

Store Traffic

If your store receives a 10% increase in traffic from one period to the next, and a 10% decline in its ability to close sales, there will be no net change. But in fact, you're missing the real story. First, there is a 10% improvement in your store's ability to attract



the decline in productivity would likely be blamed on a lack of customers – which is simply not the case. Without an accurate traffic count, you could be missing important reasons for ups or downs in your numbers.

Counting traffic lets you know with certainty what is happening in your store and allows you to make faster, more accurate decisions.

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Benefits of Counting Store Traffic

In every store, every day, the sales made can be expressed mathematically as:

$$\begin{array}{r} \text{Traffic} \\ \times \\ \text{Closing Ratio} \\ \times \\ \text{Average Transaction Value} \\ = \\ \text{Sales} \end{array}$$

Predictable patterns

Once you monitor sales using traffic counts, you'll notice predictable patterns that will help you in almost every area of store operations – from staffing, to inventory levels, and more. Understanding your store traffic enables you to staff your store using a relatively consistent ration of staff to

customers. Great advertising will generate traffic, but successful promotions require staff support, pricing, and in-store merchandising.

Determine your sales potential

Counting traffic will allow you to determine your sales potential by allowing you to capitalize on your opportunities. You'll be able to see what percentage of your traffic you're closing and concentrate on increasing that number; making further adjustments to merchandising efforts may further improve your potential.

Eliminate excuses

Staff performances will be easy to determine as the statements

“there were no customers!” can now be verified. If the customers were there but staff failed to close the sale, training and coaching can resolve the problem.

Put results into perspectives

Perhaps the most important feature of counting store traffic is its ability to put your results into perspective. Once you understand your traffic and see that traffic is not random, it is within your control as the single largest factor in the sales you do.

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