Good Together

SMU

MADI Master of Arts in DESIGN & INNOVATION

Our Team

Martha Fernandez

Stuart Cornett

Chloe Lee

Gina Wang

Nick Ortega

"We can do more good together"

Run of Show

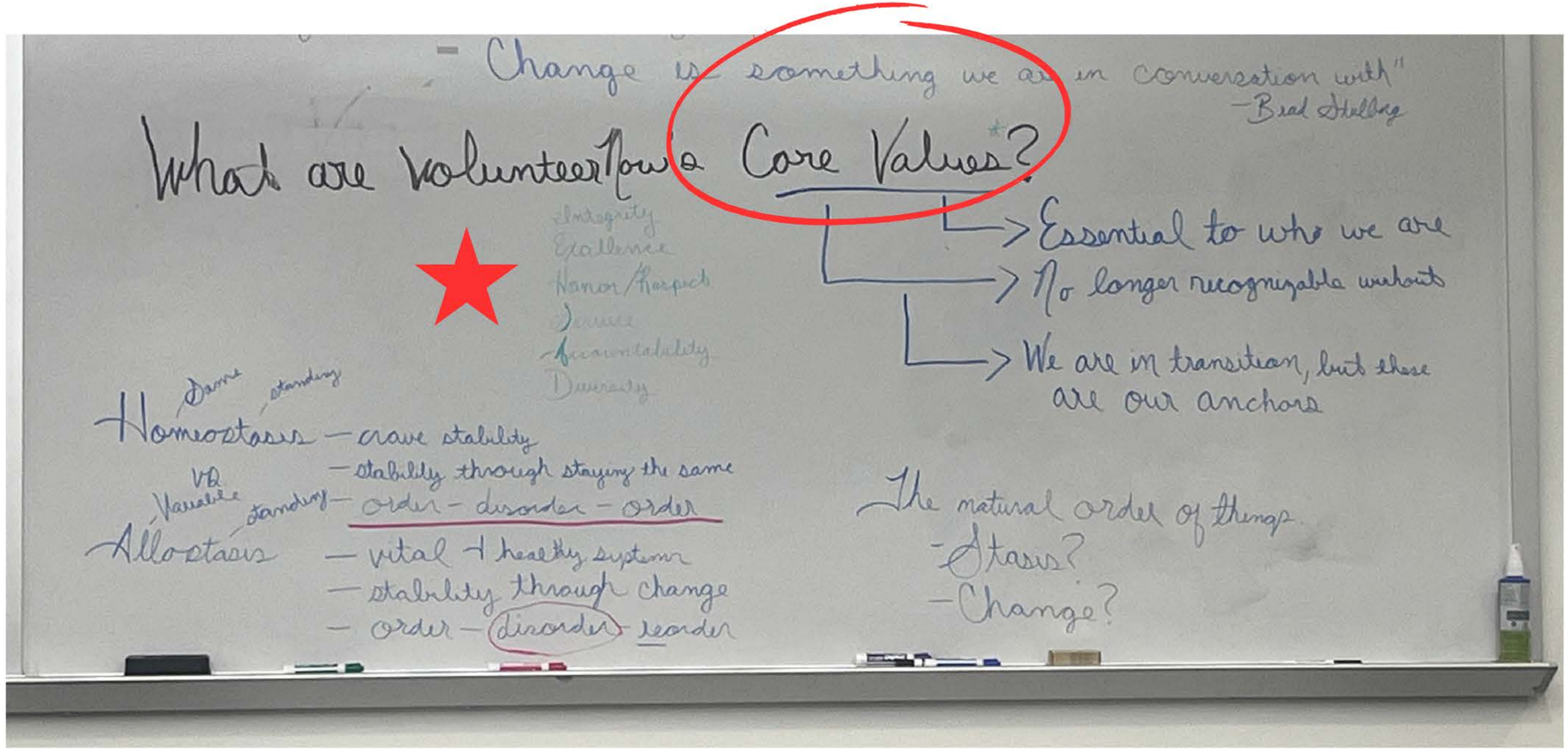
- Design challenge
- Understanding, Research and Exploration
- Learning from customers and staff
- Prototype ideas

Exploring the design challenge

How might we **improve** the **in-store experience** for the **Discount Depot community**?

Initial Briefing

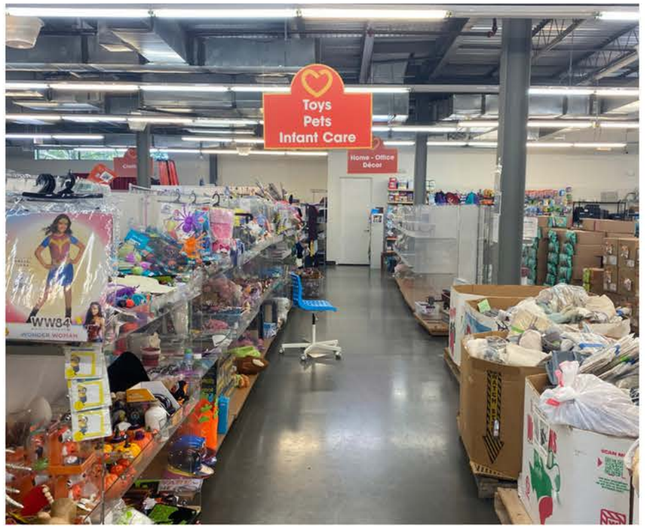
Discount Depot Core Values

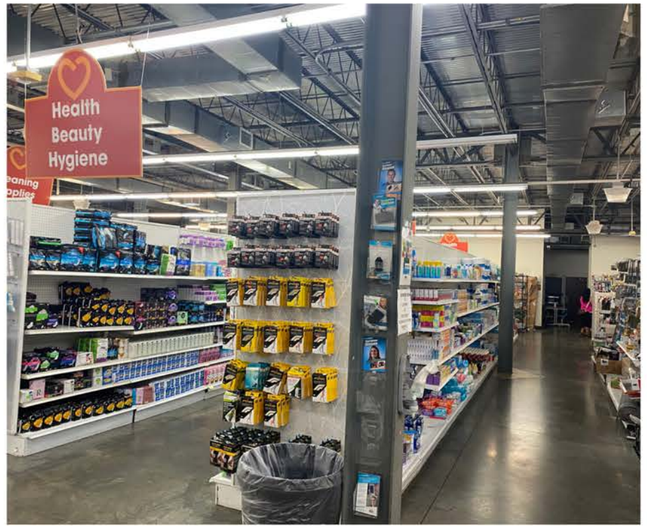


Integrity
Excellence
Honor/Respect
Service
Accountability
Diversity

Volunteer Now, August 30th, 2023

Site Visit

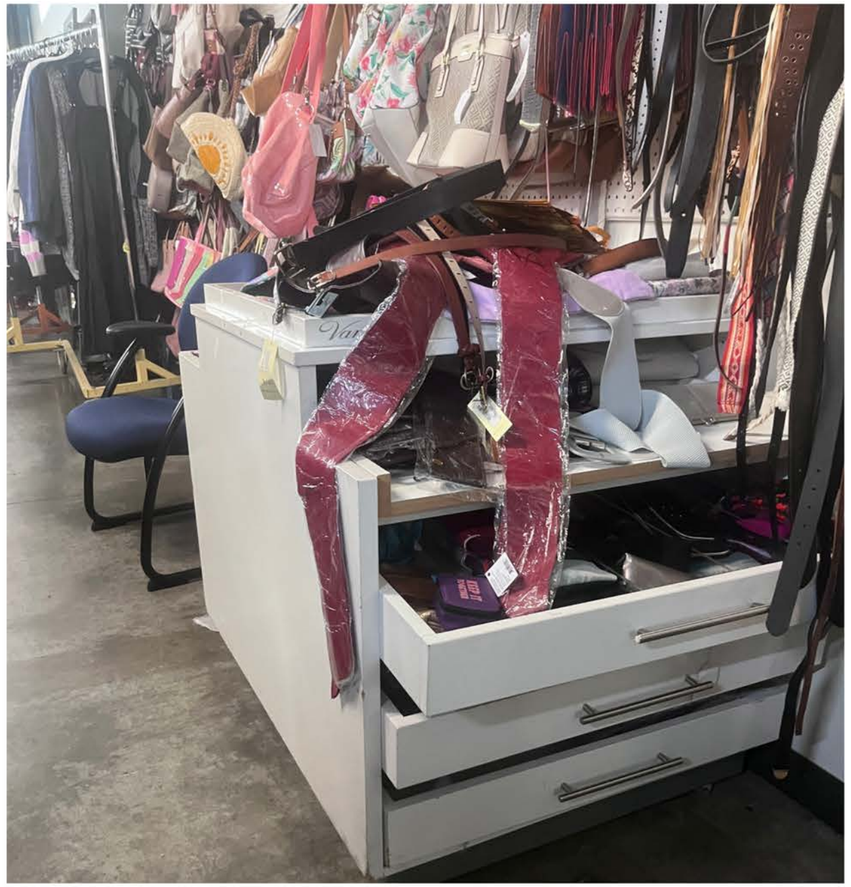




Discount Depot, August 30th, 2023

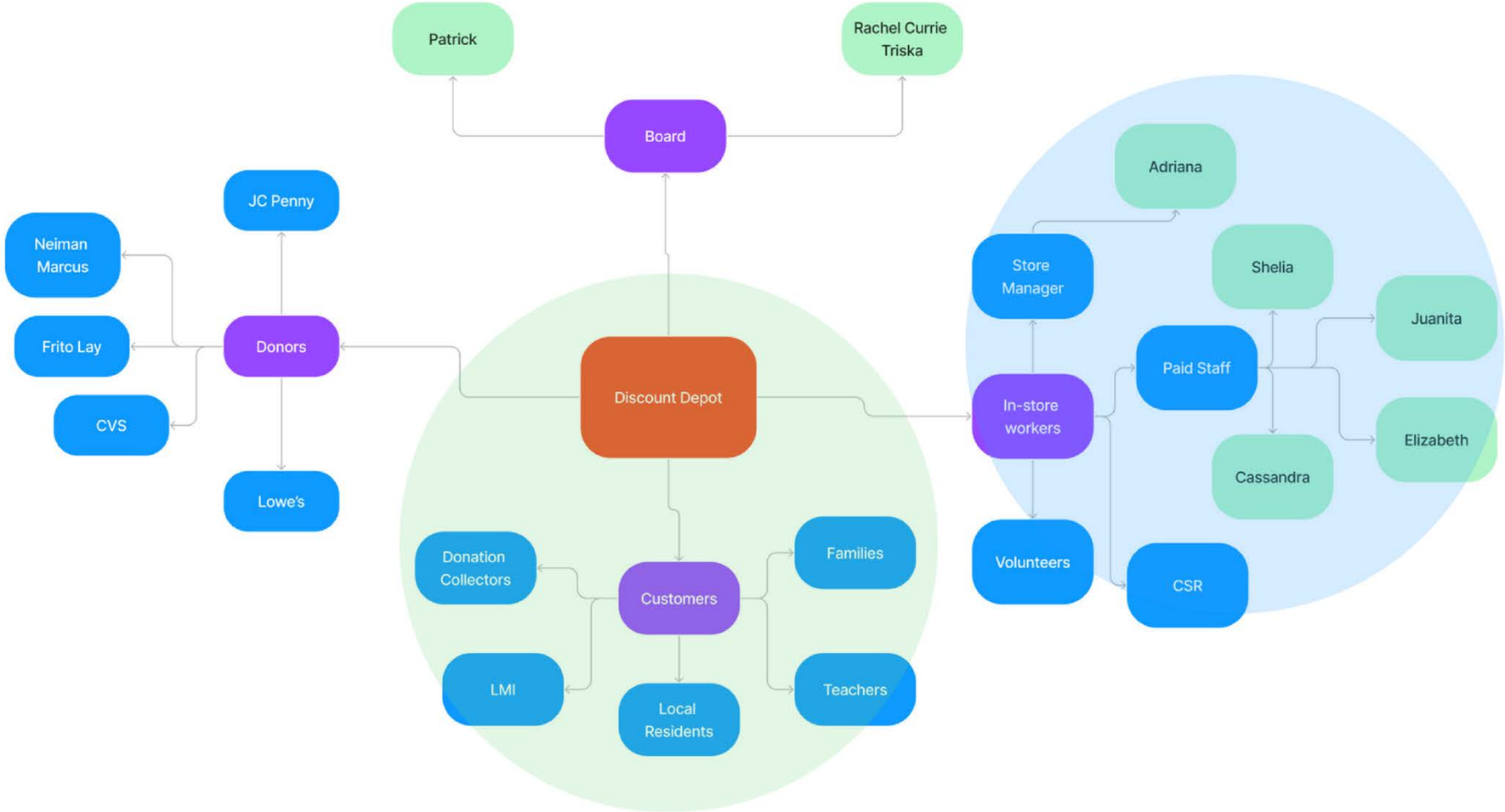
Discount Depot

Product category signage, organization



Product display, organization

Dallas Discount Depot Ecosystem



Exploring the design challenge

"What we want to do as a team is help ensure that Discount Depot holds to its values and provides an **Excellent Service with Integrity to Honor** a Diverse group of shoppers"

To do this week needed to understand
Who was **shopping** at DD and what were their needs?
Who was **working** at DD and what were their needs?

Initial Observations

“ K-Pod haunted us ”

“ Inconsistencies with pricing and labeling ”

What can we help you find?

Pickup | Shop in Store | Same Day

Naturally Flavored Pumpkin Spice Lig...
Good & ... | Only at
139
SNAP EBT eligible
$9.99 ($1.78/ounce)
at Cityplace Market
$7.99 price each with 2 with same-day order services
Get it as soon as 12pm today with Shipt
Ready within 2 hours with pickup
Deliver it

Naturally Flavored Vanilla Bean Brulee...
Good & G... | Only at
495
SNAP EBT eligible
$9.99 - $24.99
at Cityplace Market
$7.99 price each with 2 with same-day order services on select items
Free shipping*
*Exclusions Apply.
Add to cart

Exploring the design challenge further

Through the lens of the pricing experience

Design Guiding Questions

- How other stores are organized and convey sales
- Customer shopping habits
- Workforce Training and the role it plays into company operations

Discount Store Research

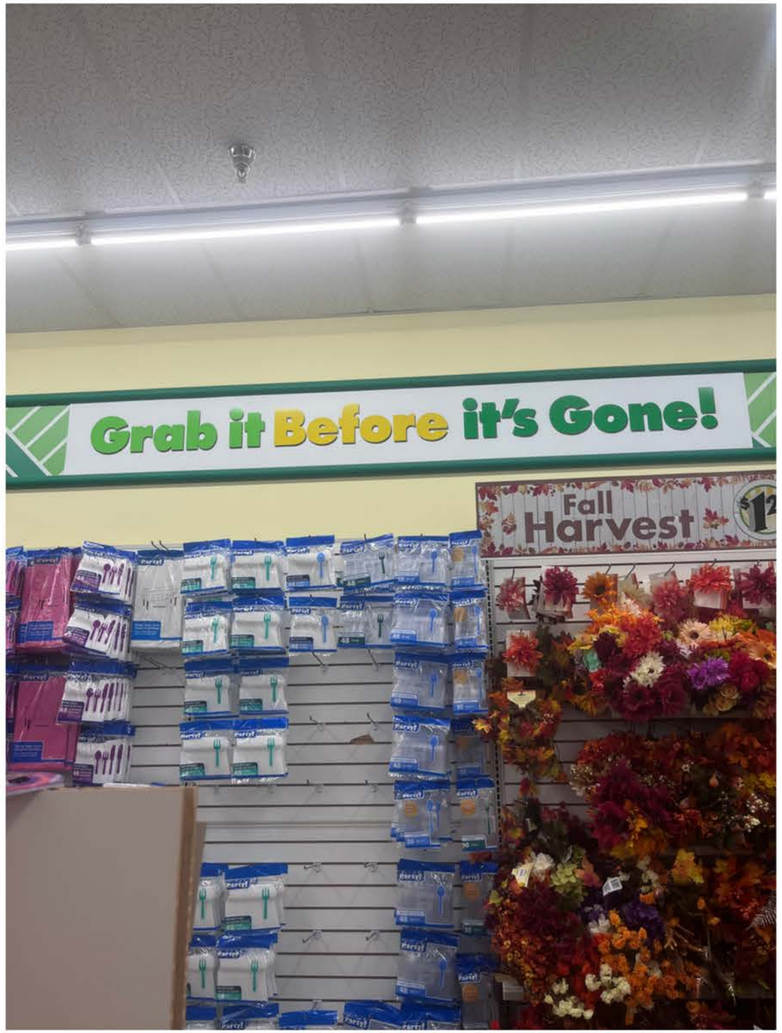
Habitat for Humanity ReStore

Storefront and window display

In-store signage

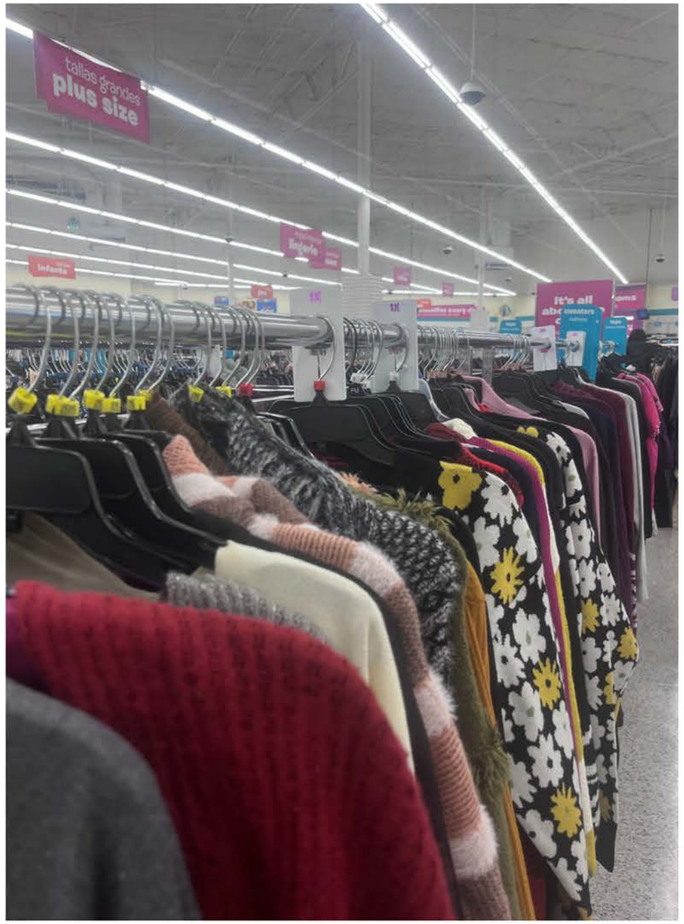
Dollar Tree

Storefront and window display



In-store signage

DD’s Discount Store



Rack organization

Communication and product arrangement

Ross

Communicating prices and discounts

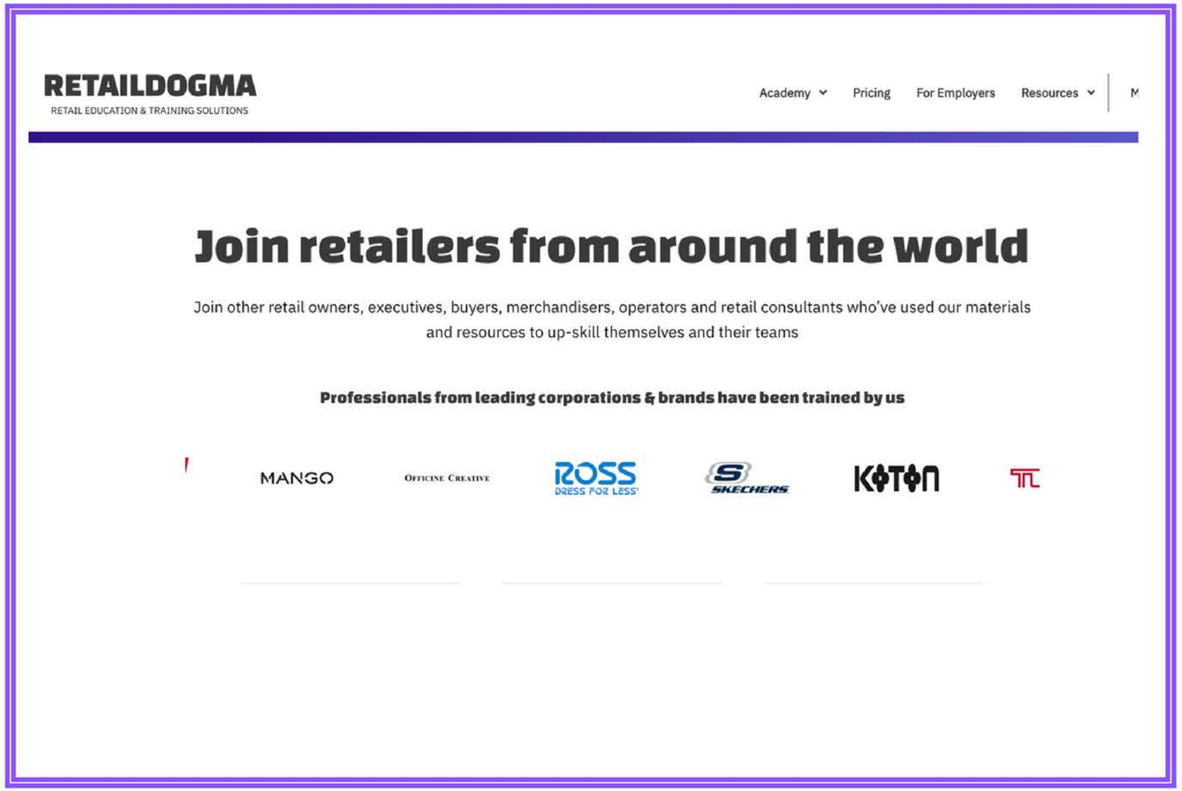
Store organization

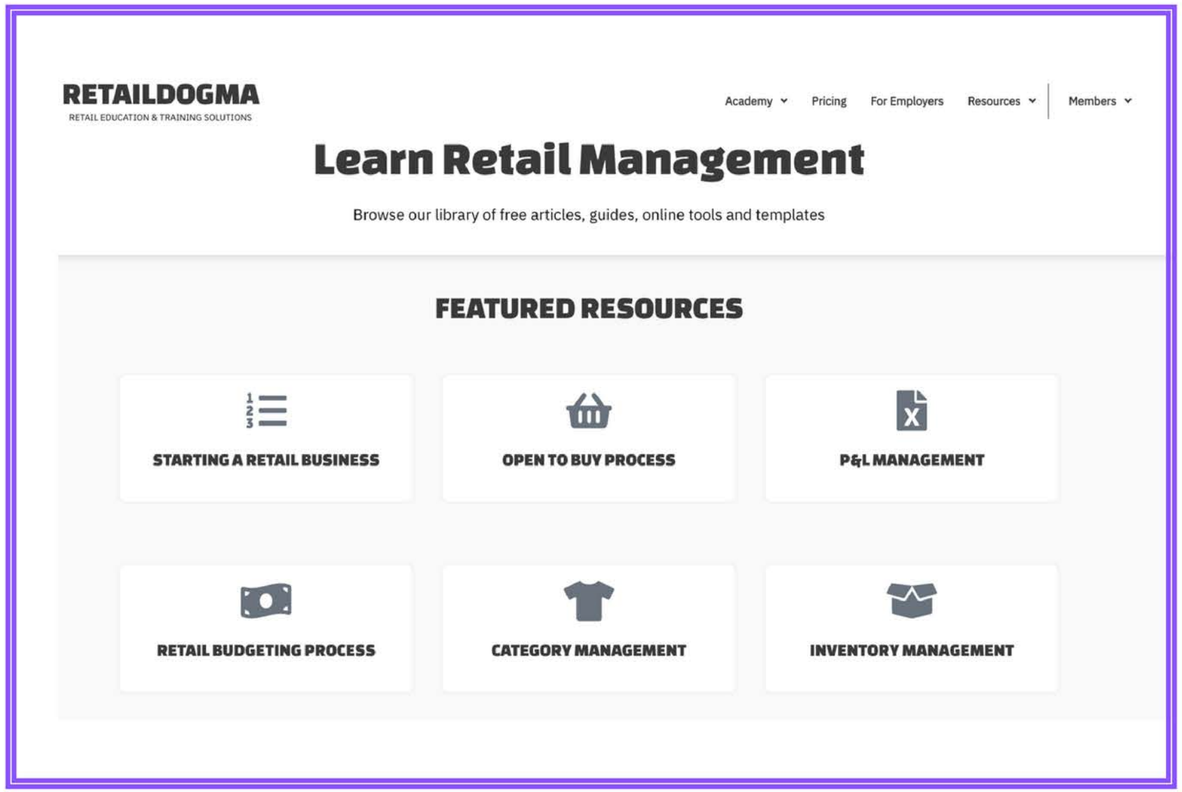
Understanding Retail

Common Retail Terms

- Off-price retail
- Visual merchandising
- Inventory turnover
- Customer experience

Retail Dogma





Off-price retail

"Off price retailers are retail businesses that offer merchandise at **lower prices** than regular retail stores, by implementing a mixture of buying strategies and lean operations models, that allow them to **pass** the **savings** achieved by those models to their customers."

retaildogma.com/off-price-retailers

Visual merchandising - marketing practice that uses floor plans, color, lighting, displays, technology, and other elements to attract customer attention

Visual merchandising

Inventory turnover - the rate that inventory stock is sold, or used, and replaced. The inventory turnover ratio is calculated by dividing the cost of goods by average inventory for the same period

Inventory turnover

Customer service

Customer experience

Discount & Off-Price retail

“The customer value proposition of an off price retailer is to deliver a good product assortment at the lowest price in the market. Low price is what will bring customers in the first place.” *Retail Dogma*

retaildogma.com/off-price-retailers

Hospitality and Service

communication touchpoints and lead to
higher engagement and more conversions with calls-to-action

"How to Apply Service Design to the Social Sector" - Forum One

Lessons from restaurant service: **"Make it Nice"**

"When the team says it to each other it becomes a mantra, one that regularly reminds them to bring their A-game to the dining experience."

Will Guidara, Unreasonable Hospitality

Discount & Off-Price Stores

Average Financial Ratios

	Pre-tax Profit	Gross Margin	Inventory Turnover	GMROI
Average Financial Ratios	5.7%	28%	5.28	1.91
Ross Stores	10.6%	25%	6.51	2.2
Dollar General	8.2%	31%	4.21	1.91
Dollar Tree	7.4%	32%	3.95	1.82

"Retail Dogma analyzed the financial statements of different publicly traded U.S retail companies across different retail segments & store types. Below are the main brand highlights for FY 2022, as reported in early 2023"

**High inventory turnover usually indicates strong sales*

retaildogma.com/retail-benchmarks

Secondary Research

"A customer focus also means you understand what customers value about your product or service. If you know what they value, then you know why; and if you know why, you know how to create more value for your customers and how to communicate with different segments of your target market about your product's value. Most important, you know how to price your product to capture a share of that value."

Herb Sorensen, Z. John Zhang, Dick Blatt, Rick DeHerder, Jagmohan Raju, Strategies for Success in Retail

Engaging the Customers of Discount Depot Community

Shop-Along with Customers

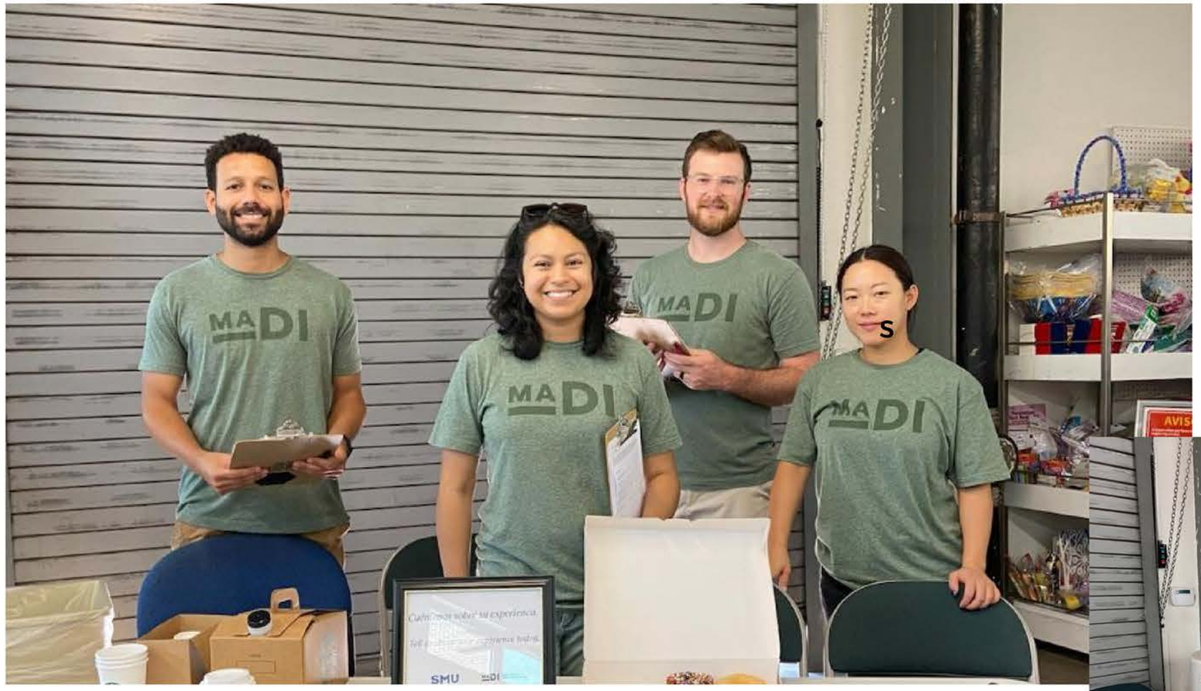
We wanted to learn more about Discount Depot Customers

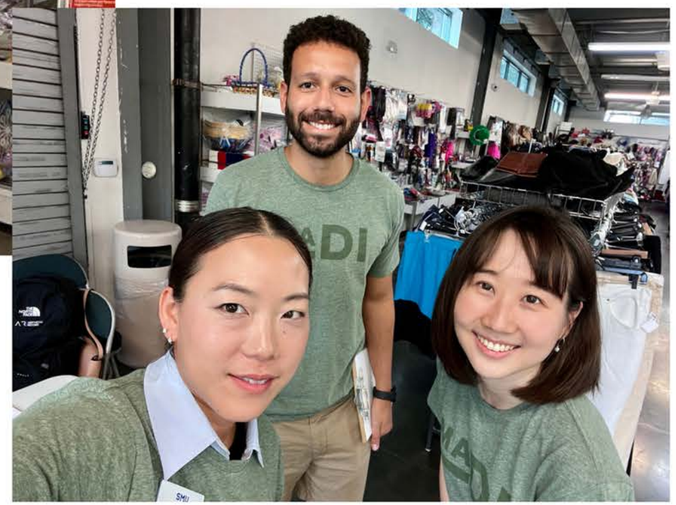
Why they came to Discount Depot?
What items they're interested in?
What they value?

What is a shop-along?

We wanted to hear and learn from the Discount Depot Customers directly so we created an experience called a shop-along where we walked and talked with customers and asked them a few questions.

Over a period of 4 days, we conducted 78 engagements at the Dallas Discount Depot.





Shop-along prompts

What is your zip code?

Is this a personal shopping trip or for work? Personal Work

What brings you in today?

What are you looking for today?

Clothing Health & Beauty Food Home/Office Hardware Other

How did you hear about discount depot?

How often do you shop here? First Time Weekly Monthly

What brings you back in?

What do you love about discount depot?

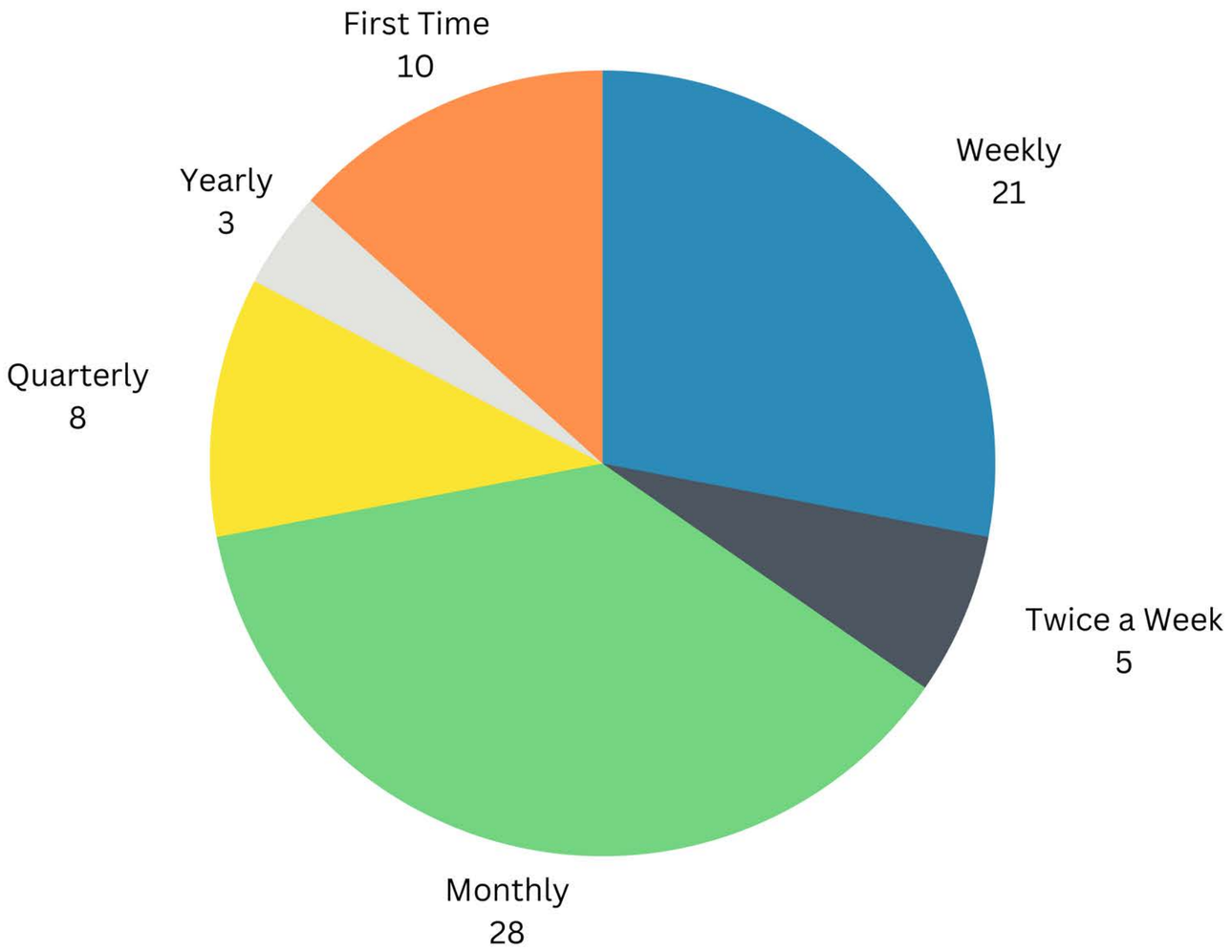
How do you know you are getting a good deal?

Were you ever surprised by the pricing?

How could we improve your experience?

Date: Time:

How often do you shop at Discount Depot?

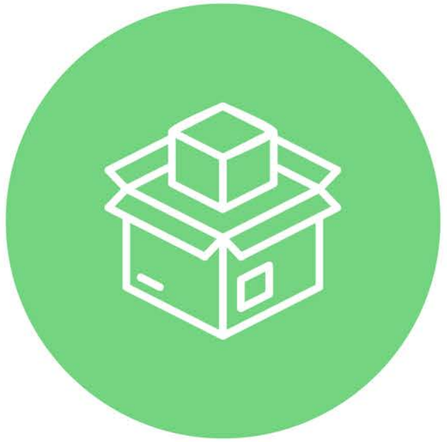


Tasha has been shopping at Discount Depot since 1999

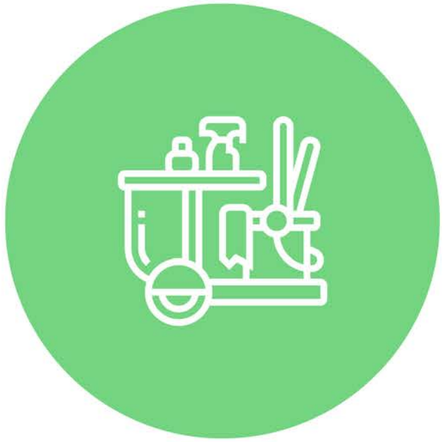
Ran into her again on 10/6 after original engagement

What brings you in today?

Clothing
27%



Browsing
25%



Household
13%

Health and
Beauty
13%

What Brings You Back?

38%

Good pricing & deals

11%

Good clothing & accessories

10%

Treasure hunt

The Treasure Hunt

“Not knowing what treasures you’re going to find”

“The thrill of the hunt”

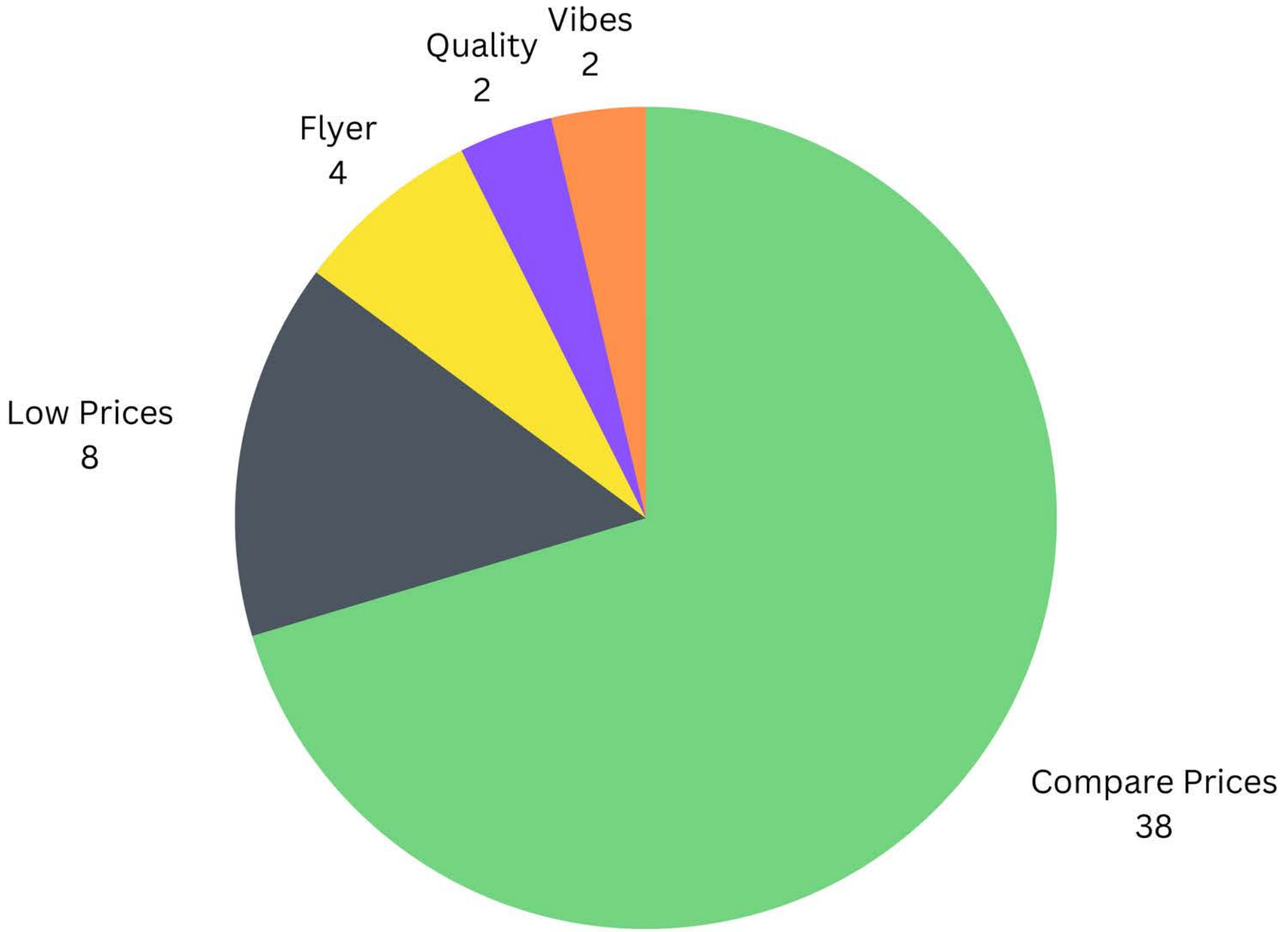
“Hidden treasures”

“It’s like a treasure hunt”

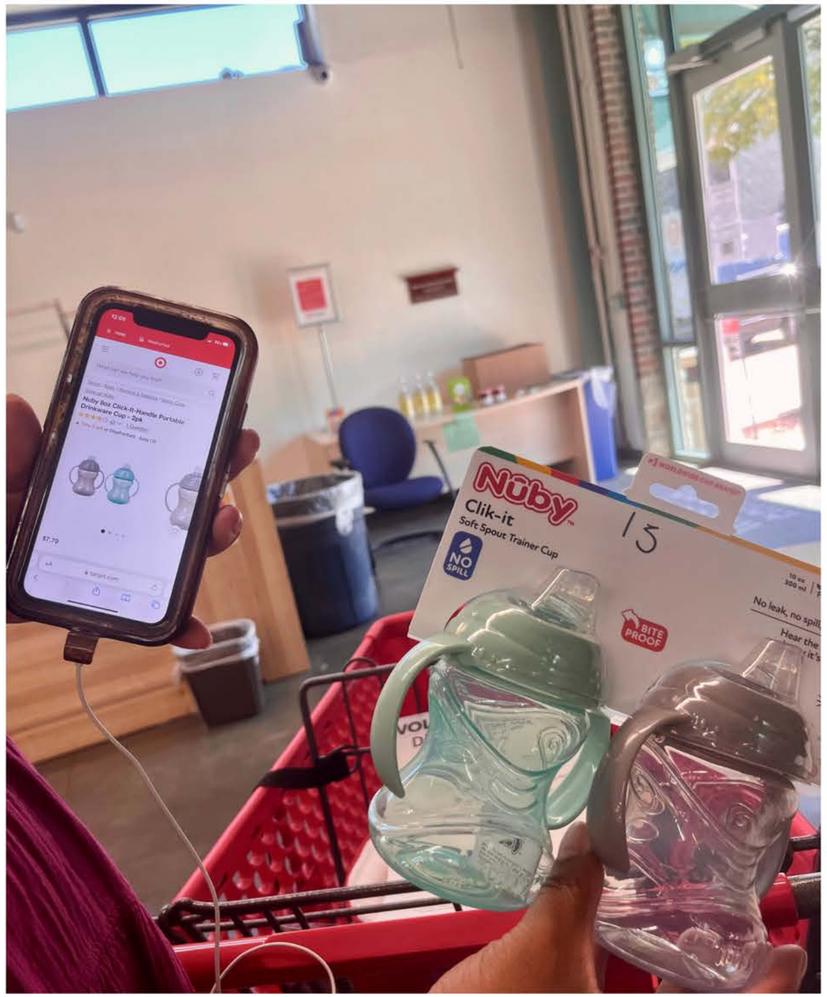
“It’s like a treasure box, you never know what you’re going to get”

“The hunt”

How do you know you are getting a good deal?



Live price comparison



Discount Depot Base Price: $15.00

Discount Depot Sale Price: $11.25 (25% Off)

Target Retail Price: $7.79

Pricing Inconsistencies

The same item is priced at $5, $6, and $8

Quotes on the Customer Experience with Pricing

14

Mentioned price inconsistencies

"They're ridiculous" Referring to the prices at Discount Depot on some items marked over retail price

“Some things are over priced. I get it their thing is you get a discount. I think they need to adjust it.”

“Have had bad surprises at the cash register. Items say 85% then up front they say it's excluded, like athletic wear. Sheet is not clear”

"I just want to know the price, give it straight. The price shouldn’t be a conversation or debate"

Discount Depot Customer, 9/23

Quotes on the Customer Experience with Pricing

"I just want to know the price, give it straight.
The price shouldn’t be a conversation or debate"

Discount Depot Customer, 9/23

What We Learned

- Customers love Discount Depot, Specially 85% off Sales on Clothing and the friendly staff
- Customers and Staff would like to have consistency in communication of pricing
- Pricing is set using different pricing styles, and there is no clear/consistent training for all

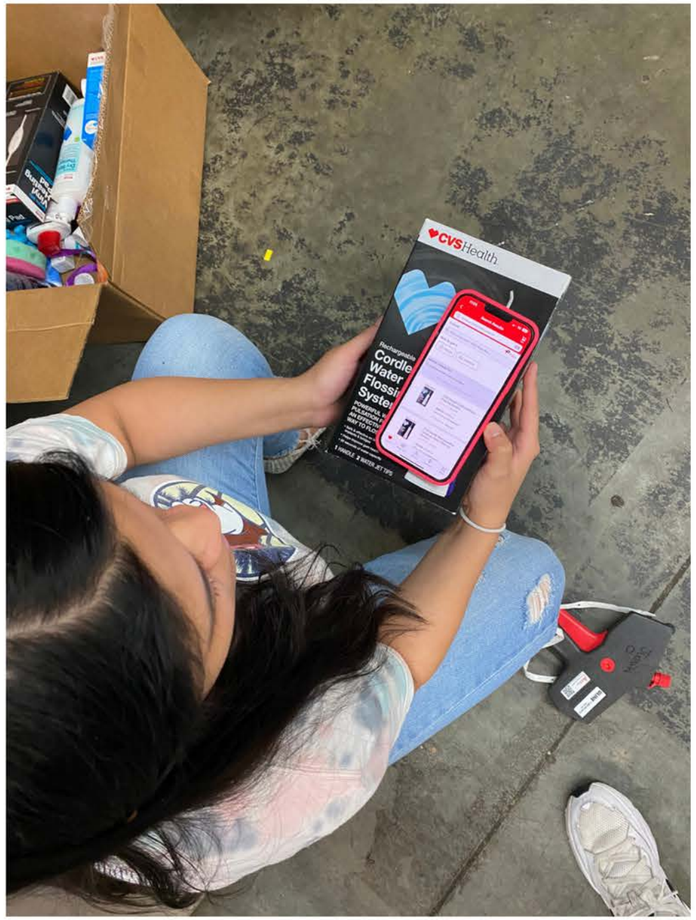
Area of Opportunity #1

Customers were having trouble knowing what the price was going to be at checkout

The Other Half

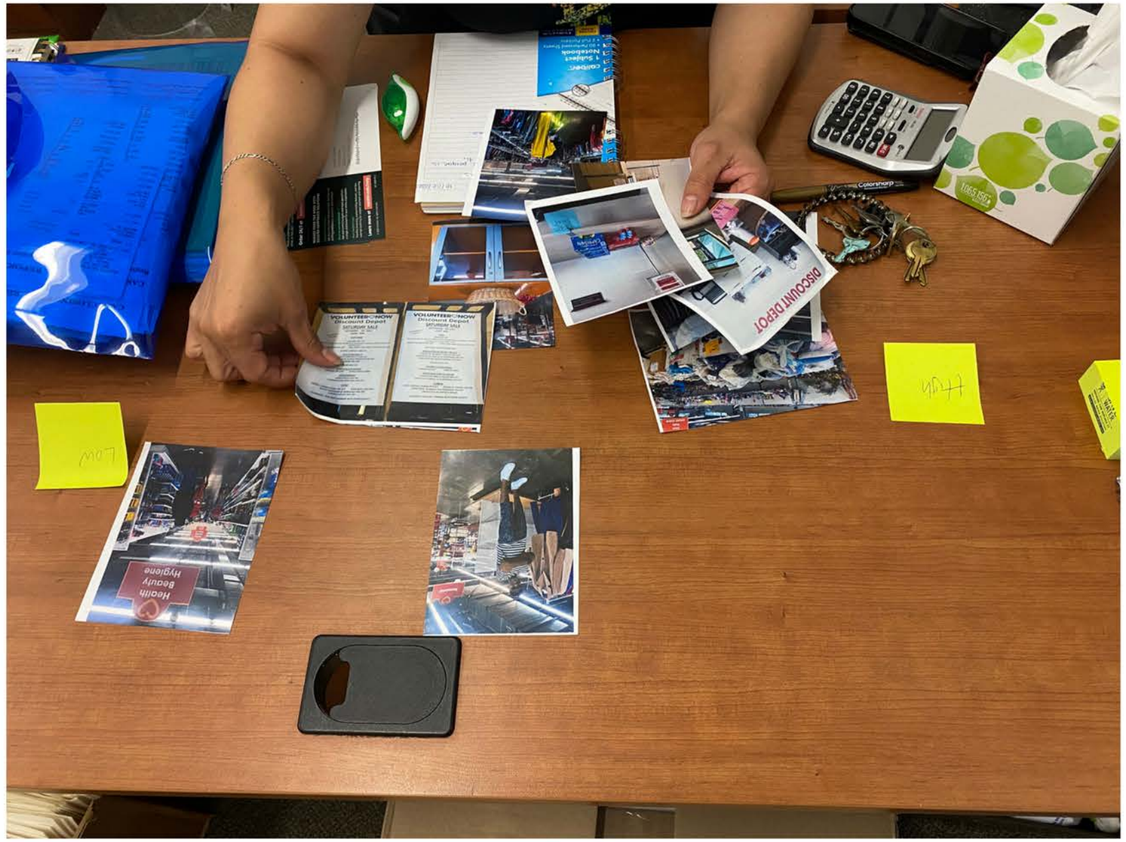
To learn about out these price inconsistencies are developing, we need to better understand the staff side of the discount depot pricing experience

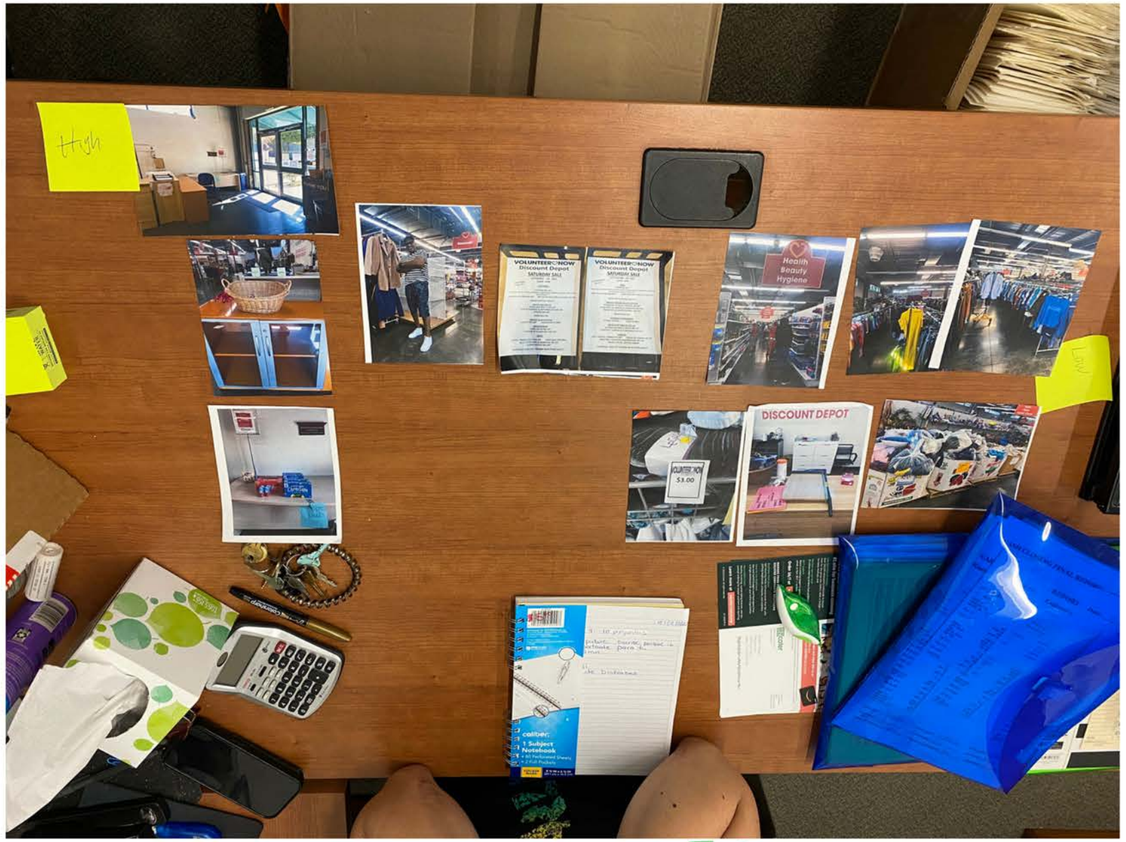
Job Shadow



Learning from DD Staff

Card Sort


Low
High
DISCOUNT DEPOT
Health
Beauty
Hygiene


High
Low
DISCOUNT DEPOT
Health
Beauty
Hygiene

Label here

Experience of Pricing

Training

Marketing/Operations Intern

Built Environment

Touchpoints

- Welcome Area
- Uniforms

Internal/external communication

Retail merchandising/spatial planning

In-store event: Sample sale

- Clothing sizing organization
- Product Display Setups

Area of Opportunity #2

Staff did not always know how much a item should be discounted

Label here

Prototype Introductions

Digital Hub

The Sales Hub

iPad will serve as a resource for staff to cross-check prices coupled with standard operating procedure

-Improve the cash register experience by reducing the amount of pricing questions.

Prototype 2

Discount Depot Pop-Up Shop

1. Make it nice
2. Touchpoint - give access to interact

We wanted to see how we could improve the visual representation of the sales and discounts.

Adhere to core values of accountablity.

Treasure Island

Will the use of visual merchandising and touchpoints throughout the store

1. Move more product?
2. Increase sales?
3. Improve the customer experience?

POP-IN@NORDSTROM X LEVI'S COURTESY

sourcing journal.com

Prototype 3

Sales Sheet Template

Current Sales Sheets

VOLUNTEER NOW
Discount Depot

WACKY WEDNESDAY SALE

AUGUST – 30 - 2023

10AM TO 5:00PM

2800 Live Oak Street Dallas TX 75204

WE INVITE YOU TO SEE THE NEW ARRIVAL'S!!

SELECT CLOTHING 80% OFF

Excludes Sets, Dresses, Jeans, Hoodies, Winter clothing, Sportswear, Athletic, Polo shirts, Levi's brand

SUMMER CASUAL DRESSES $8.00 BUSINESS DRESSES $12.00 PARTY DRESSES $15.00

ANY OTHER CLOTHING 30% OFF

HEALTH, BEAUTY ITEMS AND ACCESSORIES

JEWELRY 75% OFF MAKE-UP 70% OFF NAIL POLISH 3/$1.00

HAIR PRODUCTS 60% OFF

MEDICINE, VITAMINS 70% OFF HYGIENE 50% OFF

HOUSEWARES, FURNITURE & DÉCOR

HOME GOODS 50% OFF

SCHOOL & OFFICE SUPPLIES 40% OFF

FOOD

FOOD & DRINKS 65% OFF

FOOD BAGS 2/$5.00 OR 1/$3.00

BULB & CHANDELIERS HARDWARE & FIXTURE 70% OFF

*** EXCLUDES PAINT, CHEMICALS, & ELECTRIC ITEMS***

PAINT & CHEMICALS 60% OFF *** EXCLUDING PLANT FOOD***

CLEARANCE DOES NOT COMBINE WITH OTHER SALES!!!

The Discount Map

Will direct and **predictable communication of sales** and discounts provide a more consistent and recognizable experience for guests and staff?

Wil giving adriana the tools help with sales. How will it be tested?

Predictable communication of sale.

Visual response to communication on backend

October 6, 2023

X

Appendix

Retaildogma.com/visual-merchandising

Sourcingjournal.com/pop-in

Thank You.

Stuart Cornett, Martha Fernandez, Chloe Lee, Nick Ortega, Gina Wang

copy me
template for divider slides

X

EXIT
SANITIZER STATION
THANK YOU

POLAR
Free
Stuff

VOLUNTE
DONATED
COUN

VOLUNTEER NOW

Discount Depot

SATURDAY SALE

SEPTEMBER – 23 - 2023

10AM - 4PM

CLOTHING

CLOTHING 85% OFF

Excludes Winter Clothing, All brands of Sportswear or Athletic, Hoodies, Polo & Levi's brand & more

WINTER CLOTHING 60% OFF

ANY OTHER EXCLUDING CLOTHING 30% OFF

SCHOOL SUPPLIES 60% OFF

HEALTH AND BEAUTY

HEALTH AND BEAUTY 65% OFF

HAIR ACCESSORIES & HAIR PRODUCTS 50% OFF

HYGIENE 50% OFF

SHOES 65% OFF

JEWELRY & ACCESSORIES

JEWELRY 75% OFF

SUNGLASSES $2.00ea.

HOUSEWARES

HOME DÉCOR 40% OFF

CURTAINS & PILLOWCASES 75% OFF

FOOD

COFFEE, DRINKS, FOOD 65% OFF

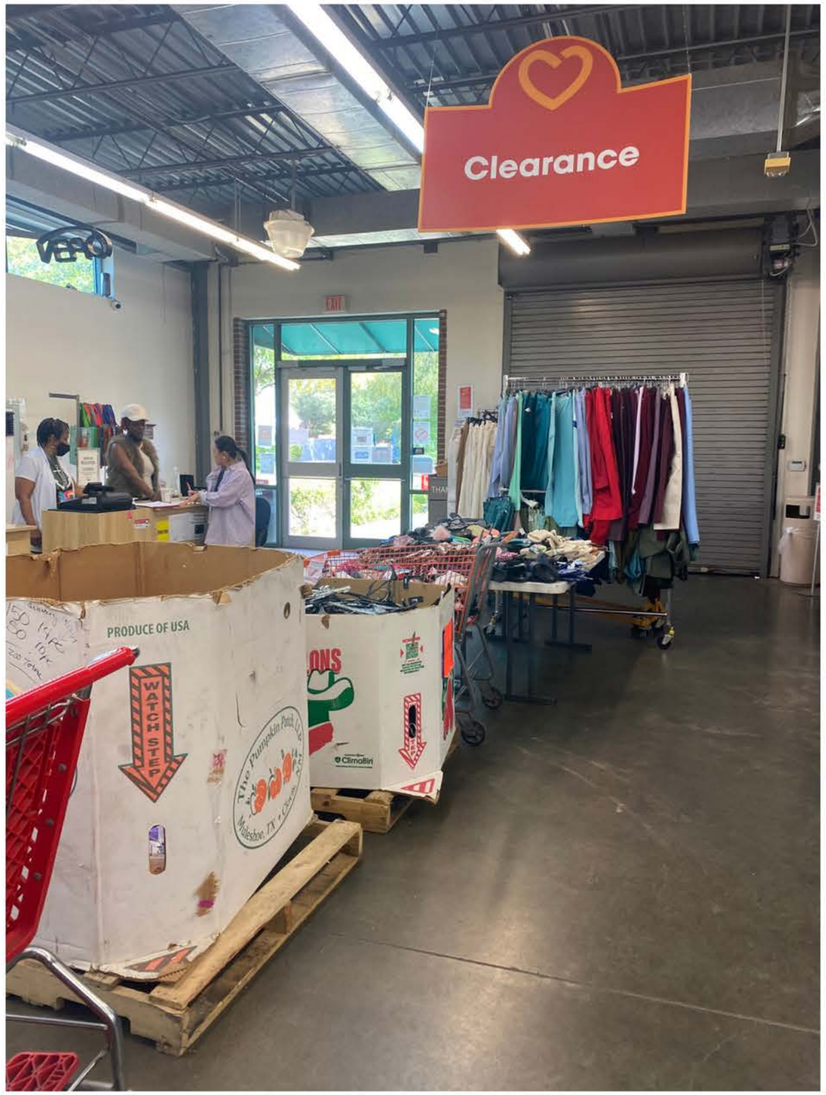
FOOD BAGS 2/$5.00ea.

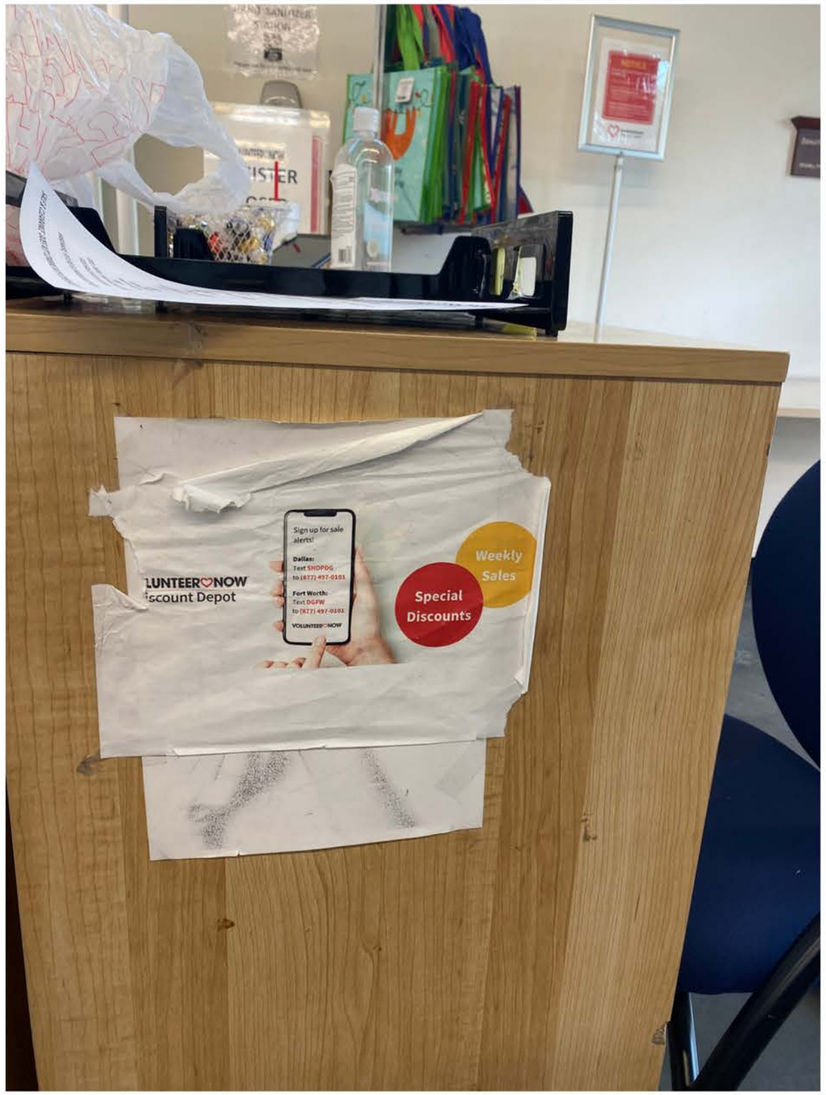
HARDWARE 60% OFF

CHEMICALS & PAINT 70% OFF

CLINING SUPLIES 30% OFF

CLEARANCE DOES NOT COMBINE WITH OTHER SALES!!!


Clearance
PRODUCE OF USA
WATCH STEP

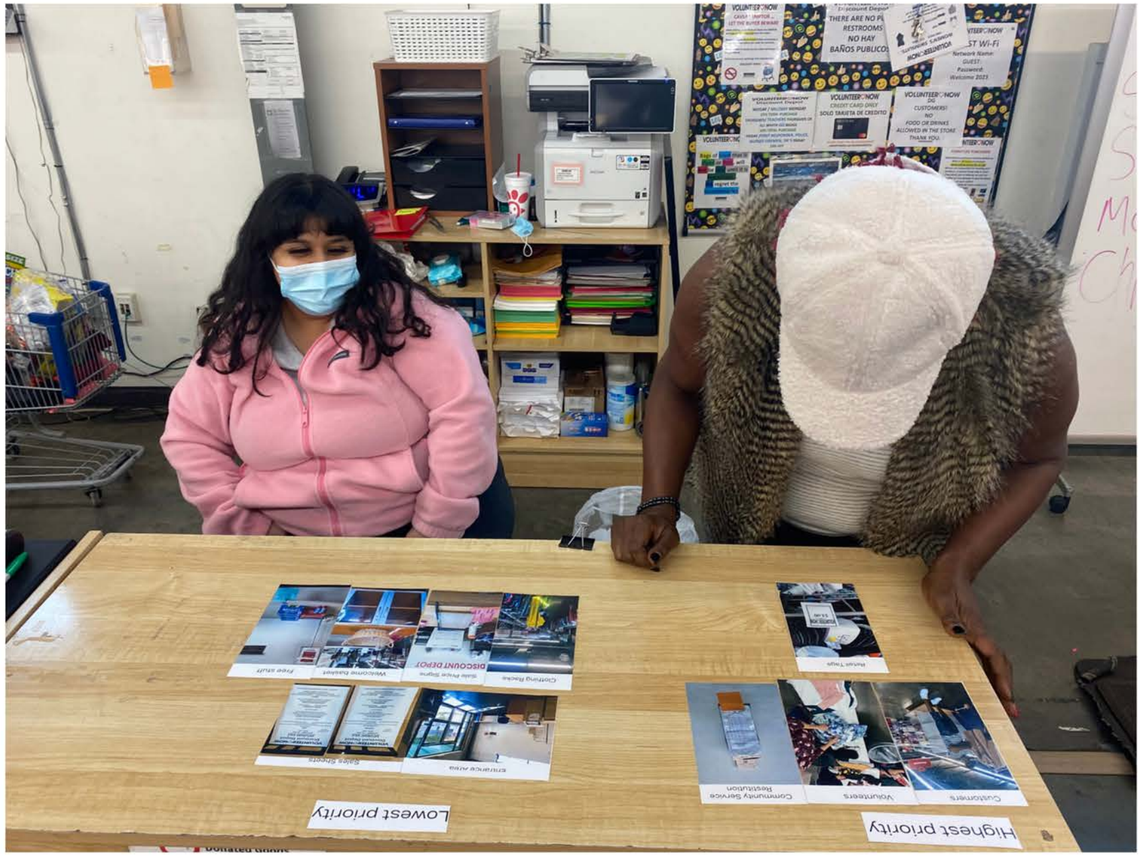

Sign up for sale alerts!
Dallas:
Text SHOPDG
to (877) 497-0101
Fort Worth:
Text DGFW
to (877) 497-0101
VOLUNTEER♡NOW
Weekly Sales
Special Discounts

Acid Controller
Original Strength
Probiotic
Complete
Prenatal
Probiotic
Maximum Strength
Gas Relief
Triple Me
Comp
120 CAPSULES
Probiotic

8x10
5x7
HOME
CVS

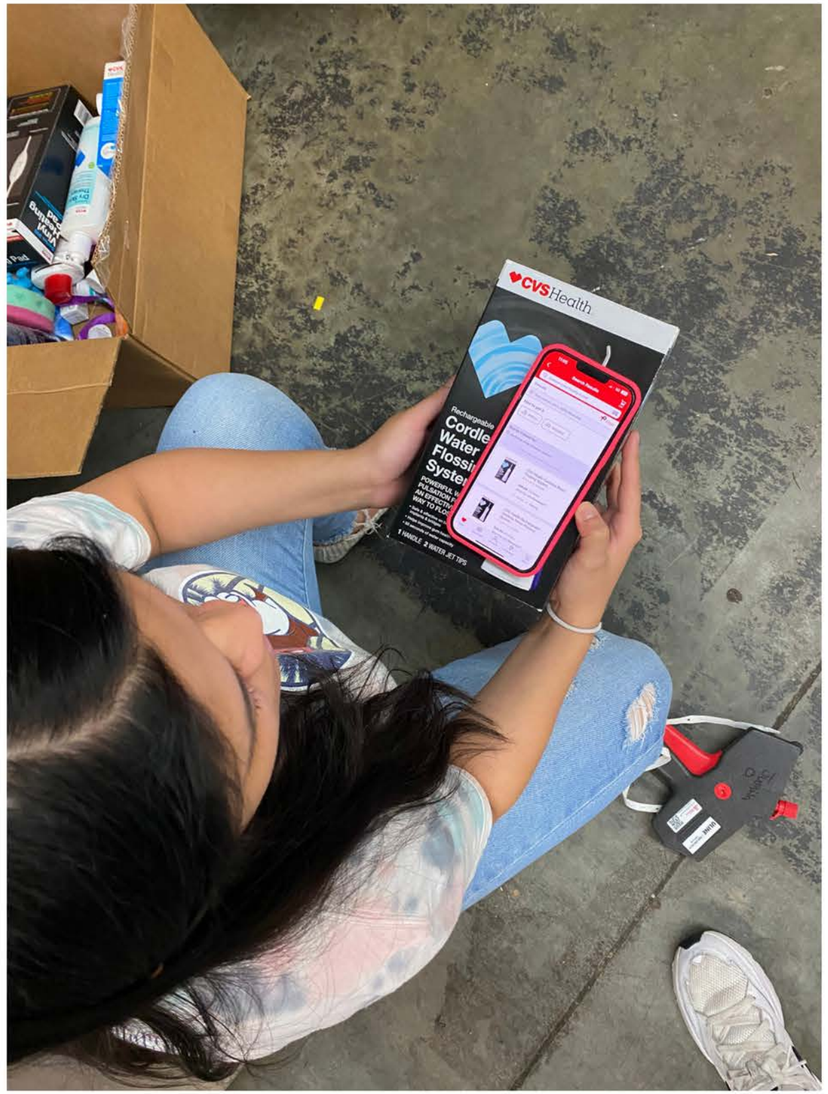
VOLUNTEER NOW
DONATED GOODS
DISCOUNT DEPOT

Cleaning Supplies
PRODUCE OF USA
ClimaBin


Lowest priority
Entrance Area
Sales Events
Welcome Banner
Free Wifi
Checking Banks
Side Aisle Signs
DISCOUNT DEPOT
Future Tags
Highest priority
Customers
Volunteers
Community Service
Beautification

Highest priority
Customers
VOLUNTEER NOW
CREDIT CARD ONLY
SOLO TARJETA DE CREDITO
NO HAY
BAÑOS PUBLICOS
NO SMOKING

Volunteers


CVS Health

Shelia—- back
Juanita -back
Elizabeth - cashier
Cassandra -cashier

Sheila— 4 years
People don't really read the signs
Racks will always be a mess
What could we do to improve the experience —-
Staff 1

- more space .. .. bigger sales
- Put things out in the parking lot and let them com get it .
- People walk around and they don't know we are a store
- We could close and Monday
- We get the same stuff every so often so we memorize the price-

Staff 2 -8 months
- Communications is key
- Certain takes so there are no misunderstandings
- So we can work as a team
- More staff because we are understaffed
- Short staff in front and back
- To make it easier for customers on discounts

Staff 3- 7 months
- customer service training dos and don't
- professionalism in customer service
- Training for new register - digital training to get us ready for the new systems
- Everyone should know how to close the register , everyone should have cross training on everything because you never know when someone is going to be out.
- I know how to do pricing price but I need to update my phone .
- If we have to use our phones so much then the company should get us a phone or some type of stipend . Or some type discount for our phones
- Greeting training custome

Engaging the Discount Depot Community

Workforce

"Building capability at all organizational levels encourages an environment where individuals can proactively adapt to **changing** and **competitive** environments (Guinot et al., 2016). Hiring and retaining skilled individuals who possess the capabilities to effectively perform their functions are central to organizational success. "

"**Building workforce capabilities** throughout the organization is imperative for workforce and organizational performance."

Smoyer, Catherine Byrnes, et al. "Developing Workforce Capability in Nonprofits Through Effective Leadership." International Journal of Applied Management and Technology,

Built Environment

- **Store atmosphere** and visual **merchandising** to influence buyers and drive sales
- Model after **off-price retail** categories
- Provide a **coherent** and **recognizable** visual experience
- Developing a special "**personality**" for the store drives revenue, and brand awareness, and expands the customer base