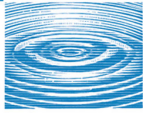




KING-CASEY



King • Casey REPORT

Insights and Trends in Retail Branding, Merchandising and Design



A Surefire Way to Delight and Win Back Customers

Start Thinking Customer Zones

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A KING-CASEY REPORT by Howland Blackiston, Principal, King-Casey

A Unique Approach for Delighting Customers

COZI® is a proven, step-by-step analytical approach for developing retail designs that differentiate the brand and delight the customer. It is an acronym for Customer Operating Zone Improvement. This process enables a retail brand to deliver a superior retail experience by understanding consumer behavior and expectations throughout the store, and then developing strategies that equal and surpass the customers' needs, desires, wants and expectations on a zone-by-zone basis.

COZI® recognizes that every retail store is a collection of many individual "customer zones" (or "touch points"). They are the critical locations outside and within the store which:

- Impact the type and size of purchases.
- Either reward customers with a pleasant shopping experience or drive them to a competitor because of hassle factors.
- Are rarely developed from a customer experience and brand strategy perspective.
- Suffer from evolutionary change (making it a bit better today than yesterday) versus innovation and revolutionary change.

Dividing the Customer Experience into Zones

Customers behave differently in each unique zone of the store. Their attitudes and behaviors are different. Their needs and expectations are different. For example, what's important to customers at the "entry" zone will be very different from what's important to them at the "check-out" zone. By identifying each of these different zones and better understanding how customers think and act in each zone, you can create innovative, zone specific strategies and design solutions that are sharply responsive to how customers use these zones. COZI® results in a retail experience that anticipates and surpasses what's most important to a customer. In turn it helps create a retail concept that delights the customer, differentiates the brand from competition, increases sales, and builds customer loyalty.

Start Thinking Zones

Sounds simple? You're right! But it's amazing how many organizations (even the really smart ones) overlook the value of developing retail strategies and design solutions based on "customer operating zone improvement".

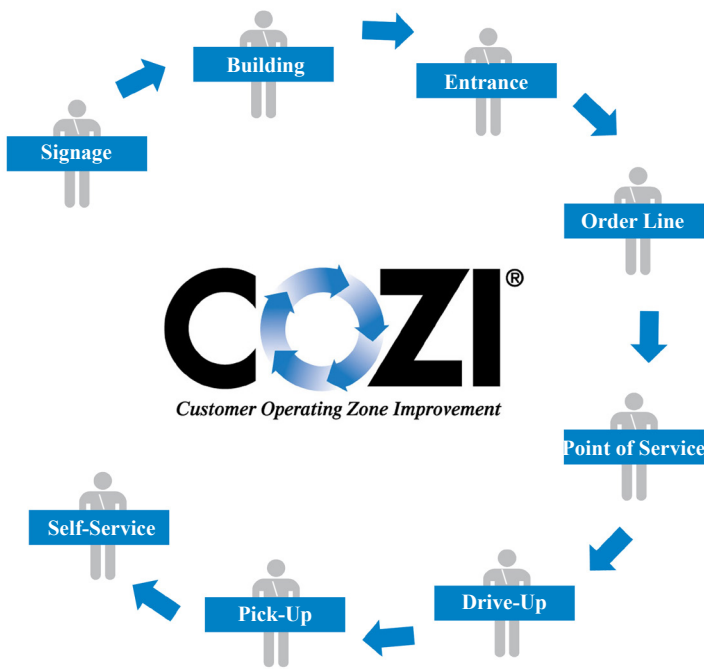
From our experience with hundreds of COZI® initiatives, we can identify the key things that must be done:

- Avoid myopic "holistic" strategies by recognizing that a store is a collection of many different customer zones.
- Understand exactly how customers make use of each zone. Customer research helps objectively evaluate customer behavior and identify opportunities for improvement.
- Develop strategies and designs that are responsive to customer needs and behaviors within each of these zones.
- Develop measures of success and monitor results. Measures will help determine ROI.
- Based on results, enhance your strategies to continually improve outcomes, revolutionize your rates of improvement to continually improve customer satisfaction.

The Winners are the Reinventors

To keep consumers coming back for more, retailers must break away from their competitor's practices and differentiate themselves. The *winners* in this game are the *re-inventors* of the retail experience. But *evolutionary* changes won't lead to success (by just tweaking this and that). What's needed is a *revolutionary* change that includes dramatic and substantial differences in how to dazzle and delight customers.

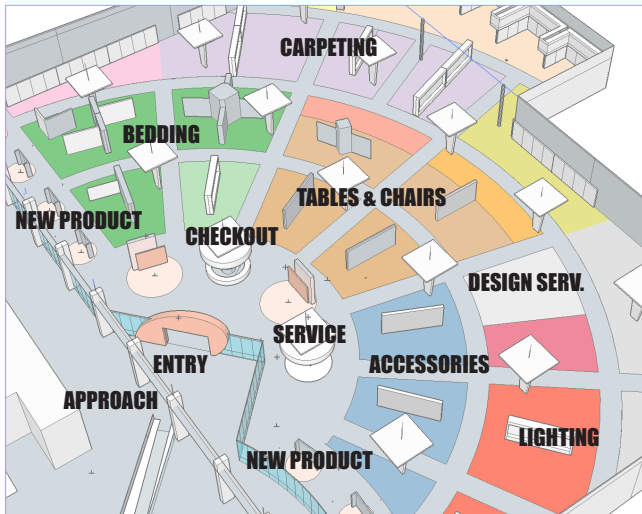
Using COZI® to Attract Customers, Build Loyalty and Differentiate Your Brand



COZI® (Customer Operating Zone Improvement) is King-Casey's unique strategic principle for brand building which focuses on understanding your customer's behavior to develop brand specific solutions that make the customer experience easier and overall more pleasant.

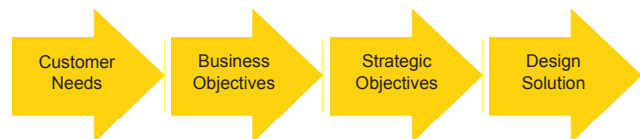
Designs Based on Customer Zones

The most successful brands have recognized that their stores are not just big branded boxes. Each is actually a collection of many individual "customer operating zones". Customers behave differently in each zone. Their needs and expectations are different. Each of these unique zones is right for one merchandising strategy, and dead wrong for another. By identifying these zones and understanding how customers behave in each zone, you can craft zone-specific communications and merchandising strategies that are sharply responsive to how customers use these zones.



Retail Zone Example. Any kind of retail store or restaurant is actually a series of many different zones. By identifying these zones and understanding how customers interact in each of these zones, you can develop strategies and solutions that optimize business results while dramatically improving the customer experience. In the above floorplan, we have identified some of the customer operating zones for this home furnishings retail store.

Customer Zone Strategy



How do customers behave in this zone? What are their needs and desires (both expressed and non-expressed). What are their expectations?

What is your business objective for this zone? What do you want to achieve?

What you must do in this zone to surpass customer needs and achieve your business objectives.

What are the specific design solutions for realizing our strategic objectives? This includes layout, decor, graphics, communications, branding, etc.

Zone-Based Approach. Once you've identified all the zones in your store, it's time to identify what customers expect from each zone, what business objectives you desire, and what are the strategies and design solutions that will result in revolutionary changes that drive customers to your brand.

About King-Casey

King-Casey is a pioneer in retail consulting and design. Since 1953, we have been building competitive brands for a broad array of retail brands by dramatically improving the customer experience at every point of contact. King-Casey provides a complete range of services including assessment, research, branding, visual merchandising, retail store design, and rollout. We develop innovative solutions that result in increased customer loyalty, higher sales and greater ROI.

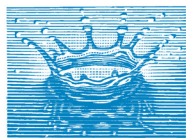
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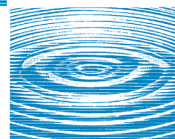
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