CUSTOMER EXPERIENCE

serco

Retail Week's report in association with Serco combines insights from industry leaders with data and analysis to provide an overview of how retailers can improve customer experience

HOW TO WIN CUSTOMERS

Customer experience
How to win consumers in today's retail battleground

As the ecommerce director of one big grocer points out: without a great customer experience "you're dead". The rise of online shopping, feedback through social media, a return to focus on store design and, more widely, multichannel retailing has brought retailers to life.

Many of those interviewed for *Retail Week's Customer Experience* report talk about the opportunities rather than challenges provided by multichannel to deliver a great customer experience. It's not easy, but the rewards for those who get it right can be the biggest of all – loyalty.

"We want the experience to be seamless: we want it to be easy; we want customers to interact with us; we want to drive an emotional connection and ultimately we want customer experience to drive loyalty," explains the group loyalty director at one of the big four supermarkets.

So, how do retailers provide a great customer experience now? What are the challenges they face? Where has there been progress and where do they need to work harder? And who is mastering the shopping journey in a world where customers jump from channel to channel?

Retail Week conducted in-depth interviews with a wide spectrum of customer experience

leaders. The report also goes a step further, evaluating the performance of retailers in-store, online and through multichannel as shoppers browsed on mobile, bought online via a desktop, collected in-store and were refunded in a store or collection point via a series of mystery shops. The data provides a valuable insight into the different shopping experiences and throws up a number of trends, some of which complement those discussed by the retailers while others that may come as more of a surprise.

CHANGING EXPECTATIONS

Expectations of the retail offer the service provided have changed. Almost two thirds of retailers (60%) believe that they have also increased, not least because the bar is being raised all the time with new technology and ideas. All are witnessing an evolution in what the customer needs and therefore what businesses must deliver.

"Seamless", "speedy" and "simple" are all words that litter the interviews with retailers, especially when it comes to discussing multichannel propositions. Customers don't see channels, so retailers are working hard to ensure they remain "invisible". The shop evaluations show that retail performs better at some touchpoints than others, and this can also depend on whether the shop is online, in-store or across multiple channels.

Overall, retailers score best for the in-store expe-

rience (85%), but performance is generally high with an average score of 81%. The transaction is a feature where the majority provide an experience the customer wants – simple, fast, effective (87%). First impressions are also extremely good across the board (83%), especially in-store with retailers scoring more than 90% for layout, design, product availability and accessibility.

However, service lets customers – and the companies – down with an average score of 76%. From the initial welcome to the ability of staff to provide advice, it is department stores and general merchandise retailers that struggle in particular (69%). A smile still goes a long way it is clear.

Retailers feel that their role is not just to make the shopping experience easy. Much has been made of the 'customer effort' metric and, while important, many of those interviewed here also talk of "delighting" and "surprising" customers. Get it right and customers will come back, spend more and perhaps tweet about it. Get it wrong and they will quickly become disenfranchised, look elsewhere and almost certainly tweet about it.

Social media is expected to play a crucial role in customer experience. Some note 400% increases in customers using Twitter for service year on year. Extensive research has shown that response times can be slow on social media, but in the evaluations carried out here – albeit from a relatively small base – the virtual social side of service is working well (81%).

Mystery shop evaluations rating overview

|	FIRST IMPRESSIONS	SERVICE	TRANSACTION PROCESS	RETURNS PROCESS	OVERALL EXPERIENCE	AVERAGE
In-store	90%	74%	90%	94%	77%	85%
Online	84%	79%	87%	79%	72%	81%
Multichannel	76%	74%	84%	87%	67%	78%
Average	83%	76%	87%	87%	72%	81%

BASE: MYSTERY SHOP PARTICIPANTS

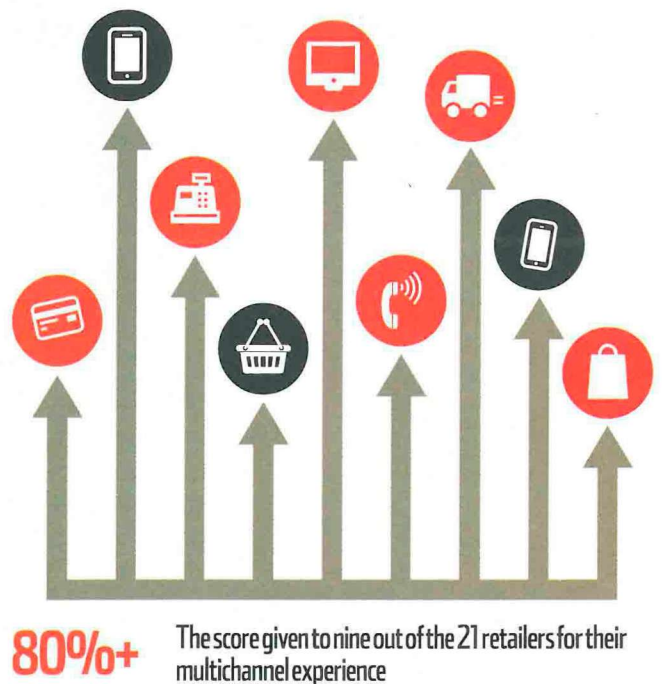**Download the full report at**
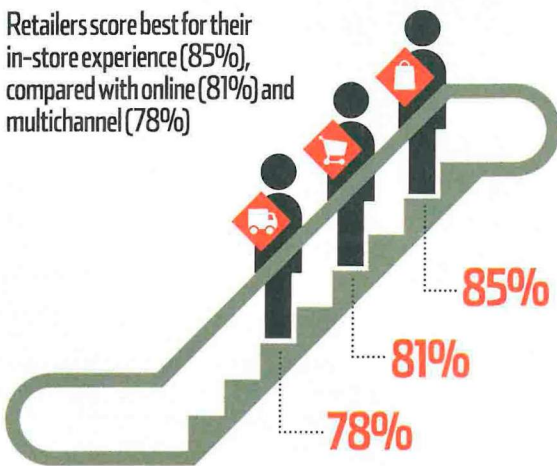**Retail-week.com/research-centre**

Retailers are performing well on customer experience with an average score of
81%

Social media is now a critical part of service; 20% of retailers rank it in their top three investment priorities for enhancing customer experience

20%
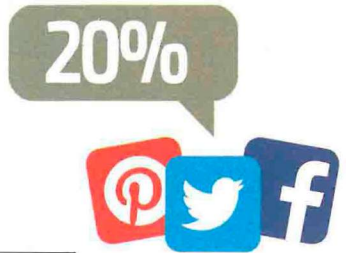
Retailers score best for their in-store experience (85%), compared with online (81%) and multichannel (78%)

85%
81%
78%

72% Shoppers enjoyed the overall experience in-store more than online **77%**

80%+ The score given to nine out of the 21 retailers for their multichannel experience

60% The percentage of retailers that believe customers' expectations of service have increased

But Facebook and the like are more than reactive tools. Retailers say that "listening" to customers on social media sites can provide invaluable insight so they can become more proactive. The personalisation of the shopping experience has received a lot of attention, and it's an area that retailers are keen to invest in. Budget priorities are fairly evenly spread when it comes to improving customer experience, though the overall online experience (20%) and in-store customer service (24%) are likely to be where the most money is spent. Perhaps surprisingly, no retailers chose in-store technology as an important investment.

INSPIRING SHOPPERS

Many are conscious that the store is evolving but there appears to be a lack of "game-changing" technology available to enhance the bricks-and-mortar experience. Their focus, therefore, has been on staff training, with skill sets evolving from "the transactional to the inspirational".

As the director of customer relationship management and personal shopping at a luxury retailer explains: "We want our customers to have an experience that translates into a story that's worth telling. That's our ultimate goal [and] I think that's a good benchmark."

According to the retailers surveyed in this report, no one is there yet but mystery shop data suggests that many are on the right path to great customer experience in a difficult retail environment.

It's not easy in the current climate as customers demand a better experience, value for money and a personalised offer. The winners will be those who see opportunities rather than challenges as technology continues to redefine the customer-retailer relationship.

As well as the thoughts of the retailers on the evolution of customer experience, *Retail Week* also engaged a consumer research company to test shopper journeys at some of the country's top retailers. Feedback was given for online, in-store and multichannel experience, based on five metrics.

The report it is an important snapshot view of modern multichannel retailing that can help frame and inform retailers' view on how to provide the optimum customer experience.

Retail Week subscribers can download the full report at Retail-week.com/research-centre.