

RETAIL TRENDS THE RI

AMID REDUCED FOOTFALL AND SPENDING, CUSTOMER SERVICE STYLES ARE CHANGING

DUBAI David Tusing

To be surrounded by six women might put a smile on any man's face. But for Faisal Al Hadi, a similar experience proved unnerving at an upmarket department store in the UAE.

"I was only looking for a perfume," said the Emirati HR professional of his experience at a luxury retailer in a mall in Dubai.

"When I approached the sales woman, she brought me a few samples. I didn't like any of them so she walked off to get more. Meanwhile, one of her colleagues approached me with another sample... then, a third arrived. Before I knew, six had surrounded me.

"I ended up buying something I didn't really like because I just wanted to get out of the situation."

Chasing commissions amid pressure to maintain sales as customers cut back and stores lose their footfalls, staff at high-end retailers and boutiques, it seems, have undergone a shift in attitude.

"They'll do anything to talk to you now - even if you're wearing ripped jeans and flip-flops," said Arkane Janine, another shopper who has suffered her "Pretty Woman moment" in the past.

Joshua Beckwith, of Dubai-based customer service experts Ethos Consultancy, said service styles were changing due to the economic slowdown.

"Amid reduced footfall, con-



Ziad Matta, Boutique 1 Group



Mansour Hajjar, Chalhoub Group

version rates and average spend, the last thing stores want to do is put off the few customers they attract," he said. "Our study shows a number of sectors and stores have significantly upped the ante and the high-end stores are not the only ones trying to improve. Stores have more greeters, more floor staff, more sales ability and focus on closing deals."

For its recently published 2009 Retail Benchmarking Study, Ethos Consultancy hired professional mystery shoppers to visit 558 shops covering 115 brand names across the UAE.

The results revealed the jewellery, restaurant and electronics sectors scored the highest in customer service ratings but fashion and department stores were in the bottom five.

"We are seeing a significant number of new clients in retail, especially high-end retailers, approach us to use our service to help them maintain market share, improve the customer experience, and ultimately focus on the link between service excellence and the bottom line," said Beckwith.

But Ziad Matta, CEO of Boutique 1 Group, which owns and operates Boutique 1 and 10 mono-brand boutiques for Chloé, Missoni, Mulberry and Furla among others, said his company has not "retrained" staff but it had reinforced its strategy.

"The strategy we have always adopted is to provide advice to customers through staff who are passionate and knowledgeable and who are encouraged to go the extra mile," he said. "The current economic crisis does not alter this except that service becomes even more important.

"When people spend less, they want to make sure they get great service when they do spend. Customers become more selective and only retailers who can cater to this will thrive.

"Our staff have been trained not be snotty and to always be welcoming and accessible to all customers," he said.

The Chalhoub Group, one of



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the biggest luxury retailers in the region, has more than 280 brands in its portfolio, including Marc Jacobs, Swarovski, Polo Ralph Lauren, Longchamp, and joint ventures with Dior Couture, Fendi and Louis Vuitton.

Mansour Hajjar, the UAE country manager, said the 50-year-old company's customer service approach was still focused "on delivering excellence", as it was before the slowdown.

"The main difference in approach is that we invest even more in getting to know our consumer needs and habits, and to adapt to the new market situation," he said. "For instance, more local and resident customers compared to tourists, a return to 'classic' luxury items instead of ostentatious ones.

"We didn't wait for the economic slowdown to 're-evaluate' our service approach," he said. "Back in 2008, we started investing in more customised service initiatives through a CRM initiative, to follow our 2007 'Chalhoub Retail Academy' initiative."

All staff working in Chalhoub shops attend the academy where they are trained in all aspects of the sales technique including customer service, inventory control, merchandising and health and safety.

"These were all on our agenda prior to the slowdown, but

now that the economic situation has changed, it only encourages us to pursue this strategy even further in order to create value for every one of our customers."

Earlier in April, US-based management consultancy firm Bain and Company said in a study the luxury sector globally faced between a 15 and 20 per cent decline during the first two quarters of this year, shrinking to €153 billion (Dh782bn) from its 2008 level of €170bn.

Hajjar said the picture would differ slightly for the Middle East: "The region being an emerging market, we recorded lower levels of decline, even in Dubai where the effect of the crisis is the strongest compared to places where tourism was less prevalent, like Abu Dhabi."

Still, Ethos Consultancy's Beckwith believes retailers, not just those of luxury goods, need new game plans to flourish or survive in the current environment. "They should definitely increase marketing, launch new products, open their stores to sales and discounts and work harder to please us, the customer," he said.

Meanwhile, at least at some designer stores, customers are noticing a change. "They are basically approaching each and every person walking into the store, and that wasn't the case before," said Moustafa Mahdi, a PR consultant.

DIARY

WHAT'S ON THIS WEEK



Tomorrow until Thursday - Fourth Annual GCC Nationalisation Summit at Sheraton Dubai Creek Hotel and Towers

Tomorrow until Friday - 5th Sanaa International Exhibition at Sanaa Expo Centre, Sanaa, Yemen

Monday - IT Managers Forum and Expo at Atlantis The Palm, Dubai

Monday and Tuesday - Third and final preparatory round of the Major Economies Forum meeting, called by the US, in Mexico City.

Monday to Wednesday - G8 Science and Technology ministers meeting in Monza, Italy.

Monday and Tuesday - EU Agriculture and Fisheries Council Meeting in Luxembourg.

Tuesday until Saturday - Arab Information Technology Exhibition and Conference (AITEC) 2009 at Expo Centre Sharjah

Tuesday - Corporate Counsel Forum Middle East at Mina A'Salam, Madinat Jumeirah, Dubai

Tuesday and Wednesday - Organisation for Economic Co-operation and Development Forum 2009 in Paris

THE DAY IN HISTORY

June 20, 1979 American ABC News Correspondent Bill Stewart was summarily shot by Nicaraguan forces while reporting in Managua. Stewart and his camera crew were stopped at a checkpoint by the Nicaraguan National Guard, the force of President Anastasio Somoza Debayle.

A young lieutenant ordered him out of the vehicle. Stewart held a white flag and official press documentation from the Nicaraguan government. While Stewart was escorted a few metres from the van, cameraman Jack Clark began filming. Stewart



was forced to kneel and then to lie face down on the ground. The lieutenant put his rifle to the back of Stewart's head and fired, killing the reporter instantly.

This horrified the American public and ultimately caused the US government to turn against Somoza's tottering regime.