# Guide to Mastering the

# IN-STORE
## EXPERIENCE

**Lavi Industries**

# Brick and mortar retail is on the move.

---

There's no going back. Retail will never be the same again as online shopping has created a global network of competition for nearly every type of product. E-commerce has created higher expectations for consumer convenience and competitive prices, but it has also given brick and mortar retailers new opportunities to shine in relation to their virtual counterpart.

In a recent Forbes interview, Perry Kramer of Boston Retail Partners noted the trick to enduring this new convenience economy is **competing with a quality customer experience.**

For brick and mortar retailers, the game is changing and new rules are being written by the moment. Still, recent Pew Research Center research revealed 63% of Americans prefer brick and mortar over online retail. And the U.S. Department of Commerce Census Bureau reports that 92 percent of retail dollars are still spent in brick and mortar stores.

---

"[Brick-and-mortar] isn't dead,
## it's evolving."

**PERRY KRAMER,
BOSTON RETAIL PARTNERS**

## Retailers must become masters of their environments.

---

So why is it that some stores are adjusting to changes in customer behavior more successfully than others? Prominent retail giants are closing stores and filing for bankruptcy protection because they haven't kept pace with the evolution.

In the classic book, *Crossing the Chasm*, author, Geoffrey Moore, stresses the concept of a 'whole product.' The whole product, which consists of a generic offering augmented by all that is needed for a customer to have a compelling reason to buy, is necessary for a company to succeed.

A case Moore presented to technology companies back in 1991 can be applied to retailers today. Retailers must reinvent themselves to "cross the chasm" of today's *consumer reality* and find an effective strategy for long-term success. Doing so requires that they create a whole product—a compelling experience. They need to take a broader, more holistic look at their retail environments and identify all areas that need improvement; any areas that interrupt or deter the customer's journey to a purchase. In other words, it's not enough just to take an online store and put it into a brick and mortar environment. Consumers' idea of a whole product for retail is now much more than this.

## Why some retailers are struggling.

Consumer expectations are demanding the 'whole product'—the integration of digital options along with customer service excellence and a unique in-person experience. Retailers must master all aspects of their environments (on and offline) and create experiences extending even beyond an occasional in-store party or a new product demonstration.

According to experts, some of the specific reasons retailers are struggling today include:

- Consumers are increasingly price sensitive and unwilling to pay full price in stores. (CBS) They will mine the net for deals and buy wherever they can save a buck.

- Some retailers are responding to online demand or competition by lowering margins for online purchases. This can backfire, however, as customers are looking in-store and then buying online, ultimately cannibalizing brick and mortar distribution.

- 'Whole product' expectations can fall outside of a retailer's core competency. Designing an experience pushes some retailers into new strategic territory, confusing or diffusing resources, or even the brand itself.

- Consumers are seeking more specialty products and apparel, no longer as satisfied to shop at general department stores as they used to be.

## What's the answer?

With the awareness of an impending evolution, the question turns not toward what (evolve) or when (now), but toward the question of how? Creating a great customer experience begins with understanding the customer's experience. Tracking and analyzing customer traffic patterns can inform not only the volume of customers but also the subtleties of where and how customers spend their time on site, and how travel patterns relate to sales. Data such as footfall analytics and waiting times can help retailers understand in-store dynamics to better design a fresh customer experience as well as evolve customer service strategies and priorities.
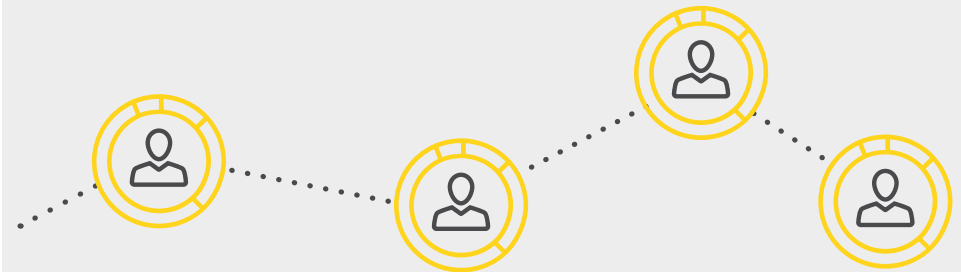


"At every step, we need to reevaluate the journey from the customer perspective—do customers feel like they're wasting time, can't accomplish the desired goals or are frustrated with too many steps?"

ELIZABETH MAGILL,
PROGRAM LEADER, CUSTOMER ANALYTICS, IBM WATSON MARKETING

## Inside this Guide

This guide is designed to help retailers evolve toward extraordinary in-store experiences.

### INSIGHTS
into the sometimes-overlooked aspects of the in-store experience, including managing queues, empowering store associates, and optimizing customer flow.

### INFORMATION
on how these aspects impact the success of brick and mortar retailers.

### SOLUTIONS
to address each aspect.

## Overlooked Aspects
## of the Retail Environment

---

As we've established, to be successful today, retailers need to take a truly holistic look at the customer experience. This includes the entire customer journey. Retailers must identify problem areas, finding the "gaps" in the path to purchase where a customer's experience might suffer, and then upgrade the experience from there.

A good starting place are the sometimes-overlooked aspects of the in-store environment such as empowering store associates, managing queues and traffic flow in real time, automating queue-related functions, and maximizing the opportunities to capture impulse sales. These are some of the inconspicuous or at least under-emphasized aspects of retail success in today's world.

## The Path to Better Performance

---

With the retail industry shifting as dramatically as it is today, there is no single simple fix. But there are clear indicators if a company is on or off target, and the proven solutions below can help retailers evolve toward meeting and exceeding customer expectations.

In the folloeing pages are some proven solutions to help create an in-store experience that will delight customers.

# Decrease real and perceived wait times

**"Waiting time is the single most important factor in customer satisfaction."**

PACO UNDERHILL, AUTHOR OF WHY WE BUY

How do you impact the way customers feel about waiting in your line? The answer is hidden in the question. It's about how they feel. Studies have found that after just five minutes of actual waiting, a customer's perceived wait time is two times the actual wait time. Reducing wait time (and especially the perception of the wait) must be a top priority for any retailer looking to create a better customer experience. Retailers can help align customer perceptions of time with reality by thinking about how long the wait is and how long it actually feels.

**Solutions to consider:**

### WAIT TIME 2 MIN.
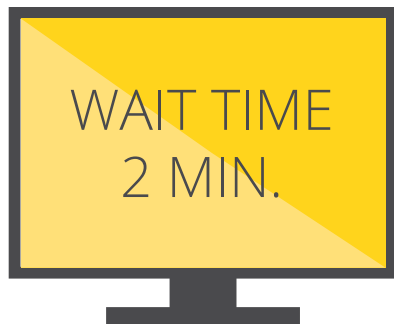
### 1. Display or publish estimated wait times

at the beginning of and maybe even throughout the waiting line to keep people abreast of how long they'll be expected to wait. Why? Known wait times feel shorter than unknown wait times.

### 2. Add in-queue merchandising

When shoppers are kept occupied they have less time to think about how long they have been waiting or how much longer they will be waiting. Merchandising in the queue is reported to reduce perceived wait times with the added benefit of increasing sales!

### 3. Get your customers started, sooner

One idea: Bring a cashier into the waiting line to begin scanning items before the customer reaches the cashier. Real and perceived wait times can be cut when you get things started sooner.

### 4. Try a virtual queue

Instead of a physical waiting line, let your shoppers join the waiting line via their mobile devices or an in-store kiosk and allow them to continue shopping until it's their turn to check out, enter the changing room, or whatever else they are waiting to do.

7

# Drive impulse sales at checkout

Customers waiting in a queue are a captive audience. This is certainly a good opportunity to increase sales and improve your bottom line. But even more importantly, in-queue merchandising represents an opportunity to please and delight customers with quality products in appealing displays during what might be an otherwise unpleasant wait.

Occupied time feels shorter than unoccupied time, so in-queue merchandising brings the added benefit of making the wait feel quicker. Any chance to distract a waiting customer with something they like and appreciate is an opportunity to create a positive experience and build a quality relationship. Customer delight can affect the bottom line more than sales alone as customer retention and lifetime sales deliver lasting returns.

**Solution:**

## In-Queue Merchandising

Whether you have a small footprint with a single stanchion, or a large switchback queue, the opportunity to boost profits and delight customers shouldn't be missed. Using creative and versatile solutions like double-sided slatwall panels, merchandising bowls, and a variety of in-queue signage you'll see an immediate increase in impulse sales.
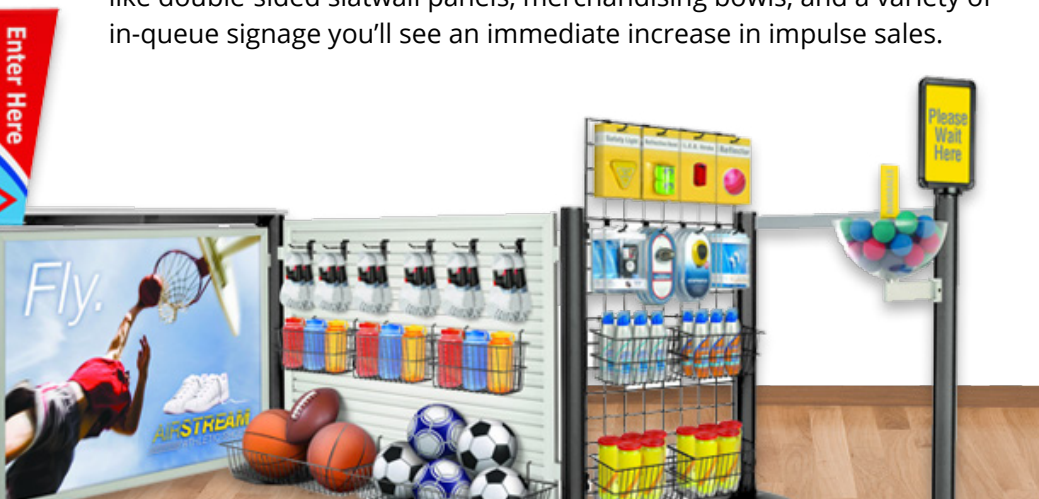
# Strike the right balance between staffing and shoppers

With customer service excellence as one of the leading indicators of success, it is imperative to design a customer service experience matching consumer expectations. Agents need to be available, ready, and informed when a shopper needs assistance or even before to be one step ahead of their needs. The critical consideration is that staff also represent the largest expense in the financial equation for most retailers. To achieve a healthy, sustainable balance staff need to be placed and utilized in the right areas—when and where they are needed by shoppers.

**Solution:**

## Footfall Analytics

Real-time footfall analytics data allows business owners to track the number of people entering the store or browsing a particular area. Systems capture the number of people entering and leaving, as well as how they move around and through an area. Footfall data can even tie back to sales to measure conversion rates.

Being able to accurately count people, determine traffic trends, recognize patterns, and precisely know service allocation in real time helps managers and staff to be able to instantaneously respond to customers. Immediate attention creates an experience of respect and quality service that customers notice and appreciate. Using analytics well can quickly transform your retail environment to a higher level of service and a better customer experience.

9
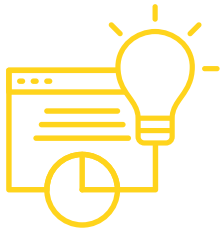
# Discover new opportunities while optimizing existing strategies

The entire industry is changing. This is a time to be analyzing every aspect of operations, especially related to service and the customer experience. Whatever is working in an environment needs to be optimized and maximized. And anything that isn't performing at its peak needs to be assessed and creatively examined for improvement. Using historical data to find out what is working or not is essential to guide your improvements.

**Solution:**

## Footfall Analytics

Analytics provide clear and unquestionable data on metrics like dwell time, zone performance, cart abandonment, and store layout effectiveness. It is far easier to come up with new creative solutions once you have clarity on what is currently working or not working with actionable data at your fingertips.

# Optimize service delivery and increase conversion rates

Service has always been an important part of the retail game, but now it is the game. Optimizing service is essential to success in today's retail environment. And it means more than just having enough agents available to move customers through quickly. It includes creating a positive service experience that can win customers over to a purchase - effective conversions with quality service. Without mastery of service optimization, the bottom line can't thrive. One key to meeting the critical KPIs is having an efficient workforce. Understanding where staff can make the biggest impact, hour by hour throughout the day, helps optimize service delivery and ultimately increases conversions.

**Solution:**
## Footfall Analytics

A quality analytics system can deliver real time data to a central dashboard or even to mobile devices to keep the whole team informed. Integrated automation can trigger actionable staff alerts and can initiate automated processes based on customer flow and/or programmed KPI events. With mobile integration, it is now possible to seamlessly connect the technology with human resources throughout a location to have the entire customer service system be in sync with your customers.

# Give store associates visibility into customer traffic and preferences.

Consumers today expect convenience and a high level of personalization. For retailers to be as responsive as customers require, associates must be empowered to respond directly to customers fast. Having information about preferences, or seeing how many people are approaching a service area, agents can offer a much higher level of service than if they are to approach service reactively. Visibility is one way to be a step ahead.

**"Consumers spend twice as much in-store when they receive assistance from a retail sales associate."**

INMOMENT 2016 RETAIL INDUSTRY REPORT

**"Despite fears that brick-and-mortar buying might lose its relevance, in-person shopping has transformed into an omnichannel opportunity to sell more, and deepen customer relationships."**

DR. PAUL WARNER,
VICE PRESIDENT, CONSUMER AND EMPLOYEE INSIGHTS AT INMOMENT

**Solutions:**

## Footfall Analytics

Footfall analytics systems can deliver real-time data via text or email alerts and dashboards that store associates can act on. They can be alerted to increases in customer traffic around key areas of the store in order to offer more support. They can help guide customers to areas of the store where queues are less crowded. The possibilities are plentiful.

## Virtual Queuing

Having visibility into customer information empowers associates to know in advance what the customer needs are and to assign the most appropriate person for service. This information can come directly from the customer when they register into the waiting line via a virtual queuing system and associates can use the information to tailor their service delivery.

# Automate self-service queuing.

When you automate queuing functions such as customer hailing, routing, alerts, and other functions, you can create efficiencies, faster service, and shorter waits. One area where this is of particular value is in the self-service checkout area. Retailers are often drawn to self-checkout queues as a way to reduce wait times. Instead, many retailers have found customers waiting longer than expected and sometimes encountering confusing or chaotic waiting lines.

**Solution:**
## Automated call-forward queuing

Combining footfall analytics with call-forward queuing technology, automated call-forward queuing for self-checkout areas monitors customer activity in the queue and at the kiosks. As a kiosk becomes available, the automated system uses audio and visual cues to instantly alert and guide the next person in the line to the available kiosk.

# Free customers to continue shopping while they wait

What if you could completely remove the line from the waiting experience? Now you can! With a virtual queue solution customers can register their place in line and then maintain control of their own time. Whether they continue to shop or do something else, customers greatly appreciate being able to choose rather than having to wait in a line to be served. Customers can be alerted when it's their turn via in-store digital signage, a text message, or a wait line app. Virtual queuing is designed to disperse waiting crowds and create a more pleasant waiting environment.

**Solution:**

## Virtual Queuing

Virtual queuing systems help decrease perceived wait times and allow agents to better personalize the service experience to individual customer needs. Virtual queuing systems give associates the opportunity to serve various customer segments differently—like VIPs or frequent customers, and can empower associates to be proactively prepared to serve customers more personally by using data entered during the sign-in process. Virtual queueing is a great way to boost customer satisfaction and operational efficiency.

14

# Optimize your maintenance routine and take immediate action to address problems



Dear Visitor:
We care about your opinion! Are you satisfied with the cleaning service of this restroom?

For a consumer to invest their time traveling to a store and then spend their hard-earned money, a strong relationship must exist, based on trust and value. Maintaining a quality retail environment and addressing any issues that arise is a fundamental way to build trust and express the core values of the company. If products or equipment or the location are not meeting expectations, customers will not return and may even share negatively to others. The most effective way to stay ahead of breakdowns is to conduct regular maintenance, and to engage customers in regular feedback.

**Solution:**
## Customer Feedback System

By scheduling maintenance and opening dialogue with customers, you can prevent breakdowns or catch any issues quickly to address them before damage can be done. A proactive approach keeps your environment pristine and provides customers another opportunity to feel valued and heard. Let your customers know you care by asking for their input and by providing a safe, clean and high quality environment.



15
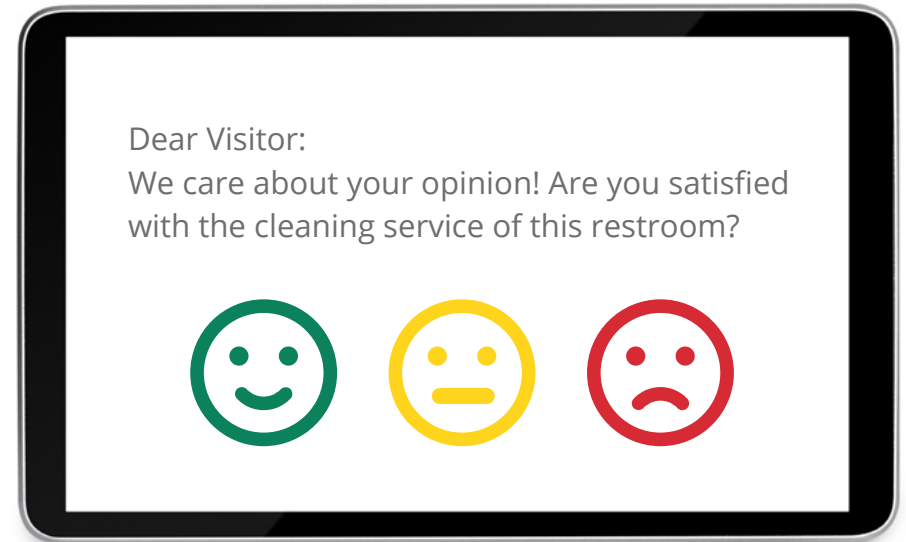
# Manage customer flow in your queues and around your store



Customers appreciate being able to move into a space, easily find what they are looking for (whether it's a specific product or a person to answer questions) and get out efficiently. For this to happen, you need a well-designed queue and system of traffic flow in, through, and out of the retail space.

**Solution:**
## Stanchions and Barriers

Stanchions and barriers represent one of the fundamental tools for queue design and customer flow. They provide the structure for your queue and allow you to direct and move people efficiently. This efficiency enhances safety and the overall customer experience. When you integrate analytics into the design of the structures (such as counters built into the stanchions) you can also magnify the power of the system by combining a proven structural system with actionable data.



16

# Conclusion

---

Brick and mortar retail is far from dead. In fact, in-person shopping is alive and well, just growing and changing along with everything else in today's high paced digital world. The key for successful retailers is to deeply understand the desires and expectations of customers and to nurture the relationship in ways that they need and expect. In other words, create a whole product to suit customer demands. Paying attention to the sometimes-overlooked aspects of queue management and service efficiency will help you provide a full-circle experience and help you stay ahead of the competition.

---

**Learn more about mastering the in-store experience with solutions from Lavi Industries.  Take an interactive tour at lavi.com.**

**Lavi Industries**

lavi.com