

Uncovering “Small” Secrets of Customer Service

Small operators can capitalize on their strong employee-customer connection

By Renée M. Covino

In the world of convenience store customer service, good things come in small packages.

According to recent *Convenience Store News* consumer research, the industry’s small operators beat out chains when it comes to customer service. And they have the potential to fine-tune their advantage even more as the timing is perfect now for the industry’s more petite players, operationally speaking, to capitalize on the intimate customer engagement they cultivate.

Survey.com, which measures product introductions and more at convenience stores, has built its whole business model on the belief that what is local, familiar and knowledgeable is superior vis a vis brand representation, according to cofounder Jean-Eric Penicaud. The way he sees it, the core advantage of the small operator is its “high level of involvement with customers’ needs and expectations from the perspective of in-store experience.” Furthermore, he says, intimate knowledge leads to a more granular offering and a greater sense of community between customers and operators.

“Relationships are part of the deal, not a bonus,” said Penicaud.

Traditionally, good customer service in convenience stores

has meant making immediate-consumption products readily available. A c-store customer was predisposed to what they needed and the brands they were looking for when they walked through the door.

This core aspect of customer service still remains. “All retailers who are successful in customer service make it easy to find what customers are looking for, treat their customers well, and go out of their way to anticipate needs,” said Jonathan Rosen, senior vice president of content, strategy and creative services at PRN, a provider of in-store shopper marketing solutions.

Of course, most c-store shoppers have a need for a quick in and out. “They want a clean entry, clean exit, with minimal friction,” according to Don Stuart, managing director of Cadent Consulting Group.

But while all of this remains important, “all bets are off today,” Penicaud stated. “Customers’ perceptions of c-stores are changing rapidly. C-store operators can provide a traditional experience, or they can be something very different. They have an opportunity to mean much more to their customers. They can be food and beverage curators, for example.”

PILLARS OF EXCELLENCE

Retailers who recognize and implement key trends, like those having to do with food and beverage, are creating a different store experience. Rosen of PRN highlights the four accelerating areas of excellence in c-store





customer service, as he sees it:

- **Loyalty programs** — “These provide deeper personalization through offers and discounts based on shopper purchase behavior,” he said. Small operators are finding ways to make loyalty programs feel more intimate by asking customers exactly how they want to be rewarded.
- **Higher quality food offerings** — More and more c-stores have been upping their food offerings by including ready-to-eat meals, fresh produce and more “upscale” menu offerings, according to Rosen. Independents and small operators have gotten very “local” about it, utilizing local farms or cuisine indicative of the area. Adding an edge doesn’t hurt either.
- **Point-of-sale** — Retailers are seeing broader adoption of mobile payment methods, such as Apple Pay. Customers are attracted to smaller stores that highlight this as an option. And why shouldn’t they? It makes perfect sense since Apple Pay does not require Apple Pay-specific contactless payment terminals and can work with existing contactless terminals.
- **Customization through technology** — The industry is seeing more technology like interactive ordering and menuboard that offer customization and better display options. Again, it won’t go unnoticed when a small operator taps into this.

CONNECTIONS CAPITALIZED

Beyond these trends, how can the convenience store industry’s small operators capitalize on their strong employee-customer connection?

Creative upselling is certainly a starting point. “Upselling is an art, not a science, and McDonald’s

nailed it with a simple phrase: ‘You want fries with that?’” relayed Nancy Friedman, a customer/employee relations expert and president of Telephone Doctor Customer Service Training Inc., based in St. Louis. “So, showing employees how to simply make an offer will increase upsells. We like to say, ‘don’t deny the customer a choice.’ Let them decide,” she told *Convenience Store News*.

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— Jean-Eric Penicaud, Survey.com

There are other evolving opportunities, too. Consumer experience is one. “In today’s retail environment, ‘customer service’ needs to finally evolve into ‘consumer experience,’” Penicaud relayed. “By taking advantage of stronger local consumer connections, small operators are better positioned to engage with their customers in ways that matter locally.”

And what truly matters to their customers? According to Penicaud, it’s not about upselling, but how the experience can expand the role of the store to the community. He highlighted examples in speed and meals. “What if

they could place their order on a mobile app and pick up their coffee and sandwich on their way to work, or beer/wine on the way home?” he offered.

Rosen expanded on the fact that new technologies are making it easier to capitalize on “in-store moments of truth,” or as he further defines it, “those micro moments when shoppers go from ‘maybe?’ to ‘yes!’” These include the aforementioned smart menuboard that change offerings based on time of day and even weather conditions, as well as digital signage that supports easier way-finding and product discovery.

PRN’s new LIFT POS personalization platform provides personalized offerings at the register based on basket and loyalty history. “For c-store retailers, it provides upsell opportunities that drive higher unit sales per transaction, employee training, and a wealth of prescriptive data and insights for increasing sales, improving employee performance and delivering next-generation customer service,” said CEO Kevin Carbone.



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Other ways small operators can enhance the employee-customer connection are key merchandising of complementary items; a more complete food-service offering; and even frictionless self-checkout, according to Stuart.

“Automatic name recognition based on automated visual recognition software when the customer enters, as well as his or her most-purchased list right on the employee’s screen,” Stuart continued. “A bit scary, but it will certainly get customer attention.”



SMALL FOOTPRINT MATTERS

Historically, convenience stores have underinvested in customer service, according to Penicaud. Lately, however, the industry’s independents and small operators are actually leading a turnaround in this vein, where previous convenience channel drawbacks are now being considered relevant customer advantages.

“The size of the footprint and hyperlocal proximity to consumers have been previously viewed as limiting variables on the number of consumers, relevance and spend. However, as consumer retail experience

and options continue to expand to include web/mobile ordering, real-time delivery, prime shipping and curbside pick-up, what was once considered a major challenge may actually become an advantage,” Penicaud explained.

Many of the reasons why large retail footprints provided a valuable experience are diminishing, he added. “Busy consumers need real-time, hyperlocal solutions,” he said. “The intangibles required to provide differentiated customer service are less dependent on square footage than ever before. The future is bright for c-store small operators that engage with consumers and deliver experiences that truly matter.” **CSN**