

IN-STORE

Is in-store technology increasing or subduing the relevance of retail employees?

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By JOE MCCARTHY

As luxury retailers implement more responsive and comprehensive technology into their stores, employees may find it challenging to prove their relevance.

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Luxury Daily

Mobile technology holds clear advantages over people, such as the ability to retrieve warehouses of product information and design virtual outfits on the spot. While making technology a part of the retail experience can no longer be avoided, luxury retailers should be aware that shearing away too many jobs can hurt brand reputation and certain positions just can't be replicated by a device.

"I think it depends on what sector of retail employees are in," said Steven Dennis, president of [SageBerry Consulting LLC](#), Dallas, TX.

"If they're in a more high-touch environment, I think technology should be an extension of what they're already doing," he said. "To enhance their selling efforts, check inventory or order something online for the customer, I think that's more of an easier transition for employees.

"In a more self-service environment, then it might be a little more challenging because

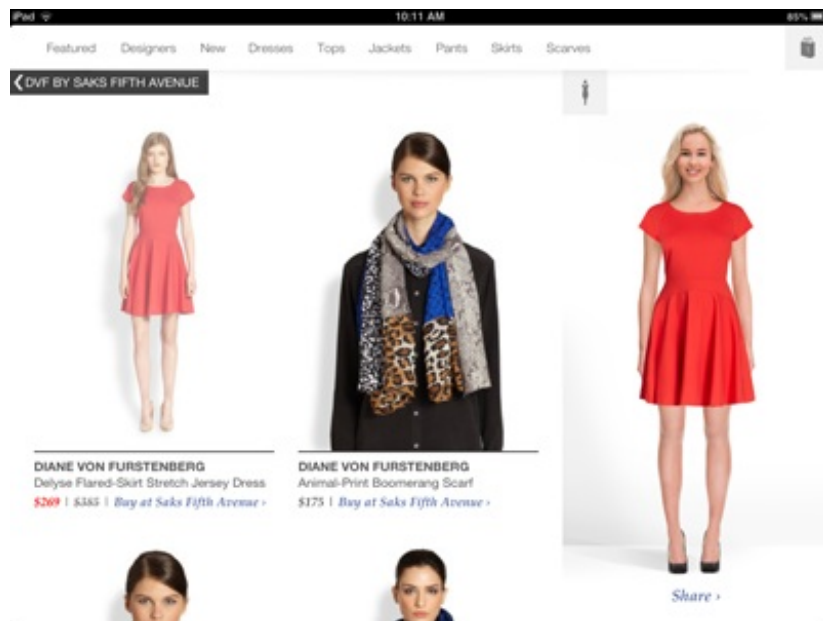
typically those stores don't invest as heavily in staff and training, and there's more of a learning curve."

Easy equation

Many luxury brands are implementing or weighing the feasibility of in-store technology, generally in the form of iPads.

Whether these iPads marry the product availability of different stores, provide instant feedback on outfit decisions, suggest outfits, display size compatibility or enable streamlined purchasing, the benefits seem to speak for themselves.

Also, increased in-store technology helps to unify the many fronts that brands reach consumers.



StyleWhile app on Saks Fifth Avenue

Some consumers prefer to deal strictly with mobile technology.

In response to how smartphones have altered the way consumers shop, a new report by Forrester Research indicates that 66 percent of luxury consumers are more willing to interact with a sales associate equipped with a mobile device.

The "A New Generation of Clienteling" report discovered that some consumers do not feel that sales associates are the best source of product information.

With the role of sales associates changing, bringing mobile technology into stores may help re-establish trust while creating an enhanced experience for consumers.

The report notes that as technology continues to reinvent the retail space, retailers should invest in omnichannel capabilities that will enrich the relationships between consumer and sales associate ([see story](#)).



Nordstrom iPad dressing room app

"A lot of this, fundamentally, has to do with whether you have products that lend themselves to self-service," Mr. Dennis said.

"If you talk about a Neiman, Bergdorf or Saks environment, typically customers need some sort of help with sizing and tailoring," he said.

"To pick an extreme example, if you're buying a tailored suit, it's hard to think about how you can self-service. If people are putting an outfit together and need to try a bunch of stuff on and they're paying a lot of money, then there will be an expectation of personal service."

Retail locations in countries that do not have enough people with the knowledge demanded by luxury consumers may consider massive overhauls through technology rather than taking the time to vet employees.

For example, Chinese consumers list poor customer service and inadequate knowledge among retail staff within the country as primary motives for shopping abroad, according to a new report by Ipsos Group and Ruder Finn.

The "2014 China Luxury Forecast" also found that 36 percent of mainland Chinese and 34 percent of Hong Kong respondents prefer to shop for luxury products online.

Additionally, fashion and beauty are rising as preferred categories among Mainland Chinese consumers, which will allow luxury brands to hone their retail presence with greater efficacy ([see story](#)).

This logic also goes for new openings in established markets, because some brands may reason that it is best to try technology-only stores from a fresh foundation.

Stepping back

Although in-store technology poses benefits that seem to eclipse what humans can offer, teaming it with employees may be the most effective strategy.

"There is no reason, for example, why certain customers could not go online, pick out items they want to try on and send that information to the store," Mr. Dennis said. "That would eliminate a lot of pre-work that could be automated."

An employee armed with technology can access troves of information while organically responding to and anticipating the wants of consumers.

Also, luxury consumers are accustomed to person-to-person assistance that can handle nuanced problems outside of technology's scope.

Customers also appreciate the positive effect that stores have on communities when employing local citizens.

As iPads enter the store, it is imperative that employees are adequately trained to use them to their full potential.

On the other hand, employees should look for new ways to prove their relevance.

Rent the Runway jumped from its online-only foundation Oct. 17 with a new showroom in Henri Bendel's New York flagship store that provides consumers with a guided and efficient way to find the right outfit.



Rent the Runway in Henri Bendel flagship store, NY

Go-To Girls at the store are able to view a consumer's style profile prior to appointments to learn about the customer. The stylists will provide one-on-one consultation while

customers try on dresses and search for an outfit.

Each fitting room contains a scanner and iPad so that stylists can upload dresses to a customer's "virtual closet." Notes can be added to each dress in the virtual closet and the closet can be viewed at any time ([see story](#)).

Ultimately, the retail jobs that are menaced by in-store technology are likely far away from luxury sectors.

"I think it's important particularly when you're talking about higher-end, commission-driven environment, that sales associates don't become a point of resistance in adopting the technology," Mr. Dennis said.

"When it's obvious it saves them time, closes more sales, efficiently solidifies relationships with clients and it happens to save money for company, then it's a win-win," he said.

Final take

Joe McCarthy, editorial assistant on Luxury Daily, New York

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