

# QMATIC



## RETAIL

HOW TO IMPROVE CUSTOMER EXPERIENCE AND ADDRESSING  
MULTI-CHANNEL CHALLENGES USING CUSTOMER FLOW MANAGEMENT  
METHODOLOGIES

## A QMATIC WHITEPAPER

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# Abstract

More than ever before, success depends on being able to offer a customer experience that is unique and more attractive than the competition. 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. And that needs to be delivered consistently through all of the channels – online, mobile and in the store.

This white paper describes the challenges of retail from a customer experience and customer journey perspective and possible solutions. This whitepaper does not discuss the product or service offers itself and its impact.

Qmatic has been in the service to great customer experiences for more than 30 years. Our solutions, systems and knowhow have also been applied with retailers all over the world where the focus is to improve customer experiences, customer loyalty and operational efficiency with the methodology Customer Flow Management (CFM) that was invented by us.

Solutions with Customer Experience Management (CEM) and the methodology Customer Flow Management (CFM) assist Retail shops, Telecom stores, DIY stores; Home electronics stores etc. around the globe to offer better customer service, driving sales and reducing costs.

# Introduction

Customers want to do business with companies in more ways than before – social, digital, direct, in-store, mobile, and call center. Competition is fierce and customer loyalty is fleeting at best. When it comes to retail stores on the high street, the customer experience is more important than ever. In fact, it's 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, whilst strengthening customer loyalty and creating an emotional connection between the customer and the brand. Siloed channels and systems create customer frustration. Customer Experience Management Solutions can change the way your business operates at the sharp end where the customers are.

It's about making every customer journey special – no matter whom they are or why they choose to visit your store. Anything less means that the customer faces endless choices that wastes time for everybody and does little to promote the sale or your brand.

By allowing customers to book online, to utilize their smart devices to manage their place in the queue, to self-check-in, to receive personalized service based on preferences and profile and to provide their views in real-time we make sure that both our clients and their customers and patients make the most of every meeting.

**At the end of the day, it's all about sales. The challenge is to 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 increasing revenue. A happy customer is more likely to be a loyal one, a customer coming back to your store. By this we mean a customer who enjoys spending time and money in the store, and who looks forward to returning again and again. Retaining them and keeping them loyal to your brand is a challenge though. Recent research<sup>1</sup> shows that as many as 89% of the retail customers will simply leave after just one single bad experience. It shows that the experience delivered has to be not only great; it needs also to be consistent during time.

However, 86% are willing to pay more to get a better experience <sup>2</sup>which suggests that investing in customer experience is a major differentiator in the market today.

As competition is not only from the brick and mortar store next door, there is more to take into consideration. That the online stores are big competitors is no surprise to anyone, and they are showing huge growth numbers as well. So does this mean that you need to close the front door of your the brick and mortar stores? Well, actually no. Debenhams, the UK's second largest department store chain has seen that "Shoppers who use the stores and websites spend more than twice as much as those who shop only in stores or only online<sup>3</sup>."

So, you need to keep the experience on a high level, consistent over time and through all channels.

So let's take a closer look at the challenges retailers today

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<sup>1</sup> 2013 Oracle and 2010 Customer Experience Impact. Right Now Technologies.

<sup>2</sup> 2010, Customer Experience Survey – Strativity Group

<sup>3</sup> The guardian", April 2013

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

1. How to get more customers in
2. How to get more customers to stay
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

So how can Customer Experience Management (CEM) and Customer Flow Management (CFM) methodologies turn these challenges into opportunities – enhancing the customer experience, whilst improving your 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 empower customers and power your brand.



## CHALLENGE 1: GET MORE CUSTOMERS IN

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

Applying a solution can help you to attract more customers and increase footfall. How? It allows you to implement mobile application solutions that make it easier for customers to find a store and access it when they choose. And you can offer an appointment service to give customers the opportunity to see a real expert when it suits them. In simple terms, 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 also make your store the store of choice.



## CHALLENGE 2: GET MORE CUSTOMERS TO STAY

Between 30% and 40% of customers leave a store without having had any staff interaction. Many of them are potentially high value/worth customers.

By applying CFM methodology, you can do something about it – helping to enhance customer satisfaction and “reactivate” customers who would otherwise be on their way out. A solution allows you 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 to provide the right service.

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

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

A Telecom retailer achieved 26% increase in new contract enquiries with average contract upgrade volumes up by 10%

### CHALLENGE 3: GET MORE CUSTOMERS TO BUY OR BUY MORE

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

For example, you can exploit commercial opportunities by implementing effective media solutions at strategic locations and stages of the customer journey, whilst the virtual queuing solution maximises the opportunity for customers to browse whilst they wait for service.

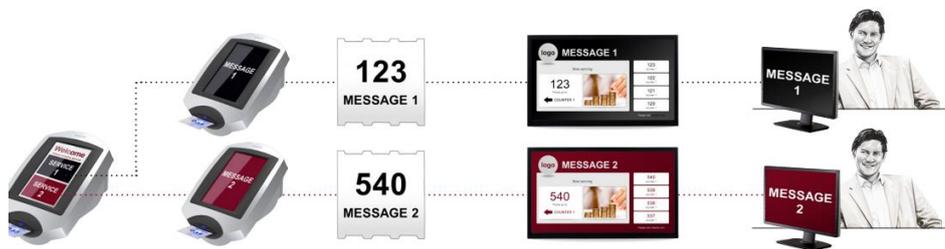


Fig 2. Qmatic Customer Journey gives a store control of all the surfaces in the branch and not just the big screens on the wall as typical Digital Signage suppliers.

A Matchmaker Solution makes it possible to recognise customer needs early on in the process and match 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 rough idea what to buy, they are incredibly impressionable when they are in the store. Using the Smartphone or indeed the printed ticket as a place to promote in store merchandise could create new in store marketing opportunities.

For example:

- A customer keeping track of the queuing situation via their 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 web landing page with a unique product/service offer.

Qmatic has shown that sales of merchandise can increase up to 80% with printed commercial on the 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 is a great opportunity for online retailers to improve their customers' shopping experience. By mixing channels and having an online-to-offline strategy, Click and collect offers a more flexible approach with customers able to collect their orders in store. The topic is increasingly salient given the increase in the number of brands offering Click & Collect, and the potential for brands to extend collection points beyond their own stores.



A solution should help to deliver simple, consistent, and relevant experiences in the face to face meeting 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 world to create seamless customer journeys is vital. By allowing customers to book online, to utilize their smart devices to manage their place in the queue, to self-check-in and click and collect areas, to receive personalized service based on preferences and profile and to provide their views in real-time we make sure that both our clients and their customers and patients make the most of every meeting is the ultimate goal.

Too often retailers jump on the online train, but forget how to manage the arrival to maximize customer and experience and up- and cross sell opportunities. There are many solutions both out-of-the-box that quickly can be implemented and bespoke, fully integrated solutions that can be deployed. All based on best practices derived from CFM methodologies.

## CHALLENGE 4: MAKE BETTER USE OF STAFF RESOURCES

60% of customers are often left on their own to wait or seek help, whilst staff members are either available or engaged in activities that add no customer value. With CFM methodology, you can implement a more efficient process that makes the best use of your staff 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/staff during less busy times of the day.

In addition, the solutions offers real time management information and statistical reports to enable a more efficient and effective process for managing performance and

continuous improvement. This in turn means that managers can spend more time adding value with customers.

Integration between Qmatic's system and a Workforce Management System provide the platform for workforce optimisation 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 analysing detailed historical customer flow data and making informed decisions powered by tools for forecasting, scheduling, follow-up and performance management from the workforce management system.



## 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% 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 utilisation of key facilities and resources, management are in a stronger position to make informed decisions about improvements to the whole 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 worldwide, across 122 countries, giving us a 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.

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

# 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 our clients engage and interact with their 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 through to face-to-face meetings, we increase customer experiences and strengthen our clients’ brands.

Qmatic holds a market leading positions in the public sector, financial services, retail, and healthcare applications and 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 own subsidiaries and partner network. The Qmatic Group has a turnover of EUR 60 million and employs some 300 people. The company’s main owners are Altor Fund II GP Limited and ICG.

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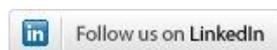
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