seem like a "nice to have," but consider what you don't currently know about your stores, bank branches, or other locations.

Are you able to objectively rank your stores in order of efficiency at a customer level? Are you able to correlate store traffic to wider marketing campaigns? Can you quantify why top-performing stores are so successful?

If you can't pinpoint the traits of stronger locations and identify weak points, how can you develop a model for replicating successes, improving performance, and reducing costs?

A More Complete Picture of Store Performance

Companies like Amazon.com can measure, to a fine degree of detail, how successfully their web store converts visitors into paying customers. Hypothetical metrics might show that 10% of visitors complete a transaction and that average revenue per visitor is \$50.00. Metrics like these are critical to knowing where and how to improve the website's efficiency at generating revenue.

With video analytics, the same granularity of performance data can be generated for stores, bank branches, and franchises. Video analytics can distill millions of hours of raw video footage into meaningful, standardized information like:

- **Customer Counting**
- **Dwell Time**
- **Queue Line Analysis**
- **Traffic Pattern Analysis**

When overlaid with existing business information such as financial, staff, and inventory data, decision makers can construct a more complete picture of business performance:

Key Considerations

When justifying the purchase of a new video analytics platform, look for additional budget centers within your organization. Your business case becomes stronger when you can combine forces and solve business and security problems with one solution. Other video analytics stakeholders could include:

- Security
- Retail banking operations
- Retail merchandising



¹<http://www.nytimes.com/2011/04/24/business/24unboxed.html>



Video Analytics	Example Business Metrics	Business Benefits
Customer Counting	\$1,500,000 store revenue / 10,000 visitors = \$150 average revenue per visitor	<ul style="list-style-type: none"> Accurate conversion metrics that include total number of visitors Precision measurement and ranking of store and staff performance
Dwell Time	Average dwell time with cashier is 2.1 minutes at best-performing store versus 2.8 minutes on average.	<ul style="list-style-type: none"> Improved customer service interactions Maximize performance of promotional and merchandise displays
Queue Line Analysis	Queue lines regularly exceed acceptable thresholds on Thursday afternoons.	<ul style="list-style-type: none"> Lower customer wait times More efficient staffing levels
Customer Traffic Pattern Analysis	Customer traffic is heaviest at the front of the store to the left of the doors.	<ul style="list-style-type: none"> Higher promotional display engagement Higher product turnover

Key Considerations

Don't leave video analytics in a silo where they can't contribute to the bigger picture. Ensure that your video analytics platform can export into common, portable file formats such as CSV or XML, enabling you to easily combine video analytics with other data and systems.

Learn More

If you'd like to learn more about the ways that video analytics can improve the strength of your decisions, contact 3VR:

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Reducing Fraud and Theft

Employee fraud and shrinkage can account for a 2% loss of retail sales annually². In addition to helping grow your business, video analytics can enhance security and help protect the bottom line. Advanced techniques go well beyond "old fashioned" security methods of watching hours of raw video feeds.

Video surveillance analytics can systematically weave a detailed narrative of fraudulent activity by employing the following analytics, coupled with point-of-sale and exception-based reporting tools:

Facial Surveillance – instantly search for employees or suspects across thousands of hours of video and multiple stores or locations.

License Plate Recognition – automatically pinpoint vehicle license plates and correlate them to people or events.

Customer Not Present – receive instant alerts when a customer is not present during a transaction.

Integrating Video Analytics into the Bigger Picture

Once raw video has been transformed into structured, actionable information, it becomes possible to combine this intelligence with virtually any other data source including:

- point-of-sale
- store / regional / national sales figures
- inventory / stock levels
- security systems

The result is a clearer picture of your business and a more reliable set of information on which to base decisions and evaluate results. Fewer unknowns will sharpen your focus and give you greater confidence that you're making decisions that will help grow the business. And when you've moved the needle in the right direction, video analytics offer a strong, innovative means for communicating successes back to team members and stakeholders.

²<http://www.globalretailtheftbarometer.com>