

Viva the Vital
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Not Gone, But Forgotten

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There's a cartoon where a young retail clerk enters the store manager's office and says, "There's someone out there calling themselves a 'customer' wanting something called 'service.'"

In these troubling times with retailers suffering declines, bankruptcy and – in the case of Circuit City – liquidation, perhaps a return to delivering good customer service is in order. Wait, let's make that a command: Deliver good customer service or die!

Retailers should view Circuit City as a cautionary tale. Media reports say that the self-afflicted mortal blow occurred back in 2007 when the company fired some 3,000 top-earning store sales people as a cost-cutting measure. Customer service did more than disappear: It got hired by Best Buy. Deep cuts in costs are *de rigeur* right now, but short-changing customer service could prove fatal.

Customer service as a differentiator is not new, especially to Boomers. We live in a commodity-glutted world. A good cup of coffee isn't found exclusively at Starbucks. But a latte hand-crafted by your favorite barrister somehow tastes better than the one cranked out by the crew member at Mickey D's. Think about high-end department stores – Saks, Macy's, Neiman Marcus and Nordstrom's. They all carry the same brands, assortments and quality, but Nordstrom's is different because its employees are known for unmatched customer service.

Size Matters

The massive Boomer generation, some 76 million strong, has been the economic engine for retailers for the last thirty years. We estimate that Boomers spend \$400 billion (with a "b") more each year on goods and services than any other generation (based on the Consumer Expenditure Survey conducted by the Bureau of Labor). That amount is more than the annual revenue of Wal-Mart, the world's largest retailer. But practically all retailers, including Wal-Mart, focus on younger consumers and usually ignore anyone over the age of 50. News alert: In 2009 the median age of Boomers is 54. That's a big chunk of retail dollars to ignore.

The truth is that most retailers need only to do three things to greatly improve customer service and appeal to today's Boomer Consumer. First, train the front-line clerks, sales associates and crew members that consumers at age 50 are not close to being "over the hill" and should be treated the same as younger adult consumers.

In one of our research studies, younger adults, those under 40, told us someone was “over the hill” at age 57. Boomers, on the other hand, said the hill isn’t even in view until about age 75. That gap in perception rears its ugly head when a 62-year-old comes face-to-face with a 23-year-old retail clerk. This discrepancy is something retailers need to address, and soon.

Second, retailers need to improve the in-store experience by using the concepts of universal design. Universal design dictates that lighting, signs, sounds, access and functionality meet the needs of anyone at any age with any disability (it’s “universal,” get it?). Even if Boomers don’t think or feel “old” yet, in reality the warranty is expiring on vision, hearing and mental processing speeds. Poor lighting, disruptive music, confusing signage or store layout will make older Boomers uncomfortable in some retail environments. So retailers can use design to either attract Boomers or chase them away.

Another caution for retailers: Let us remind you that according to Census Bureau projections, the 18- to 49-year-old age segment will not grow in numbers over the next ten years, while the 50+ age segment is expected to swell by 23% as the enormous Boomer generation pushes past 50. Boomers, it seems, are the short-term, mid-term and even long-term opportunity for retailers.

The third and final step retailers can take is to focus more on enriching the shopping experience. Boomers, now at midlife, are in a phase of life when acquiring more “stuff” gives way to a desire to have better experiences. Retailers that combine shopping with additional experiences – Sur La Table, the high-end kitchen accessories store holds cooking classes; Gandar Mountain, the outdoors activity retailer holds classes on hunting and fishing – will enjoy more traffic from older Boomers, who want enjoyment with their shopping.

Restaurants for years have known patrons return for the experience as much as the food. It’s time all retailers realized the role the experience plays in getting customers back in the store.

Customer service may be a forgotten art. The sooner retailers bring it back, the sooner business will bounce back, too.