Case study of a project conducted for a retail store chain for a high involvement product

Using customer feedback to enhance sales revenue by ensuring that potential customers do not slip through the funnel
April, 2020

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The problem definition

A VBA client who operates a chain of retail stores in the space of high value personal durables, came to us with a specific problem that they have experienced on retail store floor quite often. They often see customers on shop floor who they feel will convert but have often not been able to track them and or not experienced sales revenue move as they had expected basis customer movement on shop floor. This raises questions for the store manager like the ones listed below:

- Is the sales person reading the customer intent correct or not?
- Is the sales person conveying the customer intent as he reads it or not?
- Are we losing the customer despite his positive intent?
- If we are likely to lose the customer, what is the specific pain point and can it addressed? If so, can we prevent the customer going elsewhere?

Since they could not answer these questions, the client was not very clear about how to plug what appeared to be a definitive leak at the shop floor level. VBA developed a complete tool to connect with customers visiting the shop floor and connect the outcomes directly to the client so as to plug the leak as much as possible.

An appreciation of purchase process for high involvement categories

Customers purchase process is usually more elaborate when making a high involvement purchase. They may undergo some or all of these stages in any order.

- Data search / generating options
- Discussion with friends / family
- Checking in web shops
- Checking in retail stores
- Evaluation of data collected

Researching / Generating options **Discussing** **Checking** **Evaluation**

○ Research ○○ Discuss ○°○ Check online ⣿ Check in store ○°○ Evaluate

When the customer visits the web shop or retail store, the store brand can influence the purchase process. This is the opportunity we can use to understand his current evaluation and design a process of intervention which changes this evaluation in our favour. **This case study explores how this was done by VBA in the situation described above.**

Structuring the solution

VBA developed a system for connecting with the customer with detailed steps as shown herewith.

- We instituted a simple system in which the store staff would take details of every walk-in potential customer with very few details and mobile number
- After the potential customers' visit, an automated system would send a link to the customer to assess the customers feedback on a few aspects
- Shared with client an automated dashboard with feedback collated from the customers
- Specific warnings sent to specific store managers for intervention in the customers process where deemed necessary

This entire process thus broadly has 3 modules detailed herewith.

A) Take feedback to aid the next two outcomes

B) Analyze collated feedback to enhance customer conversions

C) Identify customer level intervention opportunities

This entire process helps in 2 levels
- Providing overall understanding to enhance conversions
- Raise warnings when specific customer profiles are identified, deemed fit for individual intervention

A) Take feedback (1/2)

The short link sent to the potential customer (and customers) covers the aspects considered key in the category. Eg., demo was given, quality of demo, ambience etc.

How much did you like the ambience of the   store you visited on 19-Aug-2019?

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

How much did you like the staff of the   store you visited on 19-Aug-2019?

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

Were you given a product demo for iPad?

● Yes
○ No

How good was the demo given to you for iPad?

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

Most important aspects considered here are that the link should not take more than 2 to 3 minutes of potential customer's time but at the same time, we should get the most critical information from her.

Contd …

A) Take feedback (2/2)

From non customers (who haven't made the purchase), we specifically ask what product they were checking and when are they planning to purchase the product. We assess their overall experience in the retail store, and anything specific they wished to communicate from both non customers and customers.

The entire link could be filled by a customer / non customer in about 2 minutes.

B) Analysis of feedback

Comparison of overall data between the customers (who made the purchase) and the non customers (who did not make a purchase) was done and checked for ANOVA. This analysis showed that difference on NPS (Net Promoter Score) between customers and non customers is statistically significant. This implies that those who are not making the purchase, might actually even be creating a negative word of mouth for the brand.

ANOVA also showed that aspects like ambience and store were liked by both segments and did not differentiate between the two. Even the staff behavior was not differentiating the two segments. Interestingly what differentiated the two segments was the quality of demo. If the customer does not get a product demo or was not satisfied with the quality of demo, he is unlikely to make a purchase.

Q2. Were you given a product demo for?
Base-592

Q3. How good was the demo given to you?
Base-592

Therefore, at an overall level, very clear recommendation made to the retail store chain was to install mechanisms to ensure that demo is given to every customer who is open to it. Additionally, all training inputs should focus on the staff capability for giving a good product demo.
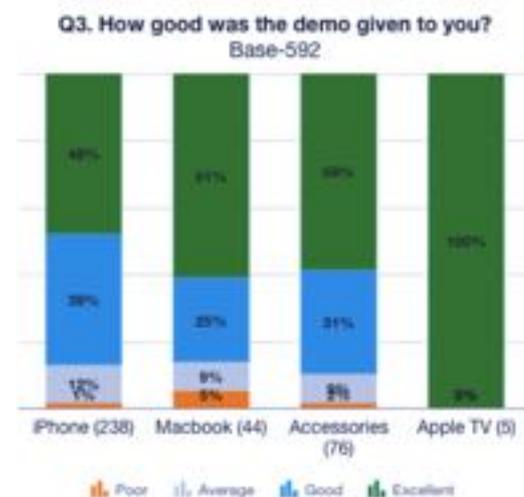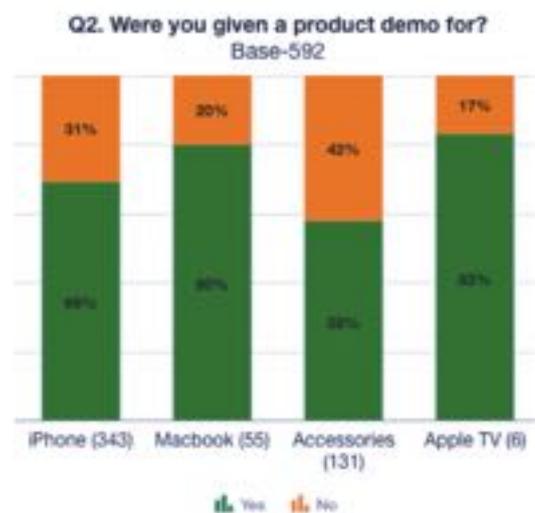
C) Identify intervention opportunities

This study was designed and conducted primarily to generate intervention opportunities in the purchase process such that the process could be influenced favorably for the store.

We developed algorithms for identifying upset customers / non customers. Whenever a response is received which could be classified as upset customer, a mail / message is sent to all relevant stake holders. Upset customer notification is sent immediately to the store manager. The details of the customer is overlapped with customer's past data and by pre set algorithm, if the customer was deemed a key account, this warning was also sent to zonal and national sales managers.

UPSET CUSTOMER   HOT CUSTOMER

Upset customer found

How much did you like the ambience of the Maple store you visited? **Response:** Rating: 1

How much did you like the staff of the Maple store you visited? **Response:** Rating: 2

Feedback Date & Time: Mar 18 2020 12:01PM IST

Hot customer found

When are you likely to buy this Phone? **Response:** Will buy soon > In next couple of weeks

Feedback Date & Time: Mar 17 2020 8:23AM IST

Similarly when a customer ready to make a purchase is spotted, the details are sent to the relevant stakeholders. Again depending on the value of the customer (another case study for assigning value to customers), the relevant stake holders call the respective customers. Very often these customers are converted on these calls and sometimes even if the upset customers could not be converted, they are assuaged and become at least neutral or sometimes advocates for the store brand, from being detractors.

Conclusions

This project has regularly brought back at 30% to 40% of upset customers back to the store. And most others have been converted to becoming at least neutral to the brand. This has also converted 70% to 80% of ready customers identified for the respective stores. The entire exercise is now totally automated, till the stage where the customer is called by the relevant stakeholders. This is an ongoing exercise and is adding to sales revenues and more importantly customer relationship management for the store brand on a regular basis.

This is an experience, learnings from which can be implemented in any high involvement product category where decision making process is slightly stretched out over time.

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Thank you!