

# 3 In-Store Data Collection Methods to Overcome Outdated Data

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# Introduction

In a world where you can have anything from tapas to toilet paper delivered to you in a matter of hours, businesses cannot afford to wait for data that will be outdated before it's even delivered to decision makers. It has become increasingly important to understand what's happening onsite in real-time so that you can identify areas of opportunity and adjust on the fly.

Data collection methods that have historically been used by businesses are no longer relevant to the modern retail environment. They are neither fast nor flexible enough to keep up with the speed of decision making at businesses today. Agility and flexibility are critical to winning business and innovating to stay ahead of disruption. Brands and the retailers they sell in must be able to experiment, iterate and implement faster than ever before.

The good news -- as the market has evolved, so too have the methods of collecting and disseminating data in retail and beyond. The combination of mobile technology, artificial intelligence and machine learning is making it easier for businesses to gain a comprehensive understanding of what is happening on-the ground.

# **How Businesses Have Historically Collected In-Store Data**

Retailers and brands have historically relied on a number of tried and true methods to understand their brand positioning within stores and individual markets.

# Those include:

- Shop-Alongs: Researchers accompany customers as they shop through store, taking detailed notes of what the shopper is observing, purchasing and experiencing.
- Store Audits: A business's staff or a third party is sent into stores to conduct a comprehensive assessment of a product or positioning in a store. Store auditors will take note of pricing, shelf positioning, product appearance and visibility among other factors.









- In-Store Interviews: Shoppers in a store are asked about their experience including what they saw, what they thought about the product and why they did or did not buy.
- Reporting from Retailers: Retailers provide a business any number of insights into how a product is performing including point-of-sale data and product pricing. The Data Revolution 3 In-Store Data Collection Methods to Overcome Outdated Data<sup>1</sup>

# Why Existing Methods Aren't Good Enough Anymore

All of the aforementioned methods have helped retailers and brands alike uncover issues and opportunities. However, they're no longer suitable for businesses seeking competitive advantage in the ever-changing retail landscape.

# Here's why:

- Not Pandemic-Friendly: The pandemic has altered in-store shopping behavior for the foreseeable future. Retail therapy or leisurely browsing have been replaced by highly efficient and contactless shopping for the essentials.
- Expensive: Employing a third party to conduct store audits or shop-alongs can cost hundreds of thousands of dollars on expenses ranging from the cost to travel to specific store locations to salaries for the people doing the audits. The expenses are not justified by the less than significant return on investment.
- Time-Consuming: All of the research methods discussed above require a significant time commitment between planning, preparation and execution.
- Inefficient Use of Resources: If a business decides to staff shop-alongs themselves, that takes personnel away from other tasks they could be doing to help grow the business. In today's less-is-more world where businesses are stretched thin from a both a budget and staffing perspective, allocating personnel and capital away from other tasks to focus on tasks such as brand audits in individual store locations can be a risky proposition.
- No Real-Time Perspective: By their very nature, shop-alongs and store audits are time-consuming endeavors as highlighted above. This means that once enough data has been collected to generate an acceptable data set, it might not be reflective of what's happening in the market at the moment.
- Quantity Limitations: The amount of time and money that it takes to conduct any of the aforementioned research approaches imposes severe limitations on the amount of data that you can collect.









# **Crowd Empowerment - What It Is**

Crowd empowerment is the next phase of crowdsourcing. Crowd empowerment involves coming up with activities, or tasks, that aim to help a business learn more about a specific topic such as its positioning in a store or which markets it should enter next. People who do these tasks will fill out surveys, provide detailed insights, and take pictures at designated locations during a set timeframe.

How did crowdsourcing become crowd empowerment? Emerging technology coupled with widespread mobile internet availability and digital payment methods including PayPal and Coinbase have made it easier for businesses to connect with and collect data from shoppers. Shoppers, in turn, are rewarded for their contributions monetarily and are able to affect real-time business decisions.

# Pros:

- Real-Time Information: Crowd empowerment allows businesses to see data from shoppers as it is being submitted. This allows them to identify problem areas quicker and make adjustments accordingly.
- Agility: Crowd empowerment differs from traditional survey data because it allows businesses to make adjustments on the fly. For instance, if a task isn't going as planned, a business can adjust the language or alter the task so that it generates the specific data they are looking for. Crowd empowerment empowers you to iterate as often or as little as you'd like.
- Flexibility: Crowd empowerment tasks are not one-size-fits-all. They can be as simple as having people make sure that your products are where they should be or as complex as a complete competitive analysis that shows you how your products are positioned and priced on store shelves compared to your competitors.
- Larger Sample Sizes: By putting tasks out into a marketplace, you're able to get more data from more people in more locations quicker than you would through a shop-along or a store audit. Crowd empowerment allows you to see how your products are being positioned in urban versus rural areas or in different regions of the country quickly.
- Easy to Replicate: Crowd empowerment tasks can be repeated on a recurring basis, allowing you to identify trends over time and understand why you are seeing gains or brand erosion on a week-by-week or month-by-month basis.









Breadth of Information: Collect insights including pricing information as well as video, images, and audio through crowd empowerment. You can access user-generated content by rewarding shoppers in exchange for permission to use images and video collected during tasks on your product pages or social channels. Crowd empowerment makes it easier for you to collect qualitative insights to supplement the quantitative data.

#### Cons:

- Quality Control: People who do crowd empowerment tasks are not market research professionals. Therefore, you would need to work with your platform vendor to implement a quality assurance process and understand that not all responses are going to be created equal.
- Task Complexity: Depending on the issue you are looking to complete, certain tasks may be too complex for a large number of people to complete. When putting together tasks, make sure you work with your platform provider to develop clear, concise, easy-to-follow instructions.
- Commercial Sensitivity: Putting a task into a marketplace means that anyone who has the app can see what it is and discern what you're looking to accomplish. There are certain workarounds required to maximize confidentiality in crowd empowerment tasks.

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# In-Store Cameras - What It Is

The use of internet-connected in-store cameras has become more popular in recent years. That's because cameras can be used in-store in a variety of ways. For instance, they can show you shelf conditions throughout the day, giving you a better understanding of how consumers are interacting with your products and allowing you to contact store staff if display adjustments need to be made. Biometric cameras can also be used to track temperature and product conditions, allowing you to ensure that your product is being presented in ideal conditions. Paired with artificial intelligence, cameras can help you find patterns in billions of little observations that you might have missed with other research methods.









#### Pros:

- Real-Time In-Store Data: Wi-fi connected cameras allow you to see exactly what's happening inside of a store at any given moment. This allows you to minimize any potential risk and observe everything from how people interact with your product to the types of products they are buying alongside yours.
- Continuous Feedback: Rather than waiting on data to come in before you can react accordingly, live in-store cameras allow you to provide feedback to your retail partners on product positioning so you're able to maximize sales.
- Observe Shopping Patterns: Biometric cameras allow you to analyze foot traffic or product temperature. They also allow you to see how long people are spending looking at certain products or aisles. This can help you determine how to make your product or product packaging more engaging and appealing.
- Shoppers Are Used to Them: Cameras are just about everywhere in our society the moment we step out of our home. Thus, having a camera on a shelf is far less likely to make a shopper uncomfortable than it would have been in the past.
- Unbiased Observation: Cameras show you what's happening in the store with no filter. This means you're getting a completely objective viewpoint of how someone views and interacts with your product. This raw feedback can help you make smarter decisions by showing you exactly what shoppers really think.
- Ensure Compliance: Cameras can serve as real-time compliance checks, ensuring your brand is being properly presented in-store and that all promotional materials are where they need to be.

#### Cons:

- Complexity: Implementation of real-time cameras is an incredibly complex process, from setting up the camera to configuring and maintaining it. Additionally, cameras must be positioned in a way where you can get the information you need without intruding on the overall shopping experience.
- Maintenance: Cameras must have a constant power source, internet connection, and be positioned in a way that you can see what you need to see. This means from time to time, you will have to do checks to ensure everything is running properly.
- Staff Cooperation: Retail staff are stretched thin just like in every other business. Staff might not have the time or the motivation to ensure the cameras are working properly.









- Privacy Concerns: Not everyone is fine with cameras being everywhere. By placing cameras on shelves or in visible locations, you run the risk of alienating shoppers.
  - Can Be Costly: Setting up a network of cameras and the infrastructure needed
- to support those cameras at multiple store locations can be a costly endeavor. That is why before deploying them, you should have a clear strategy in mind of what you're hoping to accomplish and why.
- Lack of Flexibility: In-store cameras are static by their very nature. This means that while you'll have crystal clear visibility into what's happening where the camera is focused, you won't be able to get a bigger picture view of what's happening in the store or even on other shelves within your product category. This limits your ability to use real-time in-store cameras to do competitive analyses.

## Robots and Drones - What it is

Robots and drones aren't just toys. Retailers and brands are using them to get a holistic view of what's happening in a store. These tools can be a great way to check for Out of Stocks and other shelf-related monitoring to ensure all items are in stock and prices are accurate on a continuous basis.

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# Cons:

Shopper Comfort Level: Shoppers might be unnerved when they see a drone hovering overhead or a robot going up and down the aisles. This could limit the hours of the day in which you use these tools to collect data.









- Costly: Robots and drones that are able to gather the kind of data that a retailer or a brand would need do not come cheap. Further, robots and drones require maintenance to ensure they are working properly. Businesses that invest in these tools should be prepared to do recurring maintenance checks to ensure they are powered properly and delivering the data they need to be delivering.
- Staff Compliance: As with in-store cameras, staff may not be properly trained on or knowledgeable enough to properly use robots and drones in store.

# **Conclusion**

Technology has made it easier for businesses to gather more data points more quickly. If the disruption caused by the COVID-19 pandemic has taught us anything, it's that retailers and brands alike need to be quick on their feet in order to adjust to rapidly evolving shopper behavior. Emerging methods like crowd empowerment, in-store cameras, and drones represent the next stage in in-store data collection. Businesses leveraging technologies such as these are empowered to minimize risk, pivot when needed and capitalize on opportunities in the moment.

Are you looking for a more agile market research solution that will help you collect the data that you need, when you need it, while allowing you to shift priorities quickly enough to keep up with ever nimbler competitors? Get in touch with us today.

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