

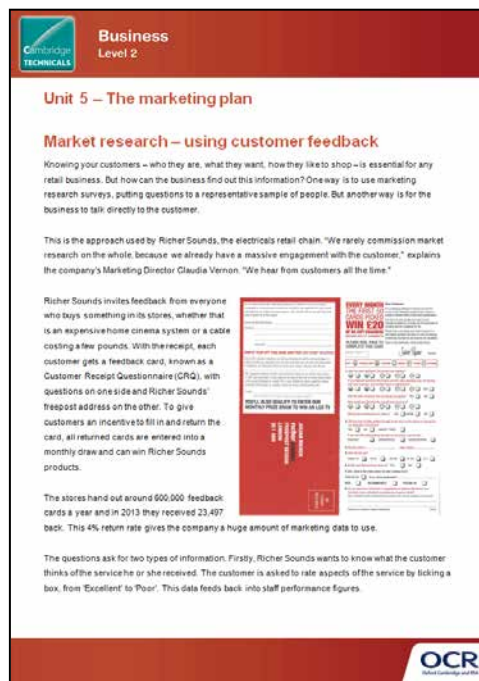
Cambridge Technicals in Business

Level 2 Unit 5

Case study: market research – using customer feedback

Instructions and answers for teachers

These instructions should accompany the OCR resource ‘Case study: market research – using customer feedback’ activity which supports OCR Cambridge Technicals in Business.



The Activity:



This activity offers an opportunity for English skills development.

Associated materials:

‘Case study: Market research – using customer feedback’ Lesson Element learner activity sheet.

Suggesting timing:

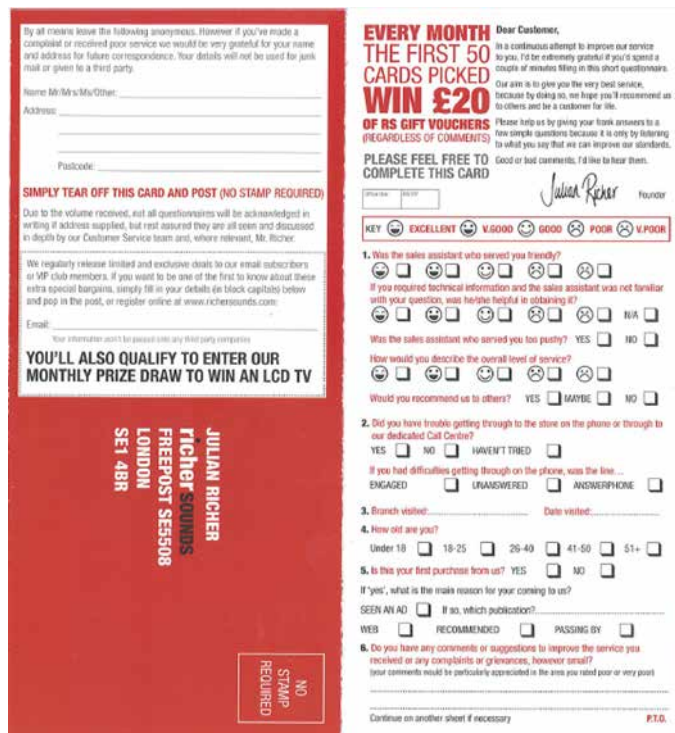
40 minutes

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.



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 block capitals) below and pop in the post, or register online at www.richersounds.com.

Email: _____
Your information won't be passed on any third party companies

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

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

NO STAMP REQUIRED

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

Dear Customer, It is a continuous attempt to improve our service to you. I'd be extremely grateful if you'll spend a couple of minutes filling in this short questionnaire. Our aim is to give you the very best service, because by doing so, we hope you'll recommend us to others 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.

Julian Richer Founder

PLEASE FEEL FREE TO COMPLETE THIS CARD

KEY EXCELLENT V.GOOD GOOD POOR V.POOR

1. Was the sales assistant who served you friendly?
 YES NO N/A

If you required technical information and the sales assistant was not familiar with your question, was he/she helpful in obtaining it?
 YES NO N/A

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

How would you describe the overall level of service?
 EXCELLENT V.GOOD GOOD POOR V.POOR

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? ENGAGED UNANSWERED ANSWERPHONE

3. Branch visited: _____ Date visited: _____

4. How old are you?
Under 10 10-25 26-40 41-50 51+

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? _____
WEB RECOMMENDED PASSING 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 in the area you rated poor or very poor

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

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.

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."

Questions

1. Why do you think Richer Sounds use Customer Receipt Questionnaires as well as the We're Listening Cards?

The 'We're Listening Cards' are available to anyone who goes into a store; whether they make a purchase or not. However, the "Customer Receipt Questionnaires" are only available to those customers who have made a purchase and therefore it will help Richer Sounds find out more about the customer and his/her buying habits. For example, how old they are, if they've bought from Richer Sounds before, why they came into the shop, whether they checked the Richer Sounds website, and what they thought about the service they experienced.

2. Why do you think Richer Sounds wants to know 'about the customer and their buying habits'?

Gathering information about their customers and their buying habits will help Richer Sounds to understand their customers better. This means that they will have a good idea of what their customers are looking and what influences them. This in turn will put them in a better position to provide what customers want and hopefully increase sales and profit.

3. How might the 4% response rate for the Customer Receipt Questionnaires be improved?

Questionnaires that require customers to make an effort, and so usually have very low rates of return, even if postage is free. One way of improving the response rate would be to make it easier for customers to complete the questionnaire, possibly by giving them the option of completing the questionnaire online. This would avoid the need for the customers to find a post box. Alternatively, customers could be offered a greater incentive, perhaps a small discount of their next purchase, rather than the chance of winning a prize draw.

4. Why do you think it is important for a business like Richer Sounds to gain feedback through online sources such as Facebook and Twitter?

It is important for Richer Sounds to use social media sites to gain feedback since customers may be using these sites to discuss their latest purchases or experiences. These sites enable customers to communicate with each other, and with Richer Sounds themselves, so where people are making negative comments it not only means that Richer Sounds are made aware of possible problems, but it also means that they can respond directly to such comments.

5. In addition to the market research methods mentioned in the case study, recommend one other method of market research Richer Sounds could use, justifying your choice.

Richer Sounds already carry out a large amount of primary research by engaging with their customers in a number of different ways. An alternative method that they could use would be the use of secondary research, such as government publications or trade magazines. By using government statistics Richer Sounds might be better informed about changes that might affect customer buying habits, such as changes in household income. This could be used alongside their primary research to gain a clearer picture about their customers.

6. How might the market research methods used by Richer Sounds help them to plan their marketing?

Knowing about their customers and their buying habits will provide Richer Sounds with valuable information that will help them plan their marketing effectively. For example, by knowing the age of their customers they can ensure that any advertisements are placed in the type of publications that are read by that age group. This means that Richer Sounds can design and place adverts that are appealing to people who are most likely to buy from them.



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