



Case Study :



Beonic Pty Ltd

About Pandora

Back in 1982, the jeweller's shop that would one day become Pandora, was established by the goldsmith Per Enevoldsen and his wife, Winnie in modest surroundings on Nørrebrogade in Copenhagen, Denmark. They often travelled to Thailand in search of jewellery for importing, and as demand for their wares increased, the company shifted its focus to the wholesale business.

In 1987, after several highly successful years as wholesalers, the company discontinued its retail activities and moved to larger premises. After a few more years as wholesalers, Winnie and Per were inspired to open their own factory in Thailand as a means of ensuring, among other things, control of their own designs. Lone Frandsen was hired as a designer, and the company began to focus on creating a unique jewellery brand. In 1996, Lisbeth Larsen, goldsmith and designer, joined the company and, together with Lone, has played a key role in defining Pandora's style.



1999 saw the launch of Pandora's ever-popular charm bracelet on the Danish market. Consumers quickly embraced the concept, and Pandora grew hand in hand with the increase in demand. In foreign markets, interest in Pandora Jewellery has also been keen, turning Pandora into a global brand that is currently sold in 18 countries.

Pandora has gone from a two-man business 27 years ago, to a team of 35 at its head office in Copenhagen, with 1,000 workers at Pandora Productions, its factory in Thailand.

Since Karin and Brook Adcock launched Pandora in Australia in October 2004, the company has grown significantly. In its first year, the company had just two employees and was stocked in 40 stores across Australia. Today, Pandora employs over 175 people and 690 retailers sell Pandora jewellery in Australia and New Zealand.

Karin and Brook brought skills to sustain the company through a period of stellar growth: Karin's sales and marketing knowledge and her flair for business created firm foundations for a strong brand presence in Australia, while Brook brought IT and financial nous to the organisation.



In its second year, Pandora quadrupled its turnover and it has achieved well over 100 per cent growth in the subsequent years. Brand awareness was non-existent in 2004, and in 2009 Pandora achieved a prompted brand awareness of 54%.

Pandora is now one of the most recognised jewellery brands in the region. Additionally, the Australian operation stands out in Pandora's global picture, accounting for 21% of global sales and Australia sits just behind in the USA as its second largest market.

A Medal of Honour was presented by the Danish Ambassador, Mrs Susanne Shine on 11th June 2009 on behalf of HRH Prince Henrik of Denmark at the Sydney Opera House to Karin and Brook for their work.



What were the challenges that led to buying traffic counters?

In October 2008 when Retail Operations Manager, Carmen Bozic, joined Pandora from a 23 year career at Myer, the business was largely a wholesale operation with just two company owned retail stores at the QVB in Sydney, and Hay Street in Perth.

One of the first things Carmen noticed when she walked into her QVB store was the lack of knowledge about customers entering and exiting stores so raised this issue with Penelope White (Head of Sales).

Carmen wanted to be able to measure the traffic flows and the conversion rate of staff. *"I thought it was very important to know how many people are going in and out of our stores. My background at Myer taught me that traffic is important to understand, and so I suggested to the company to invest in these devices."*

"The original concept with Pandora was beads and bracelets. We take pride and passion in the way we serve our customers. Serving our customers can be quite quick but there can be times when we need to spend more time to satisfy the customer. For a rewarding customer experience, it is most important to give our customers the correct information when matching their bracelet and beads. So scheduling staff for sales coverage is very important to us" Carmen said.

Pandora operates retail stores in 18 countries with Australia being the first to implement traffic counting. Carmen says *"Copenhagen is learning much from the way we are growing the operation here."*



Deciding upon the Solution

Carmen's research included investigating the QVB Shopping Centre, the location of the first Sydney Pandora store, and found that the Centre was using Beonic for traffic counting.

After having spoken to a few traffic counting firms, Carmen chose to work with Ken Warmington, Sales Manager at Beonic, because of experience, the complete offering of hardware and software, and the helpful attitude in determining the best way to use traffic counting for Pandora's business growth.

The specific criteria that Carmen was researching from potential suppliers were:

- Accuracy in measuring traffic
- Calculation of conversion rates
- Monitoring of traffic trends against benchmarks
- Ease of use in the software in getting operational knowledge out of the data
- Experience in using the information for rostering staff
- A track record locally and internationally
- Responsiveness for support
- Coverage across Australia for installations and support, and
- Flexible and easy to get along with

"It was a combination of all of these factors really that led me to settle on Beonic"

- Carmen Bozic, Retail Operations Manager.

Pandora installs an overhead thermal sensor at each store entrance. Carmen explains *"Every time we open a new store, we put Beonic in as part of the fitout. Beonic have trained our security systems installers to put the thermal cameras in at the same time as installing the CCTV systems. If we have a real problem, we contact Beonic. Adrian is really good to us."*

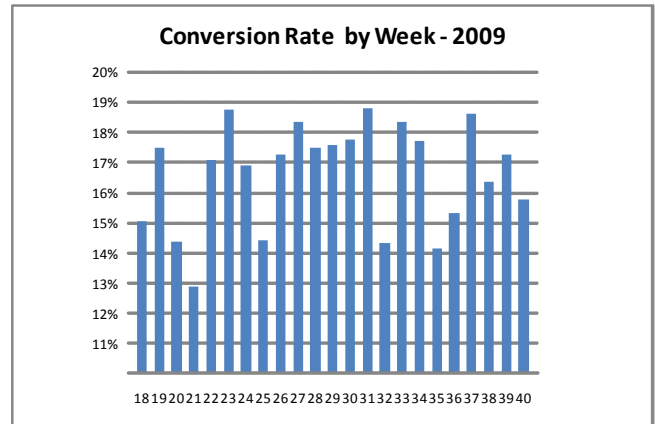
Pandora has installed Beonic's Traffic Insight™ software, and this provides the information and reports for Carmen and her retail team of store managers. Data is integrated with their POS systems so that conversion rates can be monitored.



The benefits to the organisation

Carmen Bozic, Pandora's Retail Operations Manager says *"We like to measure store performance according to the number of people who come in the door. And with Beonic, we know how many people are in the store at all times and therefore we can see that we are rostering correctly"*.

Carmen explains *"Each store has their own unique traffic profile depending on location, market, customer and demographics. At Marina Mirage, for example, the traffic keeps mounting from 12 noon onwards. When we saw this, we altered our staffing to suit and saw sales increase quite significantly. We're all pretty impressed with that."*

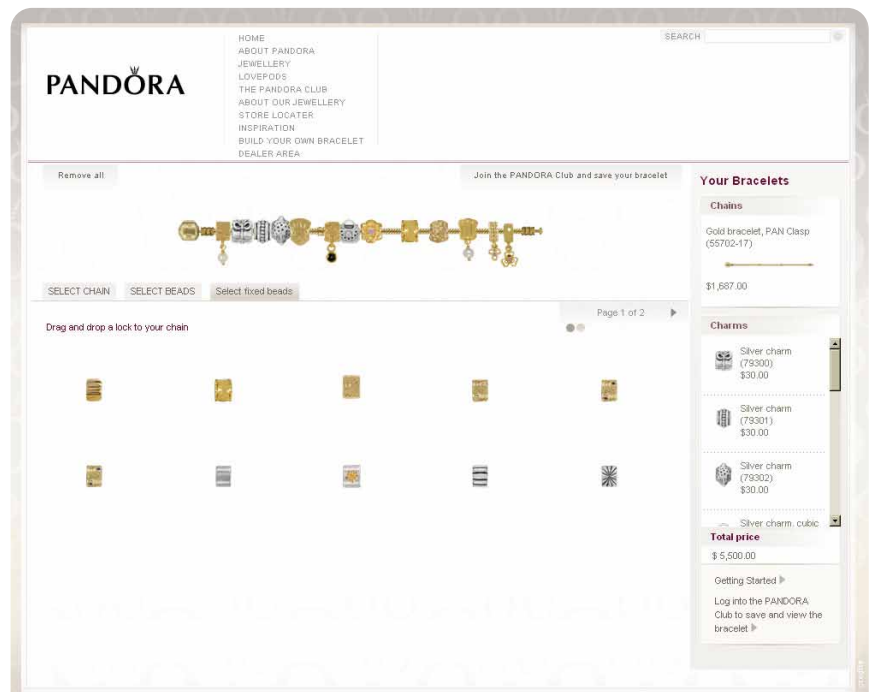


** Demonstration data only.*

Tracking the performance of advertising and promotions is another key benefit from Beonic's systems for Pandora. The marketing department monitors the effectiveness of all advertising and promotions by seeing the effect on store traffic in real-time.

"Beonic is absolutely integrated in everything we do. It's not just about sales, it's about category share of performance, basket size, and conversion rate" **says Carmen.**

Store managers have been brought along on the journey too. They are very interested to see the traffic load, and compare the staffing ratios to traffic. *"Our store managers are very interested to monitor the ratios and the conversion rate. They query the numbers if they don't seem right, so I know they are using the information to manage their teams."*



"The systems have identified the need for sales training in some stores. This has been a very useful tool for us. Staff know that It's not a scare tactic."

The learnings from the experience

“Every week we use the information we get from Traffic Insight™ and every week we are learning to use the information in more useful ways to help us run the business.”

We asked Carmen for some pointers for other retailers. She says:

“Share the reasons as to why and how the information can increase sales. Counting traffic is something that my retailing background tells me is pretty basic, and my advice to others is to make sure you count people coming into the store, and then be innovative in using the information to relate it to your strategies to increase sales.”

Good advice. It’s another example of how sustainable competitive advantage is derived from the use of systems, not the systems themselves.



Karin Adcock, Pandora Australia’s CEO says *“We couldn’t be more pleased with the way Beonic has helped us grow our retail presence in Australia. I have no hesitation to recommend Beonic to any organisation interested in integrating traffic measures into their operational and strategic KPIs.”*