

Small equals big potential: The value of personal service

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Walgreen's, the largest retail drugstore chain in the United States, started out as a small neighborhood store in Chicago. As legend has it, Charles R. Walgreen Sr. enjoyed taking orders over the phone and, while chatting with his customer, would rush the delivery boy out the door. Walgreen would continue the conversation, getting to know his patron a little better, until he heard their doorbell ring. Then, as the customer realized the delivery had arrived, Walgreen would exclaim, "Now that is customer service!" and hang up the phone.

Delivering superior service has become a corporate cliché. In fact, a common axiom these days is that business is like tennis, "if you can't serve you can't play." True enough. But, in reality, many retailers talk a better game than they play.

Customers often enter a store to find the employees chatting idly with each other, oblivious to our presence. Or, worse, service representatives aggressively letting us know that they are "here to help" (us buy something with a substantial commission). As a result, we have become accustomed to shopping experiences that culminate with a sigh of relief as we complete the purchase and leave the store.

These sorts of experiences stand in stark contrast to the relationship that customers have with independent retailers like Jill's Table. An award winning retailer in London, Ont., Jill Wilcox makes it a priority to know her customers by name. On occasion, she has stood curbside to complete a driveby handoff to a hurried customer, or offered a skillet to an unsure gourmet to try out at home before purchasing. These are not premeditated marketing gimmicks. They are the result of a real passion for her business and a true commitment to her customers. It is not just a coincidence that her name is on the store.

Don't get me wrong, shoppers find low prices compelling. To be convinced of this, one simply has to watch the annual news footage of consumers trampling each other in search of deals after the American Thanksgiving weekend. Nevertheless, it is becoming increasingly clear that a substantial segment of the population is willing, even eager, to pay a fair price for a quality product that can be purchased in a more personal environment.

In part, this explains the findings of reports – such as "Challenges for the Future: The Rebirth of Small Independent Retail in America" – that small stores are thriving in every sector of industry. Contrary to popular belief, and often to their own surprise, independent retailers are able to successfully compete in areas that were expected to be lost to the "big boxes" long ago. According to that report, the number one challenge facing retailers is not competition – it is effective marketing. Even here, small stores have big potential. While large retail chains spend billions on software and employee training programs to create a sense of customer intimacy, small retailers survive and flourish because they excel at building

relationships. This may be why some large Canadian retail chains have been reporting superior performance from their franchise stores, where managers are owners, versus their corporate stores where managers think of themselves as senior employees.

Whether a small business has been around for three months or in the family for generations, the company's reason for being can rarely be explained by the bottom line. This is reflected in the customer experience. Customers can see and, more importantly, can feel the difference between motivation via paycheque and real passion. Take, for example, the Henry Singer Fashion group in Alberta. Now being managed by the third generation, the company continues to be a North American leader at the cutting edge of fashion and product innovation. More importantly, they continue to focus on finding new ways to serve their customers as individuals rather than names in a database. The result of this type of personal commitment is very difficult, if not impossible, to replicate with "lifestyle centers" or customer relationship management (CRM) software. Neither is a substitute for personal relationships.

If you are a small retailer, or are thinking about becoming one, keep in mind that passion and a commitment to meaningful customer service are as powerful an advantage for the little store as they are absent in the big ones. If you are managing or working in a larger retail chain, consider approaching customer service by asking: "if my name was on the front of the store, what would I do?"

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