

Talking Retail Trade

Is there a certain time to improve customer service?

No. Customer service is a continuous process. Several years ago, I conducted retail out-shopping studies in three Mississippi counties, and customer service almost always ranked near the top of respondents' reasons for shopping outside the local trade area. Retailers should train their staff on how to greet and meet customers who come in the store. The staff should remember the old adage, "Treat people the way you want to be treated." Retailers should encourage their staff to offer help but to avoid nagging the customers by continuing to offer help. They should encourage the staff to tell the customer about any discounts the store has to offer. While the customer may not know about such discounts, making sure they receive them is another way to build loyalty.

Are store hours an issue? (For example, some small stores are not open on Sundays.)

Having adequate hours of operation is important to any business. However, having consistent hours of operation is even more important. Inconsistent store hours and rolling up the sidewalks at 5 p.m. are documented problems for local customers, especially those who may work out of town. I would suggest that retailers formally or informally ask their customers about their preferences for the days and hours the store is opened. Depending on the feedback, retailers may experiment with expanding the hours and days the store operates. In doing so, I would suggest they track sales made during the expanded hours and days of operation for at least 6 weeks. This would allow them to evaluate the effectiveness of this retail strategy.

Also, it is equally important for all merchants to be on the same page. That is, if the location is downtown, then all merchants should agree to follow this strategy during the trial period.

How important is it to know about the needs of your customers?

It is very important. Price, quality, and selection are three main factors customers use to judge retail establishments. Overpriced and outdated merchandise can be the death nail for a retail store. Retailers should conduct a customer satisfaction survey to determine their customers' wants at least once a year. This will also help them to identify customers' buying habits and lifestyles. This information may be used to develop customer profiles and improve product mix.

Is it important to have a policy on returning store merchandise?

Sure. Encourage the staff to tell the customer about your policy on returning merchandise. A clear, no-hassle policy is always the best policy. Don't take the view that all sales are final. Allow a reasonable period of time for customers to return unwanted merchandise with proper receipts. Most "Big Box" retailers have simple, no-hassle return policies on merchandise. This is a tremendous marketing tool that these establishments use.

How important is the physical appearance of the retail establishment?

Retailers should invest in improving the appearance and décor of the store. Improvements like signage, parking, and in-store displays say a lot about pride of ownership in the business. If the store is rundown and it looks like the owner doesn't care and simply wants to drain whatever they can out of the business, then this will come across to customers in town and out of town as well.

How can sales promotions help retailers?

Sales promotions can be an effective tool for retailers to increase sales. However, the key is to offer high-quality merchandise to customers during these events. Luring customers into the store with misleading advertisements about major price discounts on brand name merchandise is bad for business. This only serves to discourage customers from coming back to the store. It can also counteract past successful loyalty-building strategies. Having good sale prices and merchandise shows customers that you appreciate their business and the time they take to patronize your store.

How should sales clerks deal with an irate customer?

Retail clerks should never argue or show frustration with the customer. This is bad for business. The research is clear on the consequences of an irate customer. It suggests that unhappy customers are more likely to tell others (at minimum between three and four people) about their unpleasant experience in your store than they are to tell someone about their positive experience in your store.

How important is it to be price-competitive?

It is important for retail stores to be competitive with their prices, especially small retailers. Customers often judge prices by one or two items or on price-sensitive items in smaller towns. If your prices are high on those items, the customer will assume that your prices are high on everything else in the store. Price-sensitive items are goods and services that consumers purchase regularly and, therefore, know how much other stores charge for them.

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Reviewed by **James Barnes**, PhD, Associate Extension Professor, Agricultural Economics. Written by Al Myles, PhD, Extension Professor Emeritus, Agricultural Economics.



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