Win-Win-Win Alignment

Hello, I'm Ronny Max and welcome to the second lesson in Behavior Analytics 101. In the previous lesson, I introduced you to Behavior Analytics and In-Store Optimization. In this lesson, we're going to focus on the difference between the behaviors of business users and consumer behaviors, and why it is important.

In the business world, a common strategy is the win-win deal. It means that both sides need to feel like a winner in order for the deal to succeed. But in people-tracking solutions, especially in the context of the retail ecosystem, the technology has a direct impact not only on the client's organization, but also on the consumer.

The Win-Win-Win Alignment connects between the people-tracking technology, the consumer behaviors, and the behaviors of the business users. Let's see what it means:

If you want to know a shopping behavior, because you want an action by the business user, you need that problem-solution path in the people-tracking technology.

The first part in understanding the win-win-win alignment is to identify the behavior you would like to measure, and change. There are three categories of behaviors in physical retail.

The first is location. Location can be geographical, with longitude and latitude. It could also be an XY position within an image. And it could be a triangulation between three points.

Location can be defined as a metric. For example, in people counting, the system counts the number of people crossing a virtual line. Location could also be a calculated metric such as occupancy. And it also plays a part in distance analytics, for example in proximity traffic and in defining a shopping unit.

The second type of behavior is time-based. In essence, time-based metrics answer the question of "how long" does the behavior last. For example, Dwell Time refers to how long people stay inside the store. Service Time refers to "how long" is the interaction lasts between an employee and a shopper. And Waiting Time is a vital component of Queue Management.

The last category of behaviors is the specific activity. For example, you can measure if shoppers see an item, and then engage with the item, and then whether they decide to buy the item. In self-service kiosks, you can quantify the process of payment.

And as people-tracking technologies become more cost-effective, and more accurate, you will see more behaviors, for example micro-expressions for sentiment analytics.

And while not a "behavior" per se, the attributes of a person are also part of behavior analytics, for example gender identification and age range.

Once you identified the behavior you would like to change, the second part of the win-win-win alignment is to identify the action you want the business user to do.

For example, if the store's employees know, in real-time, how many people walked into the store, they can evaluate how far along they are in achieving their daily sales quota.

Queue Management is an example where the business user is the store manager because the objective of queue management is to prevent the formation of queues by having the optimize number of active cashiers.

Another category of business users are the executives, for example the District Manager, and specialized corporate managers in areas such as merchandising, marketing, and workforce management.

The important point to remember is that the same technology, the same data, can be used by different business users, for different purposes. It means that the, decisions on user's interface depend on who is your target user, for example web dashboards, mobile app, or smart watch, have different applications within the ecosystem.

The last part of the Win-Win-Win Alignment is connecting the client's problem and the solution provided by the technology. A successful project has a well-defined problem-solution path.

That does not refer to technology, but rather what does the end do with the technology in order to solve the problem. Another way of thinking about it is that the people-tracking technologies provide a solution to a specific problem.

It means that instead of installing the technology and waiting for the Return on Investment to appear, you want to define your problem-solution path within the people-tracking solution.

Here are some examples of the Win-Win-Win Alignment:

People Counting @Door: If you want to know the store's sales opportunity for Real-Time Foot Traffic, Sales Conversion, and Demand Analytics, you need high-accuracy count of Visitors

That is the classic people counting framework. "Visitors" is a highly versatile metric. Foot traffic is used in sales conversion calculations, and real-time occupancy alerts. It can be used as a performance metric for marketing. It is deployed in demand analytics and data visualization for motion studies. In analytical terms, "Visitors" is a metric that can also serve as a dimension for segmentation. And because foot traffic plays such an important role in retail analytics, accuracy is important.

Path Analytics @Malls: If you want to know where and how long visitors stayed in a location because you want to evaluate the performance and tenants mix of a shopping mall, you need path analytics.

The objective of mall owners is to maximize the revenue from the same physical footprint. In the long-term that means an optimization of the tenant mix. In the short term the objective is to evaluate mall branding and operations.

For example, a common practice is to understand the impact of Anchor Stores on mall-visitors and foot traffic patterns. With the demise of traditional department stores, there is an acute challenge to develop new type of anchors such as Apple stores, supermarkets, and restaurants.

Facial Demographics @Store: If you want a profile of shoppers because you want to improve the relevance of digital media, you need a Facial Demographics solution.

To accommodate privacy requirements and regulations, especially in a physical environment, instead of facial recognition, you have facial demographics. Facial demographics is a tracking technology that identifies biometric signals such as eye and skin features to generate data on gender, age group, and ethnicity. Because the data is stored as facial attributes with a random identifier, the information is anonymous.

The main beneficiary from biometrics technologies is marketing. For example, in digital signage, you can change the content, such as an ad for perfume, if the shopper is a woman or a man.

In summary, regardless of your project, you want to define your win-win-win alignment. Here's the framework again:

If you want to know a shopping behavior, because you want an action by the business user, you need that problem-solution path in the people-tracking technology

In the next module, you'll learn how to think about people tracking technologies, and specifically the auditing framework of Good Enough Accuracy.

But first, it's time to apply what you just learned. The next lesson is an exercise where you can define your Win-Win-Win Alignment.