8 INNOVATIVE STORE EXPERIENCE IDEAS FOR 2018
It is only after the dust settles in the bruising discounting tussle at the high stakes table of E-commerce, is when the real battle for the minds and souls of your customers will be fought. The ‘X’ factor will be the ‘Experience’ you provide your customers.

Determining the experience that moves your customers is a priority for every retail business today. And making a decision on what to invest in, is a challenge, because there are many possible options with no ‘one-size-fits-all’ solution for store experiences. The elements you put together to deliver exceptional store experiences, including tech, needs to be unique and would depend on your brand, your customers and your operations. You simply cannot imitate another brand’s approach and expect to be successful. You then need to experiment with innovative as well as customized approaches until you find what works best for your brand.

So, how do we build the ultimate customer experience strategy?

A good starting point would be to focus on friction areas that annoy your customers today when they shop with you like long checkout lines, over stocked stores, irrelevant promotions and longer waiting time in changing rooms.

Customer experience transformations rely heavily on technology, to a degree where every customer will experience three to four digitally enhanced store elements in their typical shopping journey. Manthan noticed that customer experience transformation efforts center around two key areas:

1. Technologies that customers touch and experience directly
2. Technologies and practices that empower the experience or alter operations to reduce friction.

We have worked with quite a few customers on innovative approaches to enhance store experience and have studied general trends and innovations in the marketplace. This document covers some of our learnings and their interpretation.
STATE OF CUSTOMER EXPERIENCE TODAY:
WHAT TICKS-OFF CUSTOMERS THE MOST?

Shopping stopped being exciting and fun a decade ago; today most shoppers consider it a chore that often leaves them dissatisfied. They have been candidly sharing their frustration on feedback surveys and even telling the store associates about their concerns.

In our discussions with our globally-placed clients we have identified the top things that tick shoppers off. Those are:

**Long checkout lines**
This seems to be the biggest pain area. Longer lines mean that shoppers spend 10 to 15 minutes after they have picked-up the items to get out of store. Self-checkout lines are helping but 5 to 10 minutes of waiting times are still common at peak hours.

**Not finding the right product**
A shopper saw your advertisement and made the effort to visit your store to get that product only to find that it is out of stock. This scenario is far too common and it usually pushes the shoppers to look elsewhere or in most cases buy it online on their phone from a competitor while still standing in your aisle.

**Ill-trained sales personnel**
In supermarkets or department stores, customers complain that there are not enough associates or they are not as informed as they should be to help them with a product query. They are very likely to go online to find more information or read reviews to help them make the purchase, thereby making online shopping easier and accessible.

**Over-enthusiastic in-store associates**
On the other hand, boutiques and brand stores have over enthusiastic associates who breathe down the customer’s neck or try to upsell more. Shoppers find it very intrusive and this pushes them away from the brand for good.

Let us look at some innovative ways through which retailers are un-plugging these ‘experience blockers’ and delighting their customers.
TOP 8 INNOVATIVE CUSTOMER EXPERIENCE IDEAS YOU SHOULD BORROW TODAY

Today, most leading retailers have store experience innovation labs with an executive mandate to explore the best ways to transform the in-store experiences. As retail experts, Manthan works with some of the leaders in this space and track innovative ideas. We have analyzed leading retailers across the globe and here are eight experience ideas that you may evaluate and see if some of these tactics can be adapted for your operations.

BONOBOS GUIDES CUSTOMERS

*Tackling the problem of product returns in online shopping.*

One of the biggest problems with online fashion retailing is extensive returns because customers are not happy with the fit or the product. Retailers have tried many ways to address this challenge like, shipping multiple sizes and letting the customers keep the one they like best. Some retailers have opened experience stores where customers can experience the products and fit and then buy what they like online.

Bonobos, one of the first online fashion brands, has mastered this experience center game. They have combined experience with advice and clienteling to provide a one-of-a-kind experience through their Guide Shops. Customers can book an appointment at one of the 40 Guide Shops. A qualified expert will help the customer choose the right product and provide input on the right fit for the product. The customer can then buy the product online and it would be shipped to them. Bonobos still maintains low inventory carrying costs, while transforming online shopping experience.
ULTA AND THE ART OF ASSISTED SELLING
Capturing the millennial market by offering brand experiences.

There are two axioms that define marketing to millennials:
1. Millennials are more likely to spend on experiences than products
2. They are more value conscious than you think

ULTA, the multi-billion-dollar value cosmetics retailer, has got both these axioms rights. To enrich the experience, ULTA has repositioned their stores to double-up as product experience centers. The stores have salons where trained stylists help buyers to try cosmetics and gadgets before they make a purchase. Buyers can also get samples, read product reviews and get expert advice when they are in the store. For the ‘at-home’ buyers, ULTA’s Glam Lab allows the customers to upload selfies and test products against their skin tones. Tying in-store and at-home buying behavior with digital tools has been a master stroke for driving growth.
NEIMAN MARCUS TRANSFORMS TRIAL ROOMS

Adding more luxury to luxury fashion retail.

When it comes to luxury shopping, people prefer to visit a store. They want to try various options to make the best possible decision. They might get a friend along to provide feedback and guide them towards the right product. Retailers are digitizing the trial experience by offering digital mirrors and enabling the shoppers to share pictures on social media in order to get feedback. Helping them make the right choice, while asking them to be brand ambassadors; delivers higher satisfaction and word-of-mouth marketing.

Neiman Marcus excels at providing superior trial experiences. Their memory mirror lets customers get a 360 degree view of an outfit, take pictures with the outfit, and save or share it. When the customer is trying on another outfit she can compare her current choice with the digital image of her previous choices. This is taking luxury shopping to the next level and delighting their customers.
WHOLE FOODS SERVES UP SOMETHING HOT
Making customers linger longer while grocery shopping.

Customers typically plan grocery shopping trips at the end of the work day, and most of the time they tend to be hungry or are planning to pick-up dinner on their way back. Modern grocers are capitalizing on this by building grocerants: A concept that blurs the lines between restaurants and grocery shopping and encourage the customers to linger.

Whole Foods has successfully adopted this strategy and its grocerants have become the standard for health-conscious shoppers. There is a strong correlation between brand perception and how grocers, like Whole Foods, address the essential need for food through various products, services, and new experiences. Providing consistent experience around eating healthy, eating fresh, using organic ingredients extends the brand’s connection with this customer segment.
WAITROSE KILLS CHECKOUT LINES WITH CLICK-AND-COLLECT

Saving customer’s time during grocery shopping.

According to the Time Use Institute, the average shopping trip of an American takes 41 minutes. If you multiply that by the 1.5 trip per week average, that’s over 53 hours per year that your customers are spending in the grocery store buying standard items week after a week. Retailers recognize that an increasing number of shoppers think that this is not the best use of their time and are providing them with options to order online and pick it up from store later.

One great example is from Waitrose, a leading supermarket in the UK. Waitrose was the first supermarket in the UK to launch a series of automated, temperature-controlled lockers at third-party locations. Orders are stored in ambient, chilled and frozen lockers and can be refilled several times a day. Customers can place orders through waitrose.com/lockers from their computer or smart devices to receive a text message with a PIN number. Customers can then drive up to the click-and-collect lockers, enter the PIN and collect their shopping. That’s convenience amplified!
AMAZON BOOKS OPTIMIZES ASSORTMENTS
‘Less-is-more’ and Amazon is listening.

Cluttered stores have a negative effect on the experience and make it hard to discover products that customers may like. Amazon, which disrupted the book retailing market, has come a full-circle and has embraced this concept for its brick-and-mortar stores. It carries only a small number of books which are chosen by customers and experts. These include books that have a four-star or above rating online.

The way books are displayed is dramatically different from other book stores. The covers of the books face forward and the endcaps have weekly/monthly online best sellers. Reviews and ratings of books taken from the website are printed below the books. They also mirror the ‘automated recommendations’ feature of Amazon website by showcasing the books by readers “who bought this and also bought that”. Amazon is trying to create an experience that makes the book discovery process simple and enjoyable.
LOVES GOES REAL-TIME

Never send a customer away with out-of-stock aisles.

Even today, where retailers are talking about endless aisles, customers complain that they typically don’t find 1 in 5 products when they go to their store of choice. Not finding what you walk into a store to buy, is one of the biggest drivers of customer attrition. The major challenge in solving this problem is knowing when you might go out of stock of your key products, well before they do.

Loves Travel Stops, a major convenience retailer in the US, ensures their customers find the products that they like by empowering their associates with real-time insights about inventory and sales. Having real-time information and combining it with store-wise trends helps Loves’ associates make the right purchase decisions every time.
NORTHGATE EMPOWERS STORE ASSOCIATES

Bringing the power of analytics to the end-users.

As retail got more and more organized, decisions pertaining to merchandise, store layouts, promotions and services were taken at the Head Quarters and consistently deployed across all stores. Many retailers are now recognizing the importance of empowering Store Managers and Associates to take decisions and making them responsible for store profits.

Northgate Markets, which operates supermarkets in Southern California, provides its store managers and associates with a 360-degree view of their stores and departments that they are responsible for. They have access to information about sales, inventory, and labor that impact store performance and customer experiences. Store Managers can now act immediately to address any issues and can also compare their stores against peers to understand what works elsewhere and replicate it, if it makes sense.
The retailers we have discussed above have failed many times to arrive at a solution that works for them, and just like them you should quickly test, fail, learn and evolve with technologies that you believe will enrich the experiences for your customers. However, by starting with an experience-based approach to improving loyalty, retailers can see sustainable competitive advantages that will position them to capitalize on the disruption that is happening in retail.

If you are interested to bring these ideas to life at your stores, write to us @ online.enquiries@manthan.com

About Manthan

Manthan is the Chief Analytics Officer for consumer industries worldwide. Manthan’s portfolio of analytics-enabled business applications, advanced analytics platforms and solutions are architected to help users across industries walk the complete data-to-result path - analyze, take guided decisions and execute these decisions real-time. Sophisticated, yet intuitive analytical capability coupled with the power of big data, mobility and cloud computing, brings users business-ready applications that provide on-demand access and real-time execution - the only path to profit in a contemporary, on-demand and connected economy. Manthan is one of the most awarded analytics innovators among analysts and customers alike. To see how your business can gain from analytics, visit www.manthan.com.