

Understanding your customer's frame of mind

Part 1 - Your store should speak your customers' language By Yuri Bolotin, Principal, Design Portfolio Pty Ltd

Understanding of your targeted customer is a vitally important requirement for running any retail business. It is one of the first things that we as retail and brand designers need to investigate before designing any project.

Yet, when I ask some retailers the question, 'Who are your targeted customers?', I often hear the following two kinds of answers, both I believe are dangerous for your business.

The first response is, 'Our customer is anyone'. Really? Running a retail business with this premise would be similar to telling a cab driver you've just hailed in the street to take you 'anywhere'. In both cases you put yourself at a mercy of other people. 'Anywhere' you will be taken to will most likely get you to the wrong type of place. 'Anyones' you are opening your doors to may well be the people who are not able or willing to buy your goods or services, at the prices you are asking.

The second response is even more problematic. It comes from retailers who believe that they have understood their customers, whereas this 'understanding' is superficial at best, and dangerous at worst. I am referring to people who think they know their customers if they can quote a few numbers obtained from a quantitative

research like the Census or the local Council demographic data. They say, for example, 'My targeted customer is a 25-30 year old working female'.

If you are trying to build your retail business solely based on this kind of information, there are two issues that could create potentially disastrous 'disconnect' between you and your customer.

To illustrate the first problem, I chose two photographs of 'working women, 25-30 years old' – see this page. The above demographic data applies equally to both women, but it is clear that we are in fact dealing with two totally different persons.

You have to know much more than simple demographics. Psychographics - attitudes, lifestyles, values, perceptions, beliefs are just as important if not more so. What do they expect from your business? What frame of mind are they in when they visit your store? What are their anticipations as far as service, selection, ambience, product information, waiting time? If you don't know, you must ask (this is a great and simple marketing idea as well).

If you treat customers as numbers, they will do the same to you and so will only be interested in your prices. You must stop treating your



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customers as numbers and start treating them as human beings, with their feelings and emotions. Your stores should speak the customers' language.

The second problem of focussing solely on demographics is that the same person today will behave and shop entirely differently, depending on their attitude towards the product or service you are offering, who are they shopping with, who are they buying for, how much time they have at their disposal. The rapid growth of the middle class in most Western and some developing countries is mainly responsible for the modern phenomena of the 'street smart shopper'. The same person will buy a \$20 track suit at K-Mart and then in the same day happily spend \$200 for a dinner for two in a popular restaurant or outlay \$2,000 for a jacket at a luxury boutique.

Imagine if K-Mart tried to put a \$2,000 jacket amongst their \$20 track suits? Or if a luxury boutique had a cheap 'no name' tracksuit amongst their branded merchandise? Even though the same person may be buying both items, this person would be in totally different states of mind during their visits.

If you sell high price, high prestige value, high quality items – does your store environment look the part, does it support your product, does it communicate to your targeted customer the messages of care, quality, service, indulgence, of

being special?

If you sell discounted, commodity-style items, does your environment support this positioning and responds to your customers' need for bargain prices, wide and easy choice, speed of service, uncomplicated return policy?

Therefore, understanding what is on your customers' mind when they visit your store is probably more important than knowing how old they are or where they live! This knowledge generally can be sourced from customers themselves, through observing your customers and communicating with them through qualitative research (eg focus groups), in-store questionnaires, web site forums or chat rooms.

A good understanding of your customers' attitude and frame of mind when they visit your business will allow you to:

- create the right environment
- develop the right brand 'tone of voice'
- decide on the right location(s)
- buy the right product
- set the right prices
- use the right promotional media
- employ and train the right staff.

In the second part of this article, I will give you some examples of using this knowledge in retail and brand design.



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Getting your customer focus right: it is not rocket science

Part 2 - It is important to understand your customer's expectations By Yuri Bolotin, Principal, Design Portfolio Pty Ltd

In the first part of this article, I talked about the importance of understanding your customer and the difference between customers' demographics – statistical data about ages, marital status, place of residence etc, and customers' psychographics – qualitative research data about attitudes, beliefs and expectations.

I would now like to give you a few examples of the power of understanding customers' expectations. I also want to illustrate how the same person will require totally different shopping environments, depending on their frame of mind when visiting a particular store. Remember our '25-30 year old working female' from the last month's article? Let's go shopping with her!

Mathers

First, let's observe her going shopping with her 5 year old son, to buy him a pair of school shoes, as well as some casual shoes for herself. She goes to a family shoe store, as it is a one stop shop, and her purchases are of 'maintenance' rather than 'high fashion' kind. What would she likely be expecting? Think about yourself buying a pair of shoes.

It goes something like this:

1) You first spend time looking



Burger bar interiors ... a design which addresses customers' needs, mindset and feelings.

through the shoe displays

2) Finally you see a shoe that may suit you. You now must try it on.

3) You wait until a shop assistant becomes available. You then ask him/her to find and bring you the pair to try on.

4) The assistant disappears into the storeroom for what seems like a long, long time, finally coming out with your shoes in the box.

5) You try them on and they are too small/too big/don't suit you after all.

6) Go back to Step 1, 2 or 3. Repeat this exercise until you find the right pair of shoes.

Now, imagine doing this with a 5 year old kid? This is why the most important thing on our customer's mind at the moment is the speed and quality of customer service. We discovered that through

observations, staff interviews and customer focus groups when we were researching a new concept for 'Mathers for shoes' some years ago.

Another aspect of this was that this long wait was not due to the sales staff being lazy or inefficient. Whilst customers waited in the retail area for what seemed to them like a very long time, we observed Mathers staff working really hard, running up and down the ladders in the storeroom, trying to find the right pair of shoes. That storeroom, by the way, was very big and occupied up to 40% of the overall store area.

What if we took most of the shoe boxes out of the storeroom and positioned them on the retail floor, above and below merchandising displays? And design moveable ladders that the sales assistants can use to reach the stock, in full view of the customers?

Here is what has happened:

1) Both the real and the perceived speed and quality of service have improved dramatically. Sales assistants now spend most of the time in full view of the customers, going up and down the ladders or extracting the boxes with special



Mathers for shoes

long rods, instead of disappearing into the back room. It took much less time to locate the product. As well as that, there was a psychological factor at play - for all of us, the time drags on slowly whilst you are waiting in a queue, but always flies pretty fast whilst you are being actively served.

2) By positioning a mass of neatly arranged shoe boxes on the retail floor, we created a more interesting and exciting environment and a sense of retail theatre. It also gave the store a feeling of abundance and good prices which was very beneficial for this middle market retailer.

3) By taking a big part of the stock out of the back and locating it in the otherwise non-productive retail space at the front, we have dramatically reduced the size of the storeroom and increased the productive retail floor area, without changing the overall floor area of the shop and therefore the rent.

This strategy, borne out of the understanding of how customers think, became the foundation for the new concept that included colours, finishes, merchandise presentation, lighting, signage and graphics.

The client reported sales increases up to 95% after the installation of the new concept. I am convinced that if we had just focused on colours and finishes suitable for a '25-30 year old working woman', these figures

would have been not nearly as impressive.

Burger Bar

Back to our working mum. She is now meeting with her friend for a quick meal and a catch up during her lunch break. What are her thoughts and expectations? She is craving for a burger but can't help feeling a bit guilty about this food being too heavy, fattening, not quite good for her health. She wants to go somewhere casual, inexpensive, with a quick service. After spending hours at the computer, she would like an environment that would be different and relaxing.

One must take into account all these things, especially if, like our client, you are planning to open your first food outlet opposite a busy McDonalds in the CBD. Our response was a concept that offers gourmet quality burgers and salads in an environment that would complement the menu and positively respond to customers' potential guilty feelings. Burger Bar ambience is fun, light, easy, casual and fast. The seating is designed so that the patrons feel relaxed, whether they are on their own, with a friend, or with a group of colleagues. Engaging and interesting graphics, breezy colours provide a respite from the office environment.

Our friend the working mum will enjoy this environment, which is so different to the previous example, because it

responds to her totally different frame of mind.

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Our 25-30 year old mum is now buying a watch for her husband's 30th birthday. This is a present that would last for many years, perhaps for the entire lifetime. She wants something very special, a timeless design, the best possible quality. She is not sure how to go about the selection process, she is apprehensive about spending a lot of money, and - what if it doesn't work or if he doesn't like it? She needs to find someone whom she can trust, who would treat her with respect and care, who would understand the importance of this special occasion, who would make her feel special.

In our design for JFarren-Price Jewellers, we responded to these feelings and emotions. The special experience starts at the door where every guest is greeted personally by a trained consultant. The visitor is then invited to sit and relax in one of specially designed consultation areas, whilst jewellery pieces and watches are brought in for them to see. Several consultation areas offer different degrees of privacy. There are advice desks for a quick consultation, a semi-enclosed watch selection area and a fully private lounge room.

Attention to design detail in-store reflects the attention to detail in product selection and product design in their jewellery workshop. The main sales area

has marble floors, sleek line contemporary advice desks, French baroque customer chairs, exquisite XVII century chandeliers and modern lighting. The lounge features Lois XVI furniture alongside a 42" plasma screen that is used for demonstrating finer features of watches and custom-designed jewellery. The showroom expresses the essence of J Farren-Price brand - a mixture of the traditional values of best service and attention to detail, with the commitment to contemporary ideas, technology and designs.

The environment is a major contributor, along with the staff training, to JFarren-Price Jewellers' strategy of treating every customer like a royalty. We gave this retailer all the facilities and the required ambience to be able to make every customer visit feel as a special experience.

Summary

Same person - buying casual shoes for her child, taking a lunchtime meal with her friend, selecting a special present for her husband.

Three totally different sets of expectations, feelings and emotions. Three totally different design solutions.

I hope you will never again treat your customer as a statistical number!

Yuri Bolotin can be contacted on (02) 9439 1106 or at yuri@designportfolio.com.au

