

WEBINAR

How to Identify and Boost Underperforming MSO Locations

Webinar Preview & Audio Available at:

<https://www.foottraffik.co/webinars/how-to-identify-boost-underperforming-mso-dispensary-locations/>

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How to Identify and Boost Underperforming MSO Locations

Strengthen Your Weakest Link and Get More Sales

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Today, we'll be covering:

- The metrics you need to check across your dispensaries
- How to use that data to create a unique strategy
- The highest ROI tools that will boost your sales

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My name is Eduardo Silva. I'm the VP of Sales here at Foottraffik, and I'm really excited to be sharing this information with you today.



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Foottraffik is a digital advertising and analytics agency. We've been in business for over five years now, exclusively focused on dispensaries and delivery services within North America. We're really excited to be helping advance our industry forward.

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A couple of housekeeping items before we get started.

If you have your cell phones on you, please put them facing down on your desk or mute them. We are going to be covering a lot of information in a very short window of time and it helps to retain focus.

Familiarize yourself with the Zoom interface. If you haven't become a master at Zoom yet, if you go to the bottom of your screen there is a Q&A button. We do have moderators with us today that will be addressing questions throughout the webinar.

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Are you able to understand what your data is telling you?

Are you comparing the right metrics to get the best picture of how your dispensaries are performing?

Between your POS system, CRM, SMS platform, Google Data Studio, ecommerce analytics, and more, you're probably up to your eyeballs in numbers. It's easy to get overwhelmed by the amount of data that we can collect.

If you're suffering from information overload or confused



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about what to do with all those numbers, we're going to dial into the key productivity indicators—that's KPIs—that you need to focus on to better identify underperforming locations and determine the best way to boost them.

An underperforming store threatens the viability of your brand. If you want to succeed in the industry, you need to identify them as soon as possible so your team can work to turn them around. And to do this, you need the right information.

Before diving into the KPIs you should be tracking, we need to talk about the markets where your dispensaries are located.

Before opening up your dispensary, your team likely analyzed the viability of the location before securing a lease or building out your store. That same information can be useful for defining your addressable market.

Your addressable market is the potential customers within a certain distance of your dispensary.

If this information is more than 5 or ten years old, it may be worthwhile to take another look since populations change over time. To determine your addressable market, take a look at the of-age population within a 10-mile radius of your dispensary. For suburban dispensaries, this can be 20 miles. For medical dispensaries, you'll want to focus on eligible patients.

You'll also want to evaluate the competition. How many dispensaries are located near you? What about delivery services? Every competitor is fighting for a slice of that

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addressable market, which means that the more competition there is, the harder it will be to carve out your slice.

Unless you expand your services, you can't change your addressable market. And unless you have a magic wand, you can't make the competition disappear.

You can, however, improve your in-store experience and expand your marketing to get more customers and get more sales at an underperforming store.

If you need help understanding your customers, we offer a customer profile service that details the demographics of your market.

\$1,000 for standard

\$5,000 for premium

Text "profile" to 411-669 to learn more.

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Let's talk about in-store KPIs that you need to be tracking over time to be able to first identify an underperforming store and the issues it may be having.

You want to measure and track your foot traffic, the number of transactions you do daily, your average transaction total, units per transaction, your average unit price, gross and net profit, the number of loyalty members associated with the location, the number of individuals who have opted-in to your marketing messages, and your online vs. in-person sales.



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You also want to measure your gross margin for every location.

Your gross margin is your net sales minus your cost of goods sold. This will help you determine how much your dispensary is making after covering your costs.

If your gross margin is too low, you are not making enough profit to be sustainable and you either need to adjust your pricing or reduce your expenses.

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Your product sell-through rate is a percentage that compares your unit sales to how much product you have on hand.

How quickly you're moving products help you determine whether you're carrying what your customers want. If you can break this down by brand or product type, you can invest more in the types of products that get sold more quickly.

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Year-over-year sales provide insight into your dispensary's growth by comparing current sales with the previous year's sales.

Comparing that percentage of growth across your locations can help you find stores that aren't growing as quickly so you can investigate their performance further.



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Sales per square foot allows you to determine whether you're making the most of your space. By dividing your sales by the square footage of your store, you can see how much you're making per square foot.

This number allows you to compare across your locations so you can better identify any differences between them that may be impacting your sales, like product positioning or market factors.

When coming up with this number, don't count your waiting area or security area. Only count the square footage of your selling space.

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Your average spend clues you in to how much people are spending at your dispensary in general.

If a store has a lower average spend, you can look into how many average units per transaction they're selling or see which products are more popular to find out why it's lower. It may be necessary to coach budtenders in upselling or cross-selling so that they make useful recommendations that increase the average spend.

Also, consider how products are displayed. Are they tempting your customers to buy them? Are you bundling products that go together?

All of these KPIs should be tracked and compared both within the store itself and across your stores. You can do this easily in a spreadsheet if you have fewer locations. Larger MSOs may choose to create reports via their POS systems or have proprietary software built that creates these reports, which is pretty standard in the retail sector.

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Once you have these numbers, you'll be better able to compare stores in different locations.

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For online sales, the KPIs are similar, though you'll be tracking how many people are going to your website, where they're coming from, how many are ordering, the average transaction total, the units per transaction, and how many are loyalty members. Choosing the correct online menu is crucial since most online menus in the cannabis industry DON'T offer revenue attribution.

Again, this info can be gathered and aggregated the same way as in-store KPIs.

Having in-store and online data side by side can help you better diagnose why your store is underperforming. Perhaps it's doing fine with online sales, but not many people are stopping by. Maybe it's the other way around. You won't know unless you're collecting these numbers and looking at them regularly.

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So what do these KPIs tell you?

Remember, you can collect all the data you want, but if you don't know how to read it or use it to your advantage, it doesn't matter. You're wasting your time.

Because the size of the markets may vary across your locations, tracking these metrics will allow you to compare across your locations, regardless of where



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they're located.

If your location has been open for over a year and you've got historical data, you can look at your year over year increases to see if they are similar across the board. If a location isn't growing as quickly, or if it's performing worse than it did the previous year, then you can take a further look at the different metrics you've collected to see if you can spot additional issues.

Now that you know how to identify underperforming stores, it's time to address the issue.

Certain metrics will inform you of the problems your dispensary may be facing.

For example, if one of your stores has a lower percentage of loyalty opt-ins, boosting that number may help increase your customer retention. If you're not able to retain customers, you will have to keep spending money to get new customers. Building relationships with customers is vital for business longevity and will result in more sales.

Or if your reviews are suffering at one location—which can have a direct impact on your sales—then you can work with store managers to improve customer satisfaction and implement better reputation management strategies. Perhaps that location isn't training its budtenders to your standards or there is a morale issue in the store that needs to be addressed.

Your KPIs won't diagnose the problem for you, but they are the symptoms of a larger problem. By honing in on



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those symptoms, you have a better shot of correctly identifying the issues facing your location and finding ways to address them.

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Ultimately, your dispensaries don't face the same challenges. Which means that what works at one, may not work at another.

In order to maximize each location's visibility and connect with possible customers, you must create individual marketing strategies that address the unique needs of your different locations.

A one-size-fits-all strategy will guarantee that you have underperforming stores. Your audience is not the same for all of your dispensaries, and you should not treat them as if they are. Otherwise, you're missing the opportunity to create relationships and build your brand.

Based on the metrics and the data you have about your market, you can create a digital strategy to help boost your brand awareness and draw more traffic to your underperforming locations.

The following tools can be used to create a hyperlocal marketing campaign that will draw more people to your underperforming store and start boosting your business.

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Geo-advertising, which is sometimes called geo-ads, is the use of display ads on mobile devices within a set



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geographic region.

You've definitely seen them while browsing on your phone. Plenty of companies outside of the cannabis industry use them to increase their reach, including Amazon and Wayfair.

Why? Because geo-ads allow you to connect with new customers, in your target market.

Online display ads help keep your dispensary front and center with your customers. Once they enter one of the perimeters you've created for your ads, they'll see your ads if they use one of the mobile sites or apps in our network.

There are different ways that you can use Geo-Ads to your advantage. You can focus on your service area, you can target competitors, or you can target areas where your customers are likely to be.

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Another great way to get people to your store is with text message marketing.

Text messaging is the most widely used communication channel available today. Not everybody uses email or makes phone calls regularly, but 90% of Americans text. That means that your customers text and that you need to be using SMS marketing as part of your digital marketing strategy to communicate with your customers where they are.

Text message marketing should be a part of how you communicate with your customers and offer deals.



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Provide them opportunities to opt-in at your POS and on your website, and don't forget to make it exciting! Joining a VIP program is more exciting than just getting text messages.

By creating a unique link that you send to your SMS subscribers, you can track who clicked the link and how many sales it led to.

Not only is SMS marketing inexpensive, but it helps you increase sales and build relationships with customers.

This last tool may come as a surprise, mainly because it's been around for so long and is generally taken for granted.

If you have multiple locations, you need to ensure that your SEO strategy focuses on each individual location.

If you're not seeing enough traffic to your website or menu, you should consider whether your SEO strategy is working. If you don't have an SEO strategy that focuses on your local stores, you need to create it.

SEO stands for Search Engine Optimization, which is the practice of increasing the quantity and quality of traffic to your website through organic search engine results.

Organic traffic is one of the largest drivers of traffic to many of our clients' websites, and this is unpaid traffic that comes from Google.

Search engine optimization shows that your page is relevant for particular keywords. In our business, that may



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be “San Diego dispensary,” “Detroit provisioning center,” or “Santa Rosa marijuana delivery.”

Optimizing your site around these keywords makes it more likely that people who are looking for your services will find you.

When you have a good SEO strategy, two things will happen.

One, you’ll show up higher in search results, and two, you’ll get more organic traffic.

In fact, the top three results of a search tend to get 75% of all traffic. The lower you are on the search results, the less traffic you’ll get.

More than half of our clients’ online sales come from organic traffic. Their SEO strategies have more than shown their value and exceed their expectations. One client has an ROI of \$93 for every dollar they’ve spent on SEO. That’s a no-brainer.

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Are you finding out about issues after the fact? Gathering information because sales are already suffering.

If you’re tracking the wrong information or just not tracking at all, you’re going to be blindsided and you may not notice the problem until it’s too late to implement meaningful change.

You need to make sure that the tech you have in place is working for you and set up to track the metrics that will give you the best picture of your dispensaries’

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	<p>performance.</p> <p>And you need to have individual marketing strategies in place to address the various challenges each of your locations faces, including differing markets and customers.</p>
<p>Slide 22</p>	<p>Get an instant boost with your 500 customer acquisition deal.</p>
<p>Slide 23</p>	<p>Questions?</p>
<p>Slide 24</p>	<p>Also, for sticking with us, you've qualified for your free yeti.</p> <p>Let's get your shipping information and get one of those to you quickly. Schedule a call at foottraffik.me/call</p>



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