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Doug is a consultant, keynote speaker and author. As a consultant, Doug works with retailers of all sizes throughout the country. As a retail and customer experience expert, Doug has been quoted in Entrepreneur and 2.0 magazines, The Christian Science Monitor, The Washington Post, Shopping Centers Today, Forbes.com, and numerous other print and online publications. Doug along with partner Matt Norcia write for many magazines including National Jeweler, Dealerscope, Educational Dealer, and Cape Business.

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The Experience Reality Gap

Challenging and Improving Your Customer's Experience

Tools for the Experience Series

Ask almost any independent retailer what his/her store's strategic competitive advantage is and you will almost always hear the same answer: customer service. I only wish it was true. Their customer experience might be better than their competition but most are not and the retailers don't even know it. They have fallen victim to the *reality gap*, the difference between the owner's perception of their customers experience and the actual experience. That's not to say that chain stores don't have a gap of their own but the impact of that gap is often more visible and certainly more detrimental to an independent's existence than their larger competition.

The customer experience reality gap continues to grow for many reasons. First is the independent retailer's belief that service is getting worse at the chain stores. True, service at many chain stores is less than stellar but I don't believe it's gotten any worse over the last several years. Sadly, customers have come to expect less from the chain stores, which makes it easier for them to meet the customer's lowered expectations. In some chain stores customer service has actually improved. In recent trips to two different Home Depot stores I've encountered staff that seems more focused on the customer than in the past. I recently bought a patio table and chairs and while the purchase process was frustrating, the Home Depot staff couldn't have been more helpful. One young woman went out of her way to assist me, including twice going out to a display in the parking lot. She was a real delight.

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Another reason for the reality gap is the lack of focus, discipline, and training of the independent retailer's staff. If customer service is a retailer's strategic competitive advantage then the staff needs to exceed every customer's expectations. That's right, every customer. And not just meet but exceed the customer expectations, expectations that are higher than those customers have of the discount chain stores. In my own shopping experiences I'm finding more and more independents falling considerably short.

Recently my wife was shopping for a new lamp shade. The old one was destroyed by those gremlins that sneak into children's rooms and get up to mischief that gets blamed on the children. Well, off to the light store went my wife, shadeless lamp in tow. She told the man at the counter what she needed. His exact words were, "Well, we don't have a lot but they are back there in the corner. See what you can find." Back there. See what you can find. That is way short of expectations. Compare that to the Home Depot employee who twice walked out to the parking lot. The reality gap strikes again.

The owners of independent stores also cause their own reality gap by focusing on the wrong things. They put placing orders or merchandising products ahead of waiting on customers. They measure sales but not customer satisfaction. They spend time on the floor but don't use that time as an opportunity to observe and coach the staff. They just assume they have better customer service than their larger competition. Maybe they do, maybe they don't. Even if they do, it may not be remarkable enough to the customer because the customer expects more in the first place.

The reality is that most of our store visits are unremarkable, and because of that, unmemorable. And if it's not memorable, then it's not any different from the competitors, so is therefore not a strategic competitive advantage. The result? A reality gap.

Challenging Your Reality Gap

So how does a retailer of any size challenge their reality gap and become an experience leader? First taking these three steps.

1. Analyze the competition. If a customer is not going to buy from you then where are they going to shop? What is that retailer's competitive advantage? Is it price? Selection? Location? Services? Customer experience? How does your competitor's staff and level of service differ from yours?

Try to identify three strengths and three weaknesses for each of your key competitors. Too many retailers ignore their competition but you can't beat what you don't know. I strongly recommend that retailers shop their competition at least once every three months. If for some reason you can't or you're not comfortable doing it yourself then at least send a member of your staff or a friend to do so.

2. Identify your experience differentiators. One of the reasons the reality gap exists is that differences in customer service between stores are barely discernible. It's easy to differentiate your store by its layout and merchandising but the experience your customer has with the staff is what ultimately makes one store more memorable than another.

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Isn't it true that almost every time a friend or family member tells you about a great experience they've had at a store it's because of the connection they made with another person? What can happen in your store to guarantee the experience is more memorable than at other retailers?

There are various experience differentiators and the right one for your store depends on the store itself. It could be the way the customer is welcomed and engaged when they enter the store. It could also be the selling process or the check-out process that's a differentiator. It could also be the way services are delivered or the extras that are offered. Or maybe it's your technique and process of educating the customer. Whichever method fits your business, identifying the experience differentiator that's right for your store/s will help eliminate any reality gap and deliver a customer experience that's second to none.

3. Evaluate your current customer experience. This step can be as simple or extensive as you'd like. While some might want to invest in doing exit surveys or a focus group, I find an honest self-evaluation of your store's true customer's experience often gives you the information you need. How well are you delivering on your experience differentiators? What is physically happening in the store to combat your competitor's strengths and weaknesses? What is currently taking place in your store that makes your customer say WOW when they leave?

Our experience shows that once you've taken the time to evaluate your current experience, you will discover some gap between your desired experience and your current experience. More important, you will probably discover that your store's experience and your competitor's experience aren't too different. Therein lies even a greater challenge. If you don't create a more memorable experience than the one your competitor is delivering, you will be forced to compete on perceived value. We say "perceived" value since most consumers already have a perception that smaller independent retailers have higher prices than larger chain stores. Overcoming that perception is challenging and costly to the bottom line. The profitable alternative is to deliver unique and memorable customer experiences.

Becoming an Experience Leader

Here's what you can do to bridge the reality gap and dominate your competition.

1. Design and execute an experience strategy. Very few retailers have identified their experience differentiators and as a result they can't deliver consistent and repeatable memorable experiences. High-performing employees will often deliver memorable customer experiences but if every one of your employees can't exceed the customer's expectations then you've got a reality gap.

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To deliver experience that sets a retailer apart it is necessary to create a systematic retail approach that employees can execute, managers can train on and expect their staff to accomplish, and owners and executives can measure and improve.

How is this approach different from standard retail? To begin with, most retailers don't really have a retail floor strategy. They confuse sales training with a retail floor strategy. A retail floor strategy is the defined outcome that every customer who comes into your store will experience. It makes sure that your employees consistently engage customers and deliver your experience differentiators.

The most successful floor strategies are internally branded and well communicated. It's easy to learn, easy to remember, and easy to execute. Too many retailers are asking their staffs to remember things like the "12 Steps of Customer Excellence" or some equally long and involved set of instructions. Less is more when developing your experience strategy.

A well-designed experience strategy is a combination of a customer service approach and the sales process. Employees know exactly what is expected of them to engage the customer, create sales, and deliver a memorable customer experience that turns that customer into a loyal and raving advocate. It makes sure that employees are *proactive* with the customer, not *reactive*. It choreographs the customer experience to ensure that every customer receives a consistent experience, no matter which location the customer visits or which employee they interact with.

It also aligns a company's market position and its values and mission to its retail floor strategy. Designing and executing a retail experience isn't easy but the results are quite rewarding.

2. *Teach, coach, repeat.* Change initiatives fail more often than they succeed. They don't fail because it's a poor strategy or not a well-thought-out plan, but because not changing is easier than changing. Anytime an organization changes there is discomfort, pain, and resistance. Retailers too often launch new strategies with full fanfare and then move on to the next thing, leaving the previous initiative to die a slow death.

To execute a successful experience strategy, a retailer must invest in both financial and human resources required for training and coaching on the new floor strategy. A new experience strategy requires employees to learn and to practice new skills. It takes time and commitment by all levels of the organization to put these new skills into place. The key is to not make this a short-term change but the new way of retailing in your store. Don't quit before the vision is realized.

3. *Implement the appropriate mechanisms to measure and support the experience.* Developing an experience strategy is an evolution, not a one-time event. The benefit of having a documented and articulated floor process is the ability to change it based on the needs of the business, changing market conditions, and changes in customer behaviors. It's important to measure the organization's ability to execute the process as well as the customer's perception of it. We believe there are two key mechanisms that every experience retailer must have.



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a. Customer Experience Measurement systems. Whether you're running one store or one hundred, you need feedback from your customer. Through the use of incentives and technologies, customers will give you feedback on their own experiences that you can measure and benchmark. This can be used either with or in lieu of mystery shop programs.

b. On-floor peer and manager assessments. Practice makes perfect so it's important to practice the right skills. Using peer and manager assessments on the floor makes sure that the staff is receiving coaching and feedback and that they are developing appropriately. This is not only critical at time of launch but it's a good idea to review skills on a monthly or quarterly basis.

In this day and age it's virtually impossible to have product exclusivity or the lowest price. Your merchandising, your store design and all other physical elements of your store can easily be duplicated by your competitors. What can't be duplicated, and what can't be beat, are the memorable customer experiences that you can create on a daily basis. You can guarantee there is no reality gap in your business when you create and deliver the best possible experience, one customer at a time. Remember, it's not what you sell that's important. What matters are the people to whom you sell your products and how those people feel about your products. After all, when all is said and done, it is all about the customer.

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