



Its time to PAMPER CUSTOMERS!

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Consumer today is the King! There are many retailers in the market who continuously work in order to woo new customers and also pamper the existing ones.

In order to pamper the customers, and give him a good feeling the very first time he visits the retailer, the retailers shower on him the services which are customized. The services like food court, spas, salons, laundries are offered apart from the usual services to woo customers. There are many retailers offering such services and also differentiated services that the competitors are not offering like Spencer exclusively offers wine and liquor corner. Typical example of retail where products plus service is equal to experience is book stores like Reliance Time out where people browse through books or music etc. They can also have coffee or snacks at the cafe.

Talking about the objective of providing these services, Sanjay Gupta, Vice President, General Merchandizing, Spencer's Retail Ltd. says, " Spencer's has always endeavored to provide its shoppers a wide choice of products and services. This is in line with our strategy of making fine living affordable. These kinds of measures improve store recall as we become a destination for these products or services and improve the shopper loyalty towards the store. Our sales and customer feedback certainly suggest we are increasingly becoming destination for most of these categories" .

Gupta adds, " In some of our larger stores we have created specialized ' properties' as a differentiator to offer the choicest of products to our shoppers. Some of these initiatives are Exclusive wine, beer and liquor shop in shops, Tobacconist or Cigar shop in shops, Patisserie (live bakery), Gourmet sections, Health & beauty zones, Pet care zones, Fish & Meat section and so on. In addition we also have Bakery & Food service counters where in we get the city's best food brands to be a part of our food court. In Kolkata, we have Flury's, WOW Momo's, Nakur sandesh, Kwaliti Swirls, Candy Shop, Tea Junction etc to name a few. Some of our stores also have florist services. We are also talking to reputed chains for introducing services like salons, laundry etc" .

Talking about the response from customers, Gupta says, " We have seen revenues grow by 25 to 30% and in some cases like the Spencer's patisserie (live bakery). For example it's a complete new offering hence the entire revenues are additional" .

Retail servicing is still evolving as we are still an evolving economy. There are unbranded services that are still available and also affordable like the laundry service. However many new express services would be in demand. In case of retailers that provide spa service, it's a personality grooming service. The services encourage more footfalls in the mall, retail shop. Consumers are attracted towards where they get a complete package and leisure. So, if the retailers increase the number of services and improvise in the existing services people would like to visit the retail shop or mall and spend quality time there.

Talking about the consumer oriented services, Peshwa Acharya, VP and Head-Marketing and Consumer Experience, Reliance Retail says, " There are two-three levels in which consumer oriented services are done. First level is that the service

itself in the retail is the product. Like Lavazza Barista, CCD etc, service itself is a product. Some customers are there for coffee, some for the service, ambience, refreshing, some people come for music, some come for net. These are all services. The consumer oriented service is equal to retail. The second is where you go to buy a product and there are certain services which are mandatory, this is called basic services or utilities. For example, if you go to a big mall, the mall must have ATM. That's a service. Why ATM, because everyone might not be having credit card and someone might want to buy so he can use ATM. All international malls or shopping centers I have seen have large number of ATMs. Apart from ATMs quite a lot have basic services like fast food court" .

Acharya adds, " Lot of places in India, malls or shopping centers are not daily week show, that people go and buy things, so during weekend people can go for both shopping and entertainment. Entertainment in fact often a big draw for people coming to the malls, as in people like spending time out of home in malls etc . So, therefore services like movies, food courts and other services become really important. What happens is that the family actually goes to mall at 11 am or so in the morning and spend time till 4 to 5 pm. For one-one or two hours they are shopping but mostly they are in the food courts, movies, browsing and mall walking" .

Explaining about the services offered, Acharya states, " Main services are the specific services. For example, if we open a hypermarket, there are some services which are within the core and very differentiated, for example a bakery, you want to go there but also buy fresh bread. Things like Photo Services (which was pioneered by us at Reliance Digital a few years ago). I also believe services like Courier services, Spa, Hair styling, Wellness services etc are what retailers can offer and really differentiate it. It is just tip of the iceberg. In fact, more consumer services will come in as the years pass by" .

Talking about how the consumer oriented services help, Acharya mentions, " The consumer originated services help consumers spend a longer time in the store or mall. Engagement period is increased. (Like on the digital space, there is one service on the online space. Nowadays, average engagement on one site is 30 to 40 minutes like face book etc). On the offline space, more services you give and more time consumer will spend at your store. Minutes or number of hours increases. Hopefully, also the bill value goes up. Another thing is that services often have a higher margin than product sales. If you sell a product you can make only 10 or 20 percent, services often have a margin of 50 percent upwards" .

Adding about how the retailers market these additional services, Acharya says, " In terms of the marketing, it is very important for the customers to know that the services are available. Secondly, one needs to do in-store selling, what you call in-store demonstration and mall marketing. So essentially it is all about creating awareness or engagement with the customers coming into your retail outlet or mall" .

Nilesh Chhabria, Director, Mindshare World says, " Retailers come up with customer oriented services purely to allure their footfalls in the malls, or wherever the retail shop is. Moreover, retail business has become huge with so many malls popping up and so is the competition. So, by keeping that in mind, they need to do something different as compared to the other competitors. So, they are giving different facilities, spa or any form of leisure activity. It makes any customer think of which mall to enter, which feature shop to go in. If he finds something in two different places and same thing available in one place, he will preferably go to that place.

Chhabria adds, " Consumer oriented services very much helps retailers. The only thing is that it should be cost-effective for retailers to do something like this. If it is not cost- effective then it doesn' t make any sense. It should covert into good business. Anything that gives customers something extra whether in terms of services, or anything else, they will go there" .