Talize

Business Analysis & Marketing Strategy Proposal
(Donations)

Prepared by: Samuel Jebasingh Dhanasingh, CAPM®

Contents

Executive Summary

"**Little steps today can make a lasting impact tomorrow**". It's great to see that Talize is committed to working towards supporting sustainability, bringing uniqueness, and creating affordability in the fashion industry. I'm happy and excited to be a part of this innovative team and meaningful journey.

This business analysis discusses a problem that occurs due to some inconsistencies at Talize's donation center that affect the donor relationship. Through performing root cause analysis and market competitor comparison, I would like to propose a marketing idea/strategy that could help you increase store traffic and improve sales and donation numbers.

Through this analysis, I would like to showcase my knowledge in business data analysis and would like to bring an impact on Talize's business

Introduction

Supporting sustainability is the major objective of Talize. Donating reusable items is an important part of combating the environmental impact of producing and disposing of clothing, footwear, housewares, books, toys, and more. It's great that Talize is bridging the gap between sustainable fashion and customer shops on a budget.

Donations from donors are important in helping Talize run its business and provide value to the customers through re-selling it. Talize also encourages donor's contribution to sustainability by offering them a **$5 off coupon regularly** and a **30% off coupon on promotional occasions**.

As a donation crew team member, I handle the responsibilities of collecting the donations from people with a warm greeting, sorting them, and stacking them in their respective carts for further processing. As a part of my responsibility, I record the donation with the number of bags/ boxes donated, the number of coupons given, and so on.

Along this journey, I have observed behavioral patterns and donation trends that directly or indirectly affect the store sales and Talize business. I have also noticed the recurring daily, weekly, and yearly donation frequency and the donors' behaviors regarding donating items, which could significantly change the volume of donation items.

Hence, this analysis aims to find ways to unveil the donation trends and behavioral patterns among the people (donors). This helps Talize to find areas of improvement like enhancing customer experience through placing attractive promotions promptly and identifying the trends for better prediction of the day or week, which could help managers assign team members efficiently.

Problem Statement

Our Talize business thrives through **continuous improvement**. We have a well-organized mapping for donation processing that includes collecting donations from donors and donation bins, sorting and stacking them in respective carts. Apart from handling donation items, I am responsible for collecting donations from donors.

I observed that **one in every four to five donors** will be a regular donor. I usually give out the $5 off coupon, where some regular donors **were not** interested in getting our regular coupons. This has been occurring for a while, and I wondered what improvements could make them feel interested in buying items from the store.

Also, I have noticed that in specific timeframes in a day and on some specific days in a week, people donate lots of things to the donation center, and the donation frequency would be medium to high, whereas, on some days, the frequency would be **low to medium**.

With these thoughts, I found some challenges or need-to-improve areas where we could tweak the business processes that help **convert regular donors into potential customers**.

Below are the challenges or need-to-improve areas.

1. Inconsistency in donor-to-customer conversion
2. Lack of prediction in donation frequency
3. Lack of information in donation data collection

As we face the above challenges, we get problems as mentioned below.

1. Reduced numbers in donation coupon-to-sale conversion
2. Reduced interest among donors in collecting donation coupons
3. Minimized foresight on On-Site Donation's operation

Hence, All the above challenges lead to one problem, i.e., "**Some regular shoppers are not donors, and some regular donors are not shoppers**"

To find the solution to this problem, we will analyze its causal categories, which will help us drill down to find the root cause.

Root Cause Analysis

Before finding the solution to any problem, a root cause always influences that problem's occurrence. Here, I will conduct a root cause analysis of the stated problem with the help of a **fishbone diagram**. I will choose **3Ps** from the **8Ps of marketing** i.e., **Promotion**, **People**, and **Positioning**. These 3Ps are the most suitable causes that play an important role in the Talize thrift retail industry.

Through this root cause analysis, we will complete the following steps.

1. Define the problem
2. Determine the potential causal factors
3. Prioritize the causes of the problem
4. Determine the root cause of the problem

By following the above steps, we can find out the root cause of the problem, which could help us to find a solution.

1. Define the problem

We discussed the challenges, such as inconsistency in donor-to-customer conversion, and the impacts, such as reduced numbers in donation coupon-to-sale conversion. These issues and impacts clearly define the problem regarding involvement in shopping and donating items.

Hence, **some regular shoppers are not interested in donating items**, and **some regular donors are not interested in shopping from our stores**. This indicates a gap between donors and customers, which causes the problem.

2. Determine the potential causal factors

This section contains a fishbone diagram, also called a cause-and-effect diagram, consisting of primary causes, secondary causes, and the main problem.
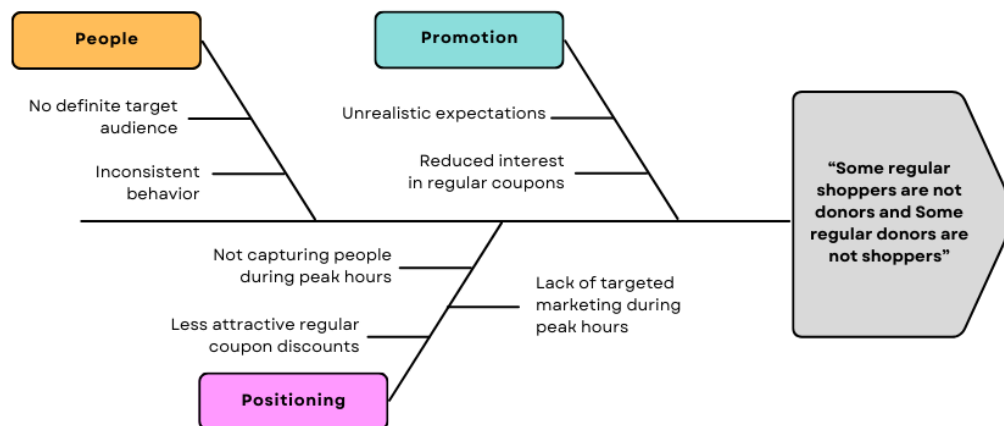
The above diagram illustrates the 3Ps of marketing (Promotion, People, and Positioning) that resemble the fishbone with the problem mentioned above, symbolizing the head of the fish.

3Ps of Marketing (Promotion, People, and Positioning)

Below are the possible causes that could influence the problem occurrence.

Promotion

- *Unrealistic expectations* – Some regular donors feel happy when offered special promotional donation coupons (30% off special coupon). In contrast, the same people are less interested in collecting the regular coupons, as it come with a condition of spending $25 or more to redeem the coupon. This creates a situation where some regular donors set up **unrealistic expectations** of getting special coupons when they donate their items. This expectation may alter their shopping behavior, as they may go shopping after they get a special coupon whenever they donate.

- *Reduced interest in regular coupons* – Few donors will go shopping without getting the $5 off coupon from the donation center after donating stuff. This clearly states that people are **less interested** in regular coupons and won't shop for $25 when shopping. In

other words, when regular coupons are given out on a normal day, donors who are willing to shop from the store spend less money without using the regular coupons.

People

- ***No definite target audience*** - No people are segmented based on their donating interests, preferred time for donating items, and types of donations they often donate.

- ***Inconsistent behavior*** – This explains the unprecedented donating behavior of donors in some cases. This also includes the inconsistent busy times of donation center hours, which the donor's behavior could possibly cause.

Positioning

- ***Not capturing people during peak hours*** – Due to the low predictability in donor behavior tracking and reduced interest shown in regular coupons from donors, it seems difficult to convert donors into customers during peak hours. Peak hours are the busiest hours of the store and donation center. These peak hours start around **11.30 am to 5.30 pm** approximately.

- ***Less attractive regular coupon discounts*** – People may feel **reluctant** to get regular coupons because they might think that regular coupons are not helping them to save money. This will soon make the regular coupon unattractive.

- ***Lack of targeted marketing during peak hours*** – Due to the lack of time tracking, We fail to position our donation promotions to the target audience who often come to the store or donate stuff at peak hours.

3. Prioritize the causes of the problem

1. Reduced interest in regular coupons
2. Inconsistent behavior
3. Lack of targeted marketing during peak hours

The 5-why method could help us to drill down the high-level issue to the root cause of the problem by asking why-type questions.

4. Determine the root cause of the problem

1.Why do regular coupons get reduced interest?	**1.Why inconsistent behavior in donors?**	**1.Why lack of targeted marketing during peak hours?**
↓	↓	↓
Why donors can't be encouraged with regular coupons?	Why we couldn't understand the donating behavior of donors?	Why we don't have a strategy to target the donors at peak hours?
↓	↓	↓
Why donors expect for special discount coupons?	Why we don't have sufficient records to predict the donor behavior?	Why we don't have the forecast or prediction of the busiest hours (peak hours) of the day?
↓	↓	↓
Why donors feel reluctant to shop?	Why we don't track the donated timing of every donation?	Why we don't collect required data that could help us build a targeted strategy for peak hours?
↓	↓	↓
Why special discount coupons motivates donors to shop?	Why we didn't collect the timestamp of every donation?	Why we don't have a process of collecting required data that could help us understand and build a targeted strategy?
↓	↓	↓
Root Cause Donors are less attracted to the regular coupons and feeling reluctant to go for shopping because of no exclusive donor benefits.	**Root Cause** The timestamp of donations has not been collected, which reduces the ability to track the behavior of donors.	**Root Cause** We don't have a dedicated process to collect data that could help us build a targeted marketing strategy to focus on donors at peak hours.

Below are the possible reasons for the root cause of the above three primary causes.

1. **Why do regular coupons get reduced interest?** - Donors are less attracted to the regular coupons and feel reluctant to go for shopping, where they don't get special offers.
2. **Why inconsistent behavior in donors?** - The timestamp of donations has not been collected, which reduces the ability to track donors' behavior.

3. **Why lack of targeted marketing during peak hours? -** We don't have a dedicated process to collect data that could help us build a targeted marketing strategy to focus on donors at peak hours.

Data Collection

Data is the backbone for building a process to solve a problem. We must collect sufficient data in the donation center, which could help us understand why something occurs and help us build a strategy to solve the problems.

Here, I have formulated a data collection process that could give us information about the donor's behavior, like the **timestamp of the donation**, which could help us to find donation frequency in a day, month, or year. As Talize is already collecting the count of the donated items, we can manipulate the data and find meaningful insights that could help us to find the busiest hours of the donation center.

Below, I have modified the data collection sheet to help us collect the timestamp.

Strategic Insights/Donor Analytics

Collecting the correct data at the right time will help businesses find meaningful insights. Through these insights, the business could identify the trends and patterns from the collected data, understand the customer/donor behavior, and improve the business by taking data-driven actions.

I have found some strategic insights/ donor analytics that can be achieved by collecting the required data.

1. By collecting the timestamp of the donation, we can **calculate the donation frequency** for a specific time in a day or month.
2. As we collect the time of the donation, we can plot the **donation count** in a **time-series graph**, which could help us to perform **time-series analysis** and identify the **trends** and **patterns** that occur in a day or month.
3. Through the trends and patterns, we could drill down to find the possible reason for the cause of significant changes. This could improve our **understanding of donor's behavior**, which could help to **increase the predictability** of the day or month ahead of time.

4. Through analyzing the historical data, we can **identify the busiest hours** of the donation center for the day/month and **promote sales** by giving out **special promotional donation coupons with limited-time validity** to the donors at the busiest hours. This promotional strategy is similar to the **happy hour strategy** in the food and beverage industry.

5. In addition, this analysis could **equip managers and supervisors** with the ability to **envision** the type of business day or month, either busy or slow, ahead of time. This helps them assign tasks to donation crew team members efficiently.

Key Performance Indicators

The above insights help us to create measurable units, i.e., Key Performance Indicators (KPI), which help us to set targets to be achieved, milestones to gauge performance, and insights that help people across the organization to make better decisions. Following are some of the KPIs measured.,

1. Total number of donations
2. Total number of total donation coupons (regular and special) given
3. Total number of regular coupons given out
4. Total number of special coupons given out
5. Average donation items collected
6. Busiest hour of donation center (day, month)
7. Slowest hour of donation center (day, month)
8. Ratio of donations collected to total coupons given out
9. Ratio of donations collected to regular coupons given out
10. Ratio of donations collected to special coupons given out

Market Competitor Analysis

Market Competitor Analysis helps us to identify and compare the competitors in the same line of business and their marketing standings, analyze their strengths and weaknesses, and research their different marketing strategies. This also helps to understand the market, spot the industry trends, and set benchmarks for future growth.

In the thrifting business, some big players like **Value Village (Savers)**, **Mission Thrift Store, The Salvation Army**, and **Goodwill** are the market competitors of **Talize**. These competitor organizations have their own way of running businesses and implementing different marketing strategies, which helped them to capture the market in different aspects.

Talize has a mission of supporting sustainability through customer service. Talize has a unique way of running its thrifting business by promoting its products through prioritizing customer service. After wide market research, it's clear that organizations with excellent customer service, attractive promotions, and special donor incentives are likely to run a successful business.

As other thrifting businesses focus on different marketing strategies, the proposed targeted marketing strategy will draw customer attention, especially from donors. Below, I have performed a detailed competitor analysis, which helps us to compare Talize with other market competitors in the aspects of donation processing, customer incentives, and donor analytics.

Feature	Company	Talize	Value Village (Savers)	Salvation Army	Goodwill	Mission Thrift
Founded year		2005	1954	1865	1902	1988
Founded at		Canada	USA	UK	USA	Canada
Competitor type		-	Direct	Indirect	Indirect	Indirect
Organization type		For-profit	For-profit	Non-profit	Non-profit	Non-profit
Operating hours (most stores)		9 AM – 9 PM	9 AM – 9 PM	9 AM – 8 PM	9 AM – 9 PM	10 AM – 6 PM
Incentives for donors		Save $5 with a minimum purchase of $25	Save 20% on your next purchase	Save 20% on your next thrift haul	No specific discount incentives	No incentives provided
Special Promotion (Donation center)		30% off promotion on any category	No special promotions from donation center	-	-	-
Donation tracking		Limited donor tracking	Limited donor tracking	Limited donor tracking	Very limited donor tracking	Very limited donor tracking
Donor Analytics		Limited use of donor analytics	Limited use of donor analytics	Limited use of donor analytics	Very limited use of donor analytics	Very limited use of donor analytics

* References attached below

Based on the above market competitor analysis, **Talize** and **Value Village (Savers)** are the organizations directly competing in the thrift business market. So, I will compare and contrast the features of these two directly competing organizations to find out their strengths and weaknesses and conclude who could be the market leader.

1. Incentive for Donors

- **Talize:** Save $5 with a minimum purchase of $25 (Regular coupon).

- **Value Village (Savers):** Save 20% on your next purchase.

2. Special Promotions (Donation Center)

- **Talize:** 30% off promotion on any category

- **Value Village (Savers):** No special promotions from the donation center.

3. Donor Tracking - Talize and Value Village (Savers) have limited donor tracking system (manual)

4. Donor Analytics - Talize and Value Village (Savers) have limited donor analytics, and they do not use predictive analytics and focus more on retail operations rather than data analytics tied to donor insights.

While **Talize** strongly focuses on donor incentives and promotions, **Value Village** stands out as the market leader for several reasons like brand perception, established history and scale.

However, **Talize** excels in creating a more personalized and incentive-driven experience for its donors with direct discounts, which could attract repeat donations and loyal customers on a smaller, regional scale.

Ultimately, **Value Village** holds the title of the market leader due to its size, brand recognition, and extensive network, but **Talize** offers strong potential for growth through its focus on donor engagement and promotions.

Recommendations for Improvement

For **Talize** to strengthen its position and become a market leader in the thrift store industry, especially in promoting donations, here are several ways it could improve across various aspects:

1. **Exclusive promotional discounts at peak hours**: Offering exclusive promotional discounts for donors during peak hours will help to improve donor frequency and increase donor-to-customer conversion.
2. **Leverage Predictive Analytics for Donations:** Implement a system that includes the timestamp of the collected donation**.** Through tracking this required donor data, Talize could use predictive analytics to anticipate donation trends based on donors' behavior on external influences.
3. **Targeted Marketing for Donors**: Utilize donor tracking data to customize marketing strategies to target the donors that donate at the busy/peak hours in a day/week. For instance, tailor a marketing strategy named "Happy donation hours" to encourage donors to shop for items from the store by providing special promotional coupons.

Conclusion

By adopting these strategies, **Talize** could significantly enhance its visibility and appeal as a donation-friendly thrift store. Key improvements like offering exclusive promotional discounts for donors at peak hours, leveraging data analytics through donation tracking, and strategizing

marketing techniques to increase donor-to-customer conversion could help **Talize** stand out in the competitive market.

These steps, along with robust marketing and community engagement efforts, would position **Talize as a market leader** in the thrift industry, appealing to a wider base of donors while improving customer retention and brand loyalty.

References

- https://talize.com/pages/about-us
- https://talize.com/pages/donate
- https://www.valuevillage.ca/about-us
- https://www.valuevillage.ca/donate
- https://www.thriftstore.ca/our-mission-vision/
- https://www.thriftstore.ca/donations-of-clothing-and-household-goods/
- https://www.goodwillindustries.ca/power-of-work/
- https://www.goodwillindustries.ca/donate/
- https://missionthriftstore.com/about-us/
- https://missionthriftstore.com/donate/
- https://wearethrifters.com/thrifting-at-value-village-the-good-the-bad-and-the-overpriced/
- https://wearethrifters.com/thrifting-at-talize-what-you-need-to-know/