

CASE STUDY



THE VITAMIN SHOPPE®

Driving Payroll Efficiency Amid
'The Great Resignation'





Background

Since its founding in 1977, **The Vitamin Shoppe®** has grown into the premiere global destination for health and wellness solutions, supporting millions of customers annually on their journeys of lifelong wellness. Based in Secaucus, New Jersey, the company offers a comprehensive assortment of nutritional solutions, including vitamins, minerals, specialty supplements, herbs, sports nutrition, CBD, homeopathic remedies, green living products, and natural beauty products.

TVS Stores: A Picture Of Health

- **Payroll rate to sales:** significant improvement in 2 years
- **Sales:** additional revenue realized within the first seven months of deployment
- **Conversion:** increased within the first seven months of deployment

In the U.S., the company conducts business in over 700 directly-operated retail stores under The Vitamin Shoppe and Super Supplements™ banners, and via its website, www.vitaminshoppe.com. Globally, The Vitamin Shoppe serves customers in select Asia, South America, and Central America markets through local omnichannel partners.

However, success for the company is not measured by how many stores it opens, but rather how well it provides a fulfilling customer experience to each and every visitor, in-store and online.

The Challenge: Goodbye To Guesswork

The health and wellness brand initially was not measuring its stores' traffic, resulting in many business decisions based on assumption rather than accurate and reliable data. As such, the TVS team was looking to:



Establish a baseline of performance across the TVS fleet



Identify areas for improvement and opportunity



Optimize labor scheduling





Ordinarily, when you speak to performance metrics, a one percent increase is often viewed as insignificant. But, when speaking of conversion, it was important to realize that just a single percentage point of improvement ends up delivering tens of millions of dollars to the top line of the business.

**Allison Timpson,
Director of Financial Planning and
Analysis at The Vitamin Shoppe.**



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The Solution: Accurate Data That Drives Results

With sound tactical store operations plans that leveraged shopper traffic data across its fleet, TVS looked to partner with only the best in smart store retail analytics - RetailNext.



RetailNext deployed its **Traffic 2.0** solution during a pilot across



The results proved phenomenal and TVS moved ahead with deploying RetailNext's traffic solution across the remaining



How The Vitamin Shoppe Used The RetailNext Data

Driving Business Intelligence



Simple Integration

TVS pipes the RetailNext store data through its internal dashboard which provides overall store KPIs.

Centralized Data

This provides all TVS stores and field teams with an all-encompassing, single source of truth for store performance metrics from sales, average order value (AOV), units per transaction (UPT), conversion rate (CR), private brand penetration and much more.

Uniform Decisions

This business intelligence tool allows TVS to drive its business leaders to a core report for all decisions compared to multiple sources of data that were complex and open to various key areas of focuses.

Uniform Measurements

TVS is able to ensure that business leaders are all focused on the same key metrics and ensuring a streamlined focus across the entire field.

Cost Efficiency

By including traffic and conversion data into the existing dashboard versus building a new report, TVS was able to save costs while streamlining operations.

How The Vitamin Shoppe Used The RetailNext Data

Establishing The Baseline

Removing The Guesswork



Challenge

Initially, TVS was only using POS or transactional data to make assumptions about traffic trends. While they knew the highest volume sales days based on transactions, they were unable to identify the biggest opportunities without traffic data.



Solution

Using the RetailNext Traffic solution, TVS was finally able to understand its true traffic patterns and current conversion for the fleet as well as on a store-by-store basis. TVS was able to solidify highest and lowest traffic by day, hours of the day, and understand variability in traffic patterns between stores.



Result

Previously unidentified variabilities in traffic trends across the TVS fleet were subsequently revealed and able to be actioned on. The TVS team was able to establish a baseline for store performance in order to identify areas of opportunity and implement realistic goals for improvement.

Identifying Opportunities



Challenge

TVS previously relied on the number of transactions at each store to guide its operating hours. However, that failed to identify the number of opportunities with all shoppers present in the store.



Solution

By reviewing store traffic data, TVS was able to identify the need to adjust store hours at specified locations to accommodate for traffic volumes.



Result

Selected TVS stores, that indicated an immediate build-up of shoppers on the floor after opening, were opened earlier.

Other locations that had high traffic volumes before closing, indicated pent-up demand and extended hours.

Stores located near gyms had shoppers purchasing before or after workouts and extended hours.

*realized within the first seven months of deployment



Before, we could assume traffic was at x% higher or lower on the weekend but we didn't know for sure. We were forced to rely on assumptions based on transaction data that didn't really show us the whole picture. RetailNext's solutions has really helped us to remove all of the guesswork from our business decisions and drive real, tangible results.

Allison Timpson,
Director of Financial Planning and
Analysis at The Vitamin Shoppe

How The Vitamin Shoppe Used The RetailNext Data

Optimizing Labor

Accurate & Effective Scheduling



Challenge

Previously, TVS manually scheduled its store staff resulting in mismatched labor per shoppers. This also created additional tasks for stores by having to manually create shift schedules.



Solution

The brand subsequently started piping data into its scheduling tool, using the RetailNext data as the main source for labor forecasts. TVS stores were able to see labor forecasts based on historical and predicted performance, paired with labor sales goals etc. for approximately 3500 employees in the field.



Result

TVS was ultimately able to improve profitability across the chain through the re-allocation of labor based on traffic trends. Idle labor at some stores was reallocated to other stores with higher traffic volumes. In doing so, TVS was able to drive sales at stores with higher foot traffic while removing the expense of idle labor at other locations.

Operational Shift



Insight

The data-driven approach to the TVS staff scheduling process challenged previous assumptions about traffic power hours at TVS stores. This initially prompted uncertainty amongst some store managers who were concerned that profitability margins for respective locations could be impacted.



Recommendation

Every TVS store manager was given a view of traffic trends with the focus on power hours via the scheduling tool, completely demystifying previous assumptions about traffic patterns.



Result

According to TVS, this was a huge “paradigm shift” for many store managers. The brand now uses a data-driven approach to staff scheduling which improves profitability through payroll savings without impacting the bottom line combined with continued focus on driving sales through optimized labor scheduling.



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Measuring traffic and conversion is without a doubt the foundation of any solid retail operation. But RetailNext's store data also gives us the ability to move beyond that first level of analysis to impact our business in a deeper, more meaningful way. For most retail companies, labor is the largest controllable expense on a store's P&L so the ability to leverage the traffic data enables TVS to drive sales and maximize every dollar of our payroll spend. That's a huge win for us!

**Allison Timpson,
Director of Financial Planning and
Analysis at The Vitamin Shoppe**



About RetailNext

The first technology platform to bring e-commerce style shopper analytics to brick-and-mortar stores, brands, and malls, RetailNext is a pioneer in focusing entirely on optimizing the shopper experience. Through its centralized SaaS platform, RetailNext automatically collects and analyzes shopper behavior data, providing retailers with insight to improve the shopper experience in real-time.

400+
brands globally

90+
countries

2007
year founded

