adidas Czech Republic and Slovakia.

Advanced video analysis used by leading manufacturer of sportswear and sporting goods.

Organization:
adidas Central Europe East

Location:
Czech Republic and Slovakia

Industry segment:
Retail

Application:
Merchandising and operations

Axis partner:
NetRex s.r.o.

Mission

adidas needs no lengthy introduction. Almost everyone knows this leading worldwide manufacturer of sportswear, sports shoes, and sporting goods. However, even a huge corporation like the adidas Group cannot afford to fall asleep at the wheel and is continuously on the lookout for new ways to increase sales and optimize costs. One of the ways chosen by the central headquarters of adidas Central Europe East in Bratislava was to accurately measure traffic in its stores in the Czech Republic and Slovakia.

Management's objective was to find a reliable and accurate way to count the number of visitors to its stores, which can be easily interconnected with other systems that the company currently uses. The requested final output is a functional tool that can be used to measure store performance, monitor marketing campaigns, and plan changes.

Solution

The solution chosen was the People Counting System provided by NetRex s.r.o., a software company focused on developing and supplying modern video network technology applications. The company works in close cooperation with the leading Swedish-based Axis Communications and uses IP cameras and software manufactured by these companies for its own projects. Thanks to these products, the NetRex solution was able to satisfy the requirements defined by adidas Central Europe East.

The installed AXIS M3113-R Network Cameras combined with AXIS People Counter software are fully connected to a central NetRex platform, which provides a number of services, including a single point for accessing and controlling the functionality of the equipment. In addition, the central platform cuts the costs associated with additional servers, as, in this case, they do not need to be purchased for the company's headquarters and its individual stores.

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> "An accurate, simple, and reliable solution. I must say that this system, using the leading-edge Axis network cameras and AXIS People Counter software, is exactly what we envisioned and fully meets our expectations."
>
> Jozef Barniak, Franchise Development Manager, adidas Group, CEE Market..

Result

The people counting cameras provide management with clear, comprehensive information about the periods of time when store traffic is heaviest. When combined with the information from the cash tills, the system makes it possible to calculate conversion rates that can be used to evaluate the performance of the individual stores. In addition, the solution also provides a tool that can be used for planning shifts and marketing events, based on the actual value potential of visitors to a store as compared to only historical transaction data.

Use of video technologies on the rise

In this particular case, today's high-performance video technologies are used for counting the number of people who enter and pass through a store. The cutting-edge AXIS M3113-R IP cameras, equipped with the high-performance AXIS PeopleCounter smart video application, provide very accurate information about the number of people who are passing through the store and even the direction of their movement. When compared to other technologies, such as optical gates, they are able to record several people arriving or departing at once. The accuracy of the video analysis is 95-99%.

"The implemented software solution is based on AXIS Video Hosting System, which we have significantly adapted to our clients' requirements through intensive development. Key advantages of AVHS include the easy access it provides to the cameras and data, the ability to define user access rights at several levels, and the system's flexibility and ease with which it can be adapted, including many possibilities for integration with third-party software," says David Capoušek, the Director of NetRex s.r.o., the company that designed, installed, and operates the system in the adidas stores. "The AXIS People Counter application that is integrated into the NetRex system and is used in the connected cameras is truly an excellent product that has been proven in practice over many years for measuring traffic and attendance," he added.

The hosted system operated on the central platform provides adidas with a cutting-edge solution without the need to obtain its own servers, applications and personnel responsible for this additional hardware and software. One of the many useful functions offered by the central platform is the ability to define automated controls of the status of the connected equipment. If the equipment is disconnected or there is a problem with counting, the service personnel are automatically informed via an e-mail or text message.

Only that which can be measured may be improved

The IP cameras installed at the store entrances transmit information to the central platform about the number of visitors to each store. The NetRex People Counting service processes this data and generates interpretations of it in graphs and table output. Thanks to the interconnectivity of the data, this information is also transferred to the other internal systems used by adidas. The company's management thus has access to a powerful marketing and management tool. It can be used to determine whether a particular marketing campaign is filling the stores with potential customers. At the same time, it makes it possible to optimize staffing on the basis of traffic at individual stores. Thanks to its integration with the company's cashbox system, the company has the ability to calculate the conversion rate, which provides information about how many visitors to a store actually make a purchase. The conversion rate is an accurate key indicator used to measure the performance of each store and makes it possible to compare their individual results.

The present and future

In addition to the system's accuracy and reliability, the company's management greatly values its fast and clean installation, which leads to additional cost savings. The implementation process is also speeded up by the fact that the system can function using the current security principles in place for the local network and therefore no security changes, including modifications to firewall settings, have to be made. The NetRex People Counting service has proven its worth and its expansion into other regions is planned.

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