Mobile App-Based Retail Training Can Cut Costs, Boost Bottom Line

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Among the myriad eerily-accurate predictions made in a 1995 episode of "The Simpsons" of what 2010 would look like (smartwatches, video calling and virtual-reality gaming headsets), one might have slipped the viewer's notice: kids crammed into an overcrowded classroom, desks piled three high, being taught by a TV screen.

As ludicrous as it might have seemed 20 years ago, teaching via video is growing in demand—at least in retail. Software company Qumu recently surveyed 468 retail stores associates in the U.S. and U.K. and found that 94 percent believe video training has a positive impact on employees and, in turn, the sales floor.

In addition, 45 percent of respondents aged 18 to 24 are interested in using mobile devices as a training tool. Which is a good thing, considering research firm Gartner predicts half of all employers will require workers to supply their own smartphones and tablets for work purposes by 2017.

"The greatest challenge for us right now is getting retailers to understand that having a mobile device is not just about POS," said Jodi Harouche, president and creative director of Multimedia Plus, the New York-based technology firm behind the patented QuizScore platform, a customizable video training app that comes in more than 20 languages and runs on any device including PC, Mac, iPad, tablet or smartphone. Current clients include Coach, Brooks Brothers, David's Bridal and Bebe.

When most retailers think about tablets or smartphones being used in a store setting, their minds tend to go to the Apple model: using mobile devices as a means to browse inventory or ring up sales. But thanks to the likes of Multimedia Plus, some stores are now integrating app-based platforms into their training strategies to cut down on costs associated with printing binders and instructor-led sessions and cut back on hours spent off the sales floor attending classes.

Not to mention, app-based training doles out digestible chunks of relevant information on an ongoing basis.

"It's about giving more information to your associates closer to when they're going to be using it," Jodi Harouche said, noting that training can be tailored to each store so that an associate at a location selling only ready-to-wear doesn't waste hours learning about couture, or ensures every employee is primed on a new weekend promotion.

"We're able to cater to what the business needs are and impact it much closer to when the associate needs a skill set," she said, adding that the platform seamlessly updates and training videos will never stutter because they don't play until they're fully downloaded.

She added, "We love video whereas other technology platforms shy away from it, especially in retail, because of the streaming factor." Plus, when they're not assisting shoppers, associates can easily access a new training session, which increases participation, and the app also allows them to reinforce what they learned through interactive quizzes.

"Everyone from the store manager to the district manager can view the associate's scoring, question level detail and brand IQ so you know if they're prepared," explained David Harouche, Multimedia Plus founder and CEO, adding, "It's a predictive tool because it gives you an opportunity to correct an issue before it becomes a problem."

Not convinced? A company whitepaper on the ROI of app-based store training and communication pointed out that one client with 5,000 associates in 400 locations saved more than $500,000 a year by digitizing its quarterly knowledge cards. The retailer also discovered it could "generate $20 million of additional revenue yielding $10 million of additional margin at a 50 percent margin rate," according to the report. Another client found that new hires who completed the training sold an average of 30 percent more in their first quarter of employment than associates who didn't complete the program.

"We may also populate your associate's dashboard with questions based on what the manager is supposed to be teaching them," Jodi Harouche said. "It's a very open book. It also holds managers accountable to their training obligations."

QuizScore is best suited to larger retailers with more than 50 stores and operates on a software-as-a-service (SaaS) model, with initial installation prices starting around $150,000 and a monthly subscription fee of $3 per user—and it doesn't penalize for high turnover. In short, if a retailer needs to supply talent development for 12,500 people, it pays for 12,500 people, no matter the staff renewal rate.

"The one thing that all our clients say in their own way is 'If we're going to have retail stores, we better have good ones.' That means having more knowledgeable associates because when the customer walks in the door that's what she's looking for. Otherwise she can just shop online. There are lots of different ways to touch a brand but the most pinnacle is the in-store experience," she stressed. "We definitely train to ensure that experience is what's expected and better."