CAPITA

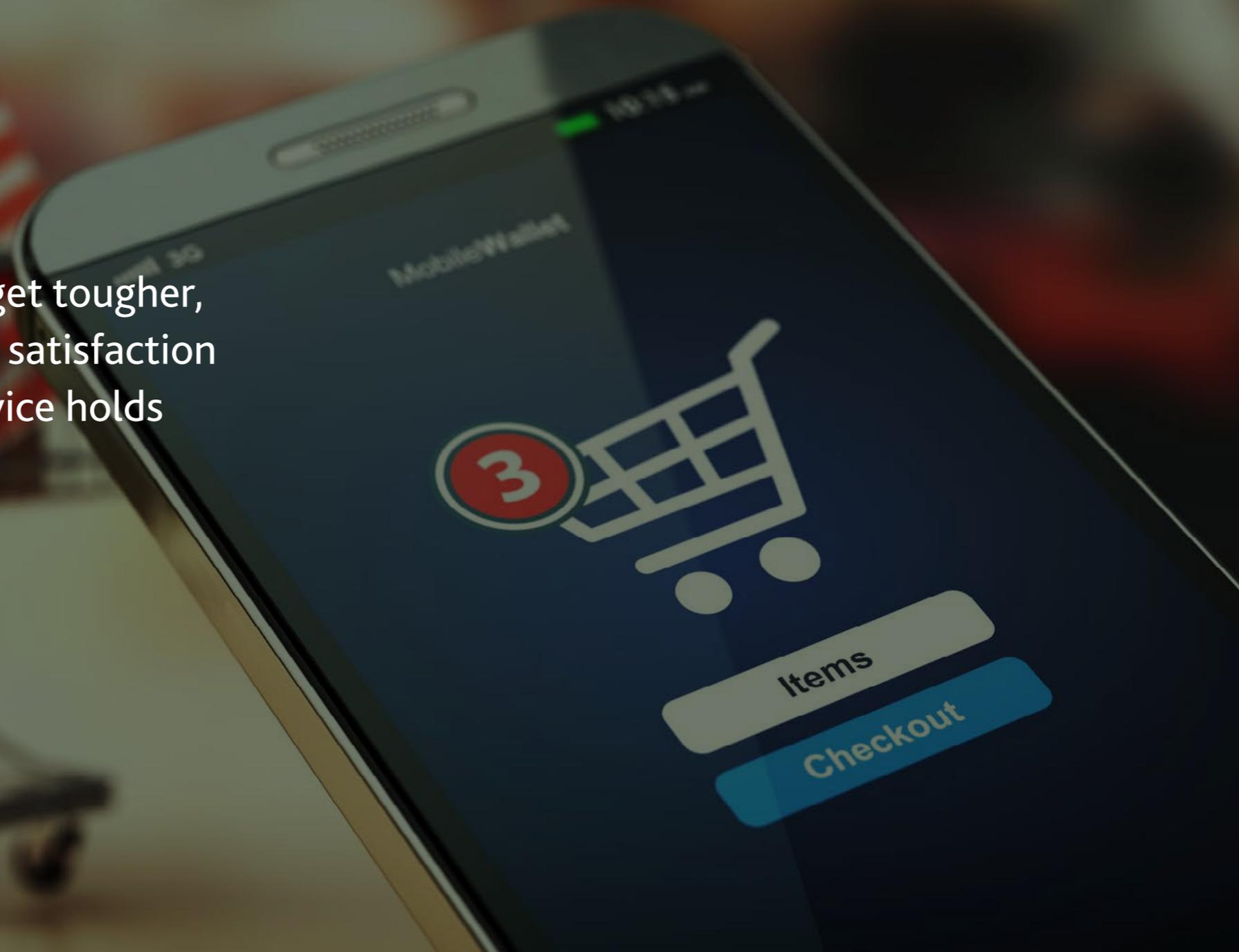## Retail still rules
in the world of customer satisfaction

While markets may continue to get tougher, the latest survey of UK customer satisfaction by the Institute of Customer Service holds some cheer for retailers.

Retail – both food and non-food – remain the UK's two favourite sectors in terms of customer satisfaction, the survey confirms. Though their scores have slipped marginally from 2017, they still sit comfortably at the top of the table, nearly 10 points higher than the lowest rankings, and with only tourism and leisure coming close.

Of the top 25 organisations in the UK Customer Satisfaction Index, 11 are retailers, including Amazon, John Lewis, M&S, Waitrose, Superdrug, Aldi and Next. No other sector reaches even half that.

Retail (food) is one of the most congested sectors in the UKCSI, with just 6.3 points between Waitrose, the highest scoring organisation, and the Co-op, the lowest. Yet the report notes that with the help of a steady pursuit of customer satisfaction, all the organisations in that bracket have grown sales compared to last year (except, with interest, the Co-op).

Higher scores, better growth

"Maintaining consistently high levels of customer satisfaction and, crucially, outperforming competitors and peers, is linked to better financial results and productivity," affirms the ICS. Long-term analysis reveals that retailers whose customer satisfaction is consistently higher than the sector average have also tended to achieve stronger turnover growth.

In the Retail (food) sector, firms at least one point above the sector average of 81.3 have seen 4.7% turnover growth over the last five to 8 years. Those organisations at least one point below the sector average, only 1.3%.

Retaining this level of customer service will become increasingly important in a climate of tight margins, especially for retailers with high investments in physical stores, considers the ICS. So too will investing in technology to improve back-office and frontline productivity.
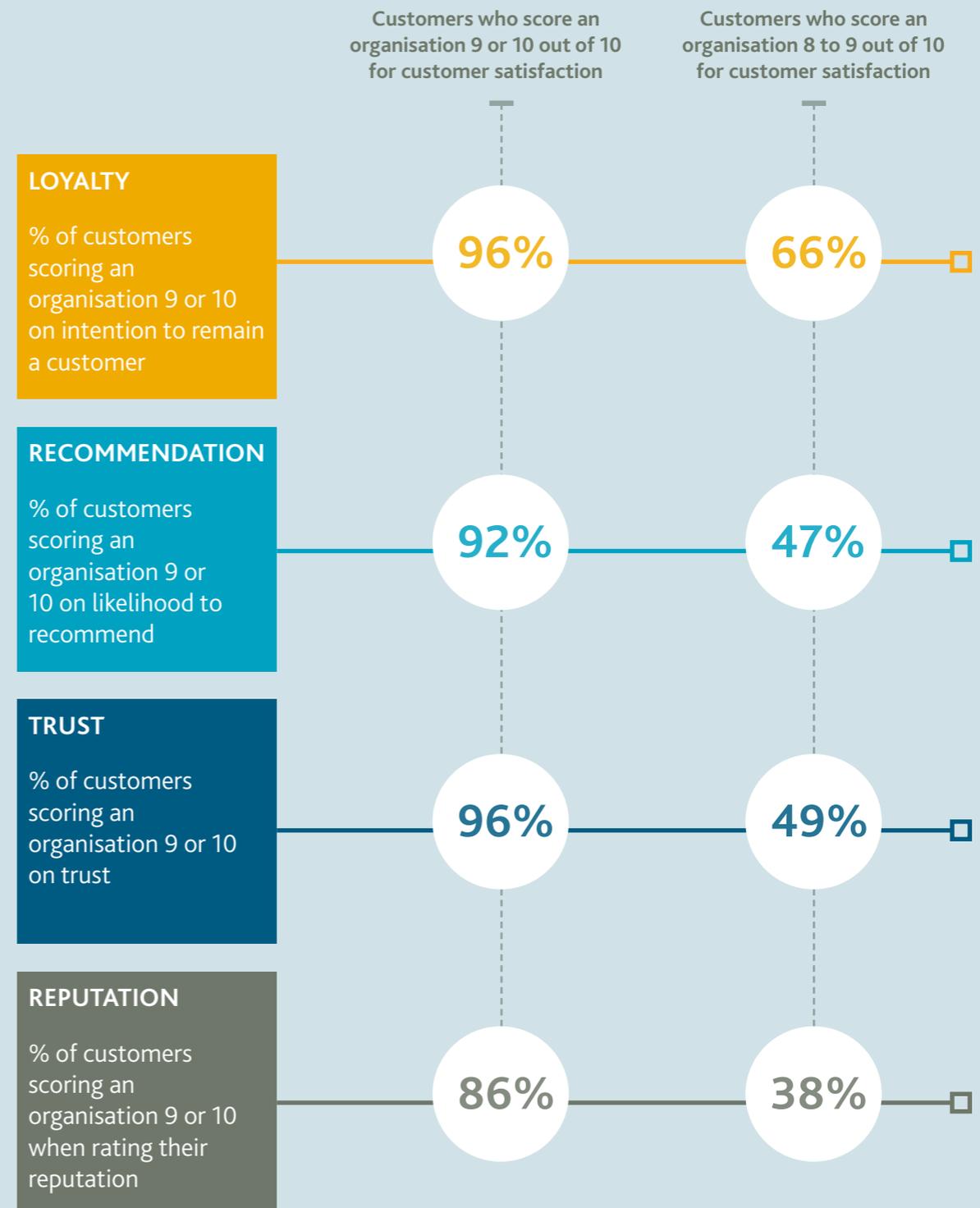
Benchmarking performance with competitors and peers – both inside sectors such as retail and outside it – will likewise be vital [see our feature on Social Media Monitoring for how Capita is helping clients do this in the Twitterverse.]

Finally the CSI had three cornerstones for retailers (and other sectors too) to base their future pursuit of growth on, drawn from the customer service behaviours they see the most successful organisation adopting.

- A near obsession with customer experience design. Delivering a consistent customer experience design or journey template, built around customer priorities that can be adapted for channels and products.

- A focus on effective complaint handling. The highest performing organisations tend to be better than their competitors both at handling complaints and preventing problems from occurring.

- A recognition of the importance of speed of resolution. Proactively keeping customers informed and following up resolutions, enquiries and contacts.

Why top scores matter

Just a one or two point improvement in customer satisfaction score can mean a world of difference in loyalty, recommendation and trust.

	Customers who score an organisation 9 or 10 out of 10 for customer satisfaction	Customers who score an organisation 8 to 9 out of 10 for customer satisfaction
LOYALTY % of customers scoring an organisation 9 or 10 on intention to remain a customer	96%	66%
RECOMMENDATION % of customers scoring an organisation 9 or 10 on likelihood to recommend	92%	47%
TRUST % of customers scoring an organisation 9 or 10 on trust	96%	49%
REPUTATION % of customers scoring an organisation 9 or 10 when rating their reputation	86%	38%

In our February 2018 edition of Intelligence, we outline what goes into delivering successful customer service during peak periods for our retail clients. Read it by visiting:

www.capitacustomermanagement.co.uk/our-intelligence-reports

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