

Introduction

Qmatic introduces Allegro, the Customer Counting Solution. Allegro is the accurate, consistent and reliable solution for capturing the increasingly important business intelligence metric, customer footfall. Allegro empowers an organisations management to determine how many people visit its site or sites, at what times they visit and when combined with third party data, provide a range of key metrics such as conversion rates. The operational data Allegro provides can support managers in making more effective business decisions and is a complimentary solution to other Qmatic systems. With this critical data, businesses can analyse the effectiveness of their organizations on a site, region, national or global level and use it to drive operational improvements and increase customer satisfaction.

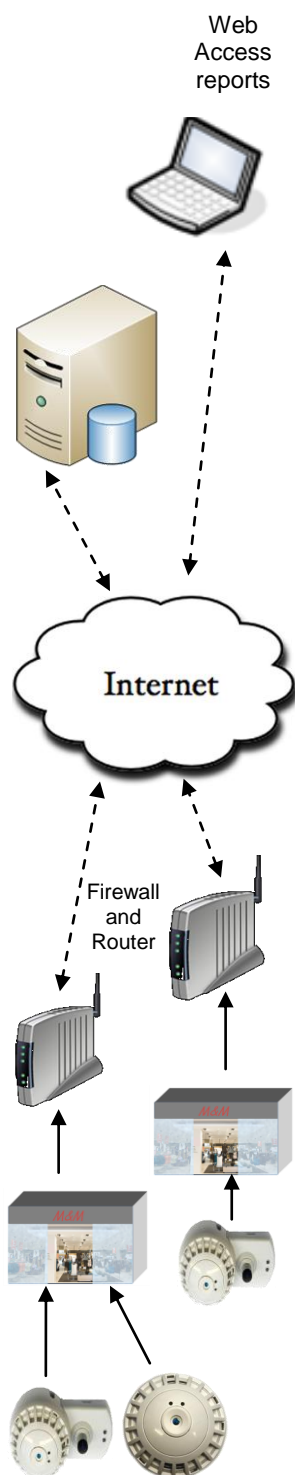
How does Customer Counting drive operational improvements?

When used in isolation Customer Counting Data can provide a detail insight into customer behaviour and provide superior value to businesses. However, the systems optimum value can only be achieved when Customer Counting data is used in conjunction with data from other areas of the business and utilized to drive change. The data must be fed into business decision making in order for more advanced results to be witnessed. Areas where this philosophy is evident include:

- **Conversion Rates**
 - As one of a retailer's key metrics, the conversion rate represents the percentage of a retailer's total opportunity (footfall) that has been converted into a sale. Most retailers will analyse their POS reports, which will show the number and value of transactions, but these only represent half the picture. By tracking the customer footfall across the businesses stores managers can crucially determine the size of the missed opportunity and begin to change their businesses behavior to recapture the value of that missed opportunity. Continuously tracking and monitoring footfall trends through the change process will highlight the success of the businesses changes.
- **Occupancy Monitoring**
 - Having clear visibility of a store or sites occupancy can be an essential requirement in meeting many a health and safety policy, Allegro provides a reliable tool to help support organizations in meeting that requirement. Measuring the occupancy of different zones within a store or site can also provide key insights into customer behavior and utilization of space.
- **Staff Scheduling and WFM and Labour Optimization**
 - Utilize traffic statistics to determine optimum staffing levels and ensure that stores are maximizing their potential in achieving conversions of sales opportunities. Reducing or redeploying staff can have a significant impact on the profitability of a clients business and if implemented correctly can simultaneously boost customer satisfaction.
- **Analyzing affects of advertisements and promotions**
 - Benchmarking visitor traffic and visit times will reveal the success of marketing campaigns targeted at driving potential customers to the store. Many businesses will do this with their online campaigns why not for bricks and mortar stores?
- **Improving the in-store environment**
 - If marketing campaigns are effective in increasing the volume of customers to stores, but conversion rates are found to either not improve or vary from store to store, changes in store design, product offering and placement, pricing and personnel etc. can be benchmarked to improve effectiveness.

Business will find that they benefit from a substantial return on investment (ROI) if they implement only one or two of the operational objectives above, but by using the data to manage multiple areas holistically they will achieve far superior results, from benchmarking best practice through to store by store comparisons the organization can expect increased profitability, reduced costs and greater customer satisfaction.

How does Allegro work?



Sensors mounted above each passway (entrance or passage) detect the flow of customers into and out of the store. These send the data via either: the in-house Ethernet network, switch and Firewall, or via a 3G modem and router onto an Internet connection and to a central server with an SQL database and the Allegro software installed. From here, the information will then be handled by the CC core software and retrieved by the reporting software. Reports are accessed via a secure web portal run through a browser allowing reports to be viewed on a multitude of devices. As well as web based reports, the system can also generate e-mailed reports and alerts which can be sent to predetermined recipients ensuring they are always up to date with the latest traffic flow. This can be incorporated into regular reporting and should feed into management processes ensuring decisions and actions are based on real customer data.

The data will always remain the property of the client and can be accessed at any time without any additional costs. To assure the highest levels of accuracy we can use intelligent self-learning algorithms that compensate for system leakage. Algorithms run at the end of each day to audit and confirm the actual measurements from the day. Accuracy and reliability are the cornerstone of our business and the differentiator of our solutions making Qmatic's Customer Counting system the industry leader.

Hardware

As standard, Qmatic use the Thermal Sensor PTC1045Ni to count customers as they travel through a passway. The sensor uses advanced sub-pixel motion estimation algorithms to detect and track the flow of customers into and out of the premises. It can count people passing in both directions. The PTC1045Ni is a standalone sensor that uses thermal imaging technology and advanced tracking algorithms to deliver very accurate count data. It has the added feature of a video lens providing for easy remote calibration as well as rapid, easy check and maintenance once installed. The Thermal technology can tell the difference between a hot body human and an inanimate cold body such as a trolley or bag. The result is accurate estimations of the customer flow at a variety of thoroughfares, such as wide openings, heavy traffic areas and entrances with various traffic patterns. Typical accuracy is greater than 95 % (See Guarantee of Accuracy Document). These non proprietary sensors are widely regarded as one of the most accurate and reliable available to the market. As standard Qmatic AB will provide the IP thermal sensors and power inducers / reducers. Additionally required hardware might include, network switches, routers, 3G modems, a server and cabling.

There are 2 types of sensor, Master (PTC1045Ni) and Slave (PTS1045Ni). For more information on the sensors and their applications please see the relevant data sheets on the Partner Portal.



Master Sensor



Slave Sensor

Software

Great sensing and counting technology is only half the story. The other half is how that data is handled and ensuring that clients can access the data through a simple yet powerful reporting tool.

Allegro is formed of three key software components: 1) CC Core, 2) CC Admin and 3) CC Reports.

1. CC Core – Core software that pulls data from the sensors and aggregates it in an SQL database
2. CC Setup – A configuration tool that allows Qmatic's subs and partners to set up the sensors
3. CC Admin – Administration tool providing a portal for setting user access, report types and sensor configuration.
4. CC Reports – Comprehensive web based reporting tool empowering users to view and analyze reports on Customer Footfall and when combined with third party metrics report on conversion rates, labour utilization and shopper activity.

What does Allegro look like?

The greatest value in Allegro can be found in its reporting software. The web based reports can be accessed through most standard web browsers.

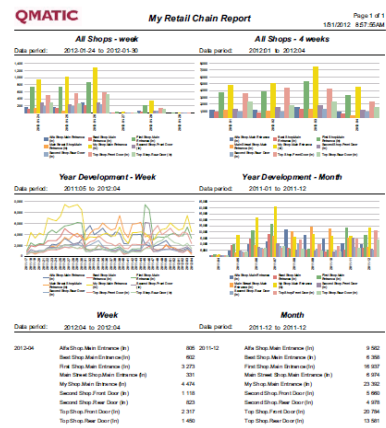
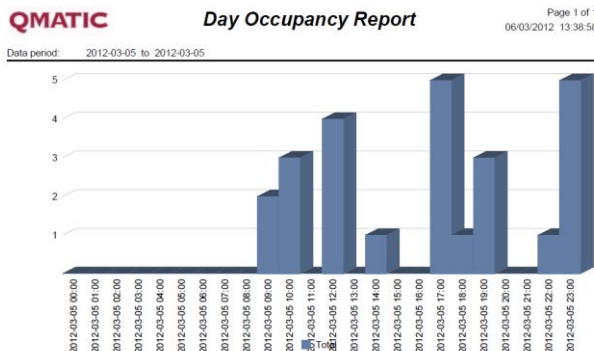
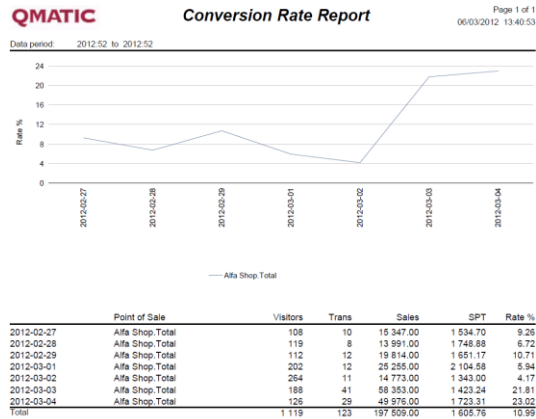
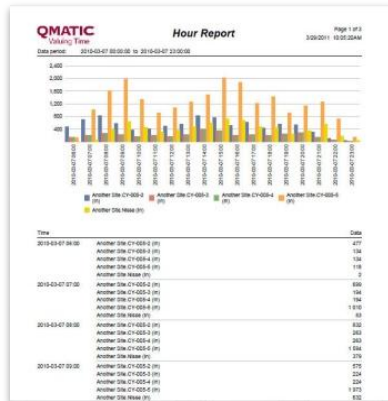
The buttons highlighted in RED are those options that are available out of the box. Clients can get reports on footfall for the period of an hour, day, week, month or year. They can also create and save their favorite reports. The buttons in BLUE are those that require some form of third party data or additional configuration / set up. Here we have Occupancy reports, showing historical Occupancy figures for a site or sites. Conversion Rates showing the percentage of sales converted. Finally we have the Analyze button, this opens up into a series of menus allowing the user to have greater control over the type of reports they wish to produce, how they appear and what information they show. For many of these reports third party data will be required and a more advanced level of training / solution knowledge is desirable.

A large number of different reports are available

- Time based reports (hour, day, week, month or year)
- Absolute Reports (with a start and a end time)
- Relative reports (a specified time back from the generation)
- Comparison reports
- Data can presented in "different styles" charts
- Saving report formats as templates to be used later in automated reports (e-mailed reports)



Below are some example reports, more information can be found on our Reporting Datasheet available from the Partner Portal.



What are the options when it comes to selling Allegro?

Allegro is unique to Qmatic in that it is the only solution which is intended to be sold in two different ways. Allegro can be sold either as a Standalone Solution OR as a Managed Service. So what does this mean for you and your client?

1. A Standalone Solution

This is how we traditionally sell most of Qmatic's solutions; the client purchases the hardware outright and licenses the software. The solution is installed on the client's server. Servers will not be supplied by Qmatic and must be sourced either by the client, sub or the partner according to the Qmatic specification. The software and sensors will be supplied by Qmatic while installation will come from the distributor or sales office. This product is priced for each sale but software maintenance will apply if the client wants to keep their software up to date and have access to bug fixes. There are two types of software license for Allegro; the first is an initial license, a one off charge per client. An additional license is then charged for each sensor the client owns. These licenses permit the client access to all of Allegro's functionality (some functionality, i.e. conversion rate reporting will only be available where third party data has been integrated). It is then expected that SAM will be added to the solution to provide an element of recurring revenue.

2. A Managed Service

A Managed Service is described as "the practice of transferring day-to-day related management responsibility as a strategic method for improved effective and efficient operations inclusive of Production Support and lifecycle build/maintenance activities". What does this mean? When we sell Allegro as a Managed Service, it is Qmatic and its agents who are responsible for the day to day operating of the system not the client. Qmatic AB will host the software on their virtual servers (as opposed to the software being installed on the clients' server). Qmatic will also host all of the data captured by the sensors in a secure environment. It is Qmatic who sets up the user access and reports and who manages the data capture and processing. It is our responsibility to ensure that the web reporting is available and that any predetermined email reports are distributed. Qmatic will also take responsibility for maintaining the software and providing business level support. For the client this means a minimum impact on their IT resource and ensures that they receive maximum system uptime and the latest software releases, in essence they receive all of the benefit without any of the trouble!

When selling Allegro as a Managed Service the client enters into a contract with Qmatic or its agents for a minimum term of 3 years, after this period the contract will renew automatically on an annual basis. **The client is charged a yearly managed service fee priced per sensor.** This fee covers the cost of the software, the support & maintenance and the cost of hosting the data. As standard the Managed Service fee will provide the client with access to Allegro's core reporting, these are the hour, day, week, month and year footfall reports (the red buttons). They then have the opportunity to upgrade their access to reporting functionality by purchasing additional software modules. There are three optional modules, Occupancy, Conversion Rate and Analysis reports. These are also charged on a per sensor basis.

For more information on Allegro as a Managed Service please see the appropriate data sheet on the Partner Portal.

Offering two different commercial models, positions Qmatic and its partners at the top of the Customer Counting market and allows us to better meet our client's differing business requirements. A stand alone solution installed on a client's server will be best suited to retailers looking to install the solution across a large network of stores and large shopping malls, both are likely to have the IT infrastructure and resource in place to manage such a system. Offering Allegro as a Managed Service will appeal to smaller retailers and shopping mall who are looking to achieve the benefits of Customer Counting without the burden on their IT resource.

What IT infrastructure will the client need in order to support Allegro?

Hardware Qmatic's Customer Counting sensors require minimal infrastructure to install and run.

- At the point of installation either a power supply (230/110 V AC and 24 Hour supply) or POE (to power reducer) must be available.
- Ethernet connections from each sensor to a central router (where 24 hour power must also be available) are also required.
- A working outbound internet connection for connection and data transfer to the central server should also be available or alternatively a 3G modem and router with subscription can be used

Software The Allegro Software should be installed on a dedicated Server with the following properties:

- Windows 2008 Server foundation edition or better.
- Internal memory: 4 Gbytes
- Hard disk: Not less than 80 Gbytes
- IIS 7, with IIS 6 compatibility
- Framework 4
- Local or remote SQL Server 2008 R2.
- TeamViewer (host)

Internet Explorer 8.0 is the recommended browser for supporting Allegro's Reporting web portal

Infrastructure When deploying Allegro as a Managed Service the client will either need to provide a public IP address for each of the sensors or sensor hubs, or alternatively a VPN can be established. A VPN Management services is provided by Qmatic AB, but will incur an additional charge. Making available public IP's is the preferred option.

How do I order Allegro?

Ordering an Allegro solution is easy. The first step for anyone wishing to order an Allegro solution is to look at the Allegro Work Flow Process found on the Partner Portal. This process outlines the necessary steps on how to determine the size and scope of a clients solution, where to enter the necessary configuration data, how to generate a correct purchase order and the differences in the installation and configuration process between a stand alone solution and Allegro as a Managed Service.

The key to navigating the order process is the Site Survey Document which can also be found on the Partner Portal. This document allows the user to compile all of the necessary information on the client and their site(s). It is the responsibility of the sales colleague to work through this document with the client. Once it is finished it should be emailed along with a covering note to order@qmatic.com. This document contains within it, all of the required information to configure and deploy either a stand alone solution or a managed service solution. The document also contains the Bill of Materials for each solution and a Purchase Order form.

When ordering Allegro as a Managed Service the client must enter into minimum 3 year agreement. Thereafter, the agreement will be automatically renewed annually, unless specified otherwise by the client. For more information on Allegro's Managed Service Agreement and a Proposal template please see Management Portal.

What Support and Maintenance options are available for Allegro

In line with Qmatic best policy, clients purchasing an Allegro system would be advised to take out; Software Maintenance, Either Business Support or Enterprise Support and our Hardware extended warranty. For more information on Support and Maintenance please see the relevant sections of the Partner Portal.

Where Allegro is being deployed as a Managed Service, the Managed Service fee includes access to Business Support and Software maintenance and entitles the client to a variety of SLA's and QoS guarantees. The Managed Service fee, does not include an extended hardware warranty, this must be purchased separately.

Where can I find more information / documents on Allegro?

The first stop for more information on Allegro is the Partner Portal. Here you will find all of the following documents / information:

Information / Document Type	Document Name
Data Sheets	Allegro, Allegro as a Managed Service, Allegro Reports, Allegro Thermal Sensors
Manuals	Allegro Thermal Sensor Application Notes, Thermal Sensor Configuration Guide, Thermal Sensor Installation Guide, Allegro Admin User Guide, Allegro Report User Guide
Training	
Order and Pricing	Allegro Work Flow Process, Project Management Form, Proposal Template
Marketing and Sales Material	Allegro White Paper, Allegro Videos, Sales PowerPoint, Case Studies