



## **FOCUSING YOUR WORKFORCE ON THE MOMENT OF TRUTH**

**DELIVER A LEGENDARY CUSTOMER EXPERIENCE THROUGH  
YOUR WORKFORCE**

Presented jointly with:

**empathica**  
we speak customer



## Deliver A Legendary Customer Experience Through Your Workforce

In the last few years, retail customers have experienced dramatic changes in their lifestyles. Fluctuations in the economy have eroded their net worth, eliminated job security and changed their spending habits. What spending power they do have now has a greater significance in terms of emotional impact than ever before. They have been forced to look broadly for bargains and value. To do that, they have been trying new brands and, in some cases, done without. Even as the economy begins its slow thaw and retail customers return to the brands they once frequented, they do so with new expectations.

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Over **50%** of North American shoppers do not feel that employees appear to be genuinely interested in serving them.

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These new expectations are driven not just from the economy but also from evolutions in technology. The internet and smart phones have transformed the way people shop. A [2011 JP Morgan report](#) stated that 88 percent of US consumers shop online with more than 50 percent of the population buying something online at least once per month. In this same vein, a recent [Google study](#) showed that 70 percent of smart phone owners use their devices in the store to help with their shopping. Today, the customer has the reins with near-limitless product information, reviews and recommendations from like-minded people, and the ability to check product availability anytime and anywhere.

The customer experience can no longer be seen as a series of brief, disconnected interactions. It is now a journey made up of many moments of truth during which opinions are formed and decisions are made that ultimately lead to whether or not the customer will buy a particular product from a particular retailer. Given these changes in customer expectations, differentiation by price alone is not enough. Retail customers know what they want, what they like, and more importantly, what they dislike. They are craving to be heard and want to know that retailers truly appreciate them and the hard earned cash that they have to spend. Retailers must differentiate via the customer experience.

So, what makes a legendary customer experience? How can retailers deliver an experience that is truly appreciated by their customers and demonstrates that they are listening? What can retailers do to ensure that they deliver the best possible customer experience?

[Axsium Group](#) and [Empathica](#) partnered to find answers to these questions. We asked 5,000 retail shoppers to tell us what makes a legendary customer experience. Their answers show that the retail workforce plays a significant role delivering on their expectations. In this paper, we examine the survey findings in detail. We show how the elements of a customer experience can be deconstructed and prioritized. We discuss how those elements can and must be reflected in the workforce strategy. And most importantly, we provide concrete steps that you can take to align your workforce strategy with your customer experience strategy.

## What Makes Up A Great Customer Experience?

A great customer experience is a highly orchestrated journey of retailer actions with the goal of maximizing their impact at the time the customer is about to make a decision. While the buying decision is the decision retailers care about most, the reality is the customer journey is made up of many decisions, and we call each of these decisions a “moment of truth”. Just as there are multiple decision points, there are also multiple paths the consumer may take – and it is not always a linear journey. Think of it more like a scene on a stage, where the set must be laid out correctly, each actor must know her lines and the supporting props must be in place for the show to be a success. This requires the retailer to understand the customer journey as a whole, to understand the moments of truth along the way and to have a plan to staff the associates in the right place at the right time and armed with the right knowledge to maximize the chance of conversion, up sell and cross sell.

Marketing faces the difficult challenge of making sure the brand promise is communicated effectively. When customers step foot through the doors, it is critical that the brand promise is upheld and consistent in every store, on each and every visit.

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Customers offered a helpful suggestion by an associate had a basket size **31%** larger than customers who had not.

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A key way to ensure that associates are focused on the tasks that will have the greatest impact on the customer experience is to understand what drives customer loyalty. This can be accomplished by developing a loyalty model. A loyalty model identifies and quantifies

the impact of each moment of truth in the customer journey. It goes beyond surface drivers of loyalty (e.g. product selection, associate friendliness, etc.) to understand how the underlying “drivers of the drivers” influence loyalty (e.g., an associate making helpful suggestions, or offering to help get additional sizes or colors of clothing when they are in a fitting room). The loyalty model simply explains the unique value proposition for the brand in terms of journey’s moments of truth, and which of these moments the brand is going to be renowned for—speed, selection, availability, prices, product, knowledge, quality, etc.

Many of these moments are directly supported by behaviors that associates consistently exhibit or activities they participate in (e.g., stocking, cleaning, and training, consultative selling, being friendly, speed in which they work, etc.). While some behaviors may be “table stakes”, each has an impact on customer satisfaction, loyalty and advocacy. Some actions are critical to a successful moment of truth and these actions require special attention within the workforce model.

The benefits of aligning the workforce model to a customer experience management (CEM) program are significant:

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Over **80%** of consumers in the US and Canada indicate a positive impact on their shopping experience when staff appear motivated and eager to serve them.

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- At one retail client, customers who were offered a helpful suggestion of an additional product to the initial product they were considering, experienced higher rates of satisfaction and had a basket size 31 percent larger than those who did not receive a suggestion during their store visit. It is important to note here that the suggestion made to the customer not be seen as overt “up-selling” (which typically has a negative impact on the customer

perception of the service experience) but instead is seen as a thoughtful, no pressure suggestion, made from the heart of the sales associate.

- Another retail client found that a 1 percent increase in customer satisfaction rendered a 0.2 percent increase in same store sales. These benefits have real tangible impact on the business and should be considered paramount when looking at how best to deliver a legendary customer experience.

These examples illustrate that a deep understanding of what creates brand loyalty can be used to determine the impact of changes in the service model on customer loyalty and create a direct linkage with financial performance.

## What Do the Customers Say? Survey Findings

Empathica’s latest [Consumer Insights Panel](#) survey polled 5,000 consumers with specific questions about consumer shopping behavior and the impact of associate and management interaction on their buying behaviors. Findings of the survey provide significant context to this discussion about customer experience and the workforces’ role in providing that experience.

### 1. Highly-trained associates are most important

One in three consumers consider highly knowledgeable and well trained associates as the single most important element when purchasing a luxury product. In fact, three out of four consumers say that they will walk out or buy less if there aren’t enough knowledgeable associates in the store.

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**75%** of consumers will walk out of the store or buy less if there aren’t enough knowledgeable associates available.

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### 2. Engaged associates make a great impact

Eighty percent of consumers noted that interacting with highly motivated associates has a very positive impact on their buying behaviors. However, the penalty for an unengaged or unavailable associate is high – resulting in lost sales or walk outs. One in three consumers noted that they regularly need assistance from associates and 40 percent of consumers noted that associates were not regularly available to answer their questions. The bottom line: when associates are engaged and doing a good job, the impact is



incredibly positive, yet retailers lack consistency and having associates focused on relevant tasks poses an on-going problem for consumers.

### 3. Lack of accessibility to managers

While engaged associates have a great impact, the retail consumer's inability to get consistent access to managers creates frustration. Forty percent of consumers cited a lack of access to managers on a regular basis. The message here is that managers need to be more available and out interacting on the store floor.

**What does all of this mean? How is this relevant to the discussion about a legendary customer experience?**

Two things stand out in this survey:

- **The retail associate directly influences the customer experience.** For a customer to have a legendary experience, the retail associate must be engaged, educated, enthusiastic and available. The consequences of failure in this area are dramatic. As the survey indicates, 75 percent of consumers will walk out or buy less if associates are not available to assist them.
- **Managers still play a critical role in the customer experience.** As the strongest sales people in the organization, there is significant value to having managers on the floor interacting with consumers and associates. Accessibility to store leadership is seen as instrumental to the buying behaviors of consumers and how they define a good customer experience.

## What Can You Do About It? A 5 Question Self-Assessment

Consumers clearly have strong opinions about how retail associates impact their customer experience. Knowledgeable, engaged, enthusiastic and available associates single-handedly influence the experience more than any other attribute. For a retailer to deliver a legendary customer experience, their workforce must consistently exhibit the right behaviors and flawlessly execute all activities and tasks. Clearly, this is easier said than done.

We have developed a five question self-assessment to help retailers identify opportunities to have their workforce deliver the experience their customers' expect.

### 1. How much labor is required to deliver a legendary customer experience, and do we have the budget for it?

Many retailers cannot answer this question. This is because many retailers manage labor as a percentage of sales or to sales per labor hour (SPLH). While this ensures that labor costs are constrained, it does not consider how much labor is actually required to perform the work that needs to be done. It does not answer the first part of the question: how much labor is required to deliver a legendary customer experience?



To accurately understand how much labor is required, a retailer needs to develop labor standards. A labor standard definitively states how much time it takes the average associate to perform a given task. Developed correctly, labor standards are statistically accurate and accommodate variations such as locale, store format, and seasonality. By understanding the labor standards for each task that is performed in its stores, a retailer can accurately predict how much labor is required for each activity, job, and department given a certain level of demand.

With labor standards, a retailer can compare how much labor is required to deliver a desired customer experience to its budget to answer the second part of the question above: Is it financially feasible to deliver a legendary customer experience? In most cases, it will be, but if it is not, labor standards can help identify activities and tasks that can be streamlined, reduced or eliminated to ensure that budget is available for what is most important.

### **If you can't answer this question or answered "no", then do this:**

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Contact your labor standards provider to begin either updating or validating your current labor standards. If you don't have labor standards in place, now is the time to start charting that path. Up-to-date and accurate labor standards will tell you how much labor is required to deliver a legendary customer experience and provide you with a means to identify activities that can be eliminated or reduced fit your desired customer experience into your budget.

## **2. Do our associates have the right skills to succeed?**

What makes a successful sales associate or store manager? Is it strong personal skills? An eye for detail? Deep product knowledge? In touch with the latest trends or gadgets? Creative problem solving? While some attributes are consistent across retail, the specific skills and competencies of the most successful associates will vary based on the customer experience that a particular retailer wants to deliver.

For most retailers, the answers to these questions are not clear cut. When dealing with a large workforce, the answer lies in understanding what percentage of the workforce has the skills and competencies to be successful, if that percentage is acceptable, and if not, what can be done to improve it.

The good news is that you can rely on science to find the answers. By using surveys and statistical modeling, a Success Profile can be created that objectively describes the attributes of people most likely to be 'A' players in a given role. A Talent Audit can be conducted that compares the skills and competencies of an existing retail workforce through to quantify its strengths and weaknesses. The output of this process forms the basis for future training, recruiting and staffing strategies allowing

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When is the last time you evaluated your Labor Standards? Like other critical store systems, standards age with time and should be refreshed periodically to ensure accuracy and they keep pace with changing customer needs.

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retailers to move the needle on the quality of their workforce and increase their ability to deliver a legendary customer experience.

### **If you answered “no” or could not answer this question, then do this:**

Contact your workforce management or human capital management consulting partner and discuss how to create Success Profiles and Talent Audits for your workforce. These tools provide the insight you need to answer this question and establish a strategy to ensure that you have the right people in the right jobs.

### **3. Do our associates understand the customer journey, behaviors and activities that we expect?**

Having associates with the right skills is one thing, but do they know the right things to do? Do they understand the customer experience that their retail employer is trying to deliver? While all retailers provide some degree of training to their associates, much of it is focused on the basic things like how to operate the till, the proper way to fold a shirt, or when to clean the bathrooms. Some of it is focused on product knowledge or soft-skills (e.g., asked open ended questions). Very little, if any, formal training is focused on the customer experience. Without such training, the answer to the question above is a resounding “no”.

There are two effective methods to deliver customer experience training: e-learning and playbooks.

1. E-learning stands for “electronic learning” and is sometimes referred to as online learning or computer-based training. It has been around for a long time, and as with most technologies, it continues to improve at a rapid pace. Current e-learning solutions are rich, interactive, multimedia training environments that improve knowledge retention at significantly lower costs than traditional instructor-led training. Many retailers already use e-learning and it provides a strong platform for customer experience training. Videos, interactive presentations, and self-assessments help consistently explain customer demographics, their journey, and the role of the associate in the customer experience.
2. Think of playbooks as the “CliffsNotes™” version of your customer experience. Targeted at in-store associates, a playbook is a small brochure or booklet that fits neatly into a shirt or apron pocket. It reinforces and reminds the workforce of the behaviors they should demonstrate and the activities that they should perform to successfully engage and support a customer.

### **If you answered “no”, then do this:**

A comprehensive training program is critical to enabling your associates to provide a legendary customer experience with each and every point of contact. Contact a knowledgeable training provider that is well versed in workforce management and has a background in customer experience management.



#### 4. Do our schedules accurately align our available staff to customer demand?

As our data shows, when customers are effectively engaged by sales associates conversion rates and/or basket sizes increase. Yet, too often, managers use experience or gut instinct to estimate when customer demand will peak and how much labor is required to meet that demand. Certainly, the corporate office provides guidance as to sales, transaction and/or traffic volume each store should expect in a given week or even by day of week. Yet, managers still have to guess when demand will ebb and flow throughout the day.

Predicting the details of customer demand is both difficult and time consuming when done by hand. So, many managers use the same schedule week after week making small adjustments based on new and departing associates, time-off requests, and corporate driven tasks such as inventory or training. They think, “we’ve met our sales targets before and we’ve worked this schedule, so it surely should work just fine.” The reality is that customer demand evolves and changes. These changes mean that a schedule that met demand one week will not meet the demand the next.

Today’s labor forecasting and scheduling software automates this complex process and improves the results. It accurately forecasts customer demand to the quarter hour and schedules qualified and available associates to meet that demand. Large retailers have used this type of sophisticated software for decades. The solutions on the market today have matured and improved to the point that they are accessible for retailers regardless of size.

#### **If you answered “no”, then do this:**

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The advantages to deploying forecasting and scheduling tools are many, most notably the improved ability to align staff to customer demand. Automated scheduling untethers your managers from the back office and gets them on the floor interacting with associates and customers. Reach out to a reputable workforce management software provider or consultant for more information.

#### 5. Do you have a way to measure and validate the impact of your workforce strategy on your customer experience?

A Russian proverb made popular by US President Ronald Reagan during the Cold War says “doveryai, no proveryai” or “trust, but verify”. Once a retailer knows the relative importance of each attribute in the customer experience, and where the key “moments of truth” are on the customer journey, it is critical that the service elements around these attributes are executed upon consistently by associates. This is why a CEM program must do much more than merely report on customer feedback; it must prescribe solutions and provide a feedback loop with real customers acting as the auditors to ensure the changes and recommendations are being properly executed.

A store manager may only spend 10 minutes with associates at the beginning of a shift, but it is a critical time to set the tone for their day. It is critical that staff focus on what is most important to the customers and will have the biggest impact on their perception of the quality of the experience. In our experience we



have found that retail stores can only focus on fixing 1-3 things at a time in the store. The loyalty model and prescriptive reports from the CEM program help ensure that these are always the right things to improve the customer experience.

Aligning associate action with what drives loyalty among the customer base obviously makes good business sense in terms of corporate focus, but with a CEM program, there is another benefit as organizational learning can be applied across stores and best practice sharing can be integrated into the solution. This ensures that brand standards are consistently executed across associates, shifts and stores.

### **If you answered “no”, then do this:**

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Contact your CEM provider to discuss how your CEM program can ensure that your workforce strategy is aligned to your customer experience goals, and how it can provide solutions in areas in which deficiencies are identified.

## **Conclusion**

Today, retailers are competing on the customer experience. As we have discussed, this experience is more than a purchase decision. It is a journey made up of multiple “moments of truth”. As our survey results have shown, the workforce has a far-reaching and tangible affect on the customer experience as a whole and the many of the individual moments of truth along the way.

To deliver a legendary customer experience, retailers must challenge themselves. They must ask themselves, “Where in our workforce strategy do we consider *how* to deliver our customer experience strategy and how do we provide the agility to incorporate ever-evolving customer insights?” In other words, “are we doing all we can to facilitate and deliver a legendary customer experience at each store, one customer at a time?” The old tenants of a workforce strategy are sound: automation, cost control, speed, scalability — but alone they are not enough.

It takes more to deliver an experience that satisfies your customer’s needs, resonates locally, and positively changes their buying behaviors. Ultimately, the customer experience must match the promises you have publically made about what your brand stands for, to the point where the customers feel emotionally invested. As advocates, they can become a powerful marketing force for your brand, telling their friends and family about how their local store and their favorite associate went above and beyond, helping to acquire new customers, and firmly retaining the ones you have. Yes, retailers have to do this cost effectively, and yes, they have to be compliant at all times. But, think about this idea in terms of your brand and how you deploy your people.

Much can be done by asking the right questions and self-assessing the current status of workforce alignment and customer experience strategy. As outlined in this paper, fairly simple labor model changes and/or labor model updates, improvements to scheduling and forecasting, a thorough assessment of existing and new talent, a comprehensive training strategy, and an integrated, prescriptive CEM program



can chart the course to a properly aligned workforce strategy. This is not to suggest that retailers need to take on all of these areas at once. In fact, for most it will be one or a combination of a couple of these elements that often lead to significant improvements in the experience. Delivering a legendary customer experience is both an art and a science, and the benefits of aligning your workforce strategy with your customer experience objectives are clear: an engaged, focused workforce delivering on the brand experience that customers expect — at every location, on every shift.

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## About Axsium Group

Axsium is the world's largest, independent workforce management consulting practice. Our consultants have unparalleled experience helping large organizations with their workforce management initiatives. Equally important, many came from the industries that they now serve and provide valuable real-world experience that is unmatched by our competitors.

Axsium's staff of more than 100 full-time consultants, many directly from retail and the WFM vendor community, have successfully completed over 250 WFM engagements. As the world's largest vendor independent workforce management consulting firm, we have worked with 8 out of the top 10 retailers. Our client list includes over 65 top retailers, representing over 240 brands, with over 80,000 stores. For more information, visit [www.axsiumgroup.com](http://www.axsiumgroup.com).

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## About Empathica

Empathica provides Customer Experience Management programs to more than 200 of the world's leading brands, ranging from multi-unit retailers, to banks and restaurants. Its rich analysis of survey data using state-of-the-art surveying and dashboard reporting software allows for performance-improvement solutions, evidence-based marketing insights, and customer experience management consulting.

Annually, Empathica's 30 million customer surveys in 25 languages reach more than 70,000 locations. A privately-held organization, Empathica is headquartered in Mississauga, Ontario, Canada, has an office in Birmingham, England, and U.S. executive consultants in New York, Chicago, Los Angeles, Atlanta, and Bozeman, Montana . For more information, visit [www.empathica.com](http://www.empathica.com).

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