



SUPPLY CHAIN MANAGEMENT
FOR
EFFICIENT CONSUMER RESPONSE
SYMPOSIUM



**Consumer and Shopper Satisfaction.
Measurement of Collaborative Supply
Value Chain**

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FUTURE VALUE CHAIN TRENDS

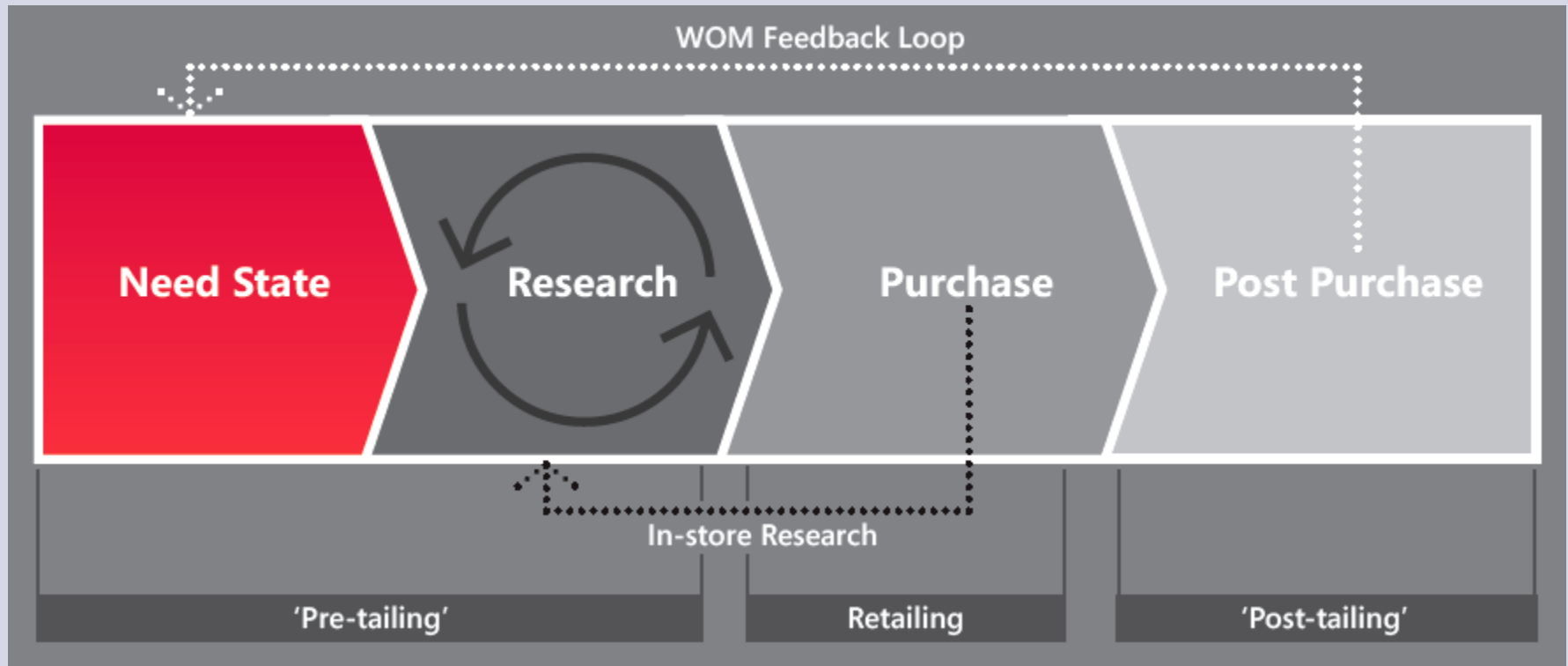
The value chain describes the full range of activities which are required to bring a product or service from conception, through the different phases of production, delivery to final consumers, and final disposal after use.

There are twelve future trends that will shape value chains and supply chain management during this decade, addressing change in society, shopper behavior, environment and technology.

The process that shoppers go through has forever changed, becoming more complex and multifaceted. No longer do shoppers traverse a linear path; rather we see a highly dynamic journey to purchase, one characterized by reiterations in product considerations



SHOPPING JOURNEY



Consumers & Shoppers



- Changing consumers:
 - Recession impact
 - Net Generation
 - Demographic change
 - Sustainable consumption
- Less loyalty due to ever increasing choices:
 - Products & brands
 - Shopping destinations
 - Media options

Consumer & Shopper insights are key to unlock shopper value



Retailers & Manufacturers

- More & better shopper insights
 - Growing marketing sophistication
 - Changing media mix investments
 - Increased focus on shopping experience
- ↓
- >75% of manufacturers and retailers identify SM as a competitive advantage¹⁾
 - 66% of manufacturers and 73% of retailers expect significant growth from SM¹⁾

1) Source: Deloitte study 2009: Delivering the Promise of Shopper Marketing

For shoppers, *value* comes from the capabilities offered, such as making it easier to find product information, automating a household chore (creating a shopping list, for example), or facilitating decision making by consulting family or friends.

For retailers and consumer product companies, value comes from information about personal preferences, where and when a particular need may arise, and the ability to use this knowledge to lock in customers.

The ability to respond in a timely and appropriate way will be a key differentiator. Understanding the value drivers—especially by customer segment—will help target where to begin improving value for customers. Questions to consider include:

- *What do my customers value in an experience?*
- *Which service will enhance our customers' lives and reinforce our brand?*
- *Which experiences are improving my relationships with customers?*
- *How do these experiences differ by customer segment?*

What is the shopper satisfaction ?

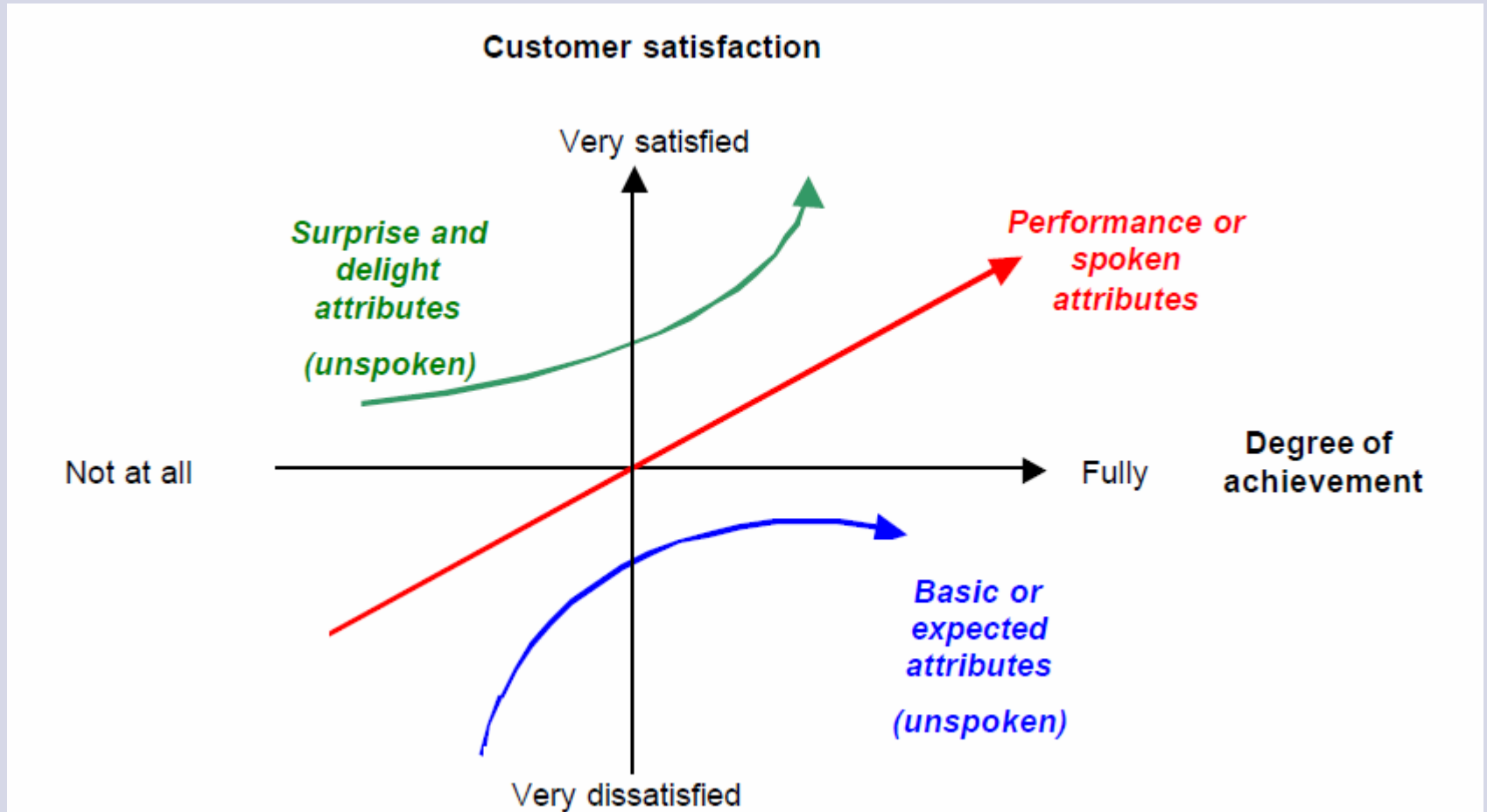
All the definitions share some common elements. When examined as a whole, three general components can be identified:

- 1) consumer/shopper satisfaction is a response (emotional or cognitive);
- 2) the response pertains to a particular focus (expectations, product, consumption experience)
- 3) the response occurs at a particular time (after consumption, after choice, based on accumulated experience)

Classical tools and methodologies to identify and focus on customer satisfaction include:

- Kano model
- Quality function deployment
- Benchmarking
- Systems approach
- Focus groups
- Survey instruments
- Interviews
- Internal auditing

THE KANO MODEL



Causal factors that influence **store satisfaction** while shopping:

- **Store attributes** (location of store, nature and quality of assortment stocked, store's pricing strategy , character of in-store promotions, assistance of sales personnel, store's physical attributes, atmospherics of store, issue of loyalty cards.
- **Shopping patterns** such as, time spent in the store, volume of purchase, recommendations of store to relatives and friends.

The most critical measurements of store performance are:

- Retention;
- Number of transactions or store visits; and
- Average transaction value.

Store satisfaction is a necessary condition for achieving store loyalty

Shopping experience

Current shopping experiences involve more than consumer acquisition of goods. They also involve seemingly tangential experiences to acquisition of goods resulting from the broadly defined shopping environment, such as an elaborate store design, educational events, recreation, and entertainment.

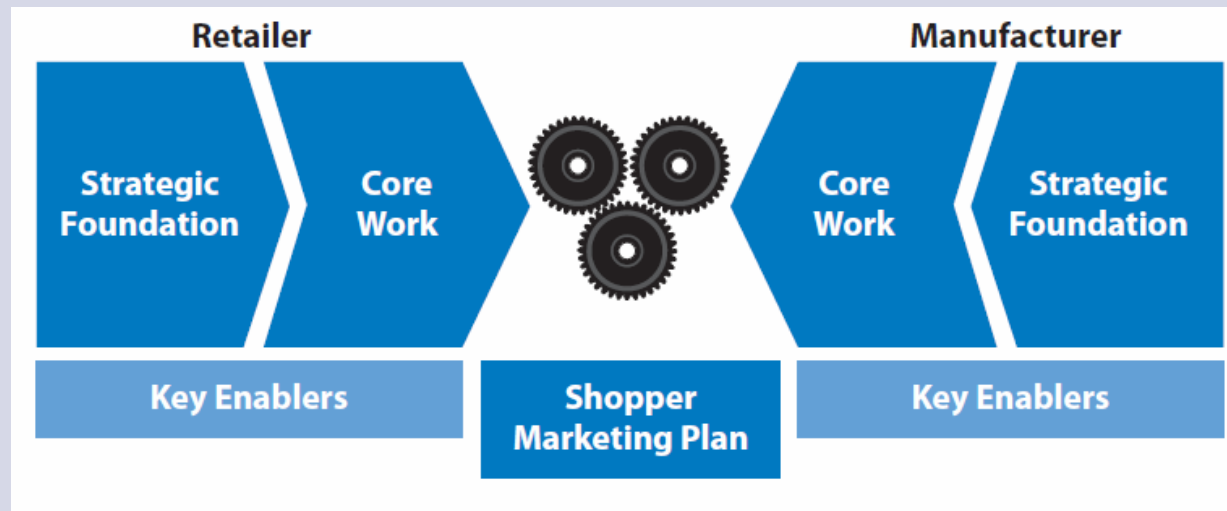
Five major areas that contribute to a great shopping experience:

- Engagement
- Executorial excellence
- Brand Experience
- Expediting
- Problem Recovery

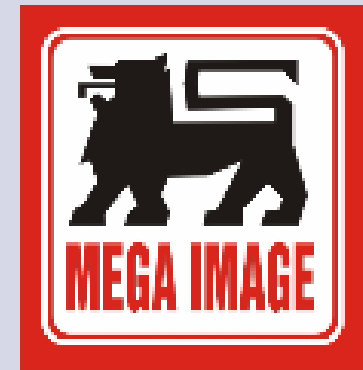
Retailers can develop a rich understanding of their own shoppers — their product preferences and purchase habits, shopping behaviors and promotional drivers — that product manufacturers cannot gain on their own.

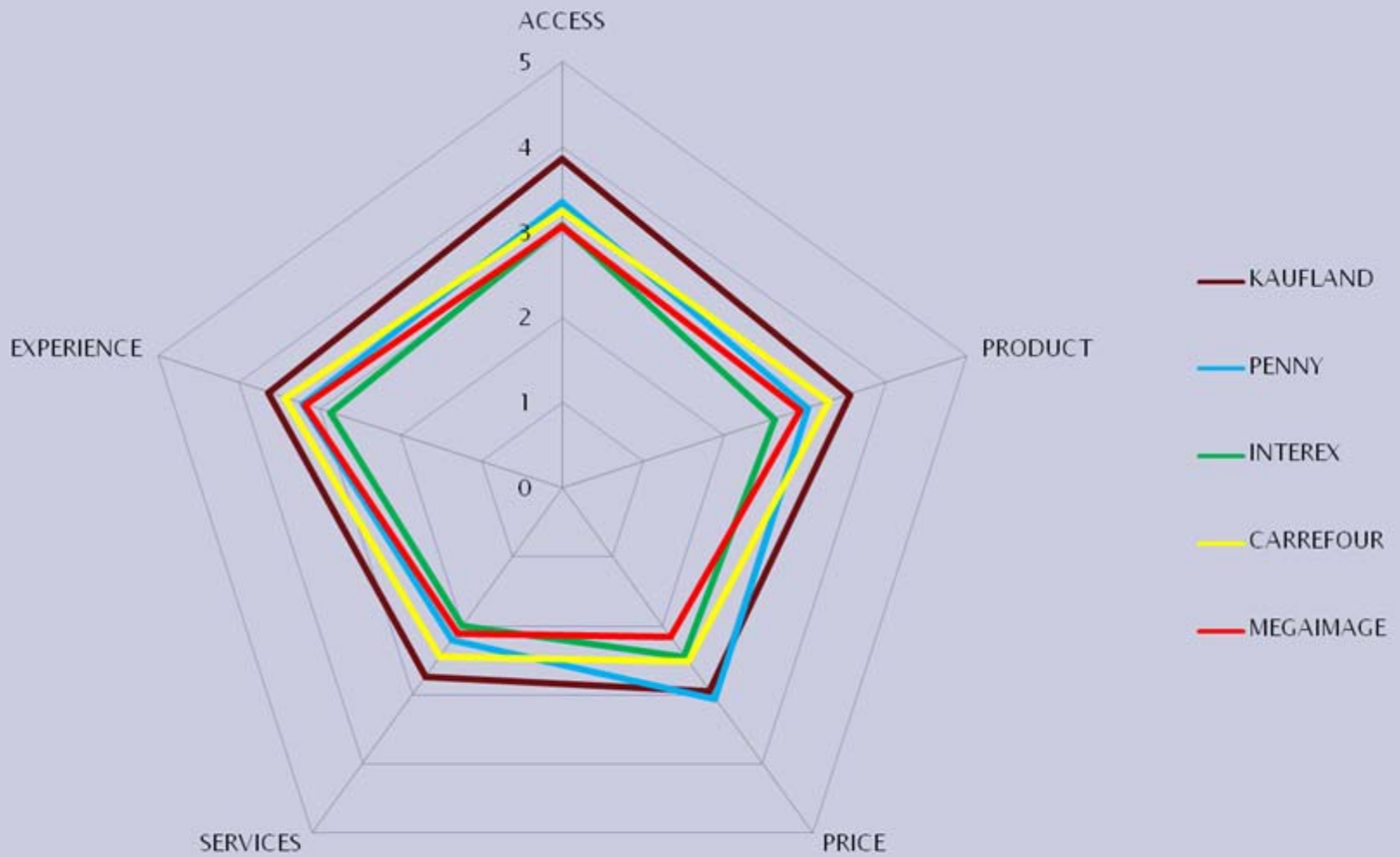
Manufacturers, on the other hand, offer retailers a broader, deeper understanding of consumers as it pertains to their product categories — not to mention a far greater understanding of the competitive retail landscape — that retailers typically don't have the resources to gather on their own.

The collaborative approach also simply brings more resources to the table in terms of research capabilities, analytical prowess, financial resources, execution competence and other vital functions.

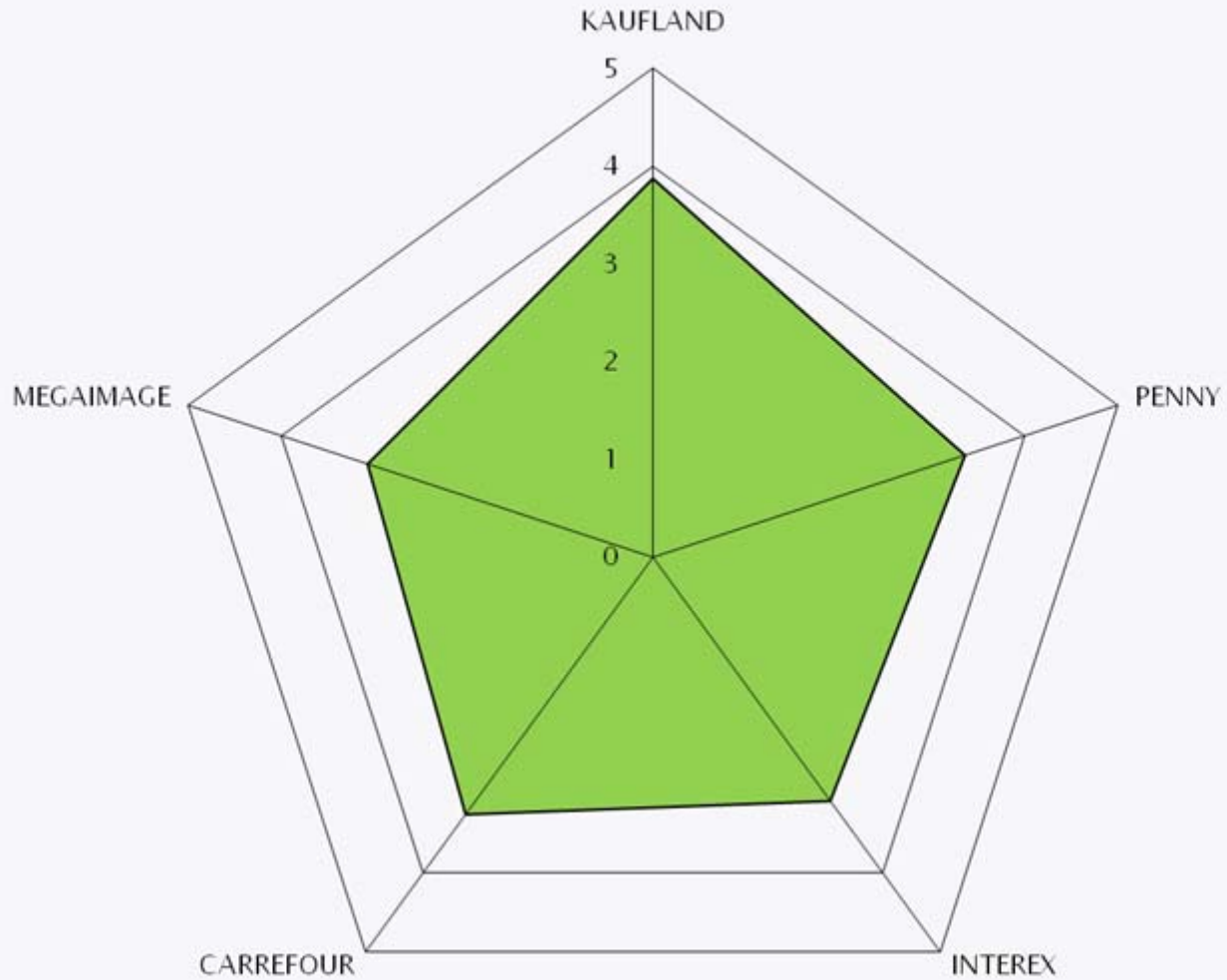


SHOPPER EXPERIENCE MEASUREMENT

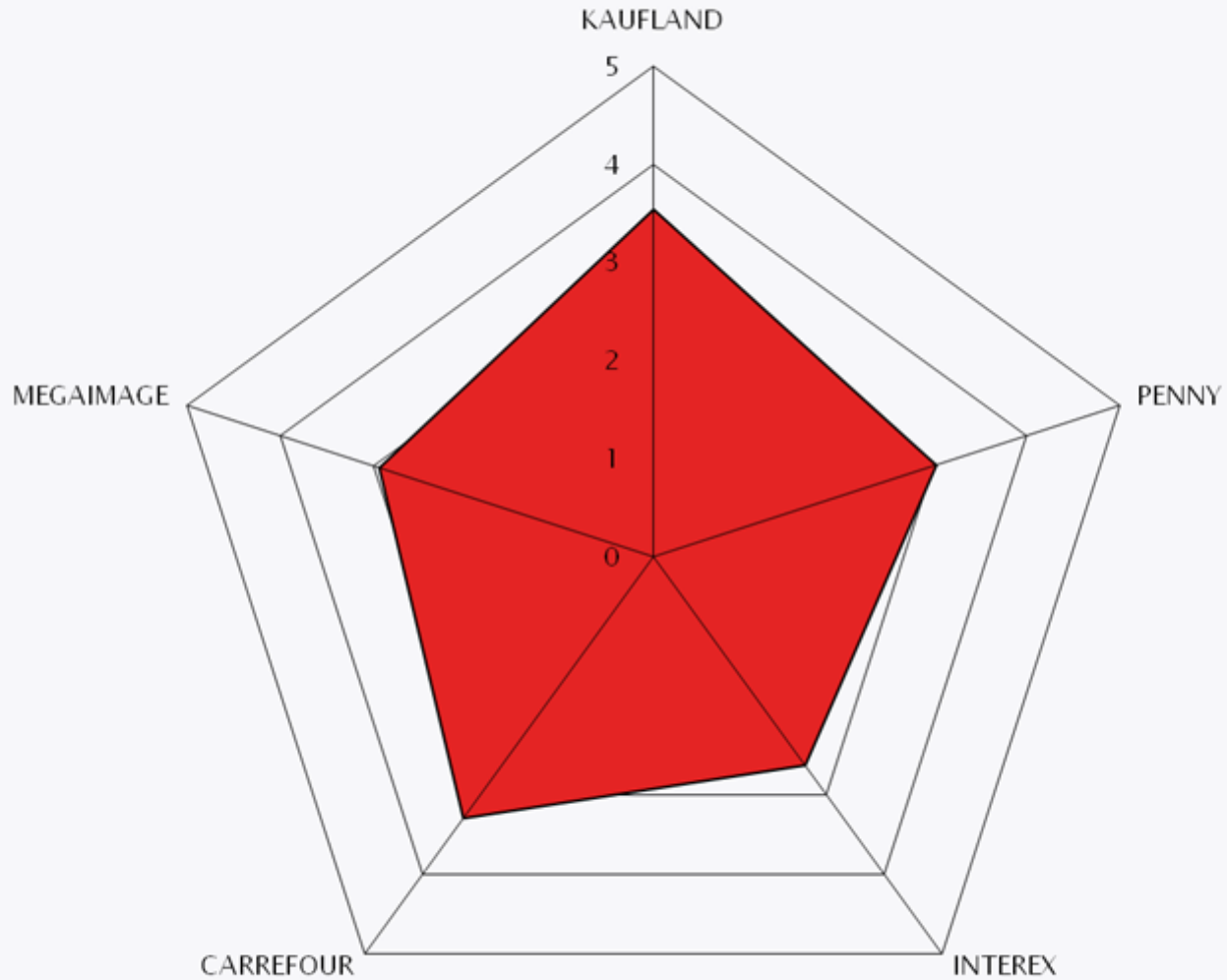




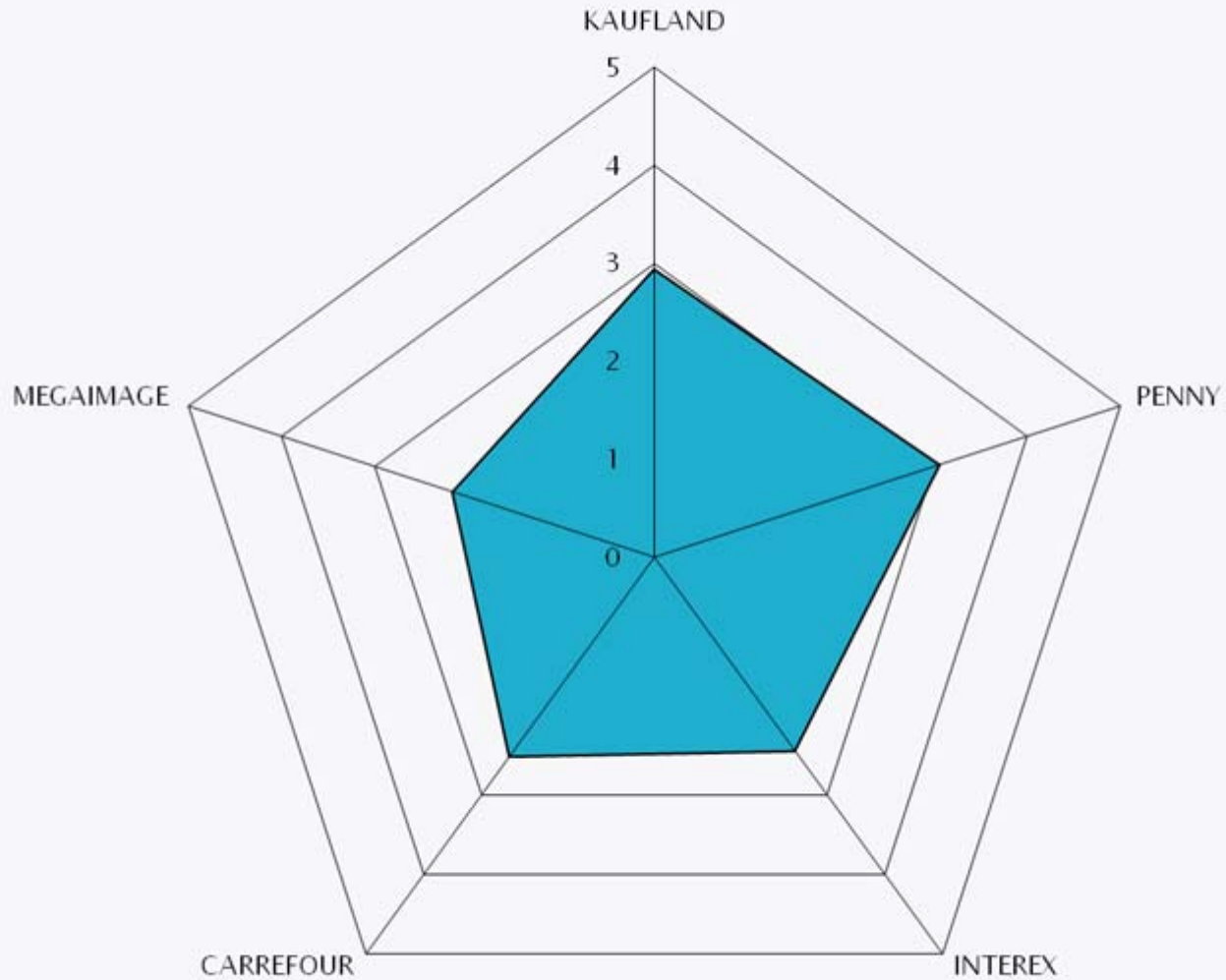
ACCESS



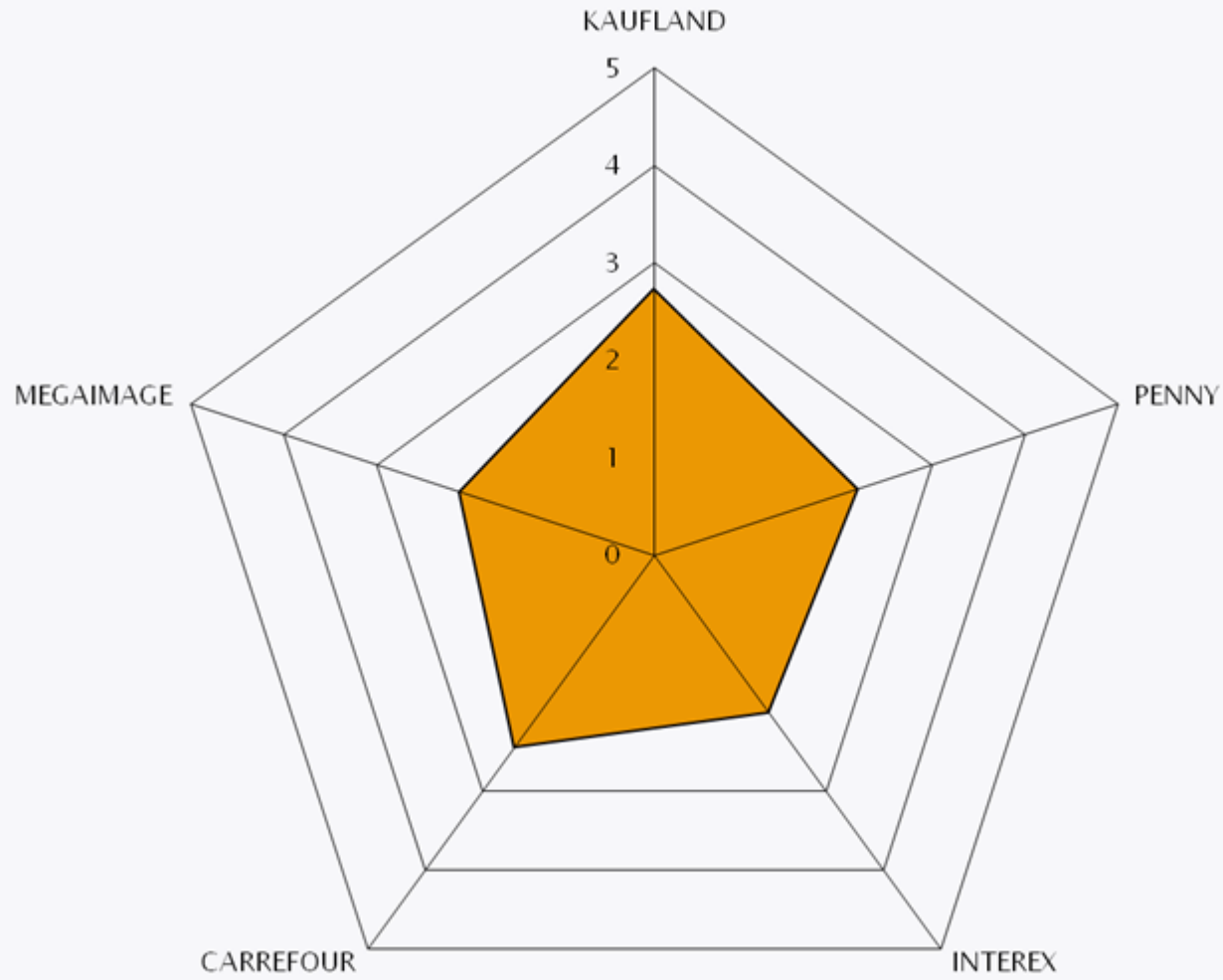
PRODUCTS



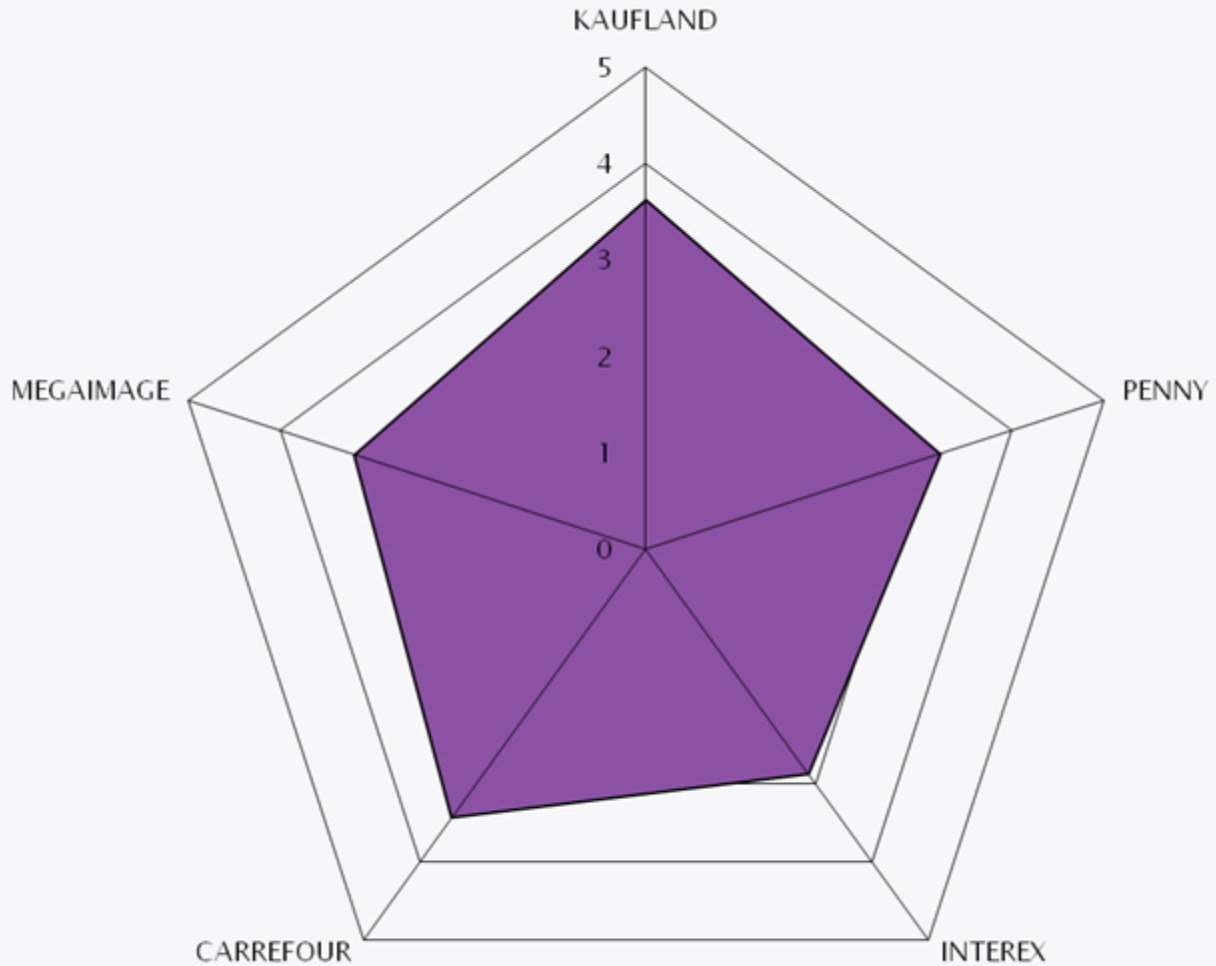
PRICE



SERVICES



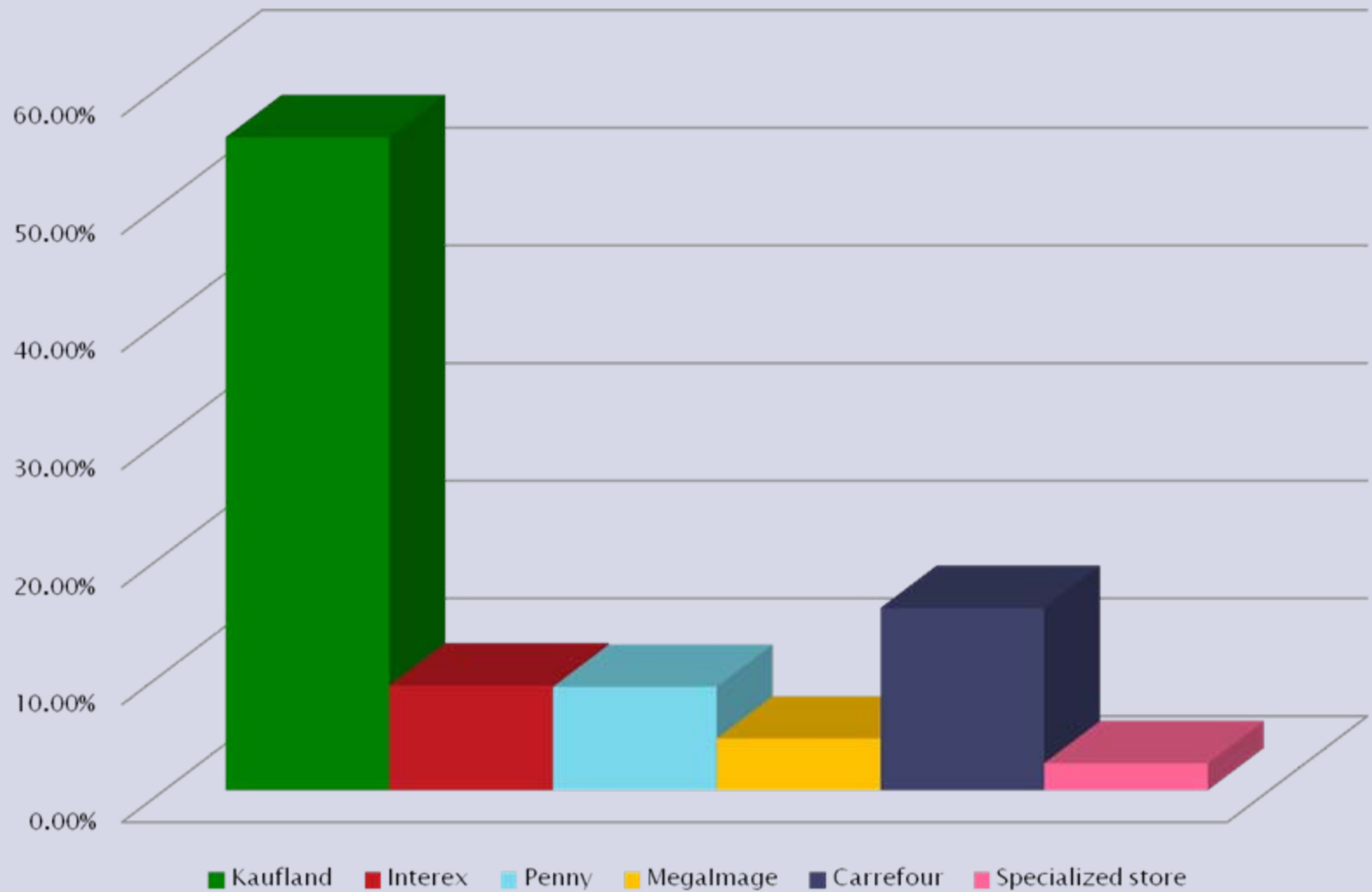
EXPERIENCE

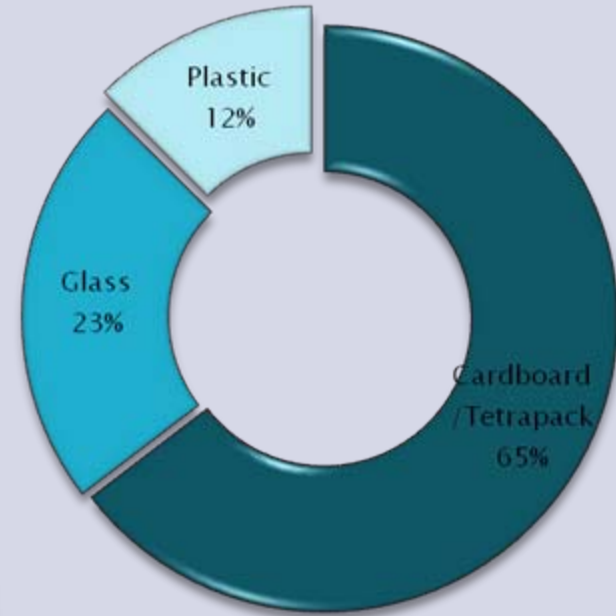
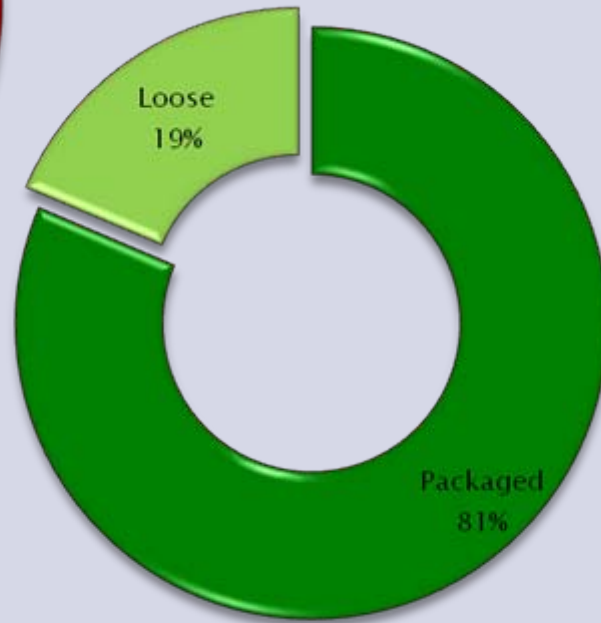
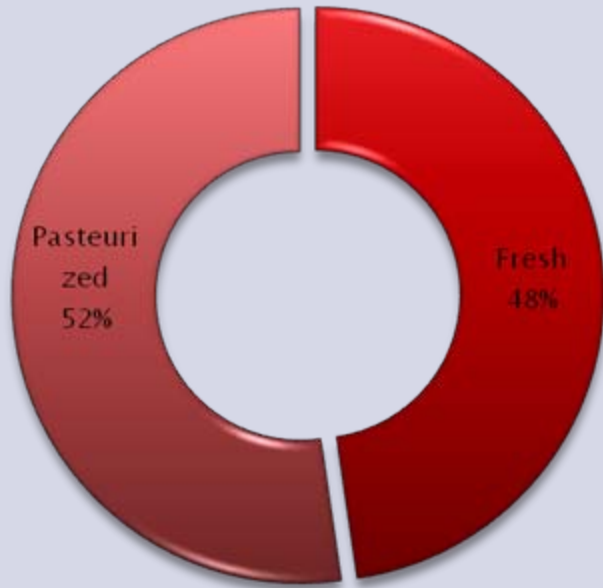


	Level of importance (hierarchy)	Maturity level					K		I		P		C		M	
		K	I	P	C	M	SCOR	Maximum value	SCOR	Maximum value	SCOR	Maximum value	SCOR	Maximum value	SCOR	Maximum value
							K	I	P	C	M					
1. ACCES																
Magazin curat, ordonat	9.2	3.86	2.89	2.98	3.57	3.3	35.5	46	26.6	46	27.4	46	32.8	46	30.4	46
Localizare convenabilă	8.4	4.09	3.11	3.77	3.39	3.59	34.4	42	26.1	42	31.7	42	28.5	42	30.2	42
Trecere rapida în revistă	7.1	3.33	2.91	3.14	3.3	3.02	23.6	35.5	20.7	35.5	22.3	35.5	23.4	35.5	21.4	35.5
Disponere convenabila în magazin	8.2	3.86	2.91	3.36	3.45	2.95	31.7	41	23.9	41	27.6	41	28.3	41	24.2	41
Orar convenabil	8	4.16	3.52	3.89	3.8	3.77	33.3	40	28.2	40	31.1	40	30.4	40	30.2	40
Parcare	8.1	4.5	3.5	3.48	2.45	1.95	36.5	40.5	28.4	40.5	28.2	40.5	19.8	40.5	15.8	40.5
Transport în comun către și de la magazin	6.2	3.29	2.79	2.88	2.85	2.9	20.4	31	17.3	31	17.9	31	17.7	31	18	31
2. PRODUS																
Produse de calitate	9.3	3.91	2.89	3.36	3.55	3.32	36.4	46.5	26.9	46.5	31.2	46.5	33	46.5	30.9	46.5
Etichete lizibile și exacte	8.4	3.82	2.91	3.34	3.61	3.36	32.1	42	24.4	42	28.1	42	30.3	42	28.2	42
Produse ușor identificabile pe raft	8.1	3.8	2.89	3.2	3.36	3.14	30.8	40.5	23.4	40.5	25.9	40.5	27.2	40.5	25.4	40.5
Sortiment bun și diversitatea de produse	8.7	3.89	2.75	3.25	3.41	2.84	33.8	43.5	23.9	43.5	28.3	43.5	29.7	43.5	24.7	43.5
Produse "verzi", prietenoase din punct de vedere al mediului	7.5	2.75	2.25	2.43	2.98	2.75	20.6	37.5	16.9	37.5	18.2	37.5	22.4	37.5	20.6	37.5
Buna selecție a produselor non-alimentare	7.6	3.7	2.64	2.95	3.14	2.82	28.1	38	20.1	38	22.4	38	23.9	38	21.4	38
Produse naturale sau organice	7.8	3.07	2.34	2.57	2.89	2.7	23.9	39	18.3	39	20	39	22.5	39	21.1	39
Mărci proprii de magazine	6.7	3.45	2.3	2.93	3.52	2.51	23.1	33.5	15.4	33.5	19.6	33.5	23.6	33.5	16.8	33.5
Preocuparea magazinului pentru produse noi	7.6	3.52	2.67	3.23	3.27	2.98	26.8	38	20.3	38	24.5	38	24.9	38	22.6	38

3. PREȚ																
Prețuri bune/ scăzute	8.6	3.34	2.8	3.41	2.75	2.27	28.7	43	24.1	43	29.3	43	23.7	43	19.5	43
Oferte speciale/reduceri/discount-uri	8.6	3.45	2.73	3.09	2.93	2.52	29.7	43	23.5	43	26.6	43	25.2	43	21.7	43
Carduri de fidelitate	6.9	2.02	1.8	2.68	1.85	1.69	13.9	34.5	12.4	34.5	18.5	34.5	12.8	34.5	11.7	34.5
4. SERVICII																
Punct de servicii pentru consumator	7.2	2.95	2.07	2.57	2.4	2.05	21.2	36	14.9	36	18.5	36	17.3	36	14.8	36
Informații disponibile despre nutriție și sănătate	7.3	2.11	1.68	1.77	2.05	1.91	15.4	36.5	12.3	36.5	12.9	36.5	15	36.5	13.9	36.5
Acces telefonic gratuit pentru obținerea de informații despre produs	6.2	1.95	1.56	1.66	1.91	1.64	12.1	31	9.67	31	10.3	31	11.8	31	10.2	31
Scannere pentru preț	7.4	3.61	2.49	2.4	3.12	2.7	26.7	37	18.4	37	17.8	37	23.1	37	20	37
Serviciu de împachetare în pungi	8	3.07	2.2	2.59	2.7	2.18	24.6	40	17.6	40	20.7	40	21.6	40	17.4	40
Personal care cunoaște magazinul	8.3	3.75	2.93	3.36	3.55	3.34	31.1	41.5	24.3	41.5	27.9	41.5	29.5	41.5	27.7	41.5
Personal care cunoaște produsele	8.6	3.7	2.72	3.19	3.4	2.95	31.8	43	23.4	43	27.4	43	29.2	43	25.4	43
Personal politicos	8.9	3.55	3.02	3.16	3.3	3.36	31.6	44.5	26.9	44.5	28.1	44.5	29.4	44.5	29.9	44.5
Competența leadershipului	8.2	3.33	2.6	2.95	3.37	2.98	27.3	41	21.3	41	24.2	41	27.6	41	24.4	41
Siguranța personală în timpul efectuării cumpărăturilor în interiorul sau în jurul magazinului	8.8	3.84	3.09	3.41	3.55	3.25	33.8	44	27.2	44	30	44	31.2	44	28.6	44
							799	1150	617	1150	697	1150	716	1150	647	1150

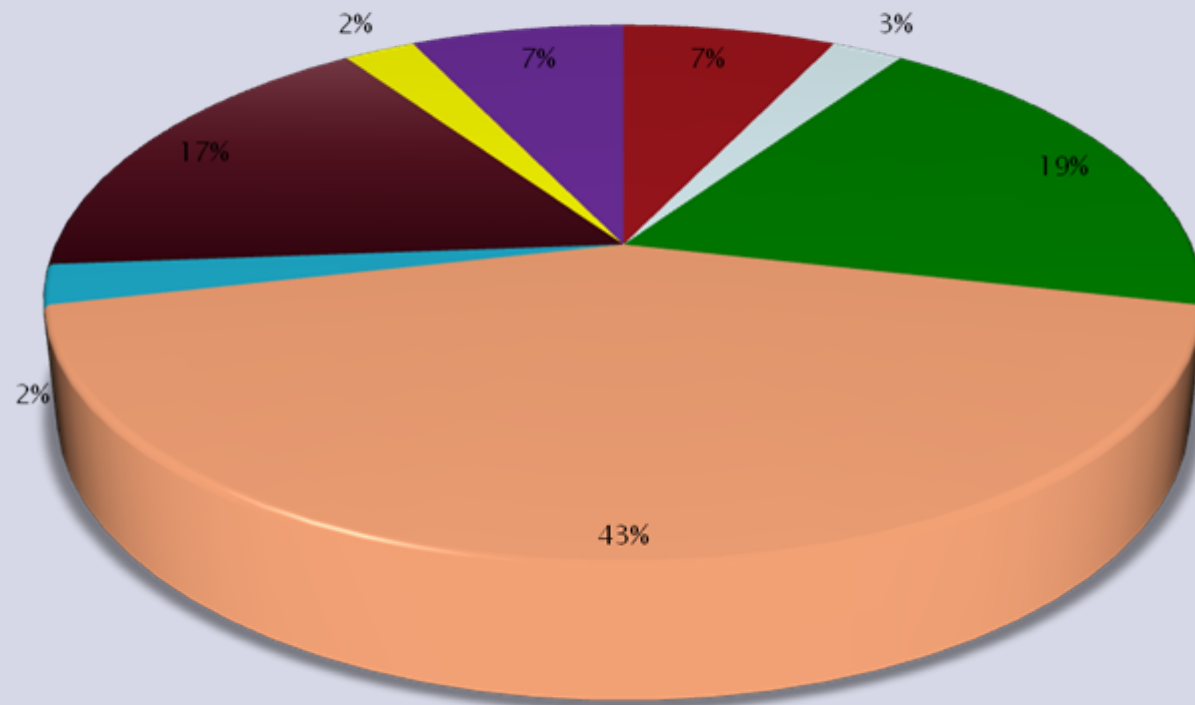
Favorite store for diary category



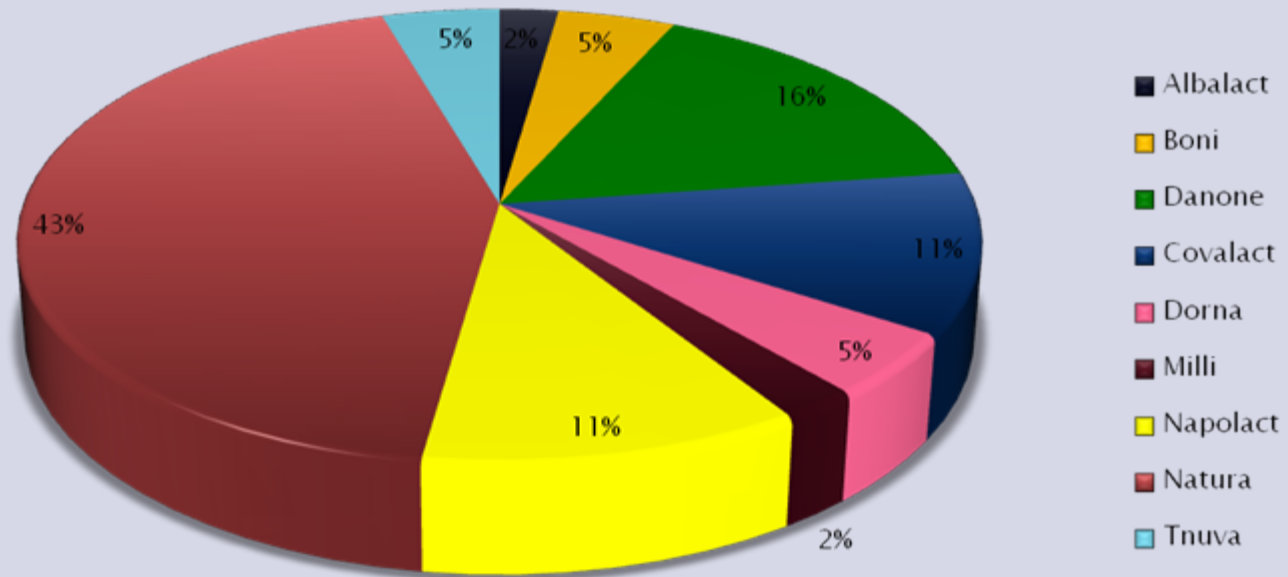


Favorite brand for MILK

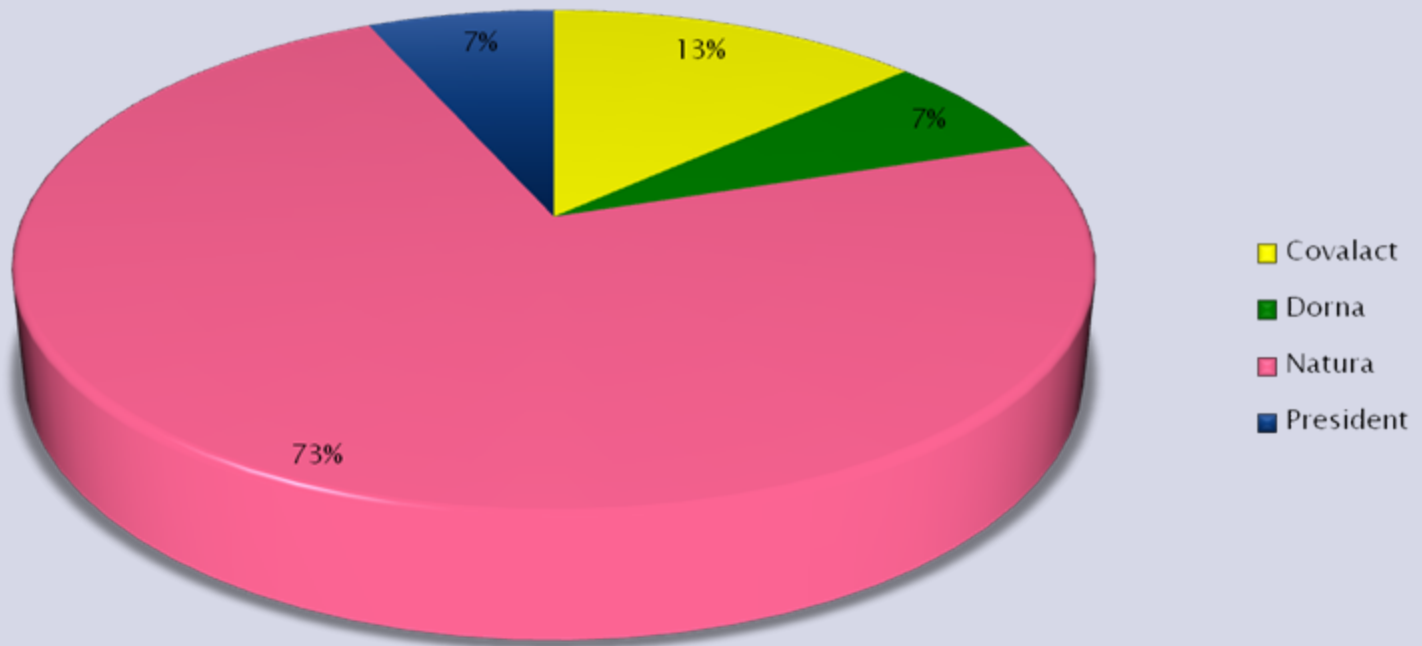
■ Covalact ■ Danone ■ Dorna ■ Natura ■ Milli ■ Napolact ■ Tnuva ■ Zuzu



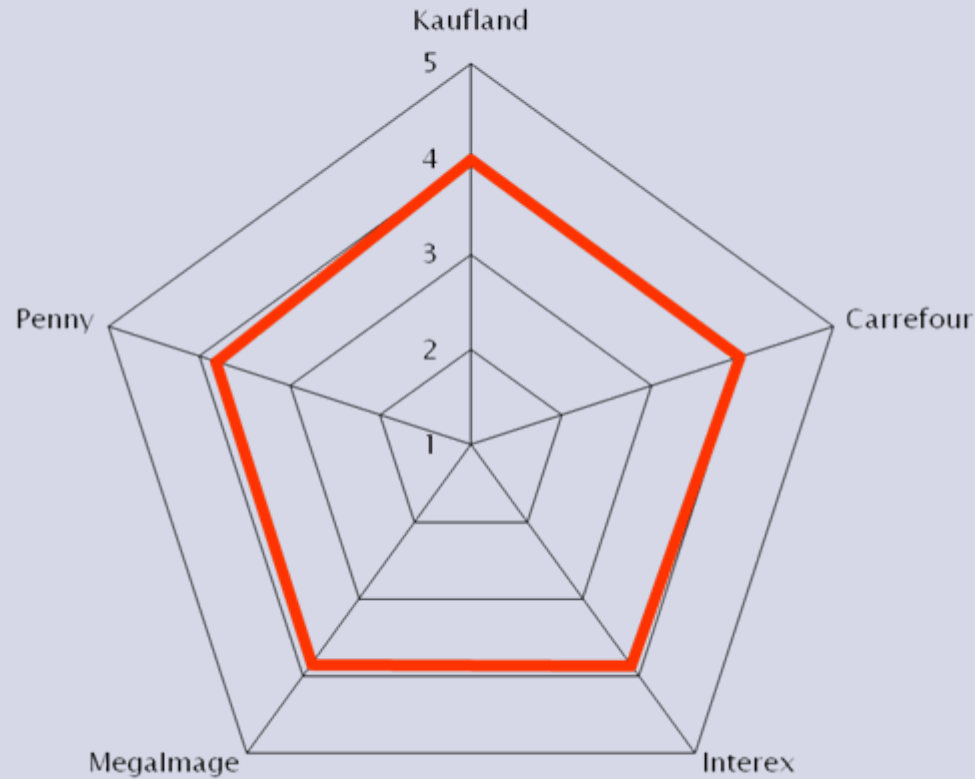
Favorite brand for cream



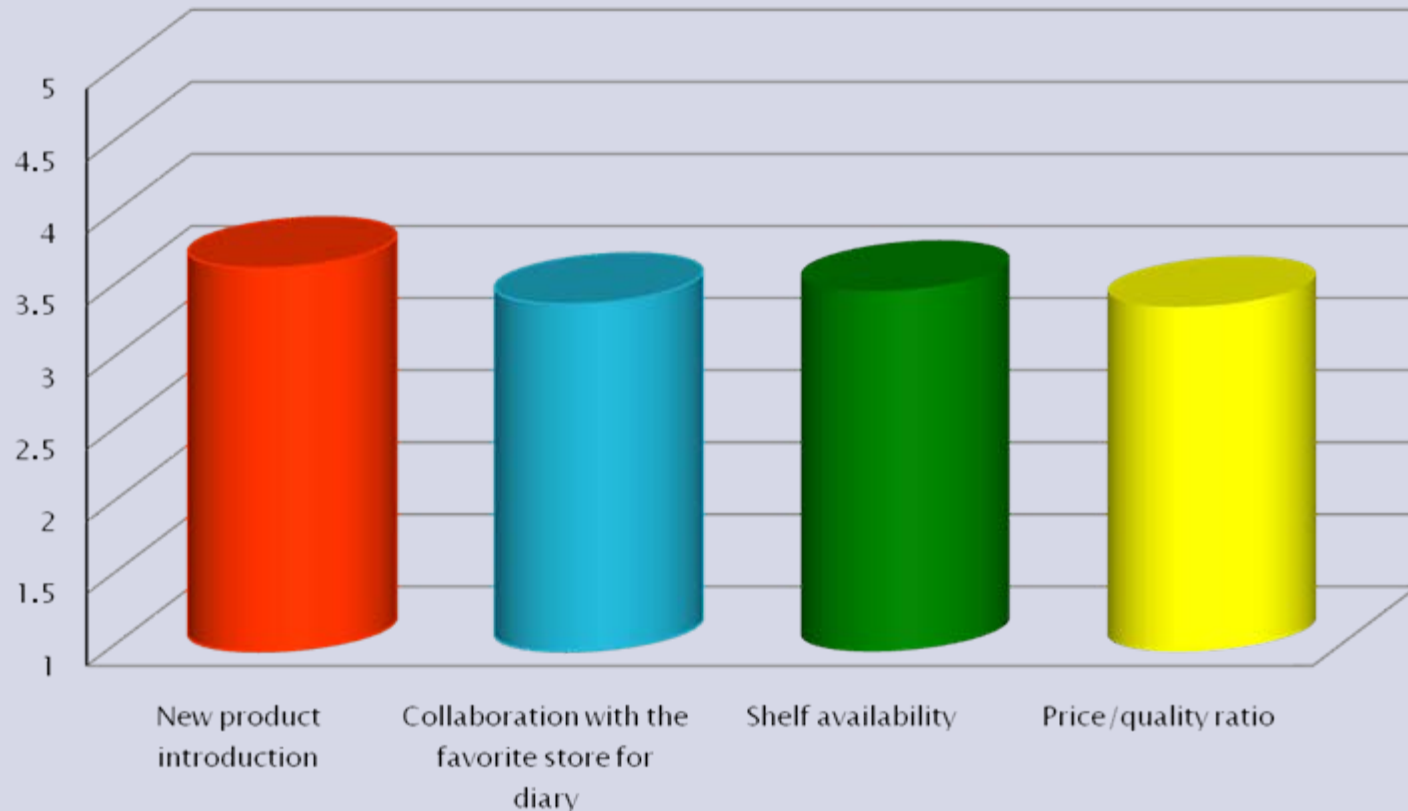
Favorite brand for butter



Favorite store for diary category, considering products, price and assortment



Collaboration of local dairy producer with the first 5 retailers



*Thank you for your
attention !*