INCREASING STORE SALES IN A POST-COVID WORLD

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Problem

Less foot traffic in-stores across the industry

As mobile shopping rises in popularity more stores are faced with fewer customers which leads to store closures.
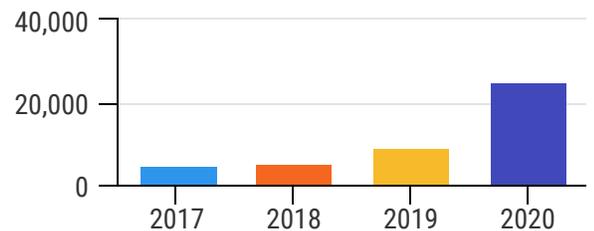**2017**: 4,800 stores closed *businessinsider
2018: 5,500 stores closed *businessinsider
2019: 9,300 stores closed *CNBC store closures
2020: 25,000 stores estimation with COVID

Store Closures 2017-2020

https://www.cnbc.com/2020/06/09/coresight-predicts-record-25000-retail-stores-will-close-in-2020.html
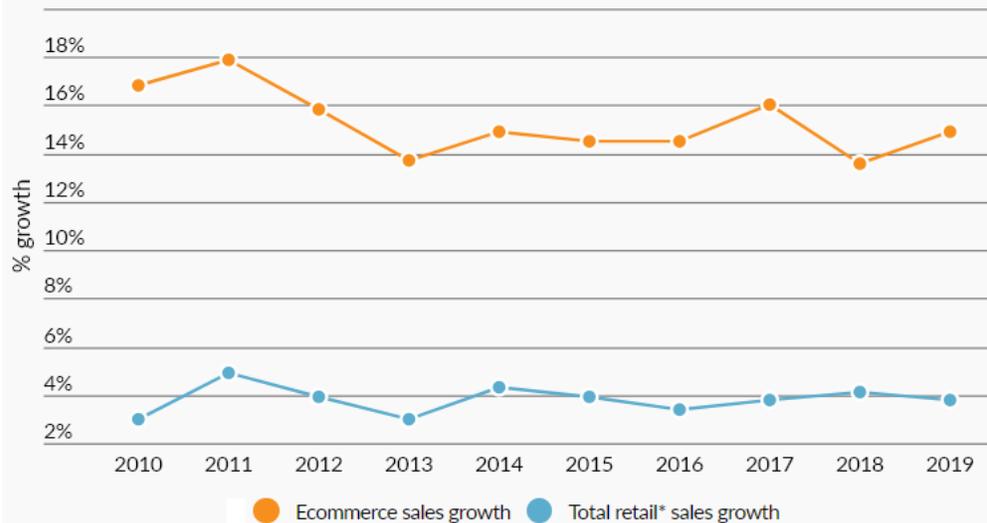
Retail trends

Online shopping is taking over and according to the CoreSight Research this trend continues with 60% closure rates compared year over year.

As of July of 2020 all Microsoft stores will be shut down, along with as many as 25,000 store locations in 2020 as reported by USA today.

COVID compounded the problem with temporary store closings and customers who are avoiding stores all together despite CDC protocols for cleaning and social distancing.

Comparing growth: U.S. ecommerce vs. total retail* sales
Year-over-year growth, 2010-2019

Ecommerce sales growth   Total retail* sales growth

Source: Digital Commerce 360 (formerly Internet Retailer) analysis of U.S. Department of Commerce data

Yet despite these trends, there are new strategies companies can use to survive and increase sales.

Solution

Increasing retail sales during a pandemic

A new approach is to stop categorizing opportunities by either "in-store" or "online". These two sales channels are not separate but can be used together to bring in additional revenue, decrease returns and save retail jobs.

The solution is to connect in-store employees with online shoppers in a video call - which is a contact-less communication that provides additional customer interaction. This new approach is called the "**video chat and purchase**" platform, which lets employees add items right into the eCart of online shoppers during a quick video call. The following items are needed to succeed:

TRUST
In-store employees are well education on new merchandise. They are a **trusted** source and valued more than online reviews - while FTC filed complaints over fake reviews

COVID / SAFETY
Any new sales channel must be **contact-less** to ensure the safety of customers. Employees should interact via video and can continue to work even if doors are closed

ECONOMICS
In-store employees lower acquisition costs by answering and selling to new customers during the video call; leading to higher CSAT scores and higher ACV over **customer life cycle**

IDLE TIME
Commission employees often feel **underutilized** with less foot traffic in stores. Taking video calls offers additional chances to advise and increase hourly sales rates

RETURNS
Average online returns range from 15-35% due to user error or lack of research. While an **expert** recommending and adding the right item reduces mistakes and returns

E-CART RATES
Online shoppers will leave a completed eCart 70-95% of the time. These rates decrease with a video and purchase platform due to the concierge approach and **human connection**

Deep Dive **Employee Idle Time**

According to WSJ's retail article, idle time costs companies $100 Billion per year. Yet in the retail industry, its not from unwillingness to work as these metrics are based on foot traffic and with decrease visits all employees are all left with more free time.
Time spent on sales activity is the key metric, by putting additional customers in a video call in front of trained salespeople the aim is to reduce idle time and replace with additional sales

https://www.wsj.com/articles/worker-idle-time-costs-u-s-employers-100-billion-a-year-study-says-1513785601

Utilization

Authors of "Retailing" by Dunne & Lusch describe a typical store's employee time focused on selling at 60%, with additional 25% on non-selling (admin) and 15% idle time.

The goal of adding video calls to in-store employees is to reduce non-selling and idle time by 10%. These 10% are now spent on answering video calls.

Assuming a salesperson sells $100 per hour, at 60% they can sell $600 per day. However, with a video/purchase platform they have an additional 10% of their time devoted to selling to online shoppers. This translates to an additional $100 per day in revenue, which is a 16% increase in daily sales, per each employee, at each store.

Retail Time Alocation

15.0 %
25.0 %
60.0 %

● Selling   ● Misc (non-sell)   ● idle
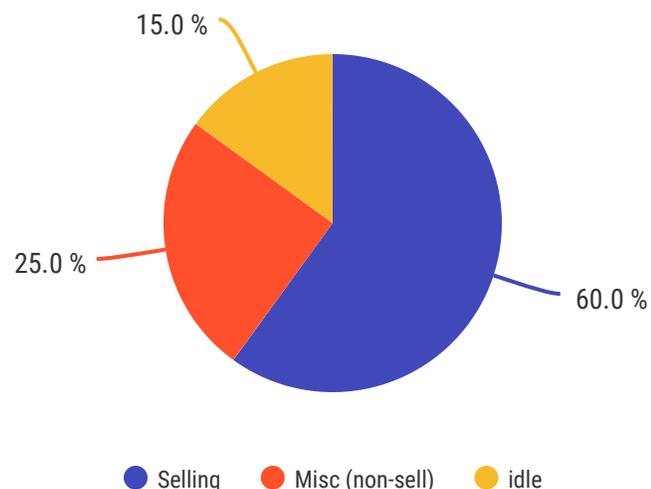
COVID has dramatically reduced time to sell, often ranging from 20-40%, thus increasing it back up to 60% using video sales calls yields a **50% increase** in sales until stores fully open up.

Using video calls and purchase technique stores can see immediate increase in sales of up to 50% and an additional **16% increase in sales** after COVID. This is the key to weather the storm and taking a stronger position in 2021.

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Conclusion   What's next ?

Retail is still facing many issues with rise of mobile purchases. Yet even with virus outbreak retailers can still compete by utilizing their greatest resource; their sales people.

By giving in-store employees a chance to video chat with online shoppers, stores can actually increase sales in turbulent times. The key to finishing a sale is the ability to add items right into the online shopper's eCart while the call is happening. This is the missing piece from video-only solutions.

Salespeople want to speak with more customers; its important to give them the tools to reach more people through new technology. These are the key points to focus while growing retail business:

INCREASED SALES

An increase of 16% in sales per salesperson in a single shift, at a single store and reduction of idle time by 10%

eCART INTEGRATION

Solution must be able to add items right into the eCart during the call. This is the key which leads to finishing the purchase

CONTINUE TRAINING

Employees must continue to be the trusted and knowledgeable force when customers ask specific questions

RETURNS

Metrics must be setup early to monitor the reduction in returns from the new video-based online purchases

Expert Minute provides software to connect in-store employees with online shoppers - with the ability to add items right into the eCart during the call. Software works via browser, so no apps are required and online customers can start the video call from any page on retailer's site. Expert Minute has a patent on the eCart functionality; with ability to add items during any call - making it completely contact-less.