

Wall-mart's customer value funnel



A retailer such as Wal-Mart can use a customer value funnel to see how the company functioning for a given period as far as its relation to its customer is concerned. (Dolak). Using funnel as a measuring tool makes it easier for the company to estimate how many prospects what it is offering could attract and it could systematically introduce methods in order to tap into as many of them as possible.

This can take place through marketing where a company such as Wal-Mart will go out and tell would be prospects what kind of value it could offer them. These values were part of the discussion earlier where buyers could literally have the lowest price in a given geographical area and a vast variety of goods that they cannot find under one roof anywhere else.

This two components alone are winners for any business to convert prospects easily into buyers. The paper has discussed how the company can accomplish that.

Through the process, when it comes to a retailing organization, whose customers are coming to the outlets it avails, their coming to the store is just the beginning and it does not guarantee that they will buy or once they buy the items they are looking for on their first visit, there is no guarantee that they will be repeat customers. The company has to come up with mechanisms that would make them repeat customers.

Since the turnout of the would be prospects will be huge at all its outlets, it has to find a way to make them repeat customers.

One way to accomplish that is by availing quality assurance where the buyers would find the exact quality products that they are willing to pay for. It is not only enough to charge the lowest price as the value they get through the product they buy also has to have the quality that meets customer satisfaction. It is not difficult for Wal-Mart to find out whether the products it is carrying have the quality consumers are looking for, because the company knows in real time which products are being sold through the computer system it has in place.

Having such a system puts it in a position to stack its shelves with products customers are buying the most. At the same time it could also persuade customers to buy products that they are not buying by either offering free samples or by bringing down the price so that it will attract their attention and see if customers have started buying those items that it has in its promotional list.

By simply doing that it could overcome rejection by creating exceptional opportunities that will enable customers to try new products.

It is also possible to come up with ways how to educate customers about some of the products that are lagging behind in their sales volume by simply distributing pamphlets in its stores if not free samples, so that customers would know more about the value they would get from buying those products. By simply doing that it can always measure the movement of a given product that it is promoting by using a funnel where the number of the final sales will tell it how much the promotion effort had been successful.

It is common that a funnel could have various phases that are applicable to each organization and it is up to each organization how to define it. Each phase should have a given data that will communicate a certain knowledge about what kinds of prospects were able to make it to its door and how they are proceeding through the various phases.

The usual start up point is the bringing to the door of prospects in the case of a retail store such as Wal-Mart. It can do that mostly through effective marketing by letting prospects know the values the company offers.

Although it will be very costly, by using mediums such as TV, the Internet, print media, and the radio a retailer could try to reach as many prospects as possible. The second phase could be in the case of a retailer such as Wal-Mart opening a 1-800 line or an Internet presence where prospects could call to ask information.

It is also possible to have a demonstration session so that would be prospects would know exactly what values they will get by shopping at its retail outlets.

The approach stage, which could be the third stage in the case of Wal-Mart is customers are making it to the door of the company outlets and it is possible to take numerous measures to make them familiar with what takes place. Someone could meet customers at the door to answer if they have any question, the other staff will make themselves available to help the customers in anyway while they are trying to find their way through the stores, and the display that is in place could also lead clients exactly where they would find what they are looking for.

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The display here is the key because it has to anticipate exactly what people will be looking for, with the right price tag, comparing various similar products and differentiating their price so that the consumers will get both the price advantage and the value they are looking for. Not having enough range of products, regardless of the price differences could lead to customers rejection where they might not be comfortable to buy certain product based on lower price only.

If what the customers would be looking for are available throughout the store, the chance that customers would buy them is there. Once they do their buying, for the long haul that alone will tell the particular store what the customers are buying most. This will lead to stocking the shelves with the highly demanded items, while effort to promote those items that are not selling well could go underway.