



How to Increase Retail Sales: **A GUIDE TO IN-STORE CONVERSION RATE**

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Introduction

When was the last time you walked into a store determined not to buy something?

If you answered “never” then you’re not alone. 71% of shoppers want to leave stores with a purchase in hand.¹

If you answered “last week”, then you’re either lying to yourself or have admirable willpower and restraint.

Shoppers want to convert into customers. That’s why they go shopping in the first place.

96%

of shoppers globally leave a store empty-handed

Source: ivend, 2018

But if converting shoppers is the goal, the physical store is failing. 96% of shoppers surveyed globally leave a store empty-handed².

And if converting shoppers is a challenge now, stores are setting themselves up for failure.

Statistics show that store traffic is gradually declining and will continue to do so.

Only 10% of millennials surveyed by Oracle shop in-store at least once per week, compared with 18% of baby boomers.³

So how can retailers offset the negative revenue impact of declining store traffic?

By making sure a higher percentage of shoppers who do step inside the store leave with a purchase: by increasing the store’s conversion rate.

Conversion rate increases when shoppers make more purchases, both planned and unplanned.

Stores can make this happen by:

- **Eliminating anything that could trigger a shopper to abandon their purchase**
- **Encouraging longer browsing that’s more likely to result in an impulse buy**



¹ Salesforce and Publicis.Sapient, Shopper-First Retailing, 2018

² iVend, Global Path to Purchase Survey, 2018

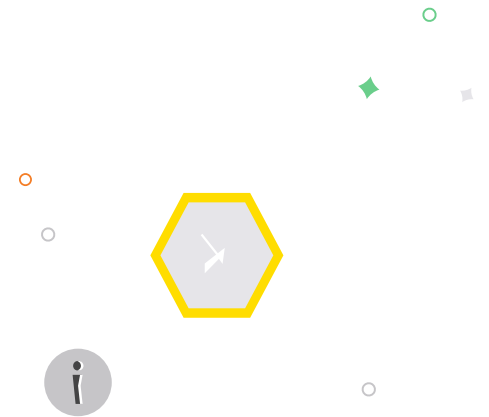
³ Oracle Bronto, Online or In-store? Exploring the shift in shopping behaviour, 2018

Conversion rate is nothing new for most retailers.
So why are we writing an entire eBook about it?

Because an abundance of technologies exist to help retailers increase their online conversion rate. These don't exist for the physical store.

Cart abandonment emails, display retargeting and A/B testing are just a few examples of ways online retailers increase their conversion rates.

But if we're in an omnichannel age and the physical vs. online dichotomy is dead, where is the same approach for brick and mortar?



This eBook is About:

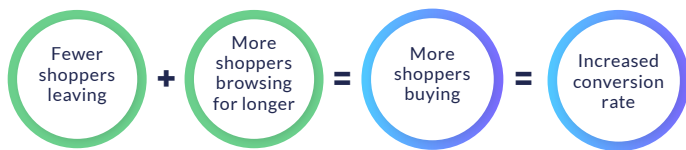


- **Why they trigger in-store conversions**
- **How retailers can improve them to increase their conversion rate, grow sales and future-proof their stores against whatever the future holds**

Area 1: Store Look and Feel

Why Store Look and Feel Increase Conversion Rate:

Store look and feel can prevent shoppers from abandoning their purchases and encourage longer browsing. Both make shoppers more likely to purchase something.



The components of store look and feel are visual merchandising (look) and lighting, music, cleanliness and any operational tasks that contribute to the store's atmosphere (feel).

Each has an impact on buying behaviour.

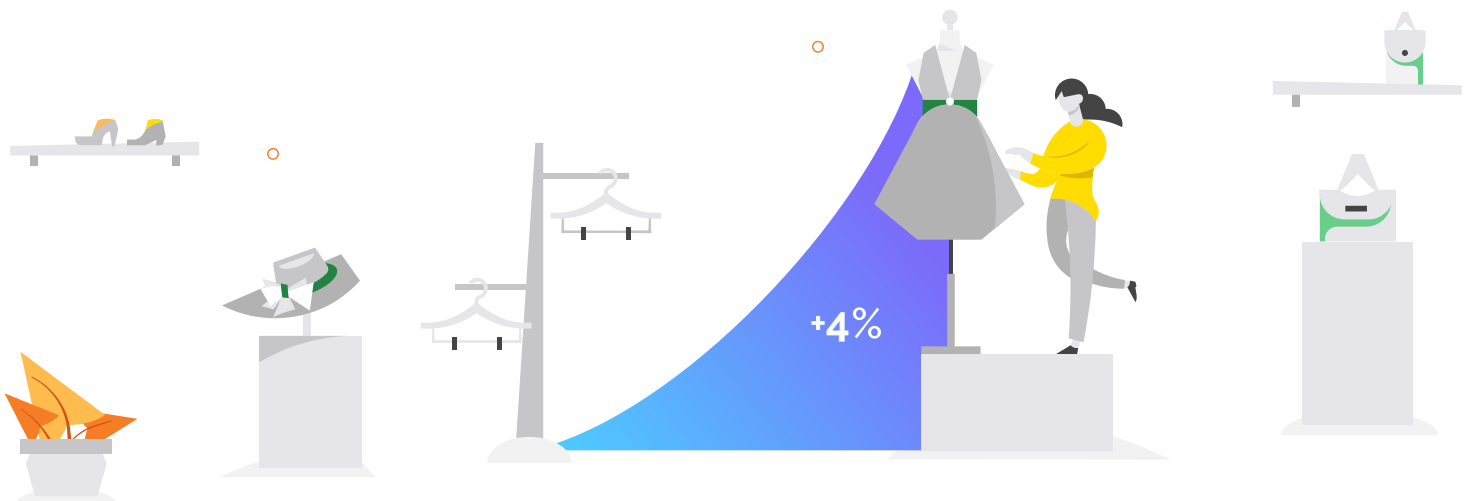
Studies have shown⁴ that shoppers exposed to visual merchandising make inferences about both the quality of store's merchandise and the value of the brand. Positive inferences make browsing and impulse buys more likely.⁵

Most of us have a preference for information in a visual format, so the quality of visual merchandising is the first way we decide whether or not we want to continue browsing in a store.

The feel of the store puts shoppers in the right emotional state for a planned or unplanned purchase.

That's because the right atmosphere lowers the shopper's perception of the time and effort they'll have to put into browsing and waiting in the store.

Lining up for the fittings rooms doesn't seem so bad when there's good music playing, for example.



⁴ Baker, Parasuraman, Grewal, & Voss, The Influence of Multiple Store Environment Cues on Perceived Merchandise Value and Patronage Intentions, Journal of Marketing, 2002

⁵ Park, Jeon & Sullivan, How does visual merchandising in fashion retail stores affect consumers' brand attitude and purchase intention?, 2014

**SHOPPERS WHO ENJOY
BROWSING THE STORE**

**FEWER SHOPPERS
LEAVING**

**MORE SHOPPERS
BUYING**

To Increase Conversion Rate, Store Look and Feel Must Be:

- ▲ Visually appealing
- ▲ Consistent with other stores
- ▲ Representative of the brand
- ▲ Varied
- ▲ Engaging
- ▲ Conducive to easy navigation



How to Increase Conversion Rate by Improving Store Look and Feel:

**Make it easier for stores to implement and maintain the perfect
store look and feel in the long run**



Long-term maintenance is difficult.

A lack of store resources and employee churn are just two of the many reasons why.

Proofreading your own work is difficult because your mind autocorrects the words to what they're supposed to say. Similarly, store teams are less likely to notice that something's off if they see it everyday, making it the default mode of the store.

What's needed is a system of checks and balances shared between the store team, area manager and HQ that makes store look and feel everyone's responsibility.

Stores implement and maintain the look and feel, and ask for help when they can't follow through.

Area managers oversee store look and feel across multiple stores and coach store teams on faster and more accurate execution.

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HQ is responsible for giving instructions in a store team friendly format. Most importantly, HQ must continually re-evaluate the systems used to communicate with stores and make adjustments when necessary.

Understand shopper behaviour and arrange the store accordingly



A 2013 study⁶ found that when shoppers are considering an impulse buy, they'll pick up or touch an item more than once.

Shoppers need space around displays and shelves to stand close to the products and handle them. Manipulating space can trigger longer browsing and ultimately impulse buys.

Change up visual merchandising to keep shoppers engaged



To be engaging, stores need to be dynamic, not static.

69% of consumers expect to see new merchandise on display when visiting a website or store⁷. That's a lot of moving things around for store teams.

Agile store teams can't exist without the procedures created by HQ to support them, though.

A completely new visual merchandising refresh that needs to be done by tomorrow morning?

No big deal for agile store teams. They already know who's responsible for doing what and already have everything they need from head office.

69%

of consumers expect to see new merchandise on display when visiting a site or store.

Source: Salesforce & Publicis.Sapient

⁶ Hui, Huang, Suher & Inman, Deconstructing the "First Moment of Truth": Understanding Unplanned Consideration and Purchase Conversion Using In-Store Video Tracking, 2013

⁷ Salesforce and Publicis.Sapient, Shopper-First Retailing, 2018

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Area 2: Promotions

Why Promotions Increase Conversion Rate:

Who doesn't love a good sale?

Promotions make us happy, and it's scientifically proven.

A 2012 study⁸ found that participants' oxytocin levels surged by 38% when they were offered a \$10 off voucher.

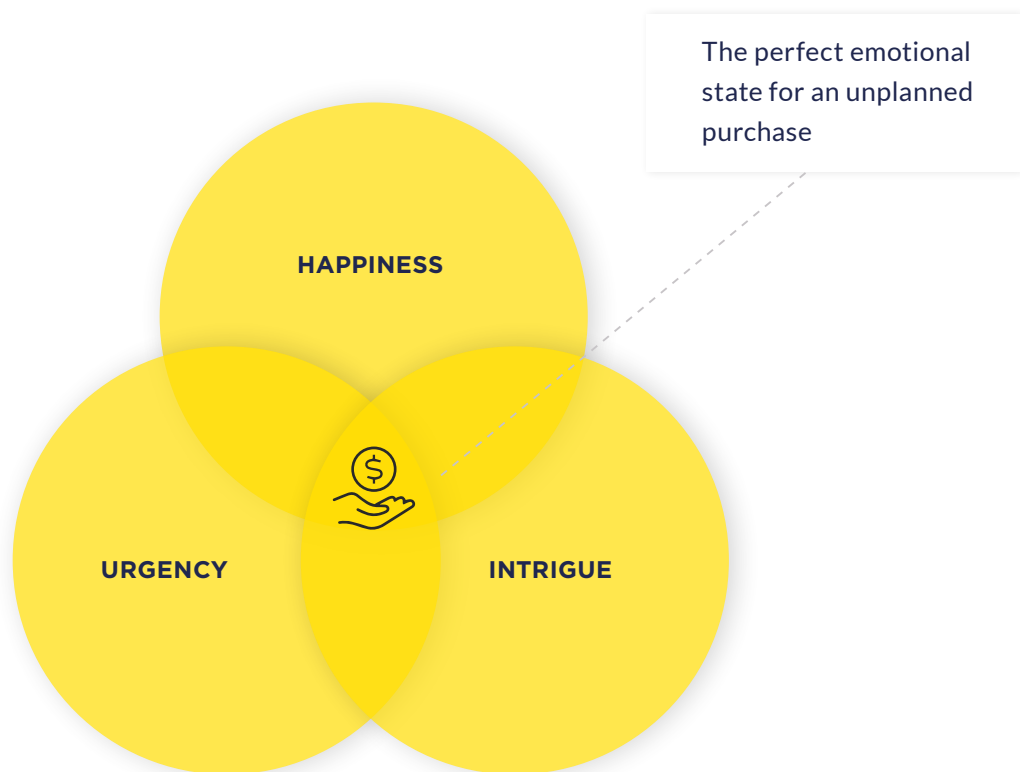
Promotions create feelings of intrigue, draw shoppers further into the store and encourage additional browsing.

They're time-limited and create a sense of urgency.

Happiness + intrigue + urgency = the perfect emotional state for an unplanned purchase.

Promotions make retailers happy too, because they clear stock from the store.

Keeping aged stock around with no one to buy it is costly for retailers, so it's in everyone's best interest to make sure each promotion performs well.



⁸ Paul J. Zak, Your Brain on Coupons: Neurophysiology of Couponing, 2012

To Increase Conversion Rate, Promotions Must Be:

- ▲ Visually appealing
- ▲ Consistent (with online, other stores, flyers, etc.) and accurate
- ▲ Implemented on time



How to Increase Conversion Rate by Improving Promotions:

Create store processes that support consistent and accurate promotional deployment



Promotions are unique because they can both draw shoppers into a store and make them leave.

For example, a shopper is enticed into the store by a sale sign in the window.

But if the products on sale don't match up with the discount promised on the signage, or are messily organised, defective or dirty, the shopper will make a snap judgement about the overall quality of the merchandise and the brand.

It's likely they'll leave the store.

Promotions that aren't consistent with what's promised via window signage, online and print lose the shopper's trust.

And in 2018, 71% of shoppers used their mobile phones in-store, so it won't take them long to uncover inconsistencies?

We can all think of a time recently when a great promotion lured us into a store, only to discover at the cash register that the items we chose actually weren't on sale at all. The signage just hadn't been taken down yet.

71%

of shoppers use their mobile phones
in-store

Source: Salesforce & Publicis.Sapient

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Retailers know that inconsistent and incorrect deployment of promotions makes shoppers walk out, so why do mistakes like this happen?

Retailers use the YOOBIC app to answer this question every time store teams deploy a promotion. The main reasons are:

- ▲ Promotional materials didn't arrive on time so the promotion started late.
- ▲ Promotional materials arrived but were wrong and there was wasn't enough time to send out new ones.
- ▲ Promotional materials arrived on time and were correct but the entire store team wasn't explicitly told when to stop displaying them.

In all 3 scenarios, the onus is on the retailer to make sure this never happens.

What's needed is a lightning-fast system to send materials to stores, verify they've been received and deployed (both correctly and on-time), and to fix errors that crop up.

It's up to the retailer to spot errors in execution before shoppers do.



9 Salesforce and Publicis.Sapient, Shopper-First Retailing, 2018

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Area 3: Sales Associates

Why Sales Associates Increase In-Store Conversions:

In the same way that visual merchandising causes shoppers to make snap judgements about the quality of the merchandise, sales associate social cues, product knowledge and availability cause shoppers to make inferences about the quality of interpersonal service they'll receive.¹⁰

Sales Associates Can Provide High-Quality Interpersonal Service by:

- ▶ Helping shoppers find what they're looking for in a fraction of the time it would take otherwise
- ▶ Explaining current in-store promotions, which builds intrigue and makes the shopper more likely to browse the store
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High quality interpersonal service makes the shopping experience more convenient and more memorable. Browsing the store seems more inviting, and so does making a purchase.

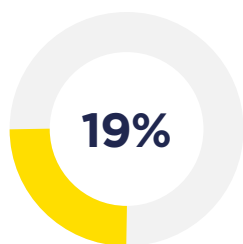
It may seem counterintuitive, but research has shown¹¹ that an increase in store traffic results in a decrease in conversion rate.

When a store gets busy, sales associates get tied up and there's fewer of them around to help shoppers.

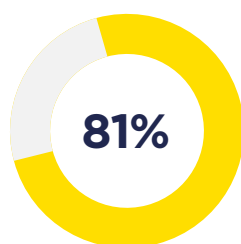
Shoppers infer that they'll get a lower quality of stomer service. The cost of the time and effort of browsing the store is too high and they'll make a snap judgement to either leave the store or get on with it.

This is how conversions are lost.

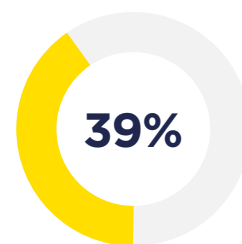
But even when sales associates are free to help shoppers, their skills leave a lot to be desired...



of shoppers consider recommendations from sales associates to be highly satisfactory¹³



of shoppers say available and knowledgeable staff are very important to their customer experience¹²



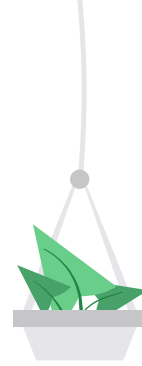
of retailers rank their execution on this as excellent¹²

¹⁰ Baker, Parasuraman, Grewal, & Voss, The Influence of Multiple Store Environment Cues on Perceived Merchandise Value and Patronage Intentions, Journal of Marketing, 2002

¹¹ Perdikaki, Kesavan, Swaminathan, Effect of Traffic on Sales and Conversion Rates of Retail Stores, 2011

¹² Incisiv BRP-Windstream, Enterprise Consumer Shopping Study, 2018

¹³ Adyen, 2018 European retail report



Sales Associates Who Increase Conversion Rate are:

- ▲ Knowledgeable - more so than shoppers
- ▲ Available to help shoppers
- ▲ Able to read nonverbal cues from shoppers and build rapport accordingly

How to Increase Conversion Rate By Improving Sales Associate Performance:

Fix the knowledge gap with training on product knowledge and social cues



Sales associates have a new role, and that role is to know more than the customer. The customer always walks into the store prepared.

Retailers haven't given sales associates the resources they need to rise to the challenge. If training doesn't go beyond a new employee's first week, how can they possibly keep up with consumer expectations? They can't.

To bridge the knowledge gap, retailers should make training on product knowledge continuous, easy to digest and accessible.

Product knowledge gives sales associates the confidence they need to approach shoppers, answer questions and give advice, but it's not everything.

Training on understanding social cues from shoppers and using that to build rapport is essential too.

A 2010 study found that shoppers don't always express themselves truthfully in a retail context¹⁴. Shoppers who intend to make a purchase may not express that intent verbally when talking to a sales associate.

It's up to the staff to read shopper behaviour and adapt their interpersonal skills to make the shopper feel comfortable.

¹⁴ Puccinelli, Motyka & Grewal, Can you trust a customer's expression? Insights into nonverbal communication in the retail context, 2010

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Fix the knowledge gap by using store performance indicators to target training



Teachers know that having an identical teaching approach for each student doesn't work. Each individual has different strengths, weaknesses and learning styles.

Same thing with store teams. Training that's targeted to improve weaker areas will be infinitely more successful than the same blanket approach.

The only way to identify store strengths and weaknesses is to have total transparency into key performance indicators (KPIs) across the store network.

Fix motivational imbalances by giving each store team transparency into their KPIs



Motivational imbalances in store teams prevent top performance and thus have a serious impact on conversion rates.

Unmotivated employees won't push themselves to help shoppers. Unmotivated employees put out the wrong vibe and shoppers pick up on this. So do other members of the team.

What can retailers give store teams to keep them motivated?
Transparency into their own progress.

Harvard professor Teresa Amabile and independent researcher Steven Kramer interviewed hundreds of employees across 7 different companies and found that the best way to motivate isn't giving commission or pay raises¹⁵.

It's facilitating progress and making employees aware of the improvements they've made. It's about celebrating wins, both big and small.

To track their own progress and stay motivated, store teams need transparency into their own KPIs.

So the best way to motivate a store to increase their conversion rate is to make them aware of what their conversion rate is on a regular basis.

¹⁵ Amabile & Kramer, The Power of Small Wins, 2011

Make sales associates available - with mobile devices



Checking the back for stock, finding answers to customer questions and completing operational tasks are all time-consuming.

Every second a sales associate spends on these things is a second where they appear unavailable to other shoppers in the store.

Unavailable sales associates are a reason shoppers don't complete their purchases. How can retailers ensure the important things get done without sacrificing sales associates' time?

By equipping them with mobile devices that help them complete time-consuming tasks in a fraction of the time it would take otherwise.

15%

of retailers are piloting mobile tech for sales associates

Source: BRP-Windstream Enterprise

Mobile tech ultimately helps sales associates help more shoppers in less time.

There will come a time when consumers expect all sales associates to have mobile devices.

But only 15% of retailers are piloting mobile tech for sales associates, despite its importance to customers¹⁶.



¹⁶ Incisiv BRP-Windstream, Enterprise Consumer Shopping Study, 2018

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Brands that win at retail are continuously pushing the boundaries of what it means to go shopping. A retailer that wows shoppers across the omnichannel spectrum will never find its stores empty.

But even so, inflation, wage stagnation, economic and political uncertainties and even the weather may cause overall store traffic to decline in the future.

Retailers can't control how shoppers respond to these things. But what they can control is how their stores perform.

Conversion rate is one of the best indicators of store performance available, and by increasing it retailers can insulate their stores against the negative revenue impact of declining store traffic.

By taking an observational, analytical and transparent approach to improving store look and feel, execution on promotions and sales associate performance, retailers can increase their conversion rate quickly and efficiently.

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About YOOBIC



YOOBIC is an all-in-one platform that helps retailers perfect in-store operations, maximize team productivity, and unify all communications to deliver an irresistible customer experience and increase conversions. With YOOBIC's In-Store Conversion Optimization, retailers finally have the agility they need to deliver the ultimate shopping experience that customers just can't resist.

Operational Excellence

Gain full visibility of your in-store execution, measure performance easily, and streamline all your daily processes.

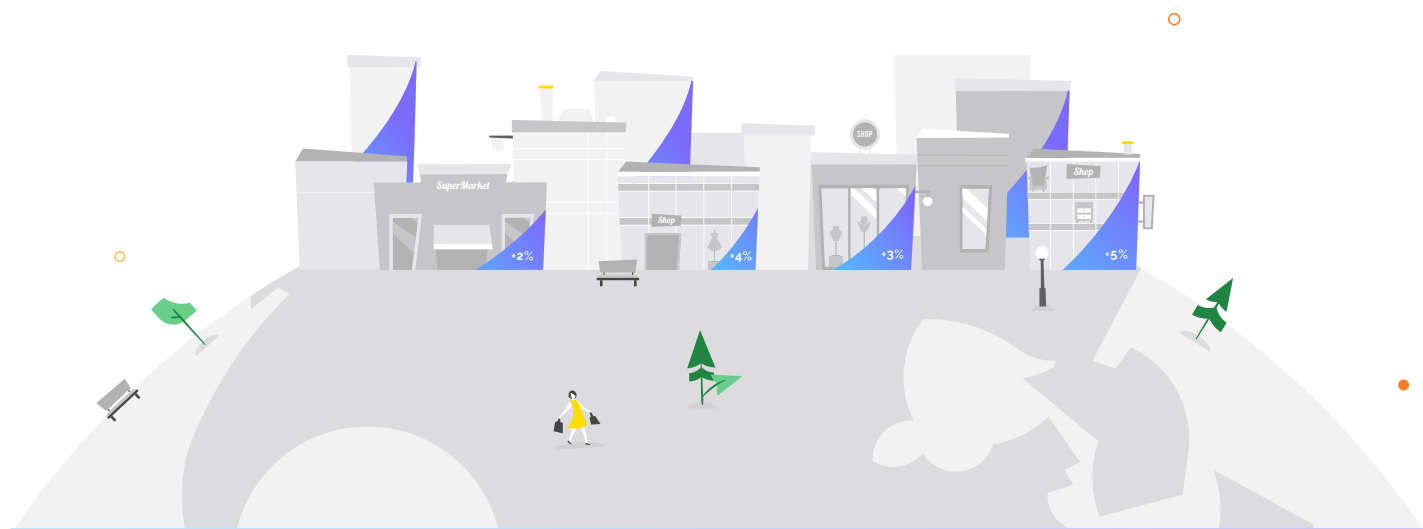
Enhanced Collaborative Training

Strengthen your teams through interactive training, performance incentives, and collaborative learning.

Unified Communication

Have your associates more connected, engaged and informed through one unified communication channel.

Trusted by over 100 retailers around the world including Lacoste, Peugeot/Citroen, and Halfords, YOOBIC's In-Store Conversion Optimization platform has increased their conversion rates by up to 22%!



Interested? Get in touch to learn more about YOOBIC and get a demo:

www.yoobic.com/demo