

Using Customer Service to Attract Foot Traffic

By Brian Andrus

According to recent news, the rise of e-commerce has created a 'retail apocalypse' where traditional department stores, malls and major brick-and-mortar brands are heading towards extinction. In 2016, more than [1,000 stores closed](#). This year, we have seen more than [300 retailers declare bankruptcy](#) so far, and experts estimate that [10 to 12 percent of shopping malls](#) will close down in 2017. As profits decline, brick-and-mortar retailers are realizing that it is impossible to compete with the speed and pricing of online behemoths like Amazon. In order to survive, many traditional retailers recognize that they will need to compete on a different level. One strategy that may work is a shift to a personalized and unique shopping experience. By using technology, personnel and data to customize in-store shopping, brick-and-mortar retailers can attract customers who are looking for an experience that offers some of the conveniences of online shopping with a human touch.

While many blame the rise of online retailers like Amazon, or discounters like Walmart, for a decrease in brick-and-mortar spending, the problem is more complex. Department stores and many mall-based [retailers overexpanded](#) over the past decade or so, while, at the same time, economic conditions tightened. The result of overdevelopment has been way too much supply to meet the actual demand. We have also seen an increase in specialty stores offering unique and trendy products whereas chain stores have simply failed to keep up with current trends and changing consumer needs.

However, despite dire statistics, the brick-and-mortar store is poised to make a recovery. According to a recent [Kiplinger report](#), department store sales have remained steady over the past nine months. The amount of [new retail space being developed has declined](#) significantly: after many years of new retail space development surpassing 150 million s.f., we have not seen more than 40 million s.f. in development since 2009. Plus, although online shopping has decreased foot traffic somewhat, online sales still amount to just 8.4% of total retail volume.

To remain competitive, stores need to re-think their customer service approach and move towards a personalized, omnichannel model. According to a recent customer service study by Kibo, [retailers are falling short](#). Kibo found that only [25% of store associates](#), for example, could place a customer order; of those, only a handful were able to place an order in a store aisle with a handheld or mobile technology device, meaning customers would have to go to a register or customer service center to place an order. The study also found that just [53% of store associates could access personal preferences](#) without the customer signing into the store's account. Plus, Kibo found that [16% of retailers had inconsistent pricing](#) between their website and brick-and-mortar stores, which might turn off savvy shoppers who have instant access to price comparison tools.

To create an omnichannel customer service model, mall-based stores have a number of technology innovations they can take advantage of. [Machine learning technology](#) supported

by emotionally intelligent staff will create a better and more personalized customer experience. Some retailers have even developed [facial recognition technology](#) so sales associates can address customers by name when they walk in. Access to inventory and the ability to place an [order on the spot using mobile technology](#) should be implemented across the enterprise. Pricing must be competitive and consistent throughout the company. Finally, [integrating online and in-store sales](#) is a good way to get customers in the door. For example, Kohl's now [offers discounts](#) to consumers who order online and pick up items in-store.