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OCR LEVEL 2 CAMBRIDGE TECHNICALS IN BUSINESS

LEVEL 2 UNIT 5

Market research – using
customer feedback

CASE STUDY

AUGUST 2014



Market research – using customer feedback

Knowing your customers – who they are, what they want, how they like to shop – is essential for any retail business. But how can the business find out this information? One way is to use marketing research surveys, putting questions to a representative sample of people. But another way is for the business to talk directly to the customer.

This is the approach used by Richer Sounds, the electricals retail chain. “We rarely commission market research on the whole, because we already have a massive engagement with the customer,” explains the company’s Marketing Director Claudia Vernon. “We hear from customers all the time.”

Richer Sounds invites feedback from everyone who buys something in its stores, whether that is an expensive home cinema system or a cable costing a few pounds. With the receipt, each customer gets a feedback card, known as a Customer Receipt Questionnaire (CRQ), with questions on one side and Richer Sounds’ freepost address on the other. To give customers an incentive to fill in and return the card, all returned cards are entered into a monthly draw and can win Richer Sounds products.

The stores hand out around 600,000 feedback cards a year and in 2013 they received 23,497 back. This 4% return rate gives the company a huge amount of marketing data to use.

The questions ask for two types of information. Firstly, Richer Sounds wants to know what the customer thinks of the service he or she received. The customer is asked to rate aspects of the service by ticking a box, from ‘Excellent’ to ‘Poor’. This data feeds back into staff performance figures.

Secondly, the company wants to know about the customer and their buying habits: their age, whether this was their first purchase from Richer Sounds and what prompted them to come into the store – did they see an advert and if so where? Did they look on the Richer Sounds website first? There is also space on the form for the customer to add specific comments.

There is no point collecting data unless it is used to inform the company’s operations in some way. Richer Sounds does this systematically. Each feedback form is filed into the customer service category: Excellent, Very Good, Good, Mediocre/Poor, Very Poor. The Excellents trigger a reward payment to the sales colleague who served that customer. Comments are looked at and any which could be classed as a complaint are referred to the Operations Director, who has responsibility for customer service. Customers who have complained always receive a response from the company.

The various data from the CRQs are collated and then studied at Richer Sounds’ Customer Service Group meetings, which are held every three months and attended by the Chairman, David Robinson, the Operations Director, Training Director and Service Manager, amongst others including Store Managers. This means that the information is discussed at a very high level in the company, so that feedback from customers feeds into strategic decisions about the business.

By all means leave the following anonymous. However if you've made a complaint or received poor service we would be very grateful for your name and address for future correspondence. Your details will not be used for junk mail or given to a third party.

Name Mr/Ms/Ms/Other: _____
Address: _____
Postcode: _____

SIMPLY TEAR OFF THIS CARD AND POST (NO STAMP REQUIRED)

Due to the volume received, not all questionnaires will be acknowledged in writing if address supplied, but rest assured they are all seen and discussed in depth by our Customer Service team and, where relevant, Mr. Richer.

We regularly release limited and exclusive deals to our email subscribers or VIP club members. If you want to be one of the first to know about these extra special bargains, simply fill in your details (in black capitals) below and pop in the post, or register online at www.richersounds.com.

Email: _____
Your information won't be passed onto any third party company.

YOU'LL ALSO QUALIFY TO ENTER OUR MONTHLY PRIZE DRAW TO WIN AN LCD TV

**JULIAN RICHER
RICHER SOUNDS
FREEMPOST SE5508
LONDON
SE1 4BR**

NO STAMP REQUIRED

EVERY MONTH THE FIRST 50 CARDS PICKED WIN £20 OF RS GIFT VOUCHERS (REGARDLESS OF COMMENTS)

PLEASE FEEL FREE TO COMPLETE THIS CARD

Dear Customer,
It is a continuous pleasure to improve our service to you. It'd be extremely grateful if you'd spend a couple of minutes filling in this short questionnaire. Our aim is to give you the very best service. Because by doing so, not only do we improve our standards and be a customer for life. Please help us by giving your frank answers to a few simple questions because it is only by listening to what you say that we can improve our standards. Good or bad comments, I'd like to hear them.

NAME: Julian Richer TITLE: Founder

KEY: EXCELLENT VERY GOOD GOOD POOR VERY POOR

1. Was the sales assistant who served you friendly?

If you required technical information and the sales assistant was not familiar with your question, was he/she helpful in obtaining it?

Was the sales assistant who served you too pushy? YES NO

How would you describe the overall level of service?

Would you recommend us to others? YES MAYBE NO

2. Did you have trouble getting through to the store on the phone or through to our dedicated Call Centre?
YES NO HAVEN'T TRIED

If you had difficulties getting through on the phone, was the line...
ENGAGED UNANSWERED ANSWERPHONE

3. Branch visited: _____ Date visited: _____

4. How old are you?
Under 18 18-25 26-40 41-60 61+

5. Is this your first purchase from us? YES NO

If 'yes', what is the main reason for your coming to us?
SEEN AN AD If so, which publication? _____

YES RECOMMENDED PENDING BY

6. Do you have any comments or suggestions to improve the service you received or any complaints or grievances, however small?
Your comments would be particularly appreciated if in the area you visited prior to any point.

Continue on another sheet if necessary P.T.O.



The CRQs are not the only channel of communication between the business and the customer. “We get letters, emails, calls to customer service,” says Operations Director John Clayton. Richer Sounds also has feedback forms called ‘We’re Listening Cards’ on every counter. “These We’re Listening Cards are available in store for any customer, not just customers who purchase goods. This way if a customer receives poor service and decides not to purchase from us, they can still use the ‘We’re Listening Card’ to make us aware of this,” John Clayton explains.

Richer Sounds also invites feedback through its Facebook and Twitter sites, as well as numerous web forums like AVForums and Google reviews. All of these are monitored on a daily basis and critical comments are passed to the Operations Director and responded to as a priority.

Marketing Director Claudia Vernon notes that social media is a growing source of market data. “A conversation about your company might be taking place between people, on Twitter, Facebook or a forum,” she says. It is important to know about this, even if – or especially if – the business is being criticised. “You can’t control the conversation, but you can find out about it and respond to it and if comments are negative, try to turn it round. What you mustn’t do is ignore it.”

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Case study: Richer Sounds



CONTACT US

Staff at the OCR Customer Contact Centre are available to take your call between 8am and 5.30pm, Monday to Friday.

We're always delighted to answer questions and give advice.

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