



RETAIL

**IMPROVING CUSTOMER EXPERIENCES WITH CUSTOMER FLOW
MANAGEMENT METHODOLOGIES**

A QMATIC WHITEPAPER

Abstract

More than ever before, success depends on offering a customer experience that is unique and more attractive than the competition's. It depends on an experience that empowers customers so that they can decide the best way to interact with the store. Simply put, every contact opportunity should deliver exactly what the customer wants, when they want it. Customer needs must be delivered consistently through all available channels, whether online, by phone or in-store.

This whitepaper describes retail challenges from a customer experience and customer journey perspective and offers possible solutions.

Qmatic has been improving customer experiences for more than 30 years. Our solutions, systems and know-how have been applied to retail locations all over the world. We focus on improving customer experiences, customer loyalty and operational efficiency with Qmatic's own Customer Flow Management (CFM) methodology.

Customer Experience Management (CEM) and Customer Flow Management (CFM) methodologies assist retail shops, telecom stores home improvement stores and home electronics stores around the globe to offer better customer service while driving sales and reducing costs.

Introduction

Customers want to do business with companies in new ways, such as through social media, on Smart phones, online, in-store, and through call centers. Competition is fierce and customer loyalty is fleeting, at best. When it comes to high-end retail stores, the customer experience is more important than ever. In fact, customer experience is key to achieving a clearly differentiated market position.

The race is on to offer a unique experience that encourages customers to buy more products and services, while strengthening customer loyalty and creating an emotional connection between the customer and the brand. Isolated channels and systems create customer frustration. Customer Experience Management (CEM) solutions can change the way businesses operate at the customer level.

Customer Experience Management is about making every customer journey special, no matter the customer or his reasons for visiting your store. If the customer experiences anything less, the journey can lead to endless choices while wasting time and doing little to promote the sale or your brand.

By allowing customers to book online, use mobile devices to manage their place in the queue, check in and provide their status in real-time, CEM solutions allow customers to receive personalized service based on preferences and profiles. Moreover, CEM solutions ensure that both businesses and their customers optimize every meeting.

At the end of the day, it's all about sales. The challenge: Create the optimal conditions for staff to sell and customers to buy.

Retail Challenges

86% of customers are willing to pay more to get a better experience.

In today's highly competitive business climate, being able to attract, serve and satisfy more customers is a key to success and to increase revenue. A happy customer is more likely to be a loyal, returning one. Loyal customers enjoy spending time and money in a store, and look forward to returning. Retaining these customers is a challenge, however. Recent research shows that as many as 89 percent of retail customers will leave after a single bad experience. The study shows that the customer experience not only has to be great; it must also be consistent over time.

Studies have also shown that 86 percent of customers are willing to pay more to get a better experience, suggesting that customer experience investments are major differentiators in current markets.

As competition stems from both brick and mortar stores and websites, there is more to take into consideration. The fact that online stores are big competitors is no surprise: They typically show huge growth numbers. Does an online presence suggest that brick and mortar stores need to close? The answer is no. Debenhams, the UK's second-largest department store chain has proven that, "shoppers who use the stores and websites spend more than twice as much as those who shop only in stores or only online."

Businesses need to keep customer experiences at a high level, consistent over time and through all channels.

In the following sections, this whitepaper addresses the challenges retailers face today.

From experience gained over the years, we have identified five key challenges facing retail stores:

1. How to get more customers in the store
2. How to get more customers to stay in the store
3. How to get more customers to buy or buy more
4. How to make better use of resources
5. How to make better use of assets

Customer Experience Management (CEM) and Customer Flow Management (CFM) methodologies can turn these challenges into opportunities, enhancing the customer experience while improving the bottom line.



Fig 1. Understanding and managing the customer journey is key in delivering improved customer experience in retail.

Meeting the challenges

Mobile solutions and online appointment scheduling empower customers and strengthen your brand.



Between 30-40 percent of customers leave the store without having any staff interaction.

CHALLENGE 1: GET MORE CUSTOMERS IN

With so many high-end stores offering similar products, services, packages and formats, it is difficult to stand out from the crowd. Why should customers choose your store?

Applying a CEM or CFM solution can help businesses attract more customers and increase foot traffic. These methodologies allow you to implement mobile application solutions, making it easier for customers to find a store and access it when they choose. Mobile solutions can offer appointment services to give customers the opportunity to meet an expert when it suits them. The solution makes each and every customer journey unique and special, regardless of what the customer wants. The overall experience from a well-structured customer journey will make your store the store of choice.

CHALLENGE 2: GET MORE CUSTOMERS TO STAY

Between 30 and 40 percent of customers leave a store without having any staff interaction. Many customers are potentially of high value.

By applying CFM methodology, businesses can help enhance customer satisfaction and “reactivate” customers who would otherwise be on their way out. A CFM or CEM solution allows retailers to improve the waiting experience and provide effective media solutions and information to reduce the perceived waiting time. By implementing a Matchmaker Solution, for example, you can ensure that the customer is seen by a staff member with the right skills, providing the right service.

Organizations can rely on real-time management information, alerts and triggers to ensure that customers experience the right level of service based on their expectations and needs. With a CEM or CFM solution, you can also implement customer recognition technology to acknowledge and identify customers early on in the process, enabling a more personalized customer experience.

CHALLENGE 3: GET MORE CUSTOMERS TO BUY OR BUY MORE

A telecom retailer achieved a 26 percent increase in new contract inquiries with average contract upgrade volumes up by 10 percent.

Consumer research indicates that 75 percent of purchasing decisions are made when the customer is in-store, yet nearly 80 percent of customers often leave the store without buying anything. A customer flow management solution allows organizations to increase conversion rates, transaction value and revenue per relationship.

For example, businesses can exploit commercial opportunities by implementing effective media solutions at strategic locations and stages of the customer journey. Virtual queuing solutions, meanwhile, maximize the opportunity for customers to browse while waiting for service.



Fig 2. Qmatic Customer Journeys give stores control of all the surfaces in the branch and not just the big screens on the wall as with typical Digital Signage suppliers.

A Matchmaker Solution makes it possible to recognize customer needs early on in the process, matching the right staff member with the right customer at the right time to increase the probability of a sale.

Given that a majority of shoppers enter stores with only a rough idea of what to buy, they are incredibly impressionable when they are in the store. Using a Smartphone or even the printed ticket as a place to promote in-store merchandises can create new in-store marketing opportunities.

For example:

- A customer keeping track of the queuing situation via mobile phone also gets a promotion when it's time to go to the sales desk
- A QR code is printed on the ticket, which takes the customer to a landing page with a unique product/service offer

Qmatic has shown that sales of merchandise can increase up to 80 percent with printed promotions on tickets.

Click and Collect in a multi-channel context

The internet retail revolution has taken a surprising turn in which store owners can play a happy and prosperous role.

Click and Collect solution is a great opportunity for online retailers to improve the customer shopping experience. By mixing channels and having an online-to-offline strategy, Click and Collect offers a more flexible approach allowing customers to collect their orders in-store. The topic is increasingly salient given the increase in the number of brands offering Click and Collect, and the potential for brands to extend collection points beyond their own stores.



A customer flow management solution delivers simple, consistent and relevant experiences in face to face meetings and in the transition from the virtual to the physical world.

An often forgotten touch point is the transition from the virtual to the physical world. Bridging that gap by integrating the virtual and physical worlds creates a seamless customer journey. Customers can book online, use their mobile devices to manage their place in the queue, check in, and click and collect, all while receiving personalized service based on preferences and profile information. Customers may also provide their views on their retail experience in real-time. By empowering the customer, CFM and CEM make certain that both businesses and their customers optimize every meeting. This is the ultimate goal of Qmatic's methodologies.

Too often, retailers jump on the online train, forgetting how to maximize customer experiences in order to up and cross-sell. There are many fully integrated, out-of-the-box solutions that can be implemented and deployed quickly. These solutions are based on best practices derived from CFM methodologies.

CHALLENGE 4: MAKE BETTER USE OF STAFF RESOURCES

60 percent of customers are often left on their own to wait or seek help, while staff members are either available or engaged in activities that add no customer value. With CFM methodologies, you can implement a more efficient process that optimizes staff use and improves productivity. Through a virtual queuing solution (based on mobile queuing or tickets), staff members are notified if customers are waiting and seeking help, and you can even offer an appointment service that encourages customers to access real experts or staff during less busy times of day.

In addition, CFM and CEM solutions offer real-time management information and statistical reports, enabling a more efficient and effective process for managing

performance and continuous improvement. Managers may then spend more time adding value with customers.

Integration of Qmatic's system with a Workforce Management System provides the platform for workforce optimization based on predicted customer flow per business area, retail branch and service type. It aids customer service and local branch managers to accurately staff their operations by analyzing detailed historical customer flow data. Tools for forecasting, scheduling, and follow-up and performance management from the workforce management system also help managers make informed decisions.



CHALLENGE 5: MAKE BETTER USE OF PHYSICAL ASSETS

Customers use key facilities and zones, such as self-service, serving points/PODs, express pay-points, “experience zones” and business zones less than 50 percent of the time. Applying a solution enhances each and every customer journey, ensuring that customers use all elements of the store. You can also rely on digital media and dynamic signage to improve way-finding and guide or steer customers to all elements of the store. Since a solution can provide management information and statistical reporting to track customers and measure the utilization of key facilities and resources, management is in a stronger position to make informed decisions about improvements to the overall customer experience.

Results / Conclusion

The wrong CFM solution can be worse than having no solution at all. Qmatic has implemented more than 10,000 retail solutions across 122 countries, giving us unique knowledge and insight into how best to offer our clients tangible improvements and measureable results.

Below are a few examples, based on real cases, of what retail clients have achieved with our solutions.

- 15.5percent increase in overall foot traffic
- 26 percent increase in new contract enquiries, with average contract upgrade volumes up by 10 percent
- Customer Satisfaction increase from 3.0 to 4.5 (5 point Service Plan)
- 43 percent increase in customers with a positive outlook on the store
- 9 percent increase in total sales
- Conversion rate increase from 20 percent to 26 percent
- Customer waiting times reduced by 20 percent
- 97 percent of customers preferred the Qmatic solution to the previous systems
- 88 percent increase in sales of promotional items through ticket advertisement
- 26 percent sales increase

About Qmatic

”There is only one boss - the customer. And he can fire everyone from the chairman down, simply by spending his money somewhere else.”
Sam Walton, 1977

Qmatic’s vision is to realize the full potential of every meeting. We help clients engage and interact with customers from the very first touch point. We gather information around the customer journey and help create brand value from improved customer experiences. By creating a seamless customer journey from online channels and face-to-face meetings, we increase customer experiences and strengthen our clients’ brands.

Qmatic holds a market leading position in the retail, healthcare and financial services industries as well as the public sector. It is estimated that more than a quarter of the world’s population pass through a Qmatic system every year.

Qmatic has a truly global footprint and operates in over 120 countries through subsidiaries and a partner network. The Qmatic Group has a turnover of EUR 60 million and employs over 300 people. The company’s main owners are Altor Fund II GP Limited and ICG.

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