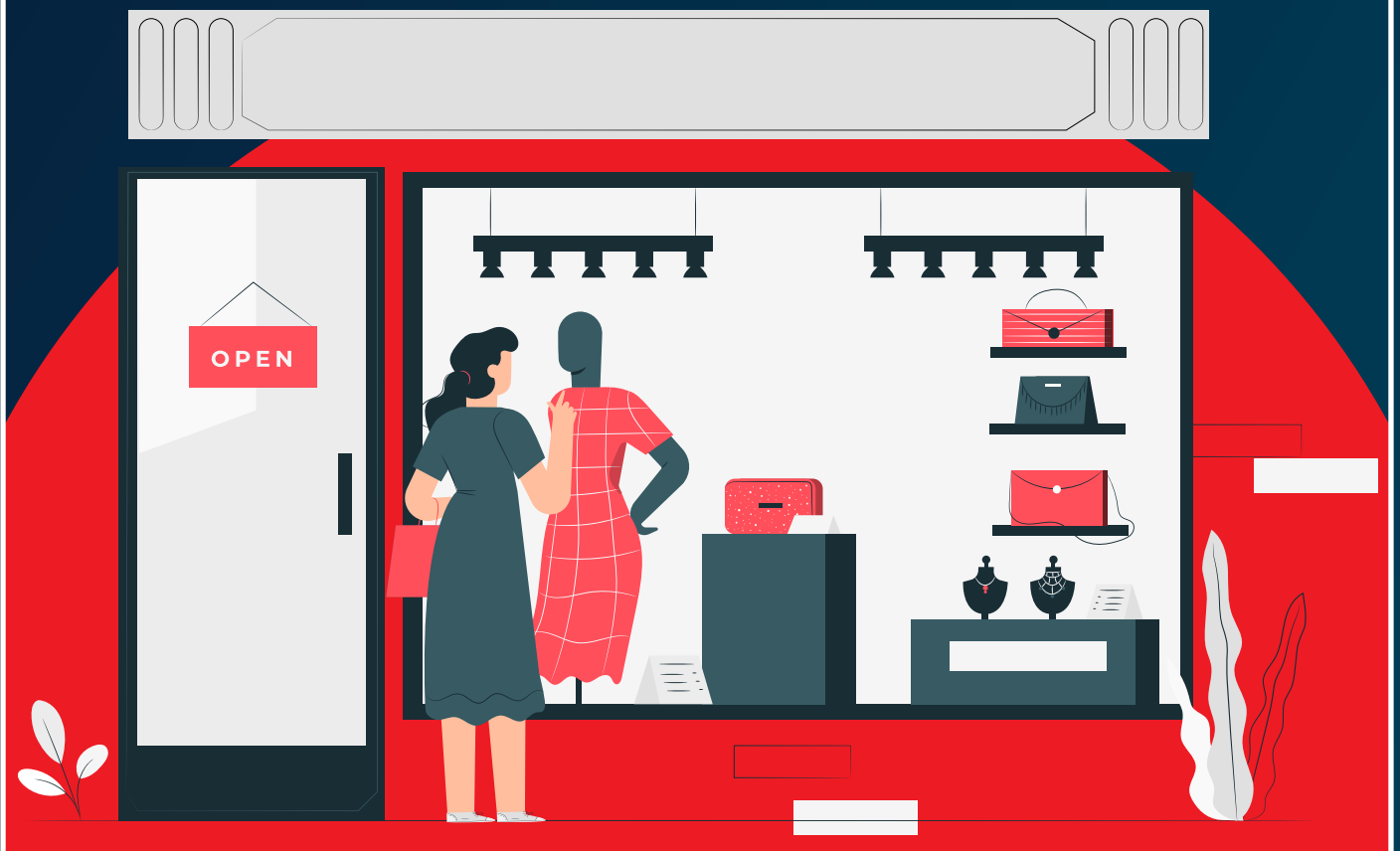


**red
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The Red Ant Guide
to
**elevating the
customer experience
- department stores
and concessions**



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1. The view from the High Street

Traditionally, the department store has occupied a specific, heritage-based place on the high street. The concept of a 'shopping spree', particularly for tourists and those on a special day out, has always tended to focus on the luxury-tinged concessions, exclusive product ranges and slick sales teams armed with perfumes, food samples and the promise of a lunchtime makeover in flagship stores such as Harrods, Selfridges and Liberty. And the mid-range and local department stores are key components of a balanced high street experience – the demise of Debenhams and regional stores such as Nasons and Beales has left a noticeable gap which has caused a change in the atmosphere surrounding the commercial centres of many towns and cities.

While their position in the hearts and minds of shoppers is undeniable, like other retailers department stores have suffered a degree of damage wrought by the challenges of recent years. According to [Mintel](#), department stores have been 'rocked significantly' by COVID-19, which intensified the effect of many of the issues facing the sector, including increased online shopping, declining footfall and the current cost of living crisis.

And with more than [38,000 stores](#) employing 1.3 million people and generating around £575 million in weekly sales despite this year's challenging circumstances, there's an urgent need to take action to secure the bottom line.

However, the outlook is brighter for the department store sector than its current position suggests, with [growth predicted](#) for luxury department stores in particular over the next few years, especially now that international travel has resumed.

2. Leveraging the opportunity – elevating experience and engagement

But the sector cannot afford to rest on its laurels and expect this growth to generate organically from 'business as usual' activities. Making this prediction a reality depends on department stores taking active steps to secure footfall and increase sales, by widening and elevating the in-store services they offer. Mintel recommends that they 'blend in-store experiences and online shopping through the use of the latest digital investments and tools' – the intelligent use of technology focused on customer experience is at the heart of a profitable future.

It's not an easy task in a time of universal belt-tightening and a move towards a more frugal way of living, though the appetite for luxury goods has shifted its focus rather than diminished, as we highlighted in our [guide to engaging today's luxury customers](#).

The question for department stores and the concessions within them is how to elevate their in-store experiences in a way that makes a visit, and ultimately a purchase, worthwhile – a destination shopping event backed by retail craft that delivers a truly personal touch that customers just can't get elsewhere.

Knowledge is power

The answer lies in adopting systems, processes and technologies that provide deep, comprehensive knowledge of their customers, from previous purchases to wishlists and occasions that are important to them. A report by business analysts [Gordon Brothers](#) backs this up: '...customers will ultimately need compelling reasons to shop department stores for items that cannot be found in speciality or discount retail outlets, otherwise department stores will stagnate.'

More than almost any other type of retail outlet, department stores and the concessions within them experience a vast amount and variety of data touchpoints coming from customer visits and purchases. The perceived complexity of making intelligent use of this data to inform store associates and enable them to provide a truly personalised experience while still maintaining individual brand/concession identity has prevented some retailers from committing to change.

A comprehensive [report](#) by Retail Systems Research (RSR) revealed that, while successful retailers confirmed that:

'Creating the ability for store selling employees to see a customer's entire shopping records, including order status'

and

'Enabling 360 degree visibility into customer interactions'

were in their top three opportunities to improve their stores, among the key organisational inhibitors were:

'We are trying to simplify our in-store technology, not make it more complex'

and

'The existing technology/infrastructure is preventing us from moving forward with new solutions'

To overcome these barriers to adoption, retailers need business-based evidence of how straightforward the process can be with the right [retail technology platform](#).



Primarily, it is essential that it offers complete, cross-channel access to customer information coupled with detailed knowledge of the entire product range and how it matches their preferences. It should also provide straightforward integration across the board (existing, third party and legacy systems) into one single platform with everything the store associate needs immediately available at their fingertips to open up opportunities for:

- Personalised conversations based on customer preferences coupled with expert advice, including appointments and profiles, tailored inspirations and looks
- Increased sales because it is easy for customers to buy recommended products either directly after their conversation or once they're at home, thanks to seamless cross-channel baskets and follow-up communications, as well as the ability to use comprehensive customer information to reorder, cross-sell and upsell
- Relationship building through direct messaging to give tailored updates including product and event waitlists, ensuring customers are the first to know about new product launches and when products are back in stock
- Smart analysis of customer behaviour, giving store associates and consultants the confidence to suggest products, services or events

It's a perfect blend of technology and the human touch – adopting a platform that removes the complexity of data integration for the simple, intelligent application of both customer and product information allows store associates to establish themselves as brand ambassadors and trusted consultants – a win/win in terms of business value and customer experience.



3. Clienteling and beyond – the concessions model

A number of successful brands including [Charlotte Tilbury](#) and other leading luxury names with concessions have recognised the value of this kind of data integration and [clienteling](#) technology in establishing department store associates as valued shopping companions with customers who keep returning to them for advice, products and recommendations, with:

- 14% increase in ATV
- 30% conversion rate
- 360% increase in enquiries

following implementation.

And, to combat the perceived level of costs and difficulty around using a retail technology platform in a concessions model, the process can be broken down into three straightforward steps:

Step 1 – technical and data security

WiFi

It may seem obvious, but it's often overlooked – concessions will need a strong, stable internet connection to successfully use a retail technology platform, which will depend on the WiFi setup within the department store. In some circumstances, concessions can install their own WiFi network – if this is the case, ensure that it has adequate strength and confirm if there are any domain whitelisting or other security protocols in place which might affect the platform.

Customer data

The platform will be running in an open shop floor with a number of store associates and customers in close proximity who may not be working or shopping with the concession, so it is important to minimise the chance that an unauthorised person gains access to customer data. For example, concessions should consider having a very short timeout on the clienteling application to avoid any issues with unattended devices.

Data policy alignment

Depending on the agreement for each concession model within each retailer space, there may be specific data gathering policies to adhere to. Occasionally, retailers can be reluctant to allow individual concessions to collect customer data in a system to which they do not have access, so they will need to establish these parameters before adopting a retail technology platform.

Step 2 - pricing

Managing prices and discounts

Depending on the contract agreed with the department store, it's likely there will be times when concessions will not have control over the price of their product, or be required to participate in store-wide promotional discounts. The right retail technology platform should provide this as an integral part of its functionality, giving the sales team a simple checkout mechanic for adjusting the price of products to accurately reflect costs.

Step 3 – managing users

Department store v brand sales

In a concession model, from time to time there may be instances where someone who works directly for the department store and not for the brand will put through a sale for one of your products. The right retail technology platform will track these sales and make sure they are captured, either by allowing concessions to set up guest users with limited access to the system or by allowing the concession manager to review the total sales for their brand at close of business and create a sale using the platform for any missing transactions, which can be logged and reported on as separate backwall sales.

Training and engagement

To provide customers with a superior experience, concessions need to engage store associates and any additional department store staff as brand ambassadors. The right retail technology platform can be a great tool for providing access to inspirational content as well as training resources for users – concessions can help those tasked with adopting clienteling tech to see the need for change by:

- Demonstrating the benefits and how to use clienteling tech with relevant stats for business growth and personal impact through increased sales, enhanced responsibilities and role elevation
- Sharing sample customer/client journeys showing where each touchpoint plays a part in securing sales
- Reinforcing the benefits of process change, including full sales attribution, improved reporting and better communication

4. Getting – and staying – ahead of the curve

Today, every inch of retail real estate needs to consistently prove its value – department stores are challenged with making sure customers have an experience-based reason to visit, return and recommend to their friends and family. Recognising the importance – and the relative simplicity – of equipping staff and concessions store associates with the technology to increase brand loyalty, encourage repeat purchases and enhance every customer engagement is central to long-term success and growing the bottom line in a sustainable way.





Elevate the in-store experience with Red Ant

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