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## Queue management targets the last stage of the purchasing process

by [Richard Prigg](#) \* • 12 Mar 2009

The competitiveness of the retail environment is at the core of a wave of new thinking when it comes to managing the last stage of the retail purchasing process, the checkout queue. In fact, the aggressive quest by retailers to increase operational efficiencies and squeeze additional revenues from existing properties has emphasized the importance of the discipline for completing consumer transactions. It's called queue management, and it's helping retailers increase customer loyalty, improve customer acquisition and strengthen their bottom lines. While still a fairly new concept, queue management is rapidly gaining acceptance as an essential element of best practices in the retail industry.



Historically, retailers focused on every aspect of the shopping experience before the transaction is completed. However, the reality is that consumers are not actually customers until they have completed that transaction. And sometimes frustrated or unengaged consumers do not become customers at all, as they may walk out and choose to never return, reflecting critical lost sales.

The tenets of queue management focus directly on these challenges and serve as a highly effective strategic tool for increasing revenues per square foot, greatly reducing customer walk-aways, stimulating impulse sales and enhancing the shopping experience. Effective management of the checkout process and strong attention to the queue is positively reflected in a retailer's bottom line.

Queue management — the efficient movement of people through queue lines — is and should be an essential element for serious business. Retail experts suggest the checkout line experience at many of the national chain stores leaves much to be desired, but the industry's most successful retailers already realize the value in improving the queue experience, in both customer satisfaction and revenue. Those who understand that queuing should no longer be an afterthought — and that utilize sources with expertise in the mathematics and psychology of queuing — are reaping the rewards of increased sales and satisfaction.

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Experts have identified three kinds of lines.

One is **lane-per-lane**, the typical grocery store set-up. Another option is **dispersed or virtual queuing**, commonly found in delis and bakeries where customers take a number and are called to order. Finally, there's **single-point queuing**, what travelers typically encounter at the airport. Customers are assembled into a single line and move to the next available service representative when they reach the front.

For any size group, single-line queuing is fair and efficient. While the queuing area can be smaller than the other methods, typically it's easy to extend the lines to accommodate larger groups with the use of simple retracting belt systems.



Recognizing the feelings and attitudes of customers during this end stage of the transaction process has been severely overlooked by most retailers. Those who act with knowledge and appropriate measures create good will, and satisfied customers who are eager to return.

One national clothing retailer reported seeing the number of walk-aways — customers who left without completing their purchases — decline by more than 90 percent in the stores in which the checkout area was redesigned to an electronic single-queue line system. Customers were more satisfied and less stressed than before, resulting in an increased number of completed transactions. The qualitative and quantitative results from tests in those stores compelled the company to expand this queue management system into other stores. The retailer recouped its investment within each tested store in less than a year.

An independent National Shopping Service survey of apparel retail stores before and after the installation of a queue management system demonstrates a 96 percent reduction in walk-aways. For example, a retailer averaging 100 walk-aways per week lost \$182,000 in revenue annually. After installing a queue management system, the retailer reduced its lost revenues to only \$9,100. In other words, with strategic queue management, this retailer increased revenues by \$172,900 annually. The survey does not include data for increased customer acquisition and repeat customers achieved through a greater customer experience.

By evaluating various property nuances while implementing a queue management system, the retailer better understands customer behavior during time spent in the queue. This dwell time gives customers the time to pause in front of merchandising displays, making the queue the best impulse-buy location in the store. With merchandising fixtures and a planogram specifically designed for the queue

environment, retailers typically experience sales increases of nearly 400 percent.

In today's retail environment, it is becoming increasingly important that organizations and their customers change the way in which they view the waiting queue. No longer should checkout queues be seen as the end of the customer encounter, but as an environment from which to improve your customer relationships, build your brand and increase sales. The time is here for the scientific evaluation of the queue.

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