Voice of Customer Market Research for Retail Giants

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The Schranner Negotiation Institute has launched their Insights Division led by Farrah Khan. The program will be using data science to research companies and their products and services to better understand their approaches for negotiation. Creating a dynamic research arm for the company will drive-up in-depth research on negotiations, create a data analysis platform where most of the negotiation strategy will be developed to then be executed for optimum results. Currently SNI has launched their whitepaper on Past, Present and the Future of Negotiations as well as their study on "Voice of Customer" for retail giants. This is only the beginning for research to help negotiate the toughest of deals.

Voice of Customer is an innovative data set in which companies can learn more about their customers. This will highlight the customer traffic, experience and their purchasing motivations to the companies they tend to buy from. Helping these companies negotiate with retailers' suppliers and vendors will help their efforts for better customer experiences and as a result improve profits.

This study focuses on three New York retailers and how they can improve their customer engagement. Three stores that were studied in detail were, Whole Foods, Walmart and Wakefern.

Voice of customer research is important for retailers to find how to create loyal customers and to maximize profit without hurting the customer/ retailer relationship.

The pricing and the experience of the customer at each retailer builds links to customer loyalty relationship to their products. Studying each customer's purchases and their behavior while in stores will provide insight on how to better serve them and to maximize their experience while shopping. This then creates a customer-centric model for promoting products and creating a pricing structure for the products sold.

Whole Foods which was recently acquired by Amazon, is an American supermarket chain which sells products that are usually free from hydrogenated fats, preservatives, and artificial coloring. They brand themselves as being a health foods supermarket with higher end price tags. Amazon is now working with them to come up with competitive prices to promote the Amazon brand and manage customer expectations when shopping there.

Walmart is one of the leading grocery stores in the United States. They operate in chains of hypermarkets and discount stores; Walmart also owns Sam's Club retail warehouses. Wakefern is one of the largest grocery conglomerates which include ShopRite, Price Rite, The Fresh Grocer, Readington Farms, Brown's Super Stores, and Perlmart.

This study was put together with primary sources which were conducted by doing focus groups, interviews, surveys and vox pops in the New York area. All the data compiled dictates customers' values, shopping trends and highlight where these retailers fall below their customer's satisfaction rate.

Findings Report for Voice of Customer Study

Based on qualitative and quantitative data collected throughout the US, findings found on Walmart, Wholefoods and Wakefern stores were indicative to the latest trends that are taking place as people shop for their groceries. Although these stores may not be accessible to many, they still have many customers that have become loyal to their brands and products.

Are there any Whole Foods, Wakefern Grocery, or Walmarts near your home?

- ● Yes
- ● No

30.8%

69.2%
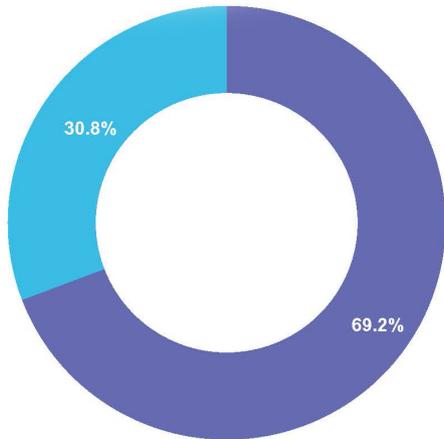
What's Important:

Location plays a big role in determining where someone wants to shop. Although a store may give better deals somewhere else, convenience is valued more. The types of brands may not be a big factor but the quality of food each of the retailers sell make an impact. Customers would rather buy high quality products over saving money for a lower quality.
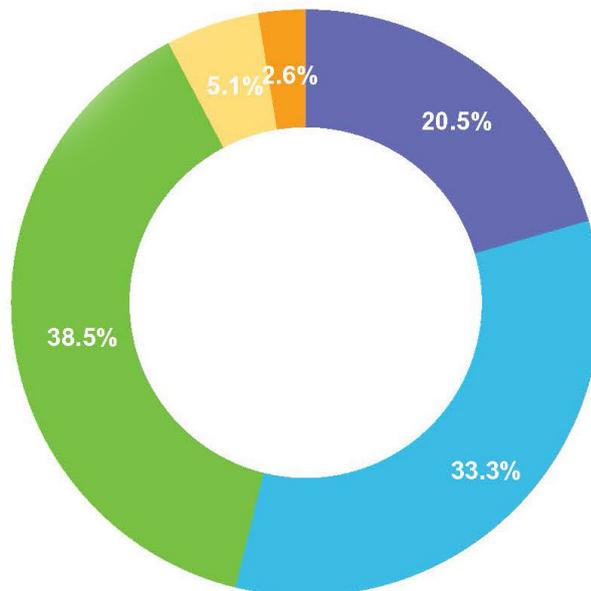
Observations:

The average shopper goes to the grocery store (Walmart, Wholefoods and Wakefern) for about 30-60 minutes to get what they need and then leave. They usually get their provisions for their week unless something is on sale or looks enticing to buy.

About 62% of people go shopping by themselves based on a pool of 3700 people surveyed (Q9). On average the customer stays in each aisle for about 2-5 minutes. Stores will need to be aware of product and sales placement. This becomes important when customers are in a hurry. Peak time according to surveys tend to be during the afternoon on the weekends and late afternoon on the weekdays, which make it very important to restock shelves accordingly.

About 38% of customers spend an average amount of $100-$150 per visit to their grocery store. Price plays a big role when people purchase their products.
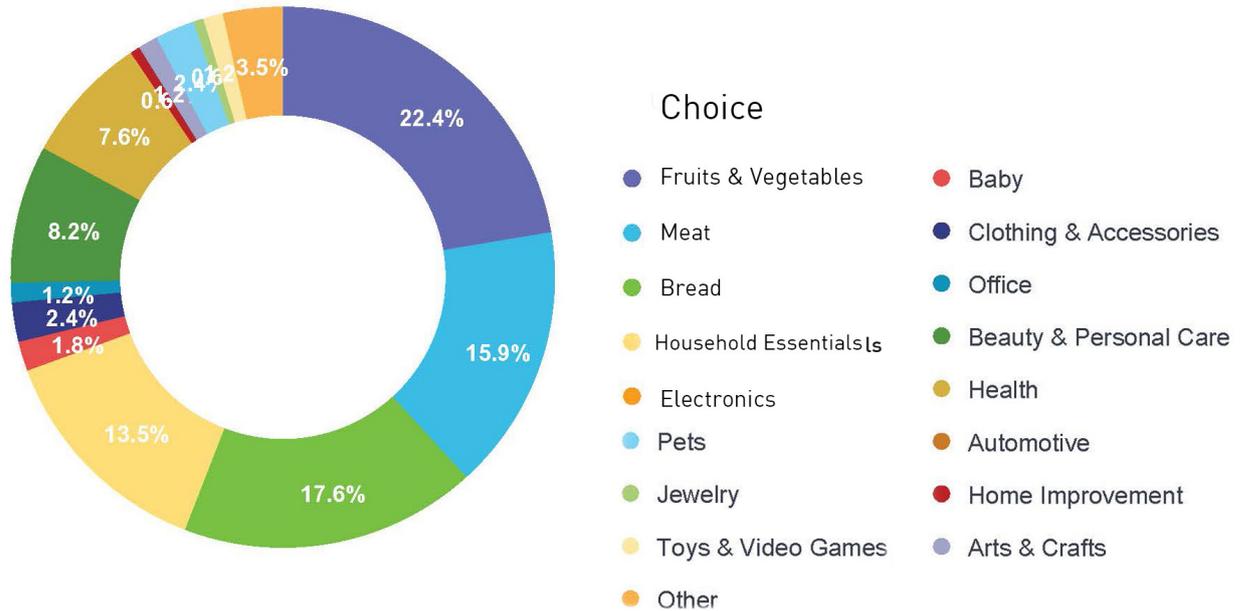
Mostly produce, household items, meat and bread are bought at these stores. Given that most customers go shopping on their way to work, home or another location, people tend to go in and out alone. Those with families may go after school is over. Coupons are important when it comes to ShopRite. Many looks at circulars or get them through the mail.

Average consumer spend per visit.

5.1% 2.6%

20.5%

38.5%

33.3%

Choice

- ● $0-50
- ● $50-100
- ● $100-150
- ● $150-200
- ● $200 and above

Typical purchases of the average consumer.

Choice

- Fruits & Vegetables
- Meat
- Bread
- Household Essentials
- Electronics
- Pets
- Jewelry
- Toys & Video Games
- Other
- Baby
- Clothing & Accessories
- Office
- Beauty & Personal Care
- Health
- Automotive
- Home Improvement
- Arts & Crafts

Wholefoods has recently started offering coupons which can also be used through the Amazon app. This is still young since people are aware that Wholefoods is one of the more expensive stores to shop in.

Walmart has the lowest price match program where people look for the same item and present it to the cashier when checking out.

Brands that people buy are very specific to their locations and their stores. Some of the more popular brands that stood out were:

- Pepsi
- 365
- Cedar's Pre-Made Food
- Annie's Chedd Bunnies
- 365 Products
- Twinkies
- Thomas Bagels
- Pepperidge Farms

- Boar's Head
- Bumble Bee
- Skippy
- Goya
- Kellsley
- Blue Diamond
- Coca Cola
- Kellogg's

Competition was also very prominent when customers were surveyed. They mentioned that other stores often provided more value: items that were locally grown and cheaper to purchase. Given that these retail giants, they are not in every neighborhood, people tend to go to their local grocery stores instead. Stores like Trader Joe's are a big threat to these giants given the value they provide for their customers.

Recommendations:

The constant dissatisfaction customers had shopping at these stores were of the long lines and wait time to pay for their shopping. Ideally, customers stay at the grocery store for about 30-60 minutes to buy their provisions for the week. They tend to pick up what they need and leave. Very few customers would take their time and browse around the store.

Wholefoods should be able to leverage the technology they have as a subsidiary of Amazon to include a way to self-check out with the App. Stores observed for Walmart did not have an option to self-checkout nor did the ShopRite. Given that these days everyone is on -the-go, stores must be able to accommodate their need for a speedy service and experience.

Walmart will need to update their employee trainings since the most complaints given were their customer service and their inventory quality. Some of the items were damaged and did not look appropriate to buy. Also, they are good at selling items in bulk and prepackaged foods but do not focus on organic or locally grown foods. A reason for this may be higher prices for these items which will then trickle down to the customers and they are normally known for their low prices.

ShopRite tends to have long lines and there are not a lot of cashiers there to attend to the customers. They need to start with self-check outs and need to find a way to control traffic throughout the store during peak hours. Placing merchandise accordingly may help with the flow of customers as they shop.

Overall sourcing the products and brands is a big deal to customers buying at these three retailers. These contracts will need to be negotiated appropriately to make sure the customer is not baring the cost of providing value to the those who buy.

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The Schranner Negotiation Institute is the global authority on negotiation support, education, and advisory. Our focus is on enhancing and transforming organizational negotiation capabilities in order to successfully manage and maneuver the toughest negotiation to achieve successful outcomes.

The Schranner Method was developed over the course of 30 years by former FBI-trained hostage negotiator Matthias Schranner, who transferred law enforcement negotiation and crisis response techniques into applicable business negotiation tools and strategies. Matthias Schranner is also a best-selling author of the titles "Negotiations on the edge" and "Costly Mistakes", both available for sale on Amazon.

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