



## ENDLESS AISLE GENERATES IMMEDIATE ROI

**The nation's largest sporting goods retailer realizes significant sales improvement with the installation of custom, endless aisle kiosks.**

Out of stocks and inconsistencies in product availability and inventory can mean the loss of significant sales for retailers.

A survey conducted over the 2011 holiday season uncovered that nearly 33% of retail shoppers left stores without buying all or part of what they came in for, resulting in an average loss of \$125 per customer<sup>1</sup>.

The top two reasons for lost sales were attributed to items being out of stock or the available selection did not meet customer satisfaction. When customers left the store without purchasing, only 25% of lost sales were converted by the retailer through another channel<sup>1</sup>.

When the largest sporting goods retailer in the country identified this as a pain point, they enlisted Storeworks to design and implement a customer/associate facing transactional kiosk geared towards alternative fulfillment opportunities.

### DEFINING A BUSINESS CASE

Before beginning the custom design effort, Storeworks Agents spent significant time in the retailer's stores, observing customer interaction and cataloging product searches which were not successfully matched with inventory on hand.

Storeworks then utilized the retailer's online presence to identify that a significant number of "walk-away" customers could have been satisfied utilizing an alternative fulfillment method based on the retailer's existing eCommerce inventory with access to that inventory from within the store.

"Our client needed to open their inventory and put the right mix of tools in place to provide customers with a

"sameness of inventory and pricing" said Storeworks President Troy Stelzer.

### TECHNOLOGY SELECTION PROCESS

The technologists at Storeworks worked with the client to build a use case and functionality requirements list and set out to assemble technologies which would allow the retailer to deliver on the use case and functionality required.

The Storeworks Labs were utilized to benchmark competitive technologies such as 8.5" thermal printers with cutter and presenter, 2D imaging barcode scanners, 22" multi-touch displays and CPUs. The findings of these tests were all recorded and presented to product manufacturers and ultimately the client via the Storeworks YouTube channel to ensure the impartiality of testing.

### COLLABORATIVE DESIGN AND DEVELOPMENT

Storeworks interviewed a cross-functional team from Store Operations, Store interiors and IT to gather input which would help shape the design ethic and functional capabilities of the kiosk solution.

Once the requirements list was defined, Storeworks' award-winning industrial designers crafted the enclosure that would house everything.

"Storeworks is the premier packager of technology in the U.S. We are technologists first and foremost, but we have a strong understanding of the nexus where technology and art intersect" said Stelzer.

"We keep a constant focus on the human use of technology; the constant struggle between proper ergonomics vs. Americans with Disabilities Act (ADA)

illustrates this focus perfectly. Our clients have come to rely on our expertise to craft solutions which comply with ADA and maintain an intuitive use."

### THE IMPACT OF ENDLESS AISLE

The finished product allows customers, with the assistance of a store associate, to purchase items directly from the kiosk when what they're looking for cannot be found in stores. Items are then shipped directly to the customer's home. Receipts and order confirmation are printed directly from the kiosk.

"The ability to have your store's entire inventory at your customers' finger tips is the ultimate win-win," said Stelzer. "Walk away customers are converted into revenue and customers leave the store satisfied, all without having to increase your store footprint or inventory."

### IMMEDIATE RESULTS

The Endless Aisle kiosk solution generated enough non-cannibalized gross margin to pay for the acquisition cost of the kiosk in four weeks.

Extrapolated out, this represents \$26 Million in additional annual margin for the client and one of the fastest ROI-ing projects in their history.

Storeworks' ability to deliver a successful, cohesive solution has led to numerous other projects with the retailer.



<sup>1</sup>Motorola Solutions 2011 Holiday Shopping Survey