



Capturing Insights

Video's importance as a source of retail information is growing

by LIZ PARKS

In the recently released report, “The Growing Value Proposition for Video Analytics in Retail,” IDC Retail Insights Research Manager Robert Eastman describes how the value proposition for video in loss prevention is continuing with steady improvement in video quality and other capabilities.

“At the same time,” he says, “much better analytics are now creating opportunities for new customer insights. By making more and better use of video analytics, retailers not only get better loss prevention, but may find a growing value proposition on the customer side as well.”

Video analytics examine recordings using intelligent algorithms to discern unusual occurrences and to alert operators within seconds of an incident and its location. From a centralized control center, the notified operator can visually verify and assess the situation and react appropriately.

Eastman says that “digitization means that video can be searchable and more immediately available.

That opens more and better use of video and video analytics by the loss prevention function across the retail enterprise.”

He adds that “as in-store technologies become more sophisticated, video becomes yet another sensor in the store, alongside beacons, Bluetooth, Wi-Fi, etc.”

INCREASING CAPABILITIES

Elaborating on the report findings, Eastman says many camera vendors have been steadily increasing the processing power and other capabilities of their systems.

“Now we see more innovation up and down the technology stack, more partnering among vendors and vendors acquiring other companies to add onto their capabilities,” he says.

“As we have seen in other technology segments, much of the action is moving from being a hardware play to a software play, with analytics, for example, getting better and better.

“The growing need for better customer insights is going to drive more innovation in video analytics, and

this is going to deliver greater capabilities to loss prevention, with many retailers being able to upgrade their systems in both areas,” he says.

Eastman advises retailers seeking to update their loss prevention systems to use the growing sophistication of video capabilities, leverage the much better camera capabilities available today and take advantage of things like digitization and online connectivity.

“On the software side,” he says, “find better video management systems, better reporting and greatly improved analytics to help understand what is going on inside their stores.”

EXPANDING VALUE

Eastman says high-level video analytics “can deliver value to retailers in an expanding number of areas.” These include better, more accurate people counting and improved traffic flows to bolster the customer experience and reduce or eliminate friction points in the customer journey. Additional benefits include better queue visibility and management, a heat map to show the specific locations inside the store that are getting greater or reduced activity, placement of signage and displays, more efficient allocation and placement of store staff and a more intimate view into store operations for upper management.

“In the heightened competitive environment,” he says, “these metrics and insights become increasingly important to fully understand the customer journey. We will see an increasing number of stores upgrading their use of analytics, and perhaps particularly in video analytics for loss prevention and also for in-store analytics more broadly.” **STORES**

Liz Parks is a Union City, N.J.-based writer with extensive experience reporting on retail, pharmacy and technology issues.