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Hot Issue: Retail Tech

4/5/07

BrainTrust Query: Will digitally-based customer assistance help solve store customer service woes?

By [Laura Davis-Taylor](#), Founder and Principal, [Retail Media Consulting](#)

Plenty of our posts have navel-gazed the ongoing challenges of in-store customer service and how we might resolve them. Exciting new technologies are now appearing that may empower retailers with a solution.

The first is live assisted selling provided by start-up [Experticity \(www.experticity.com\)](#) where a shopper touches a kiosk or digital screen to activate a customer service session via streaming video. Highly trained agents not only provide a superior sales experience, but they also open up new possibilities for up-selling, cross-selling and suggested selling. Like a concierge, they provide targeted product selection advice, can pull up relevant web-based information, show diagrams of how products work and even consult on design projects.

Forrester's Tamara Mendelsohn feels that the technology is compelling. "They offer something really unique that I haven't seen anywhere else," she told the *Seattle Post-Intelligencer*. "It is at a time that makes a lot of sense because it offers not just cold technology, but a human interaction, too."

Another flavor is the 3D virtual sales assistant like the one created by Fastrak

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Retail (www.fastrakretail.com). Also living on a kiosk or digital screen, a retailer creates a "digital personality" that becomes a branded Virtual Sales Associate. The digital associate interacts with the shopper in typed or written word and reaches into an intelligent software engine to provide product specs, promotions, videos and cross-sell/up-sell. The entire process is aided by artificial intelligence and natural language processing to make the experience feel very real and comfortable.

Both of these technologies can be designed to allow shoppers to speak in other languages to cater to multicultural customers. They can also tie into loyalty programs, shopper CRM data and/or past purchase behavior to add personalization and relevance to the shopper session.

A late 2006 McKinsey article, *The 'Moment of Truth' in Customer Service*, speaks candidly about the importance of handling customer service properly when a shopper has an immediate need. It's during these personal interactions that shoppers invest a high amount of emotional energy in the outcome - and the way that these moments are handled can make or break brand loyalty. McKinsey also states that executives typically struggle to transform the way a company responds to its customers and often rely too much on IT while performing poorly on the front line.

Discussion Questions: Do new digitally based customer service assistants have the potential to transform store-level support? What associated value will it take to stimulate acceptance from both retailers and shoppers?

Companies such as Experticity and Fastrak are creating solutions laser focused on helping retailers provide better levels of customer service in-store. No one can deny the need for this, as their offerings are building much needed (and demanded) bridges between internet retailing best practices and the brick and mortar store. No, we should not expect them to completely solve the customer service issues. However, it would be remiss not to utilize these types of creative, compelling tools to offer a store customer service option in a method that retailers can tightly control - something not always possible with human beings on the floor.

A challenge may be that retailers will likely demand hard dollar ROI measurements for their investment in these tools. But how can you definitively measure the impact of a shopper that you retain due to a positive digital assistance experience vs. the many that you may lose without it? Are they measuring the impact of a slacker employee snubbing a shopper and losing her forever?

- **In the Money - *Seattle Post-Intelligencer***
- **The 'Moment of Truth' in Customer Service - *McKinsey Quarterly (membership required)***

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Do you feel that digitally-based store customer service can help retailers solve staffing and customer service problems?

- Yes, definitely
- It has potential
- Not enough to merit
- No
- Not sure/no opinion

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Comments... Send in Yours!

In the short run, in-store digital assistants will be popular among millennial consumers and techie-lovers. However, for higher-end shopping in any channel, nothing replaces the human touch. In fact, human assistance will become a premium benefit in most retail spaces in in the next five years. Middle and lower end retail will have technology-based assistance to keep costs down.

BrainTrust Profile [Liz Crawford, VP Consumer Strategist, Iconoculture](#)

The concept of in-store digital assistants offers several possibilities and great potential if applied expertly in the right markets to the right customers. However, for instantaneous customer service response the concept will create erroneous results with good customers if it tries to completely replace hands-on human response on site, or in the store, much the same way that online consumers are frustrated out of their minds when the "help" option fails to answer their specific or personalized question. My prediction is that this concept will become popular in many different types of stores, but not all, and some stores will execute this well, while others will apply the concept, but not as expertly or sufficiently as what is needed to make it work.

BrainTrust Profile [David Biernbaum, Senior Marketing and Business Development Consultant, David Biernbaum Associates](#)

Experticity and Fastrak help address a problem every retail chain faces: it's not worthwhile to staff every counter every moment every store is open. If a location is open 80 hours a week, it might be worthwhile to have maximum staffing only 40 hours, and use remote solutions for certain departments the rest of the time, particularly in the lowest volume stores. It isn't profitable to staff a counter if there will be only \$10 per hour sales Monday through Thursday from 10 AM to noon.

BrainTrust Profile [Mark Lilien, Consultant, Retail Technology Group](#)

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Part 3: It's All in How You Position It

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Part 3: Sell More by Stocking Less

Seems to me that a much easier, cheaper and more effective way to go would be to have screens with either experts' and/or shoppers' evaluations, ratings, etc. Or a direct link to the retailer's web site, which should have these reviews anyway. The technology to do this is available now. I agree that nothing replaces a knowledgeable, helpful sales associate, but this would be the next best thing.

[BrainTrust Profile](#) **[Roger Selbert, Editor & Publisher, Integrated Retailing](#)**

The upside for the shopper is to be able to talk with someone who is more of an expert in the product or service they are seeking. In the "old days" standing in a store aisle talking with someone potentially thousands of miles away on a video screen might have seemed strange. But, in a world where we wear ear buds and talk out loud to folks in distant locations while walking down the street, the strangeness factor is no longer applicable.

The upside for retailers is being able to better answer customers questions and concerns. I wonder, though, if this will accelerate the dumbing down of in-store staff, and if some will say to shoppers, "Talk to the Kiosk."

[Staff Profile](#) **[Al McClain, CEO, Founder, RetailWire](#)**

This is absolutely going to happen. ATM's have become ubiquitous. At the end of the day, electronics will ease every portion of our lives. This doesn't mean that there won't be many stupid missteps along the way, but we WILL get there.

As to the all important human component, providing electronic help to many who will be VERY satisfied with "helping themselves," will allow a smaller human workforce to genuinely provide customer service. OK, it may be a small thing that some don't appreciate, but think about Wal-Mart's greeters at the door. It's a little human touch. I know if I need to I can always stop there on my way in and ask, "Where's home electronics?"

The key will be not abolishing personal service as many companies have done by institutionalizing forced telephone hell. Electronics is an aid at retail, not the whole thing.

[BrainTrust Profile](#) **[Herb Sorensen, Ph.D., Global Scientific Director, Shopper Insights, TNS Sorensen](#)**

Digitally based customer service assistance will eventually transform store-level customer service support and become an integral part of a more personalized shopping experience within the self-service retail environment. There is a clear need for more personalized service of all types, and technology is emerging to deliver against this need in an efficient and effective way.

My guess is that progress in this direction will be paced by how

quickly senior management can accept this new business paradigm, i.e., using technology to provide high quality and enhanced customer service. Based on past experience, no one should be betting that this will happen overnight.

[BrainTrust Profile](#) [Bill Bishop, Chairman, Willard Bishop](#)

Can retailers harness these virtual salespersons? Suggestive selling is simple on some level. If you buy an HD TV, you'll need a cable, a set top box, and serviced provider. Yet I recently learned the amazing fact that more than 20% of US HD TV purchasers are not even aware that they aren't watching HD. Certainly a sales assistant could help with this kind of industry-wide sales disaster.

But with apparel, the options becomes much more daunting. A purchase must consider taste, fashion, fit, color preference, etc. And that's just the beginning. There is also: what's in the closet, budget, wear, as well as need. The virtual salespeople would be useful in configuration-type sales where the conditional decisions are kept to a very few...like HD TV.

[BrainTrust Profile](#) [Bill Robinson, Senior Executive, QuantiSense](#)

I haven't seen these kiosks so I don't know how well the interaction simulates interaction with a live person. If the interaction doesn't really feel like talking with a "live" person it should not be presented that way. In many instances, consumers are seeking information and that source doesn't need to be in the form of a personal interaction. If I am wondering what aisle to go down to look for a specific item, being able to identify the item on the kiosk and receiving the information about the right aisle would be great. If I'm looking at a piece of clothing I might want to know if it is available in another size, or another color, is it in the back, at another store, or in the warehouse, and can it be brought out, can it be held, or can I order it to be delivered? A real person is not needed for this information. What is needed are many kiosks located near every checkout counter or in every other aisle so consumers don't have to go far to get the information they want.

Before this technology really is viewed as a great solution, a lot of work needs to be done to identify what questions consumers have, what assistance they really want, and in what form, and what locations would be best. The potential is great--if the details can be worked out.

[BrainTrust Profile](#) [Camille P. Schuster, Ph.D., President, Global Collaborations, Inc.](#)

A great advancement, just hope I don't have to press "1" for English. Could this be another "Silver Bullet" designed to convince retail management that they can continue to do things in the usual way and get better results? I am convinced that information is a valuable tool but am not sure that POP is the

place it should be shared. If someone is in front of the pickle section I fear that a digital assistant will not result in extra sales but a migration from one brand to another. Most consumer products promotions already have this effect to some extent. As the CPG companies have all the money, I fear the digital assistant will become an extension of the on-shelf coupon dispensers. The real need for education is in the produce and protein areas. I would be very surprised to see any effort made in these areas as the grocers would have to foot the bill themselves.

Ed Dennis, president, Dennis Enterprises

At the core of the problem is training and retaining knowledgeable retail floor staff, who can educate and sell the customer products and services. Consumers expect trained in-store staff who can assist and add value to the purchase process.

If a retailer does not have this problem then digitally based customer assistance kiosks will have no real ROI.

If digitally based in-store customer assistance kiosks could be utilized as an sales/training aid for in-store staff, and be used for consumer self service then you have the best of both worlds with tangible ROI.

Scott Farr, President and CEO, Farr Media Corporation

To reiterate one of my laws of retailing: Technology is never a substitute for well thought out, well executed service practice. However, it may provide a platform and enabler for such practice. I believe information touchscreens can and will be a common fixture in many retail environments. Home centers are a natural for this, as are the OTC aisles of drug stores.

Experticity's concept is very much like a video call center that may be accessed on demand at the point of decision. A human being responds and acts as a guide. This option has great potential where how-to-use or complex feature comparisons are part of the purchase process. The critical factors, IMO, will be the quality of the representatives and how well they are supported with the right systems, training and information.

But virtual human interaction may not be appropriate for all selling situations. Inexpensive touchscreens may simply provide menu-driven product information in some environments, like on grocery carts. And there will never be a digital substitute for an experienced fitter in a store that sells formalwear.

Like Bill Bishop and others above, I'd forecast an industry learning curve for these technologies. But there is little doubt in my mind that these helpful screens will be very common in our future stores.

 [James Tenser, Principal, VSN Strategies](#)

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