

# Cutting Costs and Increasing Value: How Video Collaboration is Impacting Retail's Bottom Line



Dollar impact comparison between digitally- and mobile-influenced in-store sales and eCommerce in the United States, 2014



As with all customer-facing sales, bricks-and-mortar retail is changing at an ever-increasing speed. Demographics shift, customers become more selective, and new marketing channels constantly arise. Retail must rapidly adjust and modify existing sales models, approaches and processes to satisfy the needs of future customers. At the same time, to be successful and profitable, retailers need to streamline staffing, make supply-side relationships more efficient, and touch customers in new ways to ensure customer loyalty.

The days of mass marketing are over.

Traditional retail is also in an intense struggle with e-commerce for customer share. Fortunately, e-commerce relies entirely on a human-free shopping experience, while research shows that customers still value face-to-face interaction — especially when that interaction is with knowledgeable salespeople. In its 2015 study *Navigating the New Digital Divide: Capitalizing on digital influence in retail*, market researcher Deloitte Development, LLC found that e-commerce still makes up a tiny fraction of retail purchases, but that digitally influenced sales, including mobile device interactions, accounts for 2.6 trillion dollars in sales.

The study quotes J.C. Penney executive VP of Omni-channel Mike Rodgers:

“Deloitte estimates that 50 percent of all retail transactions by the end of next year will have a digital experience involved, they buy it or they research it. I argue that at J.C. Penney we are already beyond 50 percent. And what we are seeing in our traffic by device is very indicative of this.”

A great deal of that digital experience is Internet web browsing to identify and compare retail products and research product applications. But leaving digital interaction at that level often leads to customers using stores to touch and see products, but consummating the sale online.





The key is leveraging and maintaining existing product expertise, as well as staff enthusiasm, in a cost effective way.

What retail needs is a new medium to re-engage retail customers, giving them new reasons to shop *and* buy locally. Polycom believes video conferencing is that new medium.

Brick-and-mortar stores are uniquely positioned to use enterprise-grade video conferencing for new customer engagement strategies. First, store-based sales organizations have acquired the best product expertise. Second, customers can see, touch and try out products in a retail shop. Third, retail sales has a golden opportunity to close a deal, even if the physical product must be delivered later.

The key is leveraging and maintaining existing product expertise, as well as staff enthusiasm, in a cost effective way. You can do that using both hardware- and software-based video conferencing technologies, in four traditional retail activities: sales meetings and education, instantaneous customer sales support, face-to-face customer assistance, and routine store and supply chain administration. Video conferencing goes beyond the traditional, though, because it also lets you also merge social media into your customer's shopping experience, which is important for the newest wave of "millennial" shoppers.

### Video Sales Education

Sales education is a necessary, but not always well appreciated, part of the retail selling engine. Sales associate have to be kept up to speed on product promotions, marketing strategies, store performance, and the nuts and bolts of direct customer interaction. Alas, most retail sales training today relies on 20th-century read-only delivery using paper bulletins and email flyers.

Video-enabled sales meetings bring a whole new dimension to sales education. Sales managers can pull in product specialists from multiple locations to focus on specific items or campaigns, and provide frequent face-to-face reinforcement of messaging and objectives. This technology uses common web-based delivery, and works with standard computers and monitors, eliminating the complexity of "boardroom" conferencing setup.

Today's video conferencing is user-friendly and instantaneous. You can create as many meetings as you like on demand, without having to schedule hardware and technician resources in advance. You no longer have to book a room with an IT attendant, and because you essentially have an unlimited, free resource, video conferencing becomes accessible to any staffer that needs to jump on a conference to address an issue right away.





Giving retail customers access to video conferencing requires a more sophisticated platform, but fortunately one that is mature and easy to deploy: the video kiosk.

Video is also simple to record and redistribute, either globally via your corporate website or selectively using secure email links to a centralized video library. Modern video editing tools let you quickly produce time-efficient presentations that can be replayed for future audiences, such as new sales associate trainees.

With a strong supply chain relationship, you can even bring in outside subject matter experts from a supplier — anywhere in the world — to give your staff personal hands-on education. This benefits the supplier, and a recorded supplier video call becomes a permanent asset in your video training library.

### **Video Conferencing-enabled Kiosks for Customer Assistance**

Bringing video to your staff is straightforward, as they already have access to your enterprise network and desktop computers. Giving retail customers access to video conferencing requires a more sophisticated platform, but fortunately one that is mature and easy to deploy: the video kiosk.

A video conferencing kiosk combines an interactive touch screen with a high-quality video conferencing camera and flexible video conferencing software or hardware to deliver a totally new customer assistance experience. But kiosks are not about the technology. They are about customer-centricity and convenience.

Have you ever been to a home improvement center and tried to find where a particular product, such as an electrical part, was located, how many are in stock, and whether it will solve your problem? It could take you five or ten minutes just to track down the sales associate for that department, and then you must still explain what you're looking for and follow the salesperson around as they try to find what you want.

A kiosk eliminates the need to track down a specific sales person, explain your needs, and walk through the store them. Instead, the kiosk — using familiar, user-friendly browser- or app-based interaction — can zero in on the products you want or problems you aim to solve. The kiosk then gives you a precise aisle and shelf location for each item you desire.

At this point, the interaction has all been human-to-computer. A video conferencing kiosk adds an enormously powerful additional feature: at any time a customer can simply select the option to "GET ME AN EXPERT" to engage a product specialist face-to-face, in real-time without leaving the kiosk.





A customer's tablet can be used to compare merchandise, view product use and installation tutorials, and see video product reviews. Product technical support can service customers via a simple browser plug in. This can be exploited in both pull- and push-mode interactions.

With kiosks spread plentifully throughout a store, customers are never more than a few steps from immediate help. Customer service software efficiently routes customers to the next available person in a pool of experts, who have the benefit of constant exposure to customer requirements.

Your expert can quickly assess the customer's needs, with the added advantage of seeing facial expressions, hearing vocal intonations and viewing visual aids such as drawings, graphics or products themselves. That additional personal dimension is a two-way street: the customer finds comfort and confidence in the expert's answers based on the professionalism and helpfulness of the very real human on screen.

As an added bonus, the kiosk's software collects usage statistics that help the enterprise fine-tune its customer interactions to solve the largest number of problems in the least amount of time. All these factors converge to lead the customer to a purchase decision — a decision with which they ultimately will be happy, because their needs are met.

**Mobility Matters**

While kiosks offer a quick, direct path to bringing video conferencing to your customers, they have the disadvantage of being immobile stations. The next dimension of video conferencing — mobility — is a quantum leap in usability for customers, because the customer is free to roam during video interaction, and can use their own in-hand video devices for "show and tell" consultations with a product expert.

For example, a customer's tablet can be used to compare merchandise, view product use and installation tutorials, and see video product reviews. Product technical support can service customers via a simple browser plug in. This can be exploited in both pull- and push-mode interactions.

With pull-mode interaction, the customer types or scans a product code from an actual item to initiate a support consult. With push-mode, an app you supply can send users a URL that they click on to begin a secure video session. After the end of the video consult, the URL would expire to maintain security.

Similarly, a smartphone gives customers the kiosk experience in the palm of their hands, letting them instantly obtain precisely the level of assistance they need. Most mobile devices have both front- and rear-facing cameras, letting customers freely switch between face-to-face discussion and show-and-tell product interaction.





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For example, consider a customer at a home improvement store wanting a professional opinion on paint for a special application. She could ask for a consultation at a video expert kiosk to discuss paint product options, or alternatively, scan a barcode on the product she's considering and go directly into a video consultation with the paint specialist for that product line.

Perhaps the most powerful use case for mobile video conferencing is way *finding*: directing customers turn-by-turn through the retail space to a particular product or service. The advent of inexpensive Bluetooth Low Energy (BLE) way-finding technology matches perfectly with video conferencing assistance in giving customers a fully guided experience. You can even feed back customer location information to the on-screen product expert to give them a hand in helping customers navigate to their next purchase.

Video conferencing helps with collaborative sales as well. A customer buys a car, and then needs to purchase car insurance while still at the dealer in order to legally drive the car away. A remote video expert can provide information and even enroll the customer in a policy on the spot.

### Improving Retail Management and Supply Chain with Video

These same mobile video endpoints have new use cases in retail store and supply chain management. For instance, a tablet can be used to conduct hiring interviews in a store, perform inventory, stock management, or product display design. Ad-hoc sales meetings during marketing campaigns can review sales goals, report progress, and help maintain energy through the campaign.

But video conferencing isn't limited to internal management processes. Guided video conferencing can assist with external partners. Increased profitability results directly from better inventory management.

In one use case, unique links are created for each supplier to establish a connection for a store's retail buying agent. The buying agent can share video of customer questions and get supplier advice, and the supplier can suggest additional products that would satisfy an unmet customer need.

Video conferencing helps with unique supply chain requirements, such as rapid stock rollover due to seasonal (e.g., clothing) or safety (e.g. foodstuffs) requirements. As a retail enterprise scales up with new stores, stock rotation becomes increasingly difficult to manage.





When people in a social media circle sees a post like “I just bought a QuickCamp tent at Sporty Sports downtown — half price!”, along with an image of the purchase, they are highly motivated to take advantage of their friend’s recommendation.

Traditionally this is managed via email or time-consuming physical onsite meetings. Video lets you employ frequent, ad-hoc face-to-face conferences between different store and department managers without losing a lot of time for travel, while positively engaging all stakeholders at the same time, something impossible to do with email or text.

Video conferencing extends just as easily — and usefully — to supply chain management. With ubiquitous web-based video, you can readily bring high value customers into meetings with suppliers to address product concerns or develop a customer base for a new product.

**Socially Speaking – and Seeing**

Social media — Facebook, Instagram, Pinterest, Snapchat, Twitter, YouTube and the like — are already established platforms in the ecommerce space. Bringing them into bricks-and-mortar stores can be a challenge, however, as customers have no unifying communication channel.

Video conferencing provides just such a channel. By making video ubiquitous for customers, video conferencing becomes a natural path for linking social media into your customer interactions. And experience shows that millennial shoppers rapidly adopt social media integration, giving you an edge over competing marketing channels such as e-commerce.

The same links that tie in-store shoppers to video sales assistance and video product assets can collect potential customers from well-placed postings in social media, such as product reviews or technical support forums. Video assists and other video interactions can also feed back into social venues as new posts, linking social communities with your physical stores. When people in a social media circle sees a post like “I just bought a QuickCamp tent at Sporty Sports downtown — half price!”, along with an image of the purchase, they are highly motivated to take advantage of their friend’s recommendation.

Leveraged creatively, social media interconnects can foster customer loyalty, maintain shopping traffic though campaigns and promotions, and keep your corporate messaging in front of consumers. And because they all tie back to your enterprise via ubiquitous video conferencing, you avoid customers being lured away by so-called click-bait and offsite links that are common on social media sites themselves.





Video conferencing shoppers get personalized answers to questions about quality or usability, right in the store, leading to a purchase, also right in the store.

**That's a Wrap**

After just a few years, video conferencing has become dramatically less expensive, dramatically more mobile, and dramatically easier to use. As you've seen, video kiosks are a fast path to automated sales assistance, providing real-time, face-to-face interaction that is impossible with today's e-commerce. But more importantly, it can short-circuit consumers checking out merchandise in the store but then buying it online.

Video conferencing shoppers get personalized answers to questions about quality or usability, right in the store, leading to a purchase, also right in the store. Video also enables remote demonstration of a product such as assembly or repair procedures, which can address objections that customers often have to buying on the spot.

Video marketing can scale up as much as you're willing to invest creatively. Sources for video content abound in retail spaces. An "enterprise YouTube" specialist can curate staff-produced videos to ensure good enough quality to present, but even customer-produced videos are valuable assets, as customers are often very passionate about products.

For store management, video conferencing technology lets you leverage training, inventory, store design, and campaign resources more cost effectively, while gaining better engagement with sales staff. And you can readily extend those benefits to business partners in your supply chain.

Ultimately, video conferencing technology is not about technology. It's about customer satisfaction and winning the battle with e-commerce for market share. ■

**About Polycom**

Polycom helps organizations unleash the power of human collaboration. More than 415,000 companies and institutions worldwide defy distance with secure video, voice and content solutions from Polycom to increase productivity, speed time to market, provide better customer service, expand education and save lives. Polycom and its global partner ecosystem provide flexible collaboration solutions for any environment that deliver the best user experience, the broadest multi-vendor interoperability and unmatched investment protection. Visit [www.polycom.com](http://www.polycom.com) or connect with us on Twitter, Facebook, and LinkedIn to learn more.

