



How to Respond to a Store-Level Customer or Consumer Survey

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Introduction

If you're reading this paper, then your retail company deserves some credit, but not a great deal – yet.

Even in today's competitive environment, not all retailers conduct regular customer satisfaction surveys or consumer image/usage studies. Of course, all retailers know how to *talk* about how important it is to satisfy their perceived customer base, through some combination of merchandising, pricing, and in-store experience/service. But many retail companies fall short of actually seeking periodic feedback from current and potential customers.

Still, many retailers (presumably including your company) conduct unit-level survey research, by surveying customers and/or consumers in the trading area of their stores. There are many available means of collecting survey feedback, including in-store interviews, mail-back response cards, IVR or telephone surveys, and email/internet surveys.

But in our experience, regardless of their preferred survey method, most of these retailers fall short of actually achieving the critical part of a store-level survey process: *responding to the results* in order to improve the store's image, capitalize on its strengths, and address its weaknesses.

It is quite understandable that customer/consumer surveys are prevalent but a solid action planning process is rare. Most retail companies, especially the better ones, have a strong measurement mentality. Sales are religiously tracked and forecasted; expenses are tightly controlled; productivity is carefully monitored. Retail chains have fairly sophisticated information systems that track and report on dozens if not hundreds of metrics. Moreover, all management personnel, from senior executives to store managers, are in tune with the pervasive measurement that takes place at a retail company. They expect it, participate in it, analyze it, and are judged by it.

So satisfaction and image measurement is handled fairly easily, by either traditional or newly available methods data collection. And it comes as no surprise to a store manager that the

company is collecting data on the satisfaction and expectations of his or her customers.

A Call to ACTION

The problem is, it is too easy to use a survey as just another measurement tool and not go through the process of response and action planning that can actually improve a store's image, usage, satisfaction, and loyalty. It is too easy to treat the survey *as the process*, not just the first step. Time-pressed store and district managers usually have “too many daily responsibilities” to devote the necessary time to create and discuss survey action plans (an irony with implications beyond the scope of this paper). And quite frankly, most unit-level managers shy away from that kind of assignment because they have no experience with it.

So while most retailers at least share survey results with store management, we have seen very few who provide the resources necessary for a successful action planning process. For starters, managers are not given a format for the plan itself (this sounds simple but can be a major impediment). While management training is typically heavy on interpersonal skills and retail expertise is a prerequisite, very few companies teach their managers how to communicate and implement improvement plans. And while nearly all retailers hold their managers accountable for their sales and gross profit, they do not establish accountability for the goals and actions (e.g., customer service improvement) that *lead to* these results. Retail executives often say, “We are firmly committed to the ongoing measurement of customer satisfaction here at Company XYZ.” This certainly laudable, but it misses the true opportunity inherent in unit-level image and satisfaction measurement. Precious few retailers truly take advantage of this opportunity.

The purpose of this paper is to give you concrete steps to take your customer/consumer survey process beyond the *measurement mentality* and into the *response mentality*. By implementing the following, you will get the most from your investment in store-level feedback.

Step 1: Make sure the results are presented clearly.

In order for any action to be taken on the survey results, store-level personnel must first *understand them*. This may seem insultingly obvious, but it is the downfall of many retail customer surveys. This paper will not address the do's and don'ts of store-specific question development, but given the survey you are using, make sure the report is as clear as possible. Results should be easy to read (i.e., without cracking open a college statistics text), and they should be explained sufficiently so that there is no variance in interpretation. If store strengths and weaknesses are easily identified, then the action plans will at least have a solid foundation.

Step 2: Deal with objections to the data.

We have had store managers tell us, "This isn't what my customers think. I'm in the store all the time, and I've never heard these complaints before." Or we get, "We have lower prices than the store down the street, so our high price image is simply not correct." And of course there is, "This survey was conducted during a week when we were short-staffed. The results don't reflect our typical operations."

In short, survey results (usually negative) are often challenged by store personnel. Understand that questions, doubts, and even denial are common and natural reactions to a survey. We recommend that you listen to any such concerns, but that you encourage store personnel to accept the results and move on. Customers are not always factually accurate in their assessments, but their *perceptions* are really what matters anyway. And there is never an "ideal" time to conduct a survey, where conditions are not influenced by some condition beyond management's control. The quicker the focus moves from the validity of the survey data to their implications, the more momentum will be transferred to the action planning process.

Step 3. Discuss results and provide boundaries for expectations.

Someone should sit down with the store manager and discuss the results. Depending on the size

and structure of the organization, this may be a district manager, a VP of operations, or an owner/president. Regardless, this person should review the survey findings, talk about expectations, and address any concerns the manager may have.

Often a senior manager can provide the perspective necessary for the manager to prioritize his or her objectives. For example, there may be certain issues that must be addressed right away. Or the senior manager may discuss how other stores have tackled similar problems. Generally, the discussion should include management's expectations for the store and the basic components that the action plan should address. It is important, however, for the store manager and his or her team to develop the specific action plan items, rather than to be *given* a list of tasks. This promotes store-level commitment to the plan, demonstrates trust, and allows for potentially new and creative ideas.

Step 4: Provide an actual form for the action planning document.

The most difficult assignments are often the ones where we don't quite know where to start. It's hard enough for a store manager to find the time to give uninterrupted thought to action planning, and that task becomes even more difficult if he must sit down with a blank sheet of paper or an empty computer screen. Don't make your store managers create an action planning format *and* the plan itself; give them access to a template form so they can get started easily. This template may be on-line or a paper form, but it should enable the manager to complete all the necessary information for an effective action plan – one that can be drafted, monitored, and revised.

Step 5: Encourage collaboration and group input – to a point.

The manager should seek input from her team in developing the store's action plan. She should speak with department managers and key personnel, both in meetings and in casual conversations. She should build consensus, share her thoughts, and be open to ideas. Involving store personnel in drafting and

updating the plan will create a sense of collective ownership that will increase the chances for successful implementation.

However, stores are not democracies, and this process does not require a majority vote or a feedback process that takes months to coordinate. We have worked with some “over-enlightened” retailers that get bogged down in presenting and working with the survey results at their stores. By the time the plan is finally written, nobody has the nerve (or the desire!) to make the necessary revisions in a changing environment. The bottom line is, action planning should be a collaborative process, but one that can be directed and guided by the store manager.

Step 6. Focus on just a few initiatives.

This point is common in any discussion of action planning, regardless of the type of organization. But retailers must be particularly sensitive to the daily demands placed on a store manager and this team. It is not practical to expect eight or ten initiatives to be on the table at once. Have your store manager pick two or three action plan items to address, and then move on to others when the goals are accomplished.

How does a manager decide which initiatives to tackle first? There are a number of factors to consider when prioritizing action plan items. It is obvious that any major problems in customer satisfaction or consumer image should be addressed immediately. Management should consider other low-scoring survey areas, by virtue of their absolute weakness, or by comparison to prior results, or relative to other stores within the company. Retail industry norms also provide a basis for comparison. A low-scoring item on which other stores typically receive low scores (e.g., checkout speed) may not be as high a priority as an item whose score is considerably lower than average.

We also advise our clients to look for “easy victories” early in the process. Perhaps along with a more major action planning initiative, a store can do something small (e.g., clean up the parking lot) that will be immediately noticed by customers and passersby. This kind of item can be quickly checked off the action planning list, which provides gratification for store personnel and keeps the action planning process moving.

Step 7. Allow for both store-specific and broader suggestions.

Store managers often feel constrained by the limits of what can actually be addressed at the unit level. For example, a survey might indicate that store personnel need more product knowledge in order to be more helpful to customers. Potential responses would include an improved new hire orientation and more frequent product training for sales associates. Yet the store management team cannot reasonably undertake these initiatives on its own. These plans would require support and leadership from the HR and operations functions at headquarters.

Along with her location-specific action planning initiatives, a store manager should have a vehicle for suggesting company-wide actions. Senior management should consider these ideas and respond appropriately (either affirmatively or negatively) to the store. If the decision is made to take on the initiative, the company could include the manager on a team to research, develop, and implement the idea.

Step 8. Require dates for start and completion of proposed actions.

This is another common point made when dealing with action planning. It is undeniable that associating deadlines with action items increases the likelihood that they will be accomplished. What we suggest is that store managers identify a *start date* in addition to a targeted completion date. This helps the temptation to delay work on an initiative simply because its due date is far off. Some items require a long time horizon, and by estimating the dates for both commencement and completion, managers are forced to think reasonably about the necessary resources and time requirements.

Step 9. Require plan participation and approval by a senior manager.

Action planning is much more likely to fail if the store manager is completely “on his own” in the process. Often, senior management has the best of intentions in this regard. We worked with a district manager who told us that if he “intervened” too much in his managers’ action

plans, it would be a signal that he did not have confidence in their abilities. But in reality, his managers were not following through on their plans because they did not think the process was important enough to him.

It is possible, in fact it is necessary, to give store managers the freedom and responsibility to create their own plans, while at the same time having senior management review the plans and monitor their progress. In the process of approving store-level action plans, a director of operations can clarify company objectives, check that timetables are realistic, and keep other senior managers informed of the initiatives taking place in the field. At the same time, it is helpful for a store manager to know that his superior is monitoring the process, because it gives him the implied approval to devote scarce time and energy to completing the initiatives on time.

It follows that senior managers should understand that they must play an important role in the store-level survey process. They need to provide the necessary support, encouragement, and resources to enable store managers to succeed with action planning.

Step 10. Hold managers accountable for following through on their plans.

Finally, senior management must ensure that the action planning process has credibility and will be given the necessary attention at store level. Most store managers are savvy enough to know that some company directives are simply the “hot topic” of the week, and with time they will lose emphasis and fade away. The clearest way for senior management to demonstrate the importance of an initiative such as store-level survey action planning is to build the necessary accountability into the process.

Each action plan item that is completed on time should be recognized. A district manager should call the manager to thank him or recognize the effort during the next store visit. If a department manager was responsible for carrying out an initiative, then the store manager should praise her effort at the next store meeting or write her a note of congratulations. Every retailer has its own means of both formal and informal recognition, and they should be used to reward

positive outcomes in the survey response process. Negative outcomes should also be addressed in a timely manner. If a store manager has not begun work on an initiative by the agreed-upon date, he should receive a call or visit from his district manager. The two should discuss the reasons for non-compliance and any corrective actions that will be taken.

In addition to the immediate positive and negative consequences for follow-through or non-compliance, a store manager’s action planning skills should be addressed through the company’s performance evaluation system. This gives the manager and her superior the chance to periodically step back and review the survey process and how it can be used more effectively in the future.

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So congratulations on being among those retailers who do more than just *talk* about customer satisfaction and consumer image. You actually *measure* these constructs, and there is potentially considerable value in obtaining this quantitative feedback.

However, you should expect more from your survey process than just periodic results. Are you really maximizing your investment in the survey process if you are not *responding* to the feedback? Hopefully the above steps will help you design and implement an effective process for doing that. Then the *real* congratulations will be in order!