

Mall Learns About Shopper Behavior from Location Information



EXECUTIVE SUMMARY

Company: Mayland Real Estate, Centrum Riviera Shopping Center

Industry: Retail

Location: Poland

Land Area: 70,000 square meters, 240 Shops

Challenge

- Understand shopper behavior to better compete with online merchants
- Measure effectiveness of marketing campaigns
- Increase business for mall tenants

Solution

- Built Cisco wireless network
- Collected and analyzed shopper location and dwell times using Cisco Connected Mobile Experiences (CMX) Solution
- Delivered personalized offers through mobile app (planned)

Results

- Enhanced shopper experience by providing free Wi-Fi and personalized offers
- Correlated shopper behavior with advertising campaigns and mall events
- Gained ability to see what types of tenants attract visitors

Mayland Real Estate tracks shopper location to evaluate marketing programs and make personalized offers.

Challenge

Online merchants have an advantage that traditional stores don't. They know what products customers have looked at, whether jewelry or running shoes. And this insight enables them to make personalized offers.

So, when planning a new shopping mall in Poland, Mayland Real Estate wanted to understand shopper behavior as well as online retailers do. The new Centrum Riviera mall would be the largest in northern Poland, with 70,000 square meters, 240 stores, restaurants, a children's playground, and a 1300-seat movie complex. "Learning more about shopper behavior would help us create effective marketing campaigns," says Andrzej Jarosz, director of marketing and communications for Mayland Real Estate.

Standard "footfall" solutions didn't meet the need because they only count people. They can't tell how long each customer stays, or whether the customer has visited the store before. And customers' own descriptions of their shopping habits are not always reliable. "To understand our customers, we want to see their real behavior in the shopping center," Jarosz says. "Whenever someone arrives at the mall, we want to know where they go, how long they stay in each area, and which stores they actually enter."

Solution

The Centrum Riviera mall opened in 2013. Visitors can enjoy free Wi-Fi from anywhere in the two-story complex, including the parking structure, thanks to 200 Cisco® wireless access points. "We chose Cisco because of its experience in retail and location tracking," Jarosz says. Hexa Telecom, a Cisco partner, designed and built the wireless network.

“For each event at the mall, such as a concert, we can count the number of people, the impact on their shopping habits, and how many shoppers visit stores before and after the event. We’ll see how different customer segments, such as casual fashion shoppers, respond to our events and advertising.”

Andrzej Jarosz

Marketing and Communications
Director
Mayland Real Estate

About four out of ten people who come to the mall bring a smartphone. After they accept the terms and conditions for free Wi-Fi, the Cisco Connected Mobile Experiences (CMX) solution goes to work. It can tell whether the person is visiting the mall for the first time or has been there before. And for the duration of the stay at the mall, the CMX solution tracks the areas that the person visits, and how long. “The information lets us know the shopping path of people who come to the mall for a specific event, for instance,” Jarosz says.

Results

Understanding Shopper Behavior the Way Online Merchants Do

Location information helps Mayland Real Estate measure the effectiveness of marketing programs. “For each event at the mall, such as a concert, we can count the number of people, the impact on their shopping habits, and how many shoppers visit stores before and after the event,” Jarosz says. “We’ll see how different customer segments, such as casual fashion shoppers, respond to our events and advertising. Real-life behavior is a better predictor of purchasing habits than age, sex, and other demographics. And it’s more reliable than people’s reports of their behavior.”

Seeing which tenants attract shoppers who visit other stores will help Mayland negotiate lease terms. And Mayland also plans to use the information from Cisco CMX Analytics to periodically adjust the mix of tenants at the mall. Retail is changing: “Shopping centers are becoming a place to have fun and meet people – not just shop,” says Jarosz.

Valuable Insights for Tenants

Location information is also valuable for Centrum Riviera tenants. Mayland will provide reports that show foot traffic at different time of day and day of week, how many people who enter the store are repeat visitors, and which stores they tend to visit before and after. “We can show location information over days, weeks, months, and also right now,” says Jarosz. “So when we host a concert, for example, each tenant can see how it affects footfall and the visitor profile for their store.”

The reports can also compare each store’s footfall and dwell times to similar stores, and to all stores in the mall. A shoe store manager who sees that other shoe stores attract more shoppers, for example, might decide to experiment with different displays or special offers. Knowing the number of shoppers at different times of day is also helpful for scheduling workers.

Next Steps

Soon Mayland will introduce a mobile app. Shoppers will receive personalized offers based on their current location, the types of stores visited in the past, and their preferences. Mall visitors who have previously gone to the cinema, for example, might receive advertisements about other cultural events. Or, during a slow time for restaurants, visitors who have indicated an interest in dining might receive a coupon good for the next 30 minutes.

“We can show location information over days, weeks, months, and also right now. So when we host a concert, for example, each tenant can see how it affects footfall and the visitor profile for their store.”

Andrzej Jarosz

Marketing and Communications
Director
Mayland Real Estate

Mobile shopping apps blend the best of traditional shopping and online shopping. “Shopping centers are becoming places where customers can see and touch products before they make an online purchase,” says Jarosz. “Joining the physical shopping center and mobile commerce is important for the future. And mobile advertising is much less costly than radio broadcasting.” Personalized offers also benefit mall tenants, because they don’t have to build their own direct marketing channel.

Technical Implementation

The Cisco wireless network and Cisco CMX solution can track 4000 mobile devices at the same time. Location is accurate in common areas such as corridors and food courts. Hexa Telecom and Cisco are currently working to fine-tune location accuracy to show when someone actually enters a store, as opposed to lingering near the door. Pinpointing location is exceptionally challenging in retail environments because of the interference from electronic equipment for sale, and from stores’ private wireless LANs.

Cisco CMX Analytics provides location information during the visit, dwell time, and path taken. For additional insights, Mayland uses a big-data analytics application. Some of these insights include:

- Frequency of visits based on customer segment, such as moviegoers or fashion shoppers.
- Number of new visitors, to measure the effectiveness of marketing campaigns and mall events.
- Number of people who spend a certain amount of time in one part of the shopping center - for example, less than 5 minutes, 5-15 minutes, or 15 minutes or more. Traditional footfall solutions show only the average time spent.

PRODUCT LIST

Wireless

- Cisco Mobility Services Engine with CMX (Connected Mobile Experiences) License
- Cisco Aironet® 1602 Wireless Access Points
- Cisco 5508 Wireless Controller

Management

- Cisco Prime™ Infrastructure

Data Center

- Cisco Unified Computing System™ (UCS®) C220 M3 Rack Server



Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
Cisco Systems (USA) Pte. Ltd.
Singapore

Europe Headquarters
Cisco Systems International BV Amsterdam,
The Netherlands

Cisco has more than 200 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

Cisco and the Cisco logo are trademarks or registered trademarks of Cisco and/or its affiliates in the U.S. and other countries. To view a list of Cisco trademarks, go to this URL: www.cisco.com/go/trademarks. Third-party trademarks mentioned are the property of their respective owners. The use of the word partner does not imply a partnership relationship between Cisco and any other company. (1110R)