

EXPERIENTIAL RETAIL

12 STEPS TO DRIVE
RETAIL SALES WITH
EXPERIENCES



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INTRODUCTION



Experiences are indeed a great differentiator that allow us to draw traffic inside your retail location. The competition is stronger than ever in retail – between subscription service companies and ecommerce websites, there are plenty of choices when it comes to how and where they spend money and time.

A strategy that employs experiences is something that an online retailer will never be able to deliver on. When executed well, it can drive sales, brand, and memorability – all of which lead to brand loyalty.

If you are not doing any in-store experiences, below are some tips to help get this jump started. For the retailers that opt to do the same thing the same way, moving forward it can cause the upcoming years to be rough for your retail business.

One reason experiences are so attractive is because of the challenges that all retailers face with the online onslaught. When somebody makes a purchase from your online store there is an instant dopamine hit from the initial purchase and even more dopamine as the anticipation builds over the following days prior delivery.

Every brick and mortar customer gets the same hit initially but does not get the second hit of dopamine from the anticipation from the impending delivery. When walking out with the item in hand, dopamine is only produced 1 time.

To put it a different way, every shopper that buys from your store online is on a high from the time they place the initial order, to the moment when they are opening the package at home and then using the item. For ecommerce retailers this is great news, but the downside of this is much steeper if you get this process wrong with your retail brick and mortar location.

The in-store experience must be exceptional moving forward.

To stay competitive, you need to give them compelling reasons to come down to your store and shop. Looking for ways to do just that? We have compiled 12 tips with case studies to get things started.

1 MAKE IT FUN

It's one thing to see a picture of a product (printed on a box on a shelf), but it's a completely different thing to get hands on with a product and try it out. The odds of a purchase go up exponentially. One of our clients, Dometic, saw a significant increase in product sales when they transitioned to allowing their customers to try out a cooler, refrigerator, exhaust fan or stove. They took the products out to the box and moved them to endcap kiosks that allowed customers to get hands on and experience it before they purchased it. We accomplished this by creating customized kiosks that put their products on the endcaps allowing customers to be interactive and try out the products. The first step was to design, prototype, and beta test to ensure the experience resulted in increased sales. Once it was confirmed that the design was working, the new way of displaying their products was rolled out nationally in over 200 retail stores.

If you are allowing your customers to experience your products, you are well on the way to increasing sales. If you have not made this transition, you might consider this addition and watch for the results. Take some time to figure out how you can present your merchandise in unique and experiential ways. One of my colleagues just returned from a board game trade show in Germany, and the number one method of engagement was to allow consumers to try the game out (in a condensed version, of course). The principle is simple and can be applied so many different ways. Allow people to become comfortable with your products and have a bit of fun with it.

The same gaming manufacturer promotes gaming tournaments at their retail outlets. I have personally participated in several of these tournaments and not one time have I not purchased something from the store.

From flat screen TVs to toys, they are all openly put in front of us to experience. It allows adults and children alike to interact, observe, and literally play with a dump truck or Lego blocks in-store. In addition to putting the toys out where kids can try them, you can have associates at the stores also offer toy demos so customers can try them before buying.

Lowes and Home Depot are also doing this by offering a "Build a Toy" option certain times of the month, encouraging hands-on fun for kids and parents alike. Several retailers are adopting a plethora of options for kids in a designated area where they can play video games, color and draw. This allows the children have some fun while parents browse the store.

2 BECOME THE HIP PLACE TO BE

Starbucks has really set the standard for finding ways to get people through the door and have found a way to make their stores a trendy place to hang out. The lesson here is no secret, their method works and in light of the current onslaught in the marketplace of online retailers, brick & mortar retailers have had to get innovative to draw customers in.

This is the reason why there's been so much attention given to experiential retail stores. Cracker Barrel stores have done an excellent job of combining a shopping experience with a dining experience and it works very well for them. Following suit, Target often has a Starbucks coffee shop as well as other fast food options in their stores. Other retailers are also making similar moves, such as Tommy Bahamas where I recently met a client for lunch. Offering restaurants within some of their brick-and-mortar stores appears to be working well.

We have seen this go on for decades in the grocery industry with sampling. The increased sales are there to support the practice of sampling - it works. From Kroger to Publix to Costco – they all practice sampling and it gives a boost to their sales.

Brand retailers are taking experiential retail to the consumers. I recently visited a Nike outlet store and the store has become very experiential, allowing you try out footwear and equipment prior to purchasing. It has been quite the buzz around Nike's Live concept that not only offers services like style consultations, but also the ability to try out products.

Countless other brands such as Camping World, Nordstrom, and Smile Direct Club, have jumped on the bandwagon as well, realizing that engaging with customers and “activating” their experiences will lead to an increase in top line sales.



3 HAVE YOUR BRICK & MORTAR WORK WITH YOUR DIGITAL STORES

Most brick & mortar stores have an online store, so ensure that your ecommerce site works hand in glove with your physical stores. Keep in mind, the modern shopper is using various channels and devices in their shopping experiences. They're using their smart phones, tablets, and laptops to conduct research, ultimately making a purchase.

This is exactly why it's important to not just have a presence on different channels (which is critical), but you need to empower shoppers to shop across physical and digital channels easily. Here are a couple of steps to take to do just that:

TRY IN STORE PICKUP

In-store pick up allows shoppers to purchase online and pick up the order at the store. It isn't just convenient for the consumer; it also brings foot traffic into your physical location. The statistic that stands out to me related to this was that according to ICSC, 69 percent of shoppers who went in store to pick up their orders ended up buying additional items.

Even more telling was the fact that in the last Christmas season, almost one-third of consumers chose to use in-store pick up. When I do an in-store pick up with my purchases, I have to say that it is without fail that I enter the store to make additional purchases.

The next question becomes, how can I do in-store pick up? The key to implementing this is to have a centralized retail solution that lets you manage orders, sales, and customers from one system... or at least integrate any separate systems. The common phrase you will hear passed around is "omnichannel" retail systems that allow centralization.

HAVE WEBSITE ACCESS IN YOUR STORE

This can be accomplished a couple of different ways. Start with having a kiosk or designated area people can hop on your website, in turn enhancing the brick-and-mortar experience by allowing consumers to browse your online shop in store. There are several advantages to this offering, especially if you have multiple locations, or showrooms and you don't inventory all of your stock in one location. Giving people the freedom to browse your ecommerce site in store allows them to see inventory of products or variants that you may not have on-site. Shoppers have great flexibility if they happen to see something they want, and you can help the customer get it ordered and ship it directly to their house.

Athletic apparel and footwear companies such as Nike are doing this well in select locations. The sportswear company has installed large touchscreens so shoppers can browse Nike.com to see color and size options and place an order right there in the store.

4 HOLD CLASSES

You can start small by hosting in-person events at your brick-and-mortar location. Perhaps teach customers how to use your products or a lifestyle-focused workshop on a skill relevant to your niche. For example, one of our clients is a manufacturer of stainless-steel cookware and cutlery. Bobby will hold classes at their facility, at retailer locations, and even at county fairs. The sales jump is truly remarkable where the classes are held.



5 REDEFINE THE CHECKOUT EXPERIENCE

According to Brainboost.com, the average person in America will only spend 8 minutes in line before our patience runs out. Long lines at checkout are big a turn-off and can result in customers abandoning their purchases. Research has found that “Americans will abandon a checkout line and leave a store without making a purchase after 8 minutes of waiting in a checkout line.” Don’t allow long lines define what you are known for and ultimately affect your bottom line. If you’re dealing with lengthy wait times at checkout, take corrective steps to speed things along. Following are a couple ideas:

HAVE ADDITIONAL REGISTERS READY

Open new registers to combat long wait times (remember, we only have 8 minutes max) and make sure you always have appropriate staffing on site to serve customers and prospects. You could consider making your check out mobile with iPads or similar POS for your customers and associates alike. It is easy to turn on another iPad on the fly if it’s needed. Of course, this would not work with a traditional cash till system. An additional benefit of using an iPad is that it lets you untether the checkout process. The Apple Store has done an excellent job with this and does almost all of their transactions on their iPads, in addition to having a traditional register as well. Taking the checkout process to the customer and ringing up sales from anywhere in the store has great advantage for everyone involved.

IMPLEMENT AN IN-APP CHECKOUT

Looking for a more innovative and tech-forward way to combat long checkout lines? Have a look at what was recently done at two different chain stores - a supermarket chain and Okay Convenience Stores. Seeking to save customers more time and enhance their shopping experience, Colruyt Group launched an initiative to develop and implement a mobile shopping app for customers with self-scanning and self-checkout capabilities.

In addition to saving customers time by letting them do more for themselves and avoid waiting in checkout queues, the app shows the current bill total at any time for shoppers on a budget and allows shoppers to bag their purchase right away without the need to unload and rebag items at the cash register. The self-scanning mobile app also reduces pressure on cashiers especially at peak times and frees up employees who would otherwise operate traditional POS terminals.

No doubt the app makes shopping easy and convenient, and it hints at what the future of in-store checkout might look like. This solution isn’t the right fit for every retailer (especially if you don’t have a mobile app) but it’s worth consideration if it fits your company.

6 PROMOTE COMMUNITY



Promoting a sense of community may or may not work for your location or product. If it does, you can find ways to bring people together around your location, products or a cause you believe in. Invite customers, prospects, and the community to your events where they can learn something new, connect with like-minded people, or provide a way to break up their routine that we all get caught in at times. One way that Dick's Sporting Goods has done this is by providing sponsorships to local sports teams in the area of their store locations. They are seeking to support the teams and communities that support them. This also allows for the feel-good experiences customers have to be associated with your products and brand. It can show up a variety of different ways and sometimes it can be something as simple as sponsoring a 5K race in your area.

An iconic example of this for surrounding a product and locations is the Harley Davidson Rally held annually in Milwaukee, Wisconsin. They combine activities that draw customers from around the world. There is live entertainment, custom culture artisans, pinstriping live, live tattoos, photo ops, museum tours, free giveaways, demo rides, of course, and a plethora of merchandise. The sense of community and the elevation of their brand is legendary.

Building a community isn't just about holding events, although this is a proven method. Creating a sense of community around your product or location requires fostering real relationships with customers and connecting with them regularly.

7 UTILIZE IMMERSIVE EXPERIENCES

Immersive experiences can manifest themselves several different ways. Technology allows for immersive experiences in a completely new way over the last several years. Attract customers to your store or to your specific product, by considering the use of AR or VR (Augmented Reality or Virtual Reality) and make a long-lasting impression. Doing this will grab the full attention of the customer and increase sales. Virtual Reality (VR) in retail opens up several opportunities for retailers and enables them to connect with a wider audience. VR allows for a one-of-a-kind experience without the need for physical store expansion. It gives the customer an experience they could not get online. VR eliminates space limitations and time constraints, and allows retailers to reach a larger audience.

IKEA, the Swedish furniture retailer, has taken their immersive VR to a new level, allowing viewers to change the color of surfaces, furniture, and rugs, and to shrink themselves in order to navigate around the room more easily. IKEA said it had been exploring a variety of new technologies for the last few years, testing different digital tools before identifying VR as one of the best technologies to pursue for the future.

One of our clients, Mueller Water Products has developed some groundbreaking technology in the water industry that allows for fire hydrants to be monitored remotely for identifying problems and measuring performance. The technology, however, is located deep inside the hydrant. We partnered with them to roll out an AR app that allows the customers to use an iPad to explore the inside technology of a fire hydrant and not have to cut away part of an actual hydrant, which is costly, time consuming and very heavy. The results allowed customers to clearly see the benefits and the reason why the product was going to help them be more efficient. In the end, the sales cycle was reduced, and the customers became more comfortable with their purchase.



8 POP UP SHOPS

If you sell primarily online, consider hosting a pop-up shop or partner with a complementary business to hold an event at their store. For example, the online mattress-in-a-box retailer Leesa gave customers a chance to try its product in-person. To make it memorable, it turned the experience into a statement by holding the pop-up shop in a SoHo gallery filled with art from ArtLifting, an online marketplace of works created by artists who are disabled or homeless.

The event was billed as being a “no-pressure environment” with no aggressive salespeople. Customers could lie down on the mattress and try it out, or simply enjoy a cup of coffee and peruse up-and-coming artists’ work.



9 DITCH "SALESPEOPLE" BECOME CONSULTANTS, EXPERTS, OR FRIENDS



There is no doubt that it's good to have great in-store technology and a well thought out plan for your product to go to market. Be careful not to lose sight of the fact that front-line employees are the single most important influencers of the in-store experience. This TIME article said it best: the retail worker of the future is "cool, charismatic, and better paid." Any retailer that wants to stay competitive needs to excel when it comes to staff hiring, training, and development. You also need to train them to relate better to customers. Create a training path for your associates to connect with customers in a memorable way. Most often this means making a shift from being a "salesperson" to becoming an expert, resource, or even friend.

I recently visited a Patagonia store in Washington, DC and I was met by their associates in a different way. They wanted to know what type of adventures I had in the future. They then skillfully moved the conversation toward being prepared for the adventures in the near future. They also asked me to recount one of the hunting excursions I had been on. After gaining understanding and building a rapport they asked if the equipment I had was going to work for the plans that I had. We then looked at a custom-made kiosk display that showed the how their sleeping bags were made and the options you could get with them. The transition to making a purchase (the right purchase for me) was easy.

10 ENGAGE CUSTOMERS AFTER THEY LEAVE

Your relationship with your customers doesn't need to end once they exit your location. One of the masters of this is Kohl's department stores. They do an excellent job of keeping you coming back by giving you time sensitive "Kohl's Cash" that can be redeemed like real cash. They also bombard you (I speak from 1st hand experience) with a multiplicity of %-off coupons that come regularly via regular mail and email. These, too, are time sensitive.

Instead of passively waiting for them to cross your threshold again, keep them engaged (and loyal) through a couple of varied tactics:

Use tools like that allow customers to buy online at your website, but lets customers try products in-store prior to the purchase.



Create a loyalty program to reward customers who are loyal and make multiple purchases – this can be done via discounts, promotions, and free incentives.



Utilize low-cost methods to stay in touch with customers, such as email campaigns, social media posting, or surveys.



Build a post-purchase marketing plan to stay in touch - use emails, direct mail, social media, or other means to keep top-of-mind with customers so you don't drop off of their radar.



11 GUERRILLA MARKETING TACTICS

Find an over-the-top method to show your product to demand attention and grow brand awareness through using guerrilla marketing tactics. Colgate really has a great example, as a company which manufactures toothpaste and toothbrushes, they applied a great and creative guerrilla marketing tactic. They made Popsicle sticks that resemble a toothbrush inside chocolate cake to remind whoever is eating the cake to brush after to eliminate cavities.



12 ENTERTAIN

Entertaining customers is a trend that can really drive traffic. What type of entertainment you provide really depends on your products, stores, and customers. In some cases, bringing in industry professionals or celebrities may be the way to go.

Bookstores have long been known for having author signings at their locations. The traffic is undeniable and is a draw that helps drive sales and your brand. Another added benefit is you can also tap into local press coverage to help increase awareness.

Ikea brought to life the dream most of us have – to have a sleepover in a furniture store like an Ikea shop. They brought this experience to over 100 fans who won a Facebook challenge, letting them spend the night in the warehouse in Essex. They were provided with massages, salons, and were able to select the mattress, sheets and pillows to fully give them a tailored experience to satisfy their needs. A sleep expert was on hand with tips for getting a good night's rest, including how to find the perfect mattress for your sleeping style. This was a rare experience; however, the experience was shown to be successful as it was a clever and unique way to obtain visibility and get fans to focus on what Ikea has to offer and try it out for themselves.

REINVENT YOUR IN STORE EXPERIENCE



When we create an in-store experience it creates a memory for the customer, and it becomes difficult to forget. Years back I went to a Titanic exhibit that has cold water the same temperature as the water in which the Titanic sunk. The challenge is to see how long you can keep your hand in the water. I will never forget the experience even though it has been years since I did this. You can find reviews in Trip Advisor that echo the same experience, I had... "See how long you can leave your hand in that icy water the same temp as the night the Titanic sunk. I've been to the Titanic in Branson and this Titanic Museum is different so be sure to go."

Like the icy cold water from the Titanic experience, the new retail landscape allows for us to make the customer experience hard to forget. Making sure to create an experience for your customer can drive success moving forward. This is critical if you want to grow and flourish in the months and years to come.