

DELIVERING A GREAT IN-STORE EXPERIENCE

What retailers need to know about customer service to grow in a slow market.

By Saguity CEO Darrell Hardidge.

One of the biggest mistakes a retailer can make is to assume the customer experience it offers is of a high standard. The lack of focus on delivering service excellence is one of the key factors in why retailers lose sales. In Australia our customer service standards are very average, and often the beliefs of what defines service excellence miss the point.

The inconvenient truth

When the market slows down, the truth about customer service is always exposed. The professional retailer who knows the customer is number one will ensure they have their bases covered. They will test and retest the service standards of their frontline teams. They never assume and don't leave such a critical profit driver to chance.

The average retailer will do the opposite. They leave their customer service standards in the hands of their team, often unsupervised or assessed, and when sales drop (often the effect of poor service) the quick option is to drop prices to get people back in the door.

The professional retailer will rarely need to lower their prices. Do you ever see Apple having a sale? They constantly innovate their customer experience process to ensure they exceed market expectations.

To stand out, you have to be better than the competition. If you're not, then it's all about your price. In a highly competitive market, the ability to convert the sale is critically essential. Rarely can you rely on the person to come back. It's often right now or it's never.

The simple solution

The solution can be very simple. It just takes time and effort to manage it. Learn how to master your sales conversion and you immediately impact revenue and, most importantly, profit margin.

Very few retailers can provide reliable floor-traffic-to-conversion rate data. It's mostly a guess based on the sales figures. The key is to find the reason behind the reason: is it a slow



month, or is it the result of average service experiences that is causing a slow month?

The ability to measure conversion rates is vital to determine whether you're on track. Conversion rates are also based on multiple touch points: from store window, to in-store presentation, to the greeting from your team, to how well they listen and ask questions. Do they provide the best solutions, and how well do they grow the average dollar sale values?

These are just a few factors that need to be considered in the process of mastering sales conversion.

For example, if you have a conversion rate of 10 per cent (one in 10 people who engage in a conversation and are considered as being in the market for your product, not a window shopper) and with a structured sales process you increase to a 15 per cent conversion rate (one and a half people for every 10) you have just grown revenue by 50 per cent. Even if you increase by 0.25 in every 10, you have 25 per cent sales rise.

So many retailers will spend a fortune on marketing and cheap deals to get revenue up when the answer is quick and simple: just train the team in service excellence.

Everything speaks

The simplest of behaviours can have a big impact on conversion rates. It's the small things that have the biggest impact. How tidy is your store? Being impeccable says a lot about you.

Are your team being authentic when they greet people and do they look

them in the eye and focus on being of service? Do they express a genuine purpose of being there for the customer and to help them with their questions? Most importantly, how well do they express gratitude when a customer buys (or even if they don't buy)?

It's imperative that you train your team to express gratitude to your market. I find it amazing how many of my retail experiences lack the expression of a genuine 'thank you for shopping with us'.

As a retailer, you must get an outside perspective on how well you're performing. You cannot control your own bias or that of your team. Engage a retail specialist that can independently assess the 'vibe' of your business, if its flat sales are down, if its positive sales will be up. Nothing will kill the sale opportunity faster than a grumpy sales person.

Retail is a tough gig, but there is no excuse to not deliver a great experience. It doesn't cost a red cent more to be polite and express gratitude, yet it's worth a fortune if your reputation is built on it.



About Darrell Hardidge

Darrell is a customer experience strategy expert and CEO of customer research company Saguity, specialising in driving revenue growth from

customer appreciation. Darrell is the author of *The Client Revolution* and *The 10 Commandments of Client Appreciation*. To find out more, visit www.saguity.com.