

Giving Customers What They Want

Studies show that “Not being able to find what they were looking for” is the leading cause of dissatisfaction when customers visit your store. And while it is not surprising that satisfied customers spend more, it is not just actual in-stock levels that determine whether the customer is satisfied. The other contributing factors are the number of employees and the customer’s perception of staff knowledge.

The reason for this is that there is often a gap between actual in-stock levels and the customer’s perception of whether the product they want is available. This difference is impacted by whether the customer can find someone who is knowledgeable about product location, pricing and brand comparison. So instore execution is a key element of the supply chain. Simply getting the product to the store is only part of the answer.

In many cases a customer needs the help of a staff member to decide what product to buy. This is particularly true for specialty retailers whose customers are more often shopping on a particular mission, rather than just replenishing a commodity. There are three opportunities for retailers wanting to improve customer satisfaction levels and sales: increasing staff, increasing inventory and providing more training.

One thing is clear - cutting back on staff and service in an attempt to “balance the books” is not an option that will lead to a sustainable solution for specialty retailers. There is no way that specialty retail chains can achieve a reduction of their operating overheads such as wages and occupancy that will compare with The Warehouse, Kmart and Briscoes.

Instead specialty retailers should focus on what they want to be “famous” for. Stores can address improvements in “customer perceived in-stock” without increasing their payroll costs by ensuring that employees are knowledgeable about what’s in the store, and the right products and staff are available in the right places at the right times.



Retail Positioning Quadrant – What is your store “famous” for?