



# DIMENSION REPORT

The Customer: November 2017

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# RedEye

A Performance Dimension Report as part of IRUK 500 2017  
InternetRetailing's UK Top500 Retailers, 2017



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# PREDICTIVE ANALYTICS



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# From the editor-in-chief

WELCOME TO OUR 2017 snapshot of the customer experience, in which we aim to understand the service that retailers are currently giving their customers and, by doing so, to understand how retailers of all sizes can improve their offerings to compete with the leaders in the field.

In this IRUK Top500 The Customer Performance Dimension Report, InternetRetailing researchers run the measure over the shopper's experience of a brand – from the speed at which a desktop or mobile website loads, to the time taken to respond to an email or social media message, to the ease with which customers can find products, and find out about products, and with which, if necessary, customers can return unwanted orders. Through this research, we aim to understand what puts leading retailers ahead of the wider Top500 and what are the most strategic steps that traders should take to improve performance.

We look in detail at the practical measures that leading retailers use to turbocharge their performance in this Dimension through our 12 practical approaches feature, as well as a series of case studies and interviews with retailers Evans Cycles, Currys PC World and Rakuten Europe.

Through this unique combination of research and practical examples we aim, as with all of the IRUK Top500 series, to understand and share best practice in ecommerce and multichannel retailing. As we continue to map the customer experience over time, we're certain we'll see it improve, so that the examples we're reporting on today soon become not best practice, but common practice – and simply what shoppers expect.

This report is the last in our 2017 series of IRUK Top500 reports. As with the others, we've benefited in this report from the generosity of our Knowledge Partners in making available data and resources to help us understand the customer experience still further. Our thanks go to both Ghostery and Hitwise for their contributions to this report. Indeed, we are grateful to all the Knowledge Partners that have worked with us over the last year, as we've explored modern commerce through the Dimensions of Strategy & Innovation, Merchandising, Mobile & Crosschannel, Operations & Logistics and Brand Engagement as well as this final focus on The Customer.

From this report, we move on to research all of these Dimensions for the 2018 IRUK Top500 report. As always, we're keen to hear from retailers, industry experts and those who may have datasets that can help us to report the ongoing development of retailing and how it is changing the way we both shop and sell.

Ian Jindal  
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## THE IRUK TOP500 DIMENSION REPORTS SERIES

Don't forget that this The Customer Dimension Report forms part of our wider series analysing the performance of UK retailers.

Reports each year that focus on:

- Strategy & Innovation
- The Customer
- Operations & Logistics
- Brand Engagement
- Mobile & Cross-channel
- Merchandising

You can download the latest copy of any of our Dimension Reports, along with the overall IRUK Top500 Report, via [www.internetretailing.net/IRUK](http://www.internetretailing.net/IRUK)

Once registered, we will also send you the latest Dimension Reports as they are published, allowing you to keep abreast of the latest developments in the industry.

You can also find information about the IREU Top500, our new index of top European retailers, via the InternetRetailing website.

# Editors' comment

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CUSTOMER EXPECTATIONS ARE already well ahead of the service they often receive and pushing retailers of all sizes continuously to improve. The service the retail sector offers has already developed fast over the years, but now we see it moving forward very quickly indeed. In this IRUK Top500 The Customer Performance Dimension Report, we're looking both at where the retail industry is now in terms of the customer service and experience that it offers, and at how it may develop in the future.

We do that in several ways. First we set out the context for this report in our strategic overview (page 8). We look at new approaches that are coming to the fore in our emerging practice feature (page 29), which focuses on how retailers are using in-store events, services and experiences to give a new lease of life to the store at a time when more business is moving online. We then explain and share our research. In our analysing the numbers feature (page 12), Martin Shaw, head of research at InternetRetailing, explores in detail the metrics that underpin this Dimension Report, while in the new research feature (page 32), he looks at how successful Top500 websites are in attracting customers from different demographics.

Our final step is to provide hands-on, practical examples of how leading retailers are developing their strategies. We do this through an interview with Stuart Ramage, ecommerce director at Dixons Carphone (page 20), which focuses on how the retailer manages and develops the customer experience at Currys PC World. We also hear from James Backhouse of Evans Cycles (page 31) on how it's using bike rides to forge new omnichannel links with customers. We analyse the performance of retailers, including Topps Tiles, Boots, Debenhams and M&S, through case studies (page 18), then look at 12 innovative approaches to the customer experience and to customer service (page 24).

You'll find the full listing of the Top500 as well as the listing of the leading retailers in this Dimension. We hope you find this Dimension Report useful and we look forward to hearing your feedback on this approach, and on any ideas that you have for our future explorations of this subject.

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# Predictive customer service



RedEye

In a customer-centric world it's important not only to serve customers but to anticipate their needs, writes **Garry Lee**, CEO of RedEye

LAST YEAR I talked about how this is now a customer-centric world, where the retailers that don't put customers at the heart of their marketing strategy will fail. Well, in 2018, you must also start actively anticipating those needs by giving the customer something before they ask for it. This is where predictive analytics, AI and machine learning become critical.

The modern marketer has a wealth of data that they're barely using, despite evidence demonstrating that those who do outperform their peers by up to 85%<sup>1</sup>. Predictive analytics enables you to use this data to customise the customer experience instead of using such classic standard responses as:

- Person X hasn't opened emails: Send a re-engagement email
- Person Y unsubscribes: Try a social campaign
- Person Z has stopped visiting the website: Send them the lapsed customer email series

Using predictive analytics, we can adjust those to:

- An engagement predictive model anticipates that person X is receiving emails at an incorrect frequency, which is automatically optimised
- An unsubscribe predictive model anticipates person Y is about to unsubscribe so you either change the messaging, the frequency or the channel in order to regain their interest
- A lapsed predictive model spots customer Z and engages them with relevant content before they lapse

In 2018, the customer will want to talk to you when it's right for them, in the channel they prefer. But it's not just communication across channels that needs improving – it's vital these are joined up and optimised. For example, if you are going to launch an app, make sure it's good and don't just launch one because everyone else has one. I recently saw Foot Locker's app, which was almost a replica of the website – just a long scroll of products. Modern customers are sophisticated, they know that an app experience should differ from the website – otherwise you'd just open the mobile website!

Compare that to the great work Deliveroo does with its app, which uses geolocation to only show

restaurants that can deliver to you. When you purchase, they use Apple Pay to streamline the process and push to tell you that your order's nearby.

Something else that will have a profound effect on the customer experience in 2018 is GDPR. I think it can be a big positive for good retailers but only so long as they embrace it. Don't try to work out how to 'get around it' or 'do the minimum to avoid a lawsuit'. Instead, show the customer you are a brand that respects their data and privacy.

The key to a successful customer experience strategy in 2018 is to deliver a seamless omnichannel experience. This can only happen if you have a joined-up data strategy, with all key data being synchronised in one place. You need a single source of data for managing all customer interactions.

So, let's enter 2018 with renewed optimism. Do these four things and you can deliver a customer experience that will put you ahead:

1. Have a single view of the customer.
2. Use the power of AI and predictive data to anticipate customer needs, giving them what they want, before they ask for it.
3. Don't neglect any channel or device – you are only as strong as your weakest link.
4. Become GDPR-ready and embrace it – showing your customer that you care about their privacy and rights gives you an advantage.

## About RedEye

Our goal is simple: to help you deliver amazing results. We're fans of big words like 'multichannel marketing automation' but really, we believe that sophisticated solutions can be simple. All RedEye products are driven by a unique Customer Data Platform that combines all customer data – online and offline – into a single view. We then make this vast depth and breadth of data available to you through tools and interfaces you'll like using. Wherever you are in the process of automating your marketing, the RedEye team is there to help. **[www.redeye.com](http://www.redeye.com)**

1. <https://www.mckinsey.com/business-functions/mckinsey-analytics/our-insights/capturing-value-from-your-customer-data>

# Know your customer

Once retailers really understand their customers, they'll be able to offer an engaging experience, says **Paul Lynch**, Managing Director, PFS EMEA

**PFS**

AS CUSTOMERS, WE expect retailers to know who we are and deal with us as an individual. As yet, these expectations are probably beyond what technology can offer. But very soon it will be possible for retailers to understand me as an individual rather than as part of a group. That will mean I'll have the same experience whenever I touch the brand, whatever channel I use. This joined-up experience will drive me to buy more products and, most importantly, it'll drive me to recommend that product to other people.

## Understanding the context

This will work when retailers know not just what I want to buy but also how I want to buy it.

In a world of centralised data, retailers will know that I'm an impulsive buyer who likes to buy shiny new things. So that's what they'll show me, along with an offer that will encourage me to buy. Somebody else might need to know the exact measurements of a TV before they buy it to see how it fits in the room and how good it will look. They'll want to have content such as a real-size template of the TV to print and try against the wall. Recognising individuals therefore becomes about being able to take each customer through a journey that gives them an experience based on the context – because everyone is different.

## Machine-learning

We're starting to see machine-learning emerging that can deliver this kind of result. Its success will rely on capturing the right kind of data, on the quality of that data and on getting proper permission to use that data so that the customer understands how it affects their experience. Once a retailer understands me as an individual, the next time I go into the store and show my loyalty card or sign into

my app – or however it is they're going to recognise me – they'll know that I'm an impulsive purchaser and they can take me to the shiny new thing, offering me a discount or other incentive to buy. The way we learn about people as individuals will enable us to provide this much more rounded experience.

## Disruptive approaches

As retailers improve their understanding of the customer and their ability to give an individual, personalised and contextual experience, they'll have the power to disrupt the industry. That could lie in a subscription model. Porsche is doing that in the car industry right now, it's trialling a subscription service for shared cars. In a similar way, a brand advocate for a high-street retailer could order a certain amount of products each month. This model is happening through enhanced customer experience and engagement, providing an opportunity to create real disruption. 🌈

## About PFS

PFS is a global commerce service provider of solutions including digital strategy consulting, digital agency and marketing services, technology development services, business process outsourcing services and a complete omnichannel technology ecosystem. The company provides these solutions and services to major brand names and other companies seeking to optimise every customer experience and enhance their traditional and online business channels.

**[www.pfsweb.com](http://www.pfsweb.com)**



# The power of data-driven insights

Technology is the tool that serves customer wishes, writes **Chloe Rigby**

AS RETAILERS PUT the customer front and centre of their operations in an increasingly competitive retail environment, new data-powered insights are helping them do it.

Being able to understand what a customer wants to buy, how they want to buy and how they might buy in the future – this is the information that enables traders to give their shoppers an experience that works for them, whether they're searching for a product, contacting a retailer or returning an item they no longer want. But at the moment, there's still a gap between the aspiration to use data to improve customer service and the customer experience itself.

Alastair Sterling, industry head, retail at Google UK, showed the scale of the challenge – and the opportunities – when he spoke at InternetRetailing Conference (IRC 2017) this autumn. “Every two days, we produce more data than mankind produced up to 2003,” he said. “For businesses, that’s mind-blowing. On one side of the fence this is scary but on the other, if I can make sense of that data, I’m probably going to be able to engage with my consumers, my audience, better than ever before, and give them new experiences as well.” While retailers have new opportunities to use their data, customer expectations stay ahead of them, Sterling notes.

## Getting to know the customer

In their mission to understand the customer, retailers are deploying a wide-ranging tool kit. They're building their single view of the customer in order to understand past and current behaviour and to predict how they'd like to be served in the future. One key goal is to keep the customer experience consistent across channels through a journey that may move from desktop to mobile, to store and beyond. Achieving this means gaining real insights, such as whether a retailer's customers prefer to shop via app, or visit the desktop website before heading into the store.



**The end of the smartphone? While we're all now glued to screens, might Google Glass-style concepts return?**

It's a tough task, as Halfords pointed out when it said in half-year results to 29 September 2017 that it could by then match 54% of its retail transactions to its customers – significantly ahead of the 3% it could match two years previously. That's no mean feat considering the scale of the challenge. In the last two years alone, the automotive-to-cycling retail and services business said it had gathered 6.5m email addresses, which it reconciles with information coming in from 21 different data sources. The tools that helped, it said, included the use of e-receipts and tokenisation.

Halfords is adding to that information with the use of a wide-ranging 'Give us a steer' survey that gets responses from 10,000 customers a week. This extra information, it says, gives it, “a more complete view of our customers so that we can become more relevant in their lives”. It's using the information to personalise web experiences based on shoppers' previous browsing and purchasing history. It also sends more than 25 different automated trigger emails to opted-in customers and says that it's now able to infer, and act on, future milestones in customers' lives, especially around children's car seats and bicycles.



The results are clear. “Communicating in a more relevant and targeted way with the right product and at the right time is driving increased frequency of interaction between us and our customers,” Halfords report. “As a result of our work in this area, in the last six months, we have seen an incremental 1.5m visits to the website, driving additional revenue.”

Supermarket Sainsbury’s is also working to find out about its customers. It’s launched the Sainsbury’s Living Well Index, a long-term study that it hopes will help it better understand its customers. Sainsbury’s study aims to track what it means to live well in 21st century Britain. Oxford Economics worked with the National Centre for Social Research to interview 8,250 adults across the UK, measuring their wellbeing with a 60 question survey that covers how happy, satisfied and anxious people feel, as well as their sense of self-worth. It found that how people live is more important to their wellbeing than who they are, as defined through gender, age or education, and that quality of sleep, sex life and job security make the biggest difference to living well.

“The results of this, combined with our customer data, will influence some of the choices we make around how we best serve our colleagues, customers and communities in the future,” said Mike Coupe, group chief executive of J Sainsbury plc, in half-year results to 23 September 2017.

### Keeping up with the customer

Shopping behaviour is changing so quickly that retailers that don’t get to know their customers and how they want to shop may miss emerging trends and changes in the way that they buy. Conversely, being the first to react to change can prove a real advantage.

“The biggest dynamic that is changing is that the customer is more and more in charge, which forces retailers to evolve and innovate”

Arjen van de Vall, Rakuten Europe

Rakuten Europe president Arjen van de Vall says that fast-developing social and mobile technologies are changing both shopping habits and shoppers’ expectations. “The pace of these changes is truly impressive,” he said. “The biggest dynamic that is changing is that the customer is more and more in charge. This forces retailers to evolve and innovate, but also to find the right partners that allow them to become competitive and to address customer needs. The market is evolving fairly rapidly. I think in general, we as consumers have access to more buying opportunities than ever before and that customers and consumers are also becoming smarter and smarter when it comes to making purchase decisions. They decide when, where and how to buy. They set the terms.”

That means, he says, that retailers are now responding, often being forced to do so by the pace of change, with new experiences based on service, availability and timeliness that goes beyond mere conversion. “You need to deliver the best quality of service at all times during the cycle,” says van de Vall.

One retailer that’s facing changes in the way its customers buy is Clarks. Giles Delafeld, global CIO at the shoe retailer and manufacturer said at IRC 2017 that the retailer has several key groups of customers, some more traditional, and some less so. Traditional groups include parents with their children and older people looking for comfortable shoes. But the Clarks Originals range ►

also has a certain cachet among LA rap stars, and hence, millennials and the newer 'I'-generation.

As it responds to the needs of its different audiences, Clarks has moved to a mobile-first platform, so Delafeld says a digital mindset is now a prerequisite. "Organisations need to be working at least as fast as consumers, if not faster," he says. And that means "testing, and creating new customer value propositions rapidly in order not just to be relevant but to stay ahead".

Delafeld also sounds a note of caution. "Having the labels is a useful conversation starter but in the end, you need to know who you are, and who consumes your product," he said. It's important not to generalise, he adds, noting that it would be dangerous to assume that all customers want to move between devices in real-time or to communicate only online.

#### The emerging retail response

As retailers start to understand their shoppers better, they're coming up with new responses. They're not only offering experiences that are personalised to them but are also starting to consider the emotional effects of commerce too. Emotional commerce, says Google's Alastair Sterling, leads to "sticky" consumers, who "go out of their way to engage with the brand". He cites Screwfix as an example. "This is a business that has redefined the user experience through technology and it's doing well for them."

"Our virtual experiences will be driven by our emotions as facial recognition monitors and understands what we're looking at and why we're doing so"

Sophie Hackford, futurist



Augmented reality allows digital images to be overlaid so that they appear stuck to a real-world place or object

By considering how people will react emotionally to different elements on the website, leading retailers are finessing significant details of the customer experience. Sean McKee, head of ecommerce at shoe retailer Schuh, speaking in a debate on emotional commerce at IRC 2017, said that it measures customer sentiment with every transaction. He added, "It's not just about today's sale but about being where the customer trusts you. I don't think it's coincidental the conversion you get by putting people ahead of customers." Measures that appeal to emotions and that work on its website, he said, include live chat, a countdown clock telling shoppers how long they have left to place their order for next-day delivery, and buttons that shoppers can push in order to share a product with their friends.

Simon Bell, founder and managing director of ecommerce agency Diligent Commerce, also



speaking in the IRC 2017 debate on emotional commerce, said that getting it right is all about storytelling. “Tell a story, tell me why you exist and get me to buy into the brand before I will buy your products.”

### Looking to the future customer

As the real world becomes searchable by computer and as artificial intelligence develops, futurist Sophie Hackford sees two different kinds of reality coming into play in retail environments: augmented reality and virtual reality. Augmented reality will take the form of a computer overlay to the real world, using smartphone and other screens to navigate around the world, including around shops. “Screens now dominate the world and we’re moving into a moment when we won’t just look *at* the screen but *through* the world and see it annotated and tailored to our needs,”

said Hackford, speaking at the SAP Hybris Live Global Summit in Barcelona this autumn. Beyond that, hyper reality might see this augmented view transferred to an overlay that people view even when they’re not looking at a screen. Beyond that again, virtual reality, with virtual places that people will go and visit will, believes Hackford, define the eventual future of the internet.

“All of this will be driven by our data, although our virtual experiences will be driven by our emotions, by how we feel, as facial recognition monitors and understands what we’re looking at and why we’re doing so. But it’s also going to help us understand it as well.” In retail, she envisages a virtual photo-real supermarket where shoppers can use their hands to pick up items from a range of millions as they do their shopping virtually. Such moves might mean the end to the phone as the headset replaces the screen.

Yet all this could be a long way off. After all, says Hackford, full digitisation of the world is still far off. But considering it now certainly serves to remind retailers that the ways they sell will continue to change, and that this change will be led by the customer and the ways they choose to use any kind of emerging technology. 🌈

# Inside the shopper experience

**Martin Shaw**, head of research at InternetRetailing, explores some of the research behind The Customer Dimension Report

SHOPPERS HAVE A best-in-class customer experience when they visit IRUK Top500 websites that score highly in The Customer Performance Dimension Report.

InternetRetailing researchers set out to measure the customer experience that shoppers have when they visit IRUK Top500 websites and buy from the retailers that operate them. Our ranking rewarded Top500 websites that deliver a fast-loading website while offering market-leading customer service across channels. Customers using these sites can find the product using effective navigation and search strategies, and once found can read ratings and reviews on the website or via the mobile app. We also looked beyond the sale, to assess how easy it is for a customer to return an item once bought, and how long it takes for the refund to be processed.

Research carried out with InternetRetailing Knowledge Partner Ghostery looked at tag loads. Websites load faster if they have fewer tag requests, as measured through total tag loads and unique tag loads, while total page loads give an insight into how long visitors are staying on the site.

We looked not only at how the Top500 performed in this Dimension, but also contrasted that with the performance of the

Some 44% of Top100 retailers offered written product reviews in their mobile apps, suggesting an area where retailers can set themselves apart

Top100 retailers. We wanted to understand how large a gap there was between the Top500 largest retailers as a group and the top fifth in terms of overall retail size and performance. This might also help to suggest strategic ways for retailers to improve their service in order to compete with those that are leading the way. Interestingly, we found that Top100 retailers did not always outperform the Top500, suggesting the top retailers, while generally better, do not outperform in every area, even as a group. Sometimes they outperformed only slightly – leaving room for Top500 retailers to up their own game and overtake competitors.

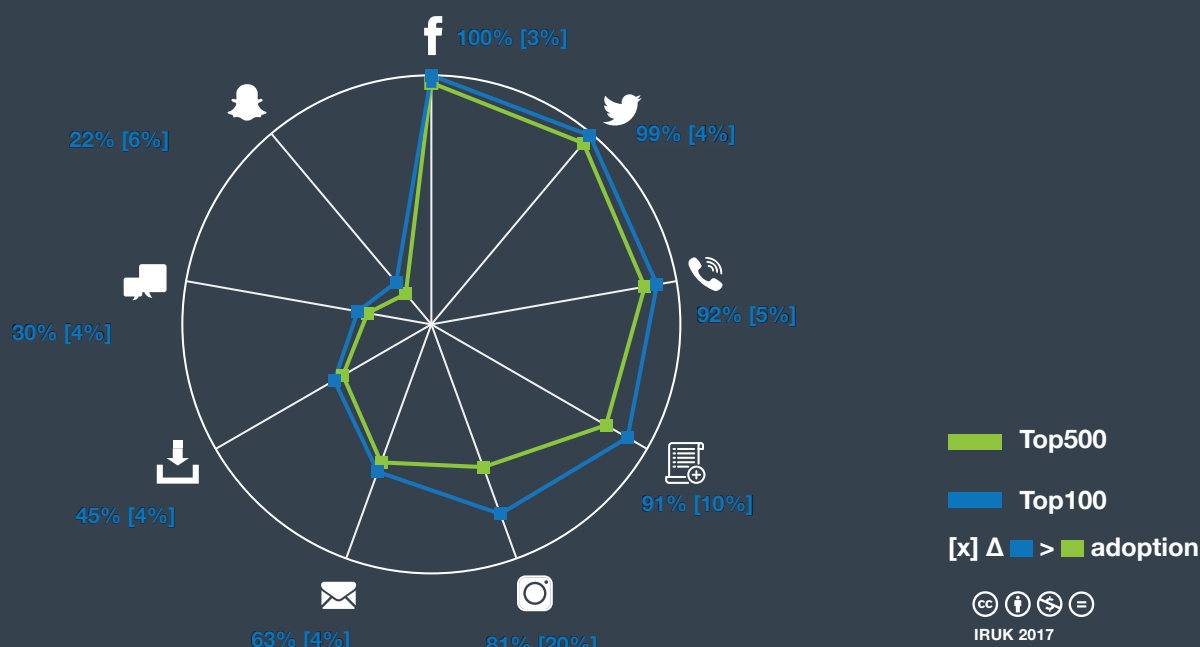
## Cross-channel customer service

InternetRetailing research found the Top500 UK retailers offered customer support or information through a median eight channels. The Top100 went just one better, offering a median nine channels.

Top500 retailers responded to a customer email in a median time of 15 hours and 40 minutes and to a Facebook message in 38 minutes. Top100 traders responded to an email in a median time of 15 hours and 50 minutes, and to a Facebook message in a median time of 46 minutes.

Overall, Top100 retailers had a greater presence on different social media channels than Top500 retailers. But while there was broad uptake across channels such as Facebook and Twitter, the biggest difference was found on Instagram, suggesting an Instagram presence is a more strategic addition than a Facebook or even a Snapchat presence. Top500 retailers had a median of 21,640 followers on Twitter, while the median Top100 retailer had 28,249 – but the average Top100 retailers had 138,067, suggesting that those at the top of the index outperformed significantly.

## Use of communication channels - comparing the Top100 with the Top500 (averages)



### Product information

More than half (54%) of the Top500 offered product ratings while 61% offered product reviews. But 70% of the Top100 had product ratings and 68% product reviews.

Mobile was an important focus for the analysis, which found that more than a quarter (26%) of Top500 apps offered written product reviews. Some 44% of Top100 retailers offered written product reviews in their mobile apps, suggesting an area where retailers can easily set themselves apart.

### Website speed

Turning to website performance, Top500 mobile websites started to launch in a median time of 0.10s and were visually complete in 7.2s. Do the top websites perform significantly faster? We found Top100 mobile websites started to

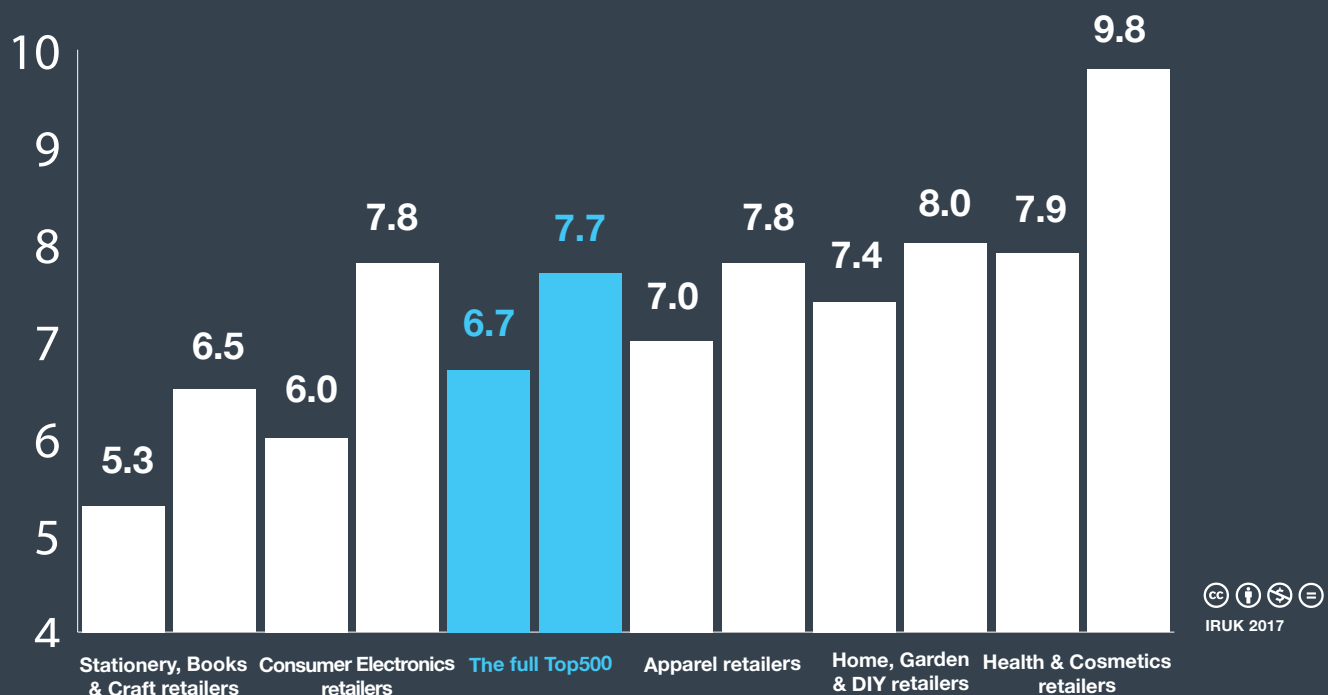
launch in 0.9s and were visually complete in 6.9s, suggesting that just a few tenths of a second can make a significant difference to performance. The median Top500 desktop website started to load in 0.08s, and was visually complete in 8.1s. Top100 websites launched at the same speed (0.08s) but were visually complete significantly more quickly, at 7.66s.

Website speed is affected by the tags, such as cookies, placed on the website. Research in partnership with Ghostery found Top100 retailers had more tags than those in the Top500, with a median of 89 unique tags, compared to 82 for the Top500. Tags tend to add functionality to a website but they will also usually detract, to some degree, from page load time. (For more on website speeds across categories, see the graphic above.) ►



## Desktop and mobile loading times of the Top500, and by sector

The median time that it takes for a website to become visually complete in both desktop and mobile devices



### Returns

One key group of metrics that we considered when measuring customer experience was returns. In total, 49% of the 496 retailers for whom the metric was relevant promised to refund items in full, while 21% also refunded the cost of returning the item. Top500 retailers gave customers a median of 27 days to return unwanted items and took a median time of 10 days to process the refund. Among Top100 retailers, 54% promised to refund an item in full, 31% refunded the cost of returning an item, and shoppers had a median 28 days to return an item. Processing refunds took an average of ten days among the Top100, just as among the Top500. Higher performers in the overall Top500 index differed in this area by not only being more likely to refund returns, but also by being significantly more likely to compensate shoppers for the cost of the return.

### The leading retailers

The leading retailers in The Customer Performance Dimension are those that performed well across metrics rather than standing out in a single area. They included kitchen supplies retailer Nisbets, , which promised to collect returns for free as well as refund the item itself, and showed both product ratings and reviews on its website.

Boots stood out for its customer service when answering queries, for product ratings and reviews on its site, and for the the incorporation of reviews into its mobile app as well. Marks & Spencer shared product reviews and ratings on its website and had a generous returns policy, refunding both the cost of the return and the item being returned.

JoJo Maman Bébé responded to customer enquiries quickly, offered product ratings and reviews, while researchers found its website easy to navigate. WH Smith offered product ratings on its website, and supported a wide number of customer engagement channels. It was rated highly for issue resolution and its website's internal search received a high rating for relevant results. 🇬🇧



## IRUK 500 The Customer Dimension

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**RedEye**

The Top100 retailers of the IRUK Top500  
2017 The Customer Dimension, as measured  
across dozens of metrics for innovative  
practice in this area

Share your thoughts on #IRUK500 with @etail

## The Customer Top50

Amazon	H.Samuel	Richer Sounds
Argos	Holland & Barrett	Rohan
Asda	Hotel Chocolat	Screwfix
Axminster	House of Fraser	Shoe Zone
Boots	Jacques Vert	Slaters
Card Factory	John Lewis	Sunglass Hut
Chain Reaction Cycles	JoJo Maman Bébé	Superdrug
Crew Clothing Company	Joules	Tesco
Currys	Laura Ashley	Topman
Debenhams	Maplin Electronics	Topps Tiles
Dorothy Perkins	Marks & Spencer	Waitrose
EAST	Matalan	Whittard of Chelsea
Foot Locker	Morrisons	WHSmith
Forever 21	New Look	Wickes
Fragrance Direct	Nisbets	Wilko
GAME	Pavers	Yankee Candle
H&M	PC World	

## The Customer Top100

Apple	The Edinburgh Woollen Mill	Lovehoney	Superdry
Asos	Ellis Brigham Mountain Sports	Lush	Tate Shop
Blue Inc	Ernest Jones	MenKind	TK Maxx
Boden	F.Hinds	Millefs	Tripp
Bondara	Fat Face	Mothercare	TTS Group
Calendar Club UK	Footasylum	Ocado	Very
Cass Art	Games Workshop	Pets at Home	Virgin Wines
Cath Kidston	Halfords	Plumbase	Waterstones
Claire's	Hotter	Plumbworld	Weldricks Pharmacy
Clarks	Ikea	The Range	White Stuff
COS	JD Sports	Russell & Bromley	Zara
Dune London	Jessops	Sainsbury's	
Dunelm	Long Tall Sally	Schuh	



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The full rundown of the IRUK 500, 2017, as measured across six Dimensions: Strategy & Innovation, The Customer, Operations & Logistics, Merchandising, Brand Engagement and Mobile & Cross-channel

Share your thoughts on #IRUK500 with @etail

Elite

amazon



M&S  
EST. 1884

ASDA

John Lewis

TESCO

Leading

Ao.com  
Argos  
Asos  
Clarks  
Currys

Debenhams  
Halfords  
Holland & Barrett  
House of Fraser  
Mothercare

New Look  
Next  
PC World  
Sainsbury's  
Schuh

Screwfix  
Superdrug  
Topshop  
Waitrose

Top50

American Golf  
B&Q  
Blue Inc  
Carphone  
Warehouse  
Claire's  
Dorothy Perkins

Early Learning  
Centre  
eBay  
Footasylum  
The Fragrance Shop  
Homebase  
JD Sports

Matalan  
Ocado  
Office  
Pets at Home  
Selfridges  
SportsDirect.com  
Topman

Very  
Waterstones  
White Stuff  
WHSmith  
Wiggle  
Wilko.com

Top100

Ann Summers  
Apple  
Bathstore  
Blacks  
Bonmarché  
Cotton Traders  
Decathlon  
Dune London  
Dunelm  
Ebuyer.com  
Evans  
Evans Cycles  
Freemans.com

Game  
Getthelabel.com  
Go Outdoors  
H&M  
H.Samuel  
Hobbs London  
Hotel Chocolat  
Kaleidoscope  
L'Occitane  
Lakeland  
Laura Ashley  
Littlewoods  
M&Co

MajesticWine  
Mamas & Papas  
Maplin Electronics  
Millecs  
Miss Selfridge  
Monsoon  
Morrisons  
Moss Bros.  
Quiz  
Richer Sounds  
River Island  
Ryman  
Shoe Zone

Superdry  
TK Maxx  
Topps Tiles  
Toys ʼR Us  
Wallis  
Wex Photographic  
Wickes  
Yours Womenswear  
Zalando

## Top150

Accessorize  
Adidas  
Beaverbrooks  
Boden  
The Body Shop  
Boothoo.com  
Burton  
Chain Reaction Cycles  
Cotswold Outdoor  
Crew Clothing Company  
Disney Store  
The Entertainer  
Ernest Jones

Estée Lauder  
Fat Face  
French Connection  
Gear4music.com  
Harrods  
Hobbycraft  
Ikea  
Interflora  
Jack Wills  
Jessops  
Jigsaw  
JoJo Maman Bébé  
Joules

Lloyds Pharmacy  
Lush  
Mr Porter  
Net-A-Porter  
Nike  
NotOnTheHighStreet.com  
Pandora  
Peacocks  
The Perfume Shop  
Post Office Shop  
PrettyLittleThing  
Reiss  
Samsung

Simply Be  
Smyths  
Space.NK  
Surfdome  
T.M. Lewin  
Thorntons  
Toolstation  
Urban Outfitters  
USC  
The Works  
Zara

## Top250

Agent Provocateur  
Andertons Music  
Appliances Direct  
Axminster  
BonPrix  
The Book People  
Bose  
Boux Avenue  
CarpetRight  
Cass Art  
Cath Kidston  
Charles Tyrwhitt  
Coast  
Countrywide  
CycleSurgery  
Dell  
DFS  
EAST  
The Edinburgh Woollen Mill  
Ellis Brigham Mountain Sports  
Esprit  
Euro Car Parts  
F.Hinds  
Fashion World  
Feelunique.com  
Figleaves.com

Firebox  
Foot Locker  
Forever 21  
Fragrance Direct  
GAP  
Goldsmiths  
Grattan  
Harvey Nichols  
Home Bargains  
Home Essentials  
Hotter  
Jacamo  
Jacques Vert  
Jaeger  
JD Williams  
Joe Browns  
Jones Bootmaker  
Karen Millen  
Kiddicare  
Kitbag.com  
Kurt Geiger  
La Redoute  
Laithwaite's  
Laptops Direct  
Liberty  
Long Tall Sally

Lovehoney  
MAC Cosmetics  
Machine Mart  
MandM Direct  
MatchesFashion.com  
MenKind  
Missguided  
Mobile Fun  
Molton Brown  
Mountain Warehouse  
Myprotein  
Naked Wines  
Nisbets  
Novatech  
Oasis  
Oliver Bonas  
The Outnet  
Paperchase  
Paul Smith  
Pavers  
Pull & Bear  
QVC  
Radley  
Ralph Lauren  
Reebok  
Robert Dyas

Route One  
Sally  
size?  
Slaters  
SoleTrader  
Specsavers  
Staples  
Sweaty Betty  
Ted Baker  
Trainline  
Uniqlo  
Victoria's Secret  
Victorian Plumbing  
Viking  
Warehouse  
Watch Shop  
Wayfair.co.uk  
The White Company  
Whittard of Chelsea  
Yankee Candle

## Top350

Abercrombie & Fitch  
Aldo  
AllSaints  
Anthropologie  
Arco  
Aria Technology  
Avon  
bareMinerals  
Bensons for Beds  
Berry Bros. & Rudd  
Blackwell's  
Bondara  
Bravissimo  
Burberry  
Buyagift  
Calendar Club UK  
Calumet Photographic

Card Factory  
Charles Clinkard  
Chemist Direct  
Clas Ohlson  
Cloggs  
Costco  
Crocs  
Deichmann  
Dr. Martens  
Dreams  
Dyson  
Euronics  
Everything5pounds.com  
Farfetch  
Find Me A Gift  
Fitness Superstore  
Forbidden Planet

Fortnum & Mason  
funkypigeon.com  
Furniture Village  
Games Workshop  
GettingPersonal.co.uk  
Google Play  
Gucci  
Guitarguitar  
Hawes & Curtis  
Heal's  
High & Mighty  
hmv.com  
Hollister  
HP  
Hughes Electrical  
Hugo Boss  
Iceland

Ideal World  
Just Eat  
L.K.Bennett  
Lands' End  
Lego  
Links of London  
Lipsy  
Louis Vuitton  
Mango  
Microsoft  
Mint Velvet  
Misco  
Moonpig  
Mulberry  
The North Face  
Orvis  
Overclockers UK

Phase Eight  
Photobox  
Plumbase  
Pret A Manger  
Printing.com  
Puma  
The Range  
Rapha  
Rohan  
RS Components  
Russell & Bromley  
ScS  
Snow+Rock  
SportsShoes.com  
Sunglass Hut  
Swarovski  
Tate Shop

Thomas Pink  
Thompson & Morgan  
Tiffany & Co.  
Trespass  
Tripp  
TTS Group  
Ugg Australia  
Vans  
Virgin Wines  
Weldricks Pharmacy  
Whistles  
WorldStores  
Wynsors World of Shoes  
YOOX.com  
Zooplus

## Top500

Abel & Cole  
Achica  
Aldi  
Alexandra  
Armani  
Art.co.uk  
Asics  
Aspinal of London  
Asus  
ATS Euromaster  
Banana Republic  
Barbour  
Barker & Stonehouse  
BBC Shop  
Belkin  
Berghaus  
Bershka  
Betterware  
Betty's  
BookDepository.com  
Bradford's  
BrandAlley  
Brandon Hire  
Build-A-Bear Workshop  
Calvin Klein  
Camper

Cartier  
CCL Computers  
Character  
Chums  
The Co-operative  
Electrical  
COS  
Crabtree & Evelyn  
Craghoppers  
Create and Craft  
Cromwell  
Damart  
Denby  
Diesel  
DJI  
DKNY  
Dobbies Garden Centres  
Dulux Decorator Centres  
Dunnes Stores  
EAT.  
Ecco  
END.  
eSpares  
Eurooffice  
Expansys  
Farrow & Ball

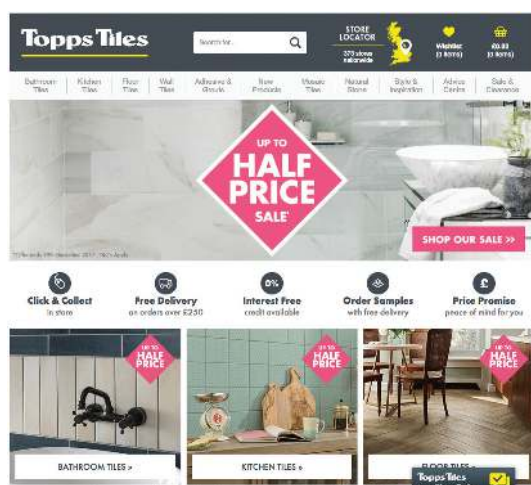
Finlux  
Fired Earth  
Fitbit  
FitFlop  
Flannels  
Fossil  
Fraser Hart  
Fred Perry  
Free People  
G-Star Raw  
Gabor  
GAK  
Gant  
Garmin  
Glasses Direct  
Graham & Greene  
Graze  
Guess  
Habitat  
Hackett  
Hallmark  
Hamleys  
Harper Collins  
Harveys  
Hawkin's Bazaar  
Hawkshead Country Wear

Hi-Tec Sports  
Hornby  
The Hut  
Intersport  
itsu  
IWOOT  
J Crew  
Jack & Jones  
Jewson  
Jimmy Choo  
JML  
John Smith's  
Joy  
Juno Records  
Kärcher  
Kenzo  
Kiehl's  
Lacoste  
Leisure Lakes Bikes  
Lenovo  
LightInTheBox  
Logitech  
LookFantastic  
Lyle & Scott  
Made.com  
Massimo Dutti

Max Spielmann  
Merlin Cycles  
Moda in Pelle  
Mole Valley Farmers  
Montblanc  
Multiyork Furniture  
Nespresso  
Notcutts Nurseries  
Outdoor & Country  
Plumbworld  
Poetry Fashion  
Prada  
Pretty Green  
Pro-Direct  
Protyre  
QD Stores  
Rapid Electronics  
Regatta Outdoor  
Clothing  
Roman Originals  
Rowlands Pharmacy  
SecretSales  
See Tickets  
Sevenoaks Sound and  
Vision  
Superfi

Swatch  
Thomann  
Thomas Sabo  
Timpson  
T.J. Hughes  
Toast  
Tommy Hilfiger  
TomTom  
Toolstop  
Urban Industry  
Vax  
Vente-Privée  
Vistaprint  
Vivienne Westwood  
Wagamama  
Warren James  
Watches of Switzerland  
Wedgwood  
Wyevalde Garden Centres  
YumiDirect  
Zavvi  
Zulily  
& Other Stories

# Topps Tiles: making customers a top priority



The Topps Tiles website now includes an upgraded tile visualiser after the first iteration proved so popular

LIKE OTHER RETAILERS, Topps Tiles is facing a marketplace that continues to be challenging. With this in mind, it believes its strategy of providing the best possible customer service by “Out-specialising the specialists” is more important than ever.

According to its latest trading update, for the 52-week period ending 30 September 2017, revenues were expected to be around £211.6m, compared to £215m for the previous year, a like-for-like drop of 2.9%. This compared to an increase of 4.2% the previous year. The retailer now trades from 372 stores, having opened a net five stores in the final quarter.

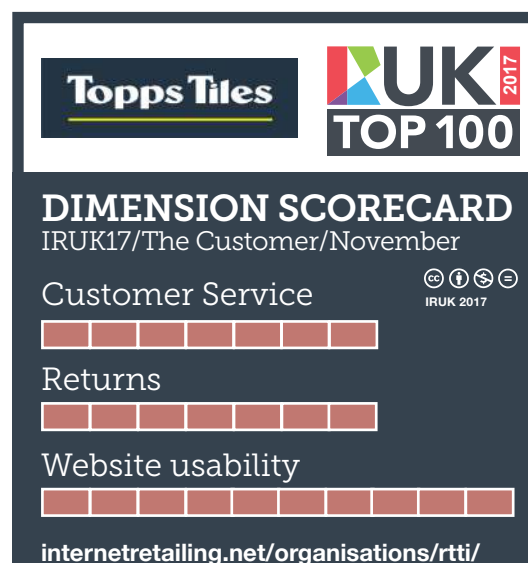
Despite the fall in profits and the likelihood of a continued tough market going forwards, chief executive Matthew Williams was upbeat. “It has been an important development year for the group,” he said. “Significant strategic progress has been made and we remain excited by the growth opportunities open to us. We remain focused on our strategy of ‘out-specialising the specialists’ and are beginning to gain traction with a number of new initiatives.”

Inspiring customers through the online and store shopping experience remains at the heart of the company’s strategy, and was one of the key message’s of last year’s annual report. According to the trading update, the company’s

customer service ratings have been at level records during the past year. It also noted that its online visualiser – which allows customers to see what tiles will look like in various room settings, and which has been upgraded during the year – continues to build strong customer engagement. This year has also seen the retailer complete business-wide service training for its store managers.

IRUK’s latest research ranked Topps highly in its list of Top25 retailers in The Customer Performance Dimension. The ranking takes account of measurements that include speed of website loading, ease of navigation, availability of ratings and reviews, ease of returns, quality of customer service, and number of channels through which it is available. It found that among the Top 500 retailers covered, Topps Tiles had by far the quickest response to an emailed customer query, replying in just three minutes, compared to a median response of 12 hours.

Other customer service initiatives at the retailer include all stores being mystery-shopped once a month; interest free credit over 12, 24 or 36 months for retail customers; an introduction service to match customers to trusted fitters in their area; a digital brochure tailored to preferences and taste; and an improved loyalty scheme for trade customers. 🇬🇧



# M&S: Making every encounter count



Image credit: M&amp;S

M&S recently polled 700,000 customers for their opinions

IN ITS 2017 annual report published in June 2017, food-to-clothing retailer Marks & Spencer boldly stated, “Everything we do as a company is filtered through the lens of what we know about our customers and every decision starts with them.”

The statement reflects the strategy introduced a year earlier by chief executive Steve Rowe in an attempt to move the retailer into recovery. Rowe’s take in the report was that 2016/17 had been a year of change. He stated that, “The business has adapted well as we start to build a sustainable foundation for the future. We have laid a lot of the groundwork for our recovery. However, we are not there yet.”

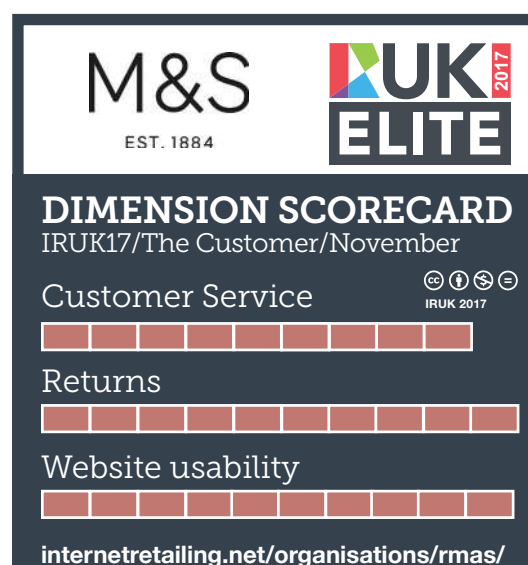
Figures released in July this year showed reason for cautious optimism. Overall group sales for the 13 weeks to 1 July were £2.5bn, 2.7% up on last year, while UK sales of £2.3bn were up 2.6%, yet down by 0.5% on a like-for-like basis (outstripping the effect of store openings and closures). Clothing sales of £852.1m were down 1.2% LFL, while food sales were down by 0.1% LFL but up by 4.5% in

total. Online turned over £184.8m, up 5.8%. What seems clear from these figures is that the retailer is serious about putting customer experience at the heart of what it does. In 2016/17, it carried out 700,000 customer interviews either in person or through online surveys. These provided the company with valuable data about customer habits and satisfaction levels. Research on website usability found that its customers found it easy to navigate and that satisfaction with the site has significantly improved on the previous year.

IRUK’s research ranks M&S highly for customer performance and finds it is unmatched when it comes to the number of channels through which customer support is offered, with a market-leading eight, against an average of five.

Proving just how seriously it takes its customers’ opinions, the company has introduced a number of practical changes as a result of customer feedback. These include rearranging the layout of in-store clothing departments; personalising offers to its 5.6m Sparks members; and improving in-store customer service by putting an additional 3,000 staff into areas where customers said they needed them most.

The retailer also rolled out the ‘Making Every Moment Special’ programme, which has removed non customer-facing tasks from floor staff to give them more time to deal with individual customer needs. 🇬🇧





# Currys PC World: prioritising the customer

Stuart Ramage, ecommerce director at Dixons Carphone, tells **Dominique Hammond** why it pays to listen and respond



IN A WORLD where electronic and digital devices are increasingly central to our lives, it's perhaps unsurprising that a leading retailer in this field should be doing rather nicely right now. Despite challenging economic conditions overall and a stalling mobile phone market, results from Dixons Carphone – whose brands include Currys, PC World and Carphone Warehouse – suggest that economic uncertainty is doing little to dent the buying public's love affair with electronic goods.

In its 2016/17 annual report, the company – whose brands cover the spectrum of electrical goods from white goods to computing to mobile phones – reported record pre-tax profits of £501m, up 10% on the previous year. This success has come on the back of a strategy to close large numbers of stores (80 shut during the year) and move the business mostly online, while updating remaining stores into three-in-one digitally enabled hubs that house all three brands in one location.

At the time, group chief executive Sebastian James said the work done to future-proof the

retailer was paying off. He singled out the positive effects of digital investment, strong leadership and improvement to cost base, but also flagged up the importance of customer experience and the company's focus on customer satisfaction in keeping the picture rosy.

"Above all, the enormous shift in customer satisfaction and price competitiveness that we have driven leaves us well-positioned to flourish in the years ahead," he said. "While the UK consumer environment seems to be holding up for us, there will undoubtedly continue to be changes in the way people buy all of the products that we sell, from phones to washing machines... We are excited about our plans in services and about the myriad of initiatives that will drive long-term relationships with our customers."

The group's focus on keeping their customers happy is borne out by IRUK's latest research that ranked both Currys and PC World highly in The Customer Dimension. The brands (rated separately) performed particularly well in response times for dealing with a customer query and how satisfactorily an issue was resolved. The quality of PC World's customer service when contacted via Facebook was near the top of the ranking, while Currys performed well in the time it took to process refunds.

"We believe our role is to be the customer's trusted guide and navigator for all of their technology needs and our customers expect their shopping experience with us to be seamless," says Stuart Ramage, ecommerce director at Dixons Carphone. "They also expect nothing less than top-rate customer service whatever their questions or problems. Offering a seamless experience if and when they want to cross our channels is also vital and we have an extensive programme of work in that space."



Image credits: Currys PC World

The Dixons Carphone group is closing some stores and updating others as it prepares for the future





The group is working to reduce friction between different channels is it prioritises online sales

A wide range of products, competitively priced, is obviously a base-line expectation for customers but to highlight its strength in this area, the retailer recently introduced a ‘compare prices’ app so that customers can see how prices fare against the competition. Customers are also able to compare collection/delivery options – which include same-day delivery, same-day collection and next-day collection in Currys PC World – against their main competitors. In the UK, the retailer currently makes more than 50,000 deliveries every week.

The retailer goes to great lengths to make sure it is aware of its customers’ priorities, says Ramage. “Our Marketing Insight team conducts extensive customer research to discover what our customers want,” he says. “This, in combination with our web and store surveys helps us stay on top of customer priorities, as well as identifying areas for improvement. We

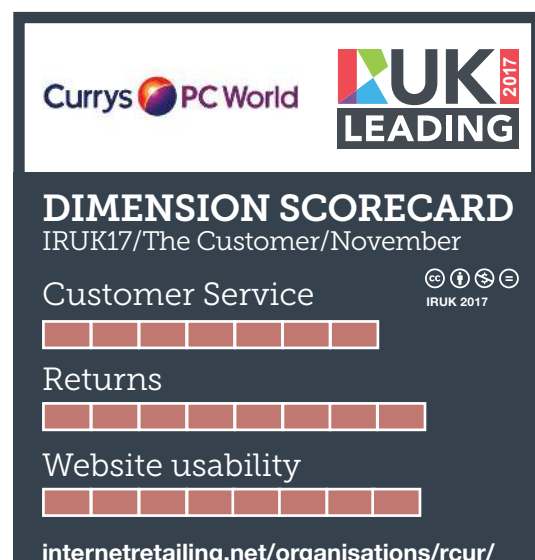


Personalised service, says Stuart Ramage, will only become more important in the future

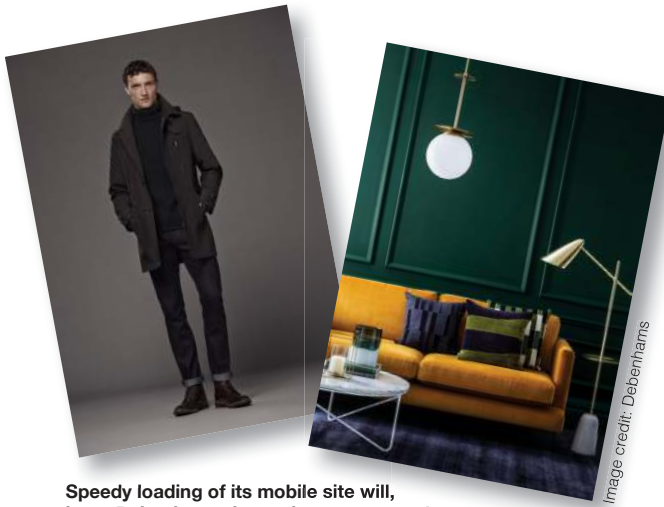
also work on auditing our UX and benchmarking versus market expectations regularly, to keep on top of the market and ensure we’re focusing in the right areas.

“Having been one of the first major sites globally to deliver a responsive mobile-friendly website, we have continually invested in our capability to deliver changes that are customer-centric, none more so than in the area of user experience. Every change we make to the website is validated with customers. From using customer feedback to identify the changes in the first place, to guerrilla testing in the local coffee shop, all the way up to full-blown usability testing with members of the public.”

And what of the future? “We don’t see customers being any less demanding any time soon,” says Ramage. “We believe that delivering a more personalised experience for our customers will become a necessity, along with increasing the convenience with which they can shop with us. That might mean increasing the ways to pay or increasing their delivery and collection options. Another trend we see is the need to seamlessly transfer customer journeys from a digital world into a store environment, allowing customers to easily switch between the two, supported by our store colleagues, and really leveraging the power of our fantastic supply chain and store estate.” 🇬🇧



# Debenhams: reaching the mobile customer



Speedy loading of its mobile site will, hope Debenhams, keep shoppers shopping

IT WAS ONLY in April this year that the Debenhams website was judged by digital performance intelligence company Catchpoint to be slow, too old-fashioned, and featuring way too many items per page. Since then, the department store has wasted no time in redeveloping its offering in an attempt to catch up with customer expectations and reinvent itself as a customer-led business of the digital age.

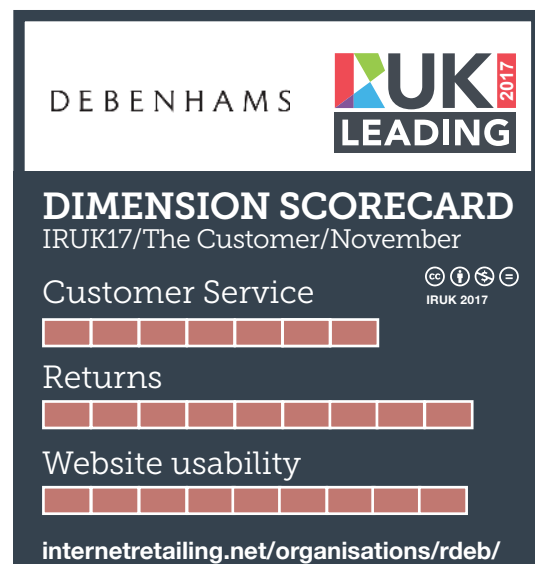
In October, it launched its new mobile site, based around progressive web app technology which provides a streamlined, app-like shopping experience without the need to download an app, allowing customers to browse twice as fast as before. "We know customers get frustrated by a slow site, even more so on mobile, with as many as 70% admitting they would leave a site if it loaded slowly," said Ross Clemmow, Managing Director of Retail, Digital, Food & Events. "The new site will transform our customer's experience of shopping with Debenhams on their mobiles."

The development is part of the ongoing 'Debenhams Redesigned' strategy, which aims to reinvent the department store as a multichannel retailer fit for the 21st century, with mobile at its heart. The retailer's latest annual report showed sales of £2.3bn to September 2017, 1.1% up on last year. Pre-tax profits were £95.2m before

one-off costs. However, costs of £36.2m related to the strategic review meant that after costs, profits were down 42% on the previous year. Digital sales, however, were up 12.7%, with mobile accounting for 55% of online orders.

Other changes introduced as a result of the strategy have been determinedly customer-focused: 2,000 staff have been moved into customer-facing roles in stores, with a new mission to make shopping "confidence boosting, sociable and fun". Customer service measures are now part of performance indicators and already, the company says it is seeing "significant progress in net promoter scores".

Other plans afoot include building a new 'in-home' sales channel through its Beauty Club customer base, which it sees as an opportunity to build an even closer relationship with customers. It is also trialling a new customer shopping experience through two new stores that are acting as test labs for new ideas. Those ideas include choosing in-store stock in line with online demand in the catchment area. This has worked particularly well, it says, in its womenswear and home departments. New approaches to layout and merchandising are also being tested. 🇬🇧



# Boots: knowledge is power

BOOTS HAS SOME 15.5m active Advantage card holders providing the company with a wealth of information on its customers' shopping habits, preferences and health and beauty needs and enabling it to target its customer service accordingly. In a speech at IRUK's 2016 conference in November, Robin Philips, Omnichannel and Development Director at the health and beauty retailer, spoke about how the company is using this information to develop a single view of the customer.

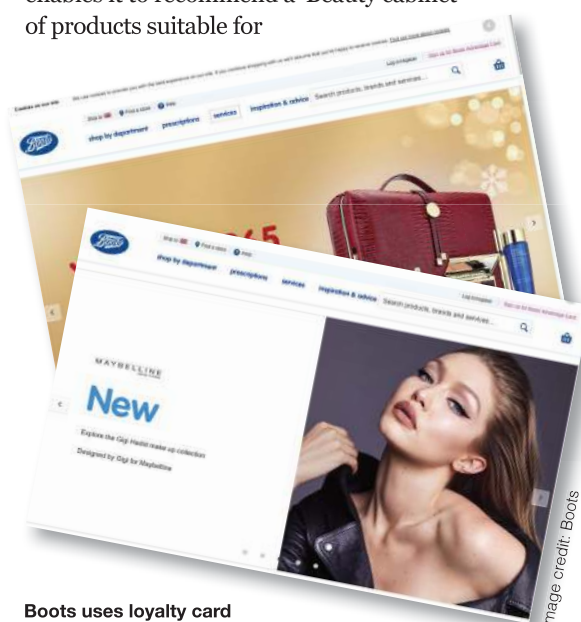
It is now four years into that five-year journey, using 100m records from sources including the optician and pharmacy businesses, appointments booking system and its website, Boots.com, as well as the Advantage card. The aim is to get to the point where it will be able to predict a customer's future needs and behaviours and be on-hand to offer the right solution at the right moment.

While there are still another 12 months to go in the process, the company is already invested in targeted news and offers for its Advantage card holders. There is also plenty of targeted content on Boots.com, which receives approximately 20m visits each month. Once such service is the 'Beautiful you' skintype questionnaire, which enables it to recommend a 'Beauty cabinet' of products suitable for

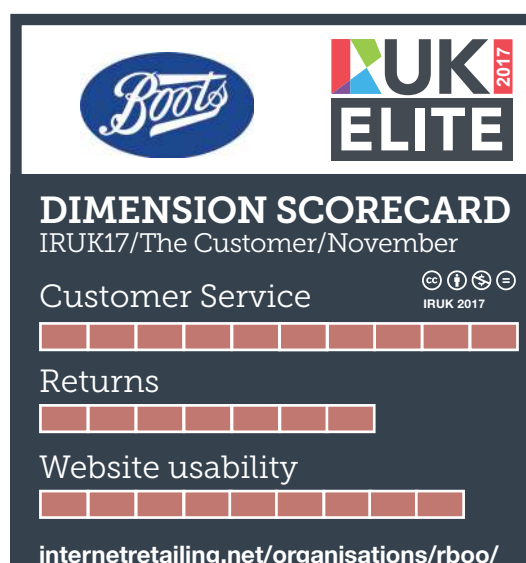
each individual. Other health and beauty advice is delivered via the BootsWebMD, which provides medical information, the *Health and Beauty* magazine and the 'health coach' app, designed to help people stick to fitness or well-being regimes, based on an in-store consultation.

The website and mobile app offers an 'order and collect' service, which allows customers to order from a range of over 35,000 products by 8pm and collect from noon the following day from 95% of their stores. It can also be used to book pharmacy or beauty services appointments. Shop floor staff are provided with a tablet-based app that allows them to respond on-the-spot to customer enquiries by looking up stock or ordering items for next day collection, or by checking ratings, reviews and product information.

No surprise then, that Boots performed so well in our latest research, which ranked it highly in The Customer Dimension. The company achieved a maximum score for its response to an email enquiry, which it answered in 96 minutes, and to a Facebook enquiry, which it answered in 4h 18m. It engaged with customers thorough seven service channels and ranked highly for its response to a customer phone call, which it dealt with in six minutes. 🇬🇧



Boots uses loyalty card data to offer targeted services



# 12 approaches to customer-centric retailing

Designing retail services from the customer's point of view makes it more likely that shoppers will buy once, then return in the future. **Chloe Rigby** shares some practical approaches from Top500 retailers

## 1 Use new technology to improve the customer experience

Chatbots came into their own during the course of 2017, as more retailers used them to talk to customers. The machine learning-based technology enables traders to serve their customers out of staff hours – when many shoppers are looking to buy – and to handle routine enquiries, leaving staff free to handle more complicated issues.

Very, part of the Shop Direct Group, claimed first mover position when it unveiled the Very Assistant a year ago. This chatbot, developed in-house at Shop Direct, sits within the Very app to respond to customers' enquiries about orders, delivery and payment.

More recently The Entertainer, a Top150 retailer in IRUK Top500 research, teamed up with the Hong Kong office of Red Ant to add Santa Chat to its website for Christmas 2017. Shoppers of all ages can have a live chat with The Entertainer mascot Jack, decked out as Santa, about the toys and games they might give this Christmas. They can also share a Christmas joke, ask Santa a question or even get some tips for Christmas dinner.

Santa Chat starts by asking two profiling questions about age and price range, then uses natural language processing to answer incoming questions using the most relevant response from a fixed database of questions. Human helpers also help train the response. Rob Wood, head of online and digital at The Entertainer, said: "We wanted something that was fun, relevant and genuinely useful, and Santa Chat is all three. It also paves the way for future connected retail initiatives."

## 2 Get to know your customers

Retailers that want to meet their shoppers' needs are going to great lengths to learn more about how they can do that.

Sainsbury's aims to gain a better understanding of its customers through its recently-launched Living Well Index. It questioned 8,000 people for the index, which covers ground from health and the home, to finances and work. Its findings, explored further in the strategic overview, are set to influence the supermarket's strategy in its mission to serve customers wherever, whenever and however they want to shop. "The results of this," said Sainsbury's, "combined with our customer data, will influence some of the choices we make around how we best serve our colleagues, customers and communities in the future."

Halfords too is setting out to learn about its shoppers. It questions 10,000 customers a week in its Give us a steer survey. The aim, said Halfords in half-year results to 29 September 2017, is to give "a more complete view of our customers, so we can become more relevant in their lives".



Image credit: The Entertainer

Shoppers of all ages can ask chatbot Santa their Christmas questions on The Entertainer website



### 3 Join up the data

New insights into customer behaviour, from how customers buy, to what they have bought to what they might want to buy in future, are powered by data. By gaining a single view of the customer, retailers are able to give them the most relevant deals and offers. By adding a single view of stock to that, they are able to show customers the item that will reach them most quickly. House of Fraser recently outlined how it was using a data visualisation approach based on MicroStrategy 10 to understand data from disparate sources including the Internet of Things. “By visualising data from IoT and other sources, we can optimise these dimensions, improve the customer journey and ultimately drive growth,” said Julian Burnett, CIO and executive director of the department store.

However, as the date approaches for GDPR legislation to come into force in the UK in spring 2018, retailers will need to ensure that they have explicit permission from each customer to use their information.

### 4 Show the customer the most relevant items

Joined-up data enables personalisation, as retailers look to show shoppers the most relevant items on their website, or to flag them up in marketing emails.

But what financial difference does such an approach make to the business? Fashion retailer Next recently set out some of the benefits from its work on personalisation, in half-year results to July 2017. It said that 40% of its customers at that point saw home pages tailored to their broad areas of interest – and that results had been encouraging, with “those customers viewing personalised home pages increasing their sales by about 1%”. It had also had success promoting other items that customers might like at the point when they see a selected item. Other related functionality includes allowing customers to see their shopping bags across devices and saving abandoned baskets on site, promoting them via email and social media. However, it said there was much more to do: “Over the next 18 months we plan to deliver progressively more comprehensive segmentation of our customer base and increase the variety of website experiences depending on customer profile.”



Image credit: Amazon

Customers can update their order with a spoken comment using voice assistants such as Amazon Echo

### 5 Enable shoppers to speak their orders

Shoppers are now getting used to the idea of ordering by voice, using assistant devices such as Amazon’s Alexa and Google Home.

Amazon has pioneered the use of voice ordering and is fast-expanding Alexa’s capabilities. When Amazon unveiled 2017 third-quarter results in October, founder and chief executive Jeff Bezos outlined new functionalities, including integration with BMW. That shoppers are enthusiastic about this approach is clear. Bezos said: “Customers have purchased tens of millions of Alexa-enabled devices, given Echo devices over 100,000 five-star reviews, and active customers are up more than five times since the same time last year.”

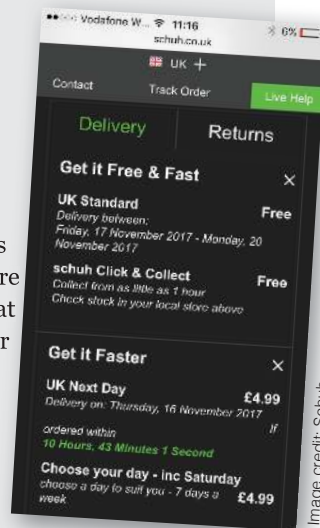
Other retailers have also enabled voice ordering. Tesco has teamed up with Google Home to enable users to add things to their Tesco basket using voice, while Ocado has its own app for Amazon Alexa. Lawrence Hene, marketing and commercial director at Ocado, said at the time of the app’s launch: “Grocery shopping should be quick, easy and convenient. Using voice technology, we’ve made it even easier by developing our new app that will enable our customers to add to their Ocado baskets without lifting a finger. Consumer demand for increasingly convenient ways to shop is growing rapidly and we’re excited to be the first UK supermarket to offer this, making customers’ lives ever easier.”

## 6 Customer-centric logistics

A single view of stock powers logistics that are fast becoming more convenient for the customer.

Shoe retailer Schuh uses its single view of stock to show shoppers whether the item they're looking at is available at their local store in their size, can be picked up through fast click and collect, or how quickly it will arrive by post or at a local pick-up point. It also offers long return periods, with shoppers having up to a year to return their unworn, unwanted shoes in a move that must inspire trust in shoppers when they are considering where to buy.

Luxury retailer Burberry set out in its 2016-17 annual report how it expanded its single pool of inventory programme during the year. This, it said, "allows us to fulfil customer orders from stock in both hubs and stores and underpins improvements such as quicker delivery times, improved delivery information for shoppers buying online, as well as a new returns process."



Schuh shoppers can see when an item will be delivered

## 7 Encourage loyalty

Loyal customers are more likely to buy, and never more so than when they've already paid for unlimited delivery. Amazon Prime introduced the concept of a subscription membership scheme whose benefits include free next-day delivery. Now retailers from groceries to fashion, from Ocado and Tesco through to Next and Asos, offer paid-for subscriptions. Benefits of these clubs typically include early access to sales and special discounts as well.

Game Digital, however, has taken its own gamified approach to the loyalty card. Its long-standing Game Reward loyalty scheme, has been operating for 20 years and in its latest financial year, 4.5m Game Reward members shopped with the retailer, with 65% of transactions linked to the loyalty scheme in the UK and 78% in Spain.

In May, Game added an upgrade with the launch of Game Elite, a subscription-based membership scheme for UK customers, which offers higher numbers of points on purchases. So far more than 60,000 memberships have been bought and the retailer says it has "helped recruit new customers and increase frequency and spend of previous loyalty scheme members".

Pets at Home said in full-year results, to 30 March 2017, that building a VIP App had increased the swipe rate of the card to 68% of store revenues, from 64% the previous year.



## 8 Offer customers choice over how to get in touch

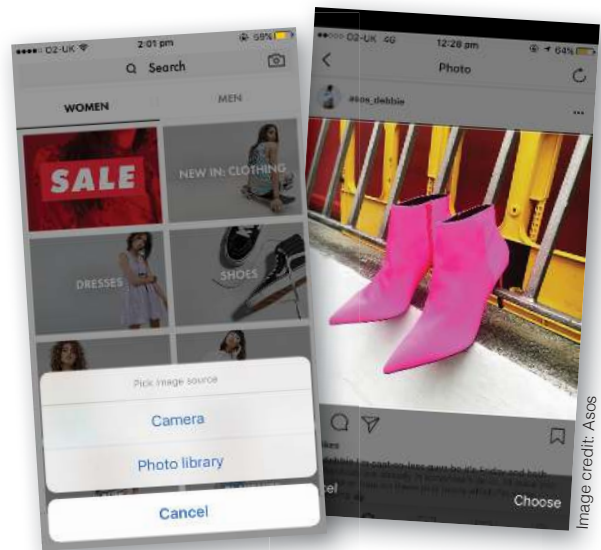
Every customer has their preferred channel for contacting a retailer with a question or complaint or simply engaging with them and today, leading retailers offer a wide variety of channels for them to use. InternetRetailing research shows that Top500 retailers offer a median eight channels, while Top100 traders offer nine.

Facebook, Twitter and the telephone are the most commonly offered channels but, the research suggests, retailers can stand out by offering a channel where few of their competitors do. Only 22% of Top100 retailers offer their customers the chance to engage via Snapchat, while 16% of the Top500 do. Retailers that offer the channels their shoppers want to use should see the benefit.

## 9 Bring ideas to life

The gap between the idea and the reality has proved a common stumbling block for online shoppers over the years.

Retailers have deployed a range of technologies, from virtual wardrobes to room visualisers. Topps Tiles, Ikea and John Lewis are among Top500 retailers that have provided room visualisation functionality. Beauty brand Sephora has also enabled customers using its app to see how make up might look on them using augmented reality Virtual Artist technology from ModiFace.



Asos shoppers can use visual clues to help them search for the items they want

## 10 New ways of searching

Retailers are giving their customers new ways to find the item they're looking for. Rather than relying on words to search, voice-controlled assistants are now processing spoken commands in order to find a retail product, while some traders are enabling image search.

Very offers a camera in its app to enable shoppers to take a picture of an item they'd like to buy and find a match in the fashion retailer's range, while Amazon's app also features image search. When Asos also added visual search to its app, it enabled its customers to narrow down a range of more than 85,000 items. The move recognises the way its customers behave: 80% of Asos' UK traffic is via mobile, as are 70% of its UK orders.

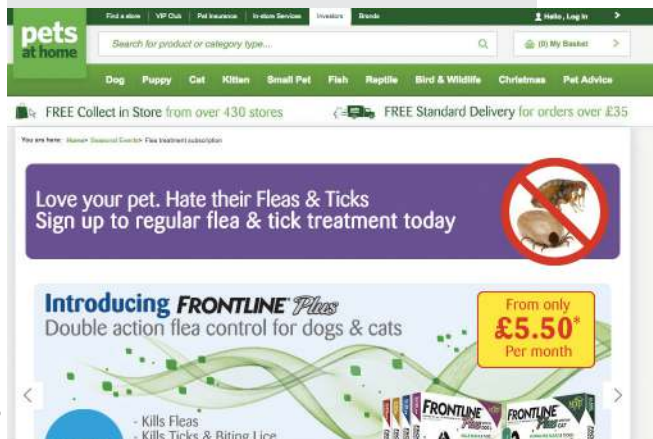
"Inspiration can strike you anywhere and at any time – whether it's a photo in a magazine, scrolling through an Instagram feed or even on a local street corner," said Andy Berks, Asos' digital product director, at the time of the feature's launch. "Now, with just a couple of taps of their mobile device, Asos customers can capture that fleeting moment and instantly search our 85,000 product lines to find the item that's inspired them – or similar – at just the right time."

## 11 Enable the customer to subscribe

Subscription-based services are becoming very popular in the UK. By signing-up, the customer can ensure they always have the item they need at the moment they need it. The retailer can often offer a discount in exchange for the certainty of future sales.

Top50 retailer Pets At Home offers a subscribe-and-save flea treatment for dog and cat owners who are members of its VIP club. “The convenience of this plan has proved very popular with customers,” said the retailer in full-year results, “with subscription sales now representing 16% of our total licensed medicine revenues.” Pets at Home is planning to develop its subscription platform and offer more animal medicines in the future.

Image credit: Pets at Home



**Regular parcels of flea treatment mean pet owners' dogs and cats will never miss a scheduled treatment**

## 12 Track using KPIs

How do you know when it's working? As well as tracking more obvious metrics such as average order value, lifetime customer value and repeat purchases, leading retailers track their customer-centricity specifically using KPIs such as Net Promoter Score and star-ratings from their reviews and providers. Thus, AO.com could announce this year that its UK website had a net promoter score of more than 80 and was rated 9.5 on Trustpilot. 🇬🇧

# Emerging practice

Engaged customers who spend more time in stores tend to spend more too. **Chloe Rigby** reveals the ways retailers are creating experiences

RETAILERS ARE TAKING a fresh look at how they can offer their customers more via their stores. From in-store events to in-store services, traders that give their customers a reason to come into the store rather than simply shop online are seeing a real and positive effect on their overall businesses.

Halfords, for example, showed in recent half-year results that its focus on in-store services was paying off. Some 2m in-store fitting and repair jobs, such as replacing windscreen wipers or fitting new registration plates, took place in its store during the six months to 9 November. Service-related retail revenues grew by 19.3% compared to the same time last year. This is part of an overall strategy to bring shoppers into store and it seems to be working: 85% of Halfords.

com orders were collected in the store during the half, while online sales grew by 10.8% in total and overall retail revenues grew by 1.9% to £511m.

In the group's half-year statement, Halfords chief financial officer and interim chief executive Jonny Mason reflected on the boost given by such services at a time that the wider retail environment is proving challenging. "We have delivered more improvements for customers in this first half," he said, "with new services for motorists and cyclists provided by trained, friendly, expert colleagues and new ranges of great products. It is pleasing to report positive sales growth for this period, despite the poorer summer weather and the uncertainty in the UK economy."

Elite retailer John Lewis, meanwhile, has put the emphasis on in-store experiences in its new Oxford store. A fifth of floorspace at the store is dedicated to services and experiences, rather than purely products. Those services range from eye tests and nail bars to car seat fitting advice and technology training. These are coordinated ►



Image credit : Game Digital

Game's Belong in-store gaming areas are exclusive to loyalty card holders and allow gamers to try out the newest games and consoles



Image credit : John Lewis

**John Lewis's Oxford store takes inspiration from high-end hotels to offer a concierge service to help customers**

centrally through a central experience desk, run by a brand experience manager, where staff offer a hotel-style concierge service to help customers plan their day, book them into a workshop, match them with a style or home design adviser, or find them a table in the rooftop restaurant. Staff have been specially trained in voice and body language skills by the Oxford Playhouse and there are further parallels with the luxury hotel experience in the tours of the store that staff now offer.

At the time of the launch, Paula Nickolds, managing director of John Lewis, said: "As part of our plans to differentiate the John Lewis brand and to reinvest in the department store for the 21st century, our shops continue to be a place where customers come and experience our brand – the physical manifestation of what we stand for. More than a route to selling things, our Oxford shop is a place that aims to inspire and delight our customers and is entirely focused on customer experience."

### The role of events

Gaming retailer Game Digital has focused keenly on the in-store experience, opening its first Belong in-store gaming arenas. Access to the arenas is exclusive to Game reward card holders, who use them to test the latest games and gaming technology, from the Xbox One X to virtual reality, as well as to play against others. In its latest financial results, for the half-year to 28 January, chief executive Martyn Gibbs said the retailer would accelerate its investment in the live in-store gaming arena following "encouraging results" shown by the first seven. By the time of writing, Game had 18 Belong arenas, which are also now available for private hire, from birthday parties to corporate events.

Recent Barclaycard research suggests that staging events in stores has a very real effect on income. It says that they answer customers' desires for more engaging high street experiences and that people who attend them spend more. It questioned 2,002 shoppers and found a marked enthusiasm for in-store events among younger shoppers. In the 18 to 24-year-old range, 15% say that in-store events after hours would encourage them to choose one retailer over another. At the same time, its analysis found that UK retailers who stage in-store events and experiences have seen their annual turnover increase by, on average, 14% this year. Barclaycard has seen consumer spending on entertainment grow by 10.5% during the year, compared to last year.

Barclaycard questioned 251 senior retail decision-makers in September 2017 and found that more than a third (36%) of retailers now host in-store events such as classes, courses and exclusive sales previews, and that 19% plan to start doing so in the next three years.

"Retailers who take advantage of the opportunities in the experience economy can really reap the rewards," said George Allardice, head of strategy at Barclaycard Payment Solutions. "Our research has found that shoppers increasingly want to stay in stores for longer, rather than head home with their purchases." 🌈



# Case study: Going for a bike ride with Evans Cycles

Evans Cycles is tapping into a renewed customer appetite for in-store events that is helping retailers bring new energy into their stores during the online era

THE BIKE RETAILER Evans Cycles, a Top100 retailer in IRUK Top500 research, has a growing chain of stores around the UK. But, says James Backhouse, marketing director at Evans Cycles, it is keen to retain the local feel within those stores and bike rides have helped in that. While Evans Cycles stages large sporting events based in dedicated event venues, it was also keen to get back to events at store level. “With 62 stores now, we have a tension as we get bigger between being your local bike shop and being a big national chain. We want to make it clear we’re still your local bike shop staffed by and large by people who love cycling. We want to be able to connect with our customers, to go for a ride with them and to engage with them in a way that’s not just about selling them the next bit of stuff.”

The retailer started by trialling bike rides in 2016 and has now found a format that works. Cyclists pay to book a place on a ride, which is promoted in-store and via email to customers who are local to the store. They meet at the store before starting out on a waymarked trail of between 20 and 30 miles, led by Evans’ central events team. After they finish, they can return to the store for post-ride refreshments and to meet like-minded cyclists. A mechanic is on hand to deal with any bike issues and participants receive a £5 voucher they can spend in store.

As Evans has expanded the programme this year, it’s seen twice as many people as it hoped for take part in these rides. Participants are from a new audience too: 30% of those taking part in its rides had never been on an organised ride before, while 25% were women – higher than the typical 15% female participation of its more sporting events. Some 96% of those who take part say they’d recommend it to a friend.

“We haven’t hired new people to be able to do this as we’re using the people we’ve got,” says Backhouse. “We’re chuffed we’ve managed to make this work. It’s scalable, it’s expanded across multiple stores and we have seen lots of traction and feedback. I think if we were to pat ourselves on the back for one thing, it’s a victory for determination and never giving up. Trying, knowing the idea is a good one but continuing to try different ways of approaching a problem until we get to the right answer.” 🇧🇪



Image credit : Evans Cycles

Each 20-30 mile route follows a waymarked trail and has the support of an Evans cycle mechanic

# On the millennial frequency

**Martin Shaw**, InternetRetailing head of research, on a collaboration with Hitwise to explore which Top100 websites are most visited by millennial customers

AMAZON, EBAY AND Argos are winning the battle for customer attention across age groups. The three websites won 63% of visit share among Top100 websites during September and October 2017. More than 30% of the online population visited each of the three retailer's websites over that time. The popularity of the top websites remained broadly similar from younger to older millennials, according to research carried out in collaboration with consumer intelligence specialist Hitwise (see tables). The study looked at which Top100 retailers, the top fifth of the IRUK Top500 cohort, win a greater share of visits and have a greater reach among two distinct groups: 18 to 24-year-olds, or younger millennials, and 25 to 34-year-olds, or older millennials. The study covered the nine weeks to 28 October – broadly, September and October 2017.

Lisa Luu, manager of innovation and insights at Hitwise, says the study reveals the dominance of Amazon and eBay across the two age groups. Across all age groups, more than seven in 10 people (75%) visited the Amazon website in September and October. Amazon had a 43.6% share of online visits, and a reach of 77.8% among younger millennials (aged 18 to 24). That remained broadly similar among older millennials (aged 25 to 34), where Amazon had a visit share of 43.3% and a reach of 76.1%. Reach measures consumers that a retailer had any contact with, while visit share reveals more interaction such as repeated visits from individual consumers. These figures are given as percentages of the total number of consumers reached by the Top100 and the total number of visits received by the Top100 over the period.

"Interestingly, Selfridges drew higher reach among younger millennials than older. Selfridges is potentially attracting an aspirational audience and looking to grow their loyalty over time"

Lisa Luu, Hitwise

eBay.co.uk followed Amazon with a 14.4% share of visits in the younger millennial age group, and a reach of 62.1%, while among older millennials it had a 15.3% share of visits, and a 61.1% reach. Next-placed Argos had a 3.8% share of visits from younger millennials, with 34.3% having visited its website during the period, and a 3.9% share of visits from older millennials, among whom its reach was 33.3%. The top five was completed by Asos and Apple for both demographic groups, while the top 10 also included John Lewis, Next, Office, Marks & Spencer and eBay's US site, eBay.com for both groups.

These Top10 retailers broadly sell general merchandise including clothing, shoes and homewares. But looking beyond the Top10 to the broader IRUK Top100 retailers, it's also notable that fast-fashion brands have a higher reach among younger millennials. Members of the 18 to 24-year-old group are 31% more likely to visit the Topman site than 25 to 34-year-olds, and 25% more likely to visit the Topshop site. They are also 21% more likely to visit H&M, 31% more likely to visit Foot Asylum, and 37% more likely to visit Moss Bros. "Interestingly," said Luu, "high-end



## Top Five Websites

### 18-24 Year-olds

	Visit share	Reach
Amazon	43.6%	77.8%
eBay	14.4%	62.1%
Argos	3.8%	34.3%
Asos	2.4%	16.1%
Apple	1.9%	15.1%

### 25-34 Year-olds

	Visit share	Reach
Amazon	43.3%	76.1%
eBay	15.3%	61.1%
Argos	3.9%	33.3%
Asos	2.0%	13.4%
Apple	1.8%	13.6%

Visit Share: Share of website visits, out of total visits to IRUK Top100

Reach: The segment proportion that has visited the specified website

Research conducted by IRUK Top500 Knowledge Partner Hitwise


retailer Selfridges also drew higher reach among younger millennials than older (23% more likely). Selfridges is potentially attracting an aspirational audience and looking to grow their loyalty over time.” Young millennial shoppers were also more than 52% more likely to visit Selfridges than the general online population.

Other retailers that are more likely to reach younger millennials than the online population include Wiggle (86% more likely), Topman (66%), Topshop (58%), and Office Shoes (53%). Retailers more likely to reach older millennials than the general online population include Miss Selfridge (30% more likely), Topman and Topshop.com (both 27%), while those more likely to reach older millennials than younger millennials include American Golf (15% more likely), Kaleidoscope and Bathstore.com (both 11% more likely).

The research went on to compare retailers’ share of visits this September and October with the same period last year (the nine weeks to October 29 2016), it found that Cotton Traders was the fastest growing among younger millennials, with its visit share up by 286%, followed by Topps Tiles.co.uk (+145%) and Laura Ashley (+136%). Among older millennials the fastest-growing websites, in terms of visit share, were office.com (+79%), Majestic Wine (+67%) and M&Co (+55%).

Luu points to a rising number of visits from younger millennials to home and garden specialist retailers. Topps Tiles saw its share of visits from 18 to 24-year-olds rise by 145%, Dunelm by 114%, Wickes by 95%, and Screwfix by 89%. Among older millennials, Dunelm saw its share rise by 48% and Screwfix by 43%. But although home and garden retailers share their share of younger millennial visits rise faster than those from older millennials, DIY sites had a higher reach among older millennials. This group was 6% more likely than younger millennials to visit Screwfix and 4% more likely to visit Wickes, Homebase and the B&Q website, diy.com. It seems that shoppers who grew up visiting fashion websites are now happy to research and buy online from homewares websites as their lifestyles change.

That also seems to be the case as older millennials take charge of the grocery shop. Online supermarkets are seeing their share of visits from older millennials rise: Ocado and Waitrose have seen their share of visits from the 25 to 34-year-old age group rise by 45% and 43% respectively.

Over time this research carried out in collaboration with Hitwise will focus on different age groups to find out where the differences, and the similarities, lie between online shoppers of varying ages. We’ll share that with Top500 readers both in our IRUK Top500 reports and online at [www.internetretailing.net/iruk](http://www.internetretailing.net/iruk). 

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# Conclusion

WE'VE BEEN STRUCK in this IRUK Top500 Performance Dimension Report on The Customer by the lengths to which leading retailers are going to ensure they get to know their shoppers. From the wide-ranging research that retailers such as Halfords and Sainsbury's are undertaking to the bike rides that Evans Cycles is organising, this is all about building relationships that are driven by data.

Key to success here is ensuring that data is used effectively. For many, the sheer volume of information that retailers hold that is, as Google's Alastair Sterling says in the strategic overview feature, so challenging to deal with in the short-term, even though there are clearly long-term opportunities in doing so.

It's by focusing that traders will cut through the challenges to the opportunities. That's about ensuring retailers can delve into that data to find relevant information that can make real differences to the way they serve their customers. From there, they can make service changes that reflect how existing and potential future customers want to buy and to engage.

Getting that right will no doubt be key to success in the future. For while data is proving challenging, data-driven retail also promises enormous opportunities. One example lies in forthcoming GDPR legislation that is set to change the way retailers collect and use data. Many see this as a challenge but here too there are opportunities. For when traders are communicating only with those customers who have openly welcomed the contact and understand what use their information will be put to, those customers are much more likely to be open to the messages and communications that they receive – and to move from there to make a purchase. Once again, it all comes back to focus. It's the retailers who get these details right in the short-term that are set to benefit in the longer-term.

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