

Empowering Sales Associates to **Become**

Brand Ambassadors



Four technologies that take customer
service to the next level

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Introduction

It is no overstatement to say that consumer shopping behavior has been radically transformed by technology — in particular the mobile devices that put a world of product, price and promotional information into customers' hands. All too often, customers enter the brick-and-mortar store armed with far more information than the retailer's own employees.

The truth is, associates still play vital roles in streamlining and enhancing that shopping journey, particularly when they leverage technology that provides them with deep data about products, real-time inventory levels and shoppers. Retailers making these types of investments can elevate their associates to the

role of **brand ambassador** — someone who can make every customer interaction a positive part of today's non-linear, omnichannel paths to purchase.

Case in point: 85% of consumers prefer to shop at physical stores, and 90% were more likely to buy when helped by a knowledgeable associate, according to the TimeTrade *State of Retail 2015* survey of 1,029 consumers.

The bottom line is that technology, rather than displacing sales associates, can (and should) be used to make them even more effective. This white paper will examine four key technology strategies for reinvigorating the store experience:



One

Mobile POS

Two

Interactive store technology

Three

Endless aisle solutions

Four

Mobile apps and promotions

85% of consumers prefer to shop at physical stores, and 90% are more likely to buy when helped by a knowledgeable associate.

- *State of Retail 2015*, TimeTrade

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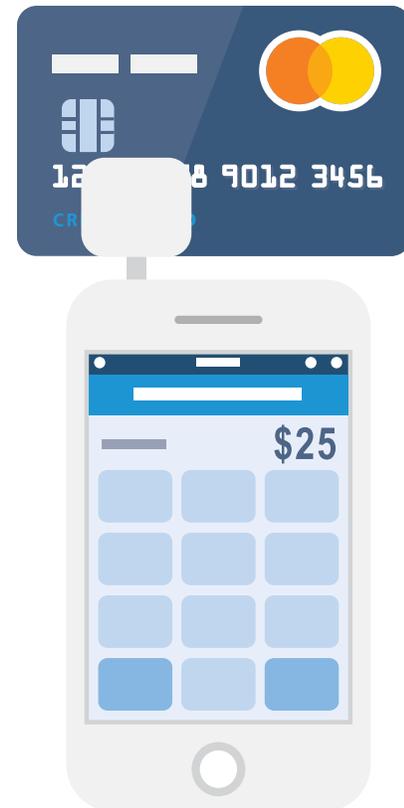


One

Mobile POS: Removing Barriers to Transaction Completion

Given that the brick-and-mortar store is where the vast majority of *actual* purchases take place (even if the shopping journey began elsewhere), it is critical that retailers make transaction processes as streamlined as possible. This requirement provides a major motivator for retailers' investment in mobile point-of-sale (POS) technologies, which have made inroads in many retail verticals. At **Moosejaw** stores, 70% of all transactions are now completed via mobile POS, according to a February 23, 2015 *Retail TouchPoints* article. Other retailers that have implemented mobile POS are industry leaders such as **Urban Outfitters, Home Depot, Starbucks** and **Nordstrom**.

Mobile POS adoption is still on the upswing. Employees of 42.1% of retail companies already use smartphones or tablets in place of cash registers, with another 22.8% planning to use the devices for this purpose in the future, according to the *Retail Customer Experience Retail Future Trends 2015* report.



42% of retailers already use smartphones or tablets in place of traditional point of sale systems, and another 23% plan to use the devices in the future.

- *Retail Future Trends 2015*, Retail Customer Experience

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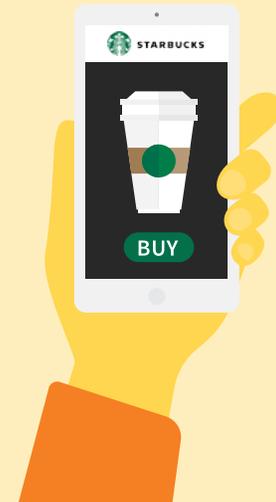


However, to make mobile POS a true partner in associates' transformation to brand ambassadors, the technology needs to do more than simply ring up transactions. Today's consumers seek unprecedented levels of flexibility in purchase, payment and delivery options. A mobile POS deployment should easily be able to handle the completion of a buy online/pickup in-store transaction, along with setting up buy in-store/ship anywhere transactions. Product returns and exchanges should likewise be part of the mobile POS repertoire.

Including this full range of POS functions on mobile devices allows the store associate to handle all elements of the customer's visit. When associates can stay by the customer's side, a product return becomes a golden opportunity for additional sales. Customers will appreciate the convenience of "one-stop shopping," and their impression of the retailer as an organization that introduces helpful technology will boost both customer service perceptions and long-term loyalty.

Success Story: Starbucks

The coffee giant recently announced it was bringing its Mobile Order & Pay initiative east to four busy, small-footprint New York City locations after a successful rollout in 600-plus Pacific Northwest stores. A Starbucks employee greets guests at the door and enters orders into a mobile device. Starbucks believes staffing mobile POS positions will better manage wait times and maximize efficiency for customers and employees.¹



¹ *Mobile Commerce Daily*, May 4, 2015

By arming staff with mobile POS devices, Starbucks can better manage wait times for its customers.

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Two

Interactive Retail Technology: Importing the Best of Digital Commerce into the Brick-and-Mortar Store

In-store technology such as digital signage, interactive touchscreens and kiosks bring many of the advantages of online shopping into the brick-and-mortar environment. Access to detailed product information, ratings, customer reviews and rich audio/video content complement the ability to see and touch the actual product.

While many of these technologies are designed to operate in self-service modes, retailers can improve their ROI by deploying solutions that organically incorporate associates' involvement. Employees can help shoppers who may be unfamiliar with, or even uncomfortable with, new technologies. They can point out hidden functions, answer customers' questions and learn more about a problem the customer is seeking to solve — not just what product he or she might want to buy. This deeper level of human understanding is at the heart of the transition to brand ambassador.

Shelf-mounted touchscreens, for example, allow associates to stand side-by-side with customers, showing them multiple product options, accessories and frequently purchased add-ons. Such solutions amplify cross-sell and upsell opportunities in major categories and lower shelf-space requirements for physical merchandise. For data-intensive categories such as consumer electronics, associates can dig deep into technical data without having to memorize the specs on every product in the store. Here, technology can move associates more fully into the role of "trusted advisor/expert."

Using store technology to build up associates' credibility has two positive impacts. First, it addresses the information asymmetry that puts associates at a "data disadvantage" compared to mobile-equipped consumers. Second, it can pay long-term dividends that go beyond closing an individual sale. If shoppers

"If retailers can get product information right — and present it in more interesting ways than a printed shelf label — they have a better chance of getting shoppers off the couch, into their stores and buying from them."

- Brian Kilcourse and Steve Rowen, *Commerce Convergence: Closing the Gap Between Online and In-Store*, Retail Systems Research

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perceive that they will receive useful, solid advice from a knowledgeable person in the store, they may curtail pre-store online research (or skip it altogether) for their next purchase, which provides fewer opportunities for competitors to tempt consumers with online offerings.

These types of in-store technology solutions make sense for a wide range of retailers. "The largest retailers see the most chance to differentiate via richer product detail information in stores," wrote RSR's Brian Kilcourse and Steve Rowen in the June 2015 report *Commerce Convergence: Closing the Gap Between Online and In-Store*. "Larger chains, larger number of SKUs [equals] more opportunities for missed, incomplete or incorrect information between manufacturer and seller. And with consumers as informed as they've become, large retailers know this simply isn't acceptable anymore. If they can get product information right — and present it in more interesting ways than a printed shelf label — they have a better chance of getting shoppers off the couch, into their stores and buying from them, specifically."

Success Story: Burberry

Burberry's flagship store on London's Regent Street integrates a range of technologies providing customers with a seamless shopping experience. Upon entering the store, customers see full-length screens with audio-visual content, live streaming hubs, and mirrors that allow them to explore products that they see models wearing on-screen. When a customer approaches an article of clothing, RFID tags attached to these items activate and display information about the item. Customers can also place products on RFID-equipped platforms and see how those products look on them through projected images.²



¹ A.T. Kearney, *On Solid Ground: Brick-and-Mortar is the Foundation of Omnichannel Retailing*, July 2014

Customers can access multiple technologies, including RFID-equipped platforms that display product information on full-length screens, to enhance the shopping experience while visiting Burberry's flagship store.

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Three

Endless Aisle Solutions: Saving the Sale and Turning Associates into Helpful Heroes

When customers perceive associates less as salespeople and more as problem-solvers, staff become far more effective brand ambassadors. Technology solutions that accomplish this while also facilitating “endless aisle” experiences — such as access to inventory throughout a retailer’s supply chain — offer multiple benefits, including bringing the advantages of e-commerce into the physical store.

Online shoppers have become accustomed to getting instant information about inventory levels. In stores, traditionally, such data wasn’t easily accessible to customers or associates. Endless aisle solutions make larger segments of a retailer’s total inventory *visible* and *available* to every shopper in every store. For example, stores can stock shoes in one color while electronically displaying five other options. All options are viewable to customers using shelf-mounted touchscreens.

While endless aisle is one of the most direct and effective ways to empower associates, it requires significant back-end support and coordination to be successful. Retailers need true enterprise-wide inventory visibility, with granular views of exactly how many items are in distribution centers or on store shelves in multiple brick-and-mortar locations. They also need centralized order management solutions that closely integrate with e-commerce operations to handle the mechanics of completing these transactions. Additionally, retailers require built-in functions that can automatically choose the best fulfillment method and also ensure that individual stores minimize out-of-stocks of popular items.

There are strong indications that retailers are aware of these technology requirements and are making the investments needed to align them, according to a survey by Boston Retail Partners titled *Real-time Retail — The New Retail Imperative*. Within three years:



91% of retailers will have real-time inventory information available at the POS;



75% will offer real-time pricing and promotions at the POS; and



90% of retailers will implement customer transaction look-up from any channel.

Using endless aisle to hasten associates’ transformation into brand ambassadors may also require rethinking compensation structures. Associates’ incentives need to be in tune with non-linear purchase paths that combine online, in-store, mobile and social touch points, in multiple configurations and permutations.

Traditional channel- or store-based compensation structures, particularly with salespeople relying heavily on the commissions they receive from in-store sales, may cause these associates to be highly reluctant to “lose” a sale to another store or to the retailer’s e-commerce channel. Human nature means they will be less likely to act as brand ambassadors, whose mandate is to seek solutions that meet the customer’s actual needs, which helps create long-term relationships between customers and the retailer. Instead, they are more likely to push a product (or a fulfillment method) that helps the associate’s own bottom line. The most up-to-date endless aisle technology will go unused unless associates receive proper compensation for matching customers to the product they actually want, rather than one that happens to be on hand.

However, retailers could take cues from companies like **Apple**, which does not provide commissions to store associates. Instead, the brand pays its store associates an hourly wage and encourages them, first and foremost, to serve the customer by finding the solutions that will make shoppers the happiest. Apple store employees guide customers through the purchasing process and recommend products that suit their needs, whether or not those products are available in the store. The end result: Stores with the highest sales per square foot in retail and legendary customer loyalty.

Success Story: Apparel Retailer

An apparel shopper finds a blouse that fits her style and price point, but not in her size or preferred color. The store associate helping her uses a mobile tablet to locate the customer’s desired blouse at a store located near the customer’s workplace. She reserves the item for the shopper to pick up later in the week. Alternatively, shoppers or associates can use shelf-mounted touchscreens to purchase products and ship them directly to the customer’s home. Such touchscreens can also display different colors of an item that’s on the shelf, allowing associates to provide the shopper with exactly what she wants — and without the retailer having the burden of keeping non-productive inventory in all of its stores. Even at the POS, traditionally the end of the shopping journey, training cashiers to ask “Did you find everything you were looking for?” can initiate a successful save-the-sale conversation and transaction.



Within three years, 91% of retailers will have real-time inventory information available at the POS.

- *Real-time Retail — The New Retail Imperative*, Boston Retail Partners

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Four

Mobile Apps and Promotions: Making In-Store Interactions More Personalized and Relevant

Consumers' use of their own mobile devices in-store would, on the surface, appear to be a major barrier between customers and associates. However, technologies that reach shoppers with personalized promotions — tied not just to their location within the store but also to factors such as previous purchases or demonstrated interest in a product — offer a range of potential connection points.

Many retailers are exploring beacon technology that sends alerts via a mobile app to opted-in customers when they approach specific items within the store. In addition, beacons can identify opted-in shoppers via their smartphones when they enter the store. Managers (or an automated system) can alert a sales associate to find and greet high-value shoppers. If done properly, customers will feel well-attended to, and retailers will use their in-store labor more effectively.



By tapping mobile apps for both location awareness and individual customer identification, store associates can become more effective brand ambassadors.

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Because mobile apps provide both location awareness and individual customer identification, they facilitate associates' transition into brand ambassadors.

Associates who are alerted to the presence of opted-in customers can call up a shopper's past purchases and brand preferences on their own mobile devices. They also can view highly relevant suggestions to fill in gaps in a shopper's wardrobe, provide tools to complete a home improvement project or alert the shopper about the arrival of the newest video game in a series.

These interactions then become informed conversations. Retailers will need to ensure they are not intruding on customers' sense of privacy, but careful training, and ongoing analysis of how these real-world interactions actually progress, will help smooth the path to brand ambassadorship.

Success Story: Sephora

Beauty/cosmetics retailer Sephora recently spotlighted in-store technology innovations when it unveiled its Sephora Innovation Lab. The San Francisco facility "will tap the collective creativity of our 14,000 employees nationwide, grow the next generation of leaders, and elevate Sephora's digital future," said Sephora Americas CEO Calvin McDonald in a statement. Technology that Sephora is exploring includes:

- Beacons for its 1,800 stores that deliver personalized alerts to opted-in shoppers;
- Augmented reality via the Sephora to Go mobile app, which provides custom content delivered when shoppers hover their phones over famous cosmetics faces like Josie Maran and Laura Mercier. The app also includes brand founder interviews, product videos and YouTube playlists; and
- Sephora Flash, a new shipping program offering free two-day shipping to loyalty program members.

Another in-store innovation, Pocket Contour, is a cross-platform virtual makeup artist app that analyzes a customer's selfie and then provides personalized, step-by-step advice to achieving a contoured look.

This is a good example of technology that can operate in a self-service mode or be a bridge to interacting with a Sephora associate. This retailer invests heavily in training its associates about not just its products but how best they can be used by many different types of shoppers, and this technology assists them in drawing that connection.



Conclusion

Despite the many new twists and turns in consumers' shopping journeys, the store is still a vital point in the path — one where the vast majority of actual transactions still take place. Perhaps because technology now plays so many roles in retail, store employees may actually be even more important than they have been historically. They can now become brand ambassadors.

"One of the fastest ways to occupy the part of the consumer's brain that retailers want to occupy most — where brand and emotion become associative and inseparable — is to establish human connection," according to RSR's *Commerce Convergence* report. "Clever uses of social media, call center and online widgets can help in finding ways to add a human experience to an otherwise solitary technological endeavor. But when it comes to this 'actual human interaction' component of the shopping experience, there will never be a substitute for in-store person-to-person interaction. It's a functional need of the human condition, and a large part of why stores have yet to (and won't) disappear."

However, retailers need smart applications of technology, both in stores themselves and throughout the enterprise, to transform associates into the kind of brand ambassadors who can provide these types of meaningful interactions. Whether it is mobile POS that streamlines purchases and returns, information-

rich interactive displays and touchscreens, simplified endless aisle options or targeted, highly relevant mobile apps, retailers will need to supply their associates with sophisticated, easy-to-use tools that solve customers' problems.

They will also need to pay attention to training and compensation structures, to ensure that they use these technologies in ways that both boost profitability and improve customer service. Retailers that have feared technology's presence in their stores should instead embrace its potential to improve employee productivity and to address the "data disadvantage" that has upended retailing in recent years.



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- Brian Kilcourse and Steve Rowen, *Commerce Convergence: Closing the Gap Between Online and In-Store*, Retail Systems Research

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About iQmetrix

At iQmetrix, our purpose is to create great retail experiences. Our products bridge the gap between physical and virtual retail channels. XQ Interactive Retail brings elements of online shopping into the physical store to facilitate the purchase process. RQ Retail Management is a complete system for managing all aspects of a store chain operation. Founded in 1999, iQmetrix is a privately-held software as a service (SaaS) company with offices in Canada, the U.S. and Australia.



About Retail TouchPoints

Retail TouchPoints is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The Retail TouchPoints network is comprised of a weekly newsletter, special reports, web seminars, exclusive benchmark research, and a content-rich web site featuring daily news updates and multi-media interviews at www.retailtouchpoints.com. The Retail TouchPoints team also interacts with social media communities via Facebook, Twitter and LinkedIn.



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