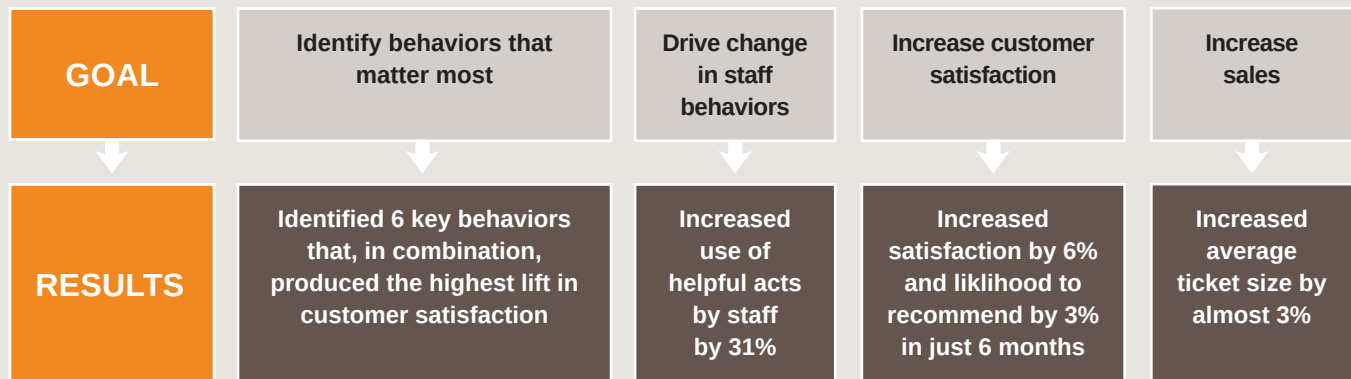


Home Furnishings Retailer

Stitching together great growth

KEY RESULTS



A HOME FURNISHINGS RETAILER BEGAN BY OFFERING A BROAD selection of bedding, window coverings, bath accessories and other home décor items. The stores coupled that selection with hands-on service to help clients make choices, add decorative touches, and find the best deals for their budget.

The company grew steadily, adding stores in states across the country. And then came the speed bump that battered every other retailer in 2009: the Great Recession. New home sales dried up.

Credit lines shriveled. And consumers stopped spending. The retailer made it through by retrenching and focusing on customer service. By 2011, it was ready to get back to growth.

This home furnishings retailer asked two important questions, and turned to Market Force Information® to help answer them:

- Who are our customers—really?
- What matters most to them?



WHAT MATTERS MOST TO CUSTOMERS?

To answer these questions, we began by measuring two things: Their customers' perceptions of their stores, and how well stores executed on the standards and training expected by the brand.

We also looked at how they stacked up against the competition. These multiple measures would paint a comprehensive view and help tease out what, indeed, mattered most to their customers that would drive sales.

In June of 2011, we embarked on a comprehensive customer experience measurement program, measuring operational performance at the location level including monthly mystery shops, transactional customer satisfaction surveys, and a one-time panel research study.

The retailer tracked performance through a consolidated view of these data streams with KnowledgeForce®, Market Force's technology platform. They noticed three important things:

- There were clear gaps in performance across their 300 stores, and that meant consumers had inconsistent experiences with the brand at the location level
- Scores were flatlined—change wasn't happening
- They had no idea where to focus their employees in order to better serve their customers. What mattered most to creating loyalty and sales?

PUTTING IT TOGETHER TO PREDICT HOW TO INCREASE SALES

The retailer asked Market Force to create a predictive model that answered that very question. The answer? Six key "helpful acts" that, when executed every time in every store, drove the loyalty and sales needles. These six behaviors seemed relatively simple, like explaining promotions to customers, offering a shopping cart, or asking about the rooms they were interested in furnishing.

Now the retailer had the specifics they needed to train on. The company went to work, creating a "Show What You Know" program to encourage staff to be helpful along all the key dimensions.

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THE RESULTS COME IN

The retailer's Show What You Know Program was put in the hands of its operators. Within a few weeks, the number of stores executing most of the six helpful behaviors ticked up by 22%. Today the retailer is seeing a 31% increase in these behaviors. And as operational excellence improved, customers satisfaction and willingness to recommend increased as well. Focusing in on these six behaviors increased customer loyalty by 36%.

Even more important? Those increases are translating into increased sales. Year-over-year same-store sales increased by more than 3%, with the largest increases found in the most improving stores.

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