



Case Studies

Online Retailer

Online Retailer Drives Growth, Refines Merchandizing Tactics Based on Customer Feedback

Background

Launched in 1998, this online retailer's mission is to become the leading e-commerce marketplace for delivering perishable products directly from suppliers to consumers. Due to the highly competitive nature of its business, this company prefers not to release its name. However, managers were willing to tell their story in a general fashion to the business community.

Like many online retailers, this company strives to accomplish the following goals:

- Expand the marketplace
- Increase brand awareness
- Acquire and retain customers
- Build and strengthen relationships with high-quality suppliers
- Create and expand distribution initiatives
- Forge and solidify strategic partnerships

Customers choose this retailer's products for their exceptional quality and uniqueness. The company takes great pride in its unparalleled customer service and product quality, offering money-back guarantees for each and every order shipped.

With so much emphasis on customer service, this online retailer needed to find a way to measure customer satisfaction in a quantifiable way. This meant being able to reliably identify trends, determine which strategies were working, and improve programs that failed to meet customer expectations.

Challenge

Since its founding, this fast-moving company has used a variety of methods to monitor customer satisfaction. These methods provided adequate knowledge but did not give managers the precise insight they craved. The customer service department crafted a program for regularly surveying customers to measure satisfaction and solicit open-ended feedback. The good news is, customers responded in droves. The bad news was, survey responses came flooding in so quickly that the department did not have adequate resources to properly analyze all of the comments.

The interim solution was to take small—and hopefully representative—samples of the responses then categorize the data to identify trends, determine which products were selling well, and pinpoint problems. While this approach revealed some pertinent trends and issues, it was a highly manual process, which was both cumbersome and time-consuming. When the team did identify a problem, it often took too long to deliver the information in time to take decisive action. Like most

“Being able to consistently and effectively analyze the actual voice of the customer at high volumes was incredibly compelling. Island Data makes it easy to find out whether a product is priced too high, too small, if there is a quality issue, a delivery issue, or whatever the problem might be.”

Sr. Vice President of Customer Insights and Services

market-leading retailers, this company wanted to do the things that really mattered to customers—in time to make a difference to the relationship.

Solution

This company looked for a more scientific way to approach the problem. Managers began by studying the quantitative data from survey questions. This data was valuable, and gave them some tangible ideas. However, customer service managers knew there were hidden gems lurking in the unstructured feedback—the open-ended responses in which customers speak frankly in their own words. About this time, they were introduced to Island Data's customer analytics solution, which automatically gathers, categorizes, and reports on open-ended customer comments. After seeing the Island Data solution in action, managers agreed to conduct a pilot program.

The implementation was quick and easy. Because Island Data supplies its software as a service, no onsite infrastructure was necessary. Island Data suggested a set of categories for tracking customer comments. Since the retailer was already surveying its customers, Island Data simply took the existing data and passed it through its Feedback Analysis Engine. This proprietary technology platform uses sophisticated statistical algorithms to monitor customer responses. It quickly identifies issues, pinpoints trends, and classifies customer feedback according to predefined categories, which are tied to key performance indicators. Island Data then delivers this information through customizable dashboards and parameterized reports, giving managers concrete business and market intelligence that they can act on with confidence.

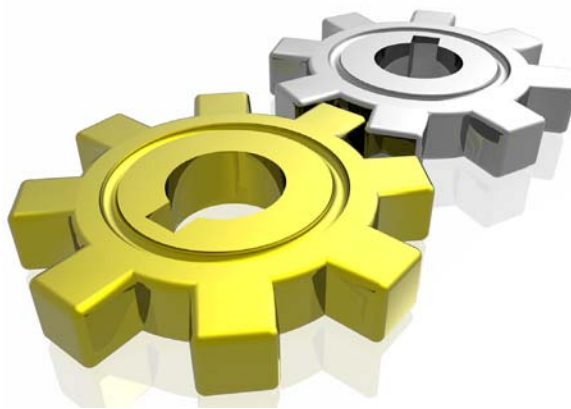
Today, Island Data enables this retailer to identify the trends, sentiments, ideas, and emerging issues its customers are talking about—in their own words. For example, merchandising managers are automatically

alerted to emerging issues, such as when a statistically significant portion of the customer population encounters a common problem or starts discussing a competitor's offering. Island Data detects these patterns and sends email notifications to the pertinent stakeholders.

Results

The Island Data pilot program was in full swing during December, the company's busiest month. In one instance, managers noticed that a particular product was not performing at an acceptable level. Island Data's Emerging Issues Alert notified the responsible team, allowing them to pinpoint the problem in less than 30 minutes. Analysts confirmed the issue with the Merchandising Department, which was then able to immediately fix the problem. This quickly boosted the product's performance. Before implementing Island Data's solution, this same process would have taken weeks. By reducing the time required to respond to this important problem, the team was able to respond to customers immediately and capture revenue that potentially could have been lost.

Island Data's ability to automate and streamline the customer-feedback process delivers precise customer intelligence for superior decision-making. Corporate officers have signed a long-term contract with Island Data. They will continue to rely on Island Data's unique technology to identify issues, improve customer satisfaction, and help them provide the best possible online experience.



For more information on Island Data's Customer Insight Analytics solution, please email us at info@islanddata.com or call 1-866-517-4100.

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