Colateral + TAYLOR

Store Profiling: The Complete Guide

What's inside?

The resurgence of stores

Trying on a brand new outfit, smelling the freshly baked bread, or kicking the tires of a potential new car. Physical retail environments offer so much more than places to make purchases. They provide memorable in-person experiences, allow customers to connect with brands, and encourage interaction with products in a way that just isn't replicable online.

While shoppers rate online for pricing and convenience, up to 80% of purchases are still happening in physical retail environments, and a hefty 82% of purchase decisions are being made in stores. The opportunity to sell things in the real world is still thriving.

We've all walked into a grocery store with the intention of buying milk and bread and come out with four bags of food and a toaster! Or headed out with the intention of getting some new socks and returned home with a new t-shirt and a pair of sunglasses.

What makes us do it?

The in-store marketing and experience.

Carefully curated atmospheres, eye-catching deals, and emotive messaging. There's no denying it, marketing influences our shopping decisions and encourages impulse buying. Even those of us who are familiar with all the tactics at play aren't immune to it.

So what's the key to creating exceptional, consistent, on-brand experiences in every store? Great store profiling. With the rise of e-commerce and squeezed margins in store, this ebook unpicks the power of meticulous store profiling and how it can be used to future-proof your physical locations.
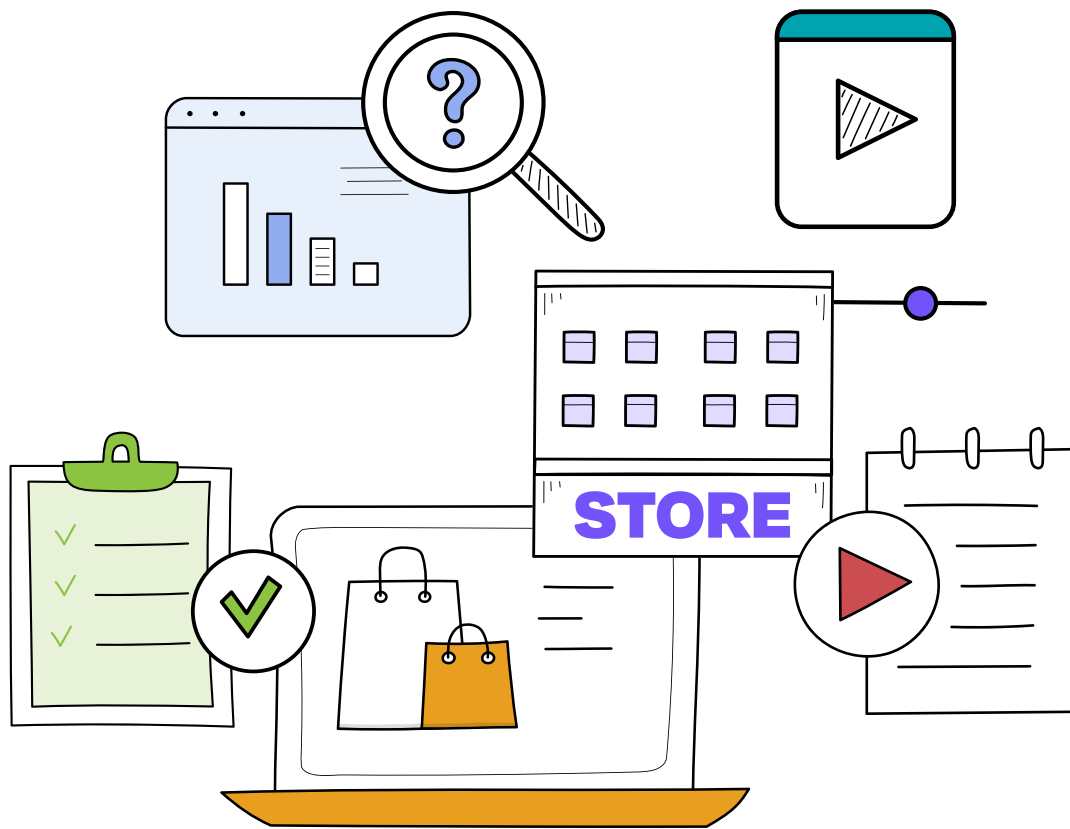
Rolling with the punches

For a few years now, the retail landscape has been turbulent to say the least. New challenges almost every quarter have changed how consumers shop, engage with brands, and make purchase decisions.

With supply chain disruptions and rising energy costs, retailers are rapidly adapting their approaches.

While distributing marketing materials to stores is a process as old as time, even these processes need to change to satisfy customers and drive revenues in-store.

The rise of e-commerce

With physical retail sales returning to pre-pandemic levels, you would be forgiven for thinking that all shopping habits have returned to normal. Well… not quite!

Shopping habits have significantly changed. Consumers are now more comfortable browsing online, testing products in-store, and returning online to complete a purchase.

The process is so fluid that retail marketers must have a complete omnichannel approach consistent across all customer touchpoints. This means switching out in-store promotions as quickly as you would swap Instagram ads.

It means running location-specific promotions in-store as you would online. If shoppers are confused or lost during the buying process, it's all too easy to look at competitor sites.
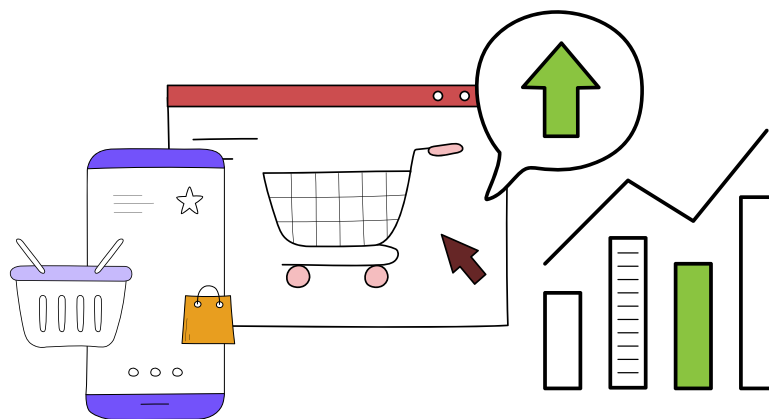
Squeezed margins in-store

While we're now over supply chain disruption and frequent stock-outs caused by the COVID-19 pandemic, the war in Ukraine has significantly increased the cost of energy, meaning the cost to simply open a store nearly doubled overnight!

With e-commerce incrementally growing - faster in some categories than others - retail leaders are rightly asking to prove ROI on physical locations. While more stores opened than closed in the US in 2022, there is a constant pressure for physical retail environments to offer better, more seamless experiences.

With rising costs and inflation hitting shoppers hard, too, retailers need to reduce costs in other areas and ensure promotions are highly effective at attracting and retaining customers while increasing cart value.

Campaigns must be quick to market, grab attention effectively, and be positioned in the ideal place to drive revenues. Marketers need real-time visibility and communication of all their campaigns, suppliers, and stores to adapt quickly and drive revenues.

The role of store profiling

So how does store profiling fit into this mix and help retailers produce omnichannel campaigns localized to hundreds of stores quickly? Let's dive into it.

Back to basics:

What is a store profile?

A store profile contains detailed information about an individual store that retailers use for more effective in-store marketing and operations. Store profiles include store fixtures and fittings, features, floor plans, customer demographics, location data, and more. They are created by conducting thorough research, usually in the form of an audit, and are often compiled on spreadsheets or in a location management system.
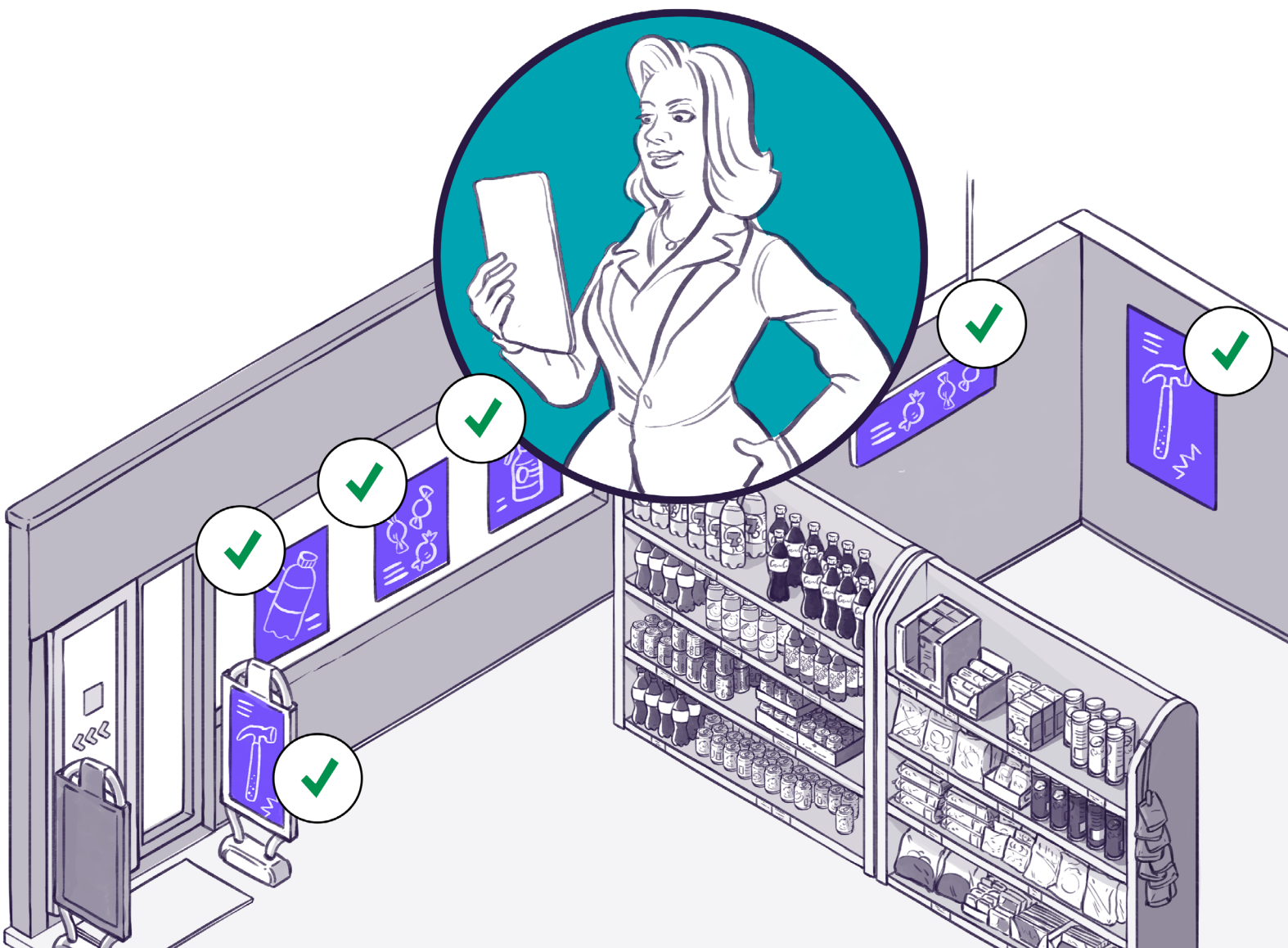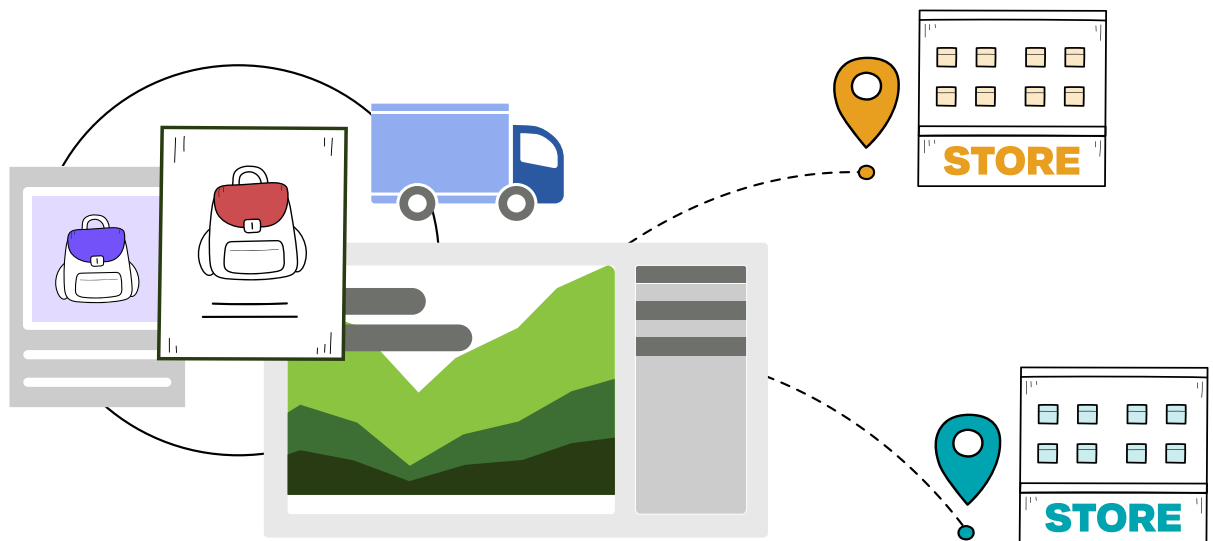
Why is store profiling essential?

Stores in any store estate differ greatly, whether across a single region or the whole globe. No two stores are identical from their size and window spaces to their physical location, surroundings, and local customer demographics.

Comprehensive store profiles are the Aladdin's cave of in-store marketing opportunities. Packed full of store information, from display area dimensions and fixtures and fittings to clever data about competitors, customer preferences, and local opportunities.

When a store estate has more than thirty outlets, store profiles quickly become essential. Without them, it's impossible to know which stores need which marketing materials and, more interestingly, which will work best in each store. Profiles can also facilitate store refurbishments, furniture and technology updates, floor plan changes, and more.

What information does a store profile contain?

Store profiles can be as simple or as detailed as you're able to achieve with the tools, time, and budgets available in your organization.

Store windows, quantities and sizes

Prices and promotions

Floor plans

Store features

In-store display areas

Store type
Store departments
Store categories

Staff
Manager details

Stock levels

Stock display

Store size

Stock location

Store address
Contact details
Opening hours
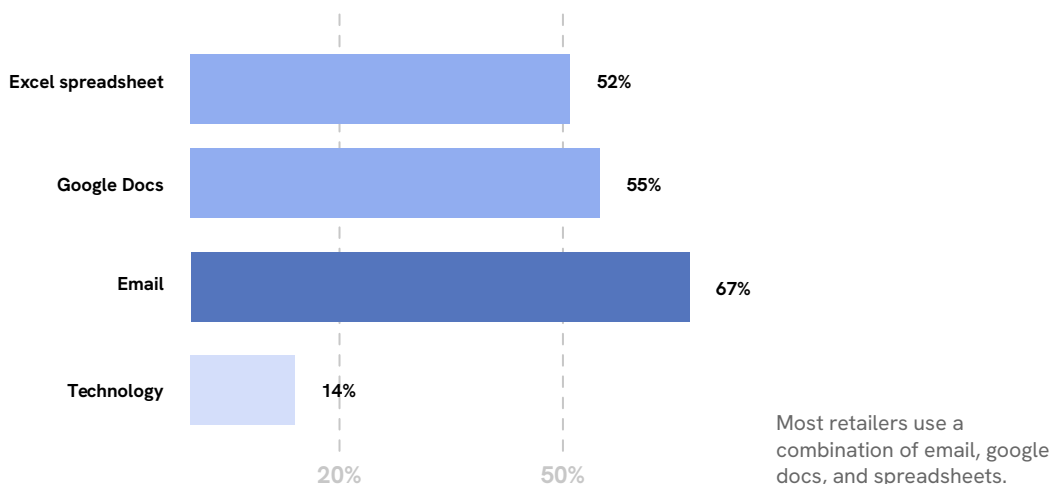
Fixtures and fittings

External display areas

Basically, if something's in your store, it should be in your profile.

Current store profiling methods

Store profiling is nothing new. If you've opened more than a few stores, you have likely wondered how to track exactly what's in each location. Often store profile information is saved across a combination of spreadsheets, email trails, and shared documents. Occasionally store marketing requirements are even housed in the brains of supplier or head office employees! Our recent research found that only 14% of multi-location retailers use technology more comprehensive than email, spreadsheets, and documents to manage their in-store marketing campaigns. Sound familiar?

Excel spreadsheet	52%
Google Docs	55%
Email	67%
Technology	14%

20%   50%

Most retailers use a combination of email, google docs, and spreadsheets.

Challenges with current store profiling tools

So, what's wrong with using these tools? They've worked for decades - why change now? Simply put, with the market changes we've experienced recently, they're obsolete. These store profiling tools have 3 key challenges that keep marketers stuck collating data rather than analyzing and using it.

Only **14%** of retailers use technology to manage in-store marketing materials.
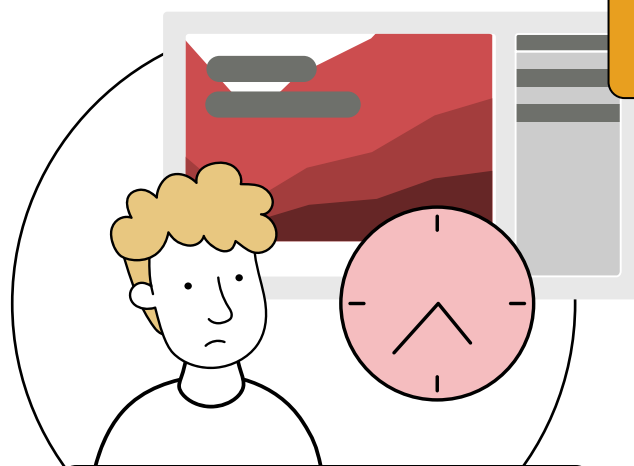
Top 3 challenges with current store profiling methods

Lack of store data accessibility

In-store marketing segmentation and localization is limited

CHICAGO

NEW YORK

TORONTO

STORE

Store data quickly becomes out of date

Lack of store data accessibility

With widespread use of email, shared docs, and spreadsheets, it's particularly hard for retailers to easily access and utilize the information they have about their stores.

Many head office teams have a limited view of their in-store spaces, technology, GNFR and marketing potential.

As a result, physical marketing is frequently planned and distributed with a 'one-size-fits-all' approach. Every store gets the same materials, whether needed or not, and the redundant stock is disposed of.

Retail displays contribute more than
2 billion pounds
of cardboard waste each year.

In fact, research shows that retail displays contribute more than 2 billion pounds of cardboard waste each year - we can only imagine the amount of paper waste. And, 30% (as high as 50% in some research) of produced materials never actually get installed in stores. That's a hefty chunk of the marketing budget being quite literally thrown away.

And it's not just the cost of the materials being wasted, marketing campaigns can take weeks of employee time to plan and create, from initial concepts and

designs to production, distribution, and installation. Some of which could quickly be redeployed with more streamlined processes.

Our independent research did show that 66% of retailers are minimizing waste by sending different quantities of materials to each store and 52% sending different sizes of materials to each location - so change is on the horizon. But, 76% reported that creating just one round of marketing materials takes a lot or an extreme amount of time and effort!

Store data quickly becomes out of date

Another challenge with current store profiling methods is that most of the data is collected in a store audit, which while a very effective starting point, can rapidly become out of date.

As soon as a store layout changes or there have been updates to fixtures and fittings, the audit information is no longer reliable. What does that mean? Marketing materials are unnecessarily produced and distributed to stores that no longer need them. And other stores lack the display content that they need, negatively impacting the look of the store and the customer experience.

The problem here is not the store audits but the absence of maintenance once the data is collected and stored. To be useful, store profiles need to be updated constantly, with a stream of accurate information from store or regional teams.

In-store marketing segmentation and localization are limited

Finally, huge opportunities are being missed. Large quantities of store data on spreadsheets make it very difficult to understand at a glance, particularly when it comes to bigger store estates. This means that alongside generic quantities being produced and delivered, localization of marketing content is also very limited.

Without properly segmenting marketing materials and checking their accurate installation across the estate, it is nearly impossible to A/B test promotions, notice trends and optimize future campaigns. All of these challenges impact store experiences, and sales can ultimately suffer.

What do multi-site retailer's report in 2023?

58%

58% report biggest pain point is stores needing different materials.

41%

Only 41% can "very quickly" determine which marketing kits and quantities are needed for stores.

76%

76% report it takes a lot or an extreme amount of time and effort to produce just one round of marketing materials.

29%

Just 29% know how much of the marketing materials they produce are used vs not used.

(of those surveyed - 225 multi-location retail marketing professionals)

Creating your store profiles with a retail audit

We now need to fill our store profiles with the rich information that will allow us to implement impactful campaigns in every location.

We'll collect comprehensive data via the ever faithful retail audit. But not all retail audits are equal.

Types of retail audits

Retail audits can be conducted in a few different ways, in-house by retail teams manually (without technology), with auditing technology or by third-party auditors. Another option is using a specific technology provider alongside a third-party auditor, but not all technology providers and auditors will be able to offer this. Many retailers outsource store auditing and profiling to print or media companies.

1. Manual In-house Audit

METHOD

- Paper-based questionnaires completed by store staff
- Data manually entered into spreadsheets / shared documents

COST

- Free other than the cost of staff resources

PROS

- Lowest cost option
- Flexible – data can be collected regularly / when required
- Staff have the best understanding of their own store

CONS

- Error-prone
- Forms can easily get lost / damaged
- Manual data entry into spreadsheets is very time consuming

2. Auditing Technology / Solution Provider

METHOD

- Purpose-built technology used by store staff to collect data (usually in an app)
- Can be used by head office to plan the audit (depending on the provider)
- Can also be used to maintain and analyse the data (depending on the provider)

COST

- $20+ per user per month for something very basic
- $400+ a month for more comprehensive packages

PROS

- Costs can be kept low
- Retailer has complete control
- Should be easy for store teams to complete (provider dependent)
- Flexible / reactive – data can be collected regularly or when required
- Data is returned to head office instantly
- Data can be collected in different formats, ie photos/video
- Staff have the best understanding of their own store
- Added benefits / technology, ie data storage and analysis tools

CONS

- Relies on store staff and their time/capacity to complete the audit

3. Third Party Auditor

METHOD

- External auditors visit stores to complete audits
- Using their own methods / technology
- May be able to be used in conjunction with a solution provider

COST

- $500+ per store visit
- Can do approx 4 store visits per day – distance and data volume dependent

PROS

- Professionals at auditing
- Can reliably collect data quickly
- Accountability is with the auditor

CONS

- Usually the most expensive option
- Long lead data is very quickly out of date
- Mistakes require a revisit
- Less control / flexibility in planning and completing audits
- Usually relies on auditors own technology and processes
- Possible security issues with a third party collecting data

While all auditing approaches will provide a more comprehensive understanding of your store estate, it only takes a layout change in one store to make that information obsolete.

So, it's understandable that many retailers are now looking to implement software to bring auditing capabilities in-house. When asked, 97% of retailers said they would like to enable store teams to conduct online audits via mobile app, which would then automatically update a master database.

Where do current store profiling approaches fall short?

Obsolete data:

Store profiles quickly becomes obsolete as stores open, close and reconfigure layouts days or weeks after you complete your annual audit.

Inaccurate distribution:

Without accurate data, you try to maintain your database for marketing campaigns, but inevitably, you encounter a change which causes you to send the wrong materials to stores.

One-size-fits-all materials:

To avoid expensive mistakes, you distribute the same material quantities and variations to every store. What could go wrong?

Expensive mistakes:

Got brand campaigns running in 50 of your 200 stores? When contracts expire, it's critical to pull all collateral at the right time to prevent potential lawsuits.

High wastage:

Generic marketing packs mean huge amounts of unnecessary materials are produced, resulting in high paper wastage and needless cost.

Uninspiring campaigns:

Your one-size-fits-all approach may prevent mistakes, but it fails to create an impactful shopping experience, resulting in lost opportunity costs.

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What does modern store profiling look like?

Modern store profiling is more flexible and adaptable than traditional methods.

Taking store profiling away from spreadsheets, shared documents, and emails allows for much richer and more detailed information to be collected and stored about each location.

New technologies allow retail teams to centralize their store profiles and connect them to other business areas - from store communications and display compliance to analytics.

They go far beyond being a repository of store data. Modern store profiling platforms allow you to save detailed and accurate data about every space in your stores in a way that is easily visible and accessible for marketing allocations and other business activities and decisions.

86% of retailers said a dynamic retail marketing platform would be very helpful

Store Profiling 2.0: Leveraging store data to drive retail performance

Store Profiling 2.0 no longer relies upon manual collection and storage of data. It works in a continuous ecosystem where store teams regularly update their store information which updates a central master database. It enables marketers to shift focus from collecting and checking data to leveraging data to drive retail performance across 2 key areas: In-store Marketing and Retail Media.
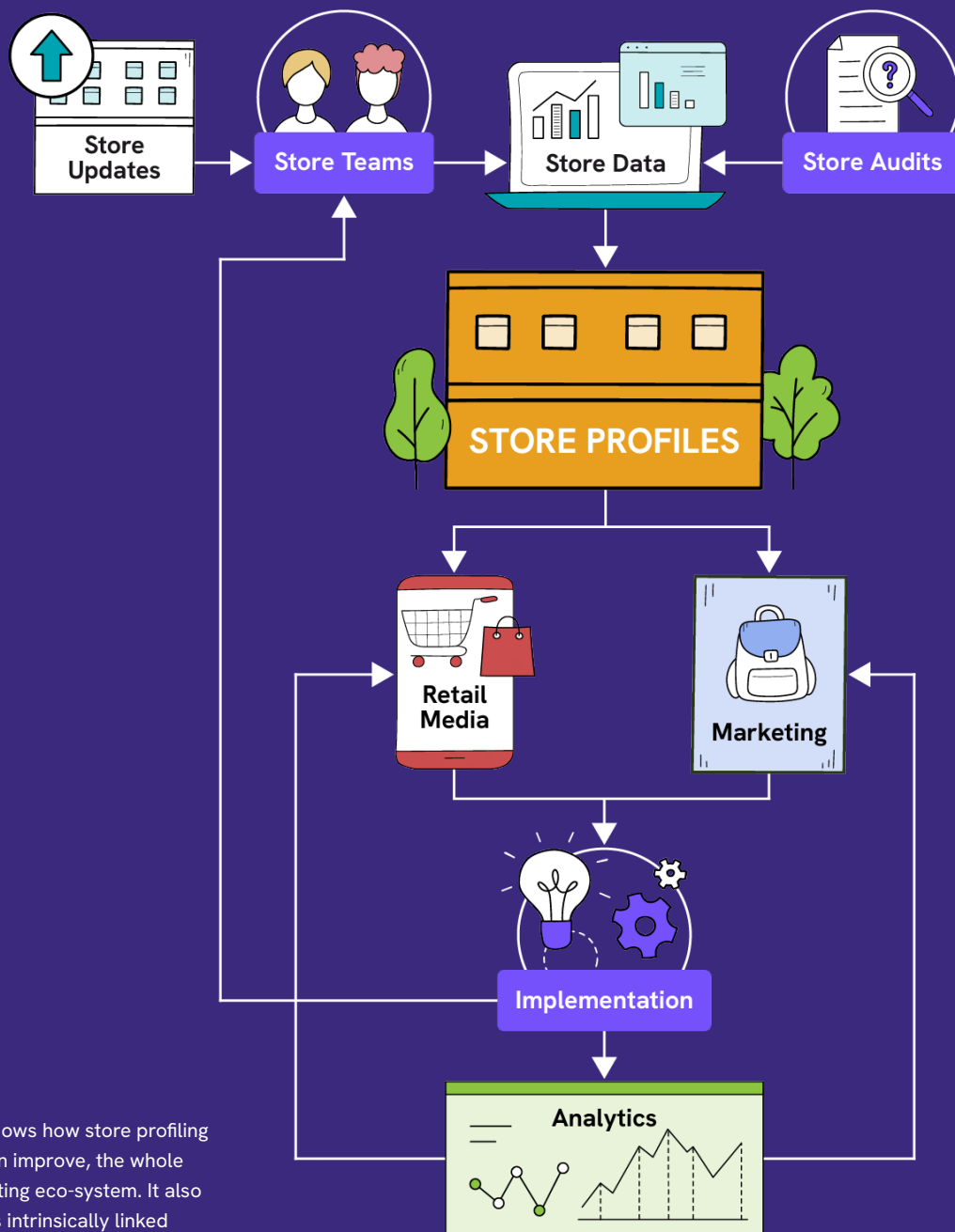
This graphic shows how store profiling affects, and can improve, the whole in-store marketing eco-system. It also shows how it is intrinsically linked to store operations and commercial opportunities, such as store space management and retail media.

Here are the benefits of this new system:

FEATURE	STORE PROFILING 1.0	STORE PROFILING 2.0
Store Audits	• Store data collected through annual or quarterly audits.	• Initial store data can still be collected through an audit. Then regularly updated every day by store teams so you always view the latest data.
Data Storage	• Store data housed in spreadsheets / docs. • One or two users can update. • No version control. • Data needs to be manually checked and updated before using in campaigns.	• Store data is housed in a centralized database. • Multiple users can be assigned permissions to update individual store information. All changes are tracked and version controlled.
Allocating Materials	• Store data is imported into another system or sent to a supplier to use to distribute materials. • Database must be checked before distributing materials. • Wastage is high as additional quantities of materials are distributed due to uncertainty of data.	• Store data is housed in a centralized database. • Multiple users can be assigned permissions to update individual store information. All changes are tracked and version controlled.
Rich-media storage	• No rich media data available. • Database might link to 3rd party systems to reference photos	• Store profiles hold floorplans, PDFs, photos and videos. • Floorplans include HTML markup of displays within the stores. • Digital floorplans can be included.
Store Segmentation	• Stores are grouped by basic identifiers such as "Flagship status" or "size"	• Complex data about stores including buyer demographics, store fixtures and fittings, and key features can be used to create rich, deep segments for campaign targeting.
Integrations	• Spreadsheets are flexible and can be imported into many different systems. • However, data must be formatted in specific way and may be lost during import.	• Seamless integration with connected campaign planning systems. • Rest API enables seamless data transfer with multiple systems. • Information can be exported as CSV.
Campaign Implementation Monitoring	• Rely on manual visits by regional managers to review implementation and report via email	• Store teams update the database with images of campaigns when they go live so marketers can review campaign implementation in real-time.
Analytics	• Manually request data from top revenue stores in area to review performance post-campaign.	• Information is automatically collated for immediate review and analysis post-campaign.

How store profiling technology increases profitability in retail locations

So how exactly does Store Profiling technology increase profitability in your stores?

1. Targeted marketing

Every individual store has unique sales opportunities that you can tap into with your in-store marketing and product promotions. With access to the right data, you can target in-store content based on anything from geographical location to local events, consumer demographics and micro trends. Knowing and exploiting these demands can quickly help you to boost sales. Ultimate optimization is pinpointing and targeting the segments that will offer the greatest returns.

A comprehensive store profiling system allows you to segment your stores based on anything from their surroundings and customer shopping behaviors to the distance to their nearest competitor. While previously, simply collating this information would be a significant undertaking, with the store profiling 2.0 approach, the data is dynamically maintained, enabling marketers to focus on segmenting and targeting campaigns to drive revenues. This enables you to be more direct with your messaging and deliver more effective campaign materials and promotions to those particular stores.

Marketing content localization takes this idea one step further. Our research found that just one-third of retailers localize their campaign messaging and offers. This could be tailoring promotions to buyer demographics, running competitive campaigns in stores close to competitors, or adapting your languages and pricing to local communities.

While content localization offers a significant competitive advantage to early adopters, it will soon become essential to remain competitive.

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2. Store-specific distribution

While our recent research found that 81% of the retailers surveyed needed to distribute different quantities of materials most of the time, only 40% said that they could very quickly determine what marketing kits and quantities were needed for each store.

Advanced profiling systems can compile large volumes of data and allow marketers to automatically allocate the correct quantities and variants of materials to each location when building their campaigns. With increased scrutiny on sustainable business and marketing

practices, this instantly reduces waste and production costs. It also simplifies and speeds up campaign installation for store staff as they only receive the materials their store actually needs.

And, with less than 50% of retailers reporting that they have a process to ensure proper installation of marketing materials at each location, store-specific distribution coupled with store communication and display compliance tools can guarantee correct installation and maximize every campaign's potential, further driving a store's profitability.
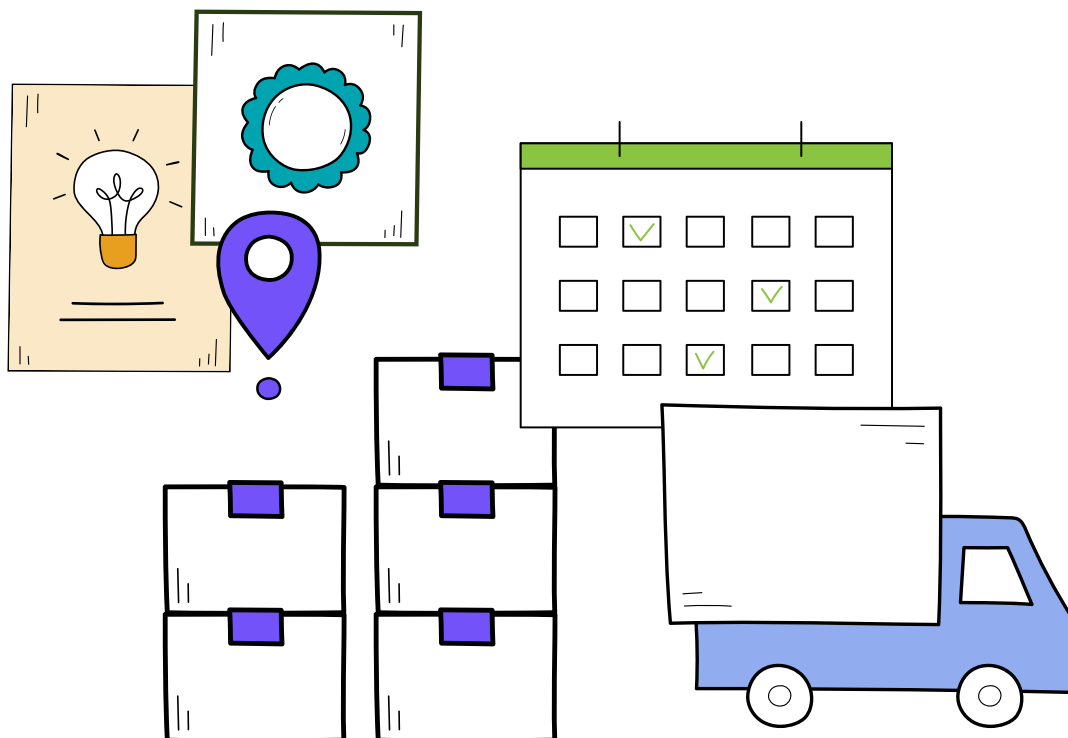
3. In-store retail media

To contend with increasing property overheads and stretched budgets, retailers are looking for new streams of income and profitability. One growing method of doing this is becoming more sophisticated in monetizing their physical estate. Physical stores offer an excellent opportunity to provide advertising space to brands. For brands, displaying their products at, or near, the point of sale is highly appealing as it increases the likelihood that customers will buy.

Store profiling technology can help you view your store estate virtually, monitor your in-store spaces, and even manage when they are occupied and by what and/or whom.

With retail media networks expected to reach $160 billion by 2027 and only 20%

of purchases taking place online, using physical stores as advertising channels is an important revenue stream for retailers. And, it can be used to offset some of the increasing costs associated with maintaining a physical presence.

Whether you are selling additional advertising space to existing brands or coordinating partnerships with new ones, retail media opportunities can only be exhausted with a comprehensive understanding of the store estate and each location's unique advertising potential.

When you know exactly what advertising spaces (from fixtures and fittings to screens to specific in-store areas) are available in your stores, you can easily sell and monetize them.

97% of retailers demand in-store tech

While current adoption is slow (all but 14% of retailers rely on spreadsheets and email to manage in-store marketing), most highlighted a desire to change their processes.

Our research found that 97% of respondents wanted to introduce software to streamline their store auditing and profiling methods.

That's not surprising considering the potential cost savings and opportunities that arise when the process is better managed.

Store profiling with Colateral

With Colateral's location management module, you can save, access, and easily update detailed information about all your stores in a central online space. That data can be utilised across multiple teams, from marketing and operations to estate management.

Use it to drive sales by enabling you to deliver laser-targeted marketing campaigns and cut costs on purchases, installations, and refurbishments with complete visibility of which store has what at any point in time. Allowing you to create bespoke questionnaires and your store

teams or regional managers to instantly report through the system on campaign installation and store requirements - or changes to requirements - means there are no lost emails, and no forgotten changes.

Not only that, your remote teams can also share photos of your stores which are instantly linked to their store profile on the platform. From photographs of individual campaign installations to specific spaces or areas in stores - this allows you to check marketing compliance remotely and plan more effective campaigns in the future.

Budget control

Marketing planning efficiency

Optimized marketing content

More cost-effective and efficient production and distribution

Seamless in-store execution

Better customer experiences

Take control of your marketing

Overall, meticulous store profiling gives you complete visibility and control of your stores. It can drive performance by allowing more targeted and profitable marketing, cutting costs, and reducing waste with a more resourceful approach to store operations.

Colateral allows retailers to make data-driven decisions that optimize marketing operations. This new connected approach to store profiling ensures they stay competitive in the rapidly changing retail landscape, minimising costs and waste while delivering better customer experiences and driving more sales.

To learn more, book your free consultation today.

What retailers are saying about in-store marketing

Research referenced in this ebook
We surveyed 225 influential marketing leaders, all of them representing multi-store U.S. retail organizations — some with hundreds of stores. See all the findings here.
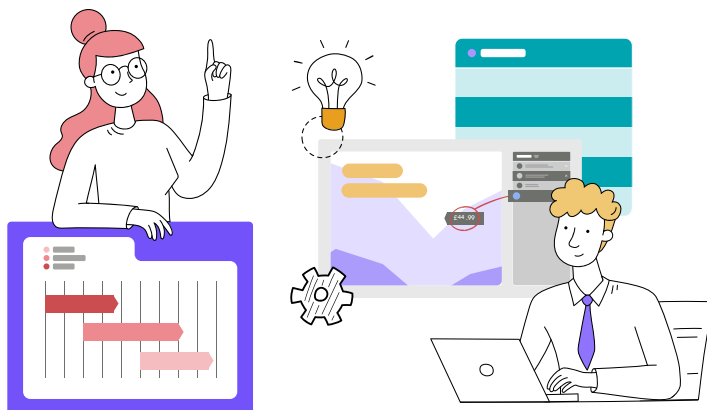
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