STRATEGY PLANNING FOR RETAIL STORE TO MOTIVATE CUSTOMERS BY APPLYING APPRECIATIVE INQUIRY : A CASE STUDY ON PENGHENG STORE

Nutsupong Yoosook[1]

Prasert Damrongchai[2]

[1]   An undergraduate, College of Graduate Study in Management, Khon Kaen University.

[2]   A professor, College of Graduate Study in Management, Khon Kaen University.

Abstract

The objective of the study of strategy planning for retail store to motivate customers by applying appreciative inquiry, a case study on PENGHENG Store, was to search for the positive experience in the point of view of trader, alliances and customers by using appreciative inquiry so that the strategy planning could be used to increase the numbers of customer of the store.

The method of studying was to carry out appreciative inquiry process as guideline to study the positive experience of customers and alliance of PENGHENG store. They were interviewed by answering questions. The aim was to search for factors that gave good results according to Loyalty Pyramid[4]. All the obtained data was analyzed by SOAR analysis to find the convergence and divergence to plan strategy for retail store to motivate customers. Top tree factor of motivation are fully of product, nearly place, courtesy and experience about products of sellers.

The results of the study performed 4 projects on strategy planning for retail store, the first is "Save The Time For Customers Project" sellers help and recommend to customers determine about product. Second project is "Beautiful convenient different Store " by set and move product in the store to be Beautiful convenient and different. Third project is "Add The Way For Customer" add new products to sell in the store for fully product. The last project is "Return profit for impress" by give low value product to customers in the important festival of Thailand. of which the researcher has applied to expand the business in PENGHENG retail store. This has made PENGHENG retail store has more customers and the selling grand total has also increased.

Keywords: strategic Planning, AI, motivate customers, Increase sales

Introduction

The customer of the business of PENGHENG retail store had a gradual decline. The number of regular and irregular customers was falling. So the grand total of daily selling was decreased. It was because there were a large number of new local retail stores which gradual increased in the community. They located here and there. On the contrary, the retail stores in towns declined to be ruined and closed. This was because the macro stores took the large portion of market shared.

For all those reasons the original retail Thai store, PENGHENG retail store, has to improve and develop to business to exist. The how-to and various strategies are use to complete with other local business and prepare itself to deal with the macro stores which might come to shared the market. The methods are improving the store management by modern arrangement and use the price strategy and other method which is not about price.

Objectives

1. to search for positive experience in the point of view of traders, alliances, and customers
2. to use the strategic planning to increase customers.

Methodology

The first method, Discovery, started with questions of good experience, a favorite and impressive thing about retail store of entrepreneur, partner, loyal customer or casual customer. After found all of the good things and considered with strength point of the store, then did the second method, Dream, was a method of draw a dream from things we found in Discovery method. After that, took it to be designed in Design method and assigned clearly in Destiny method. Finally, brought it to perform and kept observing and gathering details from performing. If the result was good as we wanted, we could continue more. To interview with AI process, the researcher could continually perform the 4D cycles[2], depended on the availability and capacity.

1. **Populations**

   The population consisted of interviews with customers and partners of PENGHENG retailers store. The population has brought to interviewed total of 50 people.

2. **Research tool**

   Learn to perform each step, the study has been applied Appreciative Inquiry concepts to join in research. Developed by the following tools.

   2.1 SOAR Analysis

   2.2 Appreciative Inquiry

   2.3 Loyalty Pyramid

   2.4 Marketing Mix 7P's

3. Analyzing and Process

Analyze and summarize results of finding a positive experience with the PENGHENG retailer store in view of the operator and customer perspective. Then the data were analyzed using SOAR[3] Analysis for strategic planning for retailers store.

Results

The researcher interviewed 50 people in total. They were 38 regular customers, 5 irregular customers and 7 alliances. The answers of these people were collected and selected the things that impressed them. The frequencies of the factor were counted to find divergence and convergence which then were made to become strategies for PENGHENG retail store.

1. Factors that motivated customers

The researcher divided the conclusion results, which were factors that motivated customers who were interviewed, into 7 parts, according to the Marketing mix[1]. The most significant factors that motivated and increased customers were the whole variety of goods in the store, the store's location that was near the community and the seller who has good human relationships and experience to guide or suggest customers when they need advices.

2. Data of motivating customers projects

The project for saving customers' time is that the trader will direct or suggest customers when they need information or have no ideas about goods. So that the customers can more quickly decide to purchase goods. This will save customers' time and will help trader to be able to take care of other waiting customers more quickly.

The project of rearranging the look of the store is to widen the store's space and categorize goods. The goods which customers like to take by themselves will be arranged in the clear, uncovered and easily seen place. The ones which customers aren't meticulous in detail will be place to the rear. To widen the sideways makes the store's look nice and differently and seller can easily see the purchasers and help prevent goods from being stolen. Customers can choose goods conveniently. This will motivate customers to come and buy goods in the store.

The project of giving choices to customers is that the trader has to look for new brands of goods which meet customer's desire or to replace the goods that is out of date. This makes the store has more kinds of the same goods. the trader ought to inquire customers regularly about their need and pay attention to their suggestions. The trader should note and list for goods which customers ask for but the store doesn't have. All the data will help the trader to understand about customers want. It give the trader ways to sell more different goods which will motivate more customers to come and purchase more goods.

The project to turn a profit to impress customers is the store's promotion. The promotion will be held on significant festivals, such as, on the New Year's Day or SONGKRAN Days. Regular and irregular customers can take parts in the events. The store will distribute different articles to customers by drawing tickets. The store got these articles from various promotions, too.

Conclusion

After the researcher took the strategies from appreciative inquiry process to apply with PENG HENG Store, it made an increase of sales and there were more new loyal customers, especially sales from"Give choices to CustomersProject ". Most of the customers were from the internet cafe and recap store nearby. Some sales received from customers who bought goods that PENG HENG Store sells additionally. Furthermore, PENG HENG Store received positive feedback from loyal customers by increasing optionsfor customers to buy more goods. It made the store more modern and completely so it could save customers' time. They needn't buy goods from other stores.

Suggestion

This independent study was to study for creating strategies to motivate customers to enquire and buy goods more and increase sales by applying of appreciative inquiry. Processes of each organization are different. It sometimes depends on complement and environment of each organization. So a reader should use this study as a guideline to create strategy and adjust additional for a maximum profit.

A suggestion for next study, the researcher should study a guideline to create strategy about advertisement for communicating to customers so they can realize the concrescence of the store, including of activities or details about the store such as goods, location, new goods or new service of the store that is increased because of time's change.

Acknowledgement

Reference

[1]   Chemsripong, S., Potchamansirikul, K., Samuntriporn, S., Pichainarong, S. & Prasomtong, N. (2010).Marketing Theories – The Marketing Mix – From 4 P's to 7 P's.

[2]   Searched on March 4, 2015, fromhttp://www.professionalacademy.com/blogs-and-advice/marketing-theories---the-marketing-mix---from-4-p-s-to-7-p-s

[3]   Cooperrider, D., Whitney, D., & Stavros, J. (2003). **Appreciative inquiry handbook: The first in a series of AI workbooks for leaders of change**. San Francisco: Berrett-Koehler Publisher.

[4]   Jacqueline, M., Stavros., Gina., Hinrichs. (2013).   **The Thin Book Of® SOAR: Building Strengths-Based Strategy**.

[5]   Pinyo Rattanaphan. (2009). **Loyalty Pyramid**. Searched on March 4, 2015, from https://www.gotoknow.org/posts/542041
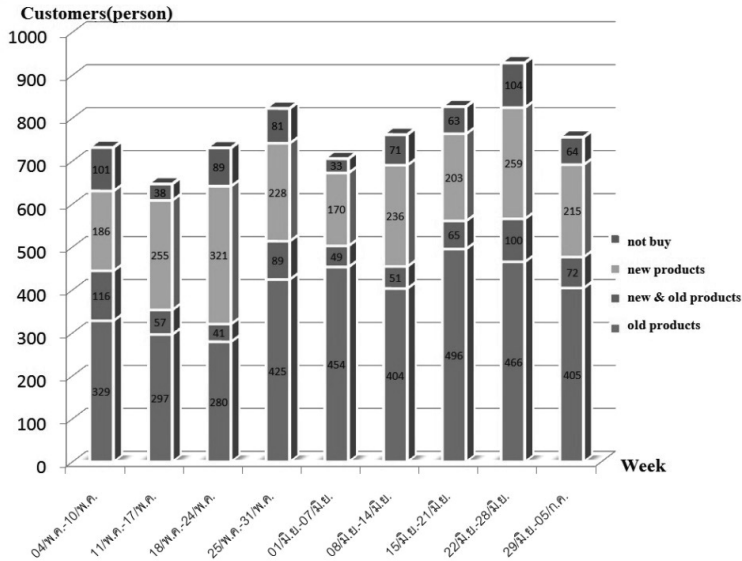
Appendix

Figure1   Bar chart showing the frequency of customers purchase of PENG HENG store each week from May 4, 2558 until July 5, 2558.

Compared with May to July in 2014, there were more customers, from average of 55 people per day to 105 people per day or 90.9% increased in PENGHENG retail store.
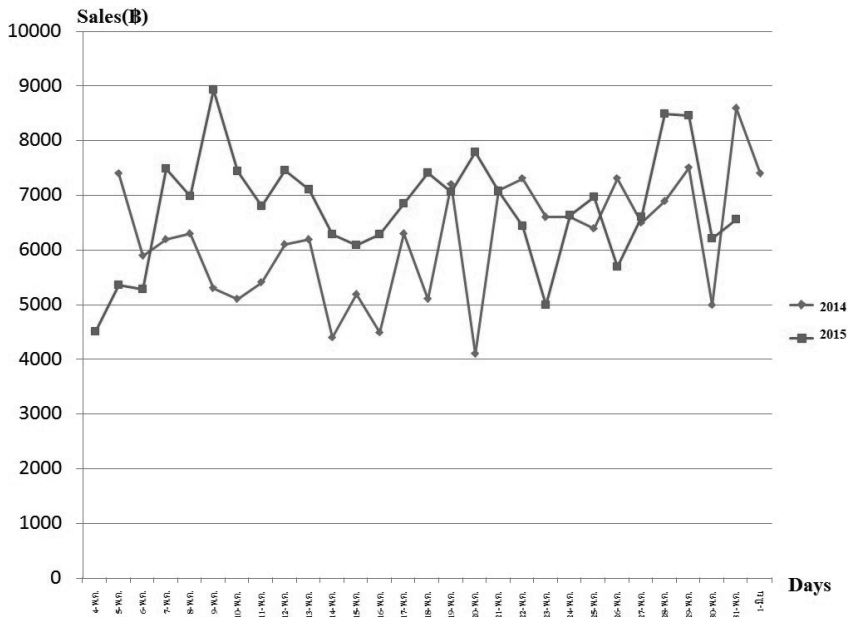

Figure 2   Chart shows a comparison of sales in May 2014 and 2015.
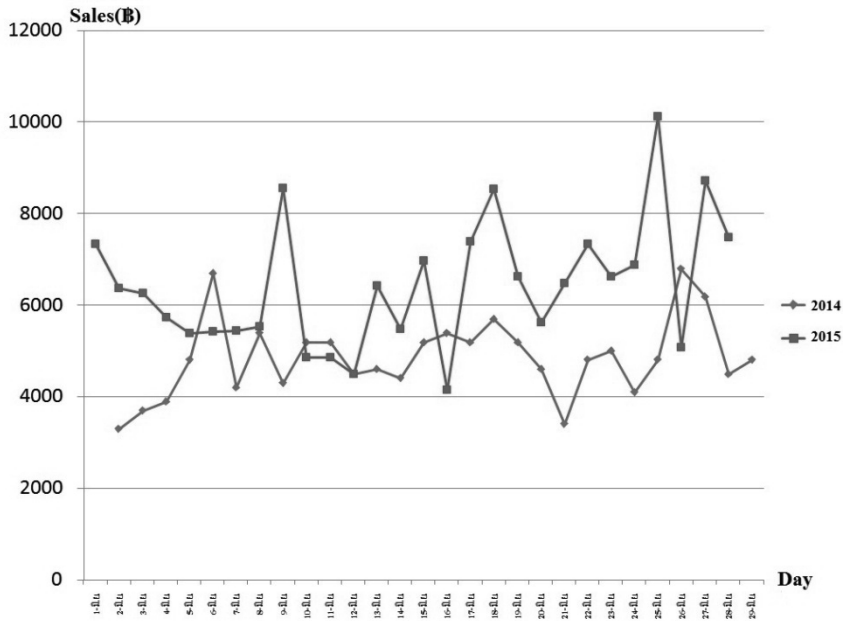
Figure 3   Chart shows a comparison of sales in June 2014 and 2015.

From figure 2 and 3, found that PENGHENG retail store had more sales from 2014. There were more averaged sales from 6,210 Baht per day to 6,926 Baht per day or 11.5% increased by May and there were more averaged sales from 4,853 Baht per day to 6,175 Baht or 27.2% by June when compared with 2014.