

Specialty Coffee Chain Focused on Store Performance

Coffee Bean & Tea Leaf to Have 60 Stores in Philippines by Year End

WHILE the rest of the world contends with debt crises, sluggish growth and unemployment, the Filipino economy is on a tear. The country's GDP grew an astonishing 6.4 per cent in the first quarter of 2012, the Philippine Stock Exchange is up 22 per cent for the year and young, urban Filipinos with money in their pockets are on a spending spree, according to Nino Zulueta, Director of Business Development for Milcon Gulf Group.

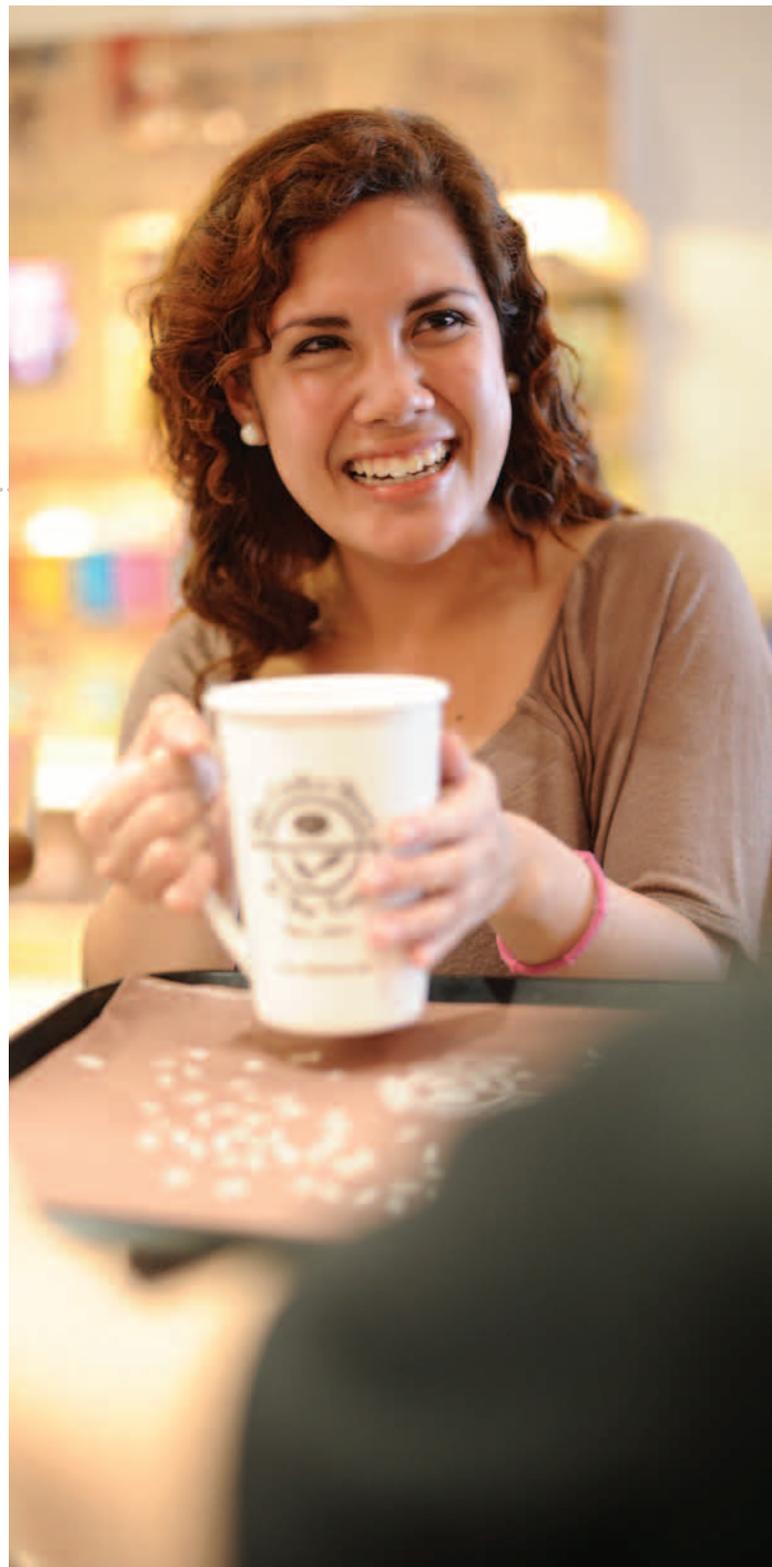
You don't have to go any further than one of the 47 Coffee Bean & Tea Leaf stores in the Philippines to experience the pulse of Asia's newest tiger economy. Show up at any time of the day or night — 2 pm, 11 pm, 2 am, it doesn't matter — there are lineups out the door, smartly dressed Filipinos chattering away on smartphones and baristas serving up caramel macchiatos and cappuccinos.

The coffee culture is taking the Philippines by storm and The Coffee Bean & Tea Leaf master franchisee for the country can't expand fast enough to meet the demand.

"We opened our first store in May 2003 and really ramped up in the last couple of years," said Walden Chu, President of The Coffee Bean & Tea Leaf (CBTL) Philippines. "We just opened our 47th store and have plans to open 13 more by the end of the year. By God's grace we will be able to hit the 100-store mark in a couple of years."

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— Walden Chu, President
Coffee Bean & Tea Leaf Philippines



Optimizing customer service excellence, operational efficiency and loss prevention while expanding at such a feverish pace can be a huge challenge. Realizing that an advanced technology solution was clearly needed to help senior management keep an eye on the business, CBTL turned to the Manila-based Milcon Gulf Group, a March Networks strategic partner.

“In the retail business, shrinkage is an inescapable reality, but it wasn’t just loss prevention that convinced us to acquire a March Networks video surveillance system,” said Chu. “For us, it’s about store performance, being able to monitor the efficiency and productivity of our staff and making sure that customers are served in a timely fashion.

“It was March Networks’ video analytics capability, and its Retail Transaction Investigation (RTI) software that won me over. We average 500 transactions a day in our stores and most of our locations have two cash registers. March Networks’ queue length monitoring analytic can address long queue line delays and alert us that we need to open another cash register.”

If a lineup exceeds a user-defined length, an alert is automatically transmitted via email to a smartphone, allowing management to open another POS terminal or reassign staff to speed up service.

Using the RTI software that integrates video with CBTL’s point-of-sale system, management is able to search for no-sales, voids or refunds, and quickly link to the associated video. Knowing that management is able to monitor POS transactions serves as a powerful deterrent to POS-related fraud.

CBTL’s video surveillance solution includes March Networks 4000 C Series NVRs, video management system software and March Networks MegaPX NanoDome IP cameras. Aside from the queue length analytic, CBTL is also using loitering, people counting and tripwire analytics for security and other applications.

A monitoring center at CBTL’s head office may be considered at some point in the future, but for now, District Managers rely on a dashboard on their laptops, alerts from the video analytics and RTI searches to leverage the March Networks video surveillance system. Chu, who is based at a head office, commissary and warehouse complex in Metro Manila’s Quezon City, will be able to view live or recorded video from all 60 stores once the rollout is completed later this year.



Cameras in the stores cover the POS terminals, the back office where the cash vaults are located, the dining room, merchandise displays and beverage pick-up counters.

The March Networks technology captured evidence of a theft the very first day it was deployed in a CBTL store, recalled Chu.

“A customer left his smartphone on the counter next to the cash register and came running back two minutes later frantically looking for it. The phone was gone, but the customer had noticed the camera above the cash register and asked us to take a look to see what happened.

“It was all captured on video. We could see a woman behind him slowly slipping the phone into her purse and standing right next to the guy acting as if nothing happened when he returned to look for it.

“It was interesting because the woman didn’t look like someone who was capable of stealing a phone. She was dressed professionally and even asked us for an official receipt so she could expense the purchase. That worked in our favour because we knew where she worked and contacted the human resources manager for the company, who confirmed the woman’s identity and arranged for the return of the phone.”



Milcon Gulf Group

Milcon Gulf is a privately held conglomerate involved in international projects across a variety of industries and sectors, including aerospace, surveillance, eco lighting technology, banking and finance, project structuring, joint venture development, energy, information technology, mining, real estate, shipping, telecommunications, tourism and trading.

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The customer was happy and the video surveillance system proved its worth on day one.

Prior to the acquisition of the March Networks solution, CBTL had a very basic video system for real-time monitoring only.

“It was very limited in terms of what we could do with it,” said Chu. “Prior to the Milcon Gulf Group introducing March Networks technology to us, we really had no idea what was possible, but we’re in good shape now. We looked at other systems, but the combination of the Milcon Gulf Group’s expertise and March Networks’ reputation won us over at the end of the day.” ▼

