



Client Profile

Founded in Belgium in 1926, Godiva has developed a worldwide reputation for excellence, with a presence in over 70 countries offering a wide range of chocolate creations. Inspired by the values of Lady Godiva, Godiva Chocolatier strives to create the ultimate chocolate experience. Perfectly combining its craftsmanship and heritage, Godiva chocolate has become synonymous with luxury and innovation in the Belgian tradition, bringing the best of Belgium to the world.



Business Situation

Godiva's Regent Street store is one of the company's largest across Europe. The senior management team wanted to increase foot traffic in this flagship store. A decision was taken to examine shopper traffic numbers in order to understand conversion rates and the effectiveness of Godiva's visual merchandising campaigns.

Godiva was not using a traffic counting solution in Europe and there was no historical data to benchmark store performance against. At the Regent Street store, initial analysis focused on employing a member of staff to physically count shoppers in and out of the store. However, it quickly became apparent that a premium brand required a more sophisticated solution.

"ShopperTrak has provided us with a huge amount of data that helps to improve our overall performance: from staff training and power hours to weekly reports that enable us to react quickly to newly emerging patterns. ShopperTrak helps us to put the customer first, delivering the most luxurious experience possible — to complement our chocolate!"

– Sarah Hawkes, Senior Strategic Merchandising Manager, Godiva

Solution

ShopperTrak's people counting technology was already being used in Godiva's stores across the U.S., all of which had found it a very effective way of mapping traffic to conversion rates and of analysing data trends. The European stores chose the same solution, both to ensure a highly accurate traffic count and to maintain a consistent standard across the group. The technology was rolled out to company-owned stores in Europe and was delivering results within 3 months, completely exceeding expectations.



Godiva is now promoting the solution to its franchisees to enable them to benefit from a fully integrated, holistic and consistent approach to people counting and analysis.

In Regent Street, one of the first things the ShopperTrak solution revealed was that three-quarters of Godiva's visitors were not actually making a purchase. Reports also revealed more people bought products between 2 p.m. and 3 p.m., not the traditional lunchtime rush as the staff had always assumed. These insights enabled the store to make significant changes to staffing levels in order to improve customer service and conversion.

Challenges

The European stores were effectively starting from scratch; staff were unable to benchmark their conversion rates as there was no hard-and-fast rule for measurement. In retail, average conversion rates differ across sectors, locations and high-end versus value brands. Rates also varied considerably across the Godiva store network. Due to their diverse locations — some in high-density tourist areas and others in business and financial districts — peak traffic flows and conversion rates were not consistent.

ShopperTrak advised Godiva that it is more accurate to analyse each individual store's trends rather than trying to measure each store against the entire network.

Another challenge was acceptance. Godiva's employees were unaccustomed to the concept of traffic counting. Many of the staff and managers were suspicious that the technology was not working properly, or were not convinced that it could improve performance. However, training and education made the store managers ambassadors for the technology. The store managers then worked with their staff teams to ensure the whole store would benefit from the solution. Once they started to see their overall sales increasing as a result, store managers embraced the traffic counting data as a valuable tool.

Results

After installing traffic counting technology, Godiva's Regent Street store was able to take immediate action, seeing numbers of in-store transactions increase by 10 percent and conversion rates go up from 24 percent to 26.5 percent in just 6 weeks. Store managers are now able to plan staffing to ensure there is always a healthy shopper-to-associate ratio and to place the best staff on the shop floor during peak traffic times. They are also able to use the data to identify which members of staff need more training, depending on when conversion rates drop. They can now plan to carry out stock replenishments during low traffic periods.

Traffic trends and conversion rates are now used to plan financial targets for the year: what sales are predicted, when to run promotions and how to aim for incremental increases in conversions. The solution has also brought unexpected benefits. For example, window merchandising is particularly important to Godiva as a premium, luxury brand. Window displays are changed monthly and their impact on foot traffic is now closely analysed using ShopperTrak data.

“Prior to using ShopperTrak, we knew we had issues to address with our conversion rates, but I didn't know what they were or how we could deal with them. It was a huge step forward when we realised it was much more effective to base our staffing and marketing strategies on real-time data rather than on assumptions.”

– Sarah Hawkes, Senior Strategic Merchandising Manager, Godiva