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Platt Retail Institute (PRI) is an internationally recognized consulting firm that focuses on the use of technology to impact the customer experience. In a multi-channel marketing environment, PRI works with its clients to develop strategies to integrate various technologies including digital signage, CRM and POS systems, mobile marketing, and the Internet. PRI clients include retailers, media companies, financial institutions, hard-ware and software companies, educational institutions, and other businesses.

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Technology Can Enhance Personal Service In-Store

By Steven Keith Platt, Director and Research Fellow, Platt Retail Institute

The success of a retailer hinges on many factors. Marketing, online, and mobile strategy; store location; merchandise assortment; supply chain management; and marketing activities, among many other things, come to mind. Ultimately, sales at a brick-and-mortar retailer depend upon the number of customers that walk in the door. Once inside the store, the focus of all retail activities is on the most important element of all – converting shoppers into buyers. And perhaps the most impactful way to convert shoppers into buyers is offering quality service.

An investment in more store staff will, in many retail environments, result in an increase in sales.¹ On the other hand, store labor is the largest operating expense a retailer encounters.² As a result, retailers are continually trying to fine-tune the balance between the appropriate number of trained sales associates to provide a service level consistent with their brand, while not wasting money on excess labor. Thus, balancing customer service requirements, on the one hand, and skilled labor staff costs, on the other, is critical to retail success.

Retailers have embraced various means to increase customer service levels without the associated labor costs. This has led many to make investments in technology. But the importance of the sales associate cannot be underestimated.

To impact the level of customer service and thereby increase revenue, retailers implement various technologies in their stores. These include informational kiosks, self-checkout, mobile POS, digital signs, handheld shopping devices, price check scanners, and branded apps, among other things. Notwithstanding, few in-store technologies complement the activities of the sales associate, who can play a major role in the sales process. In this article, we address the importance of the retail associate in the store, and how technology displayed by an associate can be utilized to deliver targeted messages to enhance the level of personal service.

The quality of interaction (that is, the level of personalized service) offered by a retail sales associate can have a major impact on customer satisfaction. It has been found that employee behavior has a positive effect on service quality as perceived by customers.³ In addition, “the presence of friendly,

¹ “Out of Stock? It Might Be Your Employee Payroll-Not Your Supply Chain-That's to Blame,” *Knowledge@Wharton*, April 4, 2007.

² Levy and Weitz, *Retailing Management*, 8th ed., p. 455.

³ “A Conceptual Model of Service Quality and Its Implications for Future Research,” *Journal of Marketing*, 1985, 49, p. 41.

polite, helpful personnel has a positive impact on perceived service quality.”⁴ The quality of this sales associate-customer “service encounter” is a key strategic competitive asset in retail.⁵

In 2006, the Australian Retailers Association participated in an independent research study to determine the impact of technology on retail spending in Australia.⁶ The research found “that interaction with friendly and helpful staff was the major determinant of an exceptional retail experience; using appropriate technology can improve that interaction and have a major impact on spending in a retail outlet.”

An example of a technology that closely engages the associate is a wearable digital sign. These small digital signs can be used to deliver messages that influence customer perceptions of overall service quality and can impact customer behavior. Messages delivered can comprise the following, for example:

Relevant Communication. This can include, among other things, product information, store information, and highly targeted promotional messages delivered by a retailer’s customer relationship management software.

Personalized Messages. These can include customer-aimed messages (i.e., Hi Sally, Welcome to our Store), charitable endeavors that the retailer is involved with, and community-related notices.

Associate Competence: Sales associate knowledge can impact customer service quality. Communicating that the associate possesses the required skills to perform the service, such as “ask me how to frame your picture,” can positively influence the customer experience.

Impact on Wait Time: Perceptions of wait time can be reduced when a customer is pleasantly distracted. Interesting messages delivered by a wearable digital sign to customers waiting in line for check out, for example, can reduce perceived wait times.

Service levels have a major impact on customer experience and loyalty. Small digital signs worn by sales associates that deliver relevant messages can influence the customer’s perception of quality service. When formulating the messages to be delivered by this technology, it is helpful to consider the five dimensions of service quality:⁷

1. *Reliability:* Ability to perform the promised service dependably and accurately.
2. *Responsiveness:* Willingness to help customers and provide prompt service.
3. *Assurance:* Knowledge and courtesy of employees and their ability to inspire trust and confidence.
4. *Empathy:* Caring, and individualized attention that the firm provides its customers.
5. *Tangibles:* Physical facilities, equipment, and appearance of personnel.



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⁴ “The Role of Personalization in Service Encounters,” *Journal of Retailing*, 1996, 72, pp. 95-109

⁵ Berry, *On Great Service*, 1994, New York: Free Press.

⁶ “Impact of Technology on Retail Spending,” *ACA Research*, 2006.

⁷ “The Role of Personalization in Service Encounters,” *Journal of Retailing*, 1996, 72, p. 97.