

Q&A WITH FORRESTER ANALYST ANANDA CHAKRAVARTY ON THE ROLE OF STORE ASSOCIATES.

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Manhattan Associates sat down with Forrester analyst, Ananda Chakravarty at a customer roundtable in October 2017 to discuss the changing role of the store associate in today's retail environment.

How must brick & mortar stores change their sales compensation, attribution, rewards, and incentive structures to map to changes in customer behavior and engagement across multiple channels?

Customers are channel agnostic and extend their customer journey across many mediums including smartphones, tablets and physical stores. Retailers must evolve to meet these customers' needs and incentivize their teams, stores, and digital units accordingly.

Associates need to be a key part of this adaptation. Eliminate channel-specific incentives and reward holistic sales, including digital sales credit, even if you continue to break down metrics by channel for tracking. Prepare associates to better service customers with digital training, resources, tools, and incentives.

How can retailers meet changing customer fulfillment expectations and still come out ahead of the competition?

Retailers must add services that improve customer convenience to come out ahead. Customer fulfillment expectations rise every time a company introduces reliable, faster, more convenient services. Price remains a key factor in customer fulfillment, with customers reverting to omnichannel solutions to avoid shipping costs. Forrester data consistently indicates that US customers care more about free shipping than fast shipping. However, customers also expect speed. For instance, customers expect product delivery within 2-3 days and pick up in store availability within an hour. Delivery speed and price are not the only factors, however, as other factors have become differentiators for retailers. Beyond speed, convenience includes reliability of delivery (for instance, within a promised scheduled time window), intactness of goods (such as delivery of undamaged product or unspoiled foods), security of delivery (such as delivery confirmation and delivery to lockers), and management of delivery (for instance, offering appropriate substitutions in the event of inventory out of stocks).

How should retailers change their store layouts or footprints to optimize to the repurposed modern store?

Retailers are developing their stores as experience destinations and distribution hubs – in addition to the typical buying destination they have been for so long. This means retailers must re-imagine in-store layout, footprint, back-end operations, and customer-facing interactions. In the modern store, the associates have greater, broader, and more flexible responsibilities.

Some retailers are exploring innovative store formats, layouts and footprints such as small-format stores, pop-up stores and store-in-store concepts. Companies like Belk are building in new features such as pick-up and service desks. Walmart has introduced 24/7 grocery pick-up towers. Store format is also shifting with grocers like Target and Meijer trying out small-format stores, in part to reduce high leasing costs. Companies with a large store footprint can optimize more easily on ship-from-store solutions that can both reduce costs and improve delivery times. Before rolling with these potentially costly investments, validate the return. Target built a 25-store test environment to test format and experiences optimizing regionally across multiple stores instead of within a single store.

How can retailers improve customer-associate productivity and promote stronger engagement?

The associate is the front-line ambassador for retailers. Empower associates to provide a solid digital customer experience (DCX) in the store. Top solutions that enhance customer-associate engagement are clienteling and associate-assisted service kiosks or mobile point of service tools. These solutions need to offer value-added capabilities that exceed what customers can find on their own. The associate should be able to complete a transaction through these tools and access basic service functions such as line busting, endless aisle, in-aisle engagement, and full access to product availability and product information – rapidly. Retailers should also use metrics to measure how well associates are engaging customers and identify areas for training to help associates learn on the job.

How can retailers improve associate productivity in the back room and with store operations?

The store associate is the lynchpin to strong digital operational excellence (DOX) that leads to exceptional holistic customer experiences. Provide the right operational tools to enable the associate to meet the customer where, when, and how the customer wants. Start with improved training, associate incentives, and compelling wages and benefits. Employ operational technology that makes it easier for associates to restock shelves, do a store audit or pick and pack items for the customer. Retailers need to invest in operations to accommodate the new demands of omnichannel retailing and meet customers' expectations: associate training and skills; analytics in the store; associate enablement; task and labor management; mobile point of service; improved digital operations capabilities such as fast, secure and guest Wi-Fi; hands-free associate communication and integrated product, customer and store data.

What steps should you take first when implementing an omnichannel strategy?

Omnichannel has become table stakes for retailers with any form of store operations. The first step is getting everyone on board – building alignment across all stakeholders in the organization with a common process. The process then moves into self-assessment relative to target outcomes, and building a roadmap that identifies gaps and plots tasks and responsibilities to reach the target on a timeline. Add metrics and KPIs that define success for your organization as you start on this journey, remembering to revisit objectives, goals, metrics, and partnerships along the way.

How can you personalize the in-store experience using customer data that drives deeper relationships and stronger sales?

Focus on ensuring a positive experience, enabling retention, loyalty and cross-selling. This starts with providing associates with access to data and analytics that help them service customers. Customer historical data, couponing and mobile customer engagement are a few of the building blocks that retailers should prioritize first to deliver on this need.

Being in the store accentuates real-time relevance for the customer since they've usually already researched products online: Forrester data shows that three out of four US online adults regularly researches products or services online. The customer is usually there to complete their research, finalize and make a purchase – and most important, take it home with them. At this stage customer engagement is not just about closing the sale. Any form of personalization needs to enhance the experience, such as improve convenience, lower prices, or provide emotional satisfaction. Loyalty becomes more critical as well, as loyalty program members spend more and have better customer experiences than non-members. Loyalty program customers are looking for exclusivity and access to unique offers or treatment not available to others.

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Ananda Chakravarty serves Digital Business Strategy Professionals. He is a thought leader focused on retail digital store, digital grocery, the multi-touch shopper, retailer optimization and metrics across customer experiences, and broader retail digital trends. Ananda works with firms to help them understand the implications of in-store digital technology and the convergence of digital and in-store experiences and operations. He works on building pragmatic research to help clients develop solutions to grow their business.



Previous Work Experience

Before joining Forrester, Ananda built 20 years of experience in technology and eBusiness implementation, operation, and innovation across the retail, staffing, and insurance sectors. He most recently served as director of enterprise digital strategy at The Hartford Financial Group. Prior to The Hartford, he worked in eCommerce product leadership roles at retail firms Talbots and Staples, where he rebuilt online checkout, enabled mobile-first solutions, and headed up personalization across the enterprise. Ananda also worked in B2B eBusiness as a product director at Monster.com, where he owned the end-to-end digital experience, directing a digital product line with P&L responsibilities.

Education

Ananda holds a Bachelor of Science degree from Clemson University, a Master of Science from the University of Massachusetts – Lowell in electrical engineering and an MBA from Northeastern University's D'Amore-McKim School of Business