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## At the retail store, a long line of questions at checkout

Retail stores are increasingly barraging their customers with questions. It's marketing for them. Is it good for you?



In a down economy, merchants not only want to impress customers with attentive service, they are also using sophisticated software to cross-sell and up-sell items to boost their bottom lines.

(Michael Sloan/The Christian Science Monitor)

By [Kay Nolan](#), Contributor  
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At Albrecht's Sentry Foods, a family-owned grocery store in Delafield, [Wis.](#), cashier Jackie Ryerson says hardy customers are sometimes surprised when she asks, "Would you like help out to your car?"

But Ms. Ryerson is required to ask all customers that question; also, whether they have coupons, a gasoline points card, and, of course, if they prefer paper or plastic. Store management regularly sends "mystery shoppers" through the line to verify that she does.

Increasingly, consumers are bombarded with questions at the checkout counter – May I start with your phone number? What's your ZIP Code? Are you a member of our rewards program? Do you need batteries? Would you like to save 10 percent today by applying for our credit card? In a down economy, merchants not only want to impress customers with attentive service, they are also using sophisticated "business intelligence" software to boost their bottom lines.

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This holiday shopping season, such techniques will be on full display. But there are ways to deflect annoying questions – and preserve your privacy in the process.

"I think the consumer ... is feeling put off by all these intrusive questions," says Sally Greenberg, executive director of the [National Consumers League](#) in [Washington, D.C.](#) "I tell consumers: Think twice before you speak. Why do they want this information and what is it going to be used for? You have no obligation to provide it. You're the customer. You're in charge."

Dismissing questions, however, won't put an end to them.

"Retailers recognize that their greatest source of information on their customers comes at the point of sale," says Lee Holman, lead retail analyst for IHL Group, a global research and advisory firm based in [Franklin, Tenn.](#) "With high-powered computing capability and so forth, [Pentium](#)-class processors at the point of sale, and heavy-duty database capability in the back office or back at headquarters, they have been tracking information for a long time."

Groceries started using that information in a big way, and now retail stores and online channels are following suit, says Sahir Anand, a

retail analyst with [Aberdeen Group](#), a research and survey firm in [Boston](#). "Once you have a segmented customer list, you can cross-sell and up-sell more effectively."

Up-selling is pitching a similar product in a higher price range. Cross-selling – such as suggesting accessories to go with a camera purchase or reminding customers that they might need batteries for a toy – can be a win-win situation, says James Dion, president of Dionco Inc., a retail analysis firm in [Chicago](#). "Probably 95 to 98 percent of people view this as positive."

A more onerous form of cross-selling, which customers do object to, is pushing a specific item at the register, such as gum or diet cola, irrespective of their needs, he adds. "That bugs 60 to 70 percent of the population."

Retailers can learn a lot from buying patterns. That's why sales associates so persistently ask customers to sign up for loyalty incentives, also known as rewards, preferred-customer, or frequent-buyer programs. These can be a good deal. Participants typically get immediate discounts or earn points toward future discounts.

But there's a trade-off. Computerized cash registers track which items members buy, how often, and how much they buy. Retailers use this information to figure out ways to make you spend more.

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"Research shows that the loyal customer is spending several times more than the customer who is not loyal," says Mr. Anand of loyalty program participants. Sending loyal customers coupons or advance notices of sales is a successful sales strategy, he adds.

In addition, [Aberdeen](#)'s research shows cus-tomers are four times more likely to sign up for a merchant's loyalty program if told about it at the register. Plus, customers who feel "loyal" to a store are more likely to recommend it to friends and family, he says.

If all the checkout queries seem too intrusive, politely dismiss them, advises Ms. Greenberg. "You can say, 'I know you have to ask as part of your job, but I'm not interested.'" Here's how to safeguard your privacy and pocketbook:

1. Think before joining loyalty programs. On the one hand, "rewards" are increasing, says Mr. Holman. Retailers are sweetening the pot as new technology empowers consumers to seek better deals online, sometimes right on the sales floor, using mobile devices. But some charge annual fees, which could offset savings for infrequent shoppers, he warns.

2. Don't give out your phone number. Asking for a phone number helps a merchant quickly verify whether the customer is a member of its rewards program. But consumers could be unwittingly agreeing to unwanted solicitations. Mitch Katz of the [Federal Trade Commission](#), the government agency that manages the national Do Not Call Registry, notes an exception that allows businesses a window of 180 days to phone customers after they have made a purchase.

Mr. Katz suspects some merchants might be resetting that 180-day period each time a customer visits the store and provides a phone number. While some customers might appreciate the follow-up after buying an item or service, those who object can ask to be added to that company's own do-not-call list.

3. Don't feel obligated to give your ZIP Code. ZIP Codes simply aid marketing, Katz says. "I never give mine."

4. Beware of sales pitches for credit cards. Penalties and fees can easily exceed one-time discounts. "Credit cards are full of tricks and traps," says Greenberg of the National Consumers League. "It's not a game I would play."

Stores should suggest applying for a credit card when it's clearly to the customer's benefit, such as saving 10 percent on an \$800 purchase, says Mr. Dion, the retail consultant. "But if it's a \$30 purchase, I'm going to say, 'I should go through this hassle for \$3? Get out of here.'"

There are examples where retailers themselves have pulled back from gathering information on their customers. After hearing about an arson case in which an innocent defendant's loyalty-card history was subpoenaed to prove he bought lighter fluid, Michelle Harrington, co-owner of Albrecht's in Delafield, discontinued the store's loyalty program.

Customers shouldn't trade privacy for weekly specials, she says. "I don't think people think about that."

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