MRS Awards 2024
Applications of Research
Finalist

Basis
Currys

Currys Stores: Converting spy and try into buy

Summary

The Currys' senior leadership team had identified an opportunity to drive sales growth. Footfall and sales data indicated a large proportion of shoppers visiting stores but not buying. With stores located typically outside of towns and cities, why did customers make the effort to visit but not buy? We were tasked with identifying how to convert those spiers and triers into buyers.

We worked in partnership with the senior leadership team at Currys throughout. Three actions were taken as a result of the research, present in-store today. From new signage, website changes and customer engagement plans rolled out to over 7,000 colleagues, the insight has driven real action.

Our work went right to the top at Currys. Bruce Marsh, Chief Financial Officer commented '"The work done by Basis to examine "lost sales" at Currys was invaluable. We've commissioned work on this area before, but Basis took in-store research to a whole new level with thoughtful perspectives and insightful suggestions on how we can improve our business."

Following the success of this project, we are running this project quarterly covering different areas of the country.

Synopsis

Why Spy and Try but not Buy?

Many shoppers want to physically see electronic products before they buy them. Electronic goods retailer Currys offers this in abundance, with shoppers visiting stores to see, touch, and feel products before purchasing. Typically located on the edge of towns and cities, consumers have to make a special effort to visit.

Store-level footfall and sales data indicated that many shoppers visit but don't buy. Currys' senior leadership team wanted to better understand this group. Why make the effort to come all the way to a store and then not buy? How many shoppers spy and try but don't buy? What can be done to increase in-store sales conversion?

Currys wanted us to focus on people who visited the store intending to buy, but who left without a purchase. These felt like the easiest opportunities to drive sales conversion and increase revenue.

Basis set out uncover:
• The size of the problem (which transpired to be almost one in five visitors)

• The reasons these shoppers visited
• The elements of the store experience that were not delivering
• The strategies and tactics to implement to increase in-store conversion

The research had to provide specific conclusions about what was going wrong to support the creation of the right response.

A tailored, staged approach
We designed a staged approach, partnering with Currys stakeholders throughout.

- Issue diagnosis workshop: Diagnosing the challenges with the senior Currys team, including the Customer Strategy and Value Proposition Director. Previous lost sales work that had missed the mark was also shared. This research had pointed to recommendations such as 'just buy more stock', which was deemed not a commercially astute finding and not sufficiently specific.

- Shopper group sizing study: An in-store quickfire three-question in-person exit survey. We conducted these at two stores in the Leeds area, one in-town and one out-of-town to see differences by site position. These stores were picked as a good representation of the estate. We conducted hundreds of exit interviews over a few days. This sized those who visited and bought, intended to buy but didn't, and those who were purely just browsing. This stage told us the size of the opportunity, identifying how many intended to buy but didn't.

- Shopper exit interviews: 400 five-minute in-person exit interviews, split by those who had bought and crucially, those who intended to buy but left empty-handed. We conducted interviews at both stores over 10 days. Including buyers in the sample was key to ensure we avoided false conclusions. Maximising the five minutes was paramount. We used open-ended questions to capture shopper opinions in their own words, and precise codes to ensure we understood the issues. We stress-tested these codes with the Currys business before fieldwork to ensure clear comprehension.

- Lost sale walkthroughs: We initially ran the store exit interviews for a few days and analysed the data to evaluate the types of responses. This helped inform a loose conversation guide for further qualitative work. During the second half of the exit interviews, we recruited 19 shoppers of particular interest to go back into the store with us. Here we probed what had gone wrong and understood the nuance of their shopping experience. We took photos as supporting evidence.

- Creating memorable customer journeys: By recruiting shoppers who had completed the exit survey, we matched survey responses to the rich information from the walkthroughs. This provided a detailed dataset, with individual case studies that we brought to life for senior members of the Currys team. Our qualitative interviewers were able to use exit survey responses to help guide the conversation and probe previous answers given

- Activation workshop: We brought the findings back to our core working group at Currys. We presented each key finding in turn, our insights as to why they were occurring, and suggestions to correct them. We worked with the team to identify the right course of correction for each major challenge we uncovered, based on current strategy and customer experience plans.

Outcomes
Our analysis allowed us to financially model lost sales (totalling well north of £1bn), and therefore how much revenue could be generated from different actions. The implemented changes:

1. Building a deliberate colleague and customer journey if the item is not in stock
In the past, if an item was out of stock, it was left to the discretion of the colleague as to how they dealt with this. Some assistants would offer to order the product to a store or the customer's home, others would suggest alternative items that are in stock. On a good day, this worked well, but our research showed much inconsistency and missed opportunities.

Today, Currys is rolling out a new framework for its 7,000 colleagues with a standard flow of options to be discussed with customers, providing greater consistency and driving sales.

2. Improving in-store messaging
We discovered that too many customers assumed products were unavailable if the shelf under the display model was empty. While some did enquire if stock was available, many didn't. This meant they simply left the store, and the vast majority didn't intend to come back for that product (either to a store or online at Currys).

New signage on display in store ahead of busy peak trading periods will encourage customers to ask colleagues if they can't find a boxed item. This is being rolled out across the entire estate, with colleagues given a guidance plan for how and when to use signage, and instructions about refreshing signage displays across the day.

3. Changing website wording to clarify if an item is in stock today for collection
We showed how too many customers were confused with the language of the store checker online. 'Delivered to store' did not necessarily mean it was available to buy immediately and this left in-store shoppers frustrated and disappointed when they visited to find the product was not there.

We recommended wording changes that have been implemented on the website to clarify if the product is in-store and available to purchase now. The research showed that this is what customers care about.

We worked in partnership Lewis Day, Customer Strategy and Value Proposition Director at Currys throughout the project. 'We always knew we had opportunities to improve conversion through improved availability, but it was difficult to quantify by how much and what actions we could take. The traditional answer is to invest in stock and fill the stores, but this is costly and not always the best use of capital. This research, speaking to genuine customers who were looking to buy that day, added important colour and context to the shopping trip and showed there were simpler things we could do to make a big difference. It helped to reinforce that we are focused on and investing in the right areas. We are in the process of implementing several actions to improve our customers' experience over peak periods and we expect to have the added benefit of increasing conversion. I am a huge fan of the research the Basis team completed for us at Currys and we are going to repeat this activity each quarter moving forward."

Disseminating the findings at the very top of Currys
The debrief was structured around each key insight and action. We initially presented to stakeholders which included the Head of Brand, Stores Director, and Head of Strategy. We were then invited to present to an additional set of stakeholders, including the Chief Financial Officer. Since that meeting, the work has been presented to the Currys board, and we have been asked to meet with the CEO to share the findings.

The research enabled the business to act with buy-in from the C suite. Bruce Marsh, Chief Financial Officer says: ''The work done by Basis to examine "lost sales" at Currys was invaluable. They took exit survey analysis to a whole new level with their thoughtful

perspective and insightful suggestions on how we can improve our business. We will be doing more work with Basis in the future.''

Another stage has already been commissioned

Following the success of this project, we have been commissioned for additional work:

• If further evidence was needed of how important this has been to the retailer, Currys has asked us to run the research at different locations every quarter. This will keep Currys on the front foot, continually enhancing the customer offer.

• We're advancing the methodology to address any supply chain issues and support store activations. We will have the information to understand if a product is out of stock and where it is in the supply chain system. By collecting specific product information, we can use internal data to understand if the product is in the stockroom, en route to the store, on order, or none of these.

• We're also going to be tackling browsers, to understand what can be done to better inspire them to buy in-store.