

Kiosk Strategies Based on Customer Purchase Processes

by Paul Bryan

In-store kiosks will be successful when they meet the felt needs of customers. To meet those felt needs, retailers should take into account the mental processes that their customers go through prior to making purchases, and implement a kiosk strategy that will have the most impact on those processes.

In-store kiosks are popping up all over in the retail industry. It seems as though prices of the hardware and software have reached the point where many retailers are saying to themselves, “Why not put kiosks in the store? Self-service is cheaper than customer service associates.” But as many in the retail industry are finding out, relying on a technology implementation that is underused can be more expensive than doing business the old-fashioned way. A key factor in adoption of in-store technology can be summed up in a single question: Was it designed to meet the needs of the store, or the needs of the customer? This article discusses a kiosk design strategy that is based on the needs of customers.

Some of the customer needs that a kiosk is well-suited to meet include:

- Faster customer service
- Wider selection
- Detailed product information
- Product usage instructions
- Loyalty rewards
- Confidence to complete a purchase
- Sense of inclusion or community

Before discussing kiosk strategies to meet these felt needs, it’s important to understand how kiosks can fit into the specific purchase process of customers in a particular retail environment. Every customer visiting a store is taking steps in a process that will hopefully end in both sales and satisfaction. This process varies from one customer to the next, from one retail environment to the next, and from one product category to the next. Kiosks will be most successful when they support these purchase processes in a way that is useful to the customer. As a result of in-store research, Usography has isolated two independent variables in the purchase process that can help point retailers to the most effective kiosk strategy for the store or product category in question. Both variables are related to customers’ satisfaction with their purchases.

Variable 1: Importance of Customer’s Usage Context

One significant variable is the importance of the usage context to purchase satisfaction. The usage context consists of facts about the person who will be using the product, facts about the situation or location the product will be used in, facts about other products that will be used in tandem with the product being purchased, etc.

Some products stand alone; they are what they are, and questions about “who will be using the product where” don’t matter to the selection process. In such cases, the attributes of the product itself will determine the customer’s satisfaction with it.

Other products, however, will only satisfy the customer if the context of usage is taken into account in the purchase. For example, if I buy a DVD+R player, not realizing that my computer burns DVD-R disks, I will be unhappy with my purchase and will return it. Likewise, if my cosmetologist knows which product regime I’ve been using, he or she can assess the impact it has had on my hair and skin, and recommend products for my next purchase. If I buy a furniture cleaner that is meant only for fabric and I use it on my

new leather sofa, this could cause serious problems. In each of these cases, the product is perfectly fine in and of itself. It is the context of usage that determines the customer's ultimate satisfaction.

Variable 2: Degree of Problem-Solving Required

Another variable to consider in the kiosk strategy is the nature of the problem-solving process that is going on within the mind of the customer leading up to a purchase. In some purchases, the customer can walk up, purchase an item, and not give it a second thought, with no negative consequences whatsoever. In other cases, a great deal of information is needed to make a purchase that the customer is ultimately satisfied with. For example, the distinguishing attributes of a product may be buried in a table of technical data that needs to be interpreted and compared with other products. In other cases, a customer needs to assess product attributes that are difficult to understand when you don't have extensive experience with the product category. Obviously, we make purchases like these all the time. Some people take the time to do due diligence in their research. Others don't. But a kiosk can help increase customer satisfaction with such purchases by providing the necessary information at the right level of detail.

Combining the Two Variables

These two variables - the importance of context and the extent of problem solving - can be used to create an analytical tool that supports one kiosk strategy over another for a particular retail environment. In the graph below, the horizontal axis represents the extent of problem-solving that goes into the kind of purchase the kiosk is intended to support, from minimal to extended. The vertical axis represents the importance of usage context to purchase satisfaction. The resulting four quadrants correspond to four different kiosk strategies. These strategies are discussed in the paragraphs below.

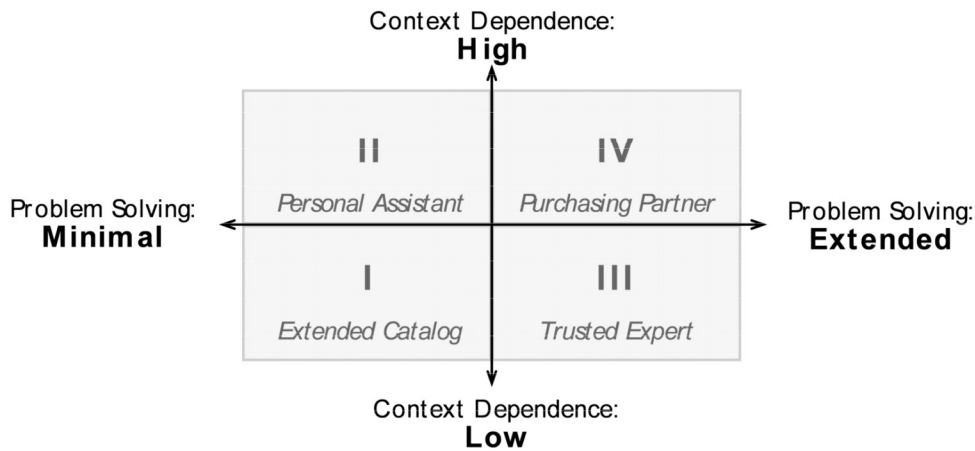


Figure 1. Deriving a kiosk strategy from purchase process variables

Kiosk Strategy I: Catalog Extension

Quadrant I represents product categories that don't involve extended problem-solving, and don't have a critical dependence on usage context information. An example would be household items, such as vases or picture frames, that fit a wide variety of decors. In such cases, the optimal kiosk is one that simply extends the product catalog beyond what can be stocked at any one time. This increases the probability of a purchase from the retailer in whose store the customer is standing, rather than another retailer. A variation of the catalog extension kiosk is the in-store web site kiosk.

Radio Shack has an in-store instance of radioshack.com. Customers could order items from the web site that presumably were not available in the store. The store manager was quick to tell us that it wasn't working, but it seemed to be working fine. Many stores use the catalog extension strategy. It seems to be the easiest to justify, but in terms of our model, it's not necessarily the most effective in terms of supporting customer needs.

Kiosk Strategy II: Personal Assistant

Quadrant II represents product categories that require information about the usage context for purchase satisfaction, but don't involve any extended problem-solving. An example would be personal items, such as clothes or a wedding registry. In one ladies clothing store, an associate told us that 10 people had requested an in-store registry that they could look up someone's preferences for gift items. By providing a little bit of personal information that could be submitted via a web site once, the information would always be available. If I could upload all of my family's clothing sizes, and could consult that in a store that we frequently shop in, I would probably buy more clothing items. As it is, I *never* buy my family clothes when they are not with me.

Macy's and WeddingChannel.com produced a bridal registry that works across channels. Consumers can obtain the context for their purchase (in this case, wedding gifts that match a bride's checklist) in the store or online. A Victoria's Secret salesperson told Usography that at least 10 different customers had asked if there was an in-store kiosk that would allow them to get contextual (size, preferences, wish list, registry, etc.) information about a person for whom they would like to make a purchase.

Kiosk Strategy III: Trusted Expert

Quadrant III represents product categories that are typically accompanied by extended problem-solving, but don't necessarily hinge on contextual information. An example would be a digital camera. It's possible that contextual information could drive such a purchase ("he always loses cameras so get him the cheapest one possible"), but it is more common the features that drive such a purchase. In this type of purchase, a kiosk could provide an overview of the category and discuss current features in the voice and tone of an impartial expert. This kiosk strategy presents a substantial up-sell opportunity, in that customers may not fully appreciate what is important about higher-end features without an easy-to-understand explanation. Many stores do this with shelf card tips, but a kiosk could do a much more robust job of this. In our field research, we have seen numerous cases in which the absence of an available, knowledgeable sales associate resulted in the customer leaving the store as perplexed as they came in, and empty-handed as well.

GNC has a kiosk that provides expert health information within the store. The customer can learn about a particular solution to health issues, and then look for related products on the shelf. Unfortunately, the kiosk does not tie in directly to the in-store product selection.

Kiosk Strategy IV: Purchasing Partner

Quadrant IV represents product categories that involve extensive problem-solving and rely heavily on contextual information for success. An example to illustrate this quadrant would be almost any kind of home improvement purchase. There are so many factors to consider that it sometimes takes weeks or even months to fully complete the purchase. The stores that have this kind of situation usually employ very knowledgeable salespeople who can ask all the right questions about the context, and then help with the problem-solving inherent in selecting brands and levels of quality. The problem is that this type of selling is very time-consuming and expensive. And knowledgeable people retire, taking their knowledge with them. The stakes are high in this Quadrant. A tremendous amount of loyalty is there to be won if retailers will take the time to analyze how people want to learn about the different aspects of the purchase, from novice to expert, and the information they need to make their final purchase decisions. A kiosk that provides both on-going personal context information as well as progressively more detailed product instruction will be hard to walk away from.

Automakers are starting to tackle this Quadrant with new car configurators, but they still have some way to go before customers can input and access this information through whatever channel is most convenient at the time.

The Looping Commercial Kiosk

In some retail environments, the objective is frictionless consumption at tiny margins. Providing information about products only slows down the process, and would equate to a negative ROI. In such cases, in-store TV loops might be the only kiosk strategy that makes sense. It's unlikely that anyone will stop purchasing to pay attention to them, but their messages could trigger a latent or forgotten need. But beware of employee responses to these incessant commercial boxes. We've seen a number of cases in which employees turn them off, or actually sabotage them in some more permanent way. (The use of sound to market products in public places is a topic for another article.)

WalMart has installed WalMart TV throughout the store at a height of about 10'. During our observation period, people seemed to be ignoring them, but it's possible that the audiovisual information sparked an unseen process that lead to additional purchases.

About the Author

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About Usography

Usography is a design strategy firm located near Atlanta, Georgia (USA). Usography services include: design strategy workshops; user interface (UI) design requirements gathering; development of user scenarios and personas; information architecture (wireframes, site maps, interaction design, process maps); and usability assessments (heuristic evaluations, expert reviews, user testing) of prototypes and existing design work.