RETAIL MARKETING

Instructor:
Dr. Mayo De Juan Vigaray

Power points: conceptual framework
PART 5
CUSTOMER SERVICE

Generally, retail customers won't tell you if your product isn't right or they are dissatisfied - they'll simply go elsewhere.

Retail customers have an even more distressing habit - that of appearing to be satisfied because they do not want the unpleasantness of a complaint. 

*It is, after all, human nature to avoid public confrontation.*
CUSTOMER SERVICE

Delivery targets are important, but the **quality of the experience** (convenience, packaging, ease of unpacking and assembling etc) **may be even more important**.

Admiration from customers in our new waiting room is of little benefit if at our competitors' establishment they are never kept waiting.
CHARACTERISTICS (I)

Identifiable, but sometimes **intangible** activities taken on by a retailer in selling its basic goods and services.

Attributes of personnel who interact with customers (politeness, knowledge) and number and variety of extras have a strong impact on how a retailer is perceived by consumers and others.
CHARACTERISTICS (II)

When customers evaluate retail service, they compare their perceptions of the service they receive with their expectations:

- Customers are ________ when the perceived service meets or exceeds their expectations.
- Customers are ________ when they feel the service falls below their expectations.

A customer may be satisfied with low levels of actual service in one store and dissatisfied with high service levels in another.
CHARACTERISTICS (III)

Service due to its intangibility is often hard to measure and to evaluate accurately.

Employees can play an important role in customer perceptions of service quality.

Customer evaluations of service quality are often based on the manner in which store employees provide the service.
CHARACTERISTICS (IV)

- Reliability
- Assurance
- Tangibility
- Empathy
- Responsiveness

Cues used to assess service
CHARACTERISTICS (V)

**standardization** involves requiring service providers to follow a set of rules and procedures when providing service.

**customization** encourages service providers to tailor the service to meet each customer’s personal needs.
MEASURING THE GAP

Most retailers have a 'Gap' - the difference between the promise and the actual delivered performance.

Most organisations involved in customer service have to rely on people to deliver that service - and people being only human do not always perform to specification.

Customer service measurement is largely about measuring the 'Gap'.....
MEASURING THE GAP

It is often impracticable or uneconomic to eliminate the 'Gap' entirely, so it needs to be identified and measured so that it can be managed.

Managing the 'Gap' may include:

1. proactive customer relations,
2. empowerment of local staff to take extraordinary action
3. fallback operational arrangements such as relief buses or standby trains.

But if the 'Gap' isn't monitored or measured it can't be managed.
Gaps Model for Improving Service Quality

- Customer expectations for service quality
- Management perceptions of customer expectations
- Standards specifying service to be delivered
- Actual service delivered
- Customer perceptions of service quality

- Knowledge gap
- Standards gap
- Delivery gap
- Communication gap

Retailer communications about service quality
Gaps Model for Improving Retail Customer Service

- **Knowledge Gap**: knowing what the customer wants
- **Standards Gap**: setting service goals
- **Delivery Gap**: meeting and exceeding service goals
- **Communications Gap**: communicating the service promise
Gaps Model for Improving Retail Customer Service

Closing the Knowledge GAP

1. Customer research
2. More interactions between managers and customers
3. Better communications between managers and service providers
Gaps Model for Improving Retail Customer Service

Closing the Knowledge GAP

1. Customer research ✓
2. More interactions between managers and customers
3. Better communications between managers and service providers
Gaps Model for Improving Retail Customer Service

Closing the Knowledge GAP

1. Customer research ✓

- Comprehensive Studies
- Gauging Satisfaction with Individual Transactions
- Customer Panels and Interviews
- Interacting with Customer
- Customer Complaints
- Feedback from Store Employees
Gaps Model for Improving Retail Customer Service

Closing the Standards GAP

1. High quality service commitment
2. Define the role of service providers
3. Innovative solutions
4. Set service goals
5. Measure service performance
Gaps Model for Improving Retail Customer Service

Closing the Delivery GAP

1. Information and training
2. Instrument and emotional support
3. Internal communications
4. Reduce conflicts
5. Empower employees
6. Providing incentives
Closing the Delivery GAP

1. Information and training
2. Instrument and emotional support
3. Internal communications
4. Reduce conflicts
5. Empower employees ✔
6. Providing incentives
Gaps Model for Improving Retail Customer Service

Closing the Delivery GAP

5. Empower employees ✓

Benefits to Employee:
- Stimulates initiative
- Promotes learning
- Teaches responsibility

Manager’s Approach:
- Provide guidance to employees
- Train employees to the challenge
Gaps Model for Improving Retail Customer Service

Closing the Communications GAP

1. Realistic commitments

2. Managing customer expectations
Gaps Model for Improving Service Quality

Customer expectations for service quality

Management perceptions of customer expectations

Standards specifying service to be delivered

Actual service delivered

Customer perceptions of service quality

Knowledge gap

Standards gap

Delivery gap

Communication gap

Retailer communications about service quality
<table>
<thead>
<tr>
<th>Credit</th>
<th>Baby-sitting</th>
<th>Play-place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery</td>
<td>Fitting-rooms</td>
<td>Beauty salon</td>
</tr>
<tr>
<td>Gift wrapping</td>
<td>Fur storage</td>
<td>Shopping bags</td>
</tr>
<tr>
<td>Complaints</td>
<td>In-store information counters</td>
<td></td>
</tr>
<tr>
<td>Returns handling</td>
<td>Trial purchases</td>
<td></td>
</tr>
<tr>
<td>Gift certificates</td>
<td>Special sales for regular customers</td>
<td></td>
</tr>
<tr>
<td>Bridal registry</td>
<td>Extended store hours</td>
<td></td>
</tr>
<tr>
<td>Water fountains</td>
<td>Interior designers</td>
<td></td>
</tr>
<tr>
<td>Pay phone</td>
<td>Personal shoppers</td>
<td></td>
</tr>
<tr>
<td>Baby strollers</td>
<td>Language service</td>
<td></td>
</tr>
<tr>
<td>Restrooms</td>
<td>Tax refund</td>
<td>Parking</td>
</tr>
<tr>
<td>Restaurant</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FINANCING & CREDIT CARDS & RETAILERS-GENERATED CREDIT CARD

Retailers saves the sales fee it would have to pay for outside card sales.

Attractive card design contributes to overall company image.
We promise to deliver what you want... or certainly what you have just bought.

Harrods is delighted to offer a comprehensive worldwide delivery service. Staff in all departments are on-hand to assist with customer delivery enquiries.

Phone: +44 (0) 20 7730 1234
GIFT WRAPPING
COMPLAINTS

CUSTOMER SERVICE

MERCADONA 900 500 103

Information, suggestions, complaints... give us a call at 900 500 103 and we'll clear up any doubts you may have.

If you would like to request information, you can do so right now by filling out and sending the form below. Your personal details are optional and only necessary if you want a response. If you fill out these fields, MERCADONA guarantees that your information will be kept confidential and will only be used to answer your questions your personal data being a matter not included in any file.

Name: ________________________ Surname(s): ________________________
Address: ________________________ Postal C.: ________________________
Town/City: ________________________ Province: ________________________
Telephone: ________________________ Email: ________________________

I want to obtain:  ☐ Information  ☐ Make a suggestion  ☐ Others

__________________________
GIFT CERTIFICATES
BRIDAL REGISTRY
<table>
<thead>
<tr>
<th>Pay Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Strollers</td>
</tr>
<tr>
<td>Water Fountains</td>
</tr>
</tbody>
</table>

[Image of pay phone, baby stroller, and water fountain]
BABY-SITTING
SHOPPING BAGS

- As a package(*), serve the utilitarian purpose of providing transportation and protection for merchandise bought in retail establishments of all kinds.

- Besides having functionality, can also be regarded as a form of promotion, a status symbol, a collective and a work of art.

- This is especially the case with branded shopping bags.

(*) Shopping bag can be used interchangeably with the terms “package” and “packaging” and retail shopping bags, (paper & plastic) are a type of secondary packaging.
SHOPPING BAGS

- Usually, consumers use shopping bags provided by retailers not only for carrying the merchandise, but also for other purposes.
  - To use or reuse as wrapping paper for gifts
  - To carry personal belongings

- This gives the manufacturers and retailers extra exposure of their bags, especially those with a logo

OTHER CUSTOMER SERVICE

Alterations
CONCLUSIONS

When making merchandise presentations decisions, retailers should attempt to view the store through the customer’s eye.

Importance of communication with customers and examine the concept of retail image.

How retail store image is related to the atmosphere it creates.

Ways of encouraging customers to spend more time shopping.
GENERAL CONCLUSION

The retail environment must **match** the mood and motivation of each shopper from **design of the fixture** to the adjancencies, **product mix**, shelf edge walkways.

It is a symbiosis between what we are doing **as a shopper** and what the retail environment is doing **to the shopper**.