

MARKETING EFFECTIVELY IN TECH RETAIL

TRAINING



THERE ARE A NUMBER OF BIG CHANGES ENTERING THE MARKET AND THE BIGGEST IS THE EMERGENCE OF THE FLAGSHIP STORE, SAYS **POLLY YULE**, DIRECTOR OF CLIENT SERVICE, RETAIL MARKETING, CROSSMARK

More and more brands are opening flagship stores, including Sony, Telstra T-life, Samsung and of course, Apple. Why? And what can we learn from this?

Brands creating their own stores have allowed them to take back the perception of their product and range. It also provides a vehicle for the ultimate shopper and brand experience.

Brands are not trying to take over from retailers as that would be far too costly and change the nature of their business, but a few key stores does allow a brand to create a showcase vehicle for a full range of products.

Key points:

- + High shopper involvement with the product. Consumers are playing with technology, trialling before they buy. They often bring new purchases back into the store to learn more, too. Stores are behaving like help centres as much as sales centres.
- + Specialist staff and plenty of them.
- + Maximising the capabilities and applications of the product. Stores are no longer just for hardware, they are also there to give consumers full service, providing extra applications and add-ons.
- + Training and exploratory sessions are bringing shoppers back, offering help and advice.

- + These new experiences and perceptions filter back to retailers, who can benefit from increased brand perception and product awareness.

How to achieve this shopper experience in retail outside the flagship stores?

While the shopper's experience may diminish away from branded stores, so too does expectation. This balancing effect allows all retailers and manufacturers to optimise stores and space to create a positive shopper experience.

Look at JB Hi-Fi for instance. Here is a prime example of multiple categories and brands working cohesively in a rather small footprint.

Embracing these factors to create a high energy environment with live technology, supported by savvy retail sales staff, is a proven formula.

We have seen competing brands work together in the technology space. It is the future of category growth, working collaboratively to sell a type of technology.

Take Blu-ray for example. At present, a number of

WHAT WILL 2010 HOLD?

2010 and beyond will see retail focus more and more on the shopper experience and creating an environment which engages with the individual, supported by purchasing triggers.

This will translate into category-driven activities and promotions, greater collaboration between brands and even the emergence of retail driven promotions with complete alignment of display, training and the shopper offer.

- + **Google, Apple, Facebook, Twitter.** It's all about the applications and the experience. The hardware is there to deliver it, so it is important that store staff are trained to demonstrate key apps.
- + **Blu-ray** will explode in flat panel movies and games, so it will be important that live demonstrations content is playing in store.
- + **Smart devices on wireless broadband** will remove the need for high speed cables to homes, in the same way that eponymous mobile coverage has killed the land line phone.
- + **Sub-\$400 netbooks** will explode, driving down the price of every other piece of hardware from flat panels to smart phones.
- + **Content**, from movies to news will be edited and streamed down to "cartoon strip" three minute segments.

mass merchants are undergoing a new collaborative trial to showcase Blu-ray and its movie titles that will build appeal with shoppers.

The brands involved are working to differentiate Blu-ray technology from regular DVD. The collaboration sees retail marketers building new in-store theatres with high-tech illuminated point of sale displays.

And this is all about meeting the key behavioural requirements of the shopper:

1. Attract them to the product through lighting and movement in a static environment.
2. Engage with the consumer by showing a broad range of new titles that will appeal to different shoppers.
3. Highlight the product benefits to differentiate from what these shoppers already know about DVD
4. Motivate them to buy. This can be done through a multi-purchase offer or a similar promotion.

In essence, what has happened is a targeted category approach that stands out.

Blu-ray technology is demonstrated live on a high definition LCD, surrounded by titles from all the major entertainment brands, with a consistent and supported message about the technology and benefits.

More of this collaborative activity, executed at point of sale, can make a huge impact and that's exactly what needs to happen across the whole retail world. If anything, tech retailers have great advantages: technology sells technology!

Create solution sales

Solution selling has been the catch phrase of 2009.

Solution selling is about identifying the true needs of the shopper through open questioning; to determine the most appropriate

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solution that will provide the benefit the shopper is looking for.

This will continue into 2010, as shoppers become more engaged in the functionality of the applications that go with their new technology purchases.

Staff who engage the shopper, qualify their needs and suggest solutions are key to making any new display even more impactful. Only when the staff

engage shoppers will retailers see the real uplift when closing the sale.

In 2009, Crossmark conducted over 2000 mystery shops within the telecommunication and consumer electronics space. In particular, we were looking at qualifying the shopper and closing the sale.

Eight out of 10 retail sales staff used a mixture of open and closed questions to determine the needs of the shopper. This was an uplift of 20 per cent since 2008, when only six out of 10 retail staff would question the shopper appropriately.

Of these engagements, 70 per cent of the mystery shoppers reported that the solution offered by the retail sales person matched their needs.

These extremely positive results show the technology retail space is growing up fast. However, a gap appeared when closing the sale. On average, only 45 per cent of staff asked for the sale. But this is still an improvement on 2007 and 2008, where the results were sub-30 per cent.

However, implementing strategies such as "learn and earn" incentive programs for staff can give retailers an incredible sales advantage. It's as simple as working more effectively with new products, improving understanding of features and benefits, encouraging solution selling and providing more of a reason for staff to close the sale.

Crossmark has seen improvements in closing the sale, (up to 62 per cent) as a result of staff incentive programs.

