Jump.ca Case Study

XQ Interactive Retail: Delivering High Return On Investment

In keeping with its company name, Jump.ca is always trying to leap ahead of the competition. As an early adopter of interactive retail technology, Jump.ca believes this investment will help maintain its leadership position in the Saskatchewan market. The company launched XQ interactive applications in its brand new store located in Grasslands shopping district of Regina, Saskatchewan, Canada. Jump.ca also plans to revamp and upgrade its existing interactive technology to XQ systems in all Jump.ca locations.

"XQ Interactive Retail is much more customer friendly and intuitive than our current system," says Gerald Buchko, Jump.ca's Vice President of Sales & Marketing.

According to a recent ROI and customer experience study, interactive retail technology has delivered a substantial return on investment for Jump.ca. It has not only instantly boosted store revenue and profit, but also increased brand loyalty and lifetime value of customers – driving continued growth year after year.

> "One of the challenges we face with our current system is managing the content. XQ is so effortless and easy to use."

Gerald Buchko
Vice President of Sales and Marketing,
Jump.ca.

> "XQ's interactive retail displays give our stores an edge in creating a memorable shopping experience"
>
> Kris Parker, Director Brand & Marketing, Jump.ca

### Interactive retail is proven to increase ROI.

Interactive retail enables Jump.ca to make the most out of its retail space. With an increase in fixed cost of lease, salary, and inventory that ties up large amounts of cash flow, it is more important than ever that companies maximize their earnings per square foot. The relatively small investment of interactive technology has proven to revitalize store appearance and drive financial growth by **increasing customer visits, boosting conversion rate, and increasing average customer spending.**

Increasing foot traffic and reducing walk-outs

Interactive retail technology has been proven to draw customers into the Jump.ca store and keep them engaged until sales staff are available to assist them. Jump.ca found that **5.6% of visitors end up walking out of a store that is not equipped with interactive touch screens**. In contrast, there were no walk-outs from the store equipped with these touch screens. The screens allow customers to browsing on their own and also give ample opportunity for sales staff to interact with customers (see Fig. 1).

Figure 1 - Walk-Out Percentage
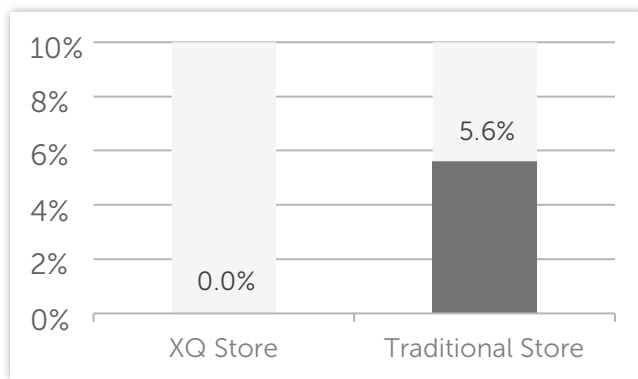
Boosting conversion rate

Many prospects visit the store with the intent to buy, but leave without making a purchase. Capturing even a few more of these lost sales can have a significant impact on the bottom line. Interactive touch screens draw customers into the store and help turn browsers into buyers. *Jump.ca* found that **interactive technology boosted customer conversion rate from 11.42% to 28.80%** – more than doubling the conversion rate of traditional stores (see Fig. 2).

Figure 2 - % of Customers Who Made Purchases
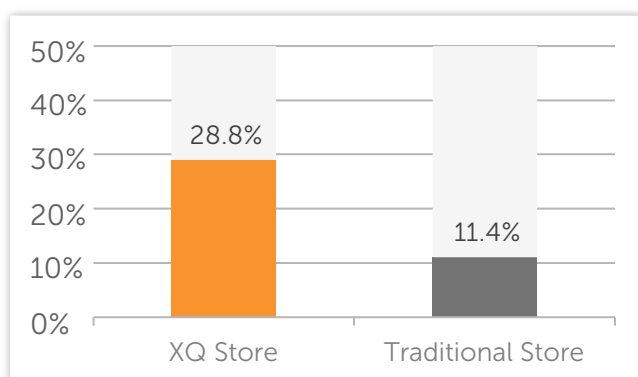
Increasing average customer spending through targeted cross-selling

XQ suggests related items and accessories at the point of purchase, directly influencing customers to spend more dollars per visit. Jump.ca found that customers are more likely to purchase additional items (especially high margin products), resulting in **$22 or 15% higher profit per invoice** (see Fig. 3).

Figure 3 - Profit per Invoice

Drive brand loyalty and increase repeat purchases

"XQ's interactive retail displays give our stores an edge in creating a memorable shopping experience." – Kris Parker, Director, Brand & Marketing, Jump.ca

Jump.ca has always focused on delivering a great customer experience. Memorable experiences translate to repeat purchases and an increase in average spending. All of this increases a customer's lifetime value. A unique interactive retail experience will also encourage customers to give recommendations, thereby attracting new customers to the store. High customer loyalty enables Jump.ca to lower its customer-acquisition cost, reduce pricing sensitivity and increasing average tickets per visit, thus increasing profit per customer.

"Acquiring a new customer costs about five to seven times as much as maintaining a profitable relationship with an existing customer." – Marc Fleishhacker, Managing Director, Ogilvy Consulting

XQ's seamless integration provides a strong foundation to sustain a high ROI.

"The content delivery is attractive, informative, and relevant to the customer. We are a company with experience in interactive retail and XQ's most important potential for us lies in its ability to integrate with RQ4, saving us considerable manpower in back-end support." – Kris Parker, Director, Brand & Marketing, Jump.ca

The sustainability of the Jump.ca's interactive retail investment depends on the integration of XQ into the RQ4 POS system.

XQ Interactive is engineered to leverage RQ4 capability, giving Jump.ca the best of both worlds. Instead of manually creating the content and matching product information in two different systems, Jump.ca can **automatically pull pricing and inventory information** from RQ4. The company only needs to manage the content in one place; the changes proliferate throughout the whole system automatically. This remarkable integration has allowed Jump.ca to streamline overall operations by reducing non-value-added activities. As a result, the company can support its growing organization, and at the same time sustain its excellent financial performance.

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"One of the challenges we face with our current system is managing the content. It took us a long time to update product information. We usually receive new product information 2-3 days in advance but it took us up to 7 days to update and get the content ready. With the XQ, we just have a couple clicks and the product information is ready for our customers. XQ is so effortless and easy to use. " – Gerald Buchko, Vice President, Sales & Marketing, Jump.ca

About the ROI and customer experience study

This study intended to investigate the benefits of interactive retail, which were hypothesized to directly and indirectly impact the financial result, in the wireless retail space. The research methodology included one-on-one interviews, behavioral observations, and sales data tracking. The research was conducted by iQmetrix in two different Jump.ca stores of similar size and used customer profiles in order to provide an unbiased comparison. The first store was designed around prominent interactive retail stations while the other used traditional displays. A total of 100 customer visits were observed and tracked in each store from entry to exit, within the same business hours on the same days of the week. The customers' actions and behaviors were recorded. In addition, the attractions visited, conversations had with employees, and their sales were collected and analyzed. Finally, third party research was performed to corroborate the study's findings.

About Jump.ca

For 20 years, Jump.ca has led the way in providing world-class wireless and Internet services to Saskatchewan. Jump.ca offers a wide range of communications products and services including wireless plan, phone plan, Internet, digital TV and home security. Through innovation and progressive growth, Jump.ca is the largest locally owned SaskTel Authorized Dealer. The company has recently opened its 17th store location and continues to grow.