



How National Co+op Grocers worked with SMG to improve customer satisfaction



BACKGROUND

National Co+op Grocers (NCG) partnered with SMG and uncovered data-driven insights showing how to improve value perception through customer service. This case study explores the data-driven plan NCG presented to their opt-in member stores that—when implemented—led to higher value perception, higher customer satisfaction, and improved financial performance.



SMG insights are embedded in the content NCG shares with co-ops through multiple channels, including monthly CX trend reports, regular articles, webinars, presentations, and workshops at our national conferences.



ALEX MYTELKA

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National Co+op Grocers



CONVINCING STAKEHOLDERS TO GO ON THE CUSTOMER EXPERIENCE JOURNEY

How do you motivate stakeholders to make the effort to internalize + apply customer experience management (CX) insights?

National Co-op Grocers (NCG) member co-ops are independent, community-owned grocers. Unlike corporate-owned retail outlets or franchise organizations, they aren't required to implement any guidance offered by NCG. Partnering with SMG has allowed NCG to offer innovative data-driven insights to its members. These insights are very adoptable because they are driven by feedback from real co-op customers.



SMG HELPS PROCESS THE DATA TO WIN OVER INTERNAL ADOPTERS

NCG serves as a business services cooperative for retail food co-ops across the U.S., acting more as a consultant and logistics partner than a direct manager for its 169 member co-ops.

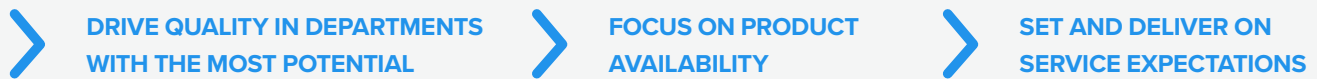
By collaborating with SMG, NCG is able to tap into valuable CX data and insights to pinpoint the customer interactions that truly matter. Here we look at a notable success story for NCG that led to clear, innovative ways to enhance customer satisfaction based on data-driven insights around customer value perceptions.

PARTNERING FOR AN EMPOWERING, INSIGHTS-BASED ACTION PLAN

NCG boiled SMG insights into three key takeaways:

- 1 Highly satisfied customers are 1.4x more likely to return and 2.1x more likely to recommend than others.
- 2 Product availability is the top key driver of Overall Satisfaction and its perception can be improved through a focused approach to improving service.
- 3 Moving the value equation through better customer experience is a crucial advantage that can mitigate rising costs.

These takeaways were translated into three initiatives with the highest potential for impact:



These takeaways were developed into a presentation showing how member co-ops could use these strategies, complete with a shared case study of a co-op that had succeeded—and increased sales—with the approach.

TRACKING AND MEASURING SUCCESS

The strategies NCG proposed led to tangible improvements for participating stores.

The specific store studied, for example, saw:



Within the year after sharing these insights and takeaways, Availability of Products rose +2ppts in participating member stores. NCG began leading the Premium Grocery benchmark and Overall Grocery category averages for Availability of Assistance. In addition, NCG improved its overall value perception by +4ppts year-over-year from 2022 to 2023 and realized store-wide improvement in value perception.

DRIVING VALUE BY IMPROVING CUSTOMER EXPERIENCES

Rising prices from inflation are affecting all retailers—especially grocers—prompting them to refocus on the customer experience as a way to stand out among the competition.

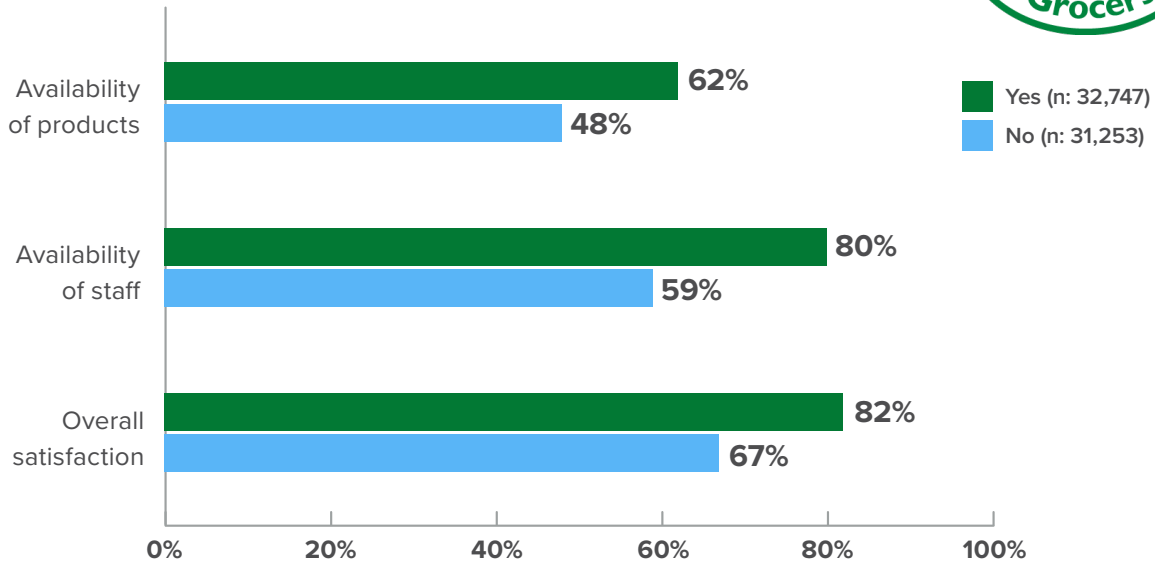
SMG helped NCG focus on the concept of customer value perception, which includes consideration of both price and experience. Insights provided by SMG clearly illustrated that a premium quality and service experience can outweigh some of the impact of prices on overall value perception.

By digging into the data, NCG + SMG discovered the biggest driver of customer satisfaction was the availability of product on the shelves—even more than price. This insight was especially powerful when combined with the fact that **customers tended to perceive product as being more available when staff was more available to help.**



This was reinforced when they looked at data on how customers were greeted by staff. Through that simple metric they found customers who were greeted by someone other than the cashier had higher scores in several KPIs, including those that seemed to have nothing to do with service.

Were you greeted by someone other than the cashier?



The insights had revealed a secret weapon: **the availability of customer service**. There was also a clear path to improving service perception by staff members making themselves more apparent to customers.

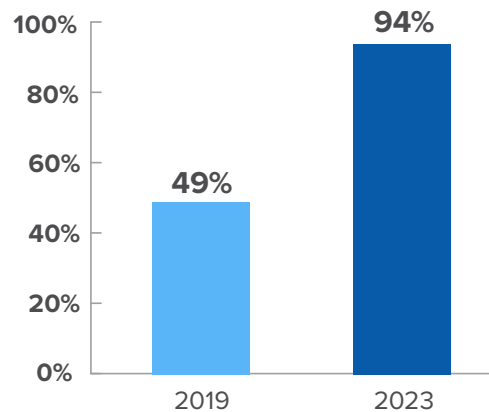


SMG + NATIONAL CO+OP GROCERS—A PARTNERSHIP GROWING FROM RESULTS

The success of these CX efforts has led to increased buy-in from co-op stores, with significant growth in participation and customer feedback. The program has seen more than 50% increase in participating stores since launching the partnership in 2019 and a more than 100% increase in customer responses to a high of more than 6,500 in November of 2023.



Growth in customer participation and feedback



Alex Mytelka, Retail Benchmarking Program Manager for NCG, attributes this growing interest to, as he puts it, “the great value SMG’s insights provide.” He further points out there’s wide-ranging utility in the partnership, as “SMG insights are embedded in the content NCG shares with co-ops through multiple channels, including monthly CX trend reports, regular articles, webinars, presentations, and workshops at our national conferences.”

For those looking to enhance their financial performance through better customer experiences, the journey of NCG and its partnership with SMG offers a compelling blueprint. Contact us today to see how SMG’s partnership, insights, and expertise can make a difference for you.

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