IRUK TOP 500

DIMENSION REPORT

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RedEye

A Performance Dimension Report as part of IRUK 500 2016
InternetRetailing's UK Top500 Retailers, 2016

IRUK TOP 500

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SINGLE CUSTOMER VIEW

Wow! Incredible! I've just run the analysis and we have 15 prospective customers at this two bedroom flat in Willesden alone...

Hmmm... Do you think we should call the authorities?

Folding your digital and traditional channels together brings huge benefits for both you and your customers. But breaking down existing data silos and integrating into a meaningful, single view of each and every customer is both your biggest challenge and biggest prize.

Here at RedEye Towers we believe that lots of pristine data – boundlessly collected, astutely collated, dynamically analysed, and intelligently used – will allow you to find, understand and ultimately predict what your current and prospect customers want, need and value.

Want to get to know your customers? Why not get to know us?

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From the editor-in-chief

WELCOME TO THE latest IRUK Top500 Performance Dimension Report, where our focus is firmly on The Customer – central now as perhaps never before to the debate about the future of retail.

Just how do leading retailers best meet the demands of 21st-century shoppers? The question comes at a time when the balance of power has shifted from the retailer, which once dictated when and where customers could buy, and under what terms. Instead, the power now lies with consumers who can choose from a range that is, to all intents and purposes, infinite. They can also compare prices at will and move from one merchant to another, regardless of whether they're home or abroad, at the click of a mouse or the swipe of a touchscreen.

This is the background against which IRUK Top500 retailers must now compete and in this Report, we're asking how they do that in such a highly competitive market. We believe one answer lies in customer service, with this report investigating the standards that the Top500 reaches in this area, as measured through customer channels, responsiveness and web speed. We also note the standards achieved by leading retailers.

Our findings are both encouraging and not-so-encouraging. Some individual performances stand out but across the board, IRUK 500 retailers are still taking an average of more than a day to answer an email, while 8% of our researchers' phone calls were not answered at all.

Retailers that don't compete on customer service will certainly be left behind by consumers who now value convenience (and, by extension, service) above all. This Dimension Report aims to highlight effective and practical ways of not just catching up but overachieving .

Serving customers in the ways they have come to expect – which now includes interacting through social media alongside the old standards of email and phone – is now a fundamental requirement in retail. Those that fall down on those basics will struggle.

In the year ahead we'll be finding new ways to measure the customer experience, so we're asking our readers to take part. What are the measures that are most valuable in assessing customer experience and service? Get in touch with your ideas as we now turn our attention towards 2017.

Ian Jindal
Editor-in-chief
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THE IRUK TOP500 DIMENSION REPORTS SERIES

Don't forget that this Dimension Report on The Customer 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

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

IN THIS LATEST IRUK Top500 Performance Dimension Report, our focus is firmly on the person at the heart of the modern multichannel business – The Customer. We think this is fitting because it's the customer that's now driving the way that retail is developing across sales channels. So many of the technologies that are now available, and the communication channels that have been opened, have appeared because they are the way that shoppers now want to browse, buy and engage.

In this report, InternetRetailing research assesses the way that Top500 retailers are serving customers and whether the current standard of service is meeting expectations effectively. Multichannel and ecommerce retailing has made it so easy for shoppers to move away to another retailer that it's become vital to invest in service quality that will leave the customers satisfied.

In this Dimension Report, we focus on how the top retailers are leading the way. Case studies (page 18) examine the traits that put retailers ahead in this Dimension, while we ask The Perfume Shop managing director Gill Smith about the retailer's approach to customer service in our lead interview (page 20).

We've also gathered some best practice examples, not only of customer service but also of customer-centric strategy. Read and digest them in our 12 approaches that work feature (page 24).

We analyse the current standard of customer service among Top500 retailers in our analysing the numbers feature (page 12) and see how that contrasts with customer expectations in our related research overview (page 31) while setting out the wider context in our strategic overview (page 8). Our interview around emerging practice (page 29) is with Jonathan Freeman of startup Flashy, an innovator in linking store and digital via mobile.

We found our snapshot of customer service practice an eye opener and we hope it proves equally thought-provoking for our readers. We'll be returning to this subject in the next year as part of the IRUK Top500 2017 research.

In the meantime, we're always reconsidering the metrics that we use to judge Top500 retailers in this Performance Dimension and we'd welcome your thoughts on potential new areas of research. You can share them by emailing jonathan@internetretailing.net and chloe@internetretailing.net

Jonathan Wright and Chloe Rigby, Editors

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How to create a winning customer-centric strategy for your business

KEEPING CUSTOMERS SATISFIED is essential to the long-term success of your business, especially in a competitive market. Satisfied buyers may become loyal customers that have a higher lifetime value, helping to spread the word about good online shopping experiences. Here are four essential approaches that make for a winning customer-centric strategy:

Create convenience
Providing a convenient shopping experience to customers fosters a sense of loyalty. Buyers are more likely to return to your website if they find it's easy to navigate and responsive to mobile devices, and if they are able to find items quickly and accurately. Offering a quick and easy checkout process, and providing the right payment and delivery options goes a long way with today's consumers, who place a lot of value on seamless digital experiences.

Offer the right support
Customer service and support should be seen as an integral part of the customer's journey and not only as a post-purchase resource. If offered as a guide at each stage of the shopping journey, there is greater opportunity to boost sales and increase post-purchase satisfaction rather than just using customer service as a means to resolve concerns and complaints. Communicating with your customers through a variety of channels – live chat, email, or social media – creates and strengthens relationships that help increase conversions.

Provide consistent and personalised experiences across all channels
Shoppers expect to receive the same information and experience regardless of the channel they use. Collecting accurate, comprehensive, up-to-date customer information and insight to create a single view of your customer allows for a consistent experience, with quality service available at each touchpoint. A sensible data strategy that captures the shopper's behaviour across all channels will help create targeted experiences aimed to reflect each individual's shopping habits and preferences.

Introduce user-generated content for social proof
The popularity of user-generated content (UGC) is growing. Besides encouraging reviews, brands are encouraging their customers to share images and videos of them using their products. Digital shoppers seek the information they are looking for to influence their purchase decision through their peers' opinions and authentic experiences. Other customers' reviews and pictures provide social proof for the undecided shopper, so are an effective way to create a more engaging online experience as well as increase brand advocacy.

In conclusion, embodying a customer-centric strategy that focuses on improving the overall shopping experience will help you drive sales and encourage customer loyalty for years to come. You want to make sure you're offering a seamless, convenient experience across all channels for customers to make them return and influence their peers to visit.

About PFS
A leading global commerce service provider, PFS enables brand and specialty retailers to achieve their commerce goals. As an ecommerce solutions provider, we combine consulting, agency, technology and operations to deliver unique and branded customer experiences, creating Commerce Without Compromise. Learn more about our solutions at **www.pfsweb.com**

Right customer.
Right message.
Right time. Right channel.

To make data-driven multichannel retail a reality and to prepare for an omnichannel future, retailers need to put individual customers at the centre of all they do, advises **Garry Lee**, CEO of RedEye

THE WORLD HAS changed. For years, retailers have known the internet gives customers more choice and that we're moving to an era of the customer calling the shots. Now that this much-heralded era of customer-centric retail has arrived, what does it mean in practice for businesses? First and foremost, it means retailers have to build their offerings around customers or risk losing sales to consumers who have increasingly short attention spans and will quickly move on if they're not happy.

This doesn't just mean offering competitive prices, as important as this will always be. Customer experience, ease of use and conveying a sense of reaching out to engage the consumer at a personal level are all just as important. This customer-centric experience needs to cut across all channels. It's not acceptable for retailers to email a message on Monday and then, when users come to the website or see adverts on their Facebook timelines, to discover that message is not being reflected. Consistency is crucial.

To achieve this, retailers need to return to a recurring idea within modern retail: developing a single view of the customer. The terminology here may be overly familiar to retail professionals but it's an idea that needs to be front and centre as we move from a multichannel world where retailers market to lots of channels, to an omnichannel world where retailers market to lots of channels with the same message and customer experience across them all.

To do this effectively, retailers have to get a single view of the customer that collects data from all channels, online and offline. Retailers need behavioural data, transactional data, contextual data, profiling data and more. This is the way to understand what the customer wants and to use this understanding to tailor messages and experiences to them. However, there are nuances here. The danger with a customer-centric approach is that it risks becoming eerie. Making it about customers doesn't mean telling them everything you know about them. Rather, it's about tailoring individual experiences to individual customers.

As to when this needs to be done, the answer is now. With the Internet of Things starting to become a reality, retailers have to prepare for a world where, within five years at most, customers will expect the brand to follow them from channel to channel, device to device and interaction to interaction. And yes, one day very soon, your fridge really *will* order milk automatically when you run low.

Embrace this new era... it's exciting. But remember that everything we've mentioned still relies on a key starting point: building a single customer view database. Without that, retailers don't have a chance. A combination of more devices, channels and ways to communicate means more data and, ironically considering one of our starting points here is the arrival of omnichannel retail, there's a real risk of creating new data silos. So start now to get your house in order. Then, as each new innovation arrives, don't just worry about how it will work. Instead, wonder what data it will give you and how you can use it to better serve the customer and create loyalty.

RedEye

About Redeye

Our goal is simple: to help you deliver amazing results. We're fans of big words like 'Multi-Channel Marketing Automation' but really, we believe that sophisticated solutions can be simple. All RedEye products are driven by a unique database 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 optimising your marketing, the RedEye team is there to help. **www.redeye.com**

Reaching a new understanding

Gaining a birds' eye view of customer behaviour can help improve customer service as well as boosting the bottom line, writes **Chloe Rigby**

THE SINGLE VIEW of the customer has been a talking point for so long that many now assume it's an industry norm. In reality, that's far from the case. During a panel discussion on multichannel integration at InternetRetailing Conference (IRC) 2016, when an audience of senior retailers was asked whether they believed their businesses had fully achieved this single view of the customer, not one hand was raised. Of course this is a highly anecdotal measure but it does aptly illustrate a retail environment in which the customer's demands and aspirations for service still far outstrip the day-to-day reality.

Why? Because achieving that single customer view is so difficult. As panel member Neil Sansom, previously omnichannel director at formalwear business Moss Bros and now chief executive at knitwear retailer Woolovers, said: "The customer is far ahead of us and we're struggling to meet their expectations. Omnichannel or multichannel is a serious commitment and it has to be a priority for the future." Neither omnichannel or multichannel, he noted, were his preferred term to describe the task. Rather, "it's all about the customer and how they experience the brand."

It's a phrase that sums up nicely the reasons for bringing together customer data in one place. Some data maps shoppers' vital statistics, such as purchase history and delivery address. Other data records their interactions via the brand's touchpoints, from website, email and telephone through to deliveries and collections and returns. Being able to see all of this data in one place enables retailers to reach out and respond to shoppers in the most relevant way possible.

Without the single view of the customer, retailers might automatically reply to a shopper who reports a problem with a message that, quite unintentionally, insults the shopper by blandly thanking them for their email. It's far more

difficult to send a, "Thank you for your enquiry, here's a solution," email and more difficult still to send an email that says, "Thanks for your enquiry – we're really sorry you've had this problem for the second time. Here's the solution plus a £5 voucher, because we know you are a valuable customer and we need to ensure your loyalty."

In The Customer Performance Dimension Report, InternetRetailing researchers measure the efficiency and speed of customer service. These days, it's clear that data is a good

approach to driving that top-quality service. The importance of recognising the digital customer and responding to them with a relevant service may have begun with ecommerce but its roots go back to the local shopkeeper who knows customers by name and understands their preferences. As the ecommerce – or commerce – platform has extended to manage not only the website but also the store and call centre, the challenge has extended too. The task now is not just to understand how a customer behaves online, but also to gain a fuller understanding of that shopper by bringing together data wherever, whenever and however he or she touches the brand. Leading retailers are now doing just that, using identifiers such as loyalty cards, postcodes and email addresses to join up customers' interactions with the brand regardless of whether they are in store or on the website.

Image credit: Amazon

The introduction of Amazon Dash means customers can replenish supplies at the press of a button

> "Unless you put the right data in, you can't hope to personalisation. It just won't make sense"
> Robin Phillips, omnichannel and development director, Boots UK

B&Q is consolidating its multichannel customer experience from separate website, contact centre and store systems into a single website-based experience that's fed by a single customer data and content systems. This, says Mike Durbridge, director of omnichannel at the DIY retailer, simplifies the customer experience and makes it more consistent at every touchpoint. "It's important for us to have that consistency and connected journey when interacting with a customer or a colleague," he said, speaking to InternetRetailing ahead of InternetRetailing Expo (IRX) 2016.

In the future, the single view of the customer will underpin cross-channel marketing and the wider use of personalisation as retailers move further towards engaging with their customers in individual and highly relevant ways, by showing them web pages that make sense to them, or sending emails and offers at opportune moments, via the devices that they are most likely to be using. Robin Phillips, omnichannel and development director at health and beauty retailer Boots UK, told IRC 2016 that retailers that are not gathering the data for the single view of the customer "can't hope to do personalisation." He added: "Unless you put the right data in, it won't make sense."

Boots itself, he said, has been developing its single view of the customer for the last three years, yet still has another two to go. The data it is bringing together in the single view includes more than 100m records from sources including the Advantage Card, Boots.com, its optician business, health records and appointment booking. Its virtual database pools existing data that is then analysed and put to use through approaches ▶
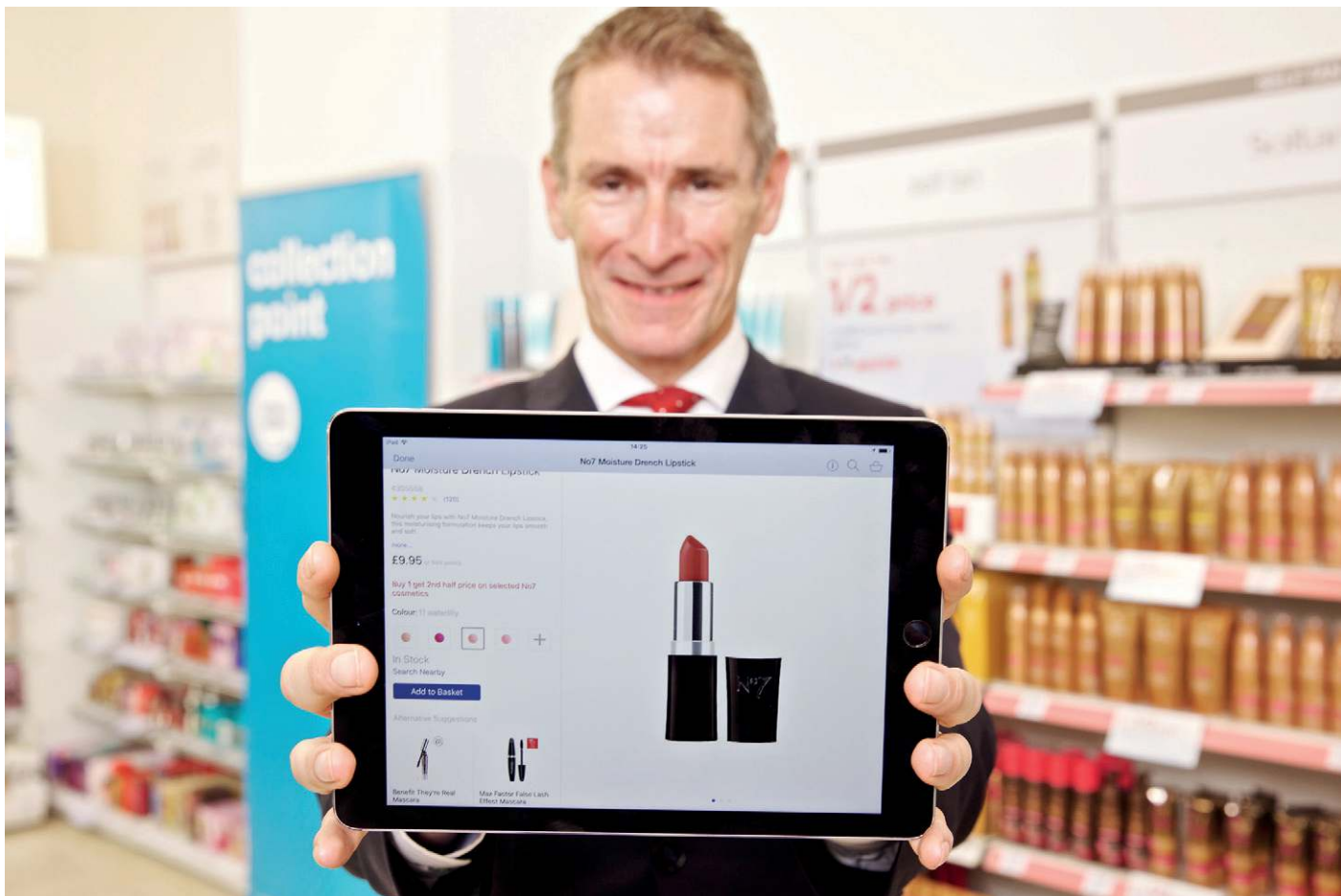
Image credit: Boots

Robin Phillips says it could take Boots up to five years to link transactions and gain a single view of each shopper

such as cross-channel campaign management and augmented customer segmentation. When Boots has got it right, says Phillips, it will have a memory view of the customer that will enable it to understand what they are trying to do next, letting them respond accordingly. This is key, he says, to its task of rewarding loyalty.

If all this sounds complicated, then spare a thought for a future when the SVC has become even more complex for retailers as new channels embodying the Internet of Things start to emerge. Already, with the arrival of Amazon's Dash replenishment service, that retailer is enabling connected devices to not only order their own consumables but also provide customer data at the same time. And this is only the start.

In the meantime, while the single view of the customer is a project that is set to be a foundation stone in offering shoppers the service they demand, it's one that will take time to achieve.

Don't keep me waiting

Integral to the notion of the customer service is the notion that shoppers don't like to wait. That's more true online than in the store environment, where it's unlikely that a slight delay in service will cause shoppers to move on. InternetRetailing researchers analysing the service that Top500 retailers offer their customers decided to measure the speed with which web pages loaded as they saw this as a relevant measure of the consideration that retailers extend to shoppers. And it's certainly true that digital shoppers hate to wait, especially when shopping via mobile. In a recent InternetRetailing webinar, NCC Group cited the DoubleClick statistic that 53% of mobile site visits are abandoned if pages take longer than 3s to load, while tiny incremental improvements that are counted in milliseconds can improve conversion, according to Mobify's 2016 Q2 *Mobile Insights Report*. Andy Davies, associate director, web performance, at NCC Group explained.

"Being fast is not about being fast for its own sake but about reducing friction for people visiting your site. It's about showing them the experience more quickly and making their life easier, so they're not sitting there looking at a blank screen. We see this through the customer's visit to the site. One of our customers that removed two form fields from a checkout decreased the exit rate by 1.5%, making it more likely their own customers would stay and spend money."

During that webinar, Stuart McMillan, deputy ecommerce director of Schuh, said that the speed of its responsive website had been a priority but that most retailers could improve their own site speed fairly easily. "For most sites, there are a small handful of things that [retailers] could do that would take not much time to improve. If people were committed to improving the user experience when it came to performance, I would think they could have it done between now [October 2016] and Christmas. They need to commit to understanding the importance to user experience and to the bottom line."

Since online shoppers hate to wait, these tiny improvements in load time mean that users aren't as impatient and are more likely to convert. Retailers that want to engage with their customers must talk to them in a timely fashion and part of that might mean being polite enough to have an optimised website that doesn't take 5s of customers' time to load.

That reluctance to wait was foremost in InternetRetailing researchers' minds when they tested customer service across Top500 retailers. They measured how quickly customer service staff responded to shopper problems, as well as how long they took to resolve the issue.

Their findings were that UK retailers as a group had slow average times in responding to emails, Facebook questions and telephone calls. Phone calls lasted an average of 2m 6s across the group – but 8% of all calls were unanswered. Emails were answered in an average of 27h, while multichannel retailers responded to Facebook queries in less than 9h – nearly six times quicker than the average response time for the IRUK Top500.

The retailers who lead in this Dimension were among the fastest to respond. John Lewis customer services staff answered email questions in just over 2h and on the phone delivered a service that was judged as outstanding. Staff at

The Perfume Shop replied to a Facebook query in 1h 24m and answered a phone query in less than a minute.

While overall performance is patchy, it's clear that leading retailers are those that invest in responding to customers across all channels.

Getting it right

Improving customer service surely starts with the customer. That's another way that the single view of the customer, touched on earlier, comes into play. Retailers can ask customers what they think of their service through research but thanks to their improved view, and understanding, of customer data, they might also analyse their behaviour both online and across channels, using the data that single view brings together. By improving the customer's experience across those channels and focusing on the 'pain points' that emerge from its analysis, retailers can potentially take a few simple steps that should have a lasting effect on the bottom line. These steps might be as straightforward as focusing customer service resources across channels, or ensuring that the phone gets answered quickly by people who are empowered to resolve any issues.

Ultimately, it's at the bottom line that most business improvements are truly measured. Our research supports the idea that even the simplest changes that benefit the customer are likely to have a far-reaching effect here.

> Since online shoppers hate to wait, tiny improvements in load times mean that users aren't as impatient and are more likely to convert

Putting the customer experience first

Polina Modenova explains how researchers went about understanding the service that IRUK Top500 retailers offer their customers on their websites and across their sales channels

THE MERCHANTS THAT stand head and shoulders above the rest in The Customer Performance Dimension Report are those that focus unerringly on the service they offer to customers. They are retailers that prioritise customer service across sales channels. They think long and hard about the customer journey, ensuring that websites load quickly in order to ensure an efficient service. They evolve services continuously to meet their customers' ever-changing demands.

In this Report, we've measured the factors that we believe contribute to a market-leading customer experience. That list starts with website performance. The online customer journey can only begin once websites load quickly and efficiently, so leading retailers in this Dimension put time and effort into making sure sites perform to their full potential. We've also considered the service that traders offer shoppers across channels. While shoppers still want to call and email, social media has also become a key part of the customer service mix that UK shoppers in particular have taken

"On Facebook, traders that responded to customer queries in less than an hour also published at least one Facebook post a day"

Polina Modenova, InternetRetailing

to enthusiastically. Across our research in this Dimension, we've differentiated between multichannel and pureplay retailers to see whether pureplays, which can only compete online, put more emphasis on website performance or act to communicate more quickly with customers via social media than their multichannel rivals, which must also manage a network of stores.

Websites that perform
In this section, we analysed how efficiently and quickly IRUK Top500 retailers' website pages loaded. We measured this through the PageSpeed score, which analyses how quickly and efficiently a web page loads, and also through Yahoo! Yslow scores. We grouped retailers into pureplay and multichannel retailers in the PageSpeed test in order to test our assumption that pureplay websites would perform better, which they did.

Pureplay retailers achieved an average 86 out of a potential 100, while multichannel retailers achieved 83 out of 100. We think that perhaps pureplays took this 3% lead because they are more likely to optimise their websites so that customers can navigate easily.

Leading retailers in this Dimension scored still higher. Retailers classified as Elite or Leading in the IRUK Top500 scored 87 out of 100, while leading retailer Sainsbury's took top prize by achieving 99 out of 100 for PageSpeed.

The Top500 and Customer Service
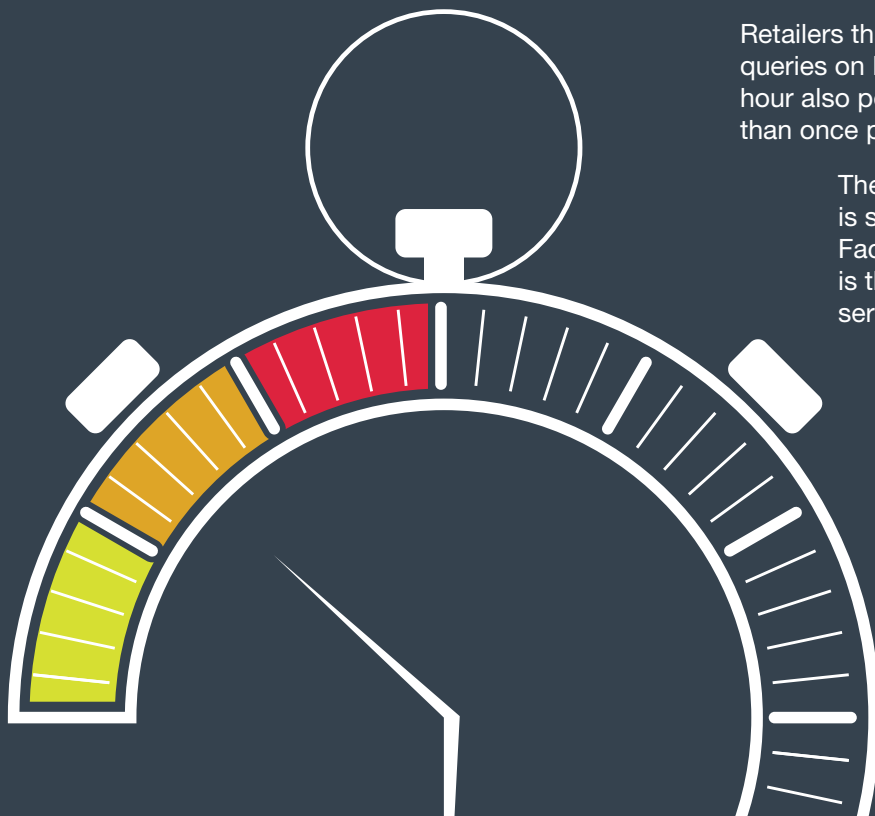
Retailers that respond to customer queries on Facebook in under an hour also post, on average, more than once per day

The average email response time is substantially shorter than its Facebook equivalent, but Twitter is the fastest channel for customer service queries

Multichannel retailers' average Facebook response time is same-day, and more than six times shorter than the Top500 average

The apparel and consumer electronics sectors have the fastest average response time to email – with many responding within 10m

IRUK 2016

Serving customers

We set out to measure retailers' customer service – how well they engaged with shoppers – by assessing the speed and effectiveness with which they answered researchers' email, Facebook and phone queries.

Across the IRUK Top500, this threw up some interesting findings. Telephone calls lasted an average of 2m 6s across the Top500, although 8% of calls went unanswered. On Facebook, we found that those traders which responded to customer queries in less than an hour also published at least one post on Facebook every day. We found no difference between the frequency with which multichannel and pureplay retailers posted, with both adding roughly 35 each month.

However, multichannel retailers substantially outperformed in the speed with which they responded to customer service queries on Facebook. The average answer time came in at less than 9h – nearly six times quicker than the average response time for the IRUK Top500.

Retailers were much faster to answer customer emails, with IRUK Top500 merchants replying in an average of 27h. Pureplay retailers were fastest, outperforming that average by 37%, while multichannel retailers were 10% slower.

The fastest responses to customer emails came from traders operating in the apparel and consumer electronics categories, in less than 10m. More than 30% of retailers in the consumer electronics and general merchandise categories responded in less than an hour. Across the index, half of pureplay retailers responded to customer emails within 12h.

Leading retailers performed well ahead of these averages, however. For example, we found that four of the Top5 retailers responded faster on ▶

Facebook than by email. At John Lewis, customer services staff answered emails in just over 2h and delivered an equally outstanding service over the phone, asking customers additional questions and giving straightforward answers.

Staff at The Perfume Shop replied to a Facebook query in 1h 24m and to a phone query in under a minute. That's 2.21 times faster than the average IRUK Top500 response time. The Perfume Shop was also the most active retailer on Twitter, putting out nearly 25,000 tweets every month.

TK Maxx responded to email and Facebook queries in less than an hour and resolved a phone enquiry in 1m 13s. WHSmith dealt with a phone enquiry in 1m 48s – less than the average time recorded for IRUK Top500 retailers – and dealt with a Facebook query in 1h 6m.

"Multichannel retailers had 150% more Twitter followers than pureplay traders and 120% more Facebook Likes"

Polina Modenova, InternetRetailing

French Connection performed well on Twitter, where it had 6,400 Liked tweets – the highest achieved in the index. Customer queries were addressed in less than an hour and a phone enquiry in less than a minute.

Tweetailer index

We also factored into our findings how many followers each retailer had on Twitter. We believe this measure demonstrates retailers' ability to interact with consumers, as well as how far they enable them to communicate any issues via social media. Again, we split our research into multichannel and pureplay retailers.

We found that multichannel retailers achieved higher customer engagement via both Facebook and Twitter. As a group, they had nearly nine times more Twitter followers than the average number of followers for Top500 retailers – which stood at a little under 17,000. Multichannel retailers had 150% more Twitter followers than pureplay traders and 120% more Facebook Likes than their pureplay competitors. John Lewis had the largest Twitter following – 309,000 followers at the time of the research. That's more than 18 times higher than the 17,000 averaged by IRUK Top500 retailers.

Conclusions

As a group, IRUK Top500 retailers continue to respond slowly to customer enquiries compared to the leading retailers in this Dimension, whose swift handling of comments and complaints puts the others to shame. Because of this disparity, many of the Top500 retailers clearly have plenty of scope to improve their customer service and when they do, this will in turn lift averages across the sector.

Across the board, average response times via email and social media were also too long. According to Forrester findings, 41% of customers expect a reply to their emails within 6h. Since we expect response times in this Dimension to improve considerably in years to come, we will continue to monitor them through regular updates on our research.

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The Top100 retailers of the IRUK 500
2016 The Customer Dimension,
as measured across dozens of metrics
around website performance and
customer service

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The Customer Top50

Asda	Harrods	The Perfume Shop
BHS	Hobbs	Route One
Blacks Outdoor	Homebase	Sainsbury's
Boots	House of Fraser	Screwfix
Buyagift	Jigsaw	Shoe Zone
Cath Kidston	Joe Browns	Superdrug
Clarks	John Lewis	Superdry
COS	L'Occitane	Thorntons
Crew Clothing Company	Laura Ashley	TK Maxx
Disney Store	Long Tall Sally	TM Lewin
EAST	M&Co	Waitrose
Euro Car Parts	Machine Mart	Waterstones
F&F	Maplin Electronics	White Stuff
Footasylum	Matalan	WHSmith
Fragrance Direct	Mothercare	Wilko.com
French Connection	Office	Yankee Candle
Halfords	Pavers	

The Customer Top100

AllSaints	Fired Earth	Lipsy	Staples
Argos	Furniture Village	Lloyds Pharmacy	Sunglass Hut
B&Q	Gear4music.com	Monsoon	Tesco
Banana Republic	Go Outdoors	Morrisons	Topps Tiles
Boden	H.Samuel	Moss Bros.	Topshop
The Body Shop	Hallmark	Pandora	Vision Express
Countrywide	Heal's	PC World	Whittard of Chelsea
Dabs.com	Hobbycraft	Post Office Shop	The Works
Debenhams	IKEA	Reiss	Zalando
Dunelm	Jacques Vert	Robert Dyas	Zara
Early Learning Centre	Joules	Rohan	Zulily
Expansys	L.K.Bennett	Samsung	
Feelunique.com	Lakeland	Space.NK	

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The full rundown of the IRUK 500, 2016, as measured across six Dimensions: Strategy & Innovation, The Customer, Operations & Logistics, Merchandising, Brand Engagement, and Mobile & Cross-channel

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Elite

amazon   Boots   John Lewis   SCREWFIX

Argos   HOUSE OF FRASER   mothercare

Leading

Asos	eBay	New Look	Tesco
B&Q	Halfords	Next	Topshop
Clarks	Homebase	Office	Waitrose
Currys	Marks & Spencer	Sainsbury's	Wilko.com
Debenhams	Matalan	Superdrug	

Top50

Apple Store	F&F	Monsoon	Superdry
Asda	H.Samuel	PC World	TK Maxx
Blacks Outdoor	Hobbs	Pets at Home	Topman
Carphone Warehouse	Holland & Barrett	River Island	Wallis
Dorothy Perkins	Maplin Electronics	Schuh	WHSmith
Evans	Miss Selfridge	SportsDirect.com	

Top100

Bathstore	French Connection	L'Occitane	Space NK
Boden	Game	M&Co	Thorntons
The Body Shop	Go Outdoors	Majestic	Topps Tiles
Boohoo.com	H&M	Morrisons	Toys Я Us
Burton	IKEA	Moss Bros.	Very
Claire's	Interflora	Mr Porter	Waterstones
Cotswold Outdoor	Jack Wills	Net-A-Porter	White Stuff
Disney Store	JD Sports	NotOnTheHighStreet.com	Wickes
Dune London	Jigsaw	Ocado	The Works
Dunelm	Joules	Peacocks	Yours Clothing
Evans Cycles	Lakeland	The Perfume Shop	Zara
Fat Face	Laura Ashley	Post Office Shop	
Footasylum	Littlewoods	Selfridges	

Top150

Accessorize
American Golf
Ann Summers
Beaverbrooks
Blue Inc
Bonmarché
CarpetRight
Cath Kidston
Crew Clothing Company
Dabs.com
Decathlon
DFS
Early Learning Centre
Ebuyer.com
Ernest Jones
Euro Car Parts
The Fragrance Shop
Gear4music.com
George at Asda
Getthelabel.com
Goldsmiths
Harrods
Hobbycraft
Kaleidoscope
Karen Millen
Lloyds Pharmacy
Mamas & Papas
MandM Direct
Missguided
Nike
Oasis
Pandora
Quiz
Reiss
Richer Sounds
Ryman
Samsung
Shoe Zone
Smyths Toys
Staples
Surfdome
Ted Baker
TM Lewin
Trainline
USC
Warehouse
Watch Shop
Wiggle
Zalando

Top250

Adidas
AllSaints
ao.com
BonPrix
The Book People
Boux Avenue
Brantano
Burberry
Cass Art
Chain Reaction Cycles
Charles Tyrwhitt
Cloggs
Coast
Costco
Cotton Traders
Direct Golf
Dr. Martens
EAST
The Edinburgh Woollen Mill
Ellis Brigham Mountain Sports
The Entertainer
Esprit
Estée Lauder
F.Hinds
Fashion World
Feelunique.com
Foot Locker
Forbidden Planet
Forever 21
Fragrance Direct
Freemans.com
Furniture Village
Games Workshop
GAP
GettingPersonal.co.uk
Google Play
Gucci
Harvey Nichols
Hawes & Curtis
Hollister
Hotel Chocolat.
Hotter
HP
Hugo Boss
Jacamo
Jacques Vert
Jaeger
JD Williams
Jessops
Joe Browns
JoJo Maman Bébé
Jones Bootmaker
Just Eat
Kitbag.com
Kurt Geiger
L.K.Bennett
Liberty
Lipsy
Long Tall Sally
Lovehoney
Lush
Machine Mart
Mango
Menkind
Millets
Mobile Fun
Moonpig
Mountain Warehouse
Myprotein
Novatech
The Outnet
Overclockers UK
Paul Smith
Photobox
Pret A Manger
PrettyLittleThing
Pull & Bear
QVC
Radley
The Range
Route One
ScS
Simply Be
size?
Snow+Rock
Sony
Specsavers
SportsShoes.com
Swarovski
Sweaty Betty
Thomas Pink
Toolstation
Uniqlo
Urban Outfitters
Viking
Vision Express
Wex Photographic
The White Company
Whittard of Chelsea

Top350

Abercrombie & Fitch
Agent Provocateur
Andertons Music
Anthropologie
Appliances Direct
Arco
Art.co.uk
Axminster
Banana Republic
Berry Bros. & Rudd
Blackwell's
Bondara
Book Depository
Bravissimo
Buyagift
ChemistDirect.co.uk
Countrywide
Create and Craft
CycleSurgery
Deichmann
DKNY
Dreams
Dulux Decorator Centres
EAT.
eSpares
Euroffice
Euronics
Expansys
Farfetch
Figleaves.com
Find Me A Gift
Firebox
Fitness Superstore
Flannels
Fortnum & Mason
Free People
funkypigeon.com
Gemporia
Grattan
Graze
Guitarguitar
Habitat
Harveys
Heal's
Home Bargains
Home Essentials
The Hut
Iceland
Ideal World
IWOOT
Kiddicare
La Redoute
Laithwaite's
Laptops Direct
Lego
LightInTheBox
Lyle & Scott
MAC Cosmetics
Marisota
Massimo Dutti
MatchesFashion.com
MiniInTheBox.com
Mint Velvet
Misco
Molton Brown
Mulberry
Multiyork Furniture
Nisbets
Oki-Ni
Oliver Bonas
The Original Factory Shop
Paperchase
PartyDelights
Pavers
Phase Eight
Printing.com
Ralph Lauren
Robert Dyas
Rohan
Russell & Bromley
See Tickets
Slaters
Sunglass Hut
Thompson & Morgan
Tiffany & Co.
Trespass
Ugg Australia
Urban Industry
Victorian Plumbing
VictoriaPlumb.com
Victoria's Secret
Virgin Wines
Wagamama
Whistles
Wyevale Garden Centres
Yankee Candle
YOOX.com
Zooplus
Zulily

Top500

Abel & Cole
Ace
Achica
Aldo
Alexandra
All Posters
Approved Food
Aria Technology
Asics
ATS Euromaster
Avon
Baker Ross
Barbour
bareMinerals
BBC Shop
Bensons for Beds
Bershka
Bose
BrandAlley
Brandon Hire
The Brilliant Gift Shop
Build-A-Bear Workshop
Bulk Powders
Buymobiles.net
CafePress
Calendar Club UK
Calvin Klein
Camper
Card Factory
Cargo Home Maker
CCL Computers
Charles Clinkard
Chums
Clintons
Coggles
The Co-operative Electrical
COS
Crabtree & Evelyn
Cromwell
Damart
Dell
Demon Tweeks
DHgate.com
Diesel
Dobbies Garden Centres
Dolphin Music
DealExtreme
Dyson
END.
Everything5pounds.com
Farrow & Ball
Fired Earth
FitFlop
Fraser Hart
Fred Perry
GAK
Gant
Glasses Direct
GNC
Hackett
Hallmark
Hamleys
HelloFresh
High & Mighty
HMV
Hornby
Hughes Electrical
itsu
Jewson
Jimmy Choo
JML
John Smith's
Joy
Juno Records
JustFab
Kiehl's
Lacoste
Lands' End
LED Hut
Lenovo
Links of London
Logitech
LookFantastic.com
Louis Vuitton
Made.com
Mainline Menswear
MedicAnimal
Microsoft
Mobile Phones Direct
Mobiles.co.uk
Monica Vinader
Naked Wines
Nespresso
The North Face
Oakley
Orvis
Pet-Supermarket
Philips
PIXmania.com
Plumbase
Plumbworld
Prada
Premier Man
Pretty Green
Prezzybox
Printerland.co.uk
Pro-Direct
Puma
Rakuten
Rapha
Rapid Electronics
Reebok
Roman Originals
Rowlands Pharmacy
RS Components
Scholastic
SecretSales
Select
Skechers
Smythson
Sonos
SportPursuit
Spreadshirt
Superfi
Suttons Seeds
Sweatshop
Tate Shop
Thomann
Thomas Sabo
Timberland
Timpson
Toast
Tommy Hilfiger
Tripp
Trueshopping.co.uk
TTS Group
Vans
Vax
Vente-Privee
Warren James
The Watch Hut
Wayfair
Weldricks Pharmacy
WorldStores
Wynsors World of Shoes
Yeomans Outdoor Leisure
Zavvi
Zazzle
& Other Stories
7dayshop

John Lewis: consistent service levels

JOHN LEWIS STANDS out for its high levels of customer service and the speed with which it resolves consumer problems. The department store offers a comprehensive choice of channels for consumers to get in touch, including via email, phone and Facebook. Responses to test queries made by InternetRetailing researchers were given in 2h 47m for a Facebook query and 2h 2m for email. Over the phone, customer support resolved a problem in 4m 7s. Although this is 2m slower than the average time, the quality of responses was high, with John Lewis scoring the highest mark in our research for *effective* service.

Image credit: John Lewis

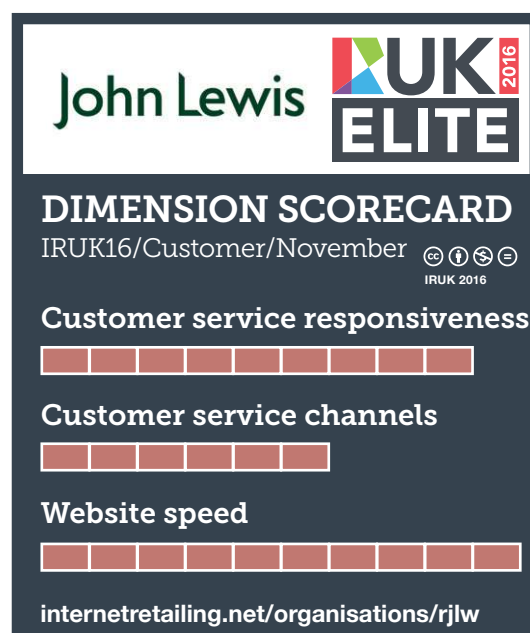**John Lewis sees service as a major differentiator worth investing in**

The retailer is on record as regarding tech investment as being key to customer service. "We are continuing with a greater proportion of investment in IT and our supply chain — critical to improving service and convenience," Charlie Mayfield, chairman of John Lewis Partnership, said in half-year results to the end of July 2016.

InternetRetailing researcher Polina Modenova says the company's all-encompassing approach helps it to stand out. "There's a holistic approach to customer service at John Lewis that puts it well ahead of its rivals. Not only does it answer the questions we asked but it does so in a timely manner." John Lewis also ranked highly in tests measuring the speed of desktop page load.

The retailer further adds value to its communications with customers through social media. Of the Top5 in this Dimension, it has the most Followers on Twitter – 309,000 – which is 18 times higher than the average number in the IRUK Top500. Its social media offers content besides news and events, with its Twitter profile featuring short recipe videos and outfit ideas, which both feature John Lewis products.

The company has also invested in improving customer service through its wider ecommerce offering. Its new Magna Park distribution centre handles fulfilment more efficiently, while the retailer has integrated its desktop, mobile and app offerings and introduced advanced personalised digital shopping experiences, such as Personal Style Edit, which offers clothing advice to women based on details such as their eye colour and height. This may have in part led to an increase in online sales (17%) in the first half of the year. Some 34.5% of retail sales were made online, up from 30.6% the previous year.

"Our results were very much a result of the effective combination of shops and online, demonstrated by the fact that more than three-quarters of our customers made a purchase from one of our shops," Mayfield said.

John Lewis | **IRUK ELITE 2016**

DIMENSION SCORECARD
IRUK16/Customer/November

IRUK 2016

Customer service responsiveness

Customer service channels

Website speed

internetretailing.net/organisations/rjlw

French Connection: personalised offering

While it's still a high street powerhouse, French Connection's online sales are growing

CLOTHING, ACCESSORIES AND homeware retailer French Connection says multichannel retailing is key to its strategy. It supports customers by offering high-quality service across a range of channels, from digital and social media to the telephone and email.

The company has a clear focus on customer care and support through, for example, a recently added new customer relationship management (CRM) system. In its latest full-year results, to 31 January 2016, it said this system would "enable us to communicate better with our customers through a more personalised approach." It added: "We have already started to see the benefits of this feed through and expect this to increase during the current year."

It frames multichannel as part of its customer service, stating on its investor website that this area is a clear focus for them. "We will continue to invest in the people and systems to support this growth opportunity to ensure our customers can shop with us however they wish and get the very best multichannel experience," it says.

As French Connection improves the service it offers via the internet, more of its sales are moving online. In 2015, almost a quarter (23%) of its sales took place there. Half-year results to July 31 2016 showed sales migrating further online as French Connection reported 26.5% of retail revenue taking place via ecommerce. Half of those sales (50%) took place on mobile and tablet devices, suggesting a successful m-commerce strategy.

InternetRetailing research shows that French Connection boasts impressive customer service. Customer queries sent over Facebook were dealt with in under an hour, and phone queries resolved in less than one minute. Emails were answered on average in 2h 59s. Queries were met with high-quality responses and careful service.

The retailer is particularly active on Twitter, where its account features the largest number of 'Liked' tweets of any Top500 retailer, at 6,440. This may be to do with its strong counter-cultural brand, which helps it to stand out from the competition online; its notorious 'FCUK' logo, for example, is also used as its Twitter handle.

FRENCH CONNECTION **UK TOP 100** 2016

DIMENSION SCORECARD
IRUK16/Customer/November

IRUK 2016

Customer service responsiveness

Customer service channels

Website speed

internetretailing.net/organisations/rfcn

A breath of fresh air

Jack Flanagan asks The Perfume Shop's managing director **Gill Smith** about the retailer's approach to customer service

CREATING AN EXCITING digital platform for something as purely sensory as perfume might sound like a challenge but it's one that can be overcome through innovation, says The Perfume Shop managing director Gill Smith. Her team has focused on an increasingly integrated online experience to make it easier for customers to shop. "We try to link everything up," she says. "We want to provide that 360° experience so the customer can get anywhere." This approach has already led to its websites driving a greater number of sales.

MAKING FRAGRANCE FIT

Smith says the journey towards a more integrated site was never more difficult than when she came on as managing director two years ago, having worked for eight years with The AS Watson Group, which owns The Perfume Shop. When she arrived, she says, it seemed as though the brand had gone from a digital leader to "lagging behind" competitors. "When I became MD, the focus was on modernising The Perfume Shop. It used to be we were one of the best online retailers but generally, a seismic shift had taken place in the industry. My focus was to upgrade the customer experience, both in-store shop and online. We decided to love the website, essentially."

A major challenge facing The Perfume Shop was how to overcome that sensory barrier. "Fragrance is very hard to sell online because you can't smell it and while that's a fundamental problem, we've tried to innovate beyond it," says Smith. To achieve this, The Perfume Shop makes sure the experience fits the product. Although the scent itself can't be communicated, the pictures of perfume bottles offer a visual element that's popular on social media.

"Our web presence is very visual," says Smith, "we want to show off our beautiful products. We have a fragrance blog, a beauty blog and our own editor, who does everything on them. This links up with Facebook, Twitter and the website so the customer can see what we're up to and what we have."

After ordering online, the experience of the product arriving is made as luxurious as possible to offset the digital transaction. "We're always asking ourselves: 'Why should you buy from The Perfume Shop and why shop online?'" says Smith. "It seems natural to think about delivery, so now we supply a lovely box with fragrance, samples of other products, plus a leaflet on new launches. The customer opens the box and it's scented. It smells beautiful, whereas 18 months ago, it would just have been just a brown box. We also offer gift-wrap and make your own hampers, or you can have your bottle engraved. We actually had our first marriage proposal via perfume bottle this year, in October. All of this enhances the experience for the customer."

AN INTEGRATED EXPERIENCE

The Perfume Shop has also continued to improve its in-store experience alongside the digital experience. Smith says its stores are built to convey a sense of expertise to customers, which is important when selling expensive fragrances that are bought infrequently. "We were founded on excellent customer service. For us, it's all about accessibility. Fragrance can be seen as an expensive, kind-of-snobby, inaccessible luxury. The solution is to give the customer the right information about each brand," she notes.

The success of the online experience for customers has involved combining the visual

Image credit: The Perfume Shop

The luxurious nature of perfume and the infrequency of its purchase mean that every occasion needs to be special to the customer

elements of products with a robust online experience. The inner working of this programme, Smith explains, has been about creating a "360° experience" so that customers can connect separate channels together, such as the blog and the website, to make a purchase. "The customer should be able to get us from anywhere," she notes.

Smith's team takes a similar approach with customer service. "We have our own internal customer service team, as we'd never outsource," she says. "Our customer services manager absolutely knows what the customer expects from them as she's a qualified fragrance specialist, so she feeds that expertise back through her whole team as well as communicate that expertise across to the customer to give further value. What we've noticed is the questions they ask online – like 'What should I buy for my 15-year old?', 'What would my wife like?' – are the exact same questions we get in-store. They're just looking for guidance."

The company was the first fragrance retailer to incorporate live web chat, alongside phone and email, for customer support. All channels are monitored day and night, and a research team from InternetRetailing found rapid and helpful responses across them all, including a response time of 1h 24min over Facebook. The company is also now integrating new payment methods such as Apple Pay and launching a new app to tie in with its loyalty card, though Smith says that all this is really just "keeping up" with rivals.

The Perfume Shop uses an in-house social media team and, says Smith, conveying a sense of "fun"

with social is a priority. The team has separate feeds with separate functions, such as customer services and a main channel where they post competitions and quizzes – and they post a lot, generating nearly 25,000 tweets per month. "We love to be social and we love to share," says Smith.

These integrated services contribute to a sense of the specialist service that's on offer, both in-store and online. "I think that's just the way it's going to be, until they invent smell-o-vision," Smith jokes. "Our priority at The Perfume Shop for our online offer is to give them the same experience that they would get in-store."

DIMENSION SCORECARD

IRUK16/Customer/November

IRUK 2016

Customer service responsiveness

Customer service channels

Website speed

internetretailing.net/organisations/rpsh

WHSmith: efficient service across channels

OVER THE LAST year, WHSmith has focused on offering customers a more relevant and efficient service.

Online, the books, stationery and gifts retailer has a dedicated customer service account on Twitter (@whsmithsupport), which takes an active role in resolving complaints and answering queries, as well as the @whsmith handle and WHSmithUK Facebook page.

InternetRetailing's research shows WHSmith boasts strong customer service, both online and over the phone. During test calls made to customer service, issues were resolved in just under two minutes – below the average time of other IRUK500 retailers.

Queries over Facebook were dealt with in 1h 6m and it's worth noting that many retailers still don't respond to Facebook messages and queries at all. WHSmith's responses received top marks for issue resolution.

Its latest full-year results, to 31 August 2016, show WHSmith has taken stock of issues affecting customers in a "constantly changing consumer environment". It has worked to improve the customer experience across sales channels, meeting shoppers' needs while also improving the range available to buy.

This is particularly true of WHSmith's substantial airport, or Travel, presence. During a busy week, WHSmith says it can run 100,000 transactions in a single airport store. It has addressed the pressures that this creates through stock management strategies, such as overnight replenishment to stores with significant footfall and introducing new floor sales techniques to keep track of declining stock.

Another problem for WHSmith's Travel stores is limited space. To confront this, the company adopts stocking strategies store-by-store that are designed to drive the greatest returns. For example, WHSmith expanded both its 'food to go' items and headphone range to meet the demand for snacks and entertainment for customers running between flights. It also introduced specialist bookstores to serve those customers preparing to go on long-haul flights by getting some reading material ready.

Image credit: WHSmith

Stock replenishment is being considered on a store-by-store basis

In its main business, WHSmith has invested in improving in-store logistics and layout, while also investing in staff training to ensure that its staff know enough about products to provide a satisfying experience for customers.

One major update to in-store customer convenience has been the introduction of 'try before you buy' fixtures. These allow customers to test merchandise such as headphones before buying, giving them greater power over their selection and satisfaction. After a successful trial in London Victoria, this year WHSmith rolled out these modules to 23 stores across the UK.

WHSmith — IRUK TOP 50 2016

DIMENSION SCORECARD
IRUK16/Customer/November

IRUK 2016

Customer service responsiveness

Customer service channels

Website speed

internetretailing.net/organisations/rwhs

TK Maxx: active and effective

TK MAXX IS known for its business strategy of selling at up to 60% off the recommended retail price. The off-price retailer's stated mission is "to get customers the labels they adore at the prices they love". But there's nothing cut-price about an approach to customer service that is active and effective across sales channels. That's no doubt part of the reason why its highly active social media accounts feature praise from fashion-savvy shoppers who prefer not to pay the full price for the designer fashion, homewares, toys and other products that it sells. On its website, TK Maxx describes a buying process in which buyers take an "opportunistic and entrepreneurial" approach to snapping up products at low prices. Some products come as a result of brand overstocks, some when vendors want to clear stock quickly, and others are a result of department store order cancellations. Its products are sold in what TK Maxx describes as a "no-frills way of working" that "helps us to pass spectacular savings on".

But when InternetRetailing researchers put TK Maxx customer service to the test by phone, email and over social media, the experience was far from that which might be expected by a no-frills retailer. Responses across all channels were fast. More than that, its performance was consistently above average in resolving problems.

The clothing retailer performed substantially better than other IRUK Top500 companies in the speed of its response to customer queries. Customer service staff took an average response time of 35m to resolve a Facebook query – well ahead of the average 53h response time.

An email query was also answered in under an hour. That's not only well ahead of the 27h average for IRUK Top500 retailers but also beats the three-day response time that TK Maxx promises on its own website. Phone queries were also answered extremely quickly, at 1m 13s. Its representatives scored top marks for issue resolution and service quality in this area.

Recently, TK Maxx came 11th in the DMA's (Direct Marketing Association) Customer Engagement index, which asked 1,000 consumers what their favourite brand was. This put it ahead of companies such as Apple, Tesco and Zara.

Customers who like TK Maxx's cut-price shopping also appreciate its high levels of customer service

DIMENSION SCORECARD
IRUK16/Customer/November

IRUK 2016

Customer service responsiveness

Customer service channels

Website speed

internetretailing.net/organisations/rtkm

12 approaches that work

Putting the customer at the heart of the business is easier said than done but can reap results. Customer-centric approaches to service and retail help retailers stay relevant to loyal shoppers while also winning new business. Here are successful approaches deployed by IRUK Top500 retailers

1 Make the customer a priority

Putting the customer first has to be more than a slogan and traders that make its shoppers a real priority are seeing measurable results at the bottom line.

Under chief executive Dave Lewis, Tesco has explicitly focused on putting the customer first and has seen its sales lift as a result. "The entire Tesco team is focused on serving shoppers a little better every day," said Lewis, in the supermarket's latest half-year results.

To achieve that, the retailer has cut prices, improved its range and ensured better availability and customer service. It also received widespread attention and acclaim in the recent high-profile 'Marmite-gate', when it resisted Unilever's efforts to raise the price of the yeast spread, among other products.

All of this is paying off. The supermarket reported revenue of £27.3bn in the first half of the year, 1.4% up on the same time last year. Group pre-tax profits of £410m were 124% up on last time, although exceptional costs related to business restructuring and redundancies as well as provisions against PPI claims related to historic events meant bottom line pre-tax profits of £71m were down by 28.3% on the £99m reported last year.

2 Think new technology

The latest technologies are enabling retailers to make customer service ever-more efficient at scale. This increases shoppers' chances of getting faster answers to queries.

Online grocer Ocado is using artificial intelligence (AI) to understand and prioritise its customer emails by introducing a machine learning-enhanced contact centre. At its heart is an AI model that parses the email, adding a summary and priority tag. This cuts out work for customer service staff, leaving them free to focus on solving problems.

"We strive to deliver the best shopping experience for all our 500,000 plus active customers," said Debbie Wilson, Ocado contact centre operations manager, at the time the innovation was unveiled. "However, working in an omnichannel contact centre can be challenging, with the team receiving thousands of contacts each day via telephone, email, webchat, social media and SMS. The new software developed by the Ocado Technology data science team will help the contact centre filter inbound customer contacts faster, enabling a quicker response to our customers, which in turn will increase customer satisfaction levels."

Image credit: Ocado

"Hi Ocado,
I love your website. I have children so it's easier for me to do the shopping online. Many thanks for saving my time! Regards"

Feedback | Customer is happy

ocado TECHNOLOGY

Ocado is applying AI as a way to enable its staff to get to customers faster and deal with problems more efficiently

Image credit: Shop Direct

The V By Very collection drew on customer insights at the design stage

3 Improve web speed

Speed matters, whatever device a customer is using to visit a website, although shoppers may be more impatient on mobile devices. More than half (53%) of mobile web visits are abandoned if the site takes longer than 3s to load, according to DoubleClick in its study, *The Need for Mobile Speed*. Its analysis of more than 10,000 mobile web domains also found that the sites loaded in an average of 19s over 3G connections.

In a recent InternetRetailing webinar, Andy Davis, associate director, web performance at NCC Group, explained why. "Being fast is not about being fast for its own sake but about reducing friction for people visiting your site. It's about showing them the experience more quickly, making their life easier."

Schuh's responsive website stands out for the speed with which it loads. Stuart McMillan, deputy head of ecommerce at the shoe retailer, speaking in that website, said: "For most sites, there are a small handful of things that [retailers] could do that would take not much time to improve... They need to commit to understanding the importance to user experience and to the bottom line."

4 Understand what the customer wants

Understanding what shoppers really want goes some way to ensuring they are likely to buy. Rather than simply asking customers what they might like to buy, some retailers are interrogating data to be confident that what's on offer will fit the bill.

Very.co.uk used that data to produce its V by Very womenswear collection. It drew on customer insight to produce styles that would be relevant for its target demographic of women aged 25 to 44 and came up with a collection that Shop Direct group fashion director Zoe Matthews described as "quality, feminine fashion that's about style and inspiration combined with ease and convenience".

"We saw a clear opportunity to create a strong own brand that recognises and serves the many roles our customers play day-to-day," said Matt Dixon, group product director at Shop Direct, when the collection first launched in June 2016. "We're not only tracking the latest trends and catwalk styles but every day we're listening to our customers' views and looking at how they shop. We're creating a data-driven fashion brand that is truly relevant for them. It's this relentless focus on relevance that will help to create new opportunities to expand womenswear, menswear and childrenswear, and help V by Very become a success."

The retailer is backing the new range as a 'hero' brand that it believes will help grow its £850m turnover. Shop Direct chief executive Alex Baldock said: "We're building a world class online department store and now we have an own-label fashion brand to match our ambition. We've created this new collection – and this new brand – alongside our customer. She's told us what she wants and by listening to her, V by Very can become a major force in British fashion. We're backing it big time."

▶

5 Engage on social media

Responsive retailers engage with customers on the channels that customers themselves choose. This goes well beyond providing a phone number or an email address. UK shoppers have taken social media to their hearts, so now expect fast responses to their enquiries via Twitter and Facebook, the two channels that are most relevant to customer service. InternetRetailing research found the average response time for IRUK Top500 retailers to a Facebook query was under 9h, while the average response to emails was 27h.

Leading retailers performed more strongly. John Lewis, for example, replied to an email query in just over 2h, while The Perfume Shop's customer services team handled a Facebook query in 1h 24m and WHSmith resolved a Facebook issue in 1h 6m.

Image credit: John Lewis

In research, John Lewis responded to an email in just 2h

6 Think about how customers prefer to buy…

Shoppers are moving quickly towards mobile shopping. Earlier this year, etail trade association IMRG released figures suggesting that 51% of online sales took place via mobile devices in the three months to the end of January 2016. At the time, 49% of sales took place over a desktop or laptop, 33% via tablet computers and 18% over a smartphone. Since then, smartphone sales have been growing at a much faster rate than those via tablets.

Mark Felix is director, online trade at John Lewis, which was among the first UK department stores to introduce free wi-fi for its customers. Commenting on the news of rising smartphone use, he said, "Mobile is becoming the glue between our shops and online. Increasingly, customers are using the two channels combined and, for example, use their mobiles to check ratings, reviews and further product information when in-store."

Other retailers may find their customers use devices in different ways, depending on the products they sell and the demographic they serve. Looking at analytics and customer data will be part of any customer-facing sales strategy.

7 …and how they like to take delivery

In the past, shoppers may have preferred to save their money and opt for standard delivery services. But figures this year from the IMRG MetaPack UK Delivery Index suggest that next-day delivery was used more frequently than standard delivery for the first time. It found that some 36.7% of deliveries were sent using next-day delivery, while 33.8% use standard delivery.

At the time, IMRG head of e-logistics Andrew Starkey said that the change was not unexpected: "Some retailers see delivery as a differentiator and are offering next day as standard, others offer it if the customer's basket value is above a specific threshold and for others, the charge for next day is smaller than it has been on average in previous years."

Retailer Next, a leader in the IRUK Top500 Operations & Logistics Performance Dimension Report, is among those that offer next-day delivery as standard for orders placed by midnight, at a cost of £3.99.

8 Build the experience around the customer

By starting with what the customer wants, retailers are more likely to provide the service that meets its customers' needs.

When multichannel sofa brand The Lounge Co launched this summer, its parent company Sofa Brands International (SBI) designed the company around the way it believes customers want to buy sofas.

Julian Neal, director of SBI, whose brands include Parker Knoll, and chief executive of The Lounge Co, said he had seen the furniture market go through "significant structural change" but that at heart, consumer behaviour had not changed at all.

"People use the internet to research our products and expect speed, ease of use and extremely high-quality content," he said. "However, customers who are investing significantly in an item of furniture they'll own for a decade or more want to experience the product first."

Shoppers with The Lounge Co can research and buy online, through a local store or over the phone, but the emphasis is on the offline channel, through showroom 'galleries'. Each features one each of 15 styles of sofa, as well as two touchscreen kiosks where shoppers can configure their own version from the 18,500 combinations available. "We invested a significant amount into this technology as part of the in-store experience because customers need to be able to visualise their ideal sofa before they buy," said Neal.

Sales will be attributed to the local gallery, which has an exclusive catchment area, no matter how customers choose to pay for their sofa. "Ultimately, it shouldn't matter where customers want to pay for their products," said Neal. "They still need to be given the same excellent customer service across every touchpoint and we want our partners to be rewarded for their contribution."

9 Make sure it works

Having the latest technology is no consolation for customers who can't benefit from it because it's not plugged in or even working on the day they visit a store. Speaking at IRC 2016, Leif Bode Nielsen, head of omnichannel EMEA at Lego, said "zombie-channel" solutions were no solutions at all. "We've so often seen people who had omnichannel store solutions that wowed us when we saw them online but weren't actually working when we went to see them."

Image credit: The Lounge Co

The Lounge Co says it's essential for customers to be able to try out its products before they commit to making a purchase

10 Enable shoppers to see what previous buyers thought

Reviews and ratings can have a powerful effect in encouraging shoppers to buy. BrightLocal's 2016 *Local Consumer Review Survey* found that 84% of people trust online reviews as much as they do a personal recommendation.

When Figleaves.com introduced customer reviews in the UK using the Bazaarvoice solution, it found that six months in, products with reviews had a 12% higher conversion rate than those without. For products with more than 20 reviews, that figure was 84% higher.

Low star reviews can be as valuable for retailers as those with five stars, since they may identify problems with products, problems that can be addressed and fixed. ▶

11 Take away the customer's pain

Smart retailers smooth the path to purchase by tackling the friction points that might slow up or even divert the shopper. That makes it more likely they'll not only complete their mission but also return to buy in the future.

Debenhams said in its latest full-year results that one key priority for it over the coming year would be to tackle some of these key customer pain points. The department store, a Leading retailer in IRUK Top500 research, has a 'fix list' that includes making returns and refunds simpler, improving service in its restaurants and making it easier for shoppers to pay in-store through both mobile and contactless payment solutions.

12 Think loyalty

Loyal customers can be powerful advocates for any retailer or brand. They're likely to spend more, particularly if they shop across channels, and technology has given traders new ways to encourage such shoppers to remain loyal.

Loyalty schemes now run across channels, enabling shoppers to collect points that entitle them to discounts and rewards regardless of whether they buy online, in the store or through the app – which, when it includes the loyalty scheme, can replace any plastic cards. Customers using the House of Fraser iOS app, for example, can scan their Recognition loyalty cards from the app when buying in-store but can also manage their accounts from the app. Even the act of downloading an app can itself demonstrate loyalty, since shoppers who make space for it on their phone are, it would seem, more likely to use it.

Other internet-driven subscription or membership schemes include Amazon Prime and Ocado SmartPass, where shoppers pay a fee in return for discounts and free delivery. ◪
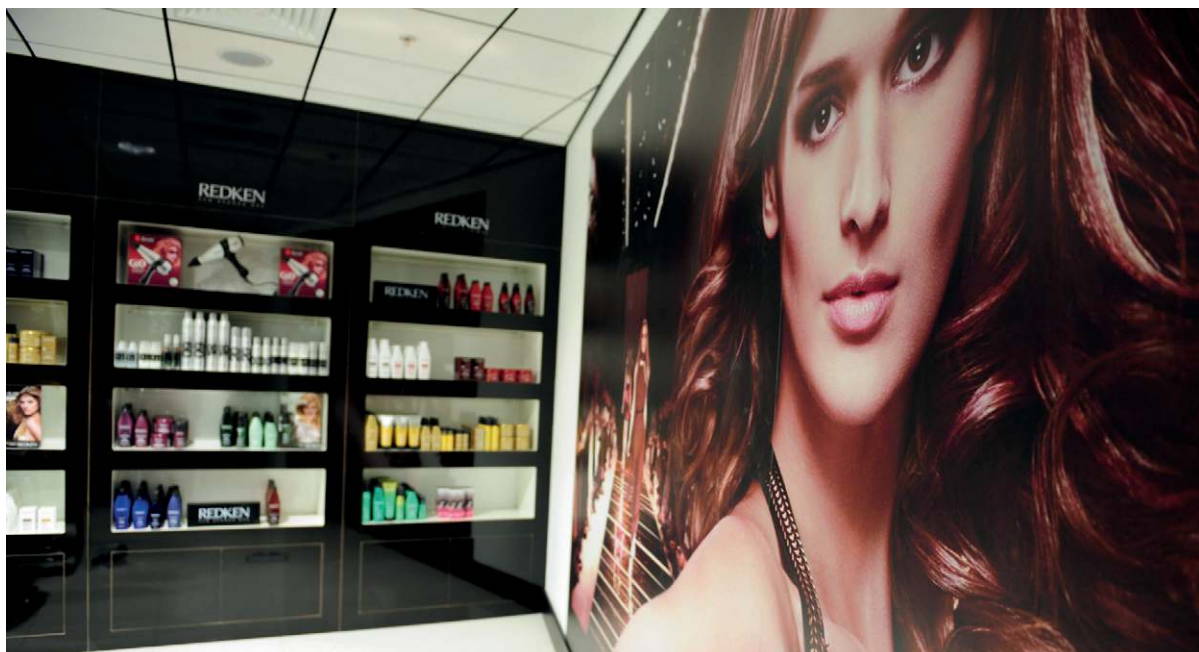
Debenhams plans to make it easier for customers to pay via mobile

Image credit: Debenhams

Getting into the mind of the shopper

Bringing web-based convenience into the high street would forever tear down the barriers between the online and in-store retail experiences. The Flashy app aims to do this by adding the magic ingredient of emotional intelligence, reports **Cam Winstanley**

Image credit: i2 media research

Jonathan Freeman aims to link online and store in a way that will drive sales

BEING TRACKED ONLINE is rather eerie but we've all got used to it. Sort of. But can you still remember the first time you browsed a new set of luggage, then noticed how every subsequent website you clicked on was populated by suitcase ads? It would feel intrusive if it wasn't so helpful and, besides, you ended up buying that Samsonite eventually, didn't you?

It's this kind of personalised and persistent yet useful recommendation that has inspired the creation of the Flashy app. Developed jointly by i2 media research limited and HW Communications limited under the umbrella Flashy Limited, it's the result of a year of research funding from Innovate UK.

"Flashy bridges shopper experiences of online and bricks and mortar retail," explains Jonathan Freeman, i2's managing director. "Online shopping is really convenient

> "By comparison to online, the bricks-and-mortar experience is a lot more engaging and multi-sensory but can be much less convenient"

Jonny Freeman, i2 media research ltd

as it aids the shopper with personalised recommendations based on search and browse history, offers and so on. By comparison, the bricks-and-mortar experience is a lot more engaging and multi-sensory but can be much less convenient. Items aren't always in stock and, after spending an afternoon browsing several shops, you might not even remember where you saw the thing you liked."

With the Flashy app installed on their phone and Bluetooth activated, shoppers' physical journey through participating stores will be tracked and their interactions with Internet of Things-tagged products noted. All items picked up appear on the app and, until these are deleted, the store can send personalised enticements. These could be a flash sale encouraging an immediate purchase, an offer to multibuy, or a discount offer sent later that day in an attempt to re-engage the customer.

While these capabilities read like a to-do list of any IoT-enabled shopping app, Flashy has another trick up its sleeve thanks to Jonny's academic work. As both MD of i2 media and ▶

professor of psychology at Goldsmiths, University of London, he juggles research and R&D projects with working for clients. This overlap led him to looking at the retail applications of EQ – emotional intelligence.

"Emotional Intelligence is a concept more usually used to describe people," he explains. "Those people high in EQ are good at understanding the needs of the person they are interacting with. Research evidence also suggests that high EQ is associated with effective management, business development, sales and teamwork."

Flashy attempts to emulate high EQ by inferring each shopper's intentions and interests from behaviour rather than simply applying a '10% off' voucher to every item looked at. In effect, the retailer's response is a more nuanced set of targeted offers, deals and communications that match the shopper's individual expectations. The shopper might only see well-targeted offers and the retailer might only see an upturn in sales but behind the app is a mass of research that covers consumer psychology, media psychology, user experience, usability and behavioural insight.

"Unlike many research and consultancy companies, all of i2's projects undergo ethical evaluation and all research involving humans needs to be ethically approved in advance," notes Jonny. "The result is that our research is uniquely independent and unbiased. i2 media's clients really appreciate this as they know that they can trust our results, even if occasionally they are not the ones they were expecting."

Although some rival apps or services offer shoppers discount vouchers and others provide analytics to store owners through IoT technology, Flashy does seem to have found itself a previously unexplored niche. What remains to be seen is how many retailers will invest in the required tags, installation and training, and how many shoppers will opt in by downloading the app and leaving their potentially power-draining Bluetooth connection switched on.

On a final note, we return to those persistent suitcase ads online. How does Freeman think that people will react to being fed real-time offers to garments they've only just tried on? Won't that be startling at best, or even a bit creepy?

"If Flashy offers you a flash sale for pink pants, it'll be because you've picked up pink pants in store – no other reason!" he says. "There's been a lot of discussion of whether IoT functionality is cool or creepy and we explored it in depth for Flashy. We found that the benefits outweighed any concerns about behaviour being tracked. And the reality is that people are tracked via their phone signals most of the time these days, for no explicit benefit, so in comparison, the value exchange using Flashy is transparent. Also, if the value exchange doesn't feel worth it, consumers won't use it – it's that simple.

"Connected retail is just part of the ongoing Internet of Things evolution but it's a part that can make shoppers lives more convenient, fun and satisfying, while also providing a great ROI for retailers."

Meeting expectations?

InternetRetailing researchers set out to find out how Top500 research findings
into retail customer service measure up to what the customer actually wants.
Polina Modenova explains their findings

WHAT DO SHOPPERS expect of customer service that retailers offer them and how do Top500 retailers measure up to those expectations? In order to find out, we cross-referenced a study from InternetRetailing Knowledge Partner Clarabridge with our own research findings. We wanted to know whether leading retailers are getting it right and, if not, what they could do to change.

The Clarabridge report, *A Look at UK Customer Expectations in 2016*, aimed to find out how British shoppers want to be treated by the retail brands that they have bought from. This, surmised the report's authors, was important for retailers aiming to sell in the UK that might be more familiar with other markets. Understanding customer behaviour within this market would be, they suggested, the first step towards delivering good service.

Over the course of August 2016, more than 1,150 consumers living in the UK and aged between 18 and 59 took part in the survey. They explained how they preferred to get in touch with retail brands that they bought from when they had a question to ask or a problem to report. They also set out how those retail brands responded to them and how satisfied they were with the response.

This research is particularly relevant to our own Top500 analysis of how quickly and effectively retailers respond to shoppers in three key areas: email, telephone and Facebook.

A Look at UK Customer Expectations in 2016

CLARABRIDGE

Image credit: Clarabridge

Considered side by side, this Clarabridge report and our own findings make for interesting reading
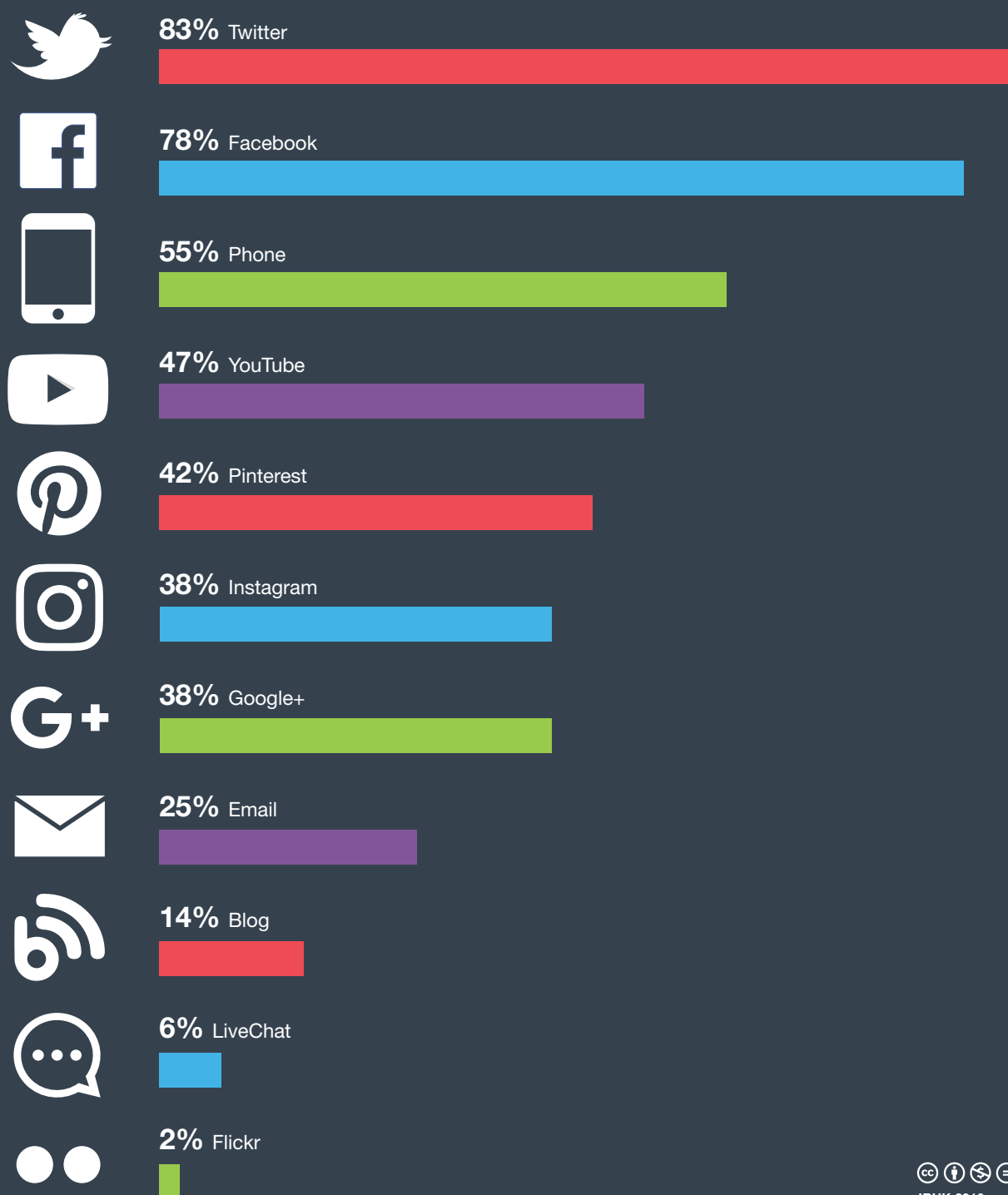
Responding by email

When British customers want to report a problem, it seems that email is the channel that customers most turn to. Indeed, when the Clarabridge report asked consumers to name the two methods they preferred to use when reporting a problem, 68% favoured email. The next most popular method was a call to customer services, cited by 36%.

In our research, we found that IRUK Top500 retailers also appear to focus first on emails from their customers. Since email (68%) comes well ahead of Twitter and Facebook, each one a priority for 10% of respondents in the Clarabridge ▶

Active, available and advertised ways for customers to interact with the UK Top500

Figures expressed as a fraction of the Top500

83% Twitter

78% Facebook

55% Phone

47% YouTube

42% Pinterest

38% Instagram

38% Google+

25% Email

14% Blog

6% LiveChat

2% Flickr

IRUK 2016

study, this suggests they that traders have their priorities right. As a group, Top500 retailers addressed issues that were raised over email faster than they responded to social media.

We found that 10% of leading retailers responded to questions within 10m but 50% of Top500 retailers took more than two hours to respond to customers. 60% of the Top500 retailers resolved customer queries sent via email, while 20% of retailers scored full marks for customer satisfaction.

On the phone

Internet-based technology means the telephone is no longer UK shoppers' favourite way to contact retailers but it still remains a very important tool for them to report a problem, named by 36% as one of their top two methods of getting in touch. The Clarabridge study suggests that three-quarters of UK residents have at some point rung a retailer's customer service to report a problem. Of these, only 31% said they were very satisfied, with a further 5% completely satisfied, as a result of the call. A significant 10% was not at all satisfied.

When the survey asked for the biggest frustration around interacting with brands, the largest group (30%) named their inability to get a live person on the phone, while 23% said they disliked holding for a long time.

In Top500 research, we found that 8% of phone calls to Top500 retailers went unanswered and that 1% of retailers had an automated customer service response. Clarabridge found that customers were completely satisfied with call centre responses only 5% of the time, while, by contrast, Top500 research judged 54% of responses from retail customer services representatives to be of the highest quality. This suggests that Top500 retailers as a group perform ahead of customer perceptions.

On social media

Social media is still emerging as the best channel to complain to retailers. Only 10% of consumers questioned in the Clarabridge study named Facebook as one of their two preferred channels to contact a trader and the same proportion named Twitter. Perhaps that's in part because shoppers still get a fairly patchy response when they use these channels.

Some 70% of respondents told the Clarabridge survey that when they complained on social media, their query was never addressed. More than half (55%) of Top500 retailers did not respond to a Facebook query at all but 7% of the group responded within 10 minutes and 30% within two hours. Clarabridge respondents said 11% of messages on social media were answered within 10 minutes. It seems that while many Top500 retailers continue to put social media well down their list of priorities, a few are giving their shoppers stand-out service through this channel.

Contrasting Clarabridge's findings with our own yields some interesting results. It seems that the Top500 as a group are meeting customer expectations by prioritising telephone calls and emails. Those that respond quickly to social media enquiries are currently exceeding expectations – which is what leading retailers do. It's worth noting that when Clarabridge asked survey respondents to name their preferred retailer for customer service, John Lewis topped the list in almost a third (32%) of respondents. This retailer is also a leader in IRUK Top500 research.

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www.internetretailing.net

Conclusion

RETAILERS ARE OPERATING in an era when, thanks to the internet, customers can check prices at a glance. Were economics really as straightforward as some of the simplest models, this ought to produce just one outcome: all customers would flock to the retailer offering the keenest price on a particular item.

The fact is that consumers, which is to say all and any of us, don't just buy on price, and that's not just because we don't have the time to do the research. Rather, many factors are at play when we make purchase decisions. Do we trust and like a particular retailer? Does the retailer offer a delivery or pick-up option that suits us? If we're on the high street, is it a good experience going into one of the retailer's stores? If we need advice, is the retailer able to provide detailed, and credible, information about a product?

In short, every purchase arises from a complex interplay of factors. Price will always be important, but it's not the only factor – or even the most important factor. It's one of a number of ideas important to the wider notion of providing a great customer experience.

This in turn raises a question, how should retailers go about working out which factors are most important? In truth, successful companies probably already have this information at hand. John Lewis partners instinctively know that customer service is at least as important in the department store's offering as the company's price promise, embodied in its "never knowingly undersold" tagline.

Nevertheless, the same ideas recur at successful retailers. Websites should be quick to load. Information should be consistent across channels. Sales assistants should be polite and knowledgeable. Most of all, service should be personalised, built around us as customers. None of this is easy to achieve but, as we've seen in this Dimension Report, Top500 retailers are finding innovative approaches here.

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