

Value—retail's dirty word

Five shopper needs that translate to perceptions of value in the retail experience

By Lily Lev-Glick

How has the concept of value become synonymous with price-centric strategies and the way to drive shoppers to bricks-and-mortar retail? We can blame it on a lingering recession and uncertain economy, or the often unbeatable prices of online retailers or desperate measures to ward off showrooming. But, what difference does it make? A consuming value retail mentality is here in a big way.

Retailers have enabled a mass of deal junkies by continuing to play the price card. Those who keep a watchful eye on the bottom line while striving to sustain low-price solutions will suffer from their myopic view in the long run. But, others who focus on reframing their value model may break free from the price/value paradigm that has gripped retail.

It's time to halt the current trend by really bringing back the shopper experience and implementing strategies that deliver an intrinsic worth to a store's offering, beyond price savings. There is no single blueprint that can solve this for everyone. Sure, we can learn from others' successes, but individual victories will come not from tactics retailers try to make fit, but rather from what customers take away from strategically directed efforts built upon shoppers' unique wants, needs and perceptions.

It starts with five overarching shopper needs,

which when met on an emotional and mental level, correlate to perceptions of value in the retail experience:

1 Feel personally significant. Shoppers want to feel as though retailers recognize and acknowledge them, and appreciate having been selected from among the considered set of stores to shop in. Verbal and non-verbal strategies around customer significance translate to experiences that leave shoppers feeling noticed, cared for, appreciated and wanting to return.

2 Be informed and guided. Clear communication on products and benefits through the use of signage, messaging and trained staff allows shoppers to feel as though they are making educated purchase decisions with less risk. This intangible benefit of knowledge empowerment becomes "attached" to the in-store experience and wired into the customer's mind.

3 Find relevant products. Shoppers become more deeply engaged in the store experience when they are presented with relevant product selections. Sifting through superfluous items that do not meet shoppers' needs creates emotional tension that often leads to non-conversion across categories shopped.

4 Respect for time. An in-store journey that is met with an inefficient checkout, non-accommodating customer service and product findability barriers will ignite retail road rage fueled by time pressures and constraints. The personal cost of time becomes a source of anxiety and future shopping deterrent.

5 Pleasing environment. I recently asked a shopper why she purchased an item at a local main street retailer for 20 percent more than what she could have paid at a nearby mass merchant. She responded: "That place gives me a headache. It's a mess, with a bad attitude." This says it all.

So, where do we go from here? Let's start by building equity tied to the value of an enhanced shopper experience—and not a deep discount. Think about it: if price were the only thing that mattered to shoppers, they would all be shopping at discount and dollar stores. Maybe we need to stop convincing them that it is. **DDI**

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