

Focus: Crowdsourcing

Crowdsourcing reduces product complaints by 17%

With over 7,500 private label products, a major multi-national retailer recognised that it was impractical to review every single piece of customer feedback for their entire product range. Inevitably, technical managers and product managers could only focus on major incidents - the ‘tip of the iceberg’.

Therefore this retailer worked with Supplier Engagement specialists Solutions 4 Retail Brands (S4RB) to implement online quality dashboards that shared customer feedback with suppliers and resulted in a 17% reduction in complaints in less than twelve months.

Background

The world wide growth in private label retail is, in large part, due to their higher retail margins - typically 5 to 20% higher than comparable proprietary brands (Source: McGoldrick). But gone are the days where private label

means ‘the cheap alternative’. Private label teams are required to put a high priority on product quality.

“...we want to communicate that our value stretches beyond price and into quality.”

Chief Customer Officer

The issue is that with thousands of products, it is impractical to review all customer feedback and therefore the focus is on only major incidents - such as product contamination or risk to life. However, this is only part of the story when it comes to product quality.



Solution

A few hundred 'minor comments' on one product may be below the radar for a retailer's quality manager. But this is vital information that the supplier of that product is eager to see and keen to act upon. The solution was to crowdsource reviewing the feedback to the 500+ private label suppliers.

S4RB implemented a solution to collate contact centre feedback and provide this information within the supplierENGAGE™ web portal. This gave private label suppliers on-demand access with the added ability to segment the data by product, category and type of feedback. The solution empowered suppliers to understand product performance and drive product improvements.



Impact

As a result, suppliers were able to be more proactive and engaged around private label product quality, with the measurable impact that product complaints reduced by 17% within the first twelve months.

The accepted industry cost of a complaint is in excess of £20 per complaint (simply for the complaint handling process). For this retailer, the 17% reduction in complaints equated to an average of 5,000 complaints per month. This allows us to calculate **savings of over £200k per year**,

plus the reduction in vouchers and product replacements and the potential cost of lost or dissatisfied customers.

Key facts

- 500+ private brand suppliers
- 7,500+ private brand products
- Complaint reduction of 17%
- Estimated saving of £200k per year