



Ecommerce Market Pulse

Q1 2017 Customer Service Performance Snapshot

Carol Krakowski
Analytics Director
carol.krakowski@stellaservice.com

Sophia Siciliano
Analytics Associate
sophia.siciliano@stellaservice.com

Introduction and Methodology

StellaService's quarterly Market Pulse report provides a snapshot of customer service performance trends across the retail industry. The report uncovers insights into both speed and quality across contact center service channels and ecommerce shipping and refunds. The report is designed to help retailers understand emerging customer service trends and set goals and priorities for their own ecommerce operations.

The metrics included in this report are focused on the 30 retail companies that make up the StellaService Ecommerce Index. This Index comprises a representative cross-section of retailers, selected based on their size, traffic, category and service performance. StellaService interacts with these 30 retailers multiple times a day posing as real shoppers. During each of these interactions a wealth of objective data points are collected. The 30 retailers included in the StellaService Ecommerce Index are:



Terms used in this report:

Best-in-Class (BIC): BIC represents the top five performers from the StellaService Ecommerce Index, both in terms of overall performance and performance across individual service channels.

Q1 2017 Market Pulse: Key Findings

- BIC and Index phone speeds have improved significantly year-over-year
- Email issue resolution continues to lag behind other service channels
- Nordstrom has reemerged as a service leader after several lackluster quarters
- Refund speeds have improved year-over-year across the Index, and quick refunds (those made in under four days) have been consistently improving for BIC retailers over recent quarters

Overall Best-In-Class Performers

Net-a-Porter, Zappos, L.L. Bean, The Vitamin Shoppe and Nordstrom were the standard-setters in Q1 2017, delivering industry-leading service across both contact center and fulfillment channels.

NET-A-PORTER



L.L.Bean



NORDSTROM

Overall BIC: Contact Center



Phone



Email



Chat

Fastest Speed Range

62%

Reached Agent
Within 30 Seconds

70%

Non-Automated
Response Within
3 Hours

61%

Reached Agent
Within 20 Seconds

Quality

94%

Issue Resolution

88%

Issue Resolution

95%

Issue Resolution

Overall BIC: Fulfillment



Shipping



Refund

Fastest Speed Range

27%

Delivery Completed
Within 2 Days

13%

Refund Processed
Within 4 Days

Average Speed

3.8

Average Total
Days to Delivery

8.3

Average Total Days
to Refund Processed

Of these five overall BIC retailers, Nordstrom's performance is particularly noteworthy. The retailer has historically been a service leader, but saw a marked decline in performance over recent years. Q1 2017 shows a return to form for the retailer and it will be interesting to see if this performance is sustained over the remainder of 2017.



















The performance gap between the five BIC retailers and the Index overall was most pronounced in phone speeds. 62% of all calls to BIC retailers reached an agent in under 30 seconds, compared to just 21% for the Index overall.

Despite their industry-leading performance, email issue resolution rates across the BIC retailers lagged behind both phone and chat. These lower issue resolution rates, combined with slower response speeds, are among the reasons why certain retailers are choosing to drop email as a service offering and instead focus resources on optimizing their other channels.

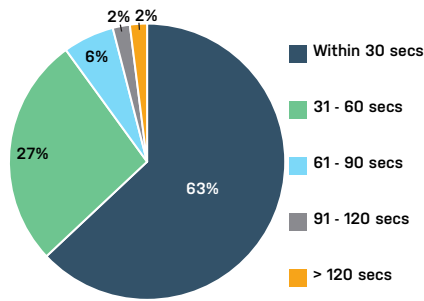
Contact Center Trends

Best-in-class performers for speed and quality across contact center service channels continued to outperform Index averages in Q1 2017, often significantly. Of these BIC retailers, Vitamin Shoppe emerged as the only brand to be included across all three channels, highlighting the retailer's consistent, high-quality service across contact center touchpoints.

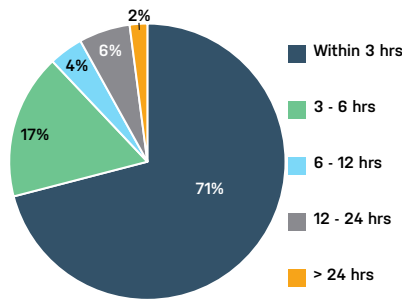
Best-in-Class: Contact Center

 Phone	 Email	 Chat
		
		
		
		
		

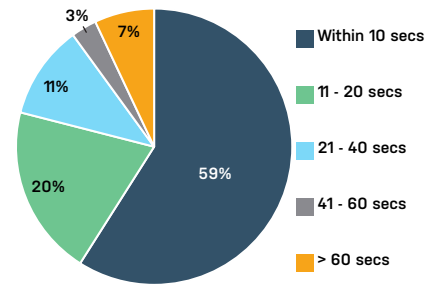
BIC Phone Speeds



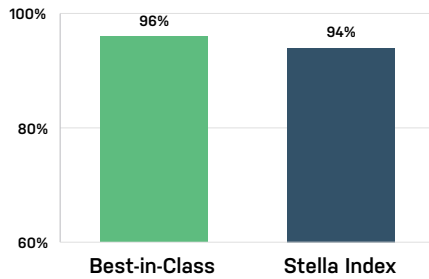
BIC Email Speeds



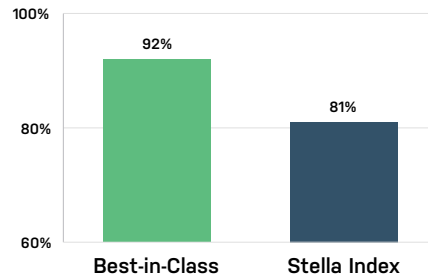
BIC Chat Speeds



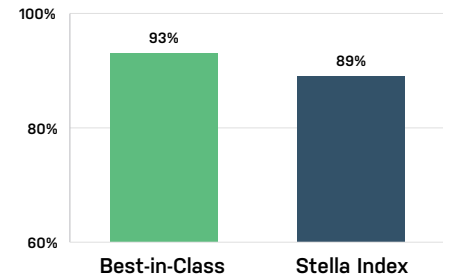
Phone Issue Resolution



Email Issue Resolution



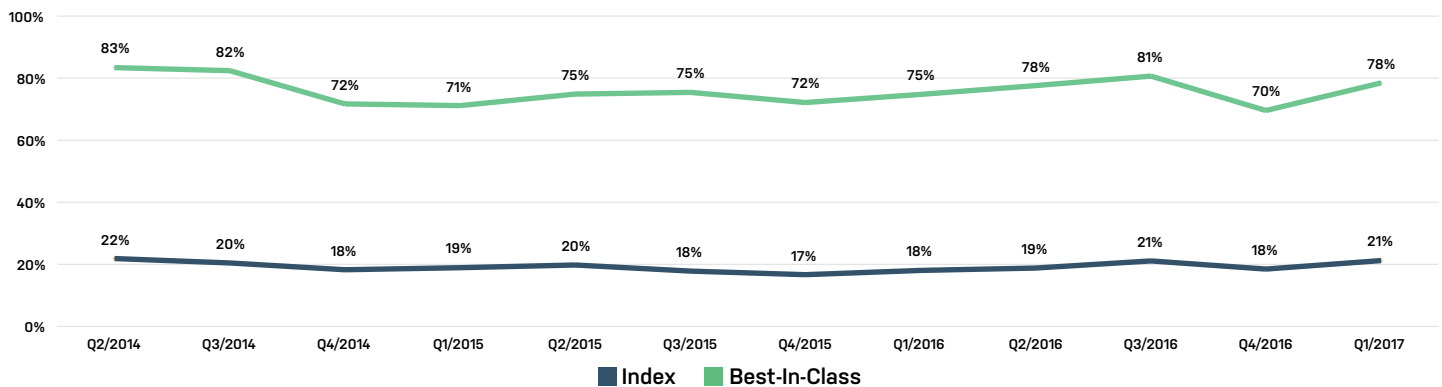
Chat Issue Resolution



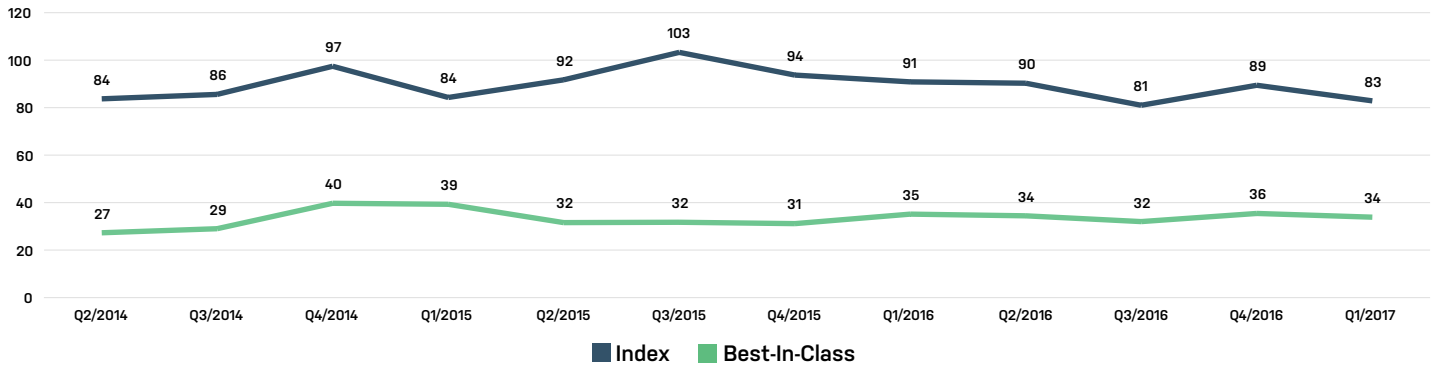
Phone Speeds Bounce Back After Seasonal Declines

As one would expect, the Q4 holiday season traditionally has a negative impact on phone speeds, and 2016 was no exception. Performance across both the five fastest retailers and the Index overall have largely bounced back after the Q4 dip.

Phone: % of Calls Reaching Agents Within 30 Seconds



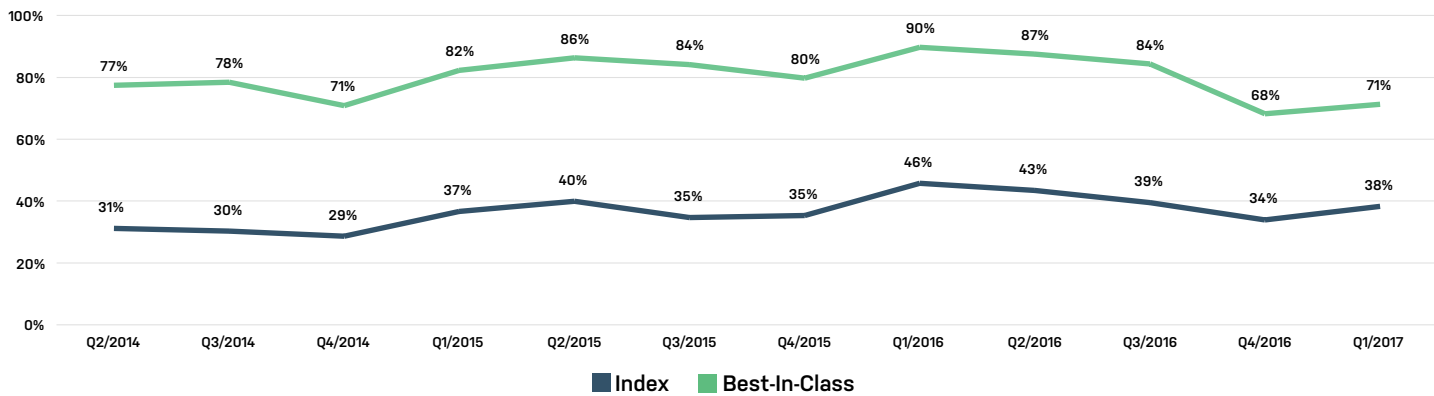
Phone Speed Trend (Seconds to Reach an Agent)



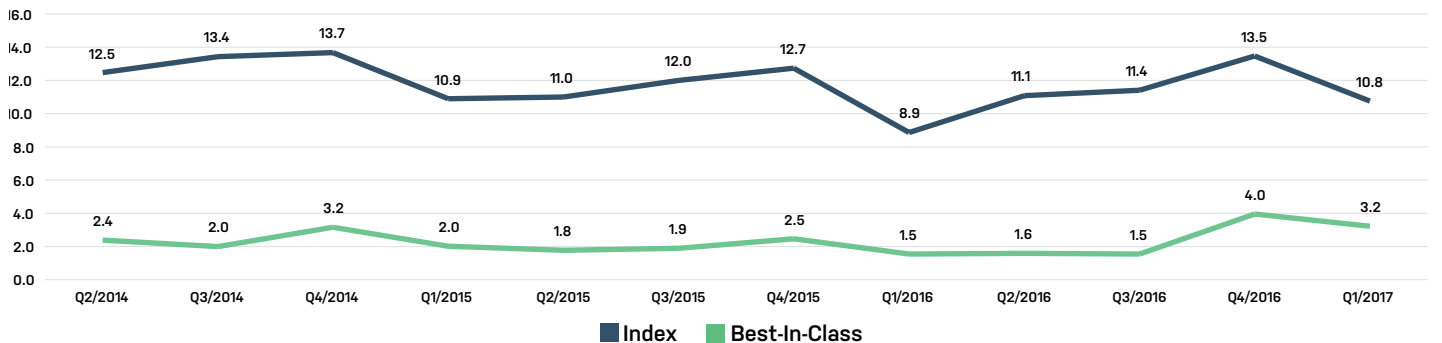
Email Speeds Down Year-Over-Year

Email response speeds have decreased year-over-year, a trend that is particularly pronounced across BIC retailers where just 71% of emails were responded to within three hours in Q1 2017, compared to 90% in Q1 2016. This trend may suggest that retailers no longer see fast email response times as a valuable competitive differentiator.

Email: % of Responses Received Within Three Hours



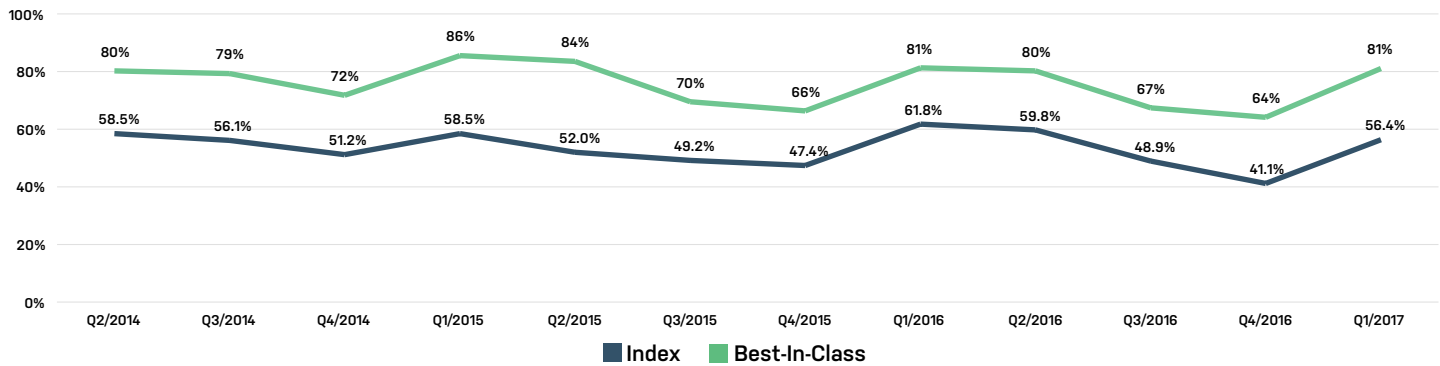
Email Speed Trend (Hours to Receive a Response)



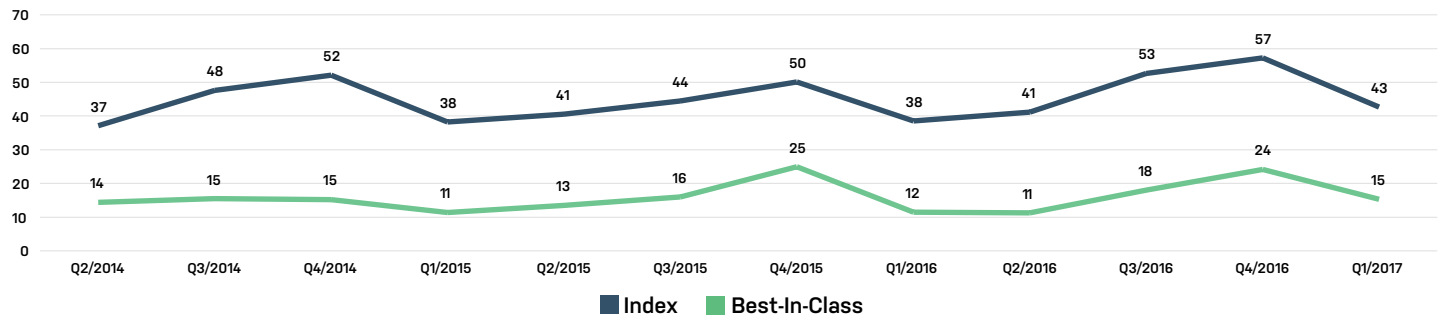
Chat Speeds Bounce Back After Recent Declines

While Q1 chat speeds are lagging marginally behind Q1 2016, there was a sharp improvement in quarter-over-quarter performance, reversing a negative trend that continued throughout 2016. Chat remains the fastest way for consumers to reach retailers, particularly BIC retailers, where 81% of all live chats initiated over the quarter connected to a live agent in under 20 seconds.

Chat: % of Agents Reached Within 20 Seconds



Chat Speed Trend (Seconds to Reach an Agent)



Fulfillment Trends

Shipping and Refund Speeds Deliver Competitive Advantage for BIC Retailers

Best-in-class performers for both shipping and refund speeds continue to significantly outperform Index averages. Net-a-Porter emerged as the only retailer to achieve BIC status across both shipping and refunds, highlighting the retailer's focus on a seamless end-to-end fulfillment experience.

BIC: Shipping



STAPLES

Take Fifth Avenue

NET-A-PORTER

lululemon

BEST BUY

BIC: Refunds



LOWE'S

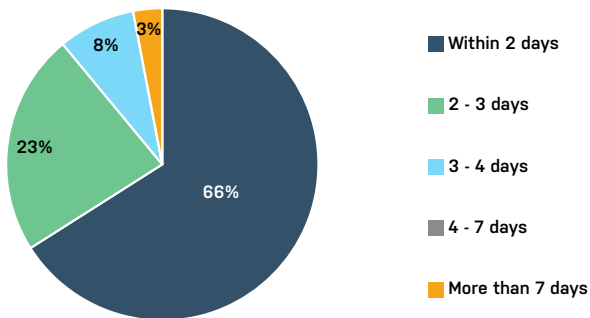
★ macy's

NET-A-PORTER

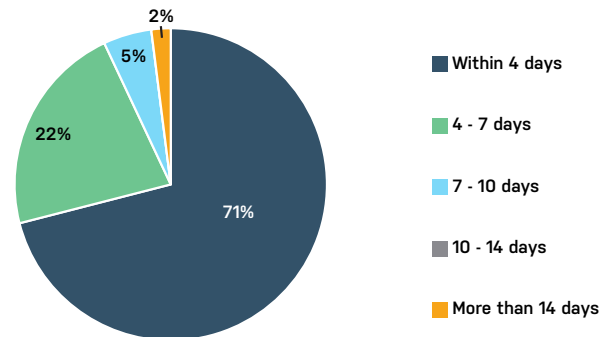
NORDSTROM

Zappos.com

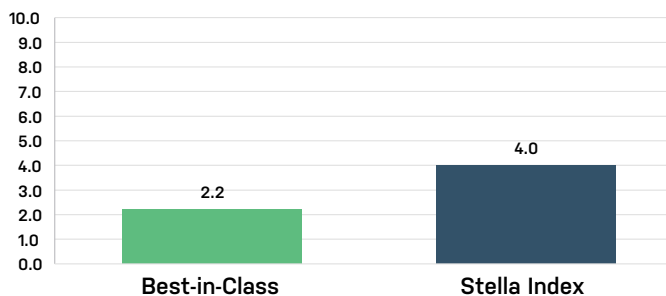
Industry Leading Shipping Speeds



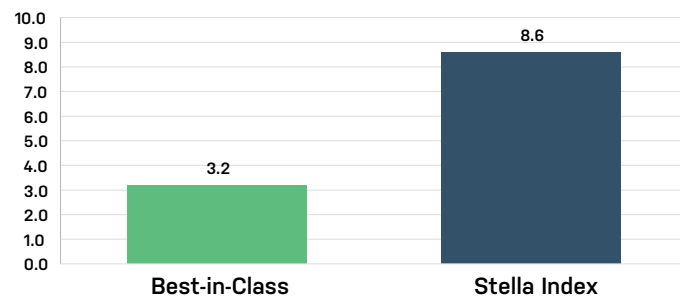
Industry Leading Refund Speeds



Total Days to Delivery



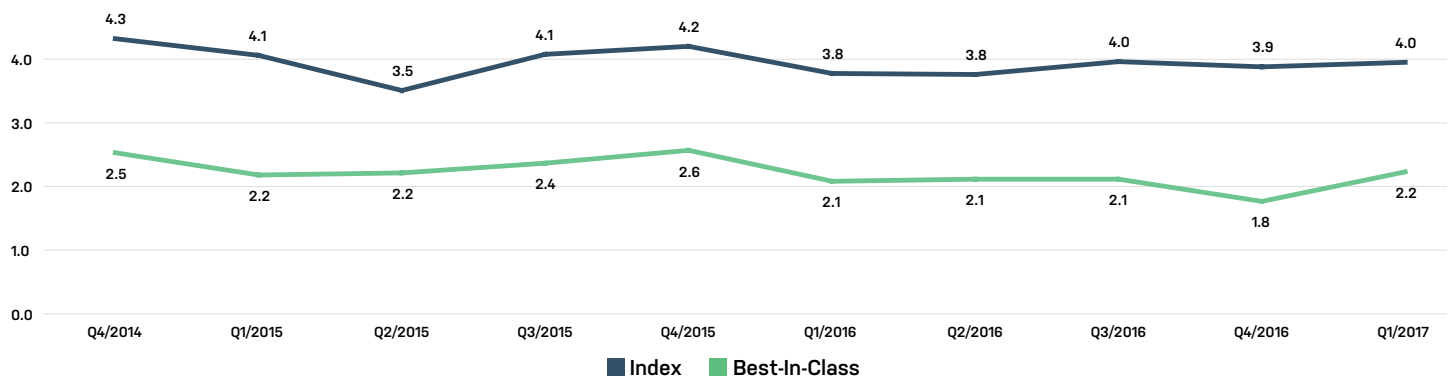
Total Days to Refund Processed



Shipping Speeds Remain Consistently Fast

Shipping speeds across both the Index and BIC retailers have remained largely consistent when looking at year-over-year performance. Interestingly, Q1 2017 speeds lagged slightly behind Q4 2016. This trend highlights how certain retailers leveraged fast shipping speeds as a competitive differentiator to lure shoppers over the important holiday season. This factor is discussed in more detail in our [2016 Holiday Insights](#) report.

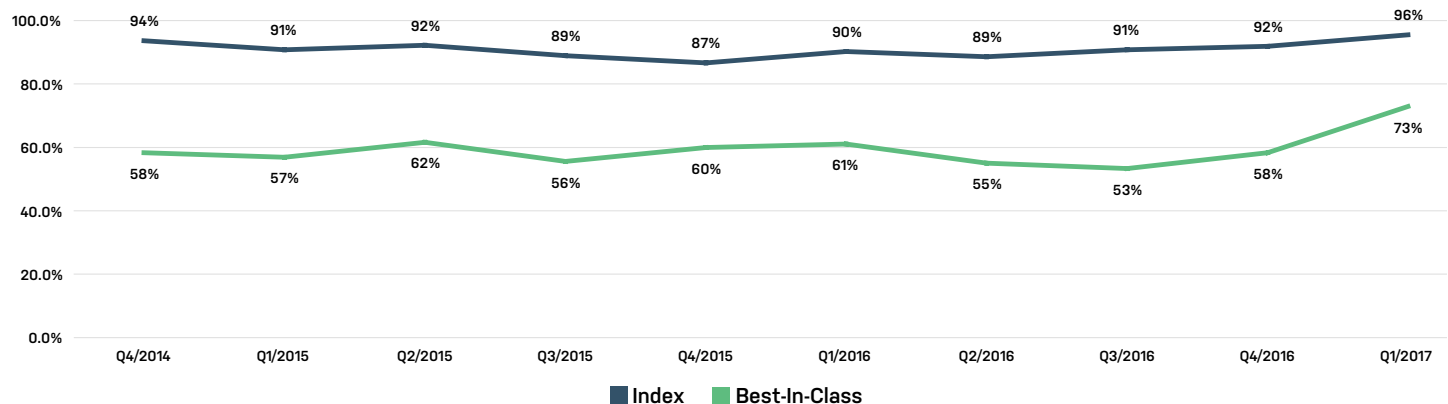
Shipping: Total Days to Delivery



Refund Speeds Improve Year-Over-Year

There has been a notable improvement in refund speeds year-over-year across both the Index and BIC performers, reflecting how retailers are responding to consumer demand for more convenience when it comes to returning products. For the Index overall, almost all returned products (96%) were refunded within 21 days, up from 90% in Q1 2016. Across BIC retailers, there has been a sharp uptick in the percentage of refunds made in under 4 days. Almost three quarters (73%) of refunds were made in under four days across BIC retailers compared to just 61% a year ago.

Returns: % of Refunds Processed Within 21 Days





About Us

StellaService helps companies measure and benchmark their service performance and use the insights to drive sales and continuous operational improvements. The company operates two primary products: [Stella Metrics](#) and [Stella Connect](#). Stella Metrics uses trained analysts to objectively measure retailers' service operations; Stella Connect motivates and supercharges the performance of front-line teams through customer-driven ratings, feedback and rewards.

Want to Learn More?

This Q1 Market Pulse report provides a high level overview of service performance. For more detailed insights and to discuss data collection across your ecommerce operation, contact us today:

contact@stellaservice.com.
