

# Sales associates play pivotal role in the shopper purchase journey: Mindtree study

The survey shows increased interaction and automated technologies lead to a positive uplift in shopper value



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## Introduction

The digital era has changed the playing field for both retailers and shoppers. Today's shoppers are no longer confined to physical stores. They can go online to access more product and store information than ever before — from comparing prices and brands to reading shopper reviews. And if they have a bad experience in a store, they can shop online. This new breed of shopper demands more convenience and less friction from their shopping experience. And when they shop in-store, sales associates play an important role in determining the outcome of their purchase journey.

A new study sponsored by Mindtree, examines the impact of sales associates on the shopper's purchase journey in the U.S. across five retail sectors: home improvement, electronics and consumer goods, department stores, fashion retail, and specialty retail.

The report reveals that sales associates have a significant influence on the purchase decisions of 70% of shoppers. In fact, shoppers who interact with sales associates purchase more products with higher transactional value and have a higher revisit rate.

On the other hand, the sales associates are open to using a technology that can equip them with real time capabilities to enhance in-store shopper experience and optimize sales time.

# Survey Methodology and Highlights

To better understand the current impact of sales associates on the retail shopper's purchase journey, Mindtree sponsored a research survey of **600 shoppers across U.S. in April, 2016**. "Sales associates play pivotal role in the consumer purchase journey" survey had participants who were over 18 years old and had purchased apparel / fashion, auto products, beauty and personal care products, electronics and consumer products, children's products, home improvement, home décor / furnishings, and/or sports equipment in the last three months. In addition, respondents were high-involvement shoppers with **70% of purchases made from physical stores with values greater than US \$100**.

The survey covers five key areas to reveal how a sales associate's interaction with shopper affect the shopper experience. See some of the highlights:

## 1. Sales associates' influence in purchase journey

In the highly competitive world of retail, sales associates play a critical role assisting shoppers in enhancing their experience within the store. This study reveals compelling insights into how the sales associate influences the purchasing journey of the shopper.

## 2. Shoppers do value assistance offered by sales associates

We all know the feeling – we walk into a store and are immediately accosted by several sales associates asking us aggressive questions. But contrary to the belief that shoppers at retail stores don't like to be disturbed during their shopping journey, our survey indicates that the opposite is true.

## 3. Decoding the lost shopper

Do you know why shoppers walk out of your store and into your competitor's stores? You should. Only by knowing this can you keep your shoppers in your store, buying your merchandise.

## 4. Technology can empower sales associates and improve customer engagement

In the highly competitive world of retail, store owners are pouring lots of resources into increasing store traffic. However, only by helping sales associates improve their ability to engage shopper will they ensure that shoppers do not walk out empty handed.

## 5. Impact of sales associates across segments

While it's clear that sales associates really do make a positive impact on shopper engagement, our survey showed that engagement with sales associates is much higher in some retailers than others. For example, in specialty retail, sales associates play a very dominant role as sources of information (58%).

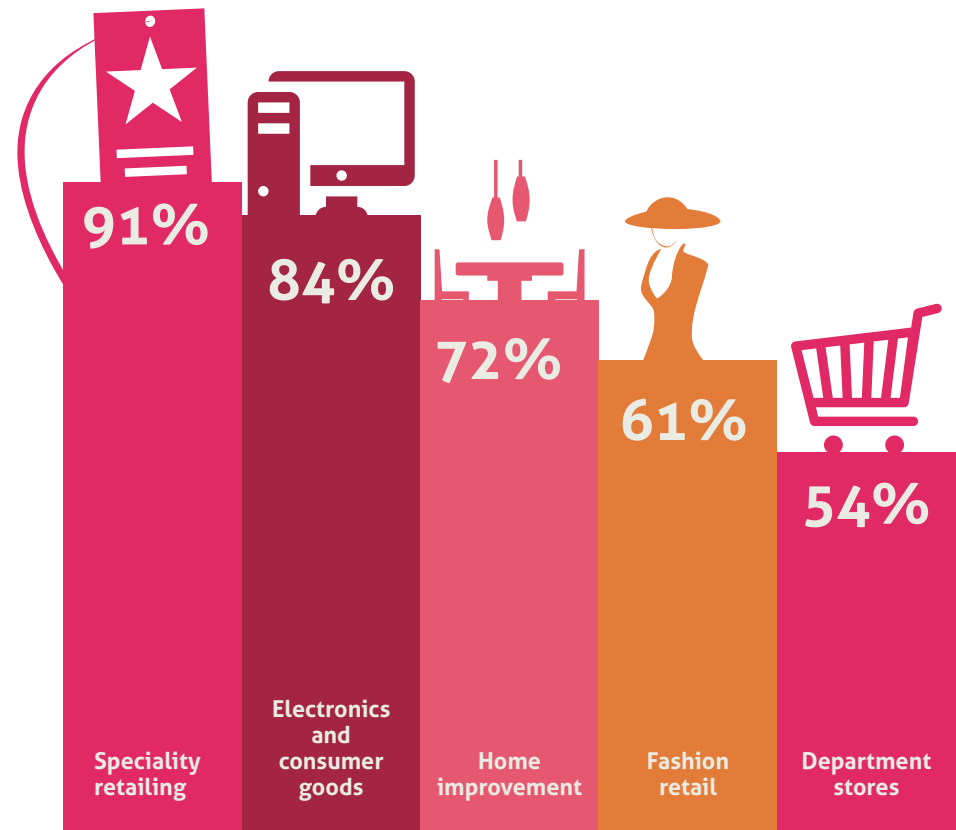
# Five key areas reveal how sales associates influence shoppers purchase journey

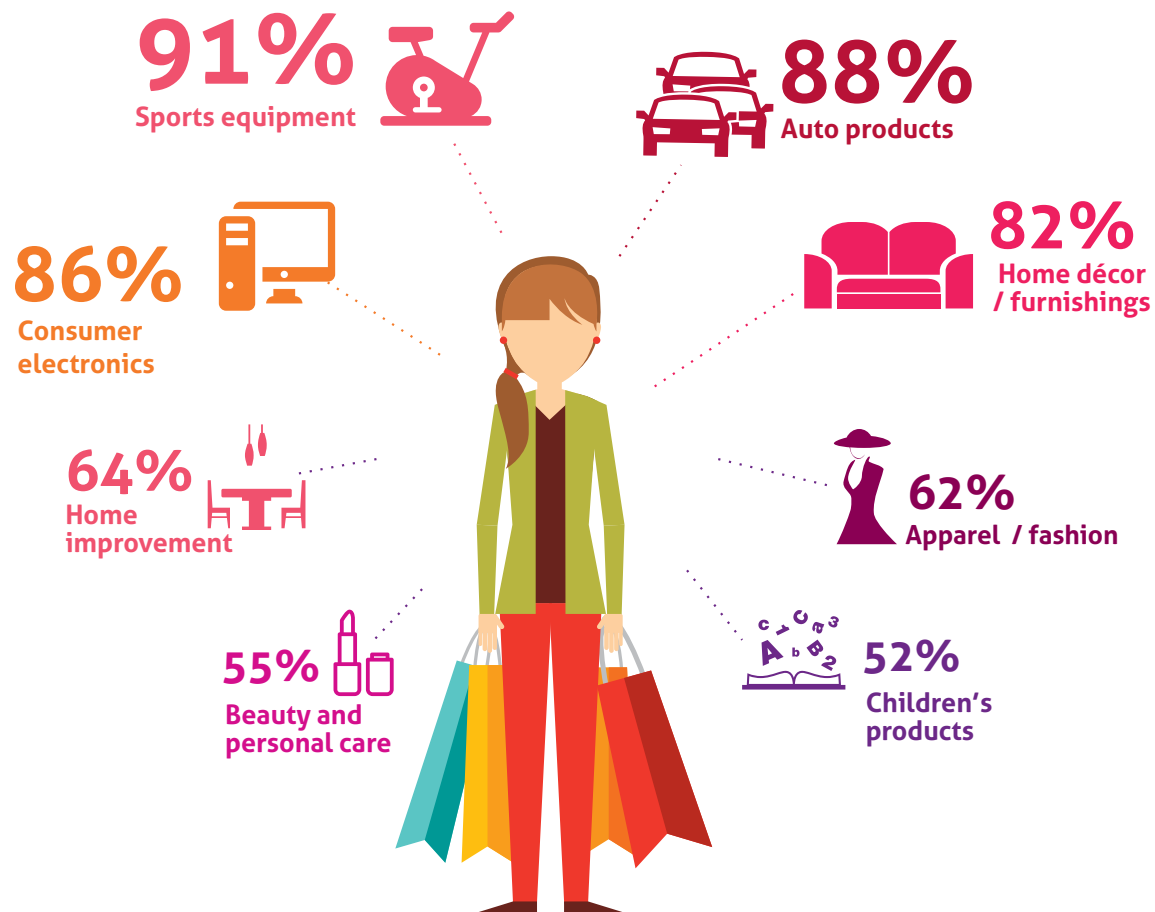
Using these insights gained from this report, you can develop sales associate strategies for more engagement in retail stores with shopper throughout their purchase journey. Learn what our 2016 shopper's survey revealed:

## 1) Sales associates' influence in shoppers purchase journey

In the highly competitive world of retail, sales associates play a critical role assisting shoppers in enhancing their experience within the store. While many studies in the past have confirmed that sales associates are critical to retail success, these studies don't go deeply into how and why. Now, the study by Mindtree reveals compelling insights into how the sales associate influences the purchasing journey of the shopper.

As mentioned earlier, the study included interviewing 600 shoppers across North America and found that a sales associate's interaction with shoppers has a significant influence on the purchase decisions for high-involvement products. In fact, approximately **70% of shoppers interact with the sales associate during the trip when they make the purchase.** This reflects on the fact that sales associates are aiding in the purchase.





The study also showed that the level of interaction with **sales associates varied across product categories**. For example, we found that shoppers who purchase from specialty, electronics and consumer goods stores tend to interact more with the sales associates than in other categories. In sports equipment, automotive, consumer electronics, and home decor we found that more than **80% shoppers** find the need to interact with sales associates. This indicates that high-touch products call for an increased engagement with sales associates, while general merchandise, such as children's products, tended to need less engagement.



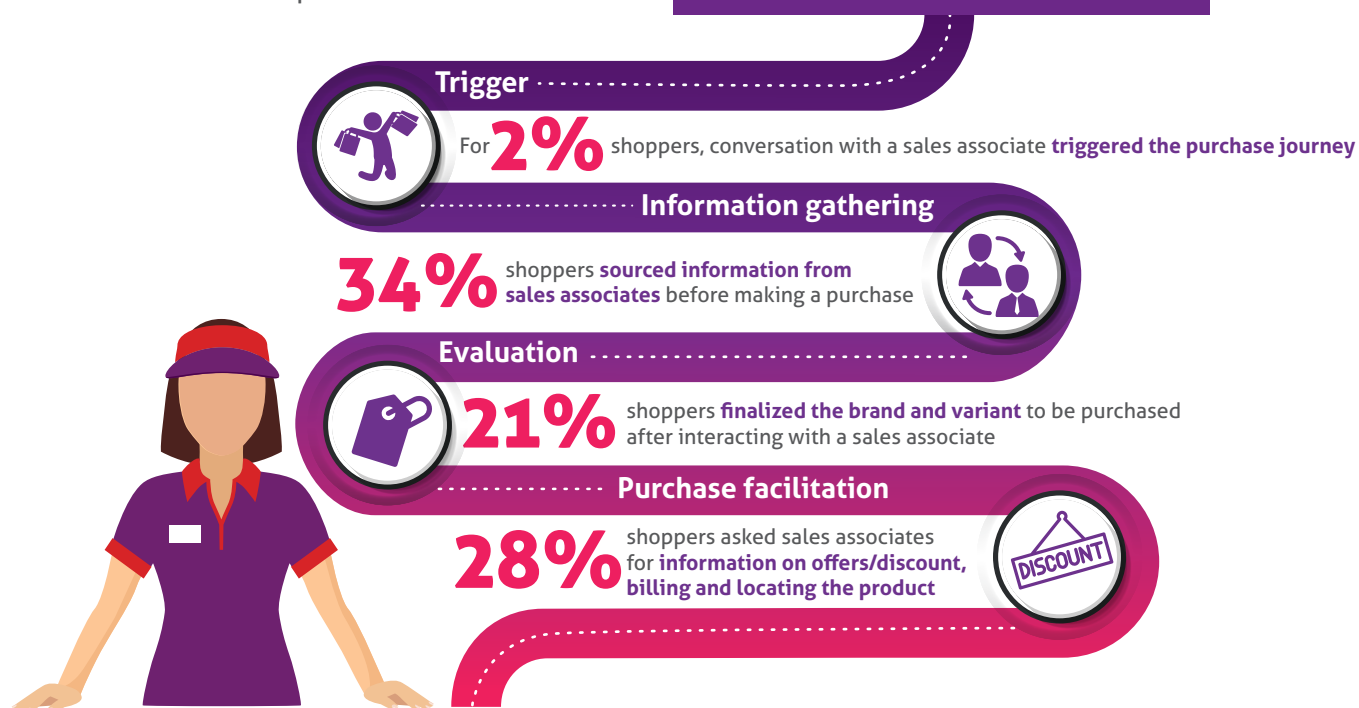
Anyone in retail knows that the shopper buying journey is complex – especially when products have a higher value. In our study, we focused on the buyer's journey and **asked shoppers how much a sales associates influence their buying journey and in-store experience**. We were surprised by their responses and we think you will be, too.

In following the purchase journey in the chart below, we see that the impact of sales associate is low in the initial triggering of the journey – only **2% shoppers** started thinking of a purchase based on a conversation with the sales associate. While that number is low, the actual impact is higher in later stages of the purchase journey.

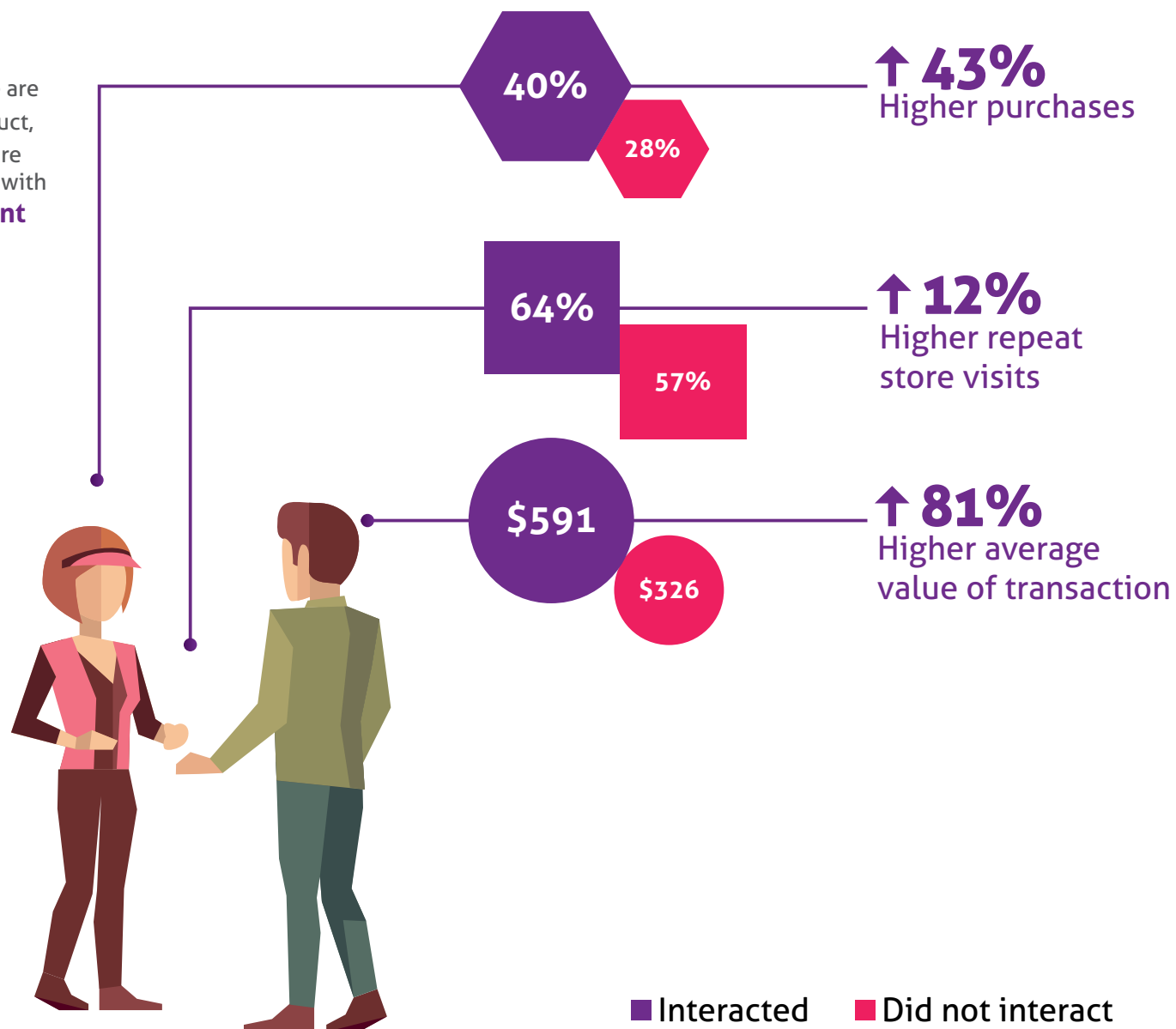
From creating a buying trigger to sourcing information about the product, finalizing the brand and finally facilitating purchase, the sales associates influence at each stage is valued by shoppers. In fact, some of the numbers are quite startling.

An insight for retailer is that store traffic doesn't matter as much as conversions and the increase in basket size that can be influenced by positive sales associate interaction. While the popularity of online shopping continues to climb, physical stores still account for more than **90% of sales** – especially when the buying decision is complex. As the survey results demonstrate, shoppers value solid product advice while in stores. This provides an ideal opportunity for your in-store sales associates to convert motivated shoppers into buyers, build loyalty and enhance shopper experience. This is clearly an area where retailers can be more proactive.

**Sales associates play a crucial role at every stage of the purchase journey.**



Shoppers who interact with a sales associate are **43 percent** more likely to purchase a product, and their transactions have **81 percent** more value, compared to those who don't interact with an associate. In addition, they are **12 percent** more likely to revisit the store.

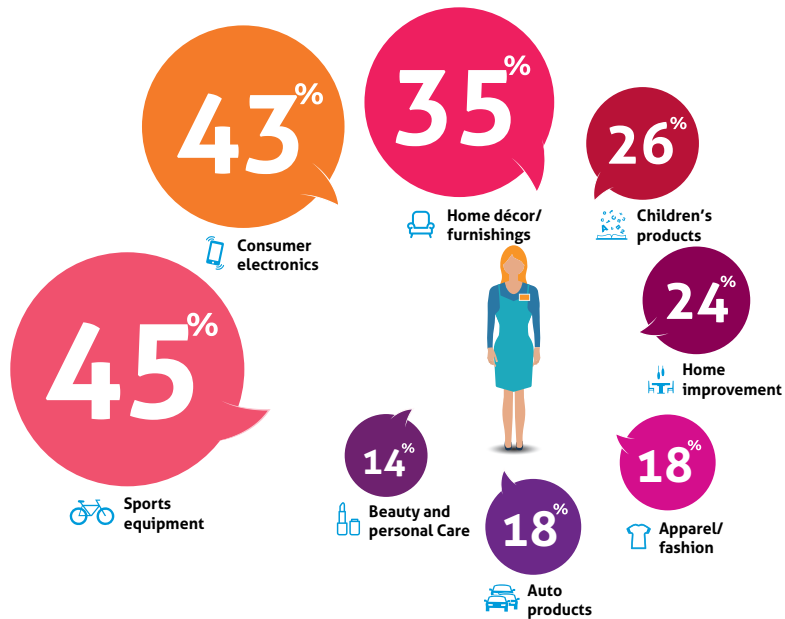
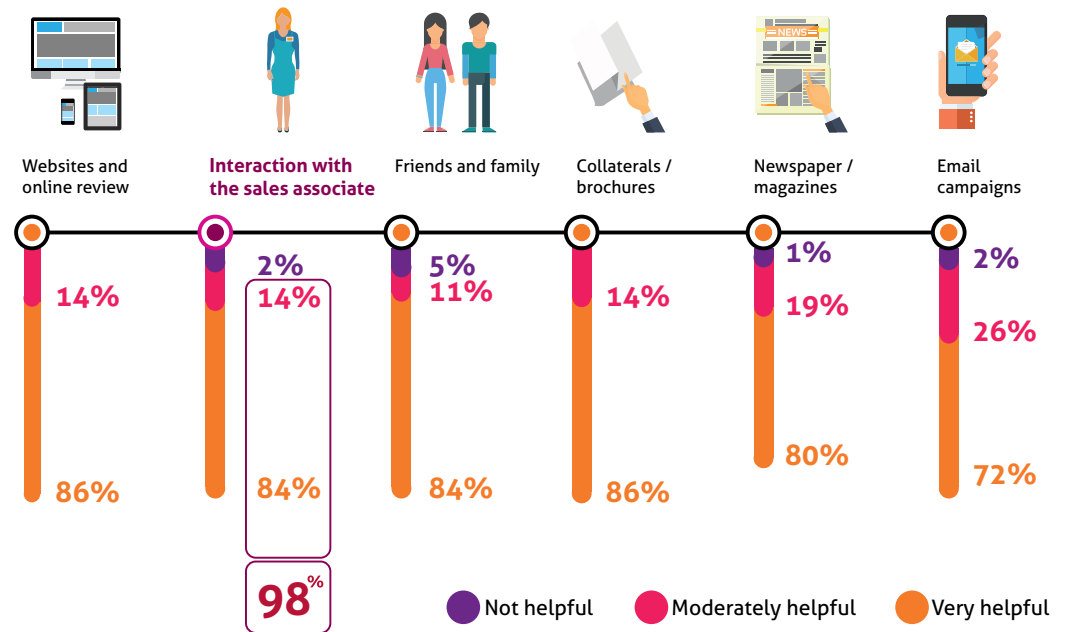




## 2) Shoppers do value assistance offered by sales associates

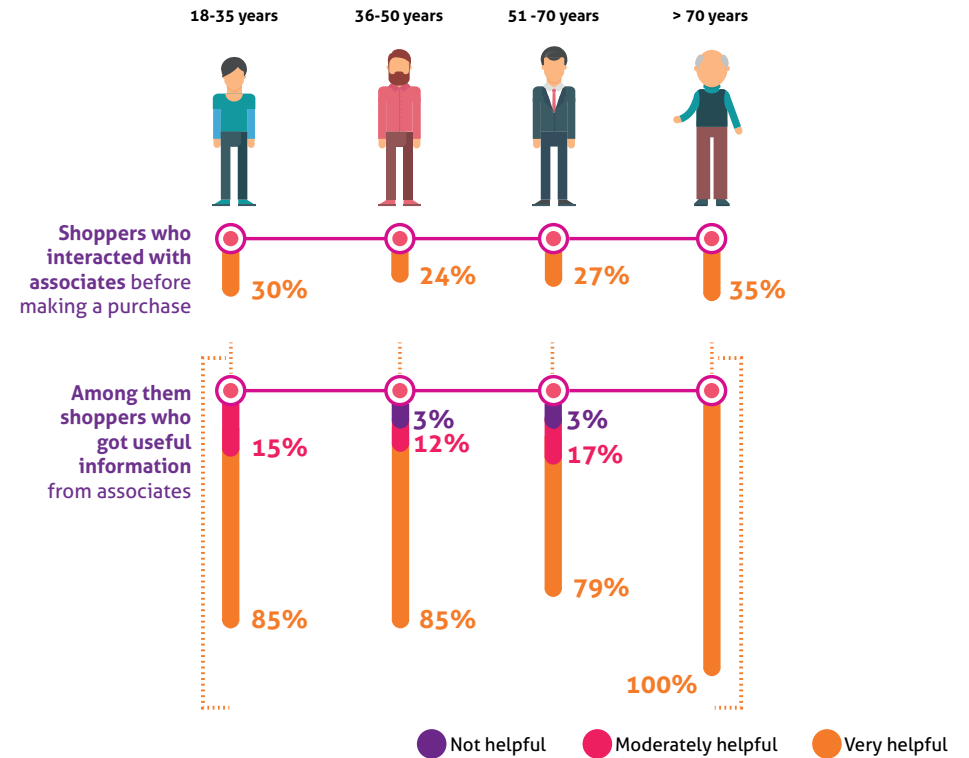
While it's true that none of us like to be accosted by aggressive sales associates when we are casually shopping, once a shopper needs essential information to move along the purchase journey, they are more than happy to be assisted by the sales associate and will actually seek them out and value the assistance provided.

Many shoppers said they value online reviews and product websites, however shoppers indicated that interaction with sales associates was a key source of gathering product information. In fact, **84% ranked sales associates as very helpful in gathering information** about the product they wished to purchase.



With that myth busted, we also noticed that the level of interaction varies across segments. Our study shows that a relatively **higher proportion of consumer electronics and sports equipment shoppers gather information from sales associates while making the purchase**. This makes sense as complicated purchases can entail a variety of product information needed.

One area we paid special attention to was the ages of the shoppers: Were their specific age groups needing more assistance than others? An interesting pattern emerged while decoding the age groups of shoppers seeking assistance. Around **one - third of shoppers across all age groups interact with sales associates** to gather information before making purchase and on average, approximately **80%** of them found that information helpful.



We often think of the millennial shopper as being totally wired in and digital. Yet, the belief that millennial shoppers are digital savvy, tend to research about the product, and don't need assistance, this myth was again busted and our survey paints a very different picture.

For example, about **80% of shoppers** in the age range of **18 – 35 years** interacted with sales associates at some point during their purchase journey. To us, this indicates that when these digital shoppers visit a store, they value the assistance they get from the sales associates – and they use it to make purchase decisions.

Our survey showed that when interacting with sales associates, the majority of shoppers seek information on product features, location, and offers and discounts. They are key areas of information to make the final purchase decision.

Personalization in stores is essential to happy shopper. So is enhancing the in-store experience, building attractive aisle displays, and offering in-store pickup. But it's also essential for retailers to invest more time in improving the quality of assistance provided to the needy shoppers.

Are you beginning to see that your sales associates are more than just operational staff? They actually represent your brand. You want them to become brand ambassadors and when they are on the floor engaging shoppers you want them to be aware of what's working and what's not in the shopper's experience.

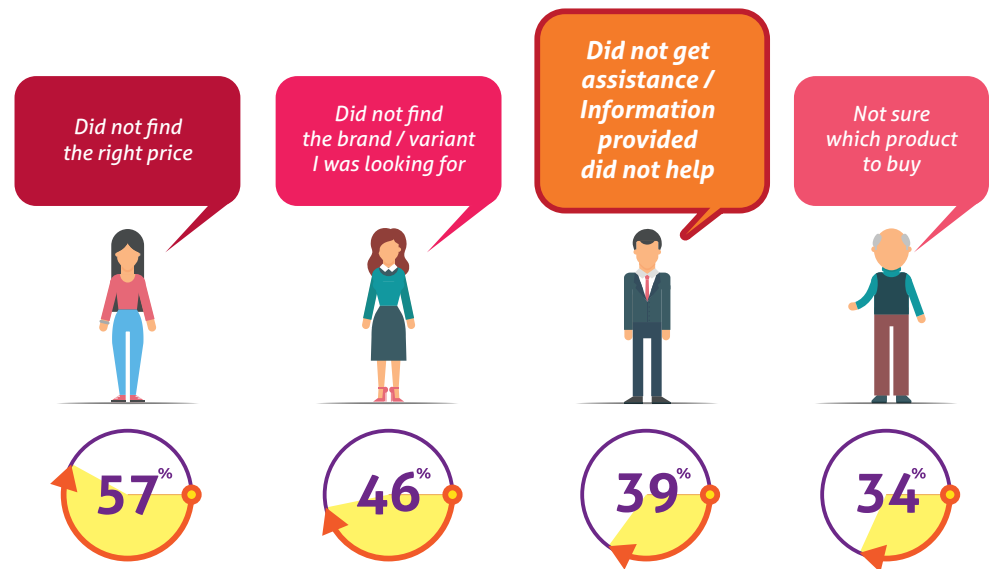


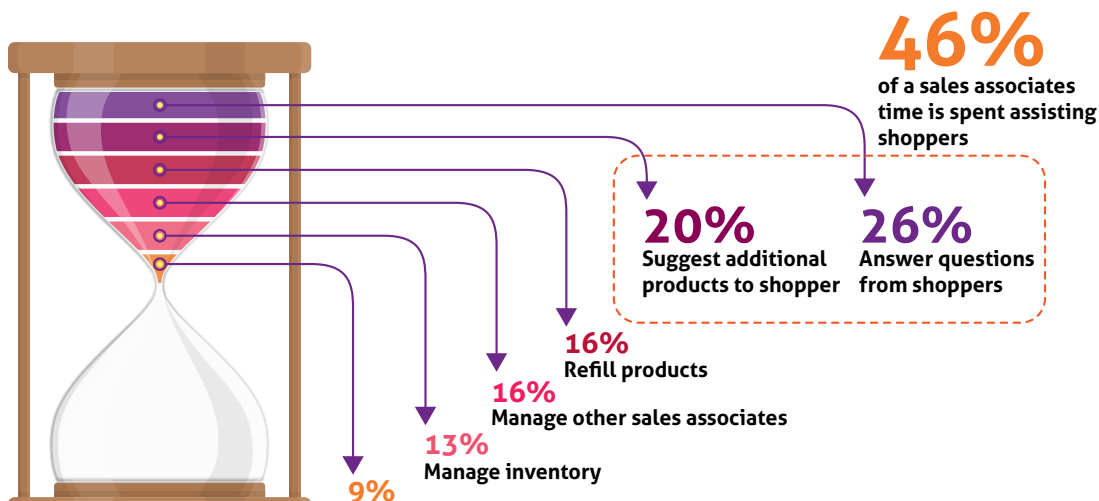
### 3) Decoding the lost shopper

Do you know why shoppers walk out of your store and into your competitor's stores? You should. Only by knowing this information can you keep your shoppers in your store and buying your merchandise.

The stakes have never been higher for retailers. With the rise of online commerce, mobile shopping and digital disruption, retailers are looking for new and inventive ways to attract and retain shoppers in their stores. From omni-channel shopper engagement to creating personalized experience in stores for shoppers, retailers are conscious of creating a seamless experience for their in-store shoppers. While experience counts for a lot across the purchase journey, for most shoppers we found that the reason they walked out of a store was because of price.

For example, the majority of shoppers (**57%**) felt they did not find the right price and this impacted their purchase decision. **46%** of shoppers said they were unable to find the right variant (size, color, etc.) they were looking for. And **39%** of the shoppers responded that they either received "no assistance at the store" or they were "not satisfied with the information provided at store".





If sales associates are interacting with shoppers almost half the time, then this seems to contradict the shopper's response. Analyzing the results further, we see that a clear trend emerges. We found that shoppers had a certain threshold for waiting for assistance. When assistance is not provided within this threshold, a relatively large portion of the shoppers walk out empty handed. This was a startling realization – but one that could provide real value for a retailer.

After talking with shoppers, we found that this ideal wait time differs across product categories. Overall, for all categories, **the ideal wait time for shoppers is half the actual wait time in other stores.** This means you're making your shoppers wait twice as long as they want to. In some categories such as home improvement and electronics and consumer goods – the actual wait time is around three times the ideal wait time.

Here's another bit of useful information for retailers: our survey found that **6 out of 10 shoppers visit an average 4 – 5 stores before making a final purchase.** How do you make sure that they end up at your store, and stay?

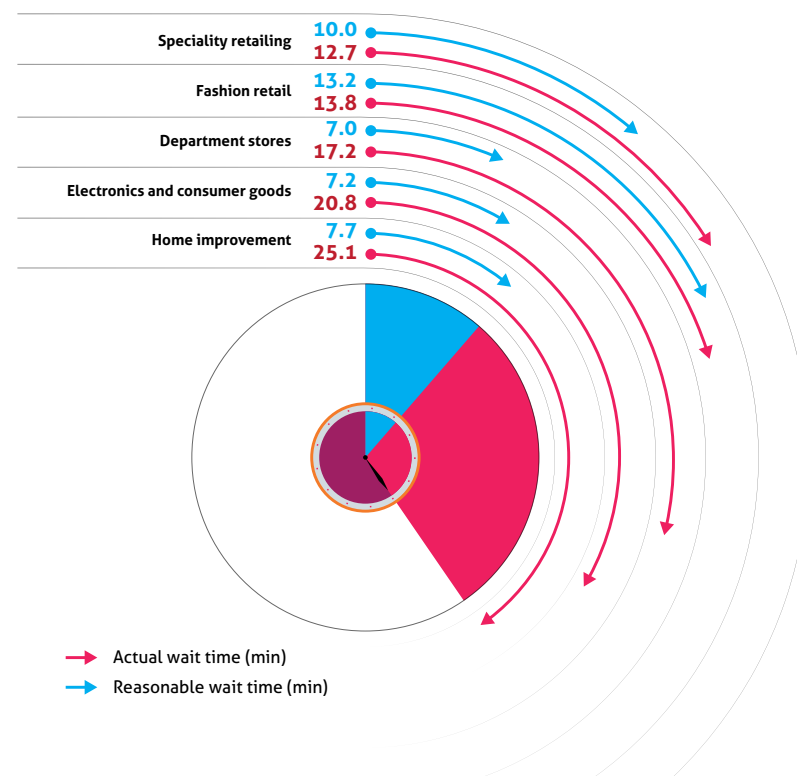
We also found that **55%** of such shoppers are interested in receiving more attention from sales associates. That is something within your control. However, most shoppers say they often leave a retail store in frustration when they can't find an informed sales associate to help them with selection.

The right sales person may well be in store, but they might be busy with non-shopper service related internal activities or engaged with casual shoppers. Their inability to identify and engage with high potential shoppers can be a "lose-lose" situation for shopper and store.

## How do you keep those shoppers in your store

**longer and purchasing more?** Price and availability of the desired brand and variant were certainly the key reasons for purchasing from another store. However, shoppers rate the lack of in-store assistance as the third largest reason for walking out of the store and buying from their competition.

In contrast to the above point, in actuality, sales associates stated they spend around **46%** of their time in assisting the shoppers. So, where's the disconnect with shoppers?

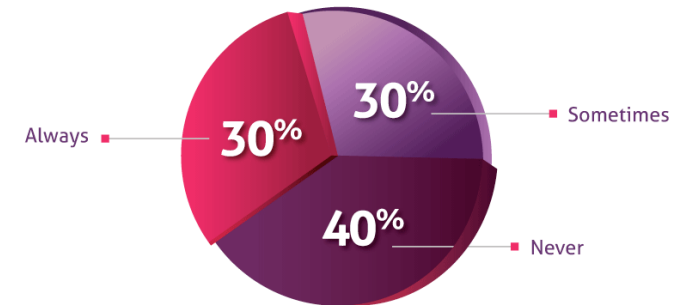


## 4) Technology can empower sales associates and improve customer engagement

In the highly competitive world of retail, store owners are pouring lots of resources into increasing store traffic. However, these measures will fall short if sales associates are not empowered and shoppers are not engaged. Only by helping sales associates improve their ability to engage shoppers will they ensure that shoppers do not walk out empty handed.

Across the shoppers we surveyed, the majority of people ranked 'lack of timely assistance' as one of the top reasons for walking to a different store. This is in contrast to those stores that provided timely assistance. For example, shoppers across segments stated where they received good assistance and where they did not and how this impacted their design to make a purchase – **40% were unable to find sales associates.**

% of shoppers unable to locate a sales associate.

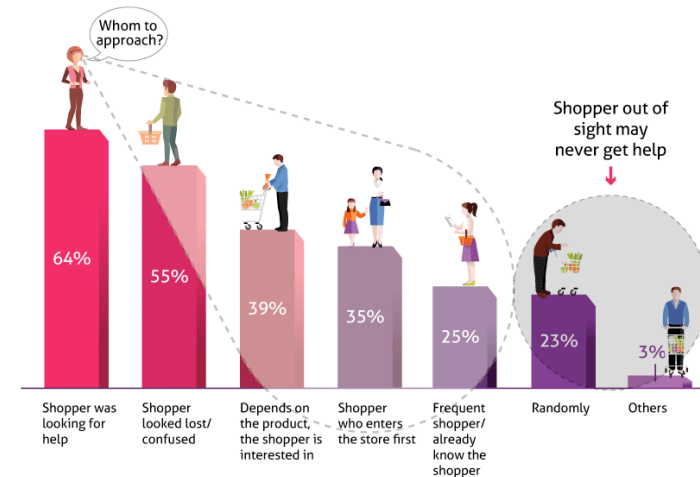


In defense of your sales associates, it's not like they are hiding in the back room. Most sales associates do engage with a large number of shoppers throughout the day and actually have a decent conversion rate. But are they choosing the right shopper to assist? How do they know the difference between a browser and a serious shopper?

So how do sales associates pick the shoppers they should assist? Today, most sales associates figure this out on their own based on their experience and judgement. As they scan the store for potential buyers, they mostly rely on visual clues. But how reliable is this?

In an industry famous for fickle shoppers, relying solely on sales associate's experience and judgement to choose the right shoppers and prevent them from walking out the door to your competitor is a risky proposition.

Sales associates use the following visual cues to decide whom to approach.



Over **90%** of sales associates are open to adopting tools that can assist them in customer engagement.

One of the best ways for retailers to improve the sales associate's ability to choose the right shopper and deliver engaging information is to use technology. By deploying tools that help sales associates to identify and spend quality time with the right shoppers will have a much higher chance of making a purchase.

While some retailers are experimenting with technology to empower shoppers with 'call buttons' and 'store apps', there are no tools currently in use that help sales associates in real time to connect and engage with shoppers.

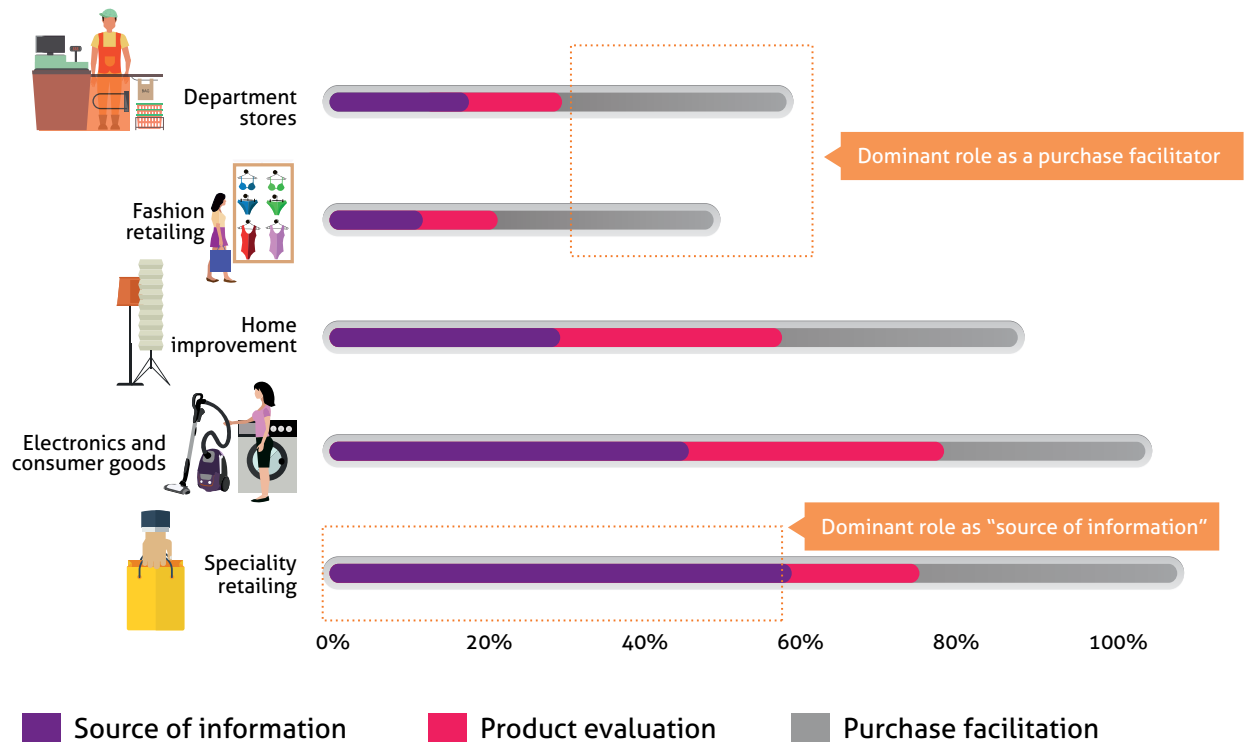
If there's a silver lining in the use of tools to improve sales, it's this: over **90% of sales associates** are more than willing to adopt tools that can assist them in shopper engagement. Why not empower them with the right tools to engage shopper and improve store sales?

## 5) Impact of sales associates across segments

While it's clear that sales associates really do make a positive impact on shopper engagement, our survey showed that engagement with sales associates is much higher in some retailers than others. For example, in **specialty retail, sales associates play a very dominant role as sources of information (58%) followed by purchase facilitation (34%).**

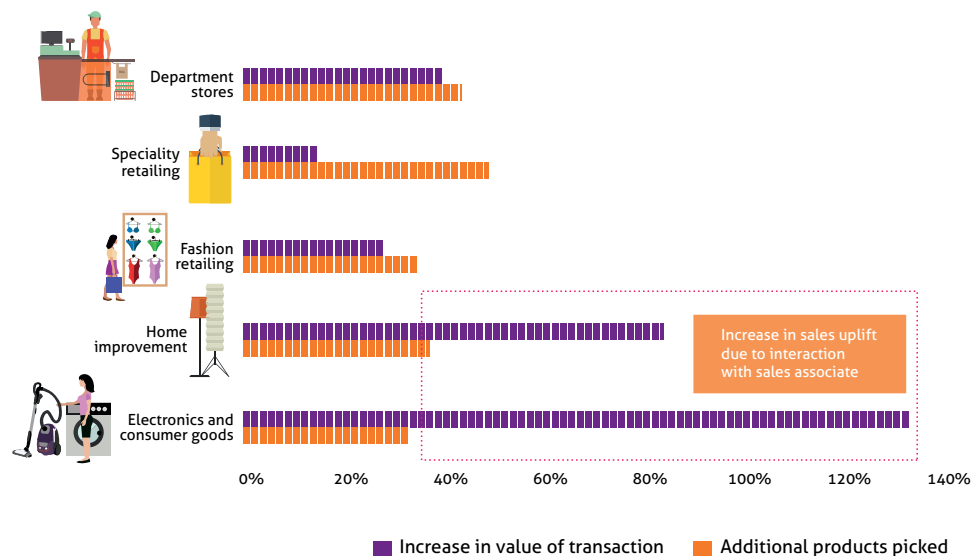
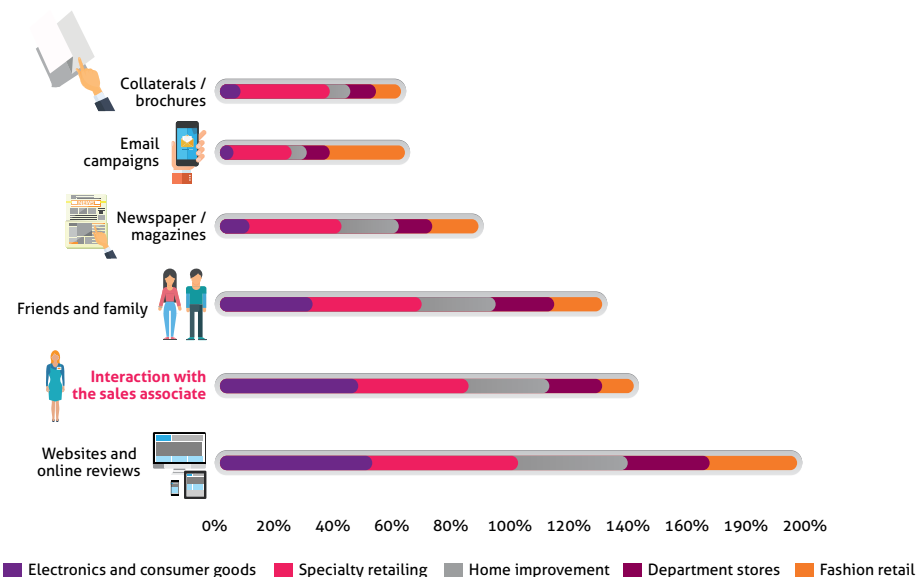
On the other hand, in fashion retailing and department stores, purchase facilitation (information on offers/discount, billing and locating the product) is the most significant area of a sales associate's role. **Compared to fashion retailing and department stores, electronics' shoppers needed much more help from the sales associate with evaluating the brand and components before making the purchase.**

Right in the middle of the pack, we found shoppers in home improvement stores needed assistance evenly throughout all stages of the purchase journey. Given the complex nature of products for all of these areas, these numbers seem in line with our assumptions.





One fact we found interesting is that online reviews were the most preferred source of product information for shoppers across all categories. This means that most shoppers did some preliminary research on the products they wanted to purchase before going to the store. **What's even more interesting is that shopper interaction with sales associates is the second most preferred source in electronics, home improvement and specialty retailing followed by advice from friends and family.** On the other hand, friends and family are the second most preferred source at department stores and fashion apparel followed by sales associates in third. This means these shoppers are more interested in the opinions of their friends than in facts.



Another point of great interest to retailers is that **50% of shoppers visit more than one store for specialty retail.** The number of shoppers seeking assistance on the **day of purchase is very high for this segment (91%)**

Retailers should also be aware of the different thresholds for waiting times for shoppers. Shoppers at a specialty retailer have a low threshold while waiting for assistance (**12.7 minutes**) versus the tolerance for wait times at home improvement (**25 minutes**). The message from the survey is clear: if your sales associates do not engage within these thresholds, your shoppers are walking out to your competition.

Sales associates who respond to the right shoppers quickly not only improve sales, but increase it as well. Our survey showed that shoppers who interacted with sales associates tended to spend more in dollar value than the ones who did not interact. For example, sales jumped **133% in electronics and consumer stores, and increased 84% in home improvement.** Similarly, **49% of shoppers in specialty retailing** ended up buying more products, and **44% of shoppers in department stores** buy more than originally planned when assisted by sales associates. That's data worth paying attention to.

## Technology empowers sales associates to make the sale

Despite the popularity of online shopping, physical stores still account for more than 90% of sales, especially when the buying decision is complex. As the survey results demonstrate, shoppers value good advice at stores, which provides an ideal opportunity for your in-store sales associates to convert motivated shoppers into buyers.

However, shoppers often leave a retail store in frustration when they can't find an informed sales associate to help them with selection. The right sales person may well be in store, but they are often busy with internal activities or engaged with casual shoppers. Their inability to identify and engage with high potential shopper can be a "lose-lose" situation for shopper, store and sales associate.

Most initiatives for improving in-store conversion rates involve personalization, which requires knowing the identity and preferences of the shopper. But the vast majority of in-store shoppers prefer not to divulge their identities. Consistently assisting the right shopper at the right time is an important factor for improving conversion and shopper loyalty, but not if it violates their privacy.

### Summary

Today's shoppers have more choices than ever, and retailers must find new ways to deliver an in-store experience that attracts and retains loyal shoppers. The results of our survey offers many insights into the impact of sales associates on the shopper's purchase journey, and the value your associates offer when it comes to providing a positive shopper experience.

Your sales associates are on the front line with your shoppers. The interaction between your associates and shoppers is a crucial factor that helps differentiate your physical stores from both online and offline competition. With the right sales associate solution, retailers can improve conversion rates, encourage shopper loyalty with better shopper experience, and improve sales associate efficiency.

The retail landscape is rapidly evolving to meet new shopper expectations for high-quality service. Now is the time provide your sales associates with the technology tools they need to drive a shopper experience advantage that competitors can't match.