

2.3: Types of Service Retailers

Learning Objectives

- Name an assortment of service retailer types

To some degree, customer service is fundamental to all retail because it supports customer loyalty and contributes to the customer's overall retail experience. However, retailers must decide what level of service they will provide for their customers:

- **No service**, such as Amazon Go concept stores that do not have associates or check lanes
- **Self-service**, such as most grocery shopping experiences where the product is available on-shelf for the shopper's selection. This goes a step further when shoppers use the self-checkout and scan the items, process the transaction, and bag the product themselves.
- **Full-service**

The variety of supporting services, known as the service type, range from self-service operators that provide few basic services to full-service operators with a wide range of highly personalized services.

Full-service retailers compete by providing support to consumers at every touch-point in the shopping process. This isn't just confined to the realm of personal interaction, but includes service types that can make the shopping process easier:

- Accepting multiple forms of payments, such as cash, check, or credit card
- Offering delivery services
- Making recommendations or providing demonstrations, such as offering recipes, cooking classes, or product samples
- Allowing exchanges or returns
- Allowing special orders
- Providing customer loyalty programs

However, it should be noted that services often come at some cost to the retailer, primarily in the form of increased labor. Thus, retailers must balance the desire to offer several services against customers' willingness to pay for the additional supporting services. Full-service typically requires premium pricing. Thus, it's extremely important that full-service retailers train their personnel well to provide excellent customer service enough to make their customer service a meaningful differentiator against competitors. By providing excellent customer service, retailers create opportunities to build customer relationships with the potential to increase loyalty and referrals.

There are several ways that food retailers deliver services to consumers. They can have counter service, where goods are out of reach of buyers and must be obtained from the seller. This type of retail is common for small expensive items, such as jewelry, and controlled items, like medicine and liquor. In food retail, counter service typically takes the form of the deli counter or meat department, where an associate will make recommendations, portion items, and package them for the shopper.

Another method is special orders, which can be online, in-person, or by phone. Many food retailers offer this service in their bakery departments, where cakes can be special ordered. The meat and floral departments may offer similar services.

Some retailers offer in-store pick (ship to store) or delivery to the consumer's home (home delivery). Wal-Mart is experimenting with similar services for in-store pick-up or home delivery of online grocery orders. Several other retailers are doing the same through Instacart.

There is also self-service, where goods may be handled and examined prior to purchase. In food retailing, this is much more common with sampling or product demonstrations. For example, warehouse club stores often offer sample items to overcome the large ticket price and quantities of their items.

Practice Questions

<https://assessments.lumenlearning.co...essments/9144>

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