**ORACLE CUSTOMER VOICE PROTOCOL**

**Version 1.0**

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*ASU30*

*ASU30 and ATUU30 are acronyms for Adult Smoker Under 30 and Adult Tobacco User Under 30. The term ‘adult’ is defined by local law, but shall in no circumstance refer to any person under the age of 18. Likewise, consistent with BAT’s International Marketing Standards, terms such as ‘consumer’, ‘target consumer’, ‘smoker’, or ‘target audience’ refer only to smokers whom are adults.*

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# Introduction to this Manual

This manual has been compiled in order to provide BAT End Markets and their co-ordinating and fieldwork agencies background information and guidelines on how to conduct the Customer Voice trade research programme. In addition to this manual a recorded webinar presentation will be available for easy reference.

The Customer Voice research programme has been designed to complement the new BAT TM&D objective *'To excite the customer to sell and to excite the consumer to buy'*. To support this new objective, Customer Voice will explore and evaluate what triggers our customers' motivation to sell our brands. The nature of this research provides an opportunity to conduct an ongoing dialogue with our customers to understand their issues and concerns in the changing retail environment, their thinking on the tobacco industry, and the quality of our activity. Through the discussion, we will identify opportunities from the customer's point of view as to how to collaborate better.

Customer Voice is not a mandatory research programme within the Oracle platform. The decision to conduct the Customer Voice programme is at the End Market’s discretion, however, it is expected that Customer Voice should be carried out in T15 markets on a yearly basis and in any other markets which undergo major changes of customer engagement. The results of Customer Voice will be a major input to the TM&D agenda to drive multi-function actions. Importantly, actions derived from the Customer Voice programme will be communicated to our customers regularly with active monitoring, to complete this cycle of bilateral insight sharing.

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# Glossary of Terms & Definitions

## Glossary of terms

|  |  |
| --- | --- |
| TM&D | Trade Marketing & Distribution Team at BAT |
| RCM | Retail Classification Methodology |
| HORECA | Hotels, Restaurants and Cafes |
| CEI | Customer Engagement Index |
| RCS database | Retail Classification System |
| SP&I | Strategic Planning & Insights Team at BAT |
|  |  |

## Definitions

**Trade Customer (trade covered outlets):** Is defined as the decision-maker at an outlet that not only sells BAT cigarettes, but is also visited by a BAT representative or has other direct contact with BAT. This means that an outlet could receive direct deliveries from BAT (or their distributor) and/or receive visits from BAT Trade Marketing personnel (e.g. merchandisers, Trade Marketing representatives).

**Key Account:** There are two types of key accounts:

Global: the Head Office of accounts which operate on a global basis, and are responsible for the strategy and planning of the whole group. The key contact may be the Managing Director, Global Buyer or Category Manager.

Operational: Accounts which may be part of a global group or are independent and operate at a regional or national level. Interviewees will respond from an ‘above outlet’ level.

**Channel:** As defined by the RCM in each market (e.g. Pay & Go (Convenience), Shop & Browse (Grocery), Entertainment (HORECA), Specialists, Cash & Carry/Wholesaler).

**Organised Outlets:** Outlets that belong to a chain of shops managed by a Head Officewhere normally all major trade decisions are taken (what to buy, how much, payments, trade agreements, etc).

**Independent Outlets:** Outlets that do not belong to a chain, where decisions are taken at outlet level.

# Background

The Customer Voice programme has been designed and developed to provide an in-depth qualitative understanding of BAT’s customers whilst maintaining an (optional) quantitative measurement of key metrics. The focus will therefore be on the qualitative interviewing phase, with an optional additional quantitative element.

The programme will explore measure and monitor the BAT relationship with retailers through:

**Qualitative interviews**

1. Exploration of the retail landscape to identify emerging trends and issues, as well as opportunities and barriers for the business
2. Ongoing dialogue with retailers: act as a “listening post”
3. Enable greater focus on the decision makers in key accounts specific to each market

**Quantitative interviews (optional)**

1. A quantitative, point in time measure on key issues covered, including overall satisfaction (Customer Engagement Index) and specific performance areas
2. Pinpoint any areas of lower performance (which could be explored in potential, further research)
3. Enable greater focus on independent outlets

The qualitative element of the programme is described in more detail in section 7, while the quantitative element is covered in section 8 of this manual.

It is not intended to compare results to 2010 CSM data.

# Customer Voice Objectives

The Customer Voice Programme has been designed to help place the retail customer at the heart of BAT’s strategy. By conducting an ongoing dialogue with customers, BAT will better understand their issues and concerns in the changing retail environment for mutual business benefit.

The study’s overall purpose is to provide essential input into BAT cycle planning, with the ultimate aim of implementing positive change where necessary to achieve business growth.

Specifically, this programme will:

* Create a channel for retail customers to provide feedback and for BAT to act upon.
* Identify any opportunity and areas of lower performance, which can potentially be followed up with further monitoring and communication with retailers in any relevant End Market.
* Assess the satisfaction and relevancy of service provided by BAT.
* Encourage and drive End Market action planning with multi-function collaboration.

Customer Voice is not a mandatory methodology. However should a market wish to conduct a Customer Voice project, the qualitative element is compulsory. Consideration should then be given to whether the optional quantitative element should be included to provide a measure on key metrics. Each market’s requirements should be discussed with the Head of Trade to ensure the programme fits their needs.

# Customer Voice Governance

Customer Voice is a locally managed project (i.e. by BAT End Markets), with guidance on implementation provided in this manual.

***NB. In 2010, the CSM was a centrally governed project within Kantar, led by the Kantar Global Project Management Team in London. Please note that this global Kantar team will no longer be in place for the Customer Voice programme.***

The co-ordinating agency in each market will be the first point of contact, with responsibility for:

* Receiving the initial project brief from BAT (based on a standard briefing checklist, Appendices A1 and B1) and arranging a discussion with the market to clarify the brief and agree on the scope of project.
* Providing a cost and proposal based on the standard specification and any additional requirements, as agreed with BAT in briefing.
* Agree with BAT the final qualitative discussion guide and quantitative questionnaire (if applicable) – based on the standard global templates (one for qualitative and one for quantitative), plus additional requirements, if any.
* Conducting and managing the fieldwork – both qualitative and quantitative - and updating BAT on progress.
* Analysis of the results and completion of qualitative analysis template and if applicable, quantitative scorecard.
* Presentation of results, if required.

As with all research we conduct it is important to involve the Cora/Legal department in the planning of the Customer Voice survey to ensure that the discussion topics are appropriate. In accordance with the Operating Procedure Guidelines all the research materials need a Cora/Legal sign-off. This applies both to the fieldwork materials as well as the final report.

# Customer Voice Project Flow

The purpose of the Customer Voice programme is to feed into BAT’s internal strategic planning. This means that results need to be available in May for the planning sessions in June, so fieldwork should be conducted in Q1.

To help End Markets plan for this, outlined below are the key stages and typical timings of the Customer Voice project flow, with assigned responsibilities. It is envisaged that the project will take around 12 weeks for a standard programme (for quantitative research, the below timings assume using CATI telephone interviews for data collection). These timings are provided as a guideline only and must be confirmed with the co-ordinating agency as they are likely to vary by market. Where additional requirements are requested, outside of the standard study specification, timings will be affected – this should be considered when agreeing the scope of the programme in each End Market.

## Overall roles and responsibilities

|  |  |
| --- | --- |
| Role | Key responsibilities |
| End Market TM&D | * Project Owner * Confirm qualitative only or qualitative & quantitative * Confirm exact survey specification * Provide sample/database/qualitative lists * Approve qualitative discussion guide (and quantitative questionnaire if taking place) |
| End Market SP&I | * Brief research agency * Obtain and review proposal * Finalise discussion guides/questionnaire for TM&D and local legal and CORA approval * Approve methodology and research design * Liaise with research agency from project set-up to reporting |
| Local co-ordinating agency | * Provide costing to agreed specification * Select sample * Conduct qualitative interviews (and quantitative interviews where necessary) * Produce all agreed deliverables (report/scorecards etc) |

Any significant deviations from the standard methodology described in this manual will require a methodology waiver from Global SP&I.

## Detailed Project Flow

If a market conducts both qualitative and quantitative research, it is up to that market to decide whether to run both stages in parallel or one after the other. The total time needed to run the program must be considered, to ensure that the findings can be delivered in time to provide input into the cycle planning process.

|  |  |  |
| --- | --- | --- |
| **Key Tasks** | **Responsibility** | **Timings** |
| **Project Briefing** | | |
| BAT End Market creates Customer Voice Project Initiation Brief(s) (PIBs). Please create separate PIBs for Qualitative and Quantitative stages. Briefing checklists have been prepared to help with this (see Appendices A1 and B1) | BAT End Market |  |
| BAT End Market sends PIB(s) to co-ordinating agency in order for agency to begin preparing proposal | BAT End Market | Week 1 |
| BAT and local agency have a briefing call/meeting to discuss standard spec and confirm any additional requirements needed | BAT End Market /local agency | Week 1 |
| **Project Set up** | | |
| Proposal and costs are provided to BAT | Local agency | Week 2 |
| BAT commissions co-ordinating agency to conduct Customer Voice project | BAT End Market | Week 2 |
| **Fieldwork Set Up** | | |
| Final qualitative discussion guide and quantitative questionnaire (if applicable) agreed. | BAT End Market /  local agency | Week 3-4 |
| Translation of discussion guide and quantitative questionnaire (if applicable) by local agency and signed-off by local BAT | Local agency / BAT End Market | Week 4-5 |
| TM&D to provide entire RCS database and customer information to local agency (quant only) | BAT End Market | Week 4 |
| Qualitative recruitment list provided by TM&D | BAT End Market | Week 5 |
| Outlets / key accounts for interview distributed to field force and qualitative interviewers | Local agency | Week 5 |
| **Fieldwork** |  |  |
| Fieldwork conducted (assuming standard specification) | Local agency | Week 6 – 9 |
| **Analysis and Reporting** | | |
| Analysis of findings and completion of qualitative analysis template and if applicable, quantitative scorecard | Local agency | Week 10-11 |
| Provision of findings to BAT | Local agency | Week 12 |
| Presentation of key findings, if required | Local agency | Week 13 |

# Project Preparation and Proposals

A briefing checklist has been prepared for the convenience of BAT End Markets (see Appendices A1 and B1). The purpose of this checklist is to ensure all key information is included in the research brief, so that the co-ordinating agency fully understands the local business issues and is able to provide a proposal that answers BAT’s key requirements along with an accurate costing.

A briefing call / meeting with the co-ordinating agency should follow the issued research brief – led by BAT – to clarify any queries and agree any additional requirements outside of the standard specification. The standard specification is the recommended approach developed by Global TM&D. The mandatory element comprises qualitative in-depth interviews with a selected number of accounts; the optional element, quantitative interviews with a representative sample of outlets.

Following this call, the co-ordinating agency will provide a proposal to BAT. There is no standard template for this – dependent upon the agreed specification, the proposal will include the fees for the qualitative element and the optional quantitative element if applicable.

This manual describes the standard, minimum specifications for the qualitative and quantitative modules. In some markets there may be a requirement to extend the standard specification to answer specific market needs; please note this will most likely increase both the cost and timescale of the programme.

# Qualitative Guidelines

## Purpose

The qualitative module of the Customer Voice programme has been designed to allow BAT to capture the viewpoints of a wide cross-section of its customers.

This will allow BAT End Markets to gain an overall understanding of the general retail landscape and specifically, a detailed insight into customer needs based on the different types of business/account structures.

The results will allow BAT to develop more meaningful strategies which have been tailored to meet the differing needs of its customers.

## Methodology

The research will be carried out by face-to-face in-depth interviews (IDIs) which will each last approximately 1 hour. They should be held at a time and location which is convenient for the respondent.

IDIs are the recommended methodology instead of a focus group setup because it is important to get personal, unbiased responses. In a group setting, respondents may be influenced by others and might be reluctant to share information about their business and individual dealings with BAT.

Providing the interviewee gives their permission, each conversation should be audio recorded for the purpose of analysis and reporting.

If the respondent refuses to be recorded, hand written notes should be taken instead.

**7.2. 1 Practical tip**

When carrying out interviews with individual shopkeepers and/or others at their place of work, be prepared for possible interruptions. For example, the respondent might have to stop the conversation in order to deal with a customer query.

## Sample design

Customer needs and perceptions will differ depending on size of the business and the respondent’s job position and responsibilities etc.

* for example, a tobacco buyer from a major supermarket is likely to have a different perspective and set of priorities compared to that of the manager of a small kiosk

To ensure that a broad representation of customer views is captured, customers musttherefore be recruited from each tier of BAT business (T1/2/3).

The definitions of the tiers are:

**Tier 1 – Key Accounts, senior management**

These are the largest customers in each market and would include large chains of supermarkets, convenience stores and petrol stations. These will typically have a very prominent regional or global presence as well e.g. Shell, 7-11 and Tesco.

The respondents should be GM / Director level, e.g. Director of Trade, Category Director and Director of Merchandising etc.

**Tier 2 – Mid-sized accounts , mid management**

These are smaller than the key accounts, but are established and well-known in the local market, but will not necessarily be part of a global entity or with prominent international presence. They could include small – medium sized chains, forecourts, HORECA and distributors/wholesalers.

Examples of the type of people who should be approached are senior managers, such as Merchandising Manager, Procurement Manager, Senior Buyer etc.

**Tier 3 – Independents**

These are individual shop/kiosk, or café owners. These will typically be small and have little presence beyond their single outlet.

Owners/managers will be the most appropriate respondents.

For the key and mid level accounts (T1 & T2), the sample pool is likely to be fairly small as there are fewer of these people to contact.

However, this is not the case with the independents (T3), so the research agency should be provided with a larger pool of names to select from.

The BAT End Market and co-ordinating agency will work together to identify the proportion of T1, T2 and T3 interviews to be targeted in the fieldwork.

### Practical tips

* The precise sample split will be dependent upon the account structure in each market.
* Map the account universe and select sufficient amounts of retailers for each tier, but focus on the channels which are most relevant to the local business.
* The strategic and tactical priorities of the local BAT team will need to be considered when deciding on the overall mix of respondents.
* Once completed, the proposed sample should be discussed with the Head of Trade/ Marketing Director.

### Sample size

All markets are different and there is no hard and fast rule regarding the size of the sample for the qualitative module. The final number is dependent upon the size, account structure and strategic needs of each market.

However, typically, a total sample size of 30 interviews is sufficient for a qualitative study; this is a large enough sample to:

* provide a clear overview of the dynamics of the local market
* identify similarities and differences across and between the tiers

A larger sample than 30 will not necessarily provide additional value in terms of insights, but will definitely be more costly in terms of budget and will increase the project timelines.

Below are two examples to illustrate how the market structure affects the sample size:

**Example 1**

* In country Y, tobacco is sold through various channels across the three tiers, e.g. large national supermarkets, petrol stations and convenience stores.
* In addition, regulations (e.g. point of sale) also exist regarding the sale of tobacco, but the extent of the regulation depends on the type of store (e.g. size, location of the store etc.).
* To reflect all of these factors, a sample size of 30 is recommended. This will allow a good mix of retailers and therefore enable comparisons across the different tiers.

**Example 2**

* In country X, tobacco can only be sold in licensed tobacconists (T3).
* All these tobacconists have to conform to strict guidelines in terms of what they are able to sell, which means the shops are very similar.
* In this case, rather than interviewing 30 respondents, the sample could be reduced to 15-20.
* This number of interviews will still allow good geographic spread and, importantly, will be sufficient to highlight any differences between individual customers.

### Practical tips

When deciding upon the total number of interviews it is therefore important to consider:

* the objectives of the research - what do I want to find out?
* the target audience - who would be the best people to answer the research questions? How many of these people are there?
* the size and structure of the market – how many retailers are there? How are they divided across the tiers? Which ones are most relevant to the research objectives?
* budget available – how many interviews can we afford to do without compromising the quality?

As already mentioned, the co-ordinating agency should work with the BAT End Market team to identify the best sample mix.

### Sample pool and recruitment

BAT will be responsible for identifying and providing a random sample pool of potential interviewees. For example, in order to achieve a target of 30 completed interviews, it is advisable that the BAT team provides a sample pool of 50 customers (with the appropriate mix of tiers).

Additional batches of sample should only be requested by the co-ordinating agency if the initial sample pool provided has been exhausted.

In terms of selecting the respondents to be recruited, ensure that these people add value to the process, and think about:

* who is worth talking to?
* who will give the best insight? (some people are better in articulating their responses and sharing feedback and views than others).

The BAT team will be responsible for inviting the respondents to be interview. For convenience we have prepared a sample script for this purpose to be used during this process (see appendix A2).

It is assumed that the interviews will be conducted in the local language: if this is not the case, please inform the co-ordinating agency when supplying the recruitment list as this may have an impact on costs. (if there are several languages within the market – please consider this carefully with co-ordinating agency so they will select the interviewers with the correct language skills)

Once BAT has first invited and agreed the participants, the local agency will then be responsible for following up via telephone to arrange a suitable date, time and location for the interview.

### Practical tips

* Ensure there is a back-up plan: over-recruit to account for drop outs/lack of availability.
* Don’t select respondents who you think will give positive feedback as this is not useful. The objective of the research is to understand how BAT can improve its service, so it is important to get all views, which means including respondents who might be less positive!
* Respondents may feel nervous about participating in the research due to concerns that their personal feedback may be passed to BAT. To reassure respondents, the following should be stressed during the recruitment process:
* the interviews will be treated with strict confidence
* their views will not be directly linked to them – it is anonymous and no names will be reported back to BAT
* BAT employees will not be attending any of the interviews

### Location of the interviews

In order to ensure good regional coverage, the interviews should ideally take place in a minimum of 4 cities/regions:

* the precise number of cities/regions will be dependent upon the geography of the country, particularly in terms of how centralised or decentralised the country and trade structure is
* the sample should be clustered (as much as possible) around major cities, as this will cut down on travel time, and subsequently fieldwork time
* if the interviews are widely dispersed and the researcher has to travel long distances for a single interview, or in between interviews, there will be major cost implications. This will need to be discussed with the co-ordinating agency when the recruitment list is provided

### Practical tips

If some of the interviewees aren’t based in cities, there are several options:

* recruit an alternative respondent
* consider conducting the interview via telephone, but this must be approved by BAT
* conduct the interview face to face however be prepared for additional travel charges to be incurred.

## Discussion guides

The sample composition for the study is extremely broad, with respondents ranging from General Managers to Sales Assistants. This means that across the sample, there will be differing levels of knowledge, insight and experience.

As a result, three separate one hour discussion guide examples have been developed to demonstrate this wide spread. However, these guides should be viewed only as templates which will need to be adapted to fully suit local market needs.

To ensure that the most appropriate and meaningful questions are asked, the BAT End Market and the co-ordinating agency will need to work together to develop the guide.

### The guides

The guides represent the different tiers, therefore ensuring that respondents are only asked relevant, tier specific questions:

* T1&2 – strategic focus
* T3 – operational focus
* Wholesale & distributor – trade focus

The questions are there to help you! They have been piloted via a global research programme to be customer relevant, so please utilise them as much as possible. However, if there are any areas which are not covered, or the questions are not suitable for your market, additional questions can be included.

Examples of specific discussion guides and a full list of the questions can be found in appendices A3 and A4.

### The framework

The discussion guides are flexible, allowing each market to choose questions which reflect local information and strategy needs. The guides will consist of:

* **two “core” introductory questions which are compulsory** 
  + what are the key challenges/what keeps you awake at night?
  + what are the challenges you see for your tobacco category? Why is that?
* **thematic questions:** markets can choose the most appropriate/relevant questions
* **country specific questions**: these must be relevant to the objective of the study and not an opportunity to use Customer Voice as a vehicle to do ad hoc research

### Retail guides

The retail guides are based on the needs-based pyramid framework devised by Global TM&D (as pictured below). While the pyramid represents the business interactions between the retailers and BAT, the priorities will vary depending on a number of factors, particularly the colour of the market (i.e. dark, light grey), retailer sophistication and size.



As illustrated in the pyramid, there are five themes which cover the key needs of the retailers. In addition, each theme has a series of sub topics. The themes and sub topics are listed below:

* **Retail strategy**
  + General business challenges
  + Growth agenda
  + Shopper profile
* **Tobacco category**
  + Role of tobacco to their business
  + Regulation & its impact
  + Preparing for regulatory changes
  + Leadership & category insight
  + Tobacco champions
* **Partnership with suppliers**
  + Opportunities & willingness
  + Co-marketing
* **Branding/consumer**
  + Consumer needs & relevance
  + Reception to innovation
  + Input into merchandising arrangements
  + Input into BAT activities and missiles
  + Input into BAT products/quality
* **Operations**
  + Satisfaction to BAT services
  + Trade services
  + Pricing & trading terms
  + Supply chain

It is absolutely impossible to cover all of the suggested questions within a 1-hour interview. You would typically cover 2 or 3 of the sections in greater depth, depending on the business issues and the respondent type. As noted earlier, the interviews should have a different focus depending on the respondent – Tiers 1 and 2 are likely to be more strategic, and Tier 3 more tactical/operational.

### Wholesale & distribution guide

There is a separate guide for wholesalers & distributors. The guide has four themes which cover the key needs of the distributors & wholesalers. In addition, each theme has a series of sub topics. These are:

* **Distributor/wholesaler business**
  + General business challenges
  + Growth agenda
* **Tobacco category**
  + Role of tobacco to their business
  + Regulation – overall comments
* **Partnership with suppliers**
  + Value partnership
  + Information sharing
* **Operational issues**
  + Day to day servicing
  + Supply chain
  + Pricing & trading terms

### Practical tip

When developing the discussion guide it is important for the BAT End Markets to work closely with the co-ordinating agency.

When selecting the types of questions to be included in the guides, think about the key research objectives i.e. what is needed from the research:

* What are the essential local business information needs?
* What are the key challenges facing the business?
* What are the key concerns? What are the priorities?
* What strategy will the research need to feed into?
* What are competitors doing?

Once identified, these considerations should be used to prioritise the themes and questions chosen.

* It is perfectly acceptable to focus on only 1-2 themes if these are the key information needs of the market.

Remember, the purpose of the guide is to encourage a conversation with the respondent. To get the best out of the interviews, the discussion guides must:

* be relevant - remember who the respondent is and ask appropriate questions. Will they be able to answer it?
* have a logical flow – each section must be introduced, typically with a broad question. Don’t just pick “random” questions; they need to link together and follow a sensible order
* be easy to understand – if including additional local questions, keep them simple and don’t use jargon

And finally, sense check the guide with a colleague; have a mock interview to test for logic and timing. Remember, the interviews should last about one hour, so be realistic with the amount of questions included in the guide.

## Fieldwork

### Timings

The list of confirmed respondents should be with the co-ordinating agency at least one week prior to the start of field work:

* the list should contain the full contact details of each respondent, i.e. name, job title, address and telephone number
* additional recruitment/interview information, such as the best time to call the respondent and whether the interview will be conducted in a non-native language (i.e. English) should also be included

The agency will normally require about 7 working days to confirm appointments. The fieldwork should take approximately 3 weeks to complete.

### Practical tips

There should be a degree of flexibility regarding the interview timelines. The T1 audience in particular can be very hard to reach – their diaries are often booked up weeks / even months in advance. This means that potential interview dates could fall outside the proposed fieldwork schedule. In this instance, the BAT office should be contacted immediately and they will either:

* give permission to extend the fieldwork dates
* provide an alternative respondent
* allow a telephone interview – only if it is not possible to conduct a face to face interview within the fieldwork period

Independent store/kiosk owners often work very long hours and spend little time away from the store. This means that they may be unable to take time out to be interviewed. In this instance a flexible approach will be necessary:

* for example, interviewing on site, while the respondent is serving customers. In this case, additional time will be required to complete the interview as there are likely to be interruptions

### Conducting the interviews – moderators

All interviews should be conducted by experienced qualitative interviewers from the fieldwork agency. This will ensure that the interviews are conducted in a professional, non-leading manner.

Experience has also shown that respondents are likely to be more comfortable and “open” with an impartial third party (i.e. researcher) when giving feedback about their supplier (i.e. BAT).

* The T1 & T2 interviews must be conducted by senior qualitative researchers

## Analysis

A standard analysis framework grid containing the core questions is provided for the co-ordinating agency (see appendix A5). The agency will be responsible for updating the framework grid to include the additional secondary questions.

The analysis will typically take about 2 weeks to complete.

A standard report template (in PowerPoint) is provided for the co-ordinating agency (appendix A6). The report template will cover the core questions; it will be the agency’s responsibility to include additional themes coming from the secondary questions. The report will typically take 2 weeks to complete.

Please note that these standard templates have been created for your convenience and tested within the pilot projects. Please make full use of them.

## Key deliverables

In terms of reporting, the BAT End Market should decide how it wants to receive the results. However, the recommended best practice approach is a face to face local debrief that allows for a good discussion over the results.

# Quantitative Guidelines

## Purpose

The quantitative module of the Customer Voice programme is designed to give a robust, representative point-in-time measure of BAT’s performance on key metrics. More specifically, this will provide:

* A quantitative, point-in-time measure of overall satisfaction (Customer Engagement Index)
* Ratings of performance on key aspects of the customer relationship with BAT
* Ability to pinpoint any areas of lower performance (which could be explored in potential further research)

The quantitative survey is designed to be representative of all outlets, across all major channels within the End Market. By its nature, the quantitative survey enables greater focus on independent outlets, as these are the majority of outlets.

## Sample Design

The minimum sample size for a standard survey is 200 retailers, across all channels, conducted by telephone (wherever possible). Analysis will be conducted at an overall country level only, to provide a top line overview for the End Market on key variables. If there is a requirement to drill down to specific sub groups (such as geographies or channels), the sample size will need to be increased, with implications for timings and cost.

The Customer Voice sample structure should be representative of all BAT’s trade customers nationally (in terms of channel and geographic coverage). Quotas will not be set on channel or geographic region – however, results will be weighted to ensure they are representative of the trade covered outlet universe (details of weighting can be found in section 8.5.1).

BAT should provide the co-ordinating agency with their full universe of trade customers who are visited by a BAT rep (either sales or Trade Marketing) or have other direct contact with BAT.

Please note: it is important that the full universe is provided to the research agency; it is not permitted for BAT to “pre-select” sample for interviews, for example only selecting outlets likely to have a positive view of BAT. To do so could yield an artificially positive picture of BAT’s relationship with customers and provide misleading inputs to the planning process and the opportunity to understand areas to be improved might be missed.

Certain categories of outlet may be excluded by BAT for any of the following reasons:

* Geographical constraints (e.g. sparsely populated areas)
* Trade channel accounting for a particularly low proportion of the market (less than 10%). Horeca typically falls into this category so the inclusion / exclusion of Horeca should be carefully considered.

Additionally, some retail chains may have policies as to whether to allow interviews to be conducted with their outlets, without head office approval. The co-ordinating agency and the BAT End Market team will need to discuss whether retail chains can be included in the research.

A random sample of retailers to participate in the Customer Voice programme should then be selected by the co-ordinating agency to ensure that sample selection is kept independent. The agency should ensure the sample drawn is representative of the universe of BAT visited outlets.

It is the responsibility of both BAT and the co-ordinating agency to abide by all local data protection regulations or laws when handling sample data and personal information.

### Who to interview

The interview should be conducted with a decision maker for the outlet. To be eligible for interview, respondents must be responsible for at least two of the following four areas:

* Selection and management of suppliers
* Planogram/ product assortment
* Ordering
* Pricing

Respondents are screened for eligibility at the start of the interview.

### Additional analysis requirements

Should there be a requirement for analysis by subgroups, be it by region or channel, the sample size will need to be increased. In that instance, the minimum sample size for any subgroup would be 100, to ensure a robust base size for analysis. The sample structure should be built around this and the number of subgroups needed. For example, should a market wish to analyse by 4 different regions, the sample size would be a minimum of 400.

Changes to the standard specification will increase both the timeline and cost of the project.

## Questionnaire

A standard questionnaire has been developed for use in all markets. The questionnaire is 10 minutes in length and is applicable to trade customers in Pay & Go (Convenience), Shop & Browse (Grocery), and Entertainment (HORECA) channels.

The content of the questionnaire covers the following areas (full questionnaire can be found in Appendix B2):

|  |  |
| --- | --- |
| **Topic Area** | **Purpose** |
| Screener | To ensure we are speaking to the decision maker within the business |
| Brands stocked and contact with suppliers | Check products are stocked and that there is direct contact with BAT |
| Customer Engagement Questions | Calculate the Customer Engagement Index to benchmark overall performance of BAT and tobacco & FMCG suppliers (if applicable). *(NB. See section 8.3.3 for important information about calculating CEI scores)* |
| Performance ratings on key metrics | How does BAT perform on key areas? What are the areas for improvement? |
| Relationship with BAT | Understand what outlets are looking for from their relationship with BAT |
| Condition of products on delivery | Is there a problem with the condition of products delivered by BAT? |
| Demographics | Profile of the trade outlets |

The more standardised the questionnaire, the easier it will be to replicate the study in the future, and provide comparative results against which to measure progress.

### Questionnaire translation

The co-ordinating agency is responsible for translation of the English questionnaire and all supporting materials into the local language(s). Local SP&I and TM&D teams MUST approve the final questionnaire in the local language to ensure correct translation and confirm that there are no local interpretations which could skew answers.

### Customer Engagement Index (CEI)

There are four standard questions, positioned at the beginning of the questionnaire, that measure the level of trade customer engagement with BAT (and competitors if applicable). These questions are:

* Overall performance?
* Recommend suppliers’ products to associates or acquaintances?
* Continue to use the products and services of suppliers?
* Advantage to you of dealing with named supplier rather than with any other supplier?

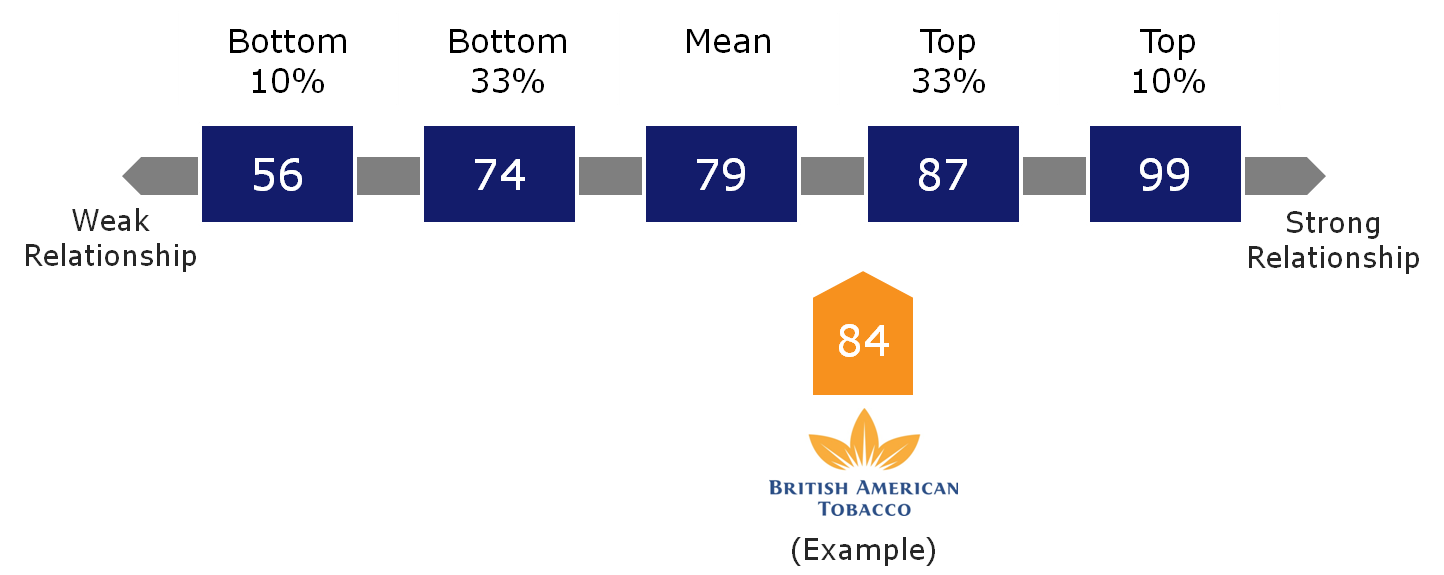
From these 4 questions it is possible to calculate a Customer Engagement Index. The CEI is a proprietary model for TNS (part of the Kantar Group) so it is only possible to calculate this index as part of the standard output of the survey if TNS is used to coordinate the research.

Please note that it is not mandatory to use the CEI – the End Market can decide whether to apply the index or not.

The CEI can be calculated for tobacco and/or FMCG competitors (max. total of 2 competitors) to provide both local market context and comparison of performance to BAT. The decision to calculate CEI for competitors is made by the BAT team; including CEI for competitors will increase the length of the questionnaire and cost of the programme.

### Analysis of the Customer Engagement Index

By aggregating the responses to these questions, a Customer Engagement Index can be derived. Due to the standardisation of these questions, TNS have developed a database consisting of several million indices drawn from hundreds of programmes. As such, BAT results can be benchmarked and placed in context with other relevant organisations. The below data shows an example score for BAT in context with Global Trade and Retail (calculated from 80,000 interviews among trade Customers (Retailers / Wholesalers) between the years 2007-2010). If applicable, in addition to the TNS data, the CEI for BAT will be compared with the CEI for main tobacco competitor and best FMCG supplier.



NB The four CEI questions are not proprietary to TNS. If the local agency conducting the research is not a TNS agency, the four questions CAN still be included in the questionnaire to provide basic information on performance.

However, the formula used to calculate the CEI is intellectual property of TNS. If the project is coordinated by a local agency other than TNS, this agency CANNOT calculate a CEI for BAT or any tobacco/FMCG supplier (they will not have the algorithm to do it – nor access to the normative database. In this scenario, should BAT require a CEI calculated for their market they should discuss this requirement with their local Kantar coordinating person, who can then arrange for the CEI to be calculated by TNS at a separate cost.

### Disclosure of BAT as Sponsor of the Survey

In the questionnaire, BAT is only identified as the sponsor of the survey at a specific point in the interview. This ensures that respondents give unbiased responses in earlier questions. In some countries, there may be an obligation or requirement to reveal the survey sponsor at any point in the questionnaire if requested by the respondent – the co-ordinating agency will advise on any such requirements.

### Additional questionnaire requirements

The standard questionnaire consists of a core element only. There is no provision for local market questions within the core 10 minute questionnaire. End Markets may wish to include additional local questions for a number of reasons such as local initiatives or Trade Marketing activity - this can be accommodated but will increase both the cost and timescale of the project. Additional questions should be quantifiable pre-codes, not open-ended opinion type questions to help to keep the interview flow smooth and fast. Any additional questions should be added at the end of the standard questionnaire where possible. No questions should be added before Q10.

In addition, if a longer questionnaire is needed, the data collection methodology may need to be reviewed. The recommended and most cost effective methodology for the Customer Voice survey is telephone interviewing (in most, but not all, markets). In markets where telephone interviewing is possible, the maximum questionnaire length that can be administered is typically about 15 minutes – this will vary by country and must therefore be agreed with the co-ordinating agency. If additional questions are added which increase the total questionnaire length to more than 15 minutes, a face to face methodology may need to be used; please note this could significantly increase the cost of the survey.

## Fieldwork

To ensure fieldwork is cost effective, whilst still maintaining a high level of respondent involvement, the interviews will be conducted by telephone wherever possible. In some markets it may not be possible to conduct interviews via telephone due to low availability of telephone numbers for trade customers or the ability of trade customers to answer the telephone in the outlet; when this is the case, interviews will be conducted face to face – this must be agreed with the fieldwork agency.

Respondent interviews must be conducted by the interviewing staff of a bona fide research agency. BAT employees on no account should get involved with the actual interview process.

## Data Entry and Analysis

The fieldwork agency should conduct data entry of the questionnaires and data processing. In the standard core 10 minute questionnaire there are no open-ended questions and so no coding will be required.

### Weighting of results

In order to accurately derive total market performance, it is necessary to weight the results across different channels. Data should be weighted so that the sample is representative of the universe, (i.e. number of outlets). This is the reason the entire customer database is required.

Data is weighted to represent the proportion of the number of outlets, not their volume. This is because the focus of the survey is customer experience, not volume measurement, therefore the responses of smaller and larger customers are considered to be equally valid.

Example of weighting technique:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Universe breakdown (outlets) | Sample breakdown | Weight |
| Channel 1 | 44% | 47% | 0.936 |
| Channel 2 | 39% | 30% | 1.3 |
| Channel 3 | 17% | 23% | 0.739 |
| **Total** | **100%** | **100%** |  |

## Key Deliverables

With a standard sample size of 200, analysis and deliverables will be provided at a total End Market level only. In order to analyse data by subgroups, such as channel or region, please remember that the sample size would need to be increased to be minimum 100 per each sub-group.

The main deliverable included in the core programme is a standard scorecard provided in Excel. This will include all key metrics included in the questionnaire as well as the aggregated CEI score (where possible – see section 8.3.3) and global CEI benchmarks. An example of this scorecard can be found in Appendix B3.

In addition, a set of static data tables will also be provided showing answers to all questions.

No global or regional analysis or comparison between End Markets will be provided as part of the standard programme.

All quantitative outputs will be produced by the co-ordinating agency in each End Market and completed to a standard agreed template (with some flexibility for local questions, if included).

After the standard scorecard has been delivered there may be requests for additional analysis or a face to face presentation from the local markets. These will be handled by the co-ordinating agency, charged at a per diem rate using agreed BAT rates.

**Appendix A – Qualitative Documents**

|  |  |
| --- | --- |
| **A1: Qualitative Briefing Checklist** |  |
| **A2: Qualitative Recruitment Script** |  |
| **A3: Qualitative Discussion Guide – Full List of Questions** |  |
| **A4: Example Qualitative Discussion Guides** |  |
| **A5: Qualitative Analysis Grid** |  |
| **A6: Qualitative Report Template** |  |

**Appendix B – Quantitative Documents**

|  |  |
| --- | --- |
| **B1: Quantitative Briefing Checklist** |  |
| **B2: Quantitative Questionnaire** |  |
| **B3: Quantitative Scorecard** |  |