



ACTION REPORT #5

Build Business on Teen Feedback





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Research findings – based on the previously conducted NACS / Coca-Cola Leadership Council study, Building Loyalty with the Next Generation – encourage convenience store retailers to learn about and develop relationships with teens. To supplement national, industry-wide studies, management teams can benefit from securing insights specific to their own customers.

Action Report #5* describes five approaches that convenience retailers can use to solicit teen feedback. Best practices suggest using more than one method and involving management and frontline employees, as well as regularly testing to re-validate and ward off “surprise” attacks from the competition.

Tip 1: “Ask Mikey”

Tip 2: Customer Conversations

Tip 3: Focused Group Discussion

Tip 4: Opportunity Assessment

Tip 5: Surveys, Statistical Analysis and Benchmarking

* This document is part of a series of Action Reports developed by Clickin Research that reflects key findings of Building Loyalty with the Next Generation, research previously conducted by the NACS / Coca-Cola Leadership Council. The study was designed to better understand and serve the needs of “emerging” shoppers, focusing primarily on teens ages 16-20. The study and all Action Reports are available at no cost on the Council web page at www.ccrcc.org via the NACS/CCLC tab.





BUILD BUSINESS ON TEEN FEEDBACK

Tip 1: “Ask Mikey”

Good managers know the importance of understanding customers’ perspectives. To do so, they actively seek feedback many times and in many ways. They may tap the owner’s teenager or their own child’s friends, as well as the store’s teen employees. All can provide helpful information and insights about the teen market for your store.

By talking with teens you can access on a day-to-day basis, you can quickly secure reactions to everyday questions. Staying up to date about teen taste preferences, visit patterns, spend potential, need states, and trip occasions can be very useful.

Advantages of This Approach

- Teens are accessible.
- Their feedback can be secured for little or no cost.
- You know these teens, and their opinions can be considered as needed.

Limitations of This Approach

- An individual’s feedback is limited to his or her personal experience.
- Personal acquaintances may invent an opinion to satisfy your expectations.
- Teens may be biased or simply uninformed about what influences your customers’ opinions and behaviors.





BUILD BUSINESS ON TEEN FEEDBACK

Tip 2: Customer Conversations

Store personnel can talk with teens to gather rich insights that may impact store operations. Best practices among retail leaders include incentives for employees who regularly obtain and share customer feedback with management.

To be most effective, staff should solicit teen feedback about specific issues, asking about their expectations for convenience, as well as about their experiences at your and competitors' stores. Interviews should be structured conversations, kept on track with talking points or a Q&A format. Avoid spontaneous customer conversations that could lead to too much variability in responses.

Advantages of This Approach

- Opportunity to probe more deeply into specific business issues.

Limitations of This Approach

- Variability
 - How, where and by whom interviews are conducted.
 - How responses are recorded, reported and evaluated.
- The possibility of overlooking important competitive issues by relying only on opinions from current customers / contacts.





BUILD BUSINESS ON TEEN FEEDBACK

Tip 3: Focused Group Discussion

A focus group discussion can help a management team considering several options about a specific area/topic that may significantly impact business. It's an effective way to gather feedback and identify preferences from current and prospective teen customers.

Recruiting and Planning

- Recruit eight to ten teens based on established gender and age criteria. A 10% no-show rate is typical.
- Identify potential participants from a local research firm or area college student group, or post a message on <http://groups.yahoo.com> or <http://www.craigslist.org>.
- Provide information about the session's purpose, compensation, contact information, and next steps.
- Select and confirm participants, ONLY sharing time and location with selected teens.
- Before the session, maintain communication including a day-before reminder with session specifics and an agenda.
- Before the session, ask participants to write down and bring information about their typical daily activities and routines:
 - When do you get up? How do you start your day?
 - If you eat breakfast, what and where do you eat?
 - Where do you go - what stores, school, work sites or other places - throughout the day and night?
 - When are you likely to visit a convenience store? When are you likely to make a purchase?
 - What do you buy? Why do you most often make a purchase?
 - What and where do you most often eat / drink during the day and night?
- Arrange for a note-taker or for video and/or audio recording of the session.
- Offer a cash incentive and/or free merchandise to participants after the session has concluded.





BUILD BUSINESS ON TEEN FEEDBACK

Tip 3: Focused Group Discussion (cont.)

Discussion Guide

- Identify the three most important insights you want to learn, as well as points to probe for detail, meaning, and context.
- Plan at least a 90-minute discussion. Prepare an introduction, transitions between topics, and a closing. Allocate time for each topic, but be prepared to scale back presentation in favor of dialog.
- Ask questions that require explanation and ask “why” to understand relevance.

Facilitating

- Communicate expectations, roles, and rules to participants, staff, and observers.
 - Ask participants to write their first name on a place card, positioning it in front of them. Then ask them to “go around the table” and introduce themselves by name and other relevant information.
 - Emphasize that there are no right or wrong answers, and every opinion is valid.
 - Disclose if the session is being recorded to ease note-taking responsibilities, and obtain release forms from each participant before discussion begins.
 - Ask participants to write down their opinions - and collect their responses - about how important teen customers are to convenience retailers.
 - Collect information prepared before the session by each participant about their typical daily activities and routines.
 - If your location allows unobtrusive observation, encourage observers to arrive on time and stay for the entire session, refrain from distracting participants, and explain how to submit a question to the leader.





BUILD BUSINESS ON TEEN FEEDBACK

Tip 3: Focused Group Discussion (*cont.*)

Analysis and Interpretation

- Prepare an executive report highlighting the discussion based on recollection, notes, and/or recordings. Document and distinguish between verbatims - what participants actually said - and your interpretations.
- Share the report and notes and/or recordings with the management team. Solicit team members' own interpretations of participants' comments and their points of view about how the company can use the insights to improve business.

Advantages of This Approach

- Ability to probe similarities and differences in the opinions of teens representing a key target audience.
- Relatively easy and fast to conduct.

Limitations of This Approach

- Gaining access to teens representing a key target audience.
- Time and costs required to conduct focus group discussions and availability of a trained facilitator.
- Risk of applying feedback from a small number of participants.





BUILD BUSINESS ON TEEN FEEDBACK

Tip 4: Opportunity Assessment

Engage students and a teacher from an educational institution to conduct an opportunity assessment, leading to a deeper understanding of the advantages and limitations of a specific business action.

A class project can define an opportunity, as well as identify research, measurement, and evaluation methodology. It could establish the situation's relevance to teen consumers and critical factors. Findings can document pivotal data, issues, pros, and cons. Ultimately, recommendations for retailer implementation should address benefits, risks, and anticipated results.

Organizing an Opportunity Assessment

- Recruit students and a teacher who will lead the exercise. Verify timing, cost, approval, and confidentiality requirements.
- Identify an internal project leader to serve as a point-of-contact for the teacher and students. Provide a class briefing, answer questions during the project, and attend final presentation(s) of recommendations.
- Provide written project objectives; the NACS / Coca-Cola Leadership Council study, Building Loyalty with the Next Generation; other background materials; and a timeline. Use a non-disclosure agreement if sharing company-sensitive information.
- Identify and provide resources for project expenses and/or a final class celebration.
- Determine how the results will be communicated internally and used in the field.





BUILD BUSINESS ON TEEN FEEDBACK

Tip 4: Opportunity Assessment (*cont.*)

Advantages of This Approach

- Possibility of acquiring fresh ideas.
- Likelihood of securing new perspectives from those outside current management, staff, and customers.

Limitations of This Approach

- Participants may not be familiar with your business, requiring time-consuming briefing, coaching, and feedback from the internal project leader.
- Timing may be driven by the academic calendar and project scope dictated by curriculum requirements.





BUILD BUSINESS ON TEEN FEEDBACK

Tip 5: Surveys, Statistical Analysis and Benchmarking

Qualitative and quantitative information can help management better understand and generalize about teen targets.

Surveys are easily conducted in-person, over the phone, and online. And, everyone - especially teens - loves to be asked about their opinions.

Advantages of This Approach

- Ability to generalize based on statistical methods that can be used for predictive estimations.
- Opportunity to repeat measurements.
- Capability to track changes over time.

Limitations of This Approach

- Challenging to present the right questions, in the right way, to the right people to obtain valid and reliable data.
- Resources are required.
- Expert assistance is usually needed for implementation and evaluation.

