



Case Study :



Beonic Pty Ltd

About Super Amart

Super A-Mart commenced trading in 1970 and has since grown to be Australia's largest discount furniture and bedding retailer.

Through dedication and determination to bring furniture to people at the lowest possible prices, the original store has grown to a powerhouse chain of 30 superstores located in QLD, NSW, WA and SA and is now looking to expand into other states.

In 2006, the private equity firm Ironbridge Capital, together with the Management team, bought Super A-Mart.

Super Amart stores are all company owned, and range in size from 4,000 square metres to 10,500 square metres providing customers with:

- The biggest range of furniture and bedding
- A lowest price guarantee
- The best stock availability in the industry

The challenge that led to an investment in Beonic solutions

Super Amart considers people as its greatest strength. Every day the Super Amart team strives to ensure that the stores, products and prices are the best that they can be to deliver the best possible shopping experience to customers.

This philosophy permeates throughout the organisation. In fact it is this philosophy that led CEO Eddie MacDonald towards traffic counting.

"Traffic is a critical determinant for our business. If we want to be sure we are improving the way we serve our customers, then we need to monitor our sales conversion, and we need to measure how well our advertising campaigns resonate with our customers" Eddie says.

"We recognised that to get those measures in place, we had to quantify traffic coming into the stores. Simple as that" he said.

Prior to the installation of Beonic's traffic counters, Super Amart had zero visibility of visitor traffic. Essentially, the management team had no depth of understanding about how effective Super Amart's advertising campaigns were in getting people into their stores and, once inside, how people behaved.



Recognising traffic counters had to be installed to provide this information, they set out to select a supplier and a technology. Super Amart researched local and overseas providers to see who could help them gain the market share Eddie MacDonald envisaged.

Deciding upon the Solution

Super Amart used various sources to identify a shortlist of possible vendors, eventually settling on Beonic.

Beonic was visible at trade shows and also known to the IT department as a respected organisation with specific expertise in the area.

The fact Beonic developed the technology in Australia and had been successful in exporting its solutions to retailers in other countries was a demonstration to Super Amart management that Beonic was a mature and capable business.

Beonic Sales Manager, Ken Warmington, recalls *“Super Amart wanted to assess how the various nuances in their advertising campaigns impacted on overall shopper visitation to the stores. When we listed the customers with whom we had worked, who had similar objectives, they began to open up and allow us to put forward solutions to the issues they faced. Every customer is different, but sharing our knowledge of how retailers around the World are applying counting technologies is a useful place to start.”*

Compared to other retailers, the furniture retail business has some peculiarities:

- The selling cycle on the shop floor can be quite lengthy
- People often come into the store in groups to make a single purchase
- There is a lot of browsing prior to a purchase



Craig Nobbs, Super Amart's IT Office Manager, said *“We needed to develop a relationship with our supplier to help us deal with these peculiarities, and Beonic clearly had the experience and knowledge we needed. They were willing to share this with us to reduce the time it would take for us to get value out of the investment.”*

The Beonic Solution

Super Amart have installed Beonic's Traffic Insight™ software to collect the data from the traffic counters installed at each store entrance. The raw traffic numbers are consolidated into the Traffic Insight™ database, these are the numbers that are imported into a corporate database and used to benchmark sales conversion and advertising effectiveness.

Each day, systems automatically generate a traffic report that shows daily traffic flows for the current week, comparison to last week, and rolling ten weeks. The reports are published on the Super Amart Intranet for managers to access.

The measurements are used for a variety of comparisons over time, but are particularly useful for measuring current advertising against previous campaign benchmarks.

Currently, Super Amart are measuring overall traffic and overall sales conversions, driven by the CEO's request. Beonic installed the first few stores, but now whenever a new store is opened, Amart's Craig Nobbs installs the counters. *"I was trained by Beonic on how to configure and audit the count zones, and so we can cost effectively install the thermal traffic counters ourselves as part of the store fitout."*

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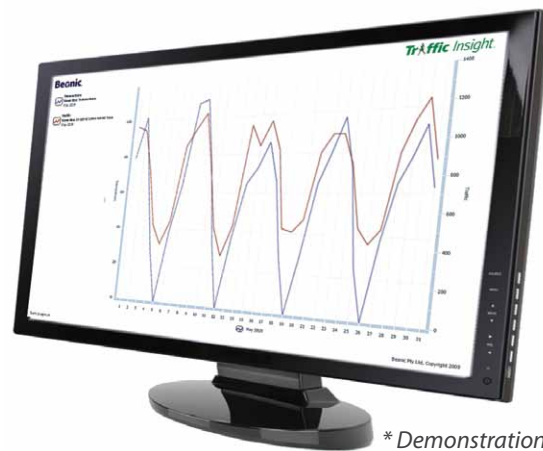
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The learnings from the experience

According to Super Amart's Craig Nobbs, *"Conversion rate has increased by 30% over the 8 months we have been measuring it. Our management has had a huge drive to focus on it."*

For retailers, increasing conversion rate, by definition, means that sales will increase even though the same number of customers are walking through the doors.

For Super Amart, it means that they are extracting more value from their advertising dollar.



Interestingly, Craig and Super Amart's management had a bird's eye view of how the Global Financial Crisis (GFC) unfolded. *"We could see that as soon as the stimulus packages were announced, traffic began to increase as customers explored how they would spend the bonus. When the GFC funds were actually paid out, we saw the sales rise accordingly."*

"Managers are now seeing traffic by hour, and this is being used to roster the staff more precisely to match traffic demand in stores. With the relatively long selling time for furniture, having the right number of staff on the sales floor has direct sales impact."

Asked what advice he would give to others contemplating similar implementations, Craig emphasised the importance of explaining how the technology would be used and how it actually works, otherwise store managers won't accept the figures.

"The real figures dispel people's perceptions. We have had quite a lot of energy expended by store managers questioning the data we reported. Eventually they accepted it as accurate, but it goes to show that as with the introduction of all new technologies, care must be taken with the change management issues" Craig said.

Super Amart review the traffic figures daily, keeping the head office management team in touch with what is actually happening in stores. If sales drop on a particular day, an investigation into traffic volumes will pinpoint which area of the business needs attention.

Eddie MacDonald, Super Amart's CEO sums it up:

"Beonic's traffic counters have given us another dimension to view how our business is operating. I have no hesitation in recommending Beonic. The information has helped us raise sales conversion, staff our stores more appropriately, and fine tune our advertising."

