

SR Quest

the bimonthly newsletter of Simply Research Services LLC, a research and analytics consulting firm

Avoid Losing Customers in the Business to Consumer Space

I'd like to welcome you to the June edition of SR Quest. The theme of this issue is customer service in the retail space. Our article on 'one-and-done' addresses customers lost after a single transaction and the importance of reactivating them. Losing these customers is not an option given the cost of acquiring new ones and the competitive retail landscape.

We also include an extensive article on cultural awareness in marketing. Often dismissed as a liberal endeavor, it requires attention in B to C organizations. The ever-present risk of negative sentiments and the potential tarnishing of your brand by social media backlash make cultural awareness deserving of attention.

As promised, we also take a walk on the light side with a piece meant to take you back to your heyday both in mind and reality. We hope you enjoy this edition. Reach out to us at info@simplyresearchsvcs.com or (708) 205-9900. Let us know your thoughts on the newsletter. Ask how we can help you reactivate your one-and-done customers and integrate cultural awareness into your marketing strategy.

Happy reading!

*Reba Chaisson, PhD
Principal*

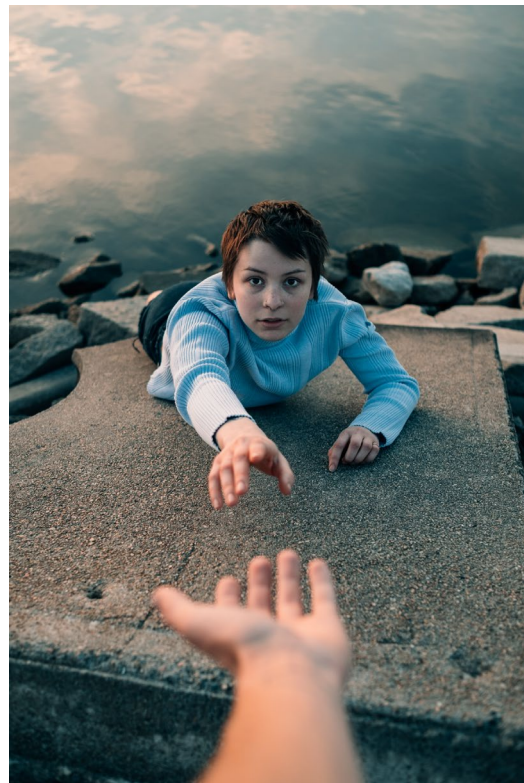


Photo by [Noah Buscher](#) on [Unsplash](#)

Increase Sales Simply by Selling Again to One-and-Done Customers

I recently hired a company to do our kitchen. We were very excited in anticipation of the finished product and our contractor did not disappoint. It is always a great relief when a home improvement project goes well. My next remodel will be with the same company.

To finish out the project, we hired a handyman to hang new lights and change out the outlets along the backsplash. Despite boasting numerous positive reviews on Angie's List, the handyman performing the job couldn't make an independent decision. You know how it feels when your kids call your name before they've tried to resolve things on their own – *Mom, Mom, oh and Mom*. Well, the handyman did this a lot.

Excuse, excuse me Ma'am? I think this ceiling fan is defective. See, if I set this switch, the light comes on but not the fan. And if I do this, then nothing happens. See if you stand here on the ladder, you can hear the hum like it's trying to turn on.

Actually, the unit did work, he just didn't understand how to operate it because he didn't read the instructions.

Ma'am, Ma'am? I can't install the dining room chandelier because it's too heavy. I need another person to hold it while I connect the wires.

Keep in mind that we are talking about a dining room light, not a ballroom chandelier. But the kicker was the improper wiring of the GFI on the backsplash. A simple test and reset revealed that something was awry. It was shoddy work.

When I called the company about the GFI, the owner's response was simply "Okay." That was it. No offer of even a partial refund. No apology. Just "Okay." I guess he figured my complaint was an outlier among the hundreds of positive reviews and ratings the company has received over the years. I was therefore an expendable customer. As a result, I will never use this company again but instead hire a competitor.

As a veteran researcher and marketing analytics consultant, this situation reminded me of my 'one-and-done' customer work with companies like yours. Like you, they are looking for simple solutions to increase sales. 'One-and-Done' is a designation for customers who transact with a company only once and never again. There can be a variety of reasons for this, many of which can be addressed to varying degrees. But if no effort is made to identify these customers and gain insight into their dormancy, your short-term sales revenue is lost and customer long-term value (LTV) is cut short.

The viability of many companies depends upon repeat customers. Ignoring 'one-and-done' guests, patrons or clients is not an option and eventually leads to more costly acquisition efforts. Unfortunately, many companies realize this only after business begins to stagnate or lose ground.

Besides ensuring a good customer experience, retail and service providers can make efforts to minimize their 'one and done' activity by first considering the following questions:

How much business have your competitors enjoyed from people who bought from you once and haven't bought again?

How do you identify "one-and-done" customers?

What do you communicate to 'one-and-done' customers to make them loyal and profitable to you and not your competitors?

The work involved in exploring these questions can potentially yield the reactivation rates and spending expectations laid out in your marketing plan. Don't cross your fingers and hope for more sales. Turn 'one-and-done' customers into loyal and profitable ones.

Homework for You: Get Back to Happy



Photo by [Zachary Nelson](#) on [Unsplash](#)

When our kids whine and complain about homework, we (meaning most parents) tell them “there’s nothing wrong with a little homework.” So here is a bit of homework for us adults. No, this isn’t about positive thinking or mantras like ‘money doesn’t buy happiness,’ or even MRIs and the science of happiness. It’s just about remembering when and tapping into that as a way of discovering what gives you joy. Let’s begin with my story.

After a 23-year drought, we finally had a wedding in the family. I danced my tail off at the reception. I sat down at tables with friends and family to catch up. Ate. And then danced again and again and again. I didn’t even have my usual glass of cabernet sauvignon, but it was euphoric nonetheless. Later, I got to thinking about other times in my life when I had so much fun, so I began listing them. Your homework is to do the same with the goal of moving ‘happy’ high on your list of priorities. Here is my list in no particular order:

1. Going to Six Flags when we were undergrads at DePaul. My boyfriend won this giant panda bear for me and shoved it into my arms. I felt so special. And yes, I married him!
2. Some fellow classmates put on a concert at the ZBT, an on-campus bar at the time. We had a blast. Don’t worry, the drinking age was 19 then and later raised to 21 to our dismay. No more Olympia beer for us!

3. Frequenting this nightclub in Dallas. The music was deafening, and the drinks were watery and expensive. I always lost my hearing for two days afterward, but again, I had a blast. The club had free valet parking for women, which is one of the reasons I chose to be a repeat customer there. It felt like a safe place to go.

4. Going to the House of Blues in Chicago. I love live performances. Again, the music is deafening. The drinks are a little less watery than those at the club in Dallas but much more expensive.

5. Performing on stage. Nothing is better in my opinion. Strumming my acoustic and plucking my electric along with my bandmates as we rock out is a thrill.

6. Re-doing my kitchen. It felt good to get it designed to my taste – I finally felt like I was truly enjoying the space in my own home.

7. Hanging out with my granddaughter. While I miss holding her as an infant, I love this stage where we can run around the playground and yell and scream like we’re trapped in a castle. I also love it when she just lays quietly and reads while I play the piano. “That was beautiful,” she always says without looking up from her book. Kids – aren’t they great?

8. Watching my older son play baseball as a kid. He was so good and played so hard, I always got a charge out of watching him hit, run, slide, and challenge the defense on his steals. I was the biggest cheerleader at the games - even though he always came home with the dirtiest and dustiest uniform of all of his teammates.

9. Watching Cubs baseball with my younger son. We enjoyed our popcorn and quiet time together – except for my screaming and cheering. He took it all in stride.

Homework... (continued)

10. Attending my sons' school concert performances. They worked so hard at it and they were both so good. Brandon seemed to have a natural talent for the baritone horn and soprano saxophone. Chris was such a professional, even as a kid. I still marvel at his discipline. He would come home from school and head downstairs to practice his drums and xylophone. I would hear him continually repeating sections of scores until he got them down. Not to brag, but he was accepted at the music schools for Illinois, Michigan, and Texas. The kid was just good!

What I learned from my happiness in review: I enjoy music and live performance; I like for my house to feel like home and I love catching up with family and friends. These are what make me happy – so I must make the time to indulge in them by moving them up on my list of priorities. Otherwise, what's all the hard work for? So, what about you? When was the last time you had fun? Think back on the good times you had and list them. What patterns do you see? How can you get back there? How can YOU get back to happy?

Why You Should Market with Cultural Awareness

It is smart to factor cultural awareness into your marketing given the increasing diversity in the United States and the varied tastes, preferences and lifestyles that go along with it. In addition to 10 years of customer analysis work, I spent even more time studying and teaching and found that even seemingly unrelated issues can be explained in large part by culture. Film, poverty, education, marketing analytics – the problems I studied all led right back to the distinct experiences of men and women and people of different age, social class and racial and ethnic groups in a particular era. It is not surprising really. Our perspectives and sensibilities vary along these lines because our expectations of each other and ourselves have been formed by them.

To exercise cultural awareness in marketing is to be mindful of the varied experiences and sensibilities of your target market. Losing customers due to a lack of such awareness is problematic given today's social media reality. Even giants like [Starbucks](#) and [Sephora](#) have been embarrassed and humbled by it. In addition to apologizing for incidents involving the poor treatment of several African American customers, each forfeited a day of business to administer company-wide diversity training. Imagine the impact of such incidents on smaller organizations. Nothing exemplifies the consequences of this lack of awareness more than cultural events themselves, like the Big Game and the Oscars.

The NFL sells its annual football game to millions of fans during a mid-winter Sunday afternoon. This event has drawn more than [100 million television viewers since 2010](#). It appeals to such a large and wide spectrum of individuals that many would think it could not be impacted to any notable degree by controversy. The loss of one or two million viewers as a result of missteps should not move this mega-event, which is now so deeply fixed in American culture. Yet, it has experienced a pattern of decline since 2015, the year of the *deflate gate* controversy concerning the use of deflated game balls to enhance the quarterback's grip-ability. The league responded by instituting a formal [inspection process](#) to validate the pounds per square inch (PSI) of the footballs just prior to the start

Why You Should Market... (continued)

of each game. This along with personnel suspensions perhaps helped save the sport's credibility, as evidenced by the drop of only 2 percent in viewership the following year (see Chart 1).

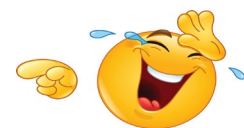
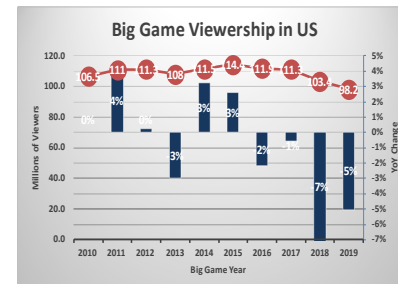


Recently, commercials and halftime performances have touched directly on the political and cultural issues of the day: Black pride, immigration, civil liberties, player protests, and music artists' boycotts against the [league's new policy on the action](#). Overall, Big Game viewership has dropped 8 percent over the last 10 years. While cause and effect are difficult to connect given other factors like the match-up, the action on the field and who is performing at halftime, it is hard to rule out controversy as a factor in its shrinking audience. But Beyoncé and Lady Gaga - seriously, who wouldn't get excited about those half-time performances? These artists should expand the Big Game audience, not shrink it; yet the numbers still fell.

So even large organizations are impacted by controversy. The effect simply takes longer to manifest due to the size of the audience or customer base equivalent. Sears, once a major retailer, is a fitting example. It took more than 20 years for its active customer base to shrink to virtually nothing after the company divested from communities that had patronized its stores for generations and moved its headquarters out of reach of many of its corporate workers. I doubt however that the Big Game dies such a slow death. Its place in culture and its exceptionally large and broad marketing appeal make this unlikely. It will be around a while!

Unlike the Big Game, the Oscars audience is small and selective. A loss of a few million viewers immediately impacts this show. Because of this, the Academy of Motion Picture Arts and Sciences (The Academy) must work especially hard to avoid controversies that cast doubt on its legitimacy.

Chart 1

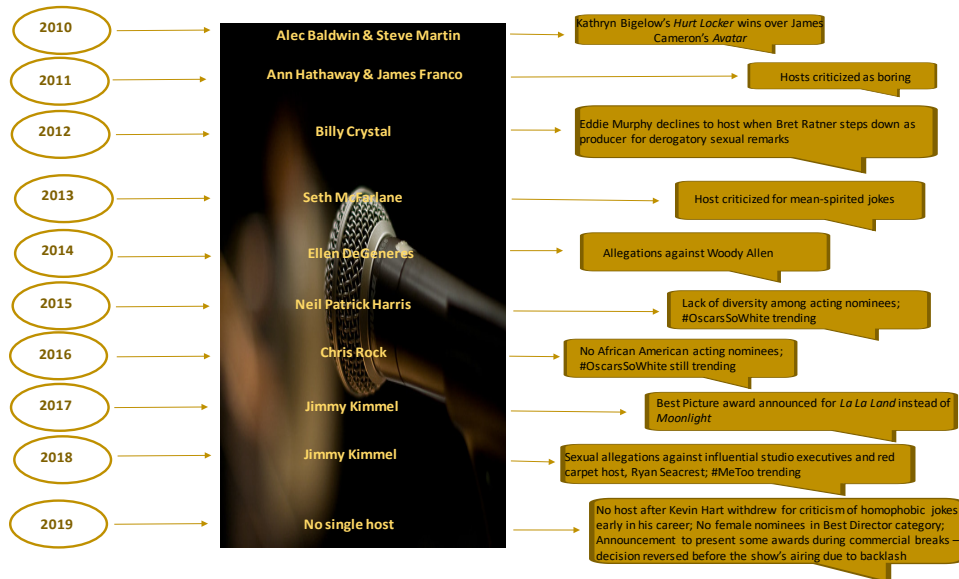


The Oscars had no host this year, prompting the NFL to book a Spotify playlist for their halftime show.

Chris Chaisson

Why You Should Market... (continued)

The Academy has little control over the comments made by presenters and winners or even the actions of industry notables. But it can remain acutely aware of the low representation of certain racial, ethnic and gender groups among its members and staff. This can and has historically led

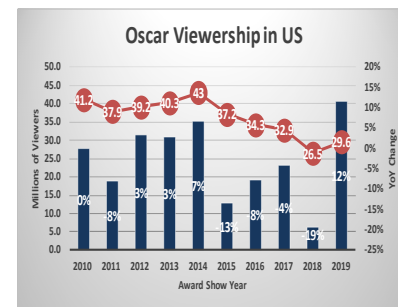


to the omission and effective devaluing of the former's contributions to the industry. Recently, the absence of acting nominations for Blacks and Hispanics led to cultivation of the hashtag #OscarsSoWhite that is still quite active. Later, the Academy's announcement that awards for Cinematography, Live Action Short, Film Editing, and Makeup and Hairstyling would be presented during commercial breaks also created significant social media backlash.

To its credit, the Academy responded to the former by expanding its membership to [broaden its demographics](#). As for the latter, it reversed its decision to not air the award presentations for these categories. But there is still more work to be done as it received quite the lashing for the absence of women nominees in the Best Director category in 2019, and the racial and ethnic diversity of nominees is still quite low.

So, the academy must be deliberate in acknowledging and appreciating the diverse tastes and preferences of its audience along with their cultural sensibilities. It must be vigilant in ensuring the Oscars reflects the diversity and values of the larger culture so the show de-identifies with hashtags such as #OscarsSoWhite, and so it doesn't marginalize the contributions of professionals in less popular categories. In short, the Academy must make an ongoing effort to be culturally aware. As evidenced over the last several years, the failure to do so has sparked

Chart 2



Source: [Oscar Viewership](#)



After Kobe Bryant took home an Oscar, the new odds-on favorite to win next year's NBA championship is Meryl Streep.

Chris Chaisson

Why You Should Market... (continued)

controversies that have tarnished the brand and resulted in a 28 percent drop in viewership over the last 10 years (see Chart 2).

Learnings from the Big Game and the Oscars can be applied to the marketing decisions of brands like yours:

1. Don't alienate your customers. Factor cultural awareness into the crafting of your marketing message as it can be the difference between brand relevance and brand obscurity. We are all part of the culture, so the idea that we would not be affected by it is unreasonable.
2. When your customer base is small, proceed deliberately and cautiously because there is little room for error.
3. Seek to remedy situations by responding to criticisms and asking for the opportunity to make it right. Encourage customers to spread positive word about your company by offering incentives and requesting reviews of your products and services.

It is unavoidable to discuss just a bit on ways of dealing with differing perspectives when you have a diverse customer base. In a classroom, the facilitator can play the role of devil's advocate to challenge the students. He or she can have the students assume each other's stance on an issue or conduct a debate where students are assigned to defend a side that they actually oppose. The goal is to develop the students' critical thinking skills and to move them toward an appreciation for experiences and perspectives that are different from their own. However, the goal of marketing is to sell to consumers without alienating them. This is especially challenging when your target market is diverse. This conundrum can be approached by learning about your market through qualitative research. Here are a few suggestions:

1. Learn about your customers through a series of focus groups, some race, ethnic, gender, or age-specific and some diverse. Ask questions about their experiences in stores – not just yours but others as well. What has turned them on or off about marketing ads in general – not just yours but others as well. Comments about race, ethnicity, gender, and even age will inevitably arise during these discussions, particularly in the diverse groups. This rich data will provide you with insights on what your customers like and don't like and what they do and don't find offensive.
2. Test ad visuals and marketing messages on focus groups consisting of individuals within your target market. Adjust these based on what you learn during the discussions.
3. Conduct ideation sessions with customers as an open-ended approach to learning about them. This also lets them contribute to how your products and services are marketed to them, which can be both fun and quite empowering for customers.

Many companies often rely on analytics to learn about customers but keep in mind that this data is descriptive. They don't offer insight into how customers think about things that affect them. The best way to get to know your customers is to spend time talking to them and to do this on a periodic basis. This ensures you remain in-tune to the cultural climate and

Why You Should Market... (continued)

the ways it is or has changed your customers' sensibilities over time. You can then adjust your visuals and messaging so they are in synch with the times.

Keep in mind that companies can toot their own horns using paid media but more impactful buzz occurs through earned. Facebook and Twitter posts about a beautiful clothing design, a great restaurant or venue, or a store or service provider spread quickly across social media, generating significant talk about a company's products and services. Controversy and complaints, such as a pattern of poor treatment of customers, can spread just as quickly and be quite damaging.

Experiences such as these leave customers feeling they don't belong and/or are not wanted, and they manifest in 'one-and-done' customers, negative reviews and damaging social media sentiments. The consequences can also take the form of derogatory hashtags that supplant a positive identity of a brand and sometimes even a crop-up of Doppelganger images. These can hijack the legitimate brand and turn it into an unflattering representation of the company that sticks.

Embrace cultural awareness in your marketing. As you develop ads and prepare customer service processes, don't forget about the customer. Along with their demographics and preferences, consider their sensibilities and sensitivities within the context of the larger culture. It is crucial for avoiding controversy and protecting your brand. Customer service should be positive and consistent, and no customer should be lost without a fair effort to save them. Keep your customers and capitalize on their social media influence rather than becoming victims of it – know them, treat them well, and remain cognizant of cultural context in your communications with them.

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Reba Chaisson earned her PhD and Master's in sociology from Loyola University Chicago and Bachelor's in Computer Science from DePaul University. She also holds marketing research certifications from the University of California Davis. She was a member of academia for 11 years, where she taught and researched at Purdue University and the University of Illinois Chicago. She has publications in film, poverty and teaching and has presented at numerous conferences on the topics. After academia, Dr. Chaisson spent more than 10 years conducting marketing research and analytics for clients at Acxiom Corporation, EY, Sears Holdings, and RenRe Insurance. She uses qualitative and quantitative methods in her research and develops segmentations, dashboards, and other analyses in her analytics work.

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