

THE CUSTOMER EXPERIENCE

USING TECHNOLOGY TO EMPOWER RETAIL STAFF

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Global retailers are increasingly looking to technology to enable retail staff to spend more time engaging with customers and less time on administration tasks.

A recent trip overseas highlighted how global retailers are using new and existing technology to enhance the customer experience and, as a result, increase sales. The focus is on providing tools and data to enhance how staff engage with customers.

There is much talk in Australian retail about how technology is playing a key role in enhancing customer engagement. Examples include, interactive displays, video displays, apps to notify customers of deals, screens to show how a garment looks on your body shape, self-help kiosks and so on. The use of technology is to free up retail staff to spend more time with customers and to provide them with selling skills and product knowledge.

Here are 5 Technologies that can help retailers enhance the customer experience and empower staff.

1. STORE STOCK SCANNING

When visiting **Zara** in Copenhagen recently, I watched an associate stock take one section of the store in minutes using a wand to scan all clothes that had embedded chips.

The competitive advantages of Zara (and H&M) are:

- On-trend design
- Size of range and stock turns
- Value for money / low prices

5 Technologies that Allow Staff to Spend More Time with Customers:

1. Store stock scanning wands & micro-chips
2. Retail Training Apps
3. Smartphone payment processing
4. Conversion counters
5. Mutuality counters

Staff do not sell. Rather, they refill stock, manage the change rooms and provide pleasant service at the check-out. Where they are ahead of the game is in using technology to minimize administration around stock take and refill.

From a customer experience perspective, managers receive real time data so that:

- Stock can be replenished from the warehouse or storeroom immediately,
- Better staff utilization to optimize stock refill, return unsold stock from the change room and improve presentation of stock,
- Out of stocks are reduced, as is shrinkage.

The goal here is to ensure stock availability and sell through.

2. RETAIL TRAINING APP TECHNOLOGY THE NEXT PHASE IN LEARNING

We are seeing in the market place a realization by Store Operation Executives L & D and HR professionals that Face-to-Face Retail Training is becoming unaffordable except for mission critical programs like Store Managers in Training and Graduate Programs. Despite this, the existing retail store sales teams, managers and new hires, need to be developed.

The emphasis of modern training is now on work based in store activities where 70% of the learning is retained as opposed to the training event where there is a 10% retention. Apps can guarantee that, subsequent to the training, all staff apply the learning on the shop floor with customers, managers consistently coach them and, at the end of the process, staff receive their certification automatically.

Feedback from some of Australia's largest retailers last week was that less than 20% of store managers successfully embedded in store any training received by staff – so this is a real problem.

The advantage of apps is that training is delivered on the shop floor with no added cost for wages and technology. Whether it is product training, brand awareness, induction, sales skills, coaching skills, seasonal trends delivering this knowledge and skills by apps is the future.



3. SMART PHONE PAYMENT PROCESSING



In Europe and now in Australia, a majority of restaurants process your credit card at your table. In retail, it is the exception to the rule, except for Apple stores where, once a staff member engages you, they will not leave your side until the transaction is completed.

It always amazes me that Myers and David Jones, for example, don't empower staff to roam freely and service customers on the spot rather than customers having to find a counter to queue at and have their transaction processed.

Of course it is not suitable to all retail formats. However, where applicable, it ramps up the customer experience, speeds up processing of transactions, increases conversion rates and gets staff out from behind the counter.

4. CUSTOMER CONVERSION COUNTERS

Conversion counters record customer traffic flows and have been around a long time. However, the usage in Australia is well ahead of the US and Europe. So how do conversion counters improve the customer experience?

The issue for retailers is that conversion rates of customers goes down when your store is busy. Store counters help you to address this issue in a number of ways, including:

- Measuring traffic by hour, by day, by week, by month - which then allows you to roster more effectively the right number of staff at the right time to match traffic flows.
- If you want to develop a high performance selling culture, then conversion rate is a true measure of selling effectiveness and the customer experience. If I have a low conversion rate, then a lot of potential customers will leave the store having been unable to find something to buy or, even worse, unable to find a staff member to serve them. A telco retail executive of a 300 store group said their worst performing store had the highest sales per square metre and the lowest conversion rate, the issue being that the store was small, so they couldn't match staff to the volume of customers and, as a consequence, customers became impatient, walked out and went straight to the opposition.
- It can also measure marketing effectiveness.

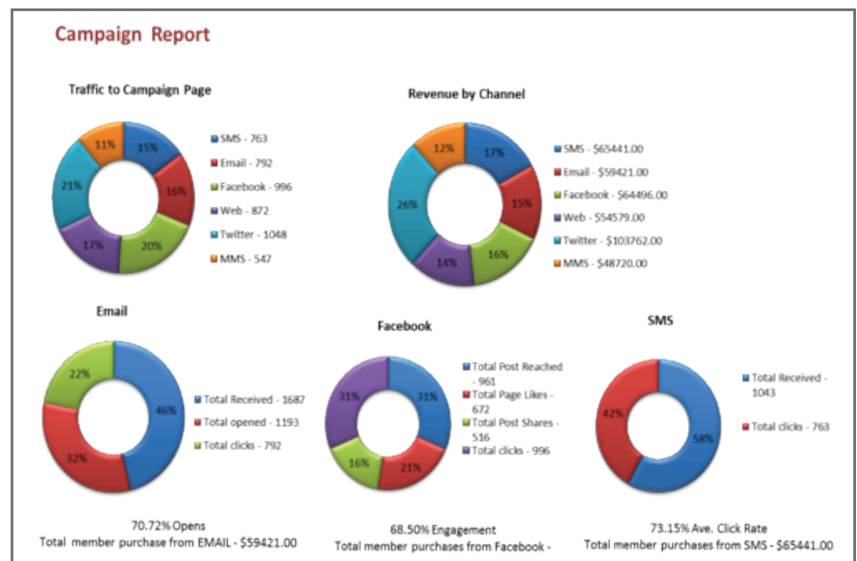
5. DIGITAL MARKETING PLATFORM

The buzz word for the last several years has been Omni-channel Retail, which is a multichannel approach to customer engagement. It seeks to provide the customer with a seamless shopping experience whether the customer is shopping online from a desktop or mobile device, by telephone or in a bricks and mortar store.

The challenge for most retailers is that customer and marketing information is in multiple locations. Mailing lists, databases, campaign data, purchase history, EDM, SMS & social media sit in silos. Campaign reports, e-commerce sales, SEO & Google data add to the warehouse of information. Compound this with retailers who are stuck with legacy systems and there is no wonder they are not maximizing marketing spend and e-commerce sales.

Digital Marketing platforms are now available to aggregate and mine this big data so retailers can “mash” all these sources of data together, allow effective management of marketing campaigns, measure return on investment from different channels, provide one-on-one marketing to your customer database, and measure the correlation between offer/channel/customer engagement/revenue/online and in-store traffic.

The outcome is a true Omni Channel experience that optimizes all sources of data so campaigns are focused and you can measure their effectiveness and results.



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