



In-Store Experiences Still Matter. Big Time.



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Robisch conducts research on the independent home improvement sector.

In an interview with *Hardware Retailing*, Robisch discusses how retailers must not lose sight of the importance of in-store customer experiences while trying to compete against e-commerce businesses, such as Amazon.

Hardware Retailing (HR): What should retailers learn from recent research on what customers want from in-store experiences?

Jim Robisch (JR): Retailers have to recognize that although online retailing is important and relevant, the store hasn't lost its importance. The brick-and-mortar location is both an avenue for selling products and a support system for online sales.

In-Store Remains Key



of online shoppers opt to buy online and pick up in store multiple times a week.



of customers use ship to store when ordering online.



of customers have made in-store purchases while picking up their online orders at stores.

Sources: *Ecommerce Trends: 128 Stats Revealing How Modern Consumers Shop*, Walker Sands 2016, 2016 UPS Pulse of the Online Shopper

HR: What can retailers take away from the recent *Merchandising for Profit Study* that you helped NRHA compile?

JR: The study confirms, once again, that there are things that happen in the store that can only happen in the store. For example, promotional merchandising. When you merchandise, you can do more sales and make more profit.



It's hands-down solid confirmation once again that people tend to forget why you need to discipline your stores around detailed merchandising.

Our market research on store image shows that retailers are spending time, energy and money on things that aren't as important as they think they are. The reason they think they're important is carryover. "We always did this. We live by this." When they're doing that, they're ignoring what's extremely important.

They should be polishing their price image and becoming a place where people think they can get a deal.

Customers think independent stores are naturally more expensive. Retailers don't spend enough time trying to offset that perception. Promotional merchandising can help reshape their price image.

HR: What are some key reasons for why the in-store experience is important?

JR: The store is the environment in which retailers can showcase all the things they're good at and differentiate from their competitors. They really can have an impact in the store.

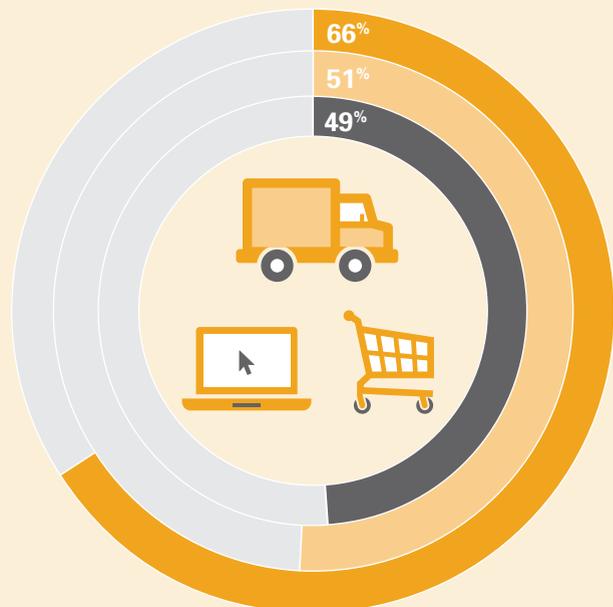
Independent home improvement stores tend to have a loyal customer base that shops weekly, monthly or every day. Retailers should ask,

Customers' Shopping Preferences

Does Your Store Do Better?

More than half of consumers prefer to shop online, but the rest like walking into stores to make purchases. Don't let your business make shopping online appealing. Promote the benefits you offer that e-commerce businesses can't, and stay well stocked so customers can walk out of your store with the products they want.

- Percentage of Customers That Decided Not to Buy an Item Due to Shipping Costs
- Prefer to Shop Online
- Prefer to Shop in Store



Sources: Walker Sands 2016, *Ecommerce Trends: 128 Stats Revealing How Modern Consumers Shop*, 2016 UPS Pulse of the Online Shopper

“What are we communicating to them about the brand? How are we showing that we have broader and deeper assortments than perhaps they thought?” They can do that through merchandising, pricing and service.

A strength of independents is that they are typically viewed as having more knowledgeable employees than big-box stores have.

HR: What are some problems you often see in stores and what do you recommend for improving those locations’ in-store experiences for customers?

JR: When we ask customers what they like and don’t like about a store, we find that stores are often less than easily self-shopped. Some stores are lax, I guess, at what I call house cleaning.

The store is still important because it gives the independent a theater for showing the movie of why they’re great and why they’re better than competitors. You can compete better if you pay more attention to the store.

HR: What are retailers doing instead of focusing on improving in-store experiences?

JR: There are operators who are so obsessed with Amazon. They want to know how they are going to compete in e-commerce. They can never battle



Home Improvement Shoppers’ Expectations

Necessities:

- Product in stock
- Knowledgeable staff
- Easy to get questions answered
- Friendly employees
- Easy returns
- Quick checkouts
- Easy to find merchandise

Differentiators:

- Signage that helps select products
- High level of personal service
- Provides special services
- Easy to special order
- Provides delivery
- Signage that lists products for projects
- Offers installation service



Source: The Farnsworth Group, 2016



it on their own. Or they are trying to be social media gurus at the expense of other aspects of their business. They're ignoring what's happening in the store.

I think they need to know what's important to their customers and balance various aspects of their business based on what their customers really want, not based on what they think is cool or what people are telling them to do.

E-commerce and social media are critical. But when you start talking to customers who have water leaking on their floor and they don't know why, you're dealing with their problems in store.

HR: How can retailers determine what they need to prioritize to improve the in-store environment?

JR: Retailers have to ask themselves, "Would I shop at this store myself?"

If the answer is "yes," then why? If "no," then why not? If they're not wowing themselves, they're not wowing their customers. Retailers need to step back and make a concerted effort to look at their stores with a new set of eyes.

If they can't do that, they should ask themselves, "What are the five things that I've been talking about and thinking about doing and haven't done in the past 18 months?" Those things are probably very important. Then they need to put a plan together to get them done.

Most of them know what the heck they need to do, but they don't know how to get off the square and just do it. They've got to take the first step.



HR: Why is it so difficult to take that first step?

JR: When business is good, a lot of retailers get complacent. Most independent retailers are very smart people. But I think they too often let emotional biases get in the way of rational thinking.

For example, someone might ask, "Why can't independent hardware stores sell more paint?" The answer is that they won't do the things they need to do to sell more paint.

Business owners often talk about expanding, modernizing or making other changes for years without doing anything.

If it's continually on your mind, it's important. Why not check it off your list? ➡

Robisch will be presenting data on the continuing importance of carefully developed merchandising and in-store experiences at the North American Retail Hardware Association (NRHA) All-Industry Conference, which is held in conjunction with the National Hardware Show®, May 9-11 in Las Vegas.