

NEWS & ANALYSIS

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Camera Ready

Brickstream analyzes video intelligence for retailers

In the continuing search for additional useful information to feed the engines of business strategy, some businesses have a new source to explore. Retailers can now use video cameras mounted in store ceilings to inform decisions about marketing initiatives, space allocation, and service management. Brickstream Corp. announced general availability of its video analysis and reporting software early this year and expects to announce customers and a realtime alert capability by the second quarter.

Cameras deliver a bird's eye view of human movement throughout a store to in-store PCs running Microsoft Windows 2000, which then transfer that information to Brickstream's data center. In the data center, the captured information is transformed and loaded into a Microsoft SQL Server 2000 data warehouse. Brickstream customers can create and view reports from this warehoused data via a Web browser interface. The data may also be directly imported to other of the retailer's applications. Conversely, other, nonvisual data may be combined into the Brickstream data warehouse. For instance, checkout line information may be fed into a labor scheduling application; in fact, Brickstream is negotiating a partnership with a scheduling application vendor.

Interpretation of the images is a collaborative effort between Brickstream's image understanding capabilities, some protected by patent, and the user's specifications. For example, the retailer can decide to differentiate customers pushing a shopping cart from customers without one. They can define different zones as promotional areas or as departments. They can define the kinds of activities they're interested in, such as a customer standing for more than a certain number of seconds in front of a promotional display.

Brickstream claims to be able to detect and then determine through its proprietary analytic algorithms aggregate trends such as typical traffic flow, how much time shoppers consider a shelf or display before selecting an item, and the typical wait time during any given period for customers to check out.

Simon Angove, Brickstream's vice president of sales and marketing, says that the company can even provide better information about product affinities than has traditionally been inferred from data mining of transactions. "You certainly wouldn't know from the transaction log the sequence of activities in which someone purchased the two products. Is it chips and beer, or beer and chips?"

You also wouldn't know where the product was picked up. Consumer packaged goods (CPG) manufacturers, another of Brickstream's markets, also have a use for affinity information, which can lead to cross promotions. And according to Angove, they also crave more detailed information about shopper behavior. "If you're a beer manufacturer, you've probably got your product in about five spots in the store.

But where is the lift actually happening from?" Each display area costs the CPG, so knowing which ones are most effective is strategic, actionable information.

When realtime alerts become available, other possibilities will emerge. An electronics retailer, say, may define a zone in the store as the place where high-definition televisions are on display and create a rule that if a customer remains in that zone for 15 seconds without interception by a salesperson, the system should alert the sales manager. Or the store may set checkout line wait thresholds that trigger an alert to open another register.

In a store that needs cameras and PCs installed, the initial cost is \$10,000 to 20,000 and the monthly service fee is \$1,000 to 3,000. Is the cost of obtaining this additional information worthwhile? Right now, that's a difficult question to answer. Brickstream will not disclose the names of its existing customers, but says only that all four of its beta partners became full paying customers in well under a year of implementation. He also says that the company used as much off-the-shelf technology and open standards as possible to keep costs under control.

Another positive sign is that Retek Inc., a well-known provider of IT systems to top-tier retailers, announced an investment and resale partnership with Brickstream. The companies will not disclose details, but Peter Baskin, VP and general manager of CRM at Retek, says the investment is a seven-figure amount. Retek will resell Brickstream's capabilities as part of its CRM solution.

Jeff Roster, a senior retail analyst at Gartner Dataquest, says of the alliance with Retek: "It's huge," meaning that Retek has the power to propel a small, little-known company into the limelight because its sales force has the audience of C-level executives from some of the largest retailers in existence.

But without access to Brickstream's customers, Roster cannot do better than speculate about how effective the software may be at satisfying business objectives, something he declines to do. But he does seem confident that Brickstream's software can measure what it claims to.

Furthermore, Roster says the trend among retailers is to branch out from the financial metrics they've used for the last 100 years — things that have been easy to measure, such as sales per square foot of store — and instead take a customer-centric approach. Retailers are still struggling with what taking a customer-centric approach really means, however.

Baskin claims that Brickstream will be seen by his market as part of the answer. "We have a lot of customers and a lot of folks that are looking for ways to measure the customer experience in the stores, because now that's sort of the 'last frontier'," he says, "and all of a sudden now technology is allowing us to do that."

— *Jeanette Burriesci*