

Customer Insights

Understand your target market and brand image to create a better shopping experience

By Marianne Wilson

Customer research can provide an important window into customer behavior. Retailers often pay outside consultants millions of dollars to collect customer data. In many instances, the end result is information overload: There's so much information that the retailer often doesn't understand how to translate the research into "tangibles."

How can a retailer achieve the type of real customer insights on which to base in-store innovations and changes that can raise satisfaction with the overall experience? According to Peter Cronin, executive director, WD Partners, Columbus, Ohio, the first thing to do is to not become overwhelmed by the research.

"It's not that complicated," he said.

As to the next step, Cronin, who directs quantitative and qualitative consumer research for WD, advised a comprehensive review and analysis of any consumer research conducted in the past year.

"If the research is much older than a year, you have to start over," he said. "Retail changes too fast to base decisions on old information."

Also, with any research undertaken, always establish a baseline.

"You've got to know where you are today so you can evaluate where you'll end up tomorrow," Cronin said. "Benchmarking helps to monitor progress, as well as to identify major issues that will need to be addressed before considering larger and more comprehensive programs."

Customer insights are key to improving the customer experience and, ultimately, driving sales. Here are Cronin's recommendations for achieving true customer insights:

1/Understand your customer and target market

Whether developing advertising or merchandising a new store, or service, it's critical that any marketing effort be grounded in current consumer beliefs, preferences and behavior.

"If you invest in only one piece of market intelligence, this is it," Cronin advised. "You can't hope to change behavior or perceptions if you don't know what it is or why."

He added that there are a variety of ways to approach

understanding the consumer, including surveying customers from the retailer's own internal database, intercept interviews while they are in the store or restaurant, or surveying a random sample of customers in a trading area. (This can be done in conjunction with either No. 2 or No. 3 below.) The process will take approximately six weeks, from kick-off to first management presentation.

2/Improve your guests' shopping experience

According to a recent survey by Bain and Co., 80% of more than 360 companies surveyed believed that they were providing superior service. Yet only 8% of customers rated their most recent experience as superior. What customers see, hear and experience in a store shapes how they view the retail brand.

"Using the right kind of surveys and shop-alongs, you can measure and 'live' your customers' experiences," Cronin said.

As to the time frame, doing several shop-alongs and in-store focus groups will take about four weeks from kick-off to initial findings. Intercept interviews would likely take four to six weeks.

3/Understand your brand image and positioning

Retailers need to understand what is important to their shoppers when they choose a store for a particular shopping occasion. By using in-depth qualitative research, a retailer can understand the core of its brand image—its brand soul. Then, with the help of quantitative survey research, a retailer can find out how it stacks up against its competitors.

A qualitative approach that includes focus groups and in-home interviews will take about four to six weeks to conduct, according to Cronin. An online survey of shoppers in your trade area will take approximately six weeks from kick-off to first management presentation. Full analysis and presentation of detailed findings will take an additional four weeks.

4/Understand customer perceptions

The merchandise is the key reason someone walks through the doors of a store. Shoppers will forgive shortcomings in other areas if the store has what they want.

"On the other hand, the greatest service, lowest prices and best environment aren't going to get you very far if your prod-

uct isn't right," Cronin said.

A variety of techniques, such as in-store focus groups, intercept interviews, and post-shop follow-up surveys, can be used to help retailers understand perceptions of their merchandise and its impact on how their brand is considered for shopping occasions. Plan on about four to six weeks from kick-off to initial findings, with an additional two weeks for a final report.

5/Find out what customers really want—even if they don't know

Successful innovations will be based on how well a retailer understands the frustrations and unmet needs of its targeted shoppers. Qualitative methods will shed light on how shoppers define a category and where they are turning today to meet those needs. Analytics can go far beyond "purchase intent" to help you understand whether changes under consideration will drive traffic and incremental sales for your business. Ethnography (including in-home interviews), friendship groups, and shop-alongs will take approximately four weeks to conduct, with an additional two to four weeks for analysis. A quantitative screening of any developed concept can be done in about four weeks.

6/Improve your communication with consumers

When it comes to evaluating and developing marketing communications, retailers should not be interested in whether people "like" them.

"Focus groups have their place in research, but when it comes to communications, they are at best, marginally useful, and at worst, misleading," Cronin warned. Other qualitative

approaches, as well as survey research, can help you understand what customers 'get.' If the messages you are hearing from your sample align with your brand strategy, you'll know you're on the right track."

Both qualitative approaches, such as one-on-one interviews or focus groups, and quantitative online research, can each be conducted in about four weeks from start to finish.

7/Build associate engagement for customer satisfaction

Store associates are a retailer's greatest marketing channel. If the associates are engaged, they are likely to make customers happy, go the extra mile, and continuously come up with better ways to do things. If, however, associates are disengaged, they could negatively impact the brand, sales and ultimately cost lots of money in recruiting and training.

"Our approach to measuring and managing the "service-profit chain" involves the latest academic theories and frameworks on employee engagement, employee commitment, job satisfaction and organizational trust," Cronin added.

Employee interviews and focus groups can be conducted in three to four weeks. A companywide employee survey can be conducted in six to 12 weeks depending on the size of the organization.

"If everyone in the organization has access to e-mail, the survey can be administered in a secure online environment, and costs and timing can be reduced significantly," Cronin said. "If not, many organizations ask their employees fill out traditional 'paper and pencil' surveys." ■



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