

Q&A with Alejandro Muther, President of Kimetric using Cameras and Sensors to provide Retailers with In-Store Analytics to understand Consumer Behaviors enabling them to better Engage with Customers and Increase Sales



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CEOCFO: Mr. Muther, what is the concept behind Kimetric?

Mr. Muther: What we basically do is in store analytics. We use a combination of cameras and sensors to understand consumer behavior, to be able to know the gender, the age and the state of mind of the customers; if they are happy, sad, surprised or angry. We use weight sensors and other types of sensors to know if that customer is, for example, picking up a product or returning that product, so that we can understand the conversion funnel for a specific display or isle of a supermarket or a window display for example, to understand how customers are engaging and which is the product that they are seeing more and what type of customer is seeing that product. At the same time we can use different ways to act upon the customers. Those could digital signage displays or any type of interaction in such a way that we can get the customer to buy more products.

CEOCFO: How do you assess the various elements? What is the technology? What is the physical part that needs to be in a store or in an aisle or in a product? Would you walk us through how it works?

Mr. Muther: That would depend on specific solutions that we may develop for the customer. Some of our customers use complete units. Those could be counter top displays or end-caps for example, that already has all the technology. That includes the camera, which enables us to know the facial features of the customers and the distance they are from these things as well as the set of sensors. Those are weight sensors to know product availability as well as **time-of-flight** camera sensors that basically measure the interactions of the hands with the products. For larger displays, we basically use the same core technology, but it is implemented in a modular way so that you can add different components to measure those same KPIs.

CEOCFO: How do you help a company decide what is the best way for them to go about accessing activity?

Mr. Muther: Most of our customers already measure sales and KPIs. They usually do this in manual way. They will get someone to go to a store and observe what is going on and then translate those readings into a paper and then into a physical report. Therefore, we try to mimic the way that our customer defines that conversion funnel. Then we try to automate the process to measure it continuously. The way that we decide to use different type of devices could depend on the specific needs of the customer. For some of our customers we basically need a smaller image and other customers need a supermarket size. That would depend on the type of industry and customer that we have at the level we are working for.

CEOCFO: Are consumers visiting the store not concerned that someone is measuring how happy they look at any given point in their time in a store?

Mr. Muther: We do not record any personal information. There is not a way to track an individual customer back. There are no images being recorded. The only things that we get are the broad data from the sensors. Therefore we get, for example, that a young adult male that was happy picked up a specific product. Therefore, no privacy has been violated and there is no way to track it back to the customer. This would not be very different from being filmed for security reasons. We even process less information than a security tape.

CEOCFO: How do you present the results? What do you give to the customer? Do they want a lot of details?

Mr. Muther: We give them a real time dashboard where they can see the core KPIs that we are measuring for them. We also give them a weekly or monthly report that is going to have much more detail, as well as some of the insights that we discovered. What we find out with some of our customers is that they already have an internal team to go through all of the data that we collect. Therefore, we try to condense that into things that they can actually act upon and that they can change with promotions or with discounts or changing the panorama and so on.

CEOCFO: How do you decide how much weight to give any specific measurement? Does it vary by industry or product?

Mr. Muther: Absolutely. That would vary significantly depending on the type of product that you are selling. It is not the same thing to sell, for example, chocolate. That is going to be a much more impulsive buy than dishwashing soap. The importance of each step and the way that we define that conversion funnel will vary depending on the product that we are selling and the specific activity that we see for a specific category. When we start for a new category we will measure behavior before we actually define that conversion funnel. We will see how customers are reacting to that, what is the most important components of the decision making process and then we will define that conversion for that specific customer. However yes, it would definitely vary depending on the type of products that you are selling.

“We use a combination of cameras and sensors to understand consumer behavior, to be able to know the gender, the age and the state of mind of the customers.”- Alejandro Muther

CEOCFO: Do outside factors come into play, such as weather, or is it strictly what is happening at the point of contact?

Mr. Muther: Absolutely. We use external data as well. Weather is a very good example of something that will have an effect on what a consumer will buy. They would not usually buy a chocolate bar if it is very hot outside. With fashion, for example, you will not see boots being sold until it is cold in the specific region or location of that sort. Therefore, we can actually add external data; the weather and temperature and also promotions, both from the manufacturer that we are working with as well as their competitors, to see the effects that those external actions are having in the customer receipts.

CEOCFO: Would you give us a specific example of something Kimetric evaluated and what you were able to find out that your customer did not really know was happening?

Mr. Muther: One example would be a beverage company customer that works with us. We installed one of the first units for them. This was in a specific supermarket chain. This supermarket chain had a community discount; basically a coupon discount set for customers that are brought into the community for that specific supermarket. This brand thought that that community was not very affected and they never joined with those coupons. We actually found out that Tuesday that was the day that those coupons were actually valid and that specific supermarket had more traffic than on the weekends; Saturday and Sunday together. Therefore, when we actually discovered that they were able to test out different products that they sold to see which ones were most effective and we discovered that those customers were price sensitive. Therefore, a very large bottle of soda was used to increase conversion. Therefore, we were actually able to increase the conversion rates for that specific store in over 300%.

CEOCFO: What can you do at Kimetric that your competition cannot??

Mr. Muther: We are very good at combining different components through their measurements. Some of our competitors only use cameras. Other competitors only use sensors. We are able to join all of this together and to create a very effective way to measure consumer behavior with different components that enable us to measure the behavior in a very precise way. We are also a little bit different in terms of that we are able to recollect the data and we are able to act upon that data in real time. Therefore, we are able to get the data that we get from the sensors and the cameras and display in real time different promotions or discounts, depending on the type of customers that the display may have in front of it.

CEOCFO: *How are you reaching out to potential clients? How would a company find you if they are looking?*

Mr. Muther: We were very lucky to be selected by Microsoft Ventures, one of the first affiliators that we actually worked with via the Microsoft team to engage with customers. We were also selected by NRF this year to be part of their innovation lab.

CEOCFO: *How is business?*

Mr. Muther: It is doing very well, thank you.

CEOCFO: *Why choose Kimetric?*

Mr. Muther: One of the things that we see today is that the price of the sensors and the cameras has significantly reduced, which enables us to stock things that we were unable to stock before, at a very reasonable price. This is information that is very, very valuable for the manufacturers. Therefore, when you think about retail, ecommerce retailers will have a lot of information and they would know how much traffic they have, which products were seen, which products were actually purchased and which step of that conversion funnel you lost the customer and so on. When you go to physical retailers, there we have this information and we are able to provide that information in a very effective, cost effective way and in a very precise way. They can actually act upon the customer and increase their conversion rate in a very significant way.

