

Customer Acquisition, Segmentation, & Multi-Channel Marketing



Project: Woodcraft Supply LLC Customer Study

Purpose: Develop a better understanding of current customers and identify potential targets while focusing on integrating efforts across multiple channels.

Result: Research findings were used to develop eight strategic initiatives and specific customer profiles to drive marketing activities and the overall strategic direction of the organization. For proprietary reasons, specific information regarding recommendations and strategic initiatives is omitted.

Summary of Research Stages

- In line with APR's Research-Pyramid ApproachSM, several qualitative stages were completed to help build knowledge from the bottom up while developing the staff's knowledge of Woodcraft's situation. Quantitative surveys helped create generalizable results based on questionnaires developed from the qualitative findings.
- **Advisory Committee:** An advisory committee was formed including key decision makers of Woodcraft Supply. Several on-site meetings plus an online forum with this group were completed to help drive the research. Contact with this group is on-going and continues to be an important aspect of the relationship.
- **Secondary Data Analysis:** Electronic searches were conducted utilizing commercial and other databases and search engines to uncover past research efforts or secondary data pertinent to the current project. The analysis identified studies Woodcraft used to ascertain the overall size of the woodworking market and their position/share.
- **Competitive Review:** Website audits of competitors as well as direct contact with competitors was compiled to complete a competitive analysis. This stage of the research was used to identify areas of strength, weakness, opportunity, and threat for Woodcraft.
- **Online Forums:** In addition to forums with Advisory Committee members, an online forum with Woodcraft's Franchisees was completed early in the research project. The open-ended questionnaire helped build knowledge about the woodworking market and Franchisees' viewpoints on an array of important issues.
- **Internal Key Informant Interviews:** Woodcraft created a ten member Consultative Field Team consisting of franchisees, regional field consultants, and an individual from corporate retail operations to help focus the research on important issues. Two in-depth phone interviews were completed with each member of this internal key informant group. Over 15 intercept interviews were completed with additional franchisees at a company-sponsored tradeshow to learn more about their best practices and experiences.
- **External Key Informant Interviews:** APR interviewed over 50 current and past customers from Woodcraft's Retail, Catalog, and Internet channels. Phone interviews were completed with customers at different stages of the customer lifecycle (new customers, low/medium value customers, high value customers, and lost high value customers).
- **Focus Groups:** Five focus groups with customers were completed across the United States to narrow down findings from the previous qualitative stages. One additional focus group was conducted with franchisees at the tradeshow to obtain their further input on the research.
- **Quantitative Survey:** Based on the outlined qualitative research stages, a detailed questionnaire was developed for the project. Data from customers was collected via an online survey distributed to all customers in the company database with emails, a sample of 4,000 catalog customers, and postcards to in-store customers. Those without online access were invited to complete the survey via phone. Over 45,000 responses were collected via two waves.
- **Establishment of Online Customer Advocacy Panel:** Customers were invited to join an online panel which Woodcraft uses for drilldown surveys to clarify and test strategic and tactical measures. Over 75% of survey respondents agreed to join the panel and have helped define strategic opportunities in a short timeframe.
- **Strategic Planning:** Detailed strategic recommendations as well as customer profiles were developed based on the research findings. Combined these efforts have shaped the entire short- and long-term strategic planning process for Woodcraft.

Testimonial: Woodcraft is a multi-channel organization facing the challenge of developing strategic and tactical initiatives across our franchisee, catalog, Internet, and magazine operations. APR has been an invaluable resource in this effort. Quite frankly, their in-depth knowledge of the research process and their ability to turn results into strategic action was superior to other vendors that we approached. Equally important, APR was extremely responsive to our daily needs and at a cost that was significantly lower than its competitors.

- Jeff Forbes, President, Woodcraft