

When worlds collide: Store staff and shoppers in retail today

How Retail Mobilisation can improve customer experience,
employee engagement and sales

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Executive summary

In the post-recession economy, retailers face as many strategic choices as they did during the downturn.

- What is the role of physical retail?
- How can it enhance and complement online sales?
- How can the shopping experience be improved and what role do shop staff have in this new retail landscape?
- How can costs be controlled?

Miura believes Retail Mobilisation offers some answers. By making staff more mobile in-store, equipping them with the information shoppers need, and enabling them to have great conversations, retailers can transform their customer relationships. Most importantly, they can reclaim some of the millions of pounds in sales their own employees estimate are lost due to customers walking out of their stores every year.

The views of frontline staff dealing with shoppers in stores across the UK are rarely heard in public. Our research compared the views of these staff with those of shoppers, getting to grips with the changing face of retail and payments in Britain. We also interviewed a wide range of senior executives working in retail.

Over four in five store staff enjoy their job, but it's a tough one. To make life more difficult, over two in three report that while they are serving a customer, other shoppers often interrupt to ask questions. Store staff are under pressure, meeting the needs of customers and shareholders. And significantly, only 33% of shoppers say that most shop assistants seem to enjoy their work.

Retail experience today - 10 issues for staff and shoppers

So what did our research tell us? It identified 10 key issues in retail today:

1 - Queues put staff in the firing line - 80% of store staff say shoppers put pressure on them to hurry when there is a queue. Only 1 in 5 shoppers rate the payment process to be fast and efficient across UK retailers.

2 - Payment fragmentation is shifting shopper mindsets - Contactless payments, vouchers and Apple Pay are changing the landscape. 34% of shoppers in London are using contactless 2 to 3 times a week or more. Shoppers are beginning to reconsider payments with a more critical eye. Store staff use contactless payments more than average themselves.

3 - A decade on, Chip and PIN needs a reboot - 41% of shoppers say Chip and PIN terminals are often worn and dirty. Over 40% of store staff say if there was one technology improvement for their store, it would be a more up-to-date POS system.

4 - Apple Store's mPOS disruption - Nearly 1 in 6 Britons have shopped in an Apple Store and 96% found the mPOS (mobile Point of Sale) payment system very easy. 4 in 5 shoppers say other retailers should deploy a similar system, where payment can be taken anywhere in the store.

5 - Shop assistants overrate the value of their advice - 75% of store staff say that shoppers come into store, rather than shop online, because of the advice they can offer. By comparison only 31% of shoppers agree.

6 - Store staff: an underutilised resource? - 84% of shop assistants enjoy their job. Ironically, they are more likely to regularly use online shopping than the public (32% to 24%) and they have more advanced skills in using technology. Are retailers realising their full potential?

7 - Retailers have a way to go on experience - 3 in 4 store staff say shoppers visit stores to touch and feel products, a similar level to shoppers. While 66% of staff say it is more fun to visit stores than shop online, only 45% of shoppers agree. Over 60% of women say they enjoy shopping, so the onus is on retailers to create great customer experiences.

8 - Getting personal in the wrong way - Staff are told to cross-sell to shoppers, yet 2 in 3 shoppers say that assistants who try to sell products at the checkout annoy them. 52% don't like being asked for their personal details. Yet retail management often prioritises these tactics.

9 - Staff face imperious shoppers - 3 in 4 store staff say customers are becoming more demanding. This is partly because they are 'armed' with smartphones which give them access to comparative prices, but it also reflects their behaviour towards staff. For example, 70% say that customers often ask them questions when they are serving another customer.

10 - Staff say millions are lost in sales - With their ear to the ground, the staff we researched estimated that stores lose thousands of pounds in sales due to not being able to help customers fully. The average loss for each store is £110,864 a year. Across Britain that adds up to millions of pounds every year.

How can retailers regain these sales, meet the challenges inherent in these issues, and create great customer experiences going forward?

Retail Mobilisation - Transmuting the shopping experience

The concept of Retail Mobilisation offers some answers, with 2 in 3 shoppers wanting staff to be more available on the shop floor. Liberating staff from fixed retail workstations, increasing personal interactions between staff and customers, and empowering staff with all they need to help customers - wherever they are in the store - offers great opportunities.

We asked staff what they would do if they were CEO of their store group:

- 78% suggested faster and more effective training for employees
- 74% suggested keeping staff informed about marketing and promotional activities
- 70% suggested rolling out new technologies to stores more quickly
- 59% suggested helping staff respond to better-informed, smartphone-enabled shoppers

Combined with Retail Mobilisation, these suggestions would help to mitigate the top four reasons shoppers fail to buy in their shopping trips:

- Items out of stock
- Unclear pricing
- No shop assistants available when needed
- Inadequate product selection

A core element of the process of Retail Mobilisation is using mPOS systems, like the one which is so effective in Apple Stores. These small, handheld, wireless devices make it easier for shop staff to take payments at any place in the store, as well as the fixed counter. The research showed that these were desirable for a range of stores - for staff and shoppers alike.

In which situations would mPOS be useful for shoppers and staff? (%)



At-counter payment improvements

Our interviews with retail directors revealed that mPOS systems, and indeed Retail Mobilisation, are not appropriate in all store environments. However, all the executives wanted to make payment processes more efficient. Saving seconds in payments creates more sales and lower costs.

Shoppers' feedback on the cleanliness and freshness of Chip and PIN terminals made clear the need for investing in payment technology. 47% of store staff said they would like a more modern POS system. Some 45% of store staff said their in-store technology is out of date.

The consumerisation of all technology, led by Apple's popular usability, has led the public to expect other machine-to-person technology to reflect these standards. Even though Chip and PIN terminals are an everyday technology, consumers are looking for more modern variants as our research showed by comparing available terminals.

Shoppers: Which is the most modern?

Miura M010



53%

Ingenico iPP350



28%

Verifone VX 820



19%

The research, data and views in this white paper have been prepared in good faith but neither Miura nor the authors of the report can be held responsible for any actions or otherwise taken by those reading it.

Methodology

Miura commissioned data and insights consultancy Davies Hickman Partners to explore the world of retail and payments today, with specific objectives to understand the potential role of mPOS (mobile Point of Sale) systems.

Unusually, the research sought to triangulate the views of store staff (typically underrepresented) with those of shoppers and senior retail executives.

Store staff research

1. A representative study of 300 store staff, all of whom take payments from shoppers, across 23 types of retail outlet was undertaken in October 2015. The sample structure is set out opposite. The sampling ensured that no more than 20 respondents were from each of the 23 types of retailers and overall the sample matched UK regional standards

Women



Men



| | |
|-------|-----|
| 16-24 | 29% |
| 25-34 | 22% |
| 35-44 | 21% |
| 45-54 | 14% |
| 55+ | 15% |

| | |
|-----------------------|-----|
| Greater London | 15% |
| South (excl GL) | 25% |
| Midlands | 17% |
| North (incl Scotland) | 34% |
| Wales | 6% |

Shopper research

2. A nationally representative online study of 1,000 consumers was undertaken in October 2015. A total of 25 questions were asked. The sample structure is set out on the left.

Women



Men



| | |
|-------|-----|
| 16-24 | 11% |
| 25-34 | 17% |
| 35-44 | 17% |
| 45-54 | 18% |
| 55-64 | 15% |
| 65+ | 21% |

| | |
|-----------------------|-----|
| Greater London | 18% |
| South (excl GL) | 20% |
| Midlands | 17% |
| North (incl Scotland) | 37% |
| Wales | 6% |

Senior executives research

3. We interviewed 10 Senior executives in major retail brands representing over 2,500 outlets in the UK.

davies hickman

Data Insights Decisions



Retail experience today 10 issues for staff and shoppers

Our research with 300 store staff and 1,000 shoppers identified 10 key issues which are impacting on retailers' ability to drive revenues through great customer experiences.

1 - Queues put staff in the firing line

Shop assistants' and managers' ability to build relationships with shoppers is damaged by queues in-store

Many retailers are fighting for their survival. Trying to build better shopper experiences and reduce customer effort depends on shop assistants building relationships with shoppers through great conversations. These create the emotional bonds which are so important for loyalty, and create the experiences shoppers demand. Our research shows that too few staff feel they have the opportunity to create these experiences.

For a start, shop assistants and managers think that they are in the firing line when in-store queues to pay occur. Both staff and shoppers say the top reaction shoppers have to a queue for payment is to think of staff as follows: "hey you - hurry up!". Shoppers wonder what the manager is doing to resolve the issue and 2 in 3 wish other staff could take payments. In London, a massive 39% of store staff say their customers think they work too slowly.

When queuing, what are your reactions? Shopper versus staff view

Shoppers Staff



Wonder what management are doing



Wish other staff could take payments



Don't make last minute purchases to keep queue place



Don't make them think worse of the retailer or store



Think there should never be more than 1 person in a queue



Feel like complaining/have complained



Vow not to go back to store



If shoppers expect payment to be painful this doesn't help the shop assistant to build an effortless experience, engage in conversation, and cross-sell or drive future loyalty. It also breaches one of the tenets of Behavioural Economics: the peak-end-rule. This states that people's experience of a situation is disproportionately affected by the last thing that happens during that experience. If it's a frustrating end, retailers lose some of the goodwill they have built in other parts of the shopping journey.

So if queues don't help shop assistants (and managers) to build relationships, how well are retailers doing at reducing queues to pay in-store?

About 1 in 5 shoppers describe the queues to pay in shops around the UK as always fast and efficient. Some retailers do better than others: for example, large supermarkets and low-cost supermarkets score nearly 24% for the number of shoppers saying they are fast and efficient. Unfortunately, shoe shops trail, with only 13% rating them to be high performing.

| Shoppers | Always fast and efficient |
|---|---------------------------|
| Main Supermarkets eg Asda, Sainsbury's, Tesco | 24% |
| Low cost supermarkets eg Lidl, Aldi | 24% |
| Fast food restaurants eg McDonald's, KFC | 23% |
| Petrol stations eg BP, Shell | 20% |
| High Street catalogue eg Argos | 20% |
| Local Supermarkets eg Tesco Express, Sainsbury's Local | 19% |
| Coffee shops eg Costa, Caffè Nero | 19% |
| Department stores eg Debenhams, John Lewis | 18% |
| Bookshops/CDs eg Waterstones | 18% |
| DIY and hardware eg B&Q, Homebase | 17% |
| Homeware eg Lakeland | 17% |
| Jewellery shops eg Goldsmiths | 17% |
| Corner shops and local newsagents | 17% |
| Fashion shops eg Next, Topshop, H&M | 16% |
| Electrical and computing eg PC World | 16% |
| Pet shops eg Pets at Home | 15% |
| Mobile phone eg Vodafone, EE | 15% |
| Pharmacies/Beauty eg Boots, Superdrug | 14% |
| Casual dining eg Nando's, Wagamama | 14% |
| Furniture eg IKEA | 14% |
| Charity shops eg Oxfam | 14% |
| Shoe shops eg Clacks, Schuh | 13% |

"If the credit card machine isn't working they get the grief. They can sense the customers' blood pressure rising if things take too long."

Director, QSR

"Queues are an issue too, you'll have seen that we don't have that many staff in-store so queues can build up. Interviewing customers, the biggest problem highlighted is usually the queues."

Director, Coffee Shops

2 - Payment fragmentation is shifting shopper mindsets

The explosion in payment options is encouraging shoppers to reconsider their behaviour - and store staff are more advanced than their customers.

Contactless, the Starbucks App, PayPal, Facebook payments, Apple Pay, vouchers, the Bristol Pound, Bitcoin and more. There has been a growing fragmentation in the ways consumers are seeking to pay...

| Shoppers: Use contactless payment more than 3 times a week | |
|--|-----|
| London | 34% |
| South | 21% |
| Midlands | 11% |
| North | 12% |

| % using the following 2-3 times a week or more often | Shoppers | Shop staff |
|---|----------|------------|
| Contactless payments using your debit or credit card | 15% | 29% |
| Oyster card or other rapid transit smartcard | 12% | 18% |
| Sending money to another person (not a business) using an app on your phone (eg Pingit) | 6% | 14% |
| Apple Pay | 4% | 9% |
| PayPal | 17% | 24% |

Staff are leading this revolution, with 1 in 3 store staff using contactless payments 2 to 3 times a week or more. This compares to 15% of shoppers. 14% of store staff have used peer-to-peer payments, compared to 6% of consumers.

| Shoppers: Use internet banking on smartphone more than twice a week | |
|---|-----|
| 16-24 | 44% |
| 25-34 | 49% |
| 35-44 | 32% |
| 45-54 | 20% |
| 55-64 | 11% |

Even just 5 years ago, payment was a System 1 behaviour, using the model of behavioural economist Daniel Kahneman (Thinking, Fast and Slow, 2013). This means payment was an automated activity, in which consumers didn't need to think in detail about how they would pay once the decision to buy was made. But today it has become more of a System 2 behaviour: the range of options mean shoppers can reflect on how they will pay. For example, at Starbucks now, Apple Pay, payment card with PIN, contactless, the Starbucks App and cash could all be used. Inevitably this means shoppers are beginning to put payment processes under scrutiny.

3 - A decade on, Chip and PIN needs a reboot

Store staff and shoppers say in-store payment experience should be better.

Introduced in 2004 in the UK, Chip and PIN payments have been very successful in improving security and shifting shoppers away from using cash and cheques. In fact, 42% say that compared to a year ago they are using credit and debit cards more to pay for cheap items. But the explosion in new ways of paying is causing shop staff and shoppers alike to call for a reboot of this successful technology.

| Shoppers: Use a card for Small transaction (less than £10) more than 3 times a week | |
|---|-----|
| London | 50% |
| South | 41% |
| Midlands | 28% |
| North | 29% |

Chip and PIN payments can play their part in a fantastic and effortless customer experience in-store. But 41% of shoppers say that Chip and PIN machines are often worn and dirty. Significant numbers of shoppers are looking for faster payment authorisation (26%), more up-to-date terminals (33%), and better instructions (29%). That amounts to nearly 16 million shoppers. A larger number (52%) don't think that Chip and PIN machines actually protect their PIN from others.

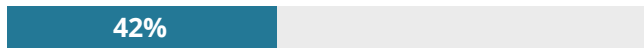
The shields on Chip and PIN machines often don't protect my PIN from others



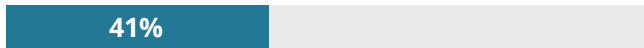
I get annoyed when customers or staff don't look away when you enter your PIN



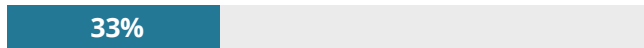
Compared to a year ago, I use credit and debit cards more to pay for cheap items



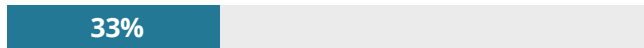
Chip and PIN terminals are often worn and dirty



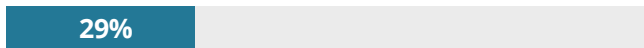
I like paying with a contactless credit or debit card



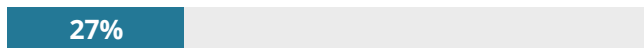
Chip and PIN terminals often look old-fashioned



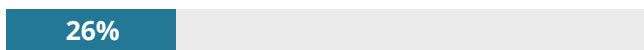
The instructions on Chip and PIN machines are often hard to read



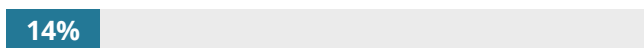
It annoys me when shop assistants tell me to remove the card when I already knew to do it



The time taken between when I enter my PIN and the payment is authorized by the Chip and PIN machine is often too long



Chip and PIN machines that don't accept contactless payments

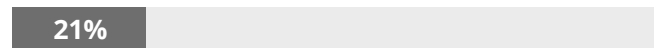


Shoppers: I've noticed retailer advertisements on Chip and PIN terminals

| | |
|-------|-----|
| 16-24 | 24% |
| 25-34 | 22% |
| 35-44 | 21% |
| 45-54 | 16% |
| 55-64 | 14% |

Shoppers are responsible for lengthening payment queues too. The shop assistants we interviewed for this research say that 1 in 5 of their customers are slow or make mistakes using the Chip and PIN machine. This is not a great customer experience. For 1 in 5 Britons, more needs to be done to make Chip and PIN easier to use. This potentially reinforces the case for contactless payments where the card or PIN do not need to be inserted or entered.

How many of your customers would you estimate are slow at using a simple Chip and PIN machine?



About 1 in 5

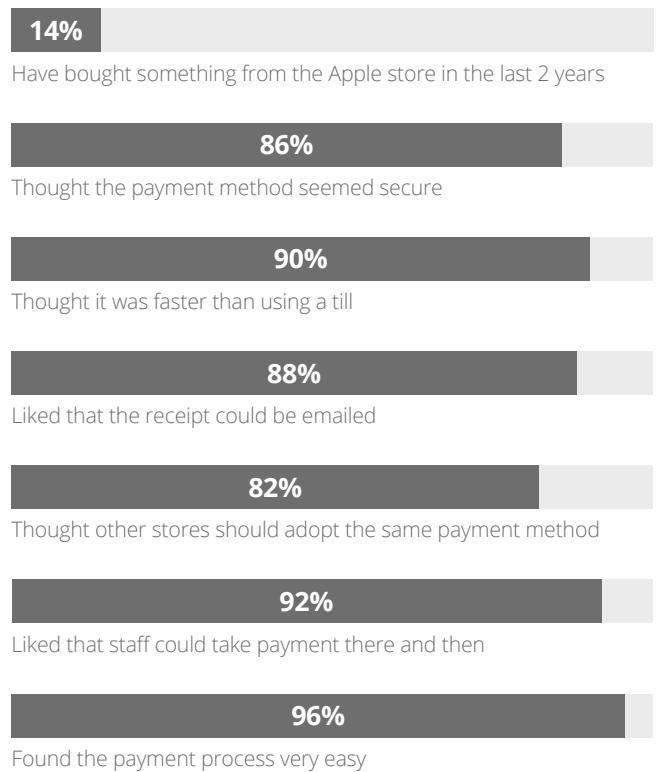
4 - Apple Stores' mPOS disruption

Shoppers love the Apple Stores' mPOS - other retailers should copy them.

While Apple Pay may be the latest big thing in payments, the mPOS system in Apple Stores has had a lasting impact on shoppers in the UK. Some 14% of the public - that's nearly 7 million people - say they have bought something from an Apple Store in the past 2 years.

Our research shows store staff can create excellent experiences, which go beyond the design of the store and the popularity of Apple's products. Providing advice to shoppers, through spending time with them, and being able to take payment there and then are integral parts of a seamless process. This is an experience that many retailers admire, according to our interviews with retail executives.

The research showed that among those who have purchased items in an Apple Store, 96% found the payment process to be very easy, 90% thought it faster than using a till and 92% liked the fact that staff could take payment there and then. 4 in 5 think other stores should copy Apple's mPOS payment system. There may be a 'halo' effect (a behavioural economics tendency) here, in that if Apple (as the current most successful business in the world) does something, shoppers think other retailers should copy. Whatever, the Apple model is further encouraging consumers to re-think payments, to reconsider what is possible, and ultimately to be more open to new methods.

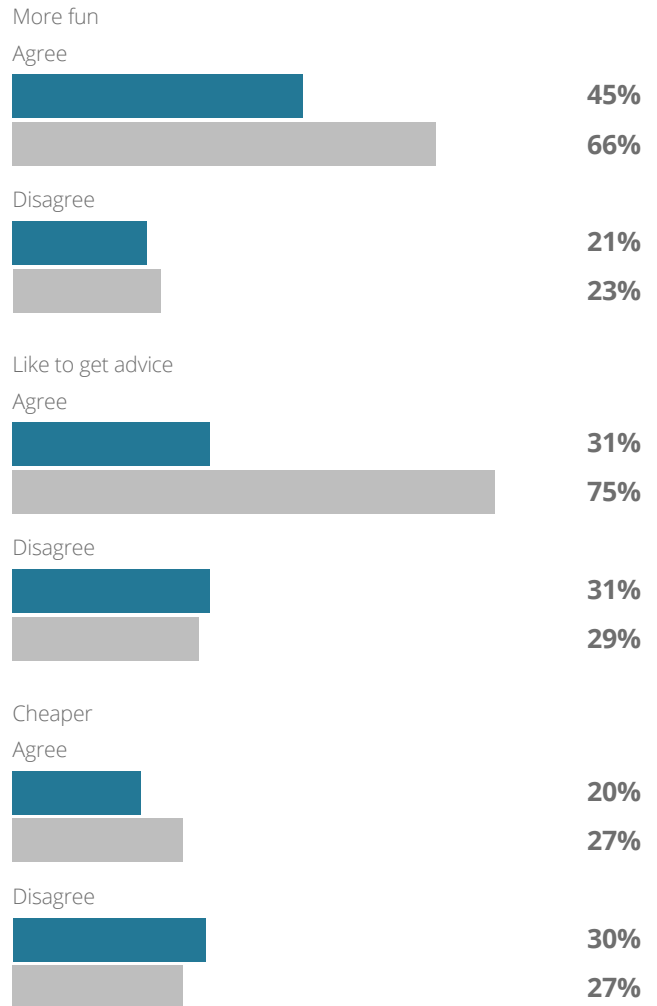
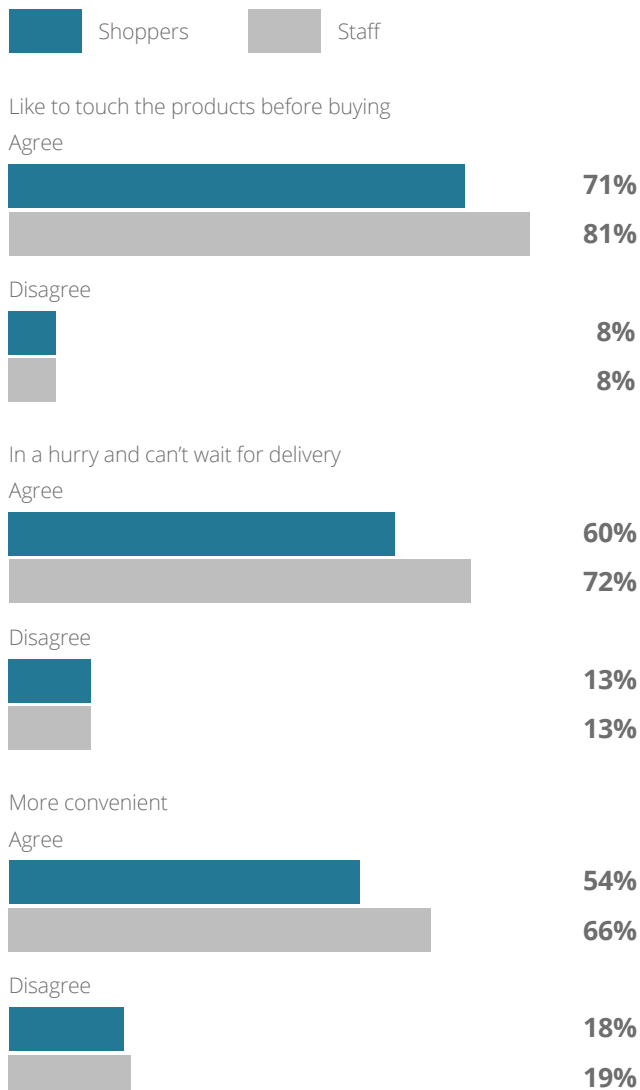


5 - Shop assistants overrate their own advice

Staff rate the value of their advice more highly than shoppers do.

If, as some of the retail experts we interviewed suggest, the Apple Store has also set a new benchmark in terms of advice and relationship for shoppers, have store staff elsewhere matched that level? We asked staff and shoppers why consumers shop in-store rather than go online. For staff, 75% said it was that shoppers like to get advice - the 2nd highest reason. However, for shoppers, getting advice was the 2nd lowest scoring reason for visiting a store, at 31%.

Why do consumers shop in stores? Shoppers versus staff review (%)



So while store staff think their advice is a driver for shoppers, it isn't half as important as they think it is. Perhaps this is not surprising in a world where consumers are armed with the internet at their fingertips. For example, about 5 million UK shoppers now regularly use their smartphones to look up product information and prices when they are in-store.

Certainly, large proportions of shoppers can see the reasons for the gap between shop assistants' view of their effectiveness and that of the public. 39% of consumers say shop assistants usually don't know what's on their own website. 1 in 3 shoppers say they often know more about a retailer's products than the people in the store.

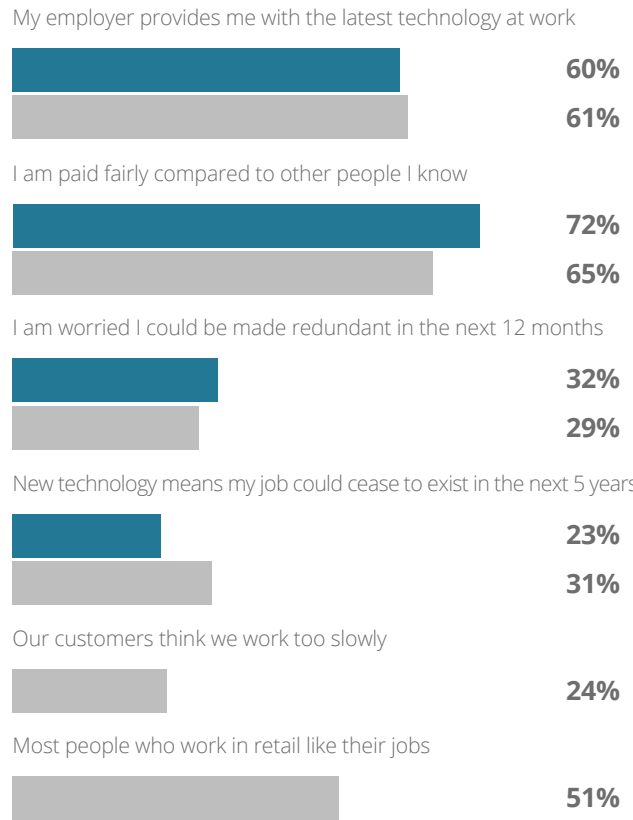
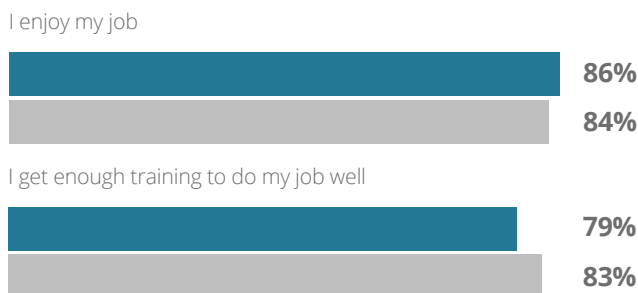
What proportion of customers agree with the following?



6 - Store staff: An under-utilised resource?

Staff have better technology skills than average, enjoy their work as much as anyone, but they want to add more to the shopper relationship.

While only 33% of shoppers say that staff seem happy in their jobs, 84% of shop assistants say they enjoy their job. While they are less likely to say they are paid fairly compared to the average (65% to 72%), shop assistants say they are no more likely to be made redundant than anyone else. This doesn't tell us what levels of employee engagement are achieved, but we know through many studies that these are a vital ingredient in driving customer engagement.



| How long have you been in your current job? | Shoppers | Shop staff |
|---|----------|------------|
| Less than 3 months | 5% | 8% |
| 3-6 months | 5% | 7% |
| 6-12 months | 8% | 15% |
| 12 months to 2 years | 12% | 16% |
| 2-5 years | 20% | 19% |
| 5 years or more | 49% | 34% |

| % using the following 2-3 times a week or more often | Shoppers | Shop staff |
|--|----------|------------|
| Online shopping using a PC or Mac | 24% | 32% |
| Online shopping using a tablet | 12% | 22% |
| Online shopping using a smartphone at home or work | 13% | 24% |
| Online shopping using a smartphone while you are away from home and work | 11% | 21% |
| Checking product prices or info on a smartphone while shopping in store | 11% | 24% |
| A shopping list on your smartphone or tablet | 11% | 22% |

When it comes to using technology, store staff are more adept than the general population, a consequence of their slightly younger age profile. This means they can operate in-store technology easily, retrieving information, and processing orders and payments capably.

Ironically, given how much is written about the internet killing the high street, staff are more likely to shop online than the general public.

With these skills and knowledge, they would be capable of offering better advice to shoppers, and of creating better experiences, if they were enabled to do so.

The aptitude of shop staff was confirmed by our interviews with retail executives:

"When we did the training for [our tablets] it was very light touch because it's very intuitive: we didn't need to tell people how to do it. We produced a manual with screen shots but this wasn't really necessary. People are used to tablets at home. In contrast, a till isn't necessarily intuitive and is set up differently for each retailer. Those two things will merge."

Director, Pets Store

7 - Retailers have a way to go on experience

Shoppers are looking for convenience, speed and great experiences when instore - but retailers are falling short.

Retailers across the UK have been working to improve the in-store experience. Whether it's measuring NPS for individual salespeople or re-designs of store format, leap-frogging customer experience has been a common goal in the face of cost control and online competition.

It is a worthwhile goal, with 24 million adults in the UK saying they enjoy going to the shops.

Shoppers: I enjoy shopping

| | |
|-------|-----|
| Women | 63% |
| Men | 49% |

Shoppers: I go shopping to relax

| | |
|-------|-----|
| Women | 43% |
| Men | 28% |

Our research shows that when stores are chosen over online outlets, it is for a better buying experience (with 3 in 4 customers saying they like to touch the product before buying). But while 66% of shop assistants think fun is a reason to go in-store, only 45% of shoppers agree. In fact, the second most important reason for going into stores is shoppers being in a hurry, and preferring not to wait for delivery.

So the strategic question is, how can retailers attract shoppers with the in-store wow factor, convenience and quality of advice that will complement omnichannel retailing and maximise sales?

8 - Getting personal in the wrong way

Some retailers resort to 'bad habits' when trying to attract and get close to shoppers.

Less than 1 in 3 shoppers say that stores are getting better at serving their loyal customers. Despite all the efforts involved in loyalty schemes, clienteling and better customer experience, not enough shoppers recognise the improvements which some retailers have made to their offer.

Instead, some of these 'loyalty' activities are actually turning customers off. 61% are annoyed by shop assistants that try to sell them products at the checkout. 1 in 2 shoppers don't like being asked for their personal details. 46% are annoyed by websites which aren't 'joined up' with their stores.

Shoppers: What makes you most annoyed?

Less than **1 in 3** say stores are better at serving their loyal customers

Assistants who try to sell products at the checkout



Being asked for personal details



Websites and stores that aren't properly joined up



Being asked to join a loyalty scheme



If retailers want to get personal and build better customer engagement, then there is work to do.

9 - Staff face imperious shoppers

Shop assistants say they struggle in the face of customers who expect more and more.

Although they may enjoy their work, frontline shop assistants have definitely noticed the British public becoming more demanding, with 3 in 4 agreeing with that sentiment. Store staff have to tolerate a lot of uncomfortable behaviour, including customers being on their phones when they are trying to talk to them, or being asked questions while they are serving other customers.

What proportion of staff agree with the following?

Customers are more demanding than they used to be



Customers are on their phones when I'm trying to talk to them



Customers often ask me questions when I'm serving another customer



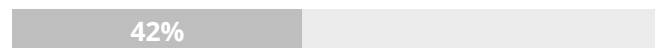
Customers often expect me to make product recommendations



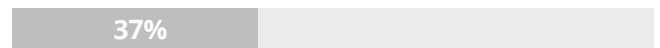
Compared to a year ago, customers are coming into store more to return products they bought online



Customers try to negotiate prices more than they used to



Customers expect us to know their shopping history and preferences



Staff: It's annoying when customers are on their phone when I'm trying to talk to them

| | |
|----------|-----|
| London | 57% |
| South | 68% |
| Midlands | 78% |
| North | 71% |

Beyond these customer behaviours, 58% of shop assistants are often asked for product recommendations, 47% say consumers are bringing products that were bought online for return, more often than before, and 42% say customers try to negotiate prices more than they used to.

Clearly, the retail environment is becoming more challenging for shop assistants. Do they have the tools to manage these customer behaviours? Do they have the information they need? Or the power to negotiate with shoppers? And do they have the time to build relationships and create the conversations that will deliver revenues for their employer?

10 - Staff say millions are lost in sales

Shop assistants say they could sell more in-store.

With 58% of store staff saying that shoppers regularly ask their advice, our research asked store staff across 23 types of retailers to quantify lost sales each week. This was specifically with regard to any shortfall in their time to help customers, rather than items out of stock or products not being available. Our sample of staff were asked to consider the impact of queues, lack of product information, and lack of knowledge as being the factors that diminished sales.

On average, small businesses said that approximately £110,864 was lost for each store, or section within a department store. For most stores in the UK, that is a substantial revenue stream, particularly in a sector where competition is always fierce.

Across the UK as a whole it adds up to millions of pounds in lost revenue for retailers.

74% of store staff say consumers shop in-store to get advice

36% of male retail staff say they often know less about products than customers (women 17%)

Which of the following might stop shoppers making a purchase?



No shop assistants available when needed



Not enough tills open



Women say a queue at the fitting room might stop a purchase

But this is not the only way sales are lost: 2 in 3 shoppers say that stores miss their sales if not enough tills are open or no shop assistants are available.

Overall, retailers have a lot to gain both immediately in sales, but also in customer relationships and loyalty, if these 10 issues can be remedied.

Retailers are losing millions

In an average week, how many customers walk out of your store... (Book, Department, DIY, Electrical, Fashion, Furniture, Homeware, Jewellery, Pet, Pharmacy and Shoe stores)

26 customers

Of those customers who walk out each week, on average, how much would they have each spent?

£82

Loss of £110,864 per year

Retail Mobilisation

Transmuting the shopping experience

The competitive environment for retailers, even in today's post-recession economic climate, presents real challenges for managers and CEOs. While some store groups are very successful today, others still struggle to deal with the issues faced by staff and shoppers set out above.

Miura has worked extensively with retailers across the globe and advocates a strategy of Retail Mobilisation for many stores. The core elements of this strategy are about creating a better, future-orientated retail experience:

- Liberating staff from fixed retail workstations
- Increasing personal interactions between staff and customers
- Empowering staff with all they need to help customers, wherever they are in the store

With 58% of staff saying shoppers regularly ask them for advice, and shoppers themselves being more knowledgeable through access to information, the question is, how retailers help their people deal with demanding shoppers?

Our interviews with retail executives confirmed that more and more stores are looking at using devices like tablets to provide better access to information and client details.

"We have iPads as well as tablets - which have EPOS & web access, maintenance in-store, status of stock, up to date deliveries, the ability to capture customer information and create customer accounts. However, the customer accounts are not yet available as single view of customer, that's still work in progress."

Director, Fashion Chain

Staff: Management are not doing enough to help us compete with e-commerce stores

| | |
|-------|-----|
| 16-24 | 34% |
| 25-34 | 37% |
| 35-44 | 48% |
| 45-54 | 37% |
| 55-64 | 21% |

Retail Mobilisation will create better engagement with customers and an emotional connection with the brand, which many retail executives are seeking. With over 25 million Britons enjoying shopping, the case for creating a better retail experience is strong. Our research made clear two fundamental drivers for this improvement:

- Nearly 3 in 4 shoppers wanted staff to have faster access to stock/pricing/product information
- 2 in 3 want better availability of staff on the shop floor

In a world where customers walk away if a product or staff are unavailable, store staff understand that providing a great customer experience is crucial. In fact, around 40% don't think their management are doing enough to compete with e-commerce.

Retail staff

If you were CEO what would you do?

Our research asked frontline store staff what they would do differently if they were CEO. How would they seek to maximise sales and drive customer experience?

| Staff: I feel embarrassed about my lack of product knowledge | |
|--|-----|
| London | 54% |
| South | 36% |
| Midlands | 25% |
| North | 30% |

| Staff: Our customers think we work too slowly | |
|---|-----|
| Women | 16% |
| Men | 40% |

78% - Faster and more effective training for employees - In an industry where staff turnover is higher than average and 30% of frontline staff have been in their roles for less than 12 months, training new people is vital. This goes well beyond the 10% of training which can be done in the classroom, to the majority which must be completed online or through on-the-job coaching. Here, the role of handheld devices and FAQs, unitised training and information search can play a critical role in improving the customer experience.

74% - Keeping staff informed about marketing and promotional activities - With promotions, sales and loyalty and voucher schemes growing faster than ever, access to up-to-date information is crucial for staff dealing with demanding shoppers. Slow broadband or poor Wi-Fi, lack of access to in-store terminals, and poor-quality information won't help stores maximise revenues. This may explain why many shoppers say they often know more about products than store staff.

| Shoppers: I use store Wi-Fi twice a week or more | |
|--|-----|
| 16-24 | 30% |
| 25-34 | 19% |
| 35-44 | 14% |
| 45-54 | 8% |
| 55-64 | 6% |

59% - Helping staff respond to better-informed, smartphone-enabled shoppers - The power of today's shopper is unparalleled. The access to pricing, product information and customer reviews is unprecedented. Yet many retailers don't support their frontline staff with similar levels of information so that they can effectively negotiate and deal with customers. Training, technology and tools in products, customer relationship, and conversation skills will help frontline staff create effortless shopping experiences that win sales and drive positive NPS.

70% - Rolling out new technologies to stores more quickly - Retail is a people business, but processes and technology are vital enablers. Staff recognise the role that technology plays in improving the customer experience. Having the following information available through a terminal or handheld device is critical for staff:

- **Readily accessible stock information** - 73% of shoppers say that out-of-stock items explain why they don't buy.

"...the number one question is "where can I buy this item" and often we can't tell them where to find it other than to go and look online. We have no way of looking up inventory in the store for shoppers or our staff. This is a real problem for the staff too."

Director, Fashion Stores

- **Alternative products available online** - 66% of shoppers explain they don't buy because of inadequate product selection. The importance of access to products is underestimated by staff. 47% of shoppers say they would spend more in-store, during that visit, if stock could be sold from other outlets and the website.

Shoppers: Shoppers expect us to know about their history of purchasing

| | |
|----------|------------|
| London | 59% |
| South | 41% |
| Midlands | 32% |
| North | 34% |

Staff: It would be good to know about the purchasing history of shoppers

| | |
|-------|------------|
| Women | 30% |
| Men | 48% |

- **Loyalty discounts and offers** - 56% of shoppers say this would encourage them to buy more.

"The next step will be to integrate our loyalty app and payments in some way so it only takes one action rather than two."

Director, QSR

- **Unclear pricing** - 69% of shoppers say this is a major reason for not buying.

- **Clienteling** - The retail executives we interviewed expected to use more clienteling applications.

"We have ePOS, of course, and integrated Chip and PIN. We also capture customer data on the tills and this feeds through to create customer accounts in our CRM system. We are looking at introducing tablets into the stores but this would be for CRM/clienteling."

Director, Fashion Chain

Retailers also want to offer a closer, more engaged experience:

"The ideal checkout experience would be one that is relatively hands-on, as our whole ethos and experience is quite personal, and maintains the contact from individual to individual. We're not a queue-busting environment but we do need something that is slick and quick."

Director, Fashion Store

mPOS

A core element of Retail Mobilisation

Retail Mobilisation depends on getting store staff out from behind the counter, enabling them to interact with shoppers, and to help and support their experiences. In doing this, the payment process needs to be redesigned to:

- Eliminate the hand-off from shop assistant to payment staff
- Limit any queuing

The role of handheld devices, similar to those used by Apple Store staff, offers answers and is an enabler of Retail Mobilisation. We know that the Apple Store payment system is very popular for shoppers, and interviews with retail executives confirmed interest in mPOS (mobile Point of Sale).

"If you're going through with a purchase, [our iPad] transmits the transaction to the till but can't actually accept payments. This would have been a good enhancement but restrictions on our till systems made this difficult for us. But the store of the future should have this feature, shouldn't it?"

Director, Pet Store

"I imagine our POS terminals will become just a screen, they'll be just an iPad or iPhone, I see them converging pretty much entirely over time."

Director, QSR

"Our vision would be for a checkout that is quicker but with at least a few alternatives - for example, self-service kiosk, something in the fitting rooms and a traditional till."

Director, Dept Store

"Now we will be able to bag-up in the changing room and bring something like a Miura device over to process the transaction. The payment process needs always to be slick and painless."

Director, Fashion Store

Our research tested the use of mPOS technology with shoppers and staff for a number of different scenarios: in a DIY store, at the changing room, and when using a personal shopper. Staff and shoppers were very positive about using mPOS technology. Overall, 4 in 5 were in favour of using mPOS systems when there is a queue.

In which situations would mPOS be useful for shoppers?

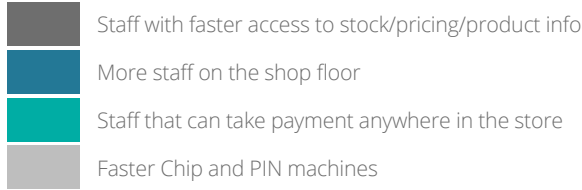


Store type differences

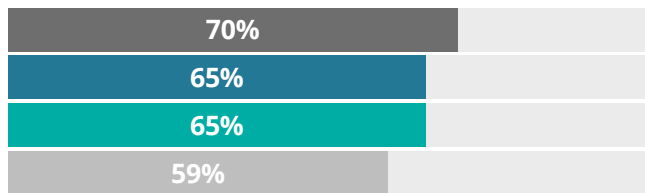
There are differences in shoppers' expectations across different types of retail:

Shoppers want Retail Mobilisation

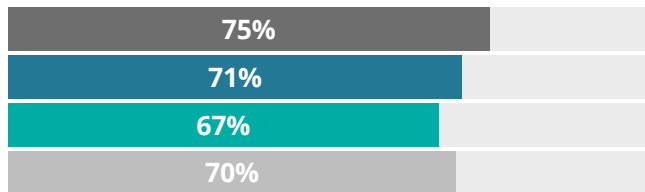
Majority want more info, more staff, and better payment processes



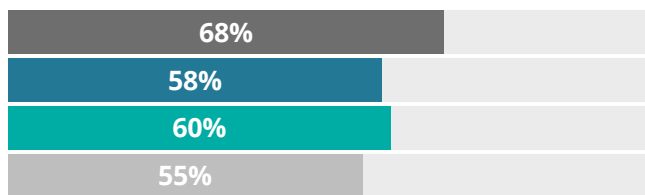
Pharmacies/Beauty



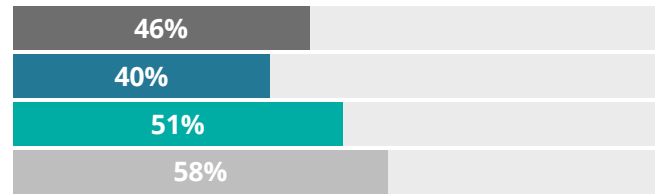
Department Stores



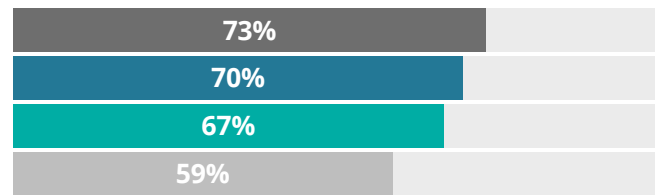
Homewares



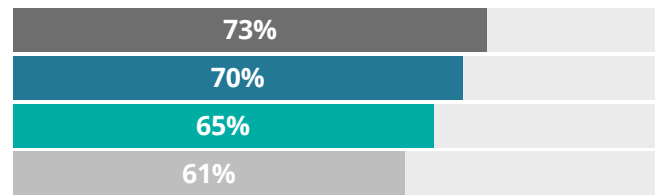
Petrol Stations



Shoe Shops



Fashion Shops



At-counter payment improvements

Retail Mobilisation is not for all retailers, with concerns about bagging, high cost and security raised by some of the executives we interviewed.

"We're still going to need somewhere to wrap the product but a better customer experience would be to take payment anywhere in the store, the Apple model. But as we're really a grocery store for pets, there still has to be a bagging element."

Director, Pet Store

"The Apple model would be uneconomic for us. It only works if you are Apple and have high margins, high price points and few SKUs."

Director, Fashion Store

"At the moment, we are bound by Chip and PIN. We can move the ePOS around as it runs on a tablet but we are shackled by a USB plug/ docking station when it comes to payment. Ideally, the detagging and wrapping can be done elsewhere and brought to the customer who could pay with an app on their phone. But we would still need to capture details of what's been sold and who we've sold it to."

Director, Fashion Store

However, our research clearly demonstrated that payments are a cause of frustration for customers and stress for frontline staff. Only 1 in 5 shoppers rate stores' payment processes as always fast and efficient, yet we would never accept a product which performed to such a low level. 64% say they are put off buying products if there are too few tills open.

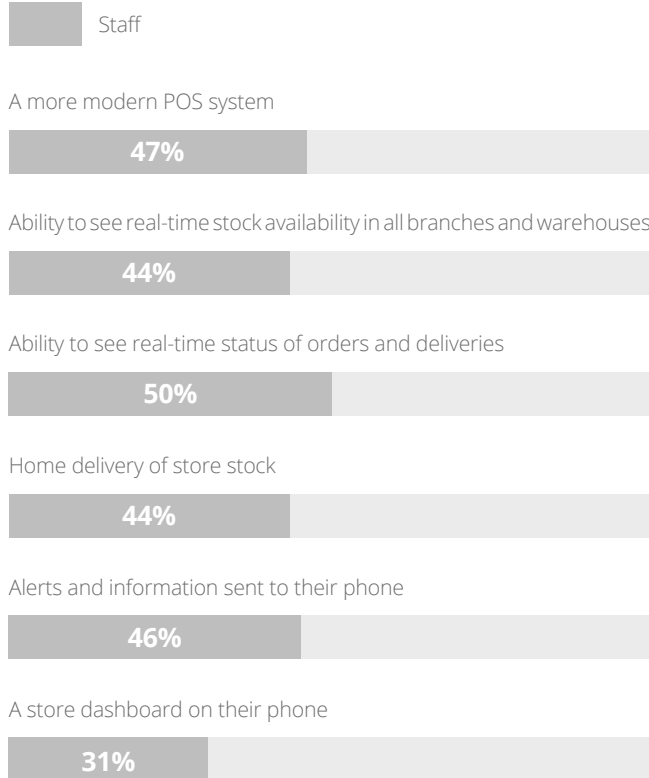
The analysis has shown that consumers are reconsidering payments as more options arise. Whether it be contactless, Apple Pay or vouchers, consumers now have a much wider array of choice. This competitive environment means that retailers need to re-double efforts to make the in-store payment process as effective as possible.

Shoppers: It would be good to give feedback about transactions by Chip and PIN terminal

| | |
|-------|-----|
| 16-24 | 24% |
| 25-34 | 22% |
| 35-44 | 21% |
| 45-54 | 16% |
| 55-64 | 14% |

The top choice for retail staff from an array of technology options in-store was a more modern POS system. This would address issues that shoppers are frustrated by, including dirty Chip and PIN terminals, slow authorisation times and illegible displays.

Which of the following would staff like to see implemented in their store?



With 45% of shop staff agreeing the technology used in-store is out of date, our research with shoppers shows that Miura technology is seen as more modern compared to competitors, offering the opportunity to update the retail environment and provide a core component of a Retail Mobility strategy.

Shoppers: Which is the most modern?

