Improving the Shopping Experience; Myth or Reality

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In the retail store design and development industry, it is all too common to look for the silver bullet, the next killer app or the easy fix that will solve all our problems. Usually, this manifests itself in the latest buzzword or technique that many rush to understand and apply.

In the 1990's retailers quickly attempted to introduce "experience" into their stores, thanks to the writings of B. Joseph Pine II and James H. Gilmore who explored the "Experience Economy" in their book of the same name. While urging us to consider that "every business is a stage," some forgot theater arts have many components. Let's consider a retail performance. Products and services play the actors, the fixtures and hardware are the props, and even the patrons play a part as an audience lured by the promise of an intriguing story or lighthearted fun as offered by advertising or the storefront. In truth, many in our community have compared retailing to the theater. While a director or producer learns if the production is a hit by reading the morning papers' critical reviews, in our case, we check register receipts.

But many retailers who attempted to add "experience" to their shopping process dead-ended. Why that happened is but one reason to explore the myth of improving the in-store experience, this time with greater emphasis on the customer.

In retail theater, this communication is the script that (in self-service situations), the customer-as-actor reads herself. Therefore, we must all agree that while the customer plays an important role in their own satisfaction with the store, we must ensure the right messages, produced in a legible and understandable format are provided.

As we track the moves of successful retailers, a consistency emerges in categories of communication used which effectively assists the customer in finding, browsing and purchasing what they need. The list includes:

Directional – Guidance around the store and to desired as well as impulse merchandise.
Informational – Messages the customer needs to know about how the store works or featured merchandise.
Institutional – Brand-building stories about the retailer.
Features and Benefits – The factors by which customers make buying decisions.
Promotional – Featured products and services are highlighted through these messages.

How Does a Customer Buy?

Millions of words taking the form of theories and studies attempt to shed light on the most mysterious territory of how and why customers purchase. To support or refute hypotheses, researchers have devised numerous technological advances to capture and analyze customer behavior.

We have observed fascinating ethnographic studies, which not only follow customers through spaces, but also quantitatively track the most subtle movements calculating these as an indication of buying intent. But as effective as these tools are, they're unable to access or assess a shopper's emotions. Retailers continue to pursue honest, face-to-face feedback in contrast to assumptive steps which lead them to introduce concepts or products they believe customers want, but in reality do not.

Consumers are also increasingly sensitive to elements related to time and convenience as indicated in an analysis by J.D. Power and Associates. In their study of automotive dealers, service turnaround has a direct impact on customer behavior and is often a leading cause of brand defection. As an example, a dealership sets a target of 20 minutes or less for the time they expect it to take an attendant to retrieve a customer's vehicle and conclude the payment process. This target is set because it is well within their capacity to achieve.   However, research showed that if the process took more than 5 minutes, customer annoyance begins to set in. Obviously a disconnect exists between what level of service the retailer wants to provide and what the customer expects.

It was also noted that retail personnel often do not have the same view of time requirements as customers. Activities are performed in silos, rather than linked throughout the entire dealership system. Reminded of the comments of a well-known retail critic, "Too many retailers (and designers) confuse themselves with the customer. What the customer needs and wants may be completely different than what you think they want."

What does the customer want? What is required for them to make an informed buying decision whether the purchase is in response to a need, or an impulse desire?   Do we really know their decision process in choosing a power tool, a new mattress or a new suit? Do we really know or see value in knowing what they would change to improve the shopping experience? While every product is different, it's essential to understand the attributes the

customer looks for as they browse, sample, disregard and choose among comparable products.

Of course not all customers are created equal. Some still shop for fun, a release from the busy demands of the times. Others get by with only scheduled, limited trips to the local superstore where all of the family's needs are satisfied in one stop. Is it fact or fiction that women all love to shop, or conversely that all men hate to shop?

Does the professional painter who buys a can of paint differ from the do-it-yourself purchaser? Do Boomers shop any differently from Gen X and Y?

We're also seeing attention placed on how minorities and non-native English speakers shop for necessities and desires. Thus far, this has affected the language on signs. What about the cultural, behavioral differences important to these groups such as product freshness, size or quantity, and the ability to negotiate pricing with the store?

Specifically, it may be insightful to consider how each of us and our friends shop in order to determine how best to improve the shopping experience. And while every product is different, it's essential to understand attributes customers look for when evaluating comparable products that satisfy their wants or needs. Thanks to the Internet, the professional builder and do-it-yourselfer have access to nearly the same information when selecting building materials these days.

Similarly, those same individuals with diverse skill levels can now select a good wine, or a reference video with the help of an online community. We'll deal with online influences later.

Understanding critical decision points and clearly communicating them are a responsibility and a feature of retailers wanting to improve the shopping experience.   But as the term has become so popular, we engaged in this study to see what we could learn about new techniques, discover new sources of inspiration and hopefully to learn what is really important to the customer.

In the spirit of this study, a Google on "improving the shopping experience," resulted in a total of 491,000 entries. These entries included technicians, high-tech companies, visual presentation experts, professional associations, real estate developers, store designers, retailers and ex-retailers, authors and of course, consultants. From experts who profess to

own that magic bullet, to practitioners who claimed to have successfully found the solution, methods to improve the shopping experience range from the practical to the obscure.

Complex Network of Participants

In addition to the Internet study, and with personal experience as to what it takes to open a retail store, a list was compiled of all the professions involved in the store creation process; an integral part of improving the shopping experience for the customer.
Beginning with blue sky conceptualization, continuing through development and finally ending with the daily maintenance of stores, a list of 29 professions were compiled. These individuals or organizations each play a role during the process and in some way can have an affect on the stores ability to improve the customer experience. The list was also subdivided into participants within or outside the retail organization which constitutes the level of potential impact as well as those who have direct contact with the customer.

Outside the Retail Organization 1
Urban Planners
Architectural Designers
Space Planners
Interior Designers
Graphic Designers
Lighting Designers
Fixture Manufacturers
Media Designers
Interior Finishes Manufacturers
Building and Systems Contractors
Technology Providers
Advertising Agencies
Research Companies
Package Designers
Product Brand Marketers
Signage Manufacturers
POP Designers/Manufacturers
Transportation Companies
Improving the Store Experience Consultants

Inside the Retail Organization 2
Operations
Merchandising
Marketing/Promotions
Visual Merchandisers
Maintenance

Contact with Consumers 3
Store Management
Store Sales/Service Staff
Environmental Ambience
Product or Service

1 For each of the professional industries, there is an organization charged with protecting
  the interest and long-term survival of the membership.

2 For every position, there is professional society which endeavors to educate
  and protect the rights of individual members.

3 For every point of contact, there are standards of engagement in place,
  determined by the suspected attributes of the target customer, and service level offered.

In the end, the question must be asked, for all this effort and the quantity of people concerned
with improving the shopping experience, why do experts agree that the quality of the customer
experience continues to degrade?

Retail Reality Check

One of the aspects of today's retail environment that need not be covered here is the
acknowledged fact that retail is a highly competitive marketplace; the customer is armed with
sufficient information to be selective about how and where they shop. As the customer enters
the retail environment prepared to buy, they are faced with inventory shortages, difficult stores
to navigate, and personnel that are focused on everything other than providing a delightful
experience. Of course, not all sales people are indifferent.

Some have been saddled with additional duties such as visual merchandising and maintenance tasks like changing light bulbs.

But are "Improving the Shopping Experience" efforts really paying off and where are they focused? Are they as customer-centric as the marketing hype leads one to believe?

In reviewing the paper, Retail Shoppability: A Measure of the World's Best Stores. by Dr. Raymond Burke of Kelly School of Business at Indiana University, I was intrigued by the inclusion of his 10 Principles of Retail Shoppability. These are solid ideas and proven techniques utilized regularly by the world's best and most experienced store designers. It's difficult to believe that with the wealth of knowledge on the subject that so many stores exist which violate the rules many believe are necessary to achieve retail success.

But it should also be noted that Dr. Burke joins a legion of academics and researchers who have written on the subject as observers to the store development process.

Will these authors have success in converting more believers in these principles than practitioners who speak the same words? And if so, why? Store designers and planners need to be aware of what's being written by these authors on topics which reflect their profession, as they may have a better connection with the retailer.

Technology Challenges

We believe the future success of bricks-and-mortar stores is entirely dependent on the steps taken today to both thrill and efficiently serve the customer. An October 2006 survey by the National Retail Federation (NRF) found that more than 39 percent of shoppers browse electronics from the comforts of their home, office or laptop before even thinking about walking in a store. Consumers look to the Internet for help in buying other things too, with 20 percent of them studying sites for sweaters, skinny jeans and snowsuits. An additional 19.6 percent check Websites for washing machines, dryers and refrigerators. Consumers looking for home improvement items ranging from tool kits to kitchen cabinets also surf the Web first, according to the study. More than 16 percent of consumers also said they have researched medicines, vitamins and supplements and even shoes online before purchasing in a store.

In analyzing this statistic, Janet Groeber, author and retail trend watcher, asks, "Does this suggest customers want the privacy and leisure of comparing options at home before getting in the car and actually making a final selection in store? Humans are social animals and getting out in the marketplace is part of our socializing."

Our concern here is that as we consider these kind of statistics, retailers must realize that if the customer does become completely turned off with shopping in a store, they are only required to take one more step to conclude the Internet search and push that "buy" button.

Putting Customers First

Reinterpretation of concepts found in other business ventures sometimes leads to interesting and successful adaptations. Danny Meyer, president of the Union Square Hospitality Group, owns 10 restaurants throughout New York City each of which is highly praised not only for the food they serve, but the standards of hospitality they consistently provide customers.

In Meyer's book, *Setting the Table*, he shares with readers how he feels the power of hospitality can transform any business. "Hospitality exists when you believe the other person is on your side. The converse is just as true. Hospitality is present when something happens for you. It is absent when something happens to you. Those two simple prepositions – for and to – express it all."

Do the latest experiments in improving the shopping experience happen to customers, or for them? Is great service or hospitality provided willingly, or with an attitude because the one who is expected to deliver it to the shopper regrets having to be on the giving side of the relationship?

The daily retail news blog, *RetailWire.com* asked its expert panel what they thought on the subject of customer-centric stores and here's how they viewed the situation.

"The level of customer service is built into each retailer's business model. Stores are a reflection of the store management team's attitude and neither the store nor its associates will rise for long above the attitude level of corporate management. Out of necessity, I see more IT solutions like information kiosks for customer assistance and product knowledge in mass and grocery, where many still don't hit the universal customer service basics of clean, in stock, and

a fast check out on a consistent basis," George Andrews, Principal, Delta Associates.

"Customers are too often becoming accustomed to 'self service' and that comes at the expense of loyalty and 'personal connections' with the retailers they visit. From self service kiosks at airport check in, to self service check out lanes, shoppers are increasingly expected to serve themselves, and this lack of customer connectivity will create lost identity for retailers," Dan Nelson, Senior VP, Chief Executive Operating Officer, GMDC.

"Some consumers want (a) 'choice.' Sometimes we want to get in and out quickly, serving ourselves and not being pestered by aggressive sales staff. Sometimes we want information and advice and someone to talk to. Which means, to me at least, that training is an essential part of the job offer," Bernice Hurst, Managing Director, Fine Food Network.

In fact, proper training of store personnel and better communications is often referred to as the most important aspects of "Improving the Shopping Experience.".

Len Lewis, President of Lewis Communications, Inc. added, "Department stores and higher end cosmetic companies learned a long time ago the value of having trained personnel. They are not just there to take up space; they are your sales team in the field, the eyes and ears of a company wanting to know what their customers think and how they live their lives."

'Treat me with respect,' is a basic quality expected by retail customers, according to a survey conducted by Chain Store Age magazine/Cap Gemini Ernst & Young. Rather than be entertained or promised a high level of service that the store can't achieve, a little courtesy goes a long way.

Communication between store and customer builds relationships and a foundation of trust. Technology, while speeding up the process, often circumvents the dialogue between these two parties. This may be fine for quick-service situations, but we may be missing out on an important opportunity. Tell me again why you don't want to speak to the customer?
It is amazing that we see more CRM initiatives relying on technology rather than personal contact to speak to the customer

At the same time, we must ensure that our in-store marketing tools used to improve the experience don't fall into the distraction category. Today many brand marketers and retailers have taken an aggressive approach to communicating their message to the customer.

Everywhere the customer turns they are enticed and lured by product and services communication. They might be using floor graphics, shelf talkers or motion- activated voiced ads. And with the growing interest in dynamic signage technology, the noise level is going to only increase. Is the in-store marketing industry doing a disservice to the customer by encouraging this level of activity within retail stores?

Critics say customers need less "pitch oriented," and more "features and benefits" information to make the right buying decision. Will stores which offer a more subtle approach to this effort be more successful in improving the retailer's brand image and ringing up sales?

And while some in the profession are focused on measuring the effectiveness of in-store marketing techniques on the customer, should we be introducing a system of collecting metrics of customer satisfaction instead?

However, without metrics to back us up, strategies to support us, or apologies for omissions, we believe the following to be a good assessment of how the customer would desire to be serviced and therefore how the shopping experience might be improved.

When a customer is shopping to fulfill a basic need, they must have:
- A system to easily identify the product name, purpose, and options
- Cues to locate the product within the store
- Understandable features and benefits information
- Time to conduct a personal value equation
- Optional recommendations to upgrade
- An explanation of how the product should be used
- Knowledge of return/exchange privileges

When a customer is shopping to fulfill an impulse or desire to buy, it is good to have:
- Trend Information
- Validation by 'style leaders'
- Suggestions on how to use the item
- Time to assess personal appropriateness
- Feedback from a trusted critic
- Recognition as a 'smart shopper'
- Knowledge of return/exchange privileges

Future Thinking

As an alternate view of the future, technology-based two-way communications may occur naturally in stores. But rather than intrusive interruptions into the customer's life, this technology allows shoppers to receive information on phone-like devices. They will be contacted with the latest update on promotions, or new arrivals, for example, immediately sent to them when entering a store ("take me to the shoe department" or "sign me up for gift registry"). The difference is, the customer can choose to accept or block out the information, much like TiVo does at home.

Other suggestions for retail improvements come from grassroots efforts. Don Park contributed to the "Ant's Eye View, The Journal of Anthill Communities," that retailers can improve the retail experience through "Peer Sales," or allowing customers to share their product knowledge with other, less experienced shoppers, and getting compensated for their efforts. This is similar to the amenity available on Internet sites like Amazon and Netflix: customers are encouraged to rate, or even critique their recent purchases, making their comments available to new shoppers who encounter the same choices.

There are numerous other proven techniques which should be considered for inclusion in bricks and mortar stores. Once utilized, these "store of the future" suggestions will bring valuable shopping experience improvements to the customer.

Putting Your Ideas to the Test

Throughout this document, we've asked more questions than come up with answers, neither denying nor confirming the myth of Improving the Shopping Experience.

But we do question whether the customer is being served, particularly as the entire world is at an economics crossroads, where there are more shopping and entertainment venues, all competing for the consumers dollar, and from a quite frugal consumer at that. And when the experience is less-than-satisfying customers respond in different ways; in the United States, an unhappy customer can become quite boisterous, voicing their disapproval for all to hear. This is bad enough, but we are learning that in many Asian countries, dissatisfaction is kept to oneself. Determining it is not worth the effort; the shopper just never returns.

This is a very serious situation for if the retailer never gets feedback, you never know what needs fixing. In a 2008 Wall Street Journal article titled, *Making the Most of Customer Complaints*, the authors argued that how a company handles complaints is just as important as providing great service in the first place. They also described the recovery paradox, in which, "customers can be more delighted by skillful service recovery than they are by service that was failure-free to start with."

So as you can see, feedback can be important not only to fix what's broken but also to strengthen relationships. But how to you get that valuable feedback from the customer? Throughout history, experimentation has proven a valuable tool to test the retail waters in new presentation styles or merchandise introductions.

We suggest here an opportunity for a formalized method of retail testing combined with consumer research: open a 'Lab Store' in a real marketplace.

The Lab Store Concept is a frontline opportunity to gain customer insight on their impressions, prejudices and changing behavioral patterns. It is intended to understand the sales process intimately and learn what improvements may be made

We have seen other retailers embark on similar tests with their own version to fit their particular needs, such as; JCPenney, HomeBase, CostCo, SuperValu, and Food Lion. For example, Best Buy opened two Lab Stores, Eq-Life; targeting women, and Studio D; aimed at the Teen video game enthusiast. Both stores have both since closed, some say as planned, others feel prematurely, but either way valuable insight on how to better appeal and serve these shoppers was undoubtedly gained.

For the mindset for those retailers who determine to embrace this concept, success will be achieved by those most interested in improving their current customer knowledge base, as well as the desire to be truly innovative on how they serve the customer.

To demonstrate the programming ideas and potential results of a Lab Store, the example of a home improvement store test has been chosen. With extensive experience and a good understanding of the current competitive position of the major players in this category, the category is rich with opportunities.

As you will see, many of the details have been well thought out.

Today there is much parity among home improvement competitors.   Each have a very positive image with the customer, and trusted by many for their advice and the quality merchandise they make available. They are often free-standing and a destination for their target customer. Therefore to make a point of difference with the test concept, the home improvement Lab Store would be located in a major regional mall, and in a section that has a dominant home furnishings selection, stores like Crate & Barrel, Pottery Barn, Williams and Sonoma, Z Gallerie, Pier 1, or Restoration Hardware.

From a leasing standpoint, partnership with a major mall developer would also be advantageous in order to secure a mall space with the best financial and short term contractual arrangement.

The main mission of this store is to connect with the customer, finding out their perceptions of home remodeling or redecorating, and their immediate or long-term plans to do so. The product sold is irrelevant, except that is should have a fashion angle, seasonally updated, relatively low cost, and easy to buy and take out of the store. The product category chosen should also have brand caché, with both nationally recognized brand names, as well as a respected house brand.

Finally, customer/employee interaction with customizing the product before a sale introduces a sense of entertainment into the store. Considering all these desired attributes, we have chosen house paint of our main product for sale. Here are a few more ideas specific to the success of our home improvement test store project:

Being situated in a 'home fashion' section of a mall, the browsers are already in a frame of mind to think about their home whether or not they have shopped the surrounding stores for furniture, accessories, or art.
Making a striking color display, and creating an elaborate, over-the-top paint mixer (think Build-A-Bear or M&M virtual factory stores), and the store is assured to draw both men, women or even children to see how it's done.

Partnering with trend experts such as colorists from the Color Marketing Institute, the store can bring in regular updates of fashion trend colors from which the customer's homes can be transformed or 'on-trend' updated.

The store could also offer to paint feature walls of neighboring retail tenants, for promotional opportunities.

The store's environment would be regularly updated with examples of interior decor ideas, either as actual vignettes or print graphics showing finished rooms, color trend influences, or lifestyle image stories. In addition, this lab makes a perfect opportunity to test interactive technology for virtually painting your home, assembling a shopping list online, having it delivered, picking up the order in the store, or doing cost comparisons between initial investment and regular upkeep of refreshing your home.

Such novel technological advances as keeping track of a customer's custom paint color, in order to buy more in the future, sending swatches of colors to friends or family by email or general postage, virtually getting the advice from a company-designated celebrity designer, would also be tested.

It is expected that the store would be built and fitted out modularly, in order to facilitate regular change for different test purposes or to easily set-up as well as dismantle the facility at the conclusion of the test.

Now here is the research part. Staff is trained to ask leading questions of shoppers about their homes, decorating likes and dislikes, when and how they plan to remodel or decorate their homes. They may probe about the customers' skill level, offering invitations to class on DIY. The store would of course be very transparent as to its intent and purpose. "You home redecorating partner; bring us your most challenging home maintenance or updating problem, and we'll solve it together," might be a nice tagline.

Of course all the information gained, either through interactive skill stations or by conversations between staff and customer, is input to a database from which either the Lab Store or the company's full line stores can respond. This test would have a definite end date. After all, the desire is to drive customers into the flagship stores located in surrounding areas. The Lab Store is a highly interactive marketing tool, to listen to the customer, but also test new theories of merchandising and product introductions.

Concluding Thoughts

In order to better satisfy the customer, retailers must take a more active role in improving the customer experience, rather than reacting constantly to changing customer desires and behavioral patterns.

It is obvious from studies and research cited that many play an important role in creating the best appearing and operating venue. But the final test is what the customer encounters when interacting with the facility, employees and merchandise.

Two final thoughts come to mind. With the great multitude of messages bombarding the consumer today, successful retailers have found that a singular, simple message; repeated often and reinforced within the details of their operation, stays with customers. Rather than a large portfolio of messages, a campaign which clearly states the mission or desired position of the retailer, and backs it up with consistent action, can be the most prudent path towards connecting with the shopper.

And finally, once again we encourage talking to and listening to the consumer. There are numerous research methods which come between the shopper and the retailer, intending to gather the greatest amount of data from the largest audience. While these programs have their advantages, we like the idea of retailers who form customer advisory committee to get first-hand feedback on everything from new product designs to store upgrades. Alternately, simply question the customer about their purchase decisions; similar to the activity of the register staff at Traders Joe's Markets. It happens every day and with every customer in line.

How much more effective can you get in ensuring your store is Improving the Shopping Experience?
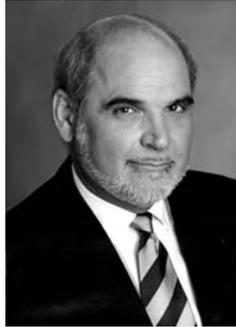
Jerry Gelsomino is the principal of FutureBest, offering Marketing Consultation and Brand Coaching to companies and individuals. He is a respected retail critic and visionary, tracking emerging consumer behavior in search of the next big trend. He brings to the industry his extensive brand development experience as well as the ability to interpret successful techniques across merchandise and service categories. In all his endeavors, he is focused on creating the very best shopping experience for customers.

Mr. Gelsomino believes by offering to mentor and coach his clients on tactics to live their brand promise, independent of the eventual implementation techniques, he is best positioned to help bring about a new paradigm for shopping. Innovation plays an essential role in the establishment of Jerry's strategy for a unique client identity. To be successful, however, the innovation must be practical, affordable and able to be interpreted into everyday activities, so consideration of what is achievable is a key element of his brand creation process.

Mr. Gelsomino has held executive positions with several international retail design firms, prior to forming Krueger Design Group, Inc. with his wife, Linda J. Krueger in 1992. The firm, based in Santa Monica, California, successfully accomplished store design and development work for an array of national and international retail companies. During this period, Jerry also launched a marketing consultancy, known as Próspect, to serve retailers, design firms, and manufacturers.

Jerry is Past International Vice President and a Fellow of the Retail Design Institute, an active member of the Association for Retail Environments, and distinguished alumni of the Associate Member Advisory Committee of the National Retail Federation. He contributes regularly to several industry periodicals and as a speaker, focuses on consumer patterns, service innovation and brand building.

Recently Jerry relocated to Hong Kong, envisioning the potential growth and expansion of retail in Asia. He believes the region offers a tremendous opportunity for him to contribute, as well as learn from a marketplace which will have a significant global impact on the future of the industry. He is a new member of the Hong Kong Retail Merchants Association.

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