

Capturing the wallet of the 'hybrid consumer'

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Although the internet has changed the way consumers buy almost everything from CDs and DVDs to holidays, flights and hotel bookings, many consumers still want to get out and visit the shops for their social facets that can't easily be replaced by an online experience.

According to Phil Hunter, managing director of the KioskCom Europe Self-Service conference and exhibition, the big problem for High Street retailers is that consumers' expectations have been set artificially high by instant online service, and convenient e-retail buying processes.

Queue? You're joking!

As a result, consumers are now much less willing than in pre-internet times to stand in queues and be presented with limited choices of products in-store. This, Hunter says, is due largely to the rise of a "hybrid consumer" who wants the range of products and transaction speeds they see online throughout bricks-and-mortar stores.

With a growing battle for the hybrid consumer's share of wallet - including getting existing customers to consolidate their spending - comes a convincing argument for the implementation of instant gratification in-store through self-service technologies such as kiosks. According to Hunter, "It is becoming quite clear that the internet is not enough. Successful multi-channel strategies require more than just online and traditional face to face options. Satisfying the demands of the hybrid consumer demands the adoption of self-service technology."

Self-service benefits

Retailers using self-service technologies have already reported sales uplifts of up to 8%, directly attributed to the technology, as well as improvements in customer service. Hunter said that self-service technology is also fast becoming a critical component of customer acquisition strategy for many of these retailers.

Over the past few years, retail interest in self-service technologies has increased as companies try to leverage internet-driven consumer familiarity with keyboards and touch screens, with the aim of boosting sales and service options and cutting costs.

Cost savings from kiosks

There are some good success stories involving the adoption of self-service technology, most notably the airline industry. According to a recent survey the airline industry's move toward self-service is already saving billions of dollars every year. Air Canada has

confirmed that the cost of a kiosk-based check-in is only 4.3% of the cost of an employee-assisted check-in.

Self-service kiosks in North American retail locations are forecast to rise by 69% during 2007, according to Summit Research, and retailers are expected to continue to show an increase in incremental sales of 6% - 8% where kiosks are placed in-store.

New retail concepts

Some forward-thinking retailers are pushing the boundaries of self-service technologies. For example, in 2006, designer retailer Ralph Lauren launched its interactive shopping experience - a 67-inch image featuring touch-sensing technology was projected into the window of the Ralph Lauren store at 888 Madison Avenue in New York City, allowing customers to shop 24 hours a day, 7 days a week, just by touching the glass. That brings a whole new meaning to "window shopping".

Perhaps most importantly, an in-store e-commerce kiosk provides retailers with the option to provide product lines and services that would not be possible in otherwise physically limited retail spaces. Such a kiosk can provide the hybrid consumer with the speed and quality of service they are looking for and, provided there are enough kiosks available in-store, without queuing.