

How shoppers select retailers

Analyzing customer feedback to understand what drives consumer sentiment and retail store selection

In the fast-paced world of retail sales, the secret to attracting and retaining customers is often highly specific and can change on a monthly, or even weekly, basis. Still, there are fundamental drivers of shopper satisfaction – and dissatisfaction – that lead them to choose one store over another.

Luminoso partnered with a survey provider who sent surveys via a mobile app to shoppers as soon as they left a store. The 13,752 shoppers who responded told us why they had chosen to shop at the retailer they did and how they would rate that retailer on a scale of 1 to 5.

Their feedback revealed fascinating insights about why they choose the retailers they do, what impacts their satisfaction, and how different leading retailers are perceived differently.

Location and convenience trump price – and customer service too

Shoppers discussed location and convenience at far higher rates than they did about price, inventory selection, and even customer service.

Situation

- Comments from 13,752 customers about more than 50 retailers
- The goal: identify what makes shoppers choose a specific retailer

Solution

- We used Luminoso Analytics to analyze consumer feedback and identify root drivers behind shopper sentiment and store selection

Results

- Location and convenience trump price when it comes to choosing a retailer
- Good customer service is the “cherry on top” that a shopping experience from “good” to “great”
- Coupons work – sort of. Even if a customer feels negatively about a store, they will shop there if they can get a discount

1

Location



2,714 Matches

2

Convenience



2,456 Matches

3

Price



2,275 Matches

4

Selection



723 Matches

5

Coupons



677 Matches

6

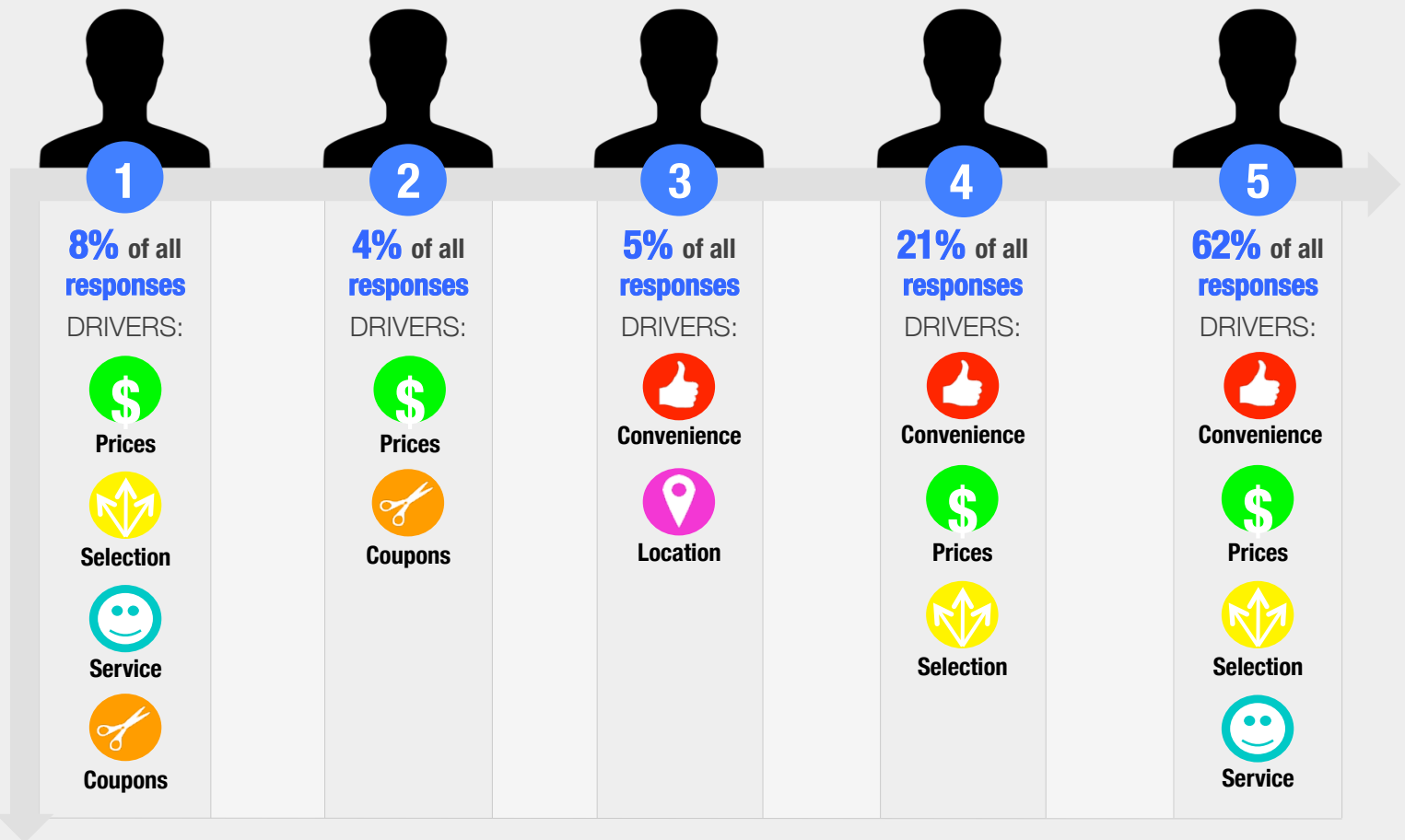
Customer Service



389 Matches

Customer service is either the cherry on top or the final straw

Although customer service isn't discussed as frequently by customers, it still has a strong impact on how shoppers perceive retailers. Good customer service can be the "cherry on top" that drives customers to rate your company as "great" instead of "good"... whereas poor customer service can sour an entire interaction and negatively impact a customer's perception of a retailer.



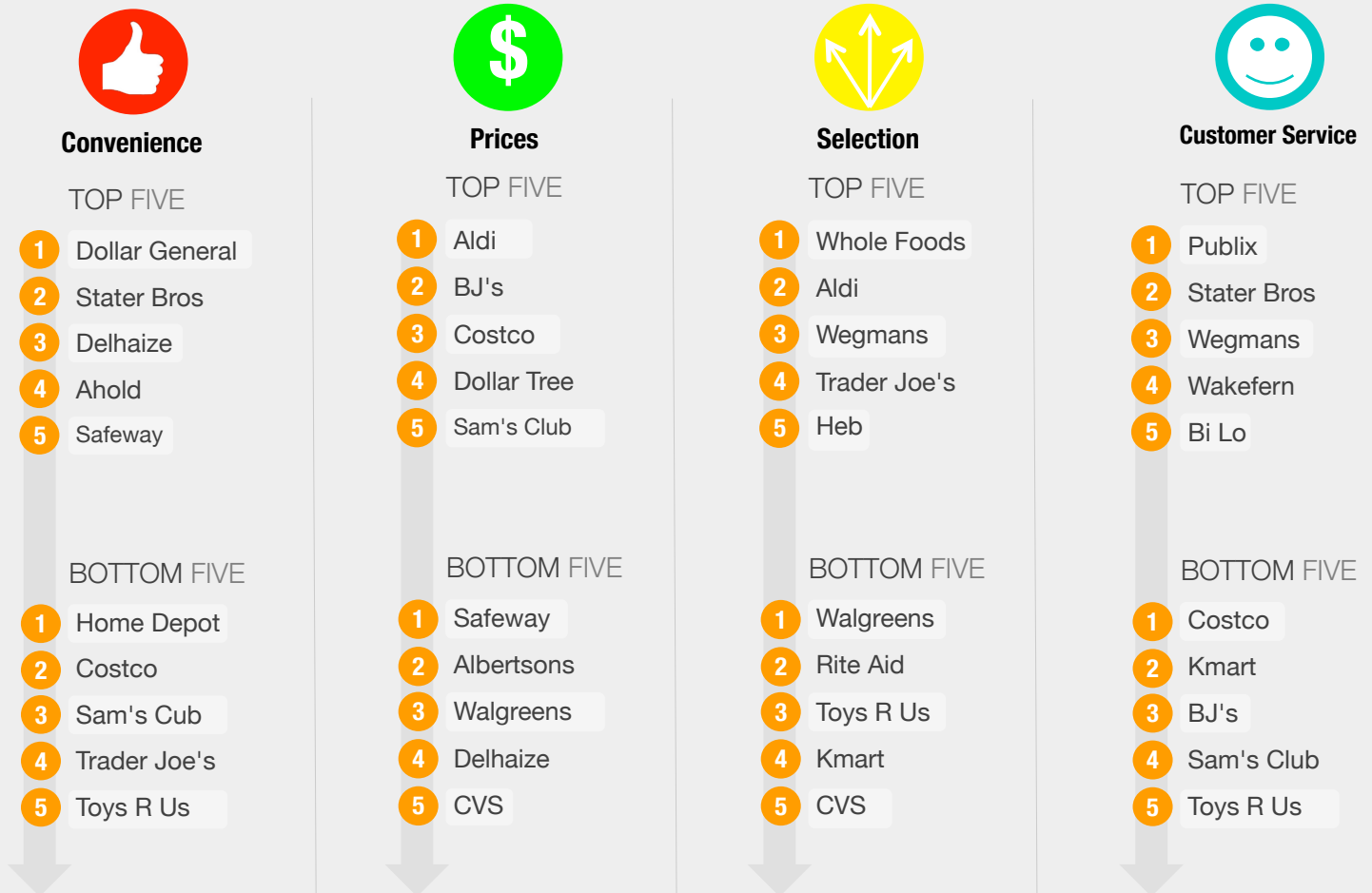
Coupons and sales work – sort of.

Were you surprised to see in the above chart that "coupons," which also included comments about sales and discounts, were only mentioned by people who had rated a retailer poorly? So were we. While at first we assumed that these were complaints related to expired or unaccepted coupons, after a little digging we discovered that this wasn't the case at all.

Comments made by shoppers who mentioned coupons or deals but rated their experience as poor or unsatisfactory (1 or 2 on a 5-point scale) indicated that the only reason they went to that particular retailer was because they had a coupon or were running a sale on a needed item. In short, coupons and sales do work to drive business – but on their own, they will not make your customers loyal or even particularly happy.

Winners and losers: how retailers stack up

Using customers' feedback on particular brands, we ranked leading retailers on several different metrics. Do any of these rankings surprise you?



About Luminoso

Luminoso Technologies, Inc. helps companies understand their customers better and take action to optimize customer experience and improve satisfaction and loyalty. Luminoso applies cutting-edge methodologies to quickly process and analyze unstructured text data such as open-ended survey responses, product reviews, and call center transcripts. Multi-lingual capabilities, including Chinese, Spanish, and Arabic, give global companies the ability to understand their customers worldwide. For more information, please visit www.luminoso.com.