

ACHIEVING STELLAR

SERVICE

**Left:** Bob Phibbs, CEO of The Retail Doctor, says 2016 is shaping up as the year of customer-facing initiatives as retailers realize the importance of employees who can quickly build rapport with time-crunched shoppers.

**Below:** Chip Bell, founder of retail consultancy The Chip Bell Group, says many stores face the stark choice of either delivering great service or going out of business.



**Below:** Author and consultant Doug Stephens says the “street” retail market is currently divided between stores moving toward almost a self-service model and others looking to great customer service as a differentiator in a competitive landscape.



**Left:** Tricia Gustin of the Atlanta-based Parker Avery Group suggests retailers should look to make customer service training an employee milestone, adding it improves morale and builds staff loyalty.



**Left:** John Tschohl, author and president of the Service Quality Institute, suggests stores looking to gain insights risk alienating shoppers when they continually ask them to do customer satisfaction surveys, even for small purchases.

## With Changing Customer Demands, Retailers Often Struggle To Deliver, Experts Say

By David Ward

Almost every retailer, from the smallest boutique to the largest chain, claims to provide great customer service. The reality, however, is that for many, the claim amounts to little more than a marketing slogan.

“Despite the competitive nature of the market and the obvious need to delight shoppers at every turn, very few retailers are investing the time, resources and money necessary to elevate their customer service experience in a significant way,” says Doug Stephens, author of “The Retail Revival,” as well as head of brand/retail advisory firm **Retail Prophet**.

Consumer expectations for service are growing increasingly complex, and retailers that are embracing customer service find it can give them an edge when it comes to sales.

“This year is shaping up as the year of customer-facing initiatives, particularly with employee training,” says Bob Phibbs, **The Retail Doctor**, a New York-based business strategist, customer service expert, sales coach, marketing mentor and

speaker. “With fewer bodies walking in the doors, many retailers are looking at what their employees add or take away from the experience. That includes the soft skills of how to greet a stranger, build rapport and compare and contrast products for the time-crunched consumer.”

Phibbs stresses this is not just taking place among high-end and specialty stores, noting that even big box stores like **Walmart** are looking to employee training on customer service as a way to increase KPIs (key performance indicators) and decrease staff turnover.

“Management has discovered having a lot of SKUs and no one to sell means they are little more than a warehouse with employees waiting to be asked where something is,” Phibbs says.

### Empowering Service

John Tschohl, author of “Moving Up” and founder and president of the Minneapolis-based **Service Quality Institute**, says employee

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training increasingly includes time spent on everything from conflict resolution to upselling.

“A lot of stores make the mistake of thinking the location and their merchandise are the most important things,” he says. “But equally as important is the employee and how they handle the customer because you have only seconds to take care of somebody.”

Along with training, retailers are encouraging employees to take more responsibility, especially in situations where a customer is justifiably, or perhaps even unjustifiably, upset because of some mix up by the store.

“Retailers know they need to train an employee that if they screwed up, how to do service recovery,” Tschohl says, noting that might mean “empowering the employee to forgo a charge as a way of making up for a mistake.”

Chip Bell, author of “Sprinkles: Creating Awesome Experiences Through Innovative Service,” also advocates empowerment, noting that truly great service is often left to employees on the front line.

“Empower your staff to make decisions like staying open a bit later if say weather or some other factor means you have a lot more people coming to your store,” he says. “And look to them to make it special for the consumer. That’s the trend I’m seeing. What’s driving it is that more stores don’t have a choice – they either deliver great service, or they go out of business.”

### The Training Regimen

Training on the expectations of both customers and management is key, experts say. Tschohl advocates customer service training on a regular basis, including both employees and local store managers.

“It can’t just be one two-hour session every few years,” he says. “And you need to teach managers on how to use recognition to motivate people. That’s one of the best ways to reduce employee turnover and boost customer service.”

Tricia Gustin, senior manager of marketing and research with Atlanta-based **Parker Avery Group**, a boutique retail strategy and management consultant firm, adds: “Many retailers are also enhancing the use of customer service ‘scripts’ and building role-playing into training programs.”

“While over-reliance on scripts may actually backfire, having general verbiage and practicing acting out different situations is really helpful in gaining staff confidence to quickly handle and mitigate tough situations, with flexibility to adapt as needed,” Gustin says.

She notes that many retailers assume the initial training video or course are adequate. “People learn and retain things in different ways, and the most important tenet to effective communication is repetition – but this doesn’t mean the same exact verbiage – it means echoing and variation of the concept,” Gustin says.

Bell, who is also the founder of the

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Greensboro, GA-based retail/customer service consultancy, **The Chip Bell Group**, says stores are now increasingly aware that great customer service can begin with their hiring policy.

“Stores now have to pay more attention to hiring that ‘hospitality service attitude’ and not just someone who knows how to run a cash register,” he says “Then you can

focus on giving that person the right kind of training that can tie great service to upselling and suggestive selling that can build a store’s bottom line.”

Gustin adds one of the most common mistakes in retail customer service is still one of the most prevalent. “Stores are not typically staffed to deliver excellence in service, they are staffed to deliver excellence in tasks and sales,” she says. “All the great training in the world can be in place, but hourly associates usually have very little time to provide excellence in customer service since they are focused on operational tasks.”

Bell notes the push toward enhanced customer service and more people-friendly staff is coming even as stores move away from commission-based income.

“You make mistakes when you assume a staff will provide great service if they’re on commission,” he says. “That’s not going to be the biggest incentive for customer service, especially compared to creating great staff morale.”

In fact, Tschohl says that often times great customer service comes from a staff that knows its management cares. “Many managers make the mistake of believing the only reason people work is for money. But the art of service is not complicated and a lot of it stems from keeping that employee motivated and making them feel appreciated.”

Gustin recommends that retailers make customer service training a real milestone

for most of their staff.

“Training should be seen as advancement of retail associates’ individual skills and their ultimate value to the company,” Gustin says. “This doesn’t need to be a big financial reward, but a badge, acknowledgement or some token of accomplishment goes a long way in incentivizing associates, driving ‘good’ behaviors, creating job satisfaction

and building employee loyalty.”

## The Tech Role

Technology is a necessary part of any retail operation, and it is increasingly important within the customer service mix. But how and what technology to deploy – and how much to rely on it – is still an open question.

“The market is very bifurcated between retailers who appear to be moving to a more self-serve model, in an attempt to reduce staffing costs, and others who appear to be investing more in their people,” Stephens says.

Customers are clearly demanding some self-service options but finding the correct balance is often tricky.

Gustin notes customer service strategies and training are changing as the customer evolves.

“We’ve witnessed the morphing of the shopper journey from beginning traditionally in the store to increasingly beginning on a mobile device, yet still quite often ultimately ending in a physical store – the catch is that it may not be with the same retailer,” she says.

This is where the rubber meets the road, Gustin says. “It’s the time for the store staff to shine – not only to close the sale and hopefully increase transaction size with

complimentary products and services – but to enhance customer loyalty.”

Gustin adds some retailers are beginning to shift staff training to include information on both products displayed on store shelves as well as those that may be available only online. Employees are also encouraged to let shoppers know about different fulfillment methods, such as ship-to-store or ship-to-home, and to have a solid grasp of any in-store technology that can help customers learn about products on their own.

The use of technology can also extend to the knowledge retailers can now glean from their customers.

Some retailers are turning to Big Data as a customer-service tool, gathering and analyzing customer information they get through online, mobile and brick-and-mortar channels in hopes of coming up with better insights into what makes for happy shoppers and increased sales.

Many of those initiatives are still in their infancy, Stephens says, noting, “My experience has been that most retailers are still trying to get their arms around the concept of Big Data. They’re certainly developing their ability to collect better data, but many still struggle when it comes to properly mining that data for insights

and then deploying against the results.”

Tschohl says retailers need to get a bit smarter about data collection or risk alienating shoppers and negatively impacting customer service with too many shopper satisfaction surveys.

“The marketplace is going to totally rebel against these surveys because it’s just an onslaught,” he says. “With every single transaction they want you to take five minutes to do a survey.”

Stephens says that while retailer motives might be to provide shoppers with a better in-store experience, few retailers are doing a good job of creating a sense of trust and mutual value with customers before demanding information from them.

“Unfortunately, too many brands simply try to pry data away from customers and give them very little in return for it,” he says. “Building this kind of trust is not achieved by simply sending people more spam or coupons or offers. It’s about offering them a substantially more personalized, convenient and enjoyable shopping experience and making them feel even more valued.” ■

We’d like to hear your opinion about this article. Please direct all correspondence to Carol Ward at [carol@airportrevenue.com](mailto:carol@airportrevenue.com).