call centre management association

Leadership Forum
Retail

Closing the CX Expectation Gap

Summer 2023 review

RETAIL LEADERSHIP FORUM ATTENDEES:

Lucie Child, Strategy Lead for Customer Care, The Very Group

Dan Cohen, Head of Customer Relationship Centre, Nespresso

Annalise Eldred, Head of Customer Contact Centres, Lookers

Ruth Genelazo, Director of Customer Service and Experience, Nectar Sleep

Tracy Kellaway, Executive Director, Global Consumer Operations, Estee Lauder Companies

Abi Heslop, Direct Sales Manager, JML

Alan Mullen, Customer Services Manager, Superdry

Jane Pentelow, Customer Service Manager, JML

Daryl Wilkes, Director of Customer Care, ASOS

ABOUT THE LEADERSHIP SERIES

The CCMA's Retail Leadership Forum provides a great opportunity for senior customer care and contact centre leaders to explore the key strategic topics that are having a direct impact on service delivery for their millions of customers. The forum encourages today's retail leaders to share their experiences, views and advice, with the goal of uncovering the insights that can help deliver the strategic change and continuous improvements needed to unlock further value across the sector.

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The drop in CSAT levels

The CCMA's CEO Leigh Hopwood began the discussion by sharing some of the findings from the Institute of Customer Service's new 2023 UKCSI Customer Service Index research. The index showed a drop of 1.8 points to 76.6 – the lowest score since 2015. Factors cited contributing to this included the rising cost of living, the continued increase in inflation, and a more general concern around financial well-being, with 18% of respondents considering their situation to be poor or very poor. Indeed, over half of those surveyed said they have had to delay a bill payment in the past 12 months.

Commentary around the report cited under-resourced customer service teams, new technology that's not properly embedded, as well as instances of industrial action. Looking at this from a customer perspective, many suggested the need for organisations to make it easier to contact the right people for help.

In parallel, research from the European Contact Centre & Customer Service Exchange has shown that – regardless of whether or not service standards are objectively improving - organisations are not keeping up with consumer expectations. When asked whether customer service today has improved, worsened or stayed the same over the last 12 months, 34% of UK and Spanish respondents felt it was worse, compared to 30% in France, 27% in Germany and 25% in the Netherlands. However, there was a clear difference between age groups, with younger customers in their 20s and 30s considerably more positive about customer service than older demographics.

What the European research clearly showed was that front line customer service continues to bear the brunt of consumer frustration, with over half of all adults across Belgium, France, Germany, the Netherlands, Spain and the UK admitting that they have become angry or upset when interacting with a contact centre advisor in the last year. All this appears to be combining to create what the ICS referred to as a 'perfect storm', with contact difficulties, resolution times and complaint handling now costing the UK economy around £9.8bn a year in lost time.

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Does this research reflect current reality for today's retailers?

Falling customer satisfaction is clearly a concern, but is this what we're actually experiencing in today's retail sector? That's certainly not the case for Daryl Wilkes, Director of Customer Care at ASOS, who said: **"we're not seeing that, in fact we hit our best ever CSAT scores earlier this year and we're still running near those levels. We've not had to change any of our processes from an advisor perspective, but activities such as empathy training have helped our people to engage with customers in the right ways. At the same time, we're now able to automate over 30% of our contacts, meaning advisors now have more time to focus on helping customers with more complex queries."**

Alan Mullen, Customer Services Manager at Superdry, also doesn't recognise the general decline in CSAT levels that's outlined by the research. **"We're currently seeing our strongest CSAT levels since covid. And, while we haven't changed anything in particular, I think an increased focus on coaching is definitely helping us. We also see customer expectations increasing, for a whole number of economic reasons outside of the contact centre, and that's why it's important that we communicate with our customers. For example, we recently started charging for deliveries and returns, but explained that customers could still return things to our stores. Being clear and enabling people to retain agency over their choices helped to remove potential frustration here. The reality is that contact centres today are getting better all the time, and with the effective application of technologies such as AI and chatbots that should only keep improving as we learn more and more."**

According to Annalise Eldred, Head of Customer Contact Centres at Lookers, one of the UK's largest automotive groups: **"setting the right expectations is critical for customer satisfaction, and is invariably the root cause of any issues that arise. That can be challenging for a business like ours where we offer vehicles from manufacturers with often very different brand expectations, and also where external factors such as numberplate changes can dramatically impact demand."**

Jane Pentelow, Customer Service Manager, at consumer goods specialist JML certainly recognises an increase in customer frustration – **"we found that people were much more understanding during the pandemic, but that seems to have gone out of the window since then."**

What are people complaining about? Are complaints going up or down?

So, with retail CSAT figures holding up and agent satisfaction scores still high, is the retail sector somehow insulated against broader stories about a decline in CSAT and a rise in customer frustration? Tracy Kellaway, Executive Director of Global Consumer Operations at Estee Lauder Companies, doesn't think things are that simple. **"Estee Lauder wasn't originally established as D2C business and, with 25 brands operating internationally, we are always going to come up against process issues that need to be resolved. However, while process complaints may be up we're also seeing a fall in advisor complaints as our customer service team continues to do a great job."**

Annalise Eldred agrees that external factors can place an additional burden on advisors. **"The automotive sector has undergone significant change over the last 24 months, with a global semiconductor shortage introducing inevitable supply chain issues at the same time as our industry was also transitioning to electric vehicles. This clearly had an impact on customer delivery times, and meant that our advisors required the soft skills needed to engage with customers with empathy."**

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Daryl at ASOS sees a similar narrative: **"customers expectations are rising so where we do fail to deliver on time as an example, this is rightly seen as a service failure".**

Addressing process failures elsewhere in the customer journey

Superdry's Alan Mullen acknowledges this challenge, and feels it's incumbent on the customer services role to chase down these process failures. **"We're speaking to our logistics team on an almost daily basis, with a view to generating automated reports that let us know exactly what's happening with deliveries. That way we can find out, for example, why a parcel that may have been damaged within the process hasn't moved for seven days. Creating this kind of transparency with logistics is vital, and it also enables customer services to be much more proactive in reaching out to customers."**

Dan Cohen at Nespresso sees the value of having customer care and logistics services working together. **"It's important to see this as an integrated process. When these functions are separate or under different reporting structures it's difficult to build true transparency."**

At Estee Lauder, Tracy Kellaway is working on categorising the call-backs coming into the contact centre. **"It's only by drilling down into where in the purchase journey things are going wrong that we can begin to understand the true cost of failure. We've identified that only around 10% of our contacts are contact centre related. Now, by attributing a cost against each stage where the failure occurs, we can actively prioritise resolution actions to help unlock the greatest value."**

On a more positive note, Daryl Wilkes from ASOS stressed: **"it's right that we chase the perfect order metric, and we hate it when things go wrong, but it's also important that we don't overlook the sheer number of orders that just go through every day without any problems at all."**

Proactive contact or sticking plaster for the rest of the business?

Leigh Hopwood then asked Retail Leadership Forum attendees whether they sometimes felt as if they were being left to identify and fix process issues in other parts of the business. Were these failures that could realistically

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be resolved, or were they just offering up temporary sticking plaster solutions?

Nespresso's Dan Cohen felt there were two key reasons why contact centres were having to get involved: **"first we feel the pain because we're usually the first to find out about problems from customers. We've also now got a very high calibre of CX data engineers reporting into the contact centre, so we're able not just to pick up on these issues but also to identify their root cause across the rest of the business."**

Nectar Sleep's Director of Customer Service and Experience, Ruth Genelazo felt that one of the reasons for this was that contact centres simply had more data than other parts of the business. **"We offer a bespoke delivery service, and we're able to apply our AI to track the status of all our orders if they're stalled or things aren't moving. This level of insight means we can help advisors in the contact centre in real time, serving up exactly the information they need to support each customer. This also equips us to focus in on potential issues – for example, we can pull up any specific postcodes that might have similar issues."**

JML's Jane Pentelow also believes the contact centre can be proactive in fixing issues. **"We had one product that was selling well but that customers kept returning. None of the service reports highlighted that there were any problems with the product, but from listening to customers we were able to act. We had a video created that solved the issue for customers, and that product now has the lowest return of all our products, and we've been able to expand our business with that brand. Another example was a portable hoover that wasn't charging. Here we found that customers weren't following the instructions to clean out an internal filter. Again, by collating customer changes we were able to spot the problem, and immediately make the content changes needed to improve the instructions. It's all about listening, and then taking steps to fix things for customers as quickly as possible."**

What role is technology playing in helping to close the expectation gap?

Technology has a vital role to play in helping retail CX operations to deliver against customer expectations. However, Daryl at ASOS sounds a note of caution: **"like lots of people I get frustrated when I see all the content delivered across sites like LinkedIn telling us exactly what we should be doing to deliver the perfect customer experience. At ASOS we do lots of AI, live chat and virtual assistants, with multi-language support across multiple countries – and it's working well for us, but we'll probably never get it exactly right as it's always changing!"**

At JML, Direct Sales Manager, Abi Heslop thinks it's important not to just do something because everyone else is. **"We've got a much older customer base at JML who generally prefer to speak to our agents and get the re-assurance they need when they're discussing a return. We looked at AI and weren't convinced of the value it would bring to our customers. That doesn't mean we're not taking full advantage of the data we collect – more that we can provide a better outcome for our core demographic through speaking with them."**

For Lucie Child, Strategy Lead for Customer Care at The Very Group, it's important to identify the technologies that work best for your organisation. **"We find it's challenging integrating our legacy catalogue businesses because products are sourced either direct from our warehouse or from our many suppliers. This can be**

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difficult to manage at scale. That's why speech analytics works well for us, helping us to focus in on any products with issues that might be driving unusual levels of contact. Chatbots are probably our biggest channel and are working well for us. But we need to ensure we keep it front of mind when IT resource prioritisation is happening across the business."

At Nectar Sleep, Ruth Genelazo stresses the importance of providing customers with choice. **"Most of our contact is by email, although we of course offer chat and phone options. We want to be accessible to our customers. Having AI in place has also helped, effectively allowing us to be a 24/7 operation. Even though we can't do everything through AI yet, it works really well for some customers and has its own 5-star CSAT reviews. We feel providing a range of contact options helps us to differentiate in our competitive market."**

There's also a danger that technology for its own sake can take hold. Tracy Kellaway acknowledges the current AI imperative, but cautions people to make sure **"they're not just overlaying an existing problem with a new AI solution that just replicates it"**

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Guidance for closing the gap

Wrapping up this second Retail Leadership Forum, our attendees were asked to provide any further guidance that might help other contact centre leaders in their sector who were tasked with closing their own service level gaps. Suggestions included:

- It's important not just to build your engagement strategy around feedback from only those customers who reach out to you – there's lots of silent customers who just vote with their feet.
  Annalise Eldred, Lookers
- Marketing needs to be responsible for matching their promises with operational delivery capabilities.
  Leigh Hopwood, CCMA
- If marketing's doing a great job, sales are coming in, but everything's falling down when it comes to logistics - that's still a failure for the customer. Adopting joint KPIs could go a long way towards resolving this.
  Tracy Kellaway, Estee Lauder Companies
- Don't under-estimate the value of ethnographic research, and developing a really rich understanding of your customers and their needs and motivations – it can make a huge difference.
  Lucie Child, The Very Group
- Anyone in customer service leadership needs to recognise retail's obsession with weekly trade figures – everything else is subservient to that. You've got to weave yourself into this to gain a true voice.
  Daryl Wilkes, ASOS
- Create accountability outside of the contact centre for the customer experience. Tell stories using data about the impact of a late delivery or a faulty item, and use it to create a customer focussed mindset across the business.
  Alan Mullen, Superdry
- Make sure your management understands the true end-to-end customer experience. We get our directors to place orders and wait in to find out how the couriers perform – it certainly focuses their attention!
  Jane Pentelow, JML
- Don't let other parts of the business think that customers are the contact centre's sole responsibility – it's not our customer, it's everyone's customer. Changing the language you use helps change this mindset.
  Ruth Genelazo, Nectar Sleep
- Technology is great, but only if you've worked out exactly what it's going to do to help the customer – it has to work from a data and a people perspective.
  Abi Heslop, JML
- Data-driven contact centre teams have the power to hold people to account with data. It's only when different teams are working with the same data that they can truly collaborate.
  Dan Cohen, Nespresso

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About the CCMA

For nearly 30 years, the CCMA (Call Centre Management Association), as the longest established contact centre industry body, has been dedicated to supporting contact centre professionals across the UK. Founded on the principles of sharing best practice and networking to improve skills and knowledge, the CCMA is a thriving community that represents leaders from a huge cross-section of the industry.

Membership of the largest community in the industry offers unique opportunities, such as free annual benchmarking of 25+ KPIs, free entry into the UK National Contact Centre Awards and free tickets to the UK National Contact Centre Conference, invites to Executive Networking Dinners and exclusive events for members-only. Members also benefit from discounted training through the UK National Contact Centre Academy, the industry's training partner.

To support the industry further, the CCMA conducts regular original research for download, including the annual Salary and Skills Guide and the Voice of the Contact Centre Consumer research, the Evolution of the Contact Centre tracking the industry's progress and Good Practice Guides on a variety of topics.

www.ccma.org.uk

About Sabio

Sabio Group is a global digital customer experience (CX) transformation specialist with major operations in the UK (England and Scotland), Spain, France, Netherlands, Malaysia, Singapore, South Africa and India.

The Group delivers solutions and services that seamlessly combine digital and human interactions to support outstanding customer experiences.

Through its own technology, and that of world-class technology leaders such as Amazon Connect, Avaya, Genesys, Google Cloud, Salesforce, Twilio and Verint, Sabio helps organisations optimise their customer journeys by making better decisions across their multiple contact channels.

The Group works with major brands worldwide, including Aegon, AXA Assistance, BBVA, BGL, Caixabank, DHL, loveholidays, Marks & Spencer, Rentokil, Essent, GovTech, HomeServe, Saga, Sainsbury's Argos, Telefónica and Transcom Worldwide.

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