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CASE STUDY:

A leading airport retailer lifts sales revenues and customer satisfaction sky-high with Ricoh Smart Lockers

Knowing that exceptional customer experience is key to higher profitability, this airport retailer engaged Ricoh to create a Shop and Collect Smart Locker service that offers greater speed and convenience to users.

COMPANY & CHALLENGE

The customer is a leading French airport retailer selling duty-free wines, spirits, fashion, perfumes, and gourmet foods. When you fly from a major international airport, you will probably have stopped off at a retail boutique to pick up gifts and duty-free items. For this leading airport retailer, every traveller — whether waiting to catch a flight or arriving home – represents a potential customer. How could the retailer improve its service proposition to attract more business and maximise sales revenues?

OBJECTIVES

Previously, customers buying goods from the airport retailer before a flight faced a dilemma. Either they could travel with their purchases, an option that carried the risk of damage or loss to items during their trip, or they could leave the goods for collection on their return. However, this pick-up-on-return option created challenges.

For example, the retailer had to ensure that employees were ready with customers' goods at the precise time and terminal that they were due to land. Flight delays could cause a lengthy waiting period for the employees, and confirming where customers would be within the airport could take several back-and-forth messages.

The core challenge, therefore, was to remove the delays as customers and employees hunted for each other at the airport. The retailer looked to develop a streamlined 'Shop and Collect' service that would improve the customer experience, encourage more business, reduce employee wait times, and increase efficiency.

SOLUTION

The natural answer was to store customer goods ready for collection, perhaps in centralised lockers — somewhat like 'left luggage.' But how would customers know which locker, where, and how could they unlock it? For the airport retailer, there was the added challenge of needing to wait to the last moment before placing items in lockers, which would give as much time as possible for employees to respond to arrival gate changes.

Step forward Smart Lockers. Intelligent tracking software enables the retailer to monitor flight arrivals and terminal details, and provides an automatic command to employees to prepare the goods and deposit them in a Smart Locker just before customers land. When goods are collected, the retailer receives a notification message and can reuse the locker space for the next customer.

Travellers receive a message containing a QR code and the location of the Smart Locker containing their goods in the Baggage Claim area. After luggage collection,

customers head straight to the Smart Locker, present the QR code to the user interface, and the door automatically unlocks. To realise the concept, the retailer partnered with Ricoh to deploy 12 Kern Smart Lockers at several airport locations sites. Ricoh provides Levels 1 and 2 technical support, while business partner Kern delivers Level 3 support services. Alongside the Smart Lockers, Ricoh provides flexible Smart Tracking tools, which the retailer's software developers can customise to monitor the status of flights.

The retailer saw huge potential for Smart Lockers, not only in its stores but also as a possible way to improve its concierge services. Ricoh was the ideal choice as a partner thanks to its Europe-wide presence, and ability to provide a high-quality solution, a single point of contact, and responsive after-sales support services.

BENEFITS

Looking ahead, the airport retailer is confident that the enhanced Shop and Collect service based on Smart Lockers will provide customers with a more rewarding retail experience. Not only is there minimal risk of damage to purchased items, but using Smart Lockers helps travellers avoid the stress of looking after goods throughout their trip, with the certainty that their duty-free purchases can be

collected easily and quickly on return. For the retailer, employees will no longer have to spend time waiting to hand over goods to newly arrived travellers, and can work more productively within stores. The retailer also believes that the new Shop and Collect service will lead to a rise in store footfall and revenues. As soon as they land, customers can collect their goods from the Smart Lockers in the baggage collection zone, without having to go back to the store. The retailer believes that this will encourage travellers to make more purchases during their initial visit to stores, as they will not have to worry about carrying the goods with them. As a result, the retailer expects double-digit growth in average basket size for in-store purchases.

The retailer will also be able to use the Smart Lockers as part of innovative sales promotions. For example, it is considering plans to offer reduced prices on certain types of goods for Smart Locker users, which will incentivise buying and help to keep inventory levels at optimum levels.

Overall, the retailer is confident that the new Shop and Collect service will generate huge benefits for both the company and for customers. While travellers will enjoy greater control over the pick-up process and move faster through the airport, the retailer will be well-placed to increase revenues and profitability. The engagement with Ricoh represents a win-win situation for all parties.

ABOUT RICOH

Ricoh is empowering digital workplaces using innovative technologies and services that enable individuals to work smarter from anywhere.

With cultivated knowledge and organizational capabilities nurtured over its 85-year history, Ricoh is a leading provider of digital services, information management, and print and imaging solutions designed to support digital transformation and optimize business performance.

Headquartered in Tokyo, Ricoh Group has major operations throughout the world and its products and services now reach customers in approximately 200 countries and regions. In the financial year ended March 2022, Ricoh Group had worldwide sales of 1,758 billion yen (approx. 14.5 billion USD).

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