

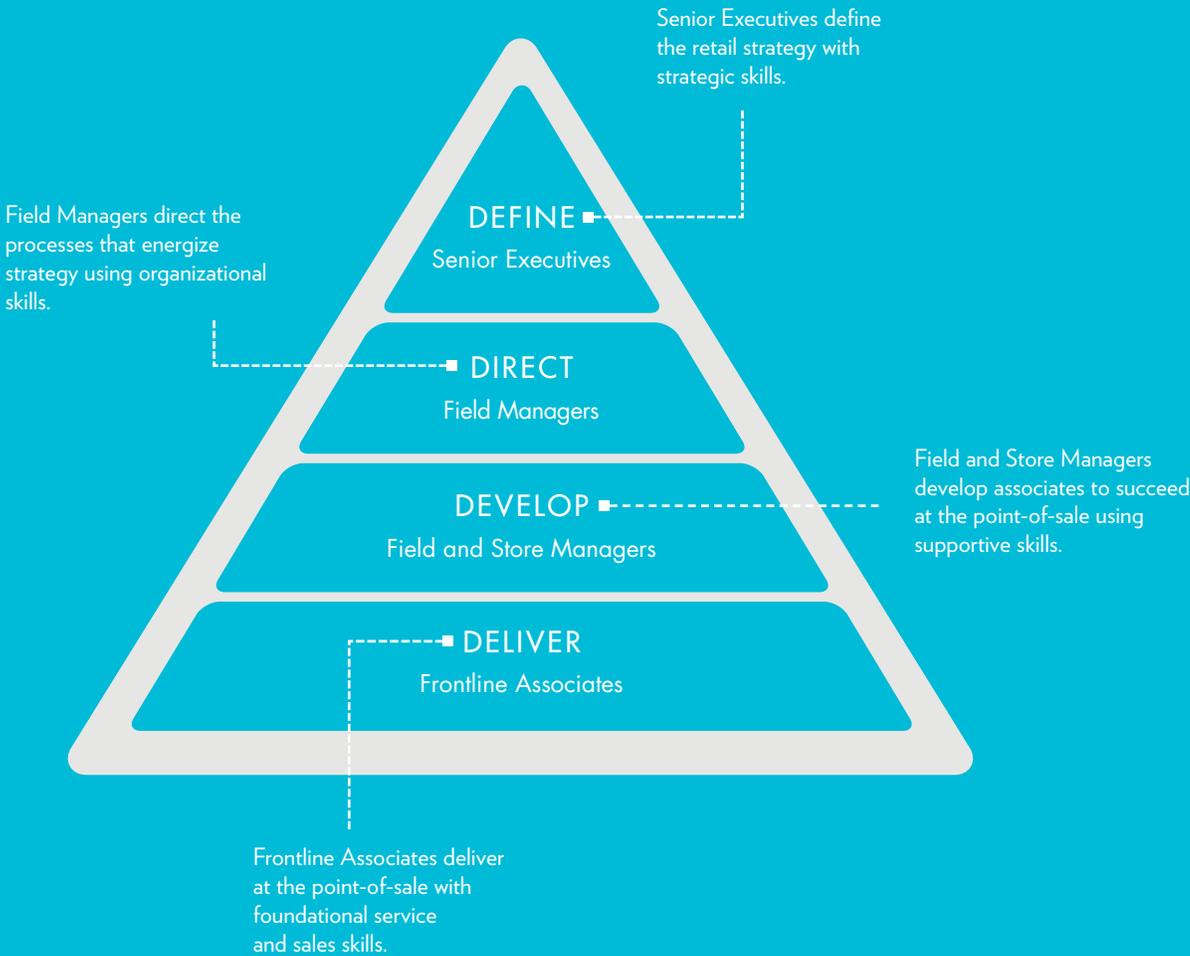


RETAIL
INDUSTRY

Shaping the Customer's Experience:

How Humans Drive Retail Sales
in a Ferocious Economy

Who Energizes Customer Experience Management?



In today's tough retail environment, what the customer feels—the unique, positive emotions engendered by a skilled and dedicated associate—spells the difference between loyalty and indifference.



Let's Not Mince Words

Conditions can be ghastly in today's retail environment. More and more products have become commodities. Finding talented leaders and frontline associates gets tougher every year. A lurching global economy can destroy once reliable buying patterns. Even more depressing, roller-coaster consumer anxiety may dampen spending for years at a time.

Yet, in spite of these and other dreadful conditions, some retailers seem to thrive. You know their names in your part of the industry. Their customers continue to shop, rave about the brand, and refer family and friends. As a result, these retailers, be they big-box giants or specialty stores, enjoy revenue and profitability well above their rivals.

How do they do it? One advantage for some is a carefully branded customer experience, which can inspire long-term customer loyalty and all its benefits: reputation, referrals, repeat business, and revenue. Great brands like Hertz, Starbucks, Coach, and Kroger have defined themselves in ways that customers buy—quite literally.

A branded experience has many parts, of course, among them store façade, merchandising, lighting, displays, flooring, colors, and ambiance. Every major retailer uses these and other attributes to project a distinct identity. What differentiates the most successful brands, in many cases, are orchestrated interactions between associates and customers. Somehow these retailers prepare and inspire staff to embody a culture that customers value. Where such a culture takes hold, managers and associates can say with conviction, “I know what's expected of me. I care about customer loyalty. I can build customer loyalty because I have the needed skills.”

“I know, I care, I can” is no mere feel-good mantra; it's tactical evidence of a transformative strategy that emanates from the C-suite, permeates every other level, and delivers a unique customer experience in a brutally competitive marketplace.

Reason and, in our experience, results confirm that a branded customer experience drives loyalty, and that loyalty drives revenue and other key performance measures. The only real question is how to create a culture that delivers those experiences every day.

More Than a Giant Logo

It's no surprise that, in a recent poll, 80 percent of dynamic U.S. retailers reported pursuing Customer Experience Management (CEM) to boost sales. These companies understand that brand attributes achieve full value only if associates deliver a positive experience with every customer, every time. When you travel that path, according to one of our retail clients, "Customers have to have your products [and] go out of their way to come to your store."

A culture that produces positive customer experiences begins by recognizing the difference between the business and human dimensions of every service interaction. The store might look sharp, the transaction might be swift, the product or service might be exactly right—but if the customer feels nothing special, the experience is like that of any other competent retailer.

In today's tough retail environment, what the customer feels—the unique, positive emotions engendered by a skilled and dedicated associate—spells the difference between loyalty and indifference. Successful retailers all over the world prove that managing customer emotions and perceptions is as critical to store growth as any other brand attribute.

A formal CEM strategy bridges the gap between an ordinary and an extraordinary experience by helping sales associates connect with customers at two points:

- **The transaction.** While most core service is perfunctory, in reality it's an opportunity to establish a human connection and deliver on your brand promise. By clarifying and confirming customer needs, offering alternatives, handling questions efficiently, and addressing customer concerns, an associate builds confidence in your brand.
- **Problem resolution.** When a disappointment occurs, whatever the reason, how the associate interacts with the customer either polishes or tarnishes your brand. Associates need well-honed skills to address both the business issue and the customer's normal human reaction.

So, at these junctures, skilled associates enhance your brand identity by satisfying both the core business need and the universal human need for validation, attention, and appreciation. With the foundation in place—associates who build brand loyalty in their daily interactions with customers—CEM drives tangible results, as illustrated by sample figures from several of our clients in their first year of implementation:

- **Specialty:** Increased sales conversion rates by 3 percent, customer satisfaction calls to a 5:1 ratio, and average units per transaction from 2.7 to 4.1.

- **Big-box:** Increased sales per square foot by \$1.55, reduced payroll expenses, and reduced field and store management turnover from 45 to 30 percent.

These results reflect the bottom-line impact of CEM, as well as the positive impact on overall associate performance and retention.

It Takes a Village to Live Your Brand

Like any other profound cultural change, serious CEM takes involvement at every level:

- **Senior executives.** A truly differentiated customer experience begins in the C-suite. Executives define the experience that supports their brand—sophisticated, down-home, young and hip, or what have you. Then executives establish brand-specific measures, oversee acquisition of baseline data, and define and cascade new processes and activities to other leaders. When the senior team communicates a clear vision, including compelling reasons for change, managers and associates begin to see the benefits for them, as well as for customers and the organization.
- **Field leaders.** The initial buy-in and long-term commitment of regional leaders are critical to the realignment of work to support CEM. It's at this level that formidable obstacles may appear—the persistence of old ways of serving customers, or the need for training, resources, or leaders eager to coach and model the actions they expect in others. Overall, field leaders must enable store managers to support frontline supervisors and associates, who in turn create the desired experience, one customer at a time.
- **Store managers.** Closest to customers and associates who serve them, store managers do the nitty-gritty work that brings CEM to life. To help supervisors and frontline associates create the desired experience, these managers need excellent coaching skills, i.e., giving constructive feedback, recognizing effort and results, and finding opportunities to develop the talents of individual team members. At the same time, store managers must model the skills they expect associates to use with customers.
- **Frontline associates.** To create the positive defining moments at the heart of CEM—and to drive incremental business—frontline associates need an array of in-the-moment sales and service skills, among them, greeting customers pleasantly, asking questions to clarify needs, offering buying advice, handling concerns and service breakdowns smoothly, and expressing sincere appreciation. To master these and other skills, most associates need training, ideally facilitated by leaders, in short events integrated into the daily workflow.

Learn, Do, Coach

Some retailers see the need to develop associates as a serious impediment to a truly branded customer experience. The cost of traditional training—notably lost productivity in a classroom—prevents many retailers from preparing associates to deliver on the promise of advertising, signage, displays, and other messaging.

The best retailers, many now household names, find innovative ways to help associates learn to create a branded customer experience. Notably, they:

- Make sure that leaders at all levels understand how brand-building drives growth and profitability through a consistent customer experience.
- Define the precise attitude, principles, and skills that associates need to interact with customers in ways that build the brand.
- Find or develop a set of focused tools that promote consistent and continuous learning and skill use in the stores.
- Enlist supervisors and managers to deliver short, tailored training sessions in the workplace, either before a shift or during slow periods.
- Prepare and reward supervisors and managers to observe and coach associates in the skills required to build loyalty through the branded customer experience.
- Recognize and reward associates for effort and results—i.e., using new skills to dazzle customers or to reach and exceed sales targets.
- Share early and continuing successes with the larger organization.

Retail culture is like any other culture: Everyone needs to learn the basics, and leaders need to model and coach those basics—in this case associate demeanor and behaviors that deliver on the brand promise. “We now have a coaching environment in-store,” says one of our clients with a national specialty chain. “It’s a positive routine that happens every day. We follow specific guidelines, which really help supervisors who never thought of themselves as a coach.” Clearly, building this kind of customer-focused culture requires an innovative approach to people development.

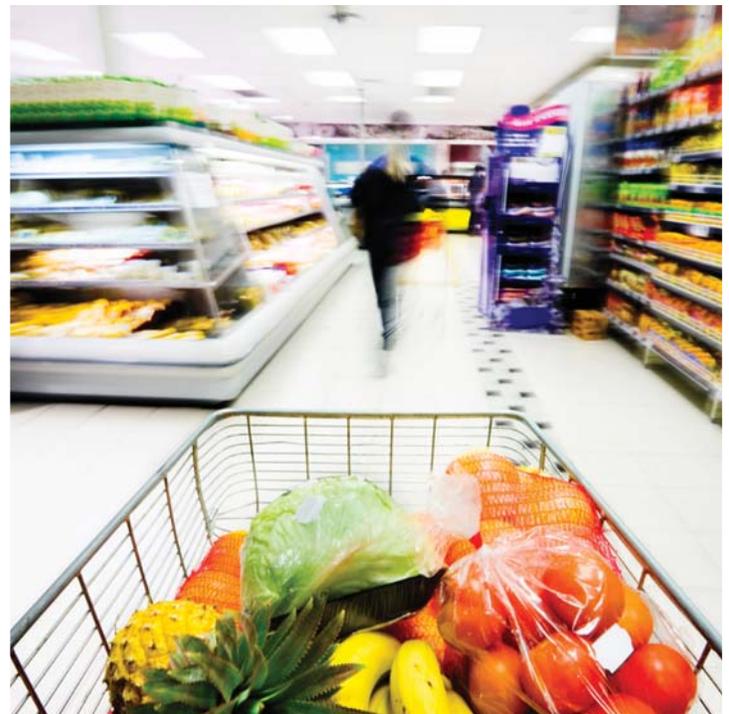
No Ghost From the Grave

The concept of “Customer Experience Management” probably isn’t new to you. Or, as Shakespeare’s character Laertes says to Hamlet, “There needs no ghost from the grave, my lord, to tell us this.” The issue, of course, is how to get started, especially in the ferocious 21st-century retail environment. Begin with a few key questions appropriate for anyone contemplating the competitive benefits of CEM:

- What is the essence of our brand promise?
- What is the precise customer experience that supports—in fact, realizes—that promise?
- How do I rally support at all levels for such a thoroughgoing initiative?
- What skills, attitudes, and behaviors do we need where the rubber meets the road—in direct interactions with customers?
- How do I deliver the needed training to current associates and future new hires without excessive cost and lost productivity?
- How do I involve leaders at the regional, store, and frontline levels to provide the continuing daily support and coaching required to realize the vision?

AchieveGlobal offers some answers based on our experience with clients—national and global retail winners who take a coherent approach to Customer Experience Management. Since every brand has or should have its own identity, these answers may or may not work for you. For anyone, though, first steps should include securing executive buy-in—always central to a major cultural shift—and early involvement of leaders at all levels, without whose support CEM can never take hold.

Then, with careful analysis, planning, and execution, your associates at all levels will be able to say, “I know, I care, I can.” In response—despite an often frigid retail climate—your existing and many future customers will surely say, “You do, I like, I shall return.”



About AchieveGlobal

In the 21st century, the level of human skills will determine organization success. AchieveGlobal provides exceptional development in interpersonal business skills giving companies the workforce they need for business results. Located in over 40 countries, we offer multi-language, learning-based solutions—globally, regionally and locally.

We understand the competition you face. Your success depends on people who have the skills to handle the challenges beyond the reach of technology. We're experts in developing these skills, and it's these skills that turn your strategies into business success in the 21st century.

These are things technology can't do. Think. Learn. Solve problems. Listen. Motivate. Explain. People with these skills have a bright future in the 21st century. AchieveGlobal prepares you for that world.



World Headquarters
8875 Hidden River Parkway, Suite 400
Tampa, Florida 33637 USA
Toll Free: 800.456.9390
www.achieveglobal.com