



The retail industry has evolved from being product led to consumer driven. Changes in customer behaviour are challenging store employees to deliver a more personalised and informed service. Karen McCandless examines why only the best is good enough for today's shoppers

For many years consumers have relied on retailers to advise them on the product that will suit them, often trusting and staying loyal to the brand they know best. Not any longer – consumers do their research online, they compare prices on their smartphones and even check out competitor offerings while in store. This means that customers expect retailers and store associates to be able to supplement what they already know, while delivering a high level of service in a personalised manner.

“It’s no secret that shoppers have become increasingly demanding,” says Oren Betzaleli, Retailix EVP, head of product and marketing. “Today’s socially connected shoppers expect to be able to shop practically anywhere and at any time, dislike wasting time in line and routinely demand high responsiveness and superior service.”

“Customers now come into stores knowing more than employees themselves, which is a major challenge in terms of customer satisfaction” adds Jerome Bergeret, director, Fashion Lab, Dassault Systèmes. “It

also means that store employees need to re-evaluate their knowledge of the products they are selling.”

The change in shopping behaviour and customer knowledge has led to a shift in the role of the store associate. Before it was enough to carry out day-to-day tasks in an efficient and effective way, but employees are now being charged with making sure this informed customer has the best possible experience in store.

“Employees are being asked to be productive and efficient in their store tasks – for example, merchandising, price changes and restocking,” says Alexander Price, EMEA retail sales director, Honeywell. “None of that has gone away, but they now have the additional requirements of dealing with a very informed, smart and connected customer.”

“The informed customer requires the informed employee,” adds Vic Miles, technology strategist for Retail Industry at Microsoft. “In the past, it was enough just to have the employee in store but now they must fully engage with the customer, all without adding costs. Retail operations now encompass



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the need to educate all staff on products, customer trends and the full service aspects of the omni-channel customer.”

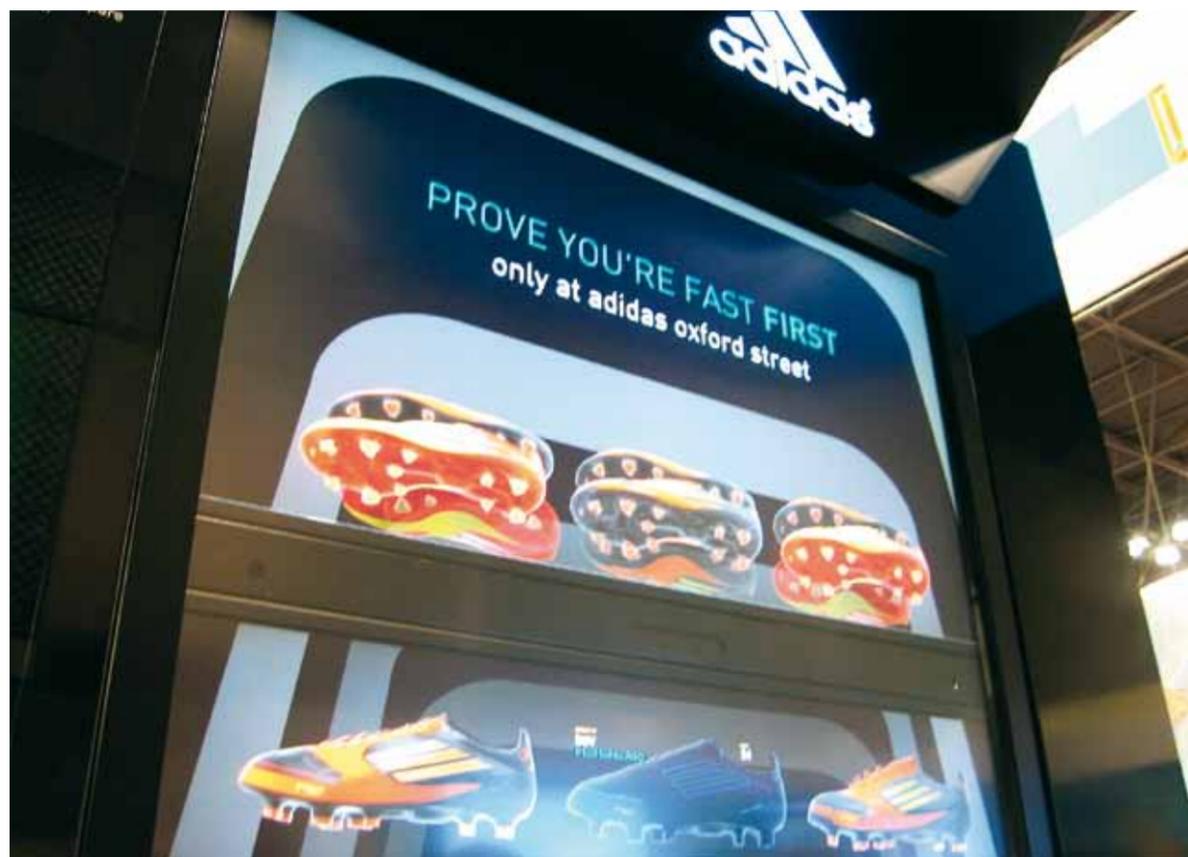
This rise in omni-channel retailing means that store workers need to serve customers better however they choose to shop and retailers need to make sure they have a system in place that can provide these capabilities across channels. For example, if a customer has bought an item online, the store associate must be able to offer a refund or exchange in store. Or the customer should have the ability to begin their purchase online and complete it in store without having to re-enter any details.

“The world of multi-channel has significantly changed the way store employees engage with the consumer, not just in a transactional way, but in moving and working to an engagement model,” says Tony Bryant, head of business development at K3 Retail. “In the current climate, inevitably retailers will have less staff doing more complex jobs and therefore the sales advisor role is becoming significantly more important in the multi-channel world of retailing.”

“Retailers today need to increase productivity by at least five per cent every year just to stay at the same cost level in light of inflation,” adds John Curnow, NCR’s vice president of retail for Europe. “Beyond that, they need to reinvest additional savings back into increasing store and staff productivity and transforming the consumers’ experience of shopping using a combination of online, mobile and physical stores.”

While the role of the sales advisor is changing and becoming more important, as Bryant mentions, the demands placed on them have also got more challenging. “Today’s store employees face many demands, including delivering customers a personalised in-store shopping experience that seamlessly integrates with the retailer’s online and mobile channels,” adds Lorraine Bardeen, Microsoft Windows Embedded business lead, EMEA. “Customers also expect employees to provide access to real-time inventory and product information.”

Add to this the lack of technology that



Retailers like the Co-operative and Adidas in the UK are using interconnected POS devices to improve staff efficiency and customer service

store associates have at their fingertips, with many employees either having access to very basic tools or none at all other than a checkout till. The legacy systems currently in place – both on the shop floor and at headquarters – can have a negative effect on store productivity and the in-store experience. “Current store technologies are very one-dimensional and because they are typically old legacy systems, they are very hard to develop,” says Russell Dorset, sales and marketing director at Maginus.

In addition, employees are often not connected or empowered with the information they need to better serve the customer and carry out routine store tasks efficiently. “Employees typically deal with manual or hard copy work schedules,” says Miles. “They only have access to static information

distributed on a periodic basis that is seasonal and not in real time. Forward-looking retailers are providing employee communication in a digital format and allowing for basic feedback in the form of a workflow.”

This means that retailers have to change the way they deliver information to succeed. “Employees need better access to information,” says Price. “Once they have that information they need to have the ability and the authority to help customers in a different way and to make more decisions on their own. This means retailers have to look at employees in a different way – as the face of the retailer. Often they are the first and most important contact the customer will have with the retailer.”

“Many retailers have already collected a whole host of information about their



customers – whether it be shopping habits or personal preferences,” adds Bergeret. “It’s now about capitalising on that information and finding better ways to articulate the data about the products on offer. Employees can add value by providing information that isn’t available on the web while demonstrating the product capabilities in a better way.”

Meanwhile, training for store associates will become more of an ongoing process. “Employees will move from batch training to trickle training that gives them just in time information,” says Miles. “Instead of ten hours of initial training, they will be given on-demand training as needed. Training will move from the back office, sitting alone with a headset, to the device you do most of your work on.”

With cost top of mind for most issues, implementing systems that deliver all of

this may seem like a daunting task. But retailers don’t always have to invest in new and unfamiliar technology. This is where consumerisation of IT comes in – recognising and making use of the technology that employees use in their personal lives and bridging that into their professional duties. This includes smartphones, tablets and applications that have familiar user interfaces, not only for use by store employees but also consumers.

“Providing consumers with a growing number of self-service options – via retailers’ in-store applications and touch points, or shoppers’ own smartphones and tablets – can potentially free store employees from a range of retail tasks and enable them to demonstrate greater attentiveness towards customers,” says Retailix’s Betzaleli. “Add to this the latest POS offerings with intuitive interfaces and

enhanced user

friendliness, and

the gains in retail staff productivity can be substantial. Staff mobility technology takes things even further, freeing store employees from behind their desks and moving them onto the sales floor. This not only increases their efficiency, but also enables them to engage with shoppers more closely to increase customer satisfaction, sales performance and brand recognition.”

“Mobile devices can be used by employees as a sales tool, providing access not only to personalised information about the customer but also to additional product details, services and related information,” adds Bergeret. “Meanwhile, digital signage in store can help customers interact with the retailer and act as a first point of contact in the selling process. Then, touch-based devices like tablets enable store associates to move around the shop and serve customers before they get to the till.”

K3’s Bryant comments on the innovative technologies that can help: “Retailers will move from static POS to a mobile tablet device, which covers POS, CRM, retail back office and stock management. Equally, other devices such as self-selecting kiosks; touch screens such as Microsoft Surface; and the ability for the consumer to engage with their own mobile device, which can relate to QR tags to download product reviews, information about product and new range information in the business, are all available today for the store.”

Meanwhile, having the right store operations systems in place can also help improve productivity and enable employees to concentrate on the tasks that can most benefit customers while facilitating effective selling across different channels. “New store operations systems can help retailers automate many tasks and enable staff to prioritise activities that will deliver greatest value to shoppers,” says Curnow. “This includes self-service touchscreens that enable consumers to find out about and pay for products and software that makes it easier and co-ordinate execution of sales promotions across multiple channels. These

Fast fact
Digital content triggers more than 50 per cent of respondents to make a purchase by providing information about products and good deals
Source: Cisco

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solutions help retailers free up staff to provide personal shopping services, improve visual merchandising and the availability of products on the shop floor.

Curnow continues: "It's also vitally important that retailers maximise the uptime of these store system, which is critical to their business. This can be achieved through managed and predictive IT service delivery, spanning the retailers' stores, back offices and distribution networks."

Then there are hosted and cloud-based productivity tools and task management solutions that employees can access across multiple devices that can help up-skill the store worker, while also helping the retailer

become more integrated into the employee's life as well as enabling better personal compliance towards operational assignments. Meanwhile, content management and distribution systems can help improve the training process, making employees more knowledgeable but also efficient.

"The ability to carry out store tasks more efficiently, quickly and accurately means the store is run and looks better, pricing is as it should be, yet employees now have more free time to focus on the customer," says Price. "The goal is to make staff more efficient so they can focus their energies on selling and helping the customer."

Having the right technology in place can

not only enable better interaction with the customer, but also boost profit margins. "Knowledgeable employees have higher up sell, which creates more turnover/profit for the retail environment and customers enjoy a more complete buying experience," says Miles.

"One of the significant advantages of technology today is the up-skilling of the sales advisors within store, which means they all have the information at hand," adds Bryant. "The time spent on chasing stock and information is now significantly less, therefore ultimately the retailer can have less people doing more informed roles and jobs. This benefits both the retailer and the customer. The over-riding importance

In practice: **Family Dollar**

Better serving customers

US retailer Family Dollar has built an intelligent system with Windows Embedded that pulls inventory data from more than 7,000 stores spanning four time zones. Every item in the stores is calculated for replenishment, across every store, nationwide, every day. Every store has two or three cash registers – a number that is rapidly approaching 16,000 in total – and 10 regional distribution centres use that information to replenish the stores through Family Dollar's network of thousands of suppliers. With stocking and replenishment handled centrally, store managers have more time to spend serving customers.



Solution profile: **Retalix 10 Mobile POS**

Improving in-store mobility

Oren Betzaleli explains how Retalix 10 Mobile POS can help improve store operations

During the National Retail Federation's Annual Convention held in New York in January, Microsoft and Retalix jointly introduced the new Retalix 10 Mobile POS, a powerful and innovative Windows Phone 7-based mobile retail application offering, which enables retailers to place full on-the-go checkout functionality at store associates' fingertips today.

Retalix 10 Mobile POS reproduces an extensive range of POS functionality on mobile devices, effectively providing retail staff with the highest possible mobility. The solution dramatically improves efficiency and productivity, allowing retail staff to address long queues and specialised item sales challenges with readily available, easy-to-use POS functionality on the go. This mobile solution enables store associates to complete checkout cycles end-to-end, starting with customer identification, through barcode scanning, to manual code entry and precise item lookup. Retalix Mobile POS also runs on other platforms

such as Windows Embedded CE.

Additionally, Retalix 10 Mobile Store Manager, a comprehensive suite of Microsoft Windows-based mobile applications, extends Retalix's retail applications onto the store floor and dramatically improves in-store operational efficiency. With native support for smartphones, tablets and other dedicated mobile retail devices, Retalix 10 Mobile Store Manager offers a rich array of store and inventory management functions, including price verification, stock taking and receiving, POS monitoring and manager approvals.



Oren Betzaleli is Retalix EVP, head of product and marketing



Marco Gadola
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“Knowledgeable employees have higher up sell, which creates more turnover/profit for the retail environment and customers enjoy a more complete buying experience”

Vic Miles
Microsoft

of this is improving customer service with knowledgeable teams who are engaging with the customer and not just there for completing the transaction.”

Microsoft Office 365 is one solution that can help boost employee productivity while providing seamless integration with existing back-office systems. The cloud-based solution enables store associates to carry out training while staying up to speed on product knowledge by providing more timely and relevant information. Bringing together the cloud versions of Microsoft Lync, SharePoint, Office and Exchange, it offers anywhere, anytime access to e-mail, documents, contacts and calendars across devices, while enabling

collaboration with colleagues.

Equipped with technology from Microsoft and its ecosystem of partners, the store employee will then be able to play a different role in the selling process. “The role of the in-store employee will move away from the typical cashier role to become more of a front-of-house and consultative position, allowing and enabling them time to answer queries regarding products, stock, delivery and returns,” says Dorset. “Rather than point-of-sale, staff will become the point of service, with the systems delivering the information and intelligence by utilising hand held touch-based devices. This will allow the employees to create a personalised relationship with every customer.”

“The role of the store employee will change in that they won’t necessarily push a specific product or try to increase the size of the shopping basket,” says Bergeret. “Product sales will instead become a consequence of the quality of service employees provide and the value they add through the technology they have access to.”

Many retailers have already equipped their store staff with this technology and are testing innovative experiences to allow shoppers to interact with their brand in a way that solidifies the selling relationship and enables a more consultative selling approach.

Microsoft’s Bardeen says: “A great example is the Co-operative, the UK’s fifth largest food retailer, leading convenience store operator and a major financial services provider. The Co-op runs a family of interconnected devices, which it calls InControl Enterprise. With Windows Embedded powering its stores’ manned tills and self-checkout kiosks in 5,000 stores, handheld devices processing millions of products for inventory, and SQL Server running data analytics for a company with an annual turnover of £13.7 billion, these connected devices are helping Co-op increase staff efficiency, improve customer satisfaction and increase sales.”

While these retailers are leading the way in improving employee productivity, there is still a long way to go for many companies. With the consumer technology market

Fast fact
98 per cent of retailers recognise that a broad multi-channel strategy is vital to remain competitive in the current market
Source: SMG

moving faster than ever, retailers will have to provide new and innovative solutions to ensure employees can continue to carry out routine tasks while providing an increasingly personalised customer experience. However, to truly garner all the benefits that this new way of working will bring, retailers need to bring together the right employees empowered with useful and relevant information through the right technology and all of this connected across channels.

“Retailers need to find a way to differentiate their offering and make theirs the store of choice,” says Honeywell’s Price. “Part of it is about staff, part about information and the other part is the use of technology. Price is important for consumers but many people would pay more for good quality, service and satisfaction. But



Microsoft Office 365 offers anytime access to e-mails and more, helping to boost productivity

ultimately it’s about choice – self-service, tills or smartphone – and using technology in a smart way to make a difference. The retailers that recognise this will see customer loyalty and frequency of visits go up while the size

of shopping basket increases.”
“Productivity grows when workers harness innovation, experience and their own skills to generate more in less time,” concludes Curnow.

Solution profile: Matthias Steinberg, CEO, Lokad

Automatic out-of-shelf alerts

Out-of-shelf monitoring technology can improve staff productivity, product availability and customer satisfaction, says Matthias Steinberg

In the past decades, cost objectives have led to a reduction in staff, while the working environment has grown increasingly complex. The breadth of retailers’ product portfolios has greatly increased, product lifecycles have shortened and the customer has become more demanding.

While shelf availability is a top concern for customers and retailers alike, even the top retailers still have to rely on manual daily checks by store staff. This puts a large burden on employees, and response times to out-of-shelf situations are slow given the huge product portfolio that needs to be checked manually.

Out-of-shelf monitoring technology identifies products that are not on the shelf by analysing expected and actual sales. It produces prioritised alerts, which are provided to staff in near real time and help focus their limited resources and time on the most urgent situations.

Instead of tediously manually checking shelf availability continuously, staff have much more time to focus on removing the automatically identified out-of-shelf situations as well as their root causes.

No affordable and accurate technology existed until the arrival of the cloud. By offering virtually unlimited and reasonably priced supply of computing power and storage, Microsoft Windows Azure has enabled us to build new solutions such as out-of-shelf monitoring based on massive, advanced real-time analysis of ticket (receipt) data.



Matthias Steinberg is CEO of Lokad

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