

Wayfinding Loyalty

No kind of loyalty program—regardless of how brilliantly executed it is—will compensate for a product or service that’s just plain bad to the bone. However, it is a mistake to assume that loyalty cards are just a tactic that can’t build loyalty on a strategic basis.

After all, Costco built its entire business model on its membership card, which is a kind of loyalty program. Barnes & Noble established a strategic advantage over its main competitor by virtue of its loyalty program. Across the pond, Tesco attained near demigod status thanks largely to its loyalty program.

But for the most part, most retailers—and the brands on their shelves—have missed a huge opportunity to use their loyalty card programs to solve one of the biggest problems shoppers have. That problem, quite simply, is finding their way around the damn store.

This isn’t a problem at Trader Joe’s, Fresh & Easy or your local True Value hardware store, because their stores are small. But it is a problem for Costco, Wal-Mart and Home Depot—as well as every other big-box retailer that hopes to stay relevant as the allure of large-scale retail begins to wear thin.

In fact, it’s an issue even for slightly smaller formats, like Barnes & Noble, Office Max or CVS because they can be just as difficult to navigate as larger stores. I don’t know how many books the average Barnes & Noble stocks, but I do know that I sometimes find myself frustrated because I can’t find what I’m looking for.

This is not to say that the associates at these stores aren’t helpful. The help is usually excellent at Barnes & Noble and Costco, in particular. Typically, they not only locate the item in question, but also walk you over to it. But sometimes they’re busy and I’m in a hurry—and that’s not a good combination if creating loyalty is the goal.

A BETTER WAY

It would really be helpful if more retailers took a page from commercial office buildings and created a system of touch-screen “wayfinding” stations throughout their stores that helped us navigate. It would be even better if they linked these stations to their loyalty card program.

That way, shoppers would have the option of swiping their loyalty cards at the station, and gain the additional benefit of targeted offers or relevant information. It’s not that the shopper is required to swipe their card—just that they would get more out of the interaction if they did.

Suppose a Costco shopper’s purchase patterns indicate an interest in wine, for example. In addition to helping the shopper find the three-packs of pasta sauce, the system could highlight the day’s “treasures” in the wine department.

This would work

particularly well for a retailer like Costco, where every shopper has a membership card in hand anyway. At Barnes & Noble, it would present fresh new opportunities to cross-promote books, records and movies.

At Office Max, it could create a whole new revenue stream in the form of promotional support from manufacturers. At Best Buy it could incorporate product ratings to help shoppers make more informed choices on highly-considered consumer-electronics purchases.

Better yet, imagine if you didn’t even need to brandish a card. I don’t know about you, but my biggest problem with loyalty cards is the cards themselves. My wallet is thick enough without adding all of those extra plastic wafers to it, especially when I forget to use them half the time.

Imagine if you could use your mobile phone instead, using the phone keypad as if it were a remote

Touchscreens help shoppers navigate the store, and give them a reason to come back.

control for the screen. A retailer could offer the option of pressing on “O” during the interaction and either speak to or summon live assistance. That would be powerful indeed... really differentiating!

HELP THE SHOPPER

Whether by mobile phone, loyalty card or no card — and regardless of whether the store is Costco, Barnes & Noble, Office Max, Best Buy or anyone else — these stations would be placed strategically around the store, ideally at end-caps or similarly prominent places. Obviously, it’s important to take care that the stations are easy to find and in no way impede the shopping experience.

That’s been a problem in the past, particularly in grocery stores, where “kiosks” typically have been positioned at the store’s entrance. Shoppers just breezed right past them, usually not even noticing they were there. Even if they did notice, they wouldn’t stop because the last thing they wanted was to slow down. As we all know, most grocery shoppers want to get in and out of the store as quickly as possible.

This idea is different because it re-positions the kiosks as a resource, and as such is designed to improve the shopping experience, to *help* the shopper — which of course helps build loyalty. Yes, it may slow shoppers down and keep them in stores longer, but in this case that’s a good thing. Most research I’ve read says that the longer shoppers are shopping, the more they buy!

A touchscreen wayfinding system, in combination with a loyalty card program, can give shoppers a fresh, new reason to return to the “scene of the purchase.” However, despite such benefits, some retailers continue to balk at the idea of incorporating digital media of any kind into their stores.

IT’S A SNAP

It’s easy to understand why retailers might object to digital media that serves only to carry television commercials and succeeds only in cluttering their stores. But it’s hard to see why they wouldn’t want to use the power of digital media to help their shoppers get more out of their shopping experiences.

For some, there’s also a perception that establishing a digital media network in their stores is complicated and cost prohibitive. It’s certainly understandable that retailers might not want to own the hardware that’s required to make a system work,

worry about keeping it updated and then hassling with its disposal when it becomes obsolete. They can’t be bothered with creating the content required to keep things fresh, either.

Fortunately, those issues are not as daunting as they once were. For one thing, brands are often willing to help offset costs with promotional dollars. They’re already throwing dollars into various merchandising activities — supporting a touchscreen wayfinding system would be a no-brainer.

Creating content is also a snap because, for the most part, it can be repurposed from existing materials. Most important, the cost of implementing and maintaining a system — including screens, player hardware, connectivity, content development and management — can typically range from about a few hundred to \$700 per-store, per-month, depending on the number of stores. With all-in cost at that level, achieving significant positive ROIs quickly is very doable.

In addition, the system can be leased, meaning that it’s an operating cost, not a capital expenditure. It’s not as expensive as you think it is.

Loyalty to a brand or a store happens at every touch-point. The most critical touch-point of all is the shopping experience because that’s where purchasing decisions are made. What better way to improve that shopping experience than by helping shoppers find what they’re looking for, when and where they’re looking for it, and letting them know what else is on special that might be of interest?

A wayfinding strategy creates an environment that’s more pleasurable, efficient and that drives more sales.

Yes, the content needs to be engaging but it’s not about entertainment; it’s about delivering on the shopper’s expectations and making their excursion work for them. That’s what will create loyalty and give shoppers a reason to come back to your store and engage with your brand over and over again. ■



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