

The Customer:
November 2015



A Performance Dimension Report as part of IRUK2015
InternetRetailing's Top500 UK Retailers, 2015

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THE CUSTOMER HAS our full attention in this latest IRUK 500 Performance Dimension Report. In this, we're in tune with the retail zeitgeist as more and more traders are clear in stating that the customer should always come first – to the extent that businesses need to be built around this idea.

But is there a gap between retailers' good intentions and what's actually being achieved here? Customers, after all, don't judge retailers on what companies are trying to do, customers just want great service.

Accordingly, in our research work for The Customer Dimension, we've largely focused on measuring retailers by what they do. We've assessed – and we continue to assess – whether site speed meets customers' expectations. We've measured how efficiently customer service operatives respond to shoppers' questions and concerns.

Our findings so far are largely encouraging. We've found some remarkable individual performances and, on the whole, we've found the performance of IRUK 500 retailers meets or exceeds expectations. However, it's worth noting that some retailers are even now performing well below the standard required.

This is crucial because the new emphasis within the industry on customer-centred retail isn't going to go away. Instead, as digitally driven cross-channel retail becomes embedded, the new normal, customers will expect to be served in ways that suit them. Retailers that fail to meet the required standards will not survive in a world where customers have almost infinite choice.

Going forward, we will continue to monitor and assess the customer service offered by top retailers, adding new measurements as customer behaviour changes, and as new technologies and channels emerge. Integral to our research will be to see whether retailers effectively scale customer service and customer experience initiatives. These assessments will be objective, based on original work and hard data, but we will also seek to present our research in the context of wider developments within the retail sector.

We would particularly welcome the input of industry professionals here. What are the measures that you most value in assessing customer experience and customer service? What new developments will be important here? Are there interlopers ready to shake up the established order here? Please do get in touch with your ideas and thoughts as we turn our attention towards 2016.

Ian Jindal
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Editors' comment

WHEN RETAILERS BUILD businesses around their customers' wants and needs, traders find that new priorities begin to emerge. It becomes important to find out both what customers expect, and how customers behave when they shop. Thinking about consumers in this way means that traders start to meet expectations of speed and efficiency, delivering response times across all areas of customer service that not only keep existing consumers loyal but impress new and potential shoppers.

In this IRUK 500 Dimension Report about The Customer, we've kept our focus sharply on the customer, mapping how leading retailers currently understand and serve shoppers, as well as how service is adapting and changing in response to buyers' behaviour. The influences of new technologies, new kinds of retail services and wider social changes all play in here.

We've measured and mapped performance in both site speed and customer service, coming up with a definitive assessment of the leading UK retailers in this area of retail craft. Turn to page 12 for senior researcher Martin Shaw's take on our methodology and our findings. In the first section of the report, we also offer a strategic overview of our findings (page 8), distilling what we've learnt might mean for the industry.

The middle section of the report is devoted to practical retail craft. In our case studies (page 18), we look at the methods employed by Schuh, Burberry, Ebuyer and Moss Bros. We also speak with Richard Weaver, ecommerce director at Majestic Wine, about how the company is putting communications and service at the forefront of its efforts to develop individual relationships with its customers. On page 24, we outline 12 practical approaches that companies are employing to create innovative retail experiences and improve service levels.

In the final section, we look ahead, with Mike Petrook, director of corporate affairs at The Institute of Customer Service, offering his vision of the place of social media in the retail landscape, and of how new kinds of customer-centred business models will spring up in the near future (page 29). Plus in our breaking new ground feature (page 32), we explore exactly why it's so important that retailers reply promptly to customer enquiries.

We'd like to thank all our Knowledge Partners in this Dimension Report. We welcome your thoughts on new areas of research as we add to our primary data and analysis. Please email: jonathan@internetretailing.net and chloe@internetretailing.net

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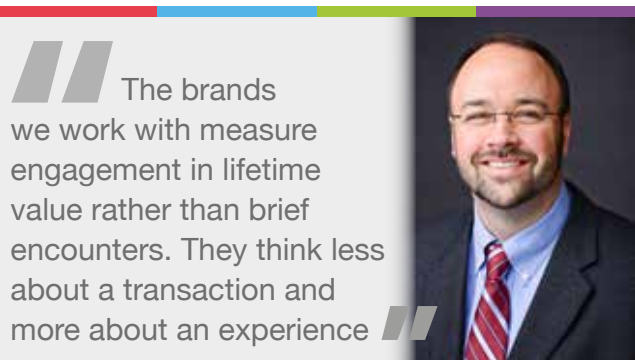
Long-term thinking

Brad LaRock, vice president of client marketing services at Digital River, explains how the company helps brands build lifetime relationships with customers

FOR MORE THAN a decade, Digital River's marketForce digital agency has concentrated on using advanced analytics to help our clients – primarily brands selling direct – understand how online shoppers like to buy. We then take what we've learned to build an ideal consumer shopping experience – one that will generate the most conversions and sales – as well as predict which online marketing and sales approaches will generate the most traffic.

Along the way, we've made some interesting discoveries. While we've found that some online shoppers are always interested in the promotional deals, and membership programmes that large retailers run, we've also found a base of shoppers who prefer to buy directly from brands. These are the premium buyers who prefer to build relationships with the names they trust. Rather than shopping for discounts, this group is looking for a better understanding of their favourite brands. That can mean faster access to new product launches; the chance to shape products through research and development programmes; and the opportunity to make their purchases from a wider selection of products, or from private stores.

These are shoppers buying for value, and not necessarily for price. It's an important distinction. HTC, a mobile phone brand, met this demand by designing a value-added service that went the extra mile to surprise and delight customers. Shoppers who buy direct from HTC do so with the benefit of its 'Uh-oh' protection policy. This means that if they break their phone, drop it in water, or even if they simply want to switch telecoms provider, they are entitled to a one-time free replacement of their handset. We have found that great programs like this produce deep loyalty and provide ongoing opportunities for two-way conversations. It's these conversations that help brands develop long-term customer relationships, measuring engagement in lifetime value rather than brief encounters.



As we look to the future, we continue to look for ways to refine our approach to advanced analytics. The more we understand about customer behaviour, the better we can predict what shoppers need – or in some cases don't need. For example, with the help of analytics we're starting to predict which website visitors value live chat – and which ones don't. That means we can save our clients the expense of offering the service where it's not wanted and provide a service to end users who are looking for an incremental engagement to help them with any additional questions before they close their purchase.

It's easy to get lost in metrics and lose sight of how important the customers' online shopping experience is. But by gaining a deeper understanding of the user's experience, brands and retailers alike can gain deeper insights into what's happening on their ecommerce stores and make meaningful improvements to the way they sell. ●

About Digital River



Digital River is a leading global provider of Commerce-as-a-Service solutions. Companies of all sizes rely on Digital River's multi-tenant, SaaS commerce, payments and marketing services to manage and grow their online businesses.

www.digitalriver.com

Make it personal, at scale

Jamie Merrick, director of industry insights for Demandware, outlines what retailers need to do to meet increasing customer expectations in the digital age

DESIGNING AND THEN implementing great experiences tailored to individual customers is always going to be tough, but if retailers keep a trio of issues at the forefront of company thinking it will be much easier to make progress. First and foremost, traders need to make the time to innovate in ways that serve the customer better, but that can be easier said than done.

In particular, retailers too often get fixated on technology as an end in itself. Yet retailers' core competency is within, well, retail itself. Retailers should work with partners whose technology allows them to focus more on the customer experience than underlying systems.

DATA AND PERSONALISED EXPERIENCES

That's not to say technology and the use of data don't have a role here. But forget about big data for a moment. One of my colleagues is fond of saying that most retailers have actually got a *small* data problem: you get lots of data from people who very seldom come to your business to buy – unless you're talking about a supermarket where customers need items on a regular basis.

Nevertheless, it's important to use the data you do have to create experiences for customers based on what they want rather than what they're not interested in. Don't ever treat customers as 'average'.

This doesn't just mean recommendations of products. When a consumer phones customer service, for example, it's about quickly recognising that customer, not in a way that's obtrusive, but in a way that gives you a perception of that customer at that time – and what they probably like and what they probably don't like. It's good old-fashioned service, but we're able to do it now at scale because of digital technologies.

// Don't ever treat customers as 'average' //



JOINED-UP RETAIL IS THE NEW NORMAL

Finally, retailers need to remember that the era when you bought something from a store, and you then took it back to that same store if there was a problem, is over. Customers now expect to be able to buy an item online and take it back to the store, or buy it in the store and send it back by post. Customers know this is technically possible, whether a retailer is keeping pace with this world or not.

If that's the new normal, where consumers are in control of how they shop, then retailers need to respond, and the only way you can do that is by use of cloud-based technology. The old way of doing things where retailers have a bunch of disparate technologies glued together just doesn't provide the necessary scalability or flexibility. Retailers also need to consider elastic demand – you're going to have peaks on days such as Black Friday, you're going to have troughs – and cloud-based technology also helps to deal with this. ●

About Demandware



Demandware empowers retailers to engage and inspire consumers everywhere, enhance brand value and grow profitably. www.demandware.com

Beyond the basics

The elements that make up a good customer experience are easy to identify, but implementation can be tough to get right. **Jonathan Wright** considers how the discipline of user experience is evolving in a cross-channel world.

THE ELEMENTS THAT go to make up a good, or better still great, customer experience are easy to identify when it comes to digital commerce. To quote Sarah Roberts, user experience director with agency expartners. “From what we see and from talking to different kinds of customers, the basic needs are more or less the same: ‘I want to find something, I want to put it in my basket, I want to buy it and I want to get it home.’”

To that, we might add that, as customers, we want retailers to answer enquiries and deal with complaints promptly and politely. That’s why, when we compiled our initial research into The Customer Performance Dimension, we measured site engineering and site responsiveness, and responsiveness to enquiries via phone, email and Twitter.

Stepping out into the real world introduces further variables – ease and cost of parking, the variety of coffee shops and restaurants in an area, and so on – but in truth the fundamentals of providing a great customer experience cut across different channels. To quote the headline we wrote when we published the first results of our ongoing research, “speed, responsiveness and communication” will always be key.

Great, customer experience sorted then – and in one key respect it’s heartening to report there’s truth in this statement. As our senior researcher Martin Shaw notes in his analysing the numbers feature (page 12), IRUK 500 retailers generally score highly when it comes to page-load times for desktop sites. Leading the pack, we found that Elite retailer Schuh was close to flawless in site performance and site responsiveness. It’s worth adding that, with web technology maturing and costs of development coming down, smaller companies too are able to build superb sites.



MIND THE GAP

Look beyond this important but rather narrow definition of what makes for a great customer experience, though, and it’s less clear that retailers are always doing well. Even within the realm of site performance, Shaw notes that mobile sites are far slower to load. How do we explain this?

One answer is that mobile is a newer channel. While the initial dotcom boom was a turn-of-the-millennium phenomenon, the first-generation iPhone didn’t launch until 2007. Retailers clearly understand the importance of mobile, even if it too often took changes in customer behaviour to alert them, but these retailers have had less time to refine mobile sites and the technology is less mature. It’s an example of how the gap between intention and execution, between overarching theory and the nitty-gritty application of retail craft, can be huge.



So how can retailers close this gap? More pertinently, how can retailers close this gap at the same time as negotiating the move to an omnichannel world, where customers don't just expect a great experience in one channel but across different – and seamlessly linked – channels?

That's a question that it's impossible to answer solely from what we might call a narrow user experience perspective, through measuring and observing online behaviour. This in itself perhaps explains why, although the terminology is rather blurry here, the discipline of user experience, rooted in the digital world, appears to be merging with that of customer service design, traditionally more associated with behaviour out in the messy world of the high street.

BUILD AROUND THE CUSTOMER

Whatever terminology we use, one thing is certain: efforts to improve customer experience and service need to be constructed around, well, the customer. This may initially seem confusingly self-referential, but it's important because it's an idea that forces retailers to look at the overall experience across channels. It also forces retailers to ask such deceptively simple questions as that posed by Sarah Roberts when she suggests that customer service (as opposed to customer experience) is becoming a key point of differentiation: "What does customer service mean to a customer?"



It turns out the only way to find out is to ask customers and to analyse their behaviour not just on the website, but across channels. Ask Roberts whether companies need to focus on, say, technology or company culture when it comes to improving customer experience and customer service, and her answer is unequivocal.

“We always say it has to start with the customer – *always*,” she says. “Meeting the needs and expectations of the customer is what should influence business transformation. Tech comes last really.”

Such analysis can produce surprising results. Often, there are pain points around aspects of customer experience and customer service that retailers don’t know about. It may be, for example, that a retailer isn’t offering delivery options that suit the consumer. This apparently simple insight, says Roberts, can have huge knock-on effects on the way the retailer does business.

“We go back and challenge that, say, ‘This is one of your best customers’ pain points, they’re not getting the type of delivery at the times that they want it, so what is the shift within your business and what is the cost to you as a business to enable that to happen?’” she says.

“When they’ve looked inwardly and worked that out, they’ve actually found solutions, saying, ‘You know, the pay off is not so bad, we need to do this.’ That has influenced change within the organisation that is deep, deep behind the scenes of what you see on the website.”

IMPROVING CUSTOMER SERVICE

If this sounds expensive, it’s important to realise that many of the changes companies can make don’t need to cost a fortune. To move to the part of our research around responsiveness to enquiries, human beings hate to wait. The advent of digital technologies seems to have made us even less patient: if we can send an email or tweet that reaches a respondent instantly, why should we have to wait a day for a reply? Despite this, many retailers are still slow to get back to customers.

More subtly in terms of cost issues, when we speak about customer service and customer experience, we’re not equating this with somehow doing all that can be

Lidl takes the customer experience in its stores extremely seriously



done, as a true luxury retailer might for its most valued customers. Actually, shoppers are pretty savvy about what constitutes an appropriate level of customer service, but they do expect experience and service levels that seem to tally with to what they’re paying – and preferably slightly better than they might expect.

Turning again to the retailers that performed well in The Customer Dimension, yes, it includes Burberry within the Elite group, but the four retailers that make up the Leading group here, Ebuyer, Majestic Wine, Moss Bros and Morrisons, are hardly luxury brands. Rather, they’re retailers that have got some of the basics of customer service and the customer experience right.

Indeed, customer service may matter even more when margins are tight. Sarah Roberts has done a lot of work with retailers that sell discounted goods, where competitors are able to offer customers many of the same kinds of deals. In this sector, she says, a well-chosen service initiative can help a retailer stand out from the crowd. “[It] could be anything from free delivery to packaging the product up in a really beautiful way and sending the product out within 24 hours,” she says.

LESSONS FROM THE DISCOUNTERS

The rise of the discount supermarkets within the UK also has much to tell us here. It’s a story that’s about more than household budgets becoming tightly stretched in the wake of the global financial crisis. In particular, keen prices don’t entirely explain why middle-class shoppers, who can clearly afford to go elsewhere, have started using Aldi and Lidl.

One reason they're being drawn in is because of the customer experience. Yes, the selection of items on sale may be narrower than in the big four, although the discounters are careful to sell 'luxury' items too, but it's perfectly possible to buy a basic weekly shop of staples – items such as cans of tomatoes, main course ingredients, dishwasher tablets and pasta – quickly and easily.

Indeed, it may be that customers who are time poor are coming to relish not having to choose between a dozen sorts of ketchup. At Lidl, the sweets aisle is first, meaning children don't pester parents late on in the shopping process when everyone is tired. The service at the till is polite and efficient. Store locations are carefully chosen so it's easy to park.

In short, the German supermarkets aren't just pile-it-high-and-sell-it-cheap retailers, the customer experience has been carefully calibrated. The big four supermarkets, which have struggled in recent years, should perhaps be relieved that, as yet at least, the discounters' business model doesn't work in the online world, although recently it's been reported that Lidl is planning to sell wine online to UK customers.

The discounters also offer another lesson that's always worth revisiting: things change within retail. Ten years ago, when Tesco was in its absolute pomp, it appeared as if nothing could stop the company. Today, it's closing shops and mothballing superstores that never even opened. Whatever the wider reasons for its relative decline – and it's worth remembering it's still a company with a turnover of more than £60 billion – changes in customer behaviour have been a big factor.

There will always be room for retailers that, as the discounters have done, work out how to challenge incumbents. Imaginative approaches to the customer experience will often be key to such retailers' strategies – provided, that is, the retailers remember to ask what kinds of experiences and services customers want.

Enthusiasm, advises Sarah Roberts, needs to be tempered by realism and an attention to the bottom line: "Clients sometimes come to us and talk about innovation in terms of, 'We want something that's whizzy and wonderful,' and that's all great, but you don't [go to the] design [stage] unless there is a *customer need* for it." ●

Website design and the real world

As user experience and customer service design increasingly merge, interesting new approaches to cross-channel retail are beginning to form. Part of the process at cpartners, says Sarah Roberts, is to observe customers within cross-channel retailers' real-world stores, even if the company's brief is only to improve the online experience.

"We still take the time to look in-store and observe those customers, and talk to those customers, because to the customer, whether it's online or offline, it's still the same brand, it should still be the same experience," she says.

This has produced some unexpected insights around the way retailers display goods online. "Recently, we've spent a lot of time looking at information architecture on sites," says Roberts. "It sounds really basic – *really, really basic* – but this was all born out of watching people in-store and watching how stores laid out their floorplans, and how they group products, and how they display products. We looked online and there was quite a difference to what they were doing. Also, the [online] groupings didn't seem to make sense and the categorisation [didn't seem] to make sense, from a customer perspective.

"So we started to pull that apart, and went into the data and had a look at all of those groups, and restructured it and ran tests on it. We found that we increased the 'findability' of products by over 50%: people were able to find products far, far quicker, so that's one thing that we managed to fix, and that kind of fix has a massive impact on conversion and customer satisfaction.

"So coming back to mapping and really understanding what a customer's pain points are, if you can tackle that, and find a solution for it, test it and validate it, then you're on your way."

What the customer saw

Internet Retailing senior researcher **Martin Shaw** explains how technology is supporting and improving the customer experience on both desktop and mobile website

THERE'S NO DOUBT that technology has improved our experience of online shopping over the years. Where once viewing and buying from an ecommerce website or mobile commerce site was a laborious exercise, today it is a simple and straightforward transaction – and getting easier all the time. In The Customer Performance Dimension report, we have compared the experience of visiting the UK's leading retail websites, as listed in the IRUK 500.

The idea of measuring the customer experience might at first seem counterintuitive. Surely the way a shopper experiences a website page is highly subjective? Yet data tells us that certain metrics underpin good customer experience: research from the Aberdeen Group (1), first conducted in 2008 and republished this year, found that a one-second delay in page load time has measurable costs. Page views fall by 11%, customer satisfaction is 16% lower, and there's a 7% loss in conversions.

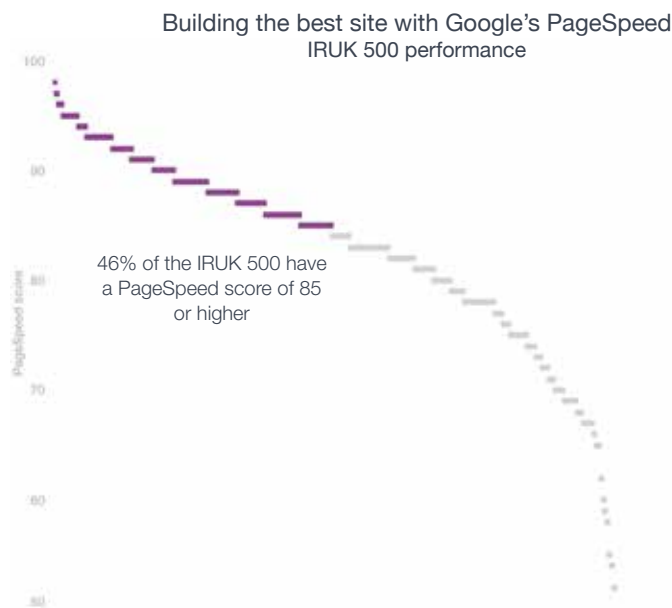
In our efforts, therefore, to measure the customer experience, we've sought to identify some key metrics that underpin a good shopping experience. We start by measuring PageSpeed, as defined by Google. The graph on this page ranks websites operated by the IRUK 500 according to PageSpeed score. The Google score itself contains 30 different metrics illustrating how the site is built, regardless of network speed. They include server configuration, the HTML structure of a page, and its use of resources such as external images, JavaScript and CSS.

Google says that by its own measure, 85/100 represents a well-built site. In this graph we measure how many of the IRUK 500 hit that mark – and find 46% of landing pages succeed.

These findings are encouraging. Web page design has moved quickly, to the extent that we found little difference in PageSpeed score across the different tiers of the leading 500 UK retailers. So pronounced was this effect that there's little difference between the average page speed score and that of the IRUK 500 Elite retailers. The fact that this score does not conform to how large a retailer is demonstrates a growing and perhaps democratic trend: even a small retailer is able to offer customers an equally usable experience on their website.

Footnotes:

(1) *Application Performance Management: The Lifecycle Approach Brings IT and Business Together*



Improve your PageSpeed score

- Avoid landing page redirects
- Enable compression
- Improve server response time
- Leverage browser caching
- Minify resources
- Optimise images
- Optimise CSS Delivery
- Prioritise visible content
- Remove render-blocking JavaScript
- Use asynchronous scripts

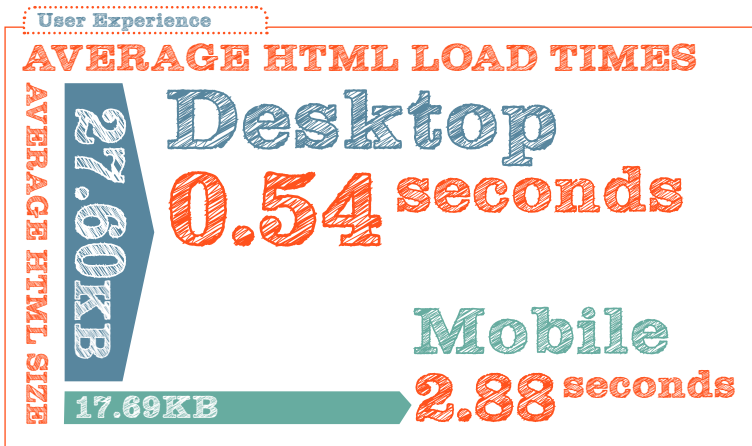
PageSpeed is a Google standard and these insights are the company's 'rules' for improving a score



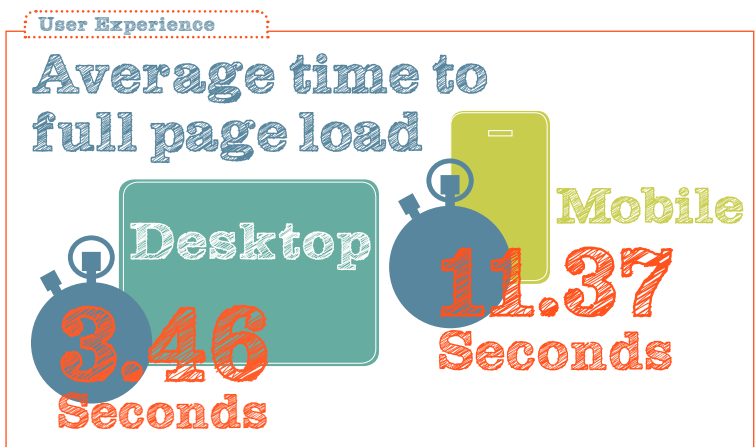
Researched in collaboration with GTmetrix



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We've compared the page load times of IRUK 500 landing pages on both mobile and desktop in our efforts to measure the customer experience. From our earlier research, we know that 80% of the IRUK 500 have mobile versions of their websites. In this study, we wanted to contrast the performance of their mobile and desktop sites. Research suggests that desktop sites should load in two seconds: an Akamai/Forrester Consulting study (2) helped set that benchmark for "the new threshold of acceptability for ecommerce web page response times" back in 2009, and it's a figure still cited today.

Mobile pages, however, can take longer to load, irrespective of the network that they're on. We used GTmetrix to measure page load times in mobile and desktop browsers. On this occasion, we tested landing pages but in future we'd be interested to test checkout and basket usability.

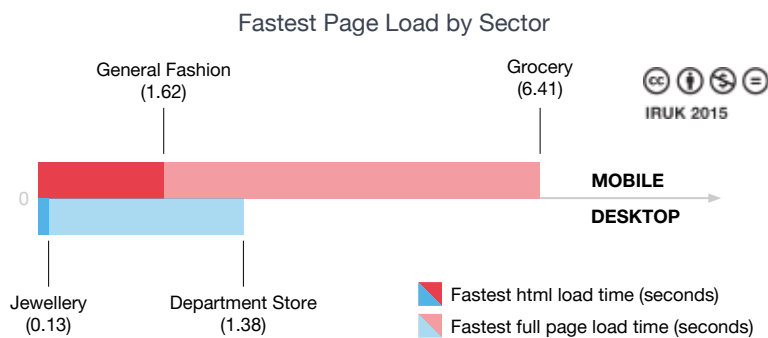
We found that while most desktop sites loaded (70% fully load within four seconds) there was a wide range when it came to mobile sites, with just under half taking longer than 10 seconds to fully load. Small changes can make a big difference to usability and it was difficult to predict which sites would come out on top. Just two mobile sites loaded in less than a second: those of home and garden retailer Robert Dyas, and of catering supply business Nisbets. It takes a special determination to cut away superfluous content to focus on what's important on mobile but these two retailers have achieved it. We also found that retailers of children's goods, from Kiddicare to Lego load quickly on mobile – perhaps these businesses know that when it comes to children, no delay will be brooked.

We found that 11% of the IRUK 500 still don't have a mobile site that conforms to mobile web standards. Some 89% have the Viewport Meta tag, the standard that instructs on rendering on a mobile-sized screen. That represents progress: when we first tested in March 2015, that figure stood at 80%, but since then the equivalent of 45 ecommerce websites have introduced the tag. What's changed? It's likely the fast improvement is down to the 'mobilegeddon' unleashed in April when Google started to prioritise mobile-ready sites.

Footnotes:

(2) www.akamai.com/2seconds

(3) IMRG Capgemini Quarterly Benchmarking Report, Q2 2014



We went on to rank retailers by how fast their mobile and desktop sites load, as shown in the graphs below.

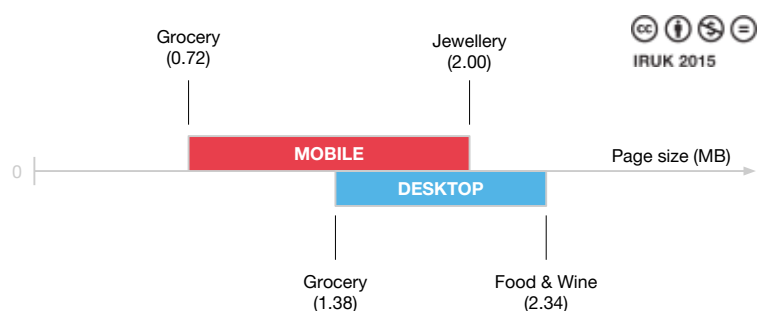
There are no surprises that Schuh, the top-placed Elite retailer in The Customer Performance Dimension, was the fastest to load on desktop and the third fastest on mobile. See the case study on page 22 for more on how this has been achieved. Other strong desktop performers included jeweller Warren James and furniture retailer Ikea, while fashion companies (H&M, Matches Fashion, CC Fashion, Hugo Boss, White Stuff and Cath Kidston) made up six of the top 10.

While Robert Dyas led the way on mobile page speed time, fashion companies Superdry, Charles Tyrwhitt and Matalan were among the top 10 performers in this area. Other notables included Expansys, Moonpig, WH Smiths, Sainsbury's while eBay brought up the top 10 with a mobile load time of 3.5 seconds.

Fastest full-page load time

	Fastest desktop	Fastest mobile
1	Schuh	Robert Dyas
2	Warren James	Superdry
3	IKEA	Schuh
4	H&M	Charles Tyrwhitt
5	Matches Fashion	Expansys
6	CC Fashion	Moonpig
7	Expansys	Matalan
8	Hugo Boss	WHSmith
9	White Stuff	Sainsbury's
10	Cath Kidston	eBay

Page Size by Sector



It's notable that some relatively small performers such as Moonpig and CC Fashion appear in these top 10 listings: this suggests that size is no bar to performance online. When retailers of any size take the decision to offer good service, they are equally capable of achieving results such as these.

One surprising finding was that we didn't find the correlation we'd expected between full-page load time and either the bounce rate or the number of pages viewed per visit, as tracked by our knowledge partner SimilarWeb. Before we analysed our figures, we expected to find that the longer it took for the page to load, the more customers would abandon the page. The figures, however don't bear that out ($r=0.06$). Moreover, we didn't find a relationship between pages-per-visit and page load time ($r=0.04$) What appears to matter is how a page loads. If elements of the page become visible before others, then viewers can start reading text or click on buttons before the final background images come into focus. Perhaps time until the page is interactive is a more meaningful measure, or one that affects the user experience more.

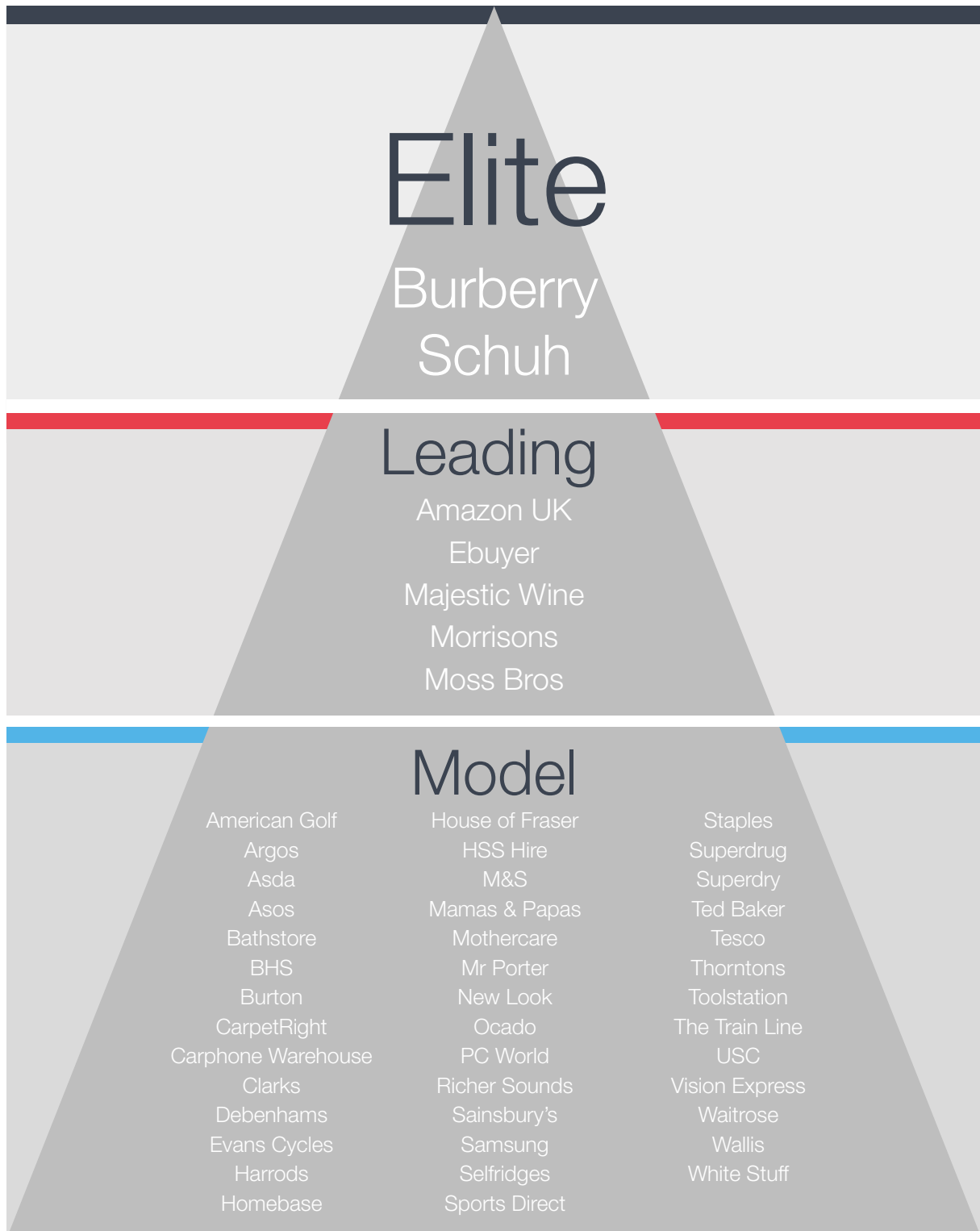
- We'll be carrying page speed data in an ongoing tracker on our website that will update every week. We'll announce via the *InternetRetailing.net* newsletter when this is available at www.internetretailing.net/iruk.

The Customer



2015 Results – the top performers in this Dimension

Share your thoughts on #IRUK500 with @etail



For the full Top500 listing, see the IRUK 500, 2015, on page 16.

The full list of the Top500 clustered by performance segment is available to download at www.internetretailing.net/iruk

Congratulations to the retailers that have stood out in this Dimension.



The full rundown of the IRUK 500, 2015, as measured across six Dimensions: Strategy and Innovation, Customer, Operations and Logistics, Merchandising, Brand and Engagement, and Mobile and Cross-channel.

Share your thoughts on #IRUK500 with @etail

Elite

- Amazon
- Argos
- House of Fraser
- John Lewis
- M&S



Leading

- | | |
|------------|--------------|
| Asda | New Look |
| Boots | River Island |
| Clarks | Schuh |
| Debenhams | Tesco |
| Halfords | Topshop |
| Homebase | Waitrose |
| Mothercare | |



Model

- | | | |
|--------------------|--------------------|--------------|
| Asos | Game | Pets At Home |
| B&Q | H.Samuel | Sainsbury's |
| Bank | Maplin Electronics | Screwfix |
| BHS | Matalan | Superdrug |
| Burton | Miss Selfridge | Superdry |
| Carphone Warehouse | Monsoon | Topman |
| Currys Digital | Morrisons | Wallis |
| Evans | Next | Waterstones |
| F&F | PC World | |



Top100

- | | | | |
|-----------------------|-------------------|-----------------|-------------------|
| Accessorize | Ebay | Laura Ashley | Sports Direct |
| American Golf | Ernest Jones | Lloyds Pharmacy | Staples |
| Ann Summers | Euro Car Parts | Majestic Wine | TK Maxx |
| Apple Store | Evans Cycles | Mamas & Papas | Ted Baker |
| Bathstore | French Connection | Moss Bros | Thomas Cook |
| Boden | Go Outdoors | Mr Porter | Topps Tiles |
| CarpetRight | H&M | Net-A-Porter | Toys R Us |
| Claire's | Harrods | Ocado | The Train Line |
| Decathlon | Hobbs | Office Shoes | USC |
| DFS | Hobbycraft | Post Office | Warehouse Fashion |
| Disney Store | HSS Hire | Richer Sounds | White Stuff |
| Dorothy Perkins | IKEA | Ryman | WHSmith |
| Dunelm | Jack Wills | Samsung | Wiggle |
| Early Learning Centre | Lakeland | Selfridges | Zara |



Top150

Adidas	Furniture Village	Karen Millen	Sony
All Saints	Games Workshop	Lastminute.com	Specsavers
AO.com	GAP	Lush	Spotify
Blacks Outdoor	George at Asda	MandM Direct	Thorntons
Blue Inc	Goldsmiths	Optical Express	Toolstation
Bonmarché	Google Play	Pandora	Urban Outfitters
Burberry	Groupon	Peacocks	Viking
Coast	Holland & Barrett	The Perfume Shop	Virgin Holidays
Costco	HP	Poundstretcher	Vision Express
Dabs.com	Hugo Boss	Pret A Manger	The White Company
Ebuyer	iTunes & App Store	The Range	The Works
Expedia	JD Sports	SCS	
Fat Face	Joules Clothing	Smyths Toys	



Top250

Abercrombie & Fitch	F Hinds	Lyle & Scott	Radley
Arco	Footasylum	M&Co.	Ralph Lauren
Austin Reed	Forever 21	Machine Mart	Reiss
Beaverbrooks	The Fragrance Shop	Mango	Rohan
Berry Bros. & Rudd	The Garden Centre Group	Massimo Dutti	Russell & Bromley
Blackwell's	Graze	Mint Velvet	See Tickets
The Body Shop	Habitat	Missguided	Shoe Zone
Boohoo.com	Harvey Nichols	Moonpig	Simply Be
Boux Avenue	Hawes & Curtis	Mountain Warehouse	Snow + Rock
Brantano	Heal's	Mulberry Company	Space.NK
Bravissimo	Home Bargains	Multiyork Furniture	Speedy Services
Calumet Photographic	Hotel Chocolat	Netflix	Surfdome.com
Cath Kidston	Interflora	Nike	Sweaty Betty
Chain Reaction Cycles	Jaeger	Notonthehighstreet	Thomson
Charles Tyrwhitt	Jigsaw	Novatech	Tiffany & Co
Countrywide Farmers	Jones Bootmaker	Oasis	TM Lewin
Crew Clothing	Just-Eat	Oliver Bonas	Uniqlo
Dulux Decorator Centres	Kiddicare	The Original Factory Shop	Very
Dune London	Kuoni Travel	Outnet, The	Wagamama
EAT.	Kurt Geiger	Paperchase	Wex Photographic
Ecco	Laitwhaite's	Paul Smith	Whistles
Ellis Brigham Mountain	LEGO	Phase Eight	Wickes
Sports	Liberty	Photobox	Wilko
The Entertainer	LivingSocial	Printing.com	Yours
(TheToyShop.com)	LK Bennett	Pull & Bear	
Euronics	L'Occitane	Quiz	



Top350

Abel & Cole	Dyson	Jacamo	Play.com
Agent Provocateur	EAST	Jacques Vert	Plumbase
Aldo	Edinburgh Woollen Mill	Jamie Oliver	QVC
American Apparel	Esprit	Jewson	Robert Dyas
Anthropologie	Estée Lauder	Jimmy Choo	Rowlands Pharmacy
ATS Euromaster	Etsy	JoJo Maman Bebe	RS Components
Axminster Tools	Euroffice	Kitbag	Superbreak Holidays
Bare Escentuals	Farrow & Ball	Lipsy	Sweatshop
Barker & Stonehouse	Feelunique.com	Long Tall Sally	Thomas Pink
Ben Sherman	Flannels	Made.com	Thompson & Morgan
Bershka	Fortnum & Mason	Matches Fashion	Timberland
Book Depository	Fossil	Menkind	TJ Hughes
The Book People	Fragrance Direct	Microsoft	Toast
BrandAlley	Fraser Hart	Misco	Trespass Clothing
Brewers	Freemans.com	Mobile Fun	Tripp
CC Fashion	Gant	Moda in Pelle	Vente-privee
Charles Clinkard	Getting Personal	Mole Valley Farmers	Victoria's Secret
Co-operative Pharmacy	Gucci	Molton Brown	The Watch Gallery
Cotton Traders	Hallmark	Musto	The Watch Hut
Crabtree & Evelyn	Harveys Furniture	National Trust Shop	Wedgwood
Deichmann	Hillarys Blinds	Nisbets	Whittard of Chelsea
Dell	Hi-Tec Sports	Oakley	Zalando
Diesel	Hollister	OKA	
Direct Golf	Hughes Direct	On the Beach	
DKNY	Hut, The	Orvis	
Dr. Martens	isme	Overclockers	



Top500

24Studio	Bulk Powders	Dreams	J Crew	National Geographic	Sunglass Hut
Alexandra	Buyagift.com	Emma Bridgewater	JD Williams	North Face, The	Superfi
Alfred Dunhill	Calendar Club	EXPANSYS	JML	Notcutts Nurseries	Suttons Seeds
Alibaba.com	Calvin Klein	Farfetch.com	Joe Browns	Office Team	Swatch
Appliances Direct	Camper	Farr Vintners	John Smith	Outdoor & Country	TAG Heuer
Approvedfood.co.uk	Card Factory	Feather & Black	Joseph	Pavers Shoes	Tate Shop
Aspinal of London	Cargo Home Maker	Figleaves.com	Joy	Planet Organic	TH Baker
Avon	Cartier	Firebox	La Redoute	Poetry Fashion	Thomas Sabo
Baker Ross	CCL Online	Fired Earth	Lacoste	Prada	TimeToSpa (Elemis)
Barbour	Character	Fitflop	Land's End	Pretty Green	Timpson
Barrhead Travel	Chemist Direct	Foyles	Laptops Direct	Printerland	Tommy Hilfiger
BBC Shop	Christy Towels	Fred Perry	LED Hut	Protyre	Trueshopping
Beales	Chums	Glasses Direct	Leekes	Puma	TTS Group
Belkin	Clintons	GNC	Liz Earle	QD Stores	Vax
Bench	Craghoppers	Great Little Trading	Logitech	Rapid Electronics	Virgin Wines
Bensons For Beds	Crocs	Company	LookFantastic.com	Reebok	Vivienne Westwood
Berghaus	Cromwell	G-Star Raw	Lovehoney	Roman Originals	Warren James
Bettys	Cruise	Guess	MAC Cosmetics	Route One	Weldricks Pharmacy
Bondara	Cycle Surgery	Hackett	Mappin & Webb	Scotts of Stow	Woolworths.co.uk
Boodles	Damart	Hamleys	Marisota	SecretSales.com	WorldStores
Bose	Demon Tweaks	Hello Fresh	MaxiShop	Sevenoaks Sound and Vision	Wynsors World of Shoes
Bradfords	Denby	Hawkin's Bazaar	MoMa Store	Slaters Menswear	Yankee Candle
Brandon Hire	DietChef	Hello Fresh	Monica Vinader	Smythson	Yeomans Outdoor
Brora.co.uk	Dobbies Garden	High & Mighty	Morrison's Cellar	SportsShoes.com	Leisure
Build-A-Bear	Centre	Isabella Oliver	My Protein	Sterling Furniture	Zavvi
Workshop	Dolphin Music	itsu	Naked Wines		



Burberry: Connecting the luxury experience online and offline

THE LUXURY SHOPPERS who buy from Burberry expect top-level service. To be sure that it's giving those customers the brand experience they expect, the upmarket lifestyle retailer captures data on about 85% of transactions from 9m opted-in customers. It tracks customer analytics from website browsing behaviour to footfall, and anonymised social media data. This information is combined to give a single global view of the customer.

"We have already made substantial progress in using customer data to provide customers with a better experience and to create value for the business," Steve Sacks, chief customer officer at Burberry, told investors at Burberry's May 2015 preliminary results presentation.

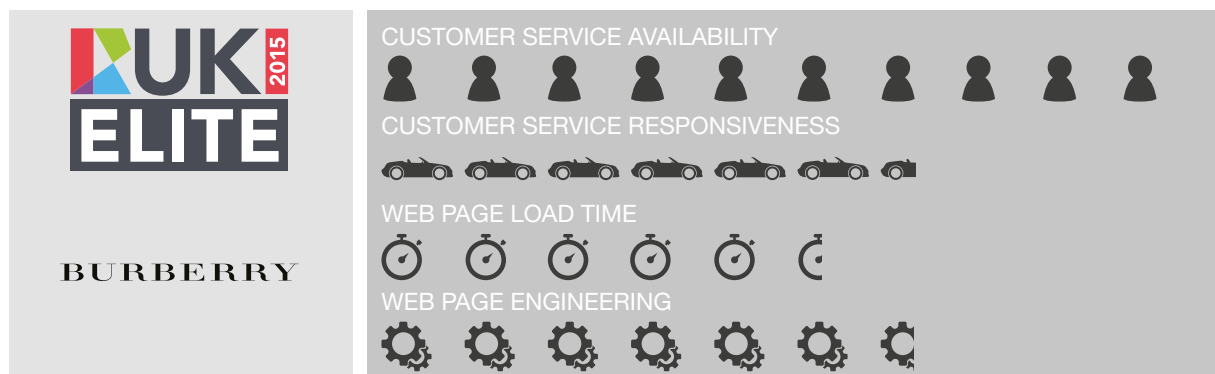
The results can be seen in joined-up services that deliver bottom-line results. Order online and collect-in-store services are so popular that more than 20% of digital sales

are now collected in a store. Customer service is available 24/7, with support offered in 14 languages via phone, email, through live chat, and through a 'call me back' function. Social media support, designed around the company's customers, spans Twitter, Facebook, WeChat and Sina Weibo.

Customers can log in to a popular Customer One-to-One iPad app, powered by free high-speed guest wi-fi when they walk into any of 480 stores in 30 countries. Staff can see from in-store iPads whether the item the shopper is looking at is available in-store or online in a specific size and/or colour, and where the item can most easily be delivered.

Queues do not fit the luxury experience, so a new point-of-sale solution that includes wi-fi enabled iPads and iPhones is being rolled out to all directly managed stores ahead of Christmas 2016, to enable shoppers to pay wherever they are. Some 25% of Burberry's digital sales are made via in-store iPads. At the same time, the data helps to optimise service: streamlined distribution introduced first to the US and China ensures the right product is in the right store at the right time.

The more purchases the better the data, and top customers are promised new levels of personalised service through a customer value management system (CVM). Burberry analysis shows CVM customers on average spend 50% more than other Burberry customers. It seems to be a win-win, since Burberry figures show that customers that have received more relevant service are 50% more likely to return, and that they spend an average 50% more.



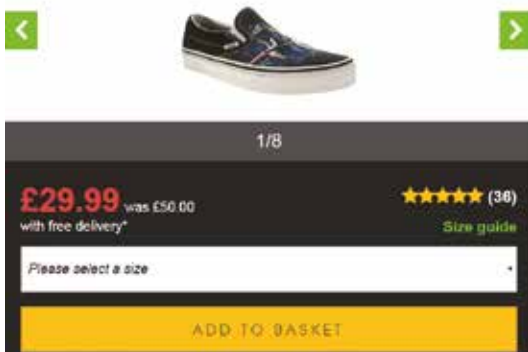
Schuh: how service makes a difference

SCHUH LED THE field in The Customer Performance Dimension – and the multichannel footwear retailer says its success is fuelled by a real belief in customer service.

“We differentiate ourselves with the level of service we offer,” said Stuart McMillan, deputy head of ecommerce at Schuh, speaking at Internet Retailing Expo 2015.

That means all emails are answered within 90 minutes, the company aims to answer tweets as quickly as possible, and site performance is a top priority.

The IRUK 500 research into The Customer Performance Dimension reflects this: it found Schuh had an Index Value of 299, out of a possible 300, reflecting exemplary site performance, customer service and Twitter responsiveness.



The company has invested in technology, introducing a responsive-design website developed in-house and which enables easier purchasing no matter what device the shopper is using. That’s important because many Schuh customers interact entirely with the brand via mobile.

In the design phase, said McMillan, mobile-first was the first among a list of priorities that also included making the site fast, SEO-friendly and with HTML that had to be the same for all variations. “It’s technically difficult to downscale an experience to mobile because of hardware challenges, including the slow connection, small screen and slower hardware,” said McMillan. “Mobile is the baseline.”

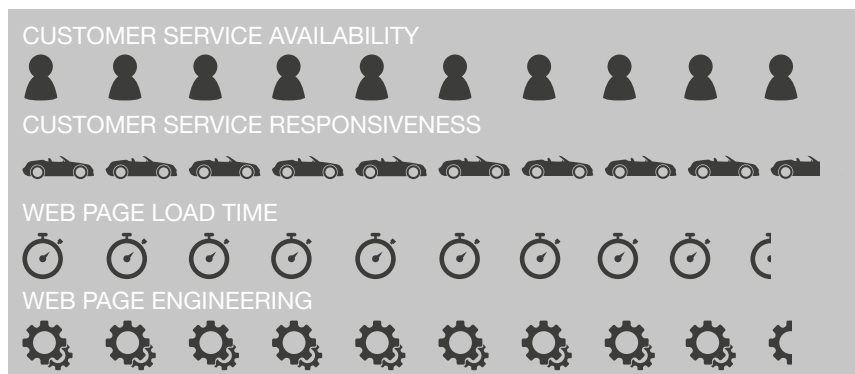
He added that when it comes to site speed, perception is everything. “It’s not about the numbers but how the user perceives the speed of the site – how quick does it feel?”

Ten months after launch, the conversion rate on desktop had risen by 25%, on tablet by 30% and on mobile by 45%.

From here, the company now plans to evolve the site starting with the user experience. “Too often,” said McMillan, “it starts with a project and then there’s a design layer. We want to start with designing the user experience and projects will come out of that.”

Asked what advice he had for others looking at a similar move to introduce responsive design, he had a list of suggestions. They include using analytics to track error messages as events. In this way, developers see errors as they come in and can make changes before the site goes live. Then, remember the network layer is the bottleneck – it’s important to optimise for available bandwidth.

But ultimately, he said: “This isn’t a crusade for responsive design, but for good, user-centric design. It’s important to really think about your users.” ●



Being human

Majestic Wine is using personal experience to inform the customer journey both online and offline, writes **Chloe Rigby**

PUTTING THE CUSTOMER first doesn't have to be glamorous or exciting, says Richard Weaver, ecommerce director at Majestic Wine. Rather there's reassurance to be given by ensuring that customers get just what they expect when buying their wine online. "We try very hard not to buck any trends," says Weaver. "I think that is nowadays the single most important most important thing you can do for your customer is to make the website intuitive by just copying what everyone else does." Rather, he says, it's important to focus on the unglamorous basics, from page load time to website availability.

CUSTOMER SERVICE RESPONSE

Majestic Wine, a Leading company in this Dimension, scores highly for its customer service response – yet its dedicated team consists of just three full-time employees and a social media manager. Online self-help is managed by the customer service team, with new questions added as new enquiries are repeated.

Many questions are handled at a local level, with stores using social media to engage with customers, while the digital team covers weekend customer service on a rota basis.



// The people who are dealing direct with customers need to be empowered //

Richard Weaver, ecommerce director, Majestic Wine

This helps to keep team members connected with what customers want, as does the fact that most head office staff, including the ecommerce team, have previously worked in stores and know what customers want from their many conversations with them. Digital team members also learn from their own personal experience.

"We are all customers," says Weaver, "and a lot of what we do that focuses on the customer is instinctive – it's just what we do."

He adds: "The style that we take, that human interaction, translates into what we do digitally. What we do well are the relatively low-tech things – it's more about having an empathy for what customers want, and an understanding of what to do and not to do in order to keep your customers happy. You can spend a lot of time doing lots of research into what customers want, but in reality the best way to deliver it is just to put yourself in the shoes of the customer, and that really drives the approach that we take." Important to that, he says, is deep product understanding that helps Majestic concentrate on wine-focused answers to questions.

SERVICE AS BUSINESS DEVELOPMENT

This approach has over the years helped the retailer develop new and significant streams to the business. When Majestic Wine first set up its website, many customers wanted to order wine to send to a number of different destinations. Developers struggled with building a simple online system that could meet this complex demand, until one day a member of customer service staff simply started sending a spreadsheet to customers who wanted to make such orders – because that was simply much more straightforward and did not rely on an internet connection that might be disrupted. That approach is still used – and Majestic Wine's multi-destination orders are today a multimillion-pound business.

While there might not ostensibly be much demand for a wine-based wedding list, that has nonetheless become an important area of the business after Majestic created the service for couples who either want to build a wine collection or want to enable guests to bring a bottle.





GETTING PERSONAL

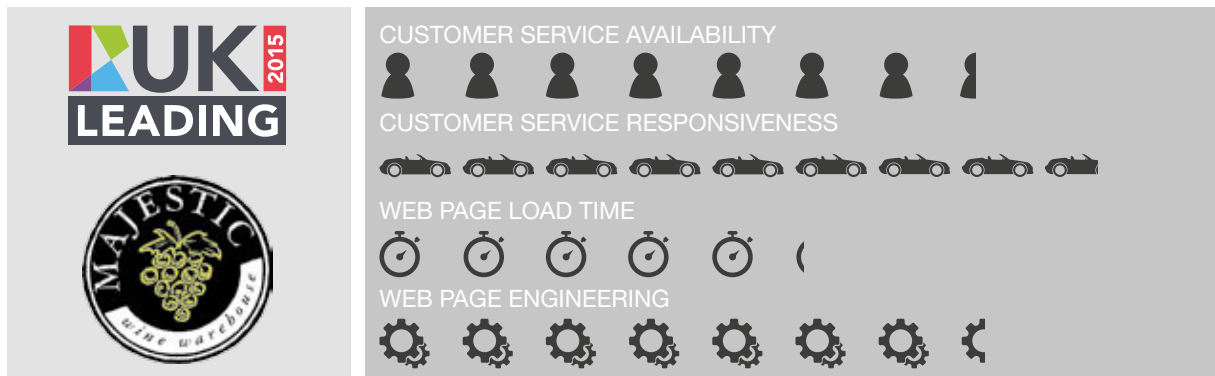
Relevant communications and service are now at the forefront of Majestic efforts, as it looks to develop individual relationships with its customers. Its recent acquisition of Naked Wines brings sophisticated customer insight systems to the business. “You can expect to see much more in the way of personalised and data-driven marketing coming from Majestic,” says Weaver. “But even then, we’ll put a human element on it.”

Recently the company has been developing a wine-recommendation engine based on the vintages that in-store employees recommend to customers in the store. Weaver: “It’s rooted in expertise rather than ‘customers who bought this also bought’. It’s much more about we really do believe if you like this wine, this is near enough that you should try it. It’s more about trying wine in a more structured way. Even where we’re personalising our marketing we’re still trying to make use of our human resources.”

This increasingly relevant engagement will be driven by what Weaver describes as a “single-ish” view of the customer, which marries up online and in-store purchases. A new myMajestic mobile app enables customers to see their purchasing history, whether they bought online or offline. The app has proved popular, giving the retailer the ability to understand how customers have bought in-store even when they don’t shop online.

Asked how others can best learn from the Majestic example, Weaver says having a good self-help system is important, as is a fast, helpful and knowledgeable approach from customer service staff. But the most important thing, he says, is that they can help.

“The people who are dealing direct with customers, in delivering customer services, whether it be by telephone, email or on social media, need to be empowered and to know your business and your products in order to be able to help customers.” ●



Moss Bros: the importance of using data effectively

MOSS BROS HAS put the emphasis on getting to know its customers in order to try to create a shopping experience that works for them.

“Today’s world is very complex,” says Neil Sansom, omnichannel director at the formalwear retailer and hire company. “Customers do a lot of research before shopping, and there are lots of channels they can shop in – not just the internet but mobile, tablets and in-store. Trying to knit those journeys together to try and create that same brand experience is a real challenge today.”

It’s a challenge the company has approached by over the last three years developing IT systems that collect data centrally, and then feed into a customer relationship management (CRM) system. It’s working towards having a seamless view of the customer, but already the retailer can gain insights into how particular customers prefer to browse and buy, and which suits they buy. When customers use free wi-fi in store, Moss Bros can capture browsing in the shop to see whether they’ve converted at the till.

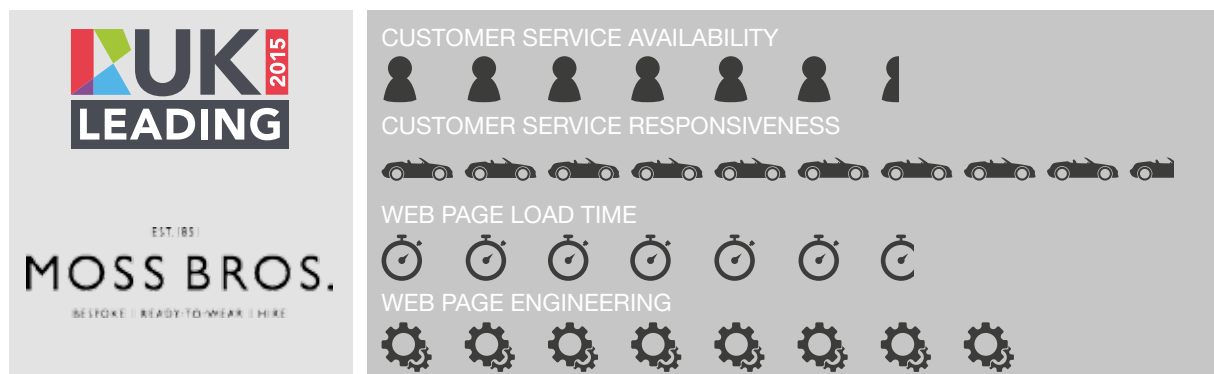
This isn’t just a sales-led strategy – it’s about making things easier for the customer. We’re giving the customer the highlights, the edits of the products that they would like or prefer.”

Sansom says that understanding behaviour across devices was “a major challenge” but “we’re now beginning to see how technology can cope with some of that”. That’s important because the use of mobile devices in digital commerce is growing quickly. Moss Bros’ view of the customer enables it to understand what customers want and, says Sansom, it now knows



the emails it sends are more likely to be opened on a mobile device. “We send ours out at commuting time because we know that customers will look at it on the go, on the train. When they get off the bus or out of the car they’ll check their mobile email, it’ll be a stimulus and probably later in the day they’ll visit the tablet or desktop site and they’ll probably convert.

Having insights into how shoppers buy also enables Moss Bros to attribute sales correctly. In the store, that’s more of a challenge – but the company now allocates online sales to the nearest store so sales staff benefit from encouraging customers to use the internet to see an extended range of items. The company, which is active both on Facebook and Twitter, is capturing some data from social feeds. “I think social is now an element of research,” says Sansom, “particularly in terms of menswear is getting more and more fashionable, stylish, men want to be smart, to be in and have the latest thing. We’re using social to try and convey that. It’s a massive element in terms of how we try and drive traffic.” ●



Ebuyer: keen prices and great service

THE ELECTRONICS ETAILER Ebuyer sells itself in great part on competitive prices. Its website claims the company's "customers know they're getting the best prices and exclusive offers on a huge range of electricals". This in itself poses a major challenge. Offering more than 70,000 products and with more than 1.3 million registered customers, it's a mass-market retailer working at volume at a time when customers increasingly expect personalised service.

How best to meet this challenge? Ebuyer achieved its Leading rating in The Customer Dimension of the IRUK 500 through a combination of site performance and customer service across a variety of channels.

According to Sue Pickering, head of brand and customer experience, site performance is a key consideration for Ebuyer. "It is the backbone of an online company in the same way an aesthetically pleasing, well-staffed store is crucial to high street success," she says. In keeping with this idea, Ebuyer has "invested heavily in infrastructure over the past two years to improve site load speed" via "a combination of site upgrades, re-writes, software and development".

Speed and responsiveness, though, are only part of the story here. In addition, the company has worked to improve site navigation as part of improving its customer service. "We have also focused on the technical SEO and content quality on the site so the customer is delivered to the right page quickly with enough information to continue their journey," says Pickering.

Ebuyer also scored strongly in our research when responding to enquiries. "We have specialist teams to work in different areas of customer support, from call centre operators, business specialists to technical



engineers, as well as a dedicated social media team," says Pickering. Without labouring the point, Ebuyer appears to have learnt from previous customer service problems such as that which befell the company in 2011, when a £1 sale event caused its website to crash.

As for whether it's more important to get the right technology or the right people when it comes to providing great customer service, Pickering unequivocally emphasises "the right people, with the right attitude, who put the customer first".

She adds: "The right technology supports and underpin this culture. We also extend this philosophy to our suppliers, looking for those who actively take ownership of resolving problems and identifying issues. It's vital that our suppliers and our culture match our brand promise."

Improving customer service, Pickering adds, is an ongoing process. "Based on our most recent customer feedback," she says, "we're now looking at our delivery options, improving our mobile capabilities for the growing number of smartphone/tablet users, as well as ongoing development of our website." ●



ebuyer.com

CUSTOMER SERVICE AVAILABILITY



CUSTOMER SERVICE RESPONSIVENESS



WEB PAGE LOAD TIME



WEB PAGE ENGINEERING



12 approaches that work

How do leading companies create innovative retail experiences and improve service levels?

Chloe Rigby highlights examples of best practice crafted around putting the customer first

1 Help the customer to showroom

It's because shoppers like to see for themselves just what it is they are buying that stores are often a first port of call. Many who visit a shop will be armed with a smartphone that can be used to 'showroom' – checking prices or product reviews online. Retailers may have been concerned about the impact of such behaviour on in-store purchases in the past, but today companies are learning that a better-informed customer is one who is more likely to make a purchasing decision in the store, rather than when they're at home in front of their digital device of choice.

When, in 2011, John Lewis became the first UK department store to offer free wi-fi, it pointed to internal statistics that showed more than 60% of its customers researched online before visiting a shop to buy. Introducing the service to its stores, it said, would put that information at customers' fingertips.

Today, as seen in the case study on page 18, Burberry is using its in-store wi-fi to enable shoppers to make themselves known to staff, who can access information about customers' preferences to offer better face-to-face service.



2 Understand the customer better

Using analytics to win new insights into the customer can have significant effects on sales. By finding how shoppers behave online, retailers are better placed to provide them with both resources and functionality that will be useful in the course of their purchases.

Upmarket fashion retailer Burberry has invested in customer data and analytics in order to understand what the luxury customer wants. "The insights gained," it said in its financial results for the year to 31 March 2015, "enabled our global teams to make more informed decisions in retail, customer service, digital and marketing, all driving productivity and efficiency improvements throughout the business."

For a global company such as Burberry, this is no small challenge. As well as working out what customers want in its home UK market, it is also working to engage with shoppers as far afield as China, both in customers' home territories and as they travel throughout the world. That's necessary for Burberry since about half of transactions in its shops in Europe, the Middle East, India and Africa, were made, in the year to March, to travelling luxury customers. Understanding what makes a holidaymaker want to splash out is therefore important to the business.

3 Prioritise customer service

The way customer service is delivered varies enormously between retailers. But while one retailer may need round-the-clock cover, another may find that what matters is not necessarily the number of operatives available at any one time, but the commitment to giving service that works for the customer.

Marks & Spencer wins its Elite retailer ranking in the Brand and Engagement Dimension of the IRUK 500 for a level of customer care that includes contact centres in the UK and India serving customers around the clock. M&S.com director David Walmsley is clear that “the days of retailers working retail store hours are long gone”. He adds: “Things can happen at any time of the day or night and we have to be there for them”.

In this Customer Dimension, however, Majestic Wine is ranked as a Leading retailer for a service that’s given by three full-time customer service staff, alongside a social media manager, while weekend cover is staffed by members of the digital department. Richard Weaver, ecommerce director at Majestic, says the approach, which sees him answering email and social media customer enquiries one weekend in nine, “keeps everyone grounded”.

But whatever level of customer help retailers offer, what matters is being able to help, suggests Weaver: “The most important thing is that people need to be empowered.”

4 Be where customers are, whether that’s online...

Many internet shoppers spend far more time on social media than they do buying online. Rather than trying to interest shoppers via the safe environs of a home website, or through social media messaging and marketing emails, smart brands go where customers are to develop a different kind of relationship.

This spring, Boots struck a cross-channel partnership with forum Netmums aimed at raising awareness of the Boots Parenting Club, while also keeping parents informed about health issues. Running across online, social, mobile and in the store, it includes a Boots branded tab on the Netmums site, weekly editorial promotions and user product trials. The parenting forum has 1.8m registered members while some 9m people visit it each month. This makes it a useful way to reach an important demographic for the health and beauty retailer.

Rimi Atwal, managing director of Netmums, says the partnership is a win-win because it brings together two trusted names in parenting. “It offers genuine integration, native solutions and the high-quality content Netmums is renowned for across all platforms, making both business sense and parents’ lives easier,” she said, at the time the deal was announced.



5 ...in another retailer's store...

By venturing beyond the traditional confines of home stores, retailers are starting to arrive in some very interesting places where they can do things differently. Some companies are moving beyond the virtual to the real-world shop floor, while other companies are looking anew at concessions.

Pureplay Missguided recently opened concessions in Nordstrom stores in the US and in Selfridges' Trafford Centre, Manchester store. Founder and managing director Nitim Passi said at the time that the move was all about testing new approaches with the customer. "Our focus now," he said, "is all about experimentation with the brand, trying new and innovative ways to engage a wider market, and allowing consumers new and diverse ways to shop and engage with Missguided."

Argos already had its own shops when it decided to open in branches of Sainsbury's. Its first small-format digital stores are now open, and 10 more are expected to open so by the end of this year. Roger Burnley, retail and operations director with Sainsbury's, says the move offers its customers better choice while also improving the shopping experience; while Steve Carson, director of retail and customer operations at Argos, speaking at the time the first stores opened, said the partnership would "help us to bring the convenience of the Argos offer to more customers".

6 ...or on the move

Retailers are moving still further beyond both the shop and the online site in efforts to give customers the best service possible. It's an approach that recognises that most shoppers spend a significant proportion of their day on the move – and like to fit their retail transactions in around their lives, rather than the other way round. A propensity to browse online from a smartphone on the commute, or place an order from the tablet computer in front of the television is well-mapped by retailers' understanding of their customers' behaviour.

Traders are responding by designing services that work in and around often busy days. John Lewis, for example, has a click-and-commute shop at London St Pancras where office workers can collect goods they previously ordered online before stepping onto the 6.30pm to Sheffield, Nottingham – or Paris. Argos' Cannon Street Tube station digital format store is convenient for those travelling around the capital to place or collect orders, while House of Fraser operates ordering and collection point outlets both at its own HouseofFraser.com stores and, in Cambridge, through a branch of Caffè Nero.

7 Empower customers

Giving customers the chance to choose their own benefits is a sure-fire route to personalisation. Rather than learning from shoppers' data which products customers might like to have offers on, the retailer can instead ask them – or empower them to set their own.

That's what supermarket Waitrose did when it gave customers the chance to choose their own grocery discounts in June this year with its new Pick Your Own Offers scheme, a service it believes to be a world-first. Members of the myWaitrose loyalty scheme can log into the Waitrose.com site to choose which 10 from a list of almost 1,000 items they'd most like to have a 20% discount on. That discount is then applied automatically whenever they buy those items in-store and swipe their card, or online, having signed into their online account.

Speaking as he announced the service, Mark Price, managing director of Waitrose, said this was a "ground-breaking" move. "Different forms of personalised marketing have been around since the 1990s, but we're introducing mass customisation in grocery. Customers can choose what's valuable to them when they shop for groceries. We really are giving power to the consumer."



8 Make loyalty easier

Of late, retailers have searched for ways to fully stretch loyalty schemes across channels, including mobile and the store as well as online. By doing so, retailers hope to encourage shoppers to use loyalty schemes more flexibly than the traditional card. While customers accrue points, the retailer gets data that gives valuable insights into shopping behaviour and can also personalise the service it offers the customer.

House of Fraser recently came up with its own answer when it launched a new iOS retail loyalty app. The app rewards users with points when they engage with the brand in-store, online and on the app. Those points can be spent through a variety of channels.

When the app was launched, Andy Harding, House of Fraser chief customer officer, said the integration of its Recognition loyalty programme gave it a market-leading proposition.

Oyvind Henriksen, co-founder and chief executive of Poq Studio, which developed the app, said: “Every retailer that has a loyalty scheme should pay attention to what House of Fraser is doing in this space. Why would you force your customers to use a physical loyalty card when you can deliver it right to their most intimate device?”



9 Remove distractions, speed up performance

Designers aiming for simplicity are removing the distractions that may be slowing websites down, whether those are larger pictures, tags or extra content. Many have done this in order to increase the speed at which websites load on mobile, and have discovered that the desktop experience improves as a result.

Schuh, for example, decided to develop a responsive website because it wanted to give customers a good experience whatever device they used to visit the site.

It decided to use mobile design as its baseline simply because it's harder to put a desktop site on a mobile device than vice versa.

“A lot of the content we've had [in the past] has been because we've had the pixels to fill so we add something in,” Stuart McMillan, Schuh's deputy head of ecommerce, told Internet Retailing Expo 2015.

Since it was installed, the cleaner look of the site has resulted in rising visitor numbers from both desktop computers and from mobile devices. The company also scored an index value of 299 out of a possible 300 in the IRUK 500 research into The Customer, reflecting exemplary site speed as well as customer service.

10 Meet and preempt customers' buying needs

Retailers that make it easy for shoppers to buy even when they're busy and on the move are simply more likely to sell to customers again and again.

Domino's Pizza, for example, has developed an enormous audience among customers who would rather order online – and preferably through their mobile devices. The pizza delivery company has iPhone, iPad and Android apps, enabling shoppers to buy quickly and easily. In the year to 28 December 2014 some 69.4% of its total delivered orders were placed online, of which 44.2% came via a mobile device.

Mothercare's mobile app is designed with the needs of its target audience, "busy mums and mums-to-be", in mind. Its ecommerce function is complemented by a range of parent-friendly features including to-do lists, a baby name finder, baby tunes, a week-by-week guide to child development and a range of useful timers.

Catering to the customer's needs in this way has paid off at the bottom line. In the year to 28 March 2015, Mothercare reported a slight dip in overall sales, which, at £458.1m were 0.9% down on the previous year. But mobile sales bucked the trend, coming in 82% ahead of last time. That helped overall online sales rise by 18% to £138.4m, some 30% of total UK sales.



11 Help shoppers check it's right for them

One drawback of buying online is that it's hard for shoppers to be certain they have the right item. Today, a range of features exists to reassure customers. From reviews and ratings where browsers can check what 'people like me' thought of an item, to virtual wardrobes that help customers make sure they have the right size of clothing, to product videos and YouTube 'how to' guides, all exist to help bridge the barrier between the physical thing and the online website.

Asos, for example, brings together on website pictures posted from Facebook, Instagram and from the shopper's own device under #asseenonme – featuring customers showing what an item bought from the fashion retailer looks like when worn by another shopper rather than a professional model.

Meanwhile, Halfords has an online fast finder that enables drivers to put in their registration number to be guided towards the right bulbs, blades, batteries and oil for their vehicle.

12 Enable customers to... customise

When shoppers can put their own stamp on an item, they can be more sure it's right for them. From business cards to cars, goods of all sizes and types can now be personalised across sales channels, during or after the buying process.

For example, shoppers can customise Nike sports shoes, choosing different widths, different colours and graphics, in order to make sure the shoes are exactly what is wanted. Items can be returned, but it seems likely fewer will be.

Last year, Hyundai opened what it billed as the UK's first digital-first car showroom. It's in the Bluewater Shopping Centre where customers can browse screens to choose the options that work for them, from colour, transmission, fuel type to financing options.

At the time, Tony Whitehorn, president and chief executive of Hyundai Motor UK, said: "Traditional car dealerships will always have a vital role to play in the car buying and ownership experience.

"However, this online and in-store option gives customers another choice to fit around their busy lives." ●

Social networks

How is social media changing the retail landscape? Mike Petrook, director of corporate affairs at The Institute of Customer Service, shares his insights with **Jonathan Wright**

WHAT ARE DIFFERENT forms of social media for? From the perspective of individuals using Facebook, Pinterest or Twitter, while there will be nuances in different answers and the way people use different platforms, a common theme is the idea of connecting, of being part of a wider conversation. If an email exchange is roughly analogous a one-to-one conversation, social media interactions are closer to going to the pub or a café to meet friends.

For retailers, questions around the purpose of social media are tougher to answer. While it's clear that customers are using Facebook, Twitter, Instagram and Google+ to interact with retailers, the image of a brand placing itself in the middle of a fast-moving pub conversation is, with the potential for gaffes and misjudgments, one that's likely to make any marketing director at the very least slightly nervous.

However, as research from the Institute of Customer Service makes clear, retailers can't do whatever the digital equivalent is of staying at home and avoiding these conversations. First and foremost, *Service Goes Social: How Organisations Can Deliver Customer Service Through Social Media*, based on the views of 2,195 consumers and a dozen in-depth interviews with senior customer service executives, reveals the growing importance of social media as a channel.

"Increasingly, social media is pertinent and one of the major reasons for that is because, from the customer's point of view, it's all about rapid response and it's public as well," says Mike Petrook, director of corporate affairs at The Institute of Customer Service.

CHALLENGING ASSUMPTIONS

If this idea of a public forum brings forth images of customers deciding to make complaints and grumbles available to the wider world, that's not actually the main story here.

"One of the things the research showed that was particularly intriguing is that most people's assumption is that you or I would turn to social media in the event of having a complaint, but that's certainly not the case with the research," says Petrook. "Yes, it's true that 26% of people use social media to make a complaint but far more, 42%, also use social media to like or follow organisations online." In addition, the research shows that 39% of respondents "use social media to give feedback, positive or negative".

// Where a few years ago social media channel management was very centralised, there needs to be a much wider group of employees who can interact with customers via social media channels //



The research challenges other assumptions. In particular, one idea often expressed about social media is that it's for young people, that older customers don't get it, yet it turns out that customers aged 45-54 are the most likely to share their experiences of an organisation through social media.

There are more surprises in the figures too. "What I thought was quite interesting was that if you look at the 55-64 age group, or even 65-plus, there's quite a considerable amount of people who use the likes of Twitter," says Petrook. "So [the figure for] 55-64 was 27% of them use Twitter to communicate with organisations. If you drop that down to say the 25-34-year-old bracket, that figure is 47%, so yes there is a sizeable difference, but we're talking about just over one in four of the 55-plus age group turning to social media."



It's worth pausing to consider that we're talking about Twitter here, a company that's recently been in the news because it's failing to drive revenues from its 300m-plus customers and its user-base growth is flattening. The now firmly mainstream Facebook cuts across different age groups even more impressively, with more than 90% of people surveyed using the platform whether they're aged between 18 and 24, 35 and 44, or 54 and 65.

JOINING THE CONVERSATION

Looking at these figures in the round, the key points are that social media is not going to go away and that, while it might be used in different ways by different demographics, it is most definitely being used *across* demographics. To restate the question we began with (what are different forms of social media for?) one answer is to reply that it's the wrong question to ask. In a world where customers regularly use Facebook, Twitter, Pinterest and other social media platforms, a more pertinent question is how do retailers best join these pub and café conversations?

Drilling down further, and to adapt the title of the Institute of Customer Service's report, we might also ask how do retailers use social media to deliver great customer service? Do retailers need to learn new techniques, or is good customer service delivered via social media much the same as good customer service delivered in other channels?

"There are a couple of answers there," says Petrook. "The first [relates to the idea] that customers want choice. Sometimes they're going to want to talk to somebody over the phone, sometimes they want to see the whites of their eyes, and sometimes they want to engage online. But what that means is, in terms of good customer service, organisations need to develop multi-skilled people who can operate across different channels."

"The second thing is it's critical that, as social media becomes an increasingly common way for customers to contact and deal with organisations, how companies manage these social media channels is important. What I'm saying there is, where a few years ago social media channel management was very centralised, there needs to be a much wider group of employees who can interact with customers via social media channels. That means enabling them to do that, it means empowering them to do that, and it means giving them the skills to do it as well."

Petrook adds that he thinks employees need to be "engaged" as well as "empowered" when it comes to dealing with social media, "and that means building a culture within an organisation to let that happen". Interestingly, there are more than a few echoes with Majestic Wine's approach to social media (see our interview on page 20). Yet while it might be easy for a specialist retailer, a company selling wine – or telescopes, electric guitars or posh cheese for that matter – to let expert staff loose on social media, this may not be such a comfortable proposition for retailers aiming at the mass market.

SOCIAL AND THE HIGH STREET

That's not the same as saying it can't be done. M&S is now investing around a fifth of its media budget in social media, and while the company's focus is primarily on content and storytelling, as opposed to customer service per se, its developing strategy is a clear recognition that business conditions are changing – and will continue to change.

“There are some future challenges with social media that I think need to be explored, and that is does social media provide a genuine chance for co-creation where organisations are effectively treating customers as part of the equation in developing new products and services?” says Petrook.

This may be a new area for retailers, but a company such as Lego has long looked at ways to get existing customers – fans is perhaps a more apposite word – involved in product development. Head to ideas.lego.com, for instance, and you'll find customer ideas vying for support and feedback, such as a proposal for the company to produce an RMS Titanic kit.

It all adds up to a landscape where consumers will increasingly want retailers to be more transparent, to opt for “a dialogue-type approach, as opposed to a monologue”. Petrook adds: “The days of customers just saying to their customers, ‘This is what we offer,’ are gone. It's much more about: ‘This is what we offer, does it work for you? How can we develop it with you?’”

THE RELATIONSHIP ECONOMY

The report calls this a shift to a “relationship economy”, a shift that might have some surprisingly far-reaching effects. Take a transaction as simple as selling a customer a pint of milk. Under a so-called “transactional economy” model, this is straightforward. A customer walks into a store and, cash on the counter, purchases a pint of milk.

Now consider how this might work in a relationship economy model. “What organisations are looking to do is say, ‘OK, if you want a pint of milk, what is it that you want it for?’” explains Petrook. “‘Are you making an omelette? Or is it that you want to eat a bowl of cereal?’ So it's to gain an understanding of what it is that you as the customer is trying to achieve, so that they can help

you do that, and that you recognise that as the customer and therefore keep going back because the bottom line is all about if you have a good relationship with somebody, you will keep talking to them.”

Even the supermarkets, it's probably fair to say, are a way off discovering how customers might use specific pints of milk, but Petrook's example illustrates the direction of travel. “Organisations need to build their capability to generate insight from the social media activity that they undertake,” he says. “It's about treating social media as social intelligence and then critically, and this really is critical, acting on it. It's all very well knowing something, but what are they doing to improve the customer experience from there?” ●

Customer service winners

Which companies are providing the best customer service with in the UK? While the bad news is that, according to The Institute of Customer Service's January 2015 *UK Customer Satisfaction Index* report, “UK customers are now, on average, less satisfied with the service they receive than at any point since July 2010,” the retail sector performs best among the 13 sectors monitored. Non-food retail had an overall value of 81.4 (out of 100), while food retail was at 79.6. In contrast the utilities' value was 70.9. In addition, four of the top five performers – John Lewis, Amazon, First Direct, Ocado and M&S (food) – were retailers.

As we make the transition into an omnichannel, relationship economy model, this is particularly important because those companies performing best in this index now have a clear advantage going forward.

“The evidence that we have shows that there is a tangible link between how businesses have developed strong customer service and their increasing revenue,” says Mike Petrook. “For us, in our *UK Customer Satisfaction Index*, the highest-scoring organisations do show increases in revenue, and particularly if we look at the retail food sector, there is a consistent link between service levels and increasing market share.”

Are you being served?

Internet Retailing researcher
Polina Modenova assesses how
retailers are serving their customers

THE SERVICE THAT retailers now offer customers is evolving fast. Today, those shopping with the UK's leading retailers expect to find answers to their questions when they call up, visit the website or turn to social media.

We've mapped customers' expectations against our IRUK 500 research to find out how the customer service that retailers offer compares to the service consumers want. To what extent are customers getting the service they demand?

To answer this question, we started with an existing piece of research, eDigitalResearch's *Customer Service Benchmark*, November 2013, which questioned 2,000 British consumers about the customer service touchpoints that they preferred to use. We overlaid its findings with the reality of what's on offer from IRUK 500 retailers.

BY EMAIL

In practice, the eDigitalResearch study found, customers preferred to communicate with retailers via email and over the phone – both used by 85% of respondents. Some 44% of consumers expected merchants to respond to an email within 24 hours.

The average speed at which retailers respond to an email is 43 hours and 52 minutes, according to the *2015 Eptica Retail Multichannel Customer Experience Study*. In our study, we found the largest 150 retailers replied in an average of 20 hours and eight minutes, with more than half (53%) responding in 24 hours. We uncovered some stunning performances: Smyths Toys, for example, responded to an email in just five minutes. Only slightly behind were American Golf and Superdry, which replied in six minutes.

But while some excelled, many retailers underperformed. Some 27% of retailers simply did not respond to an email, while 11% did not have an email address on the company website.

IRUK findings for

CUSTOMER SERVICE

IRUK researchers asked retailers a series of simple questions via a variety of channels:



1 SOCIAL IS FASTER

Faster responses represent better service, and 28% of IRUK 500 retailers respond on Twitter within an hour, compared to just 15% via email



2 EMAIL IS MORE RELIABLE

Three quarters of IRUK retailers respond to emails, but if a question over Twitter isn't answered quickly, it's rarely answered at all



3 PHONE CALLS ARE SUCCESSFUL

Of all the channels tested, phone calls to retailers led to the highest rate of resolution, with an 83% success rate

Retailers trying to encourage customers to use less costly contact points than call centres would do well to address the speed and helpfulness of social and email channels



IRUK 2015

7 out of 10

consumers are satisfied with live chat interactions — the highest of any channel



Source: IRUK 500 research combined with the *Customer Service Benchmark* (Nov 2013) by eDigitalResearch
*Study included the largest 150 IRUK retailers

ON THE PHONE

When we turned to the service offered by phone, the eDigitalResearch study found consumers were generally dissatisfied with the service they received. Almost half (43%) of consumers preferred to pick up the phone with a general enquiry. When it came to complaining, 46% preferred direct contact channels, using the phone or calling at a store, ahead of digital touchpoints. In our study, we found 83% of the largest 150 retailers successfully answered a general query made over the phone.

SOCIAL MEDIA

The perception of social media is that it's a useful way to make a complaint. But the eDigitalResearch study found most people tend to use it to give positive (4.15%) feedback rather than to complain (0.4%).

The study found that when customers use Twitter to get in touch with a retailer, 80% expect an answer within 12 hours.

In our study, 44% of largest 150 retailers did reply within that time limit when we tweeted them with straightforward questions on subjects such as delivery and product prices. Again, there were standout performances: Superdrug replied within a minute and

Ocado in two. However, nearly half did not respond to Twitter at all, although all had a Twitter account.

We were interested to find that Twitter responses were generally quicker than email. The average Twitter response, at 11 hours, was 1.83 times faster than the average email answer – 20 hours and eight minutes.

LIVE CHAT

Customers are keen on live chat. Some 24% of those questioned in the eDigitalResearch study said they had used it in the last year, while 73% were satisfied with it. That was the highest satisfaction score in the study. However, we found that only 42% of the largest 150 retailers had live chat on the company website.

CONCLUSION

What came through strongly from this study was that consumers want answers to their questions, and quickly. That's true where shoppers are complaining or have a problem. But it's also important where consumers have a question that will delay a purchase when it goes unanswered. Even if the response is disappointing, it's clear that it's better to reply than not to do so. ●

Conclusion

THE IDEA THAT putting the customer at the centre of retail shouldn't be revolutionary. Leading retailers have long done this. Your local corner shop owner, who takes careful note of which of his regulars buys what, has long done this. So why has this simple and apparently long-established idea proved to be such a recurring theme in this Dimension Report?

One reason is that, in an era of instant digital communication and social media, customers have become less patient. To a customer who has grown up with the world wide web as a part of day-to-day life, 24 hours waiting for a reply to an enquiry seems like an eternity. Despite the best intentions, some retailers have failed to catch up with this new reality.

Retailers really can't afford to get left behind here. Mike Petrook of The Customer Service Institute's ideas about retail models where there's much more of a flow of information between businesses and customers is compelling. If companies can't even reply to a tweet in a timely fashion, how can they expect to compete in an omnichannel future where companies make use of data in more and more sophisticated ways?

If that seems negative, let's end on a positive note. As we've already noted, the IRUK 500 is made up of retailers operating desktop websites that are faster, slicker and more responsive than 10 years ago.

Looking a decade down the road again, who's to say the 2025 IRUK 500 won't be filled with retailers that put the customer at the heart of what they do, and which do this in ways that are only just beginning to emerge now? ●



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