How to drive retail sales:
Ask your customers.

Revenue generating ideas based on Centriam's 2017 Retail Survey of shopper experiences with the nation's largest brands.

CENTRIAM

A simple opportunity for retailers to improve customer experience.

In a retail landscape where selection, proximity, and price are no longer sufficient to drive growth, customer experience is more important than ever. Researchers from Forrester to analysts at the Wall Street Journal agree that customer experience is the only sustainable source of competitive advantage. But improving customer experience is impossible if customer problems are hidden. And since most brands hear less than five percent of their customers negative experiences, companies struggle to invest wisely in customer experience improvements. So, what's a retailer to do?
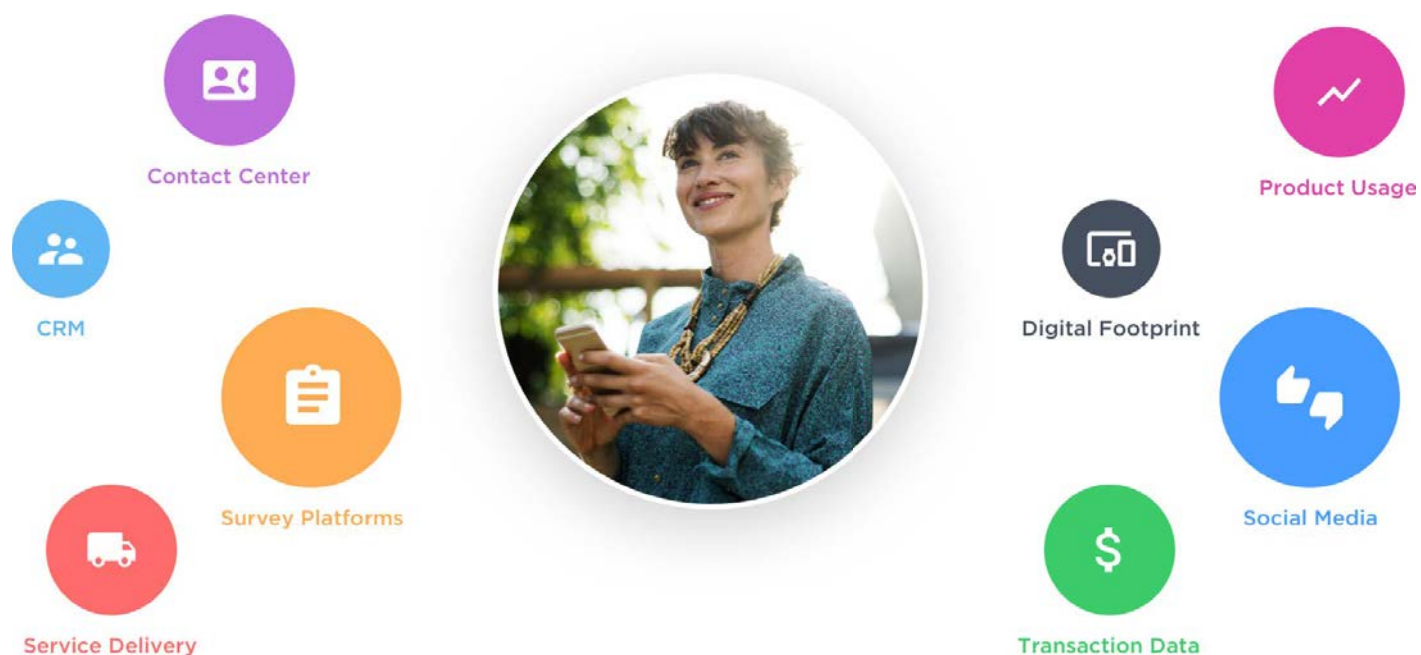
To uncover opportunities for retailers, Centriam asked shoppers about a recent shopping experience at major retailers such as Home Depot and Target. This report shares what they told us and also outlines a customer experience plan any retailer can use based on those insights.
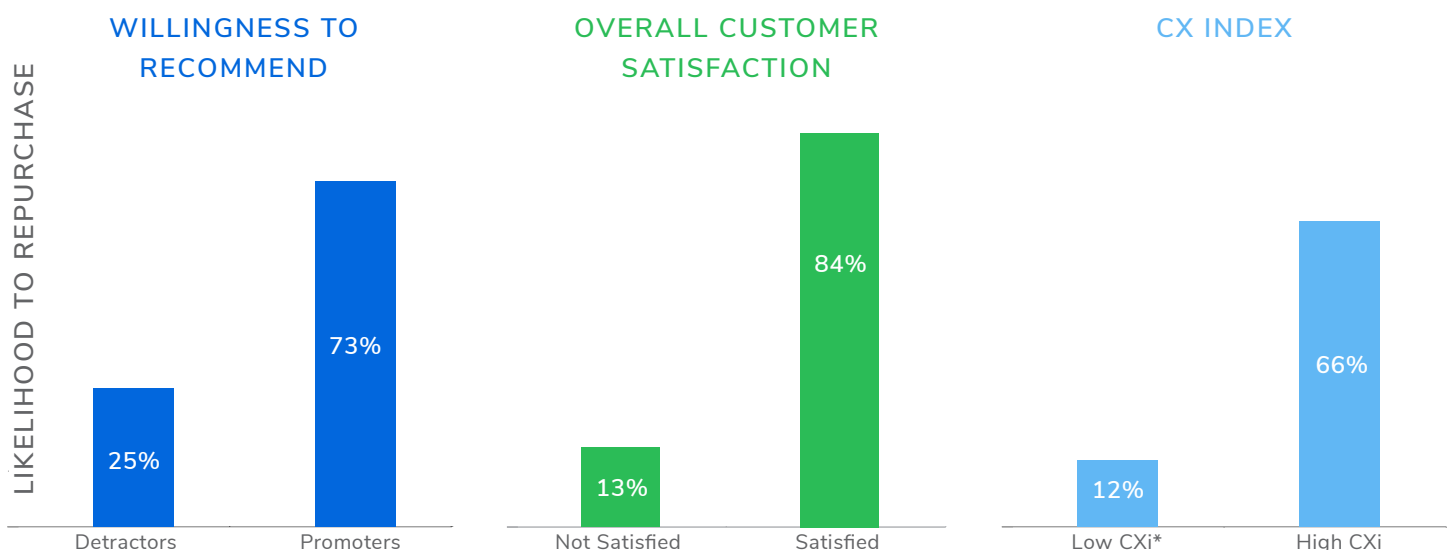
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Invest in your customers' experience. It matters.

Improving customer experience can help your company in myriad ways, including lower cost to serve and the oft-touted improved word of mouth. In addition, customer experience leaders report higher employee loyalty and company alignment. But in retail, the numbers consistently show that the largest financial impact comes from increasing customer loyalty:

Customer experience drives sales. Our recent survey of ten major retail brands shows that customers who recently had a positive experience were at least three times more likely to return. And it doesn't matter how you measure customer experience. We measured customer experience in three diverse ways and the connection held firm across all of them!
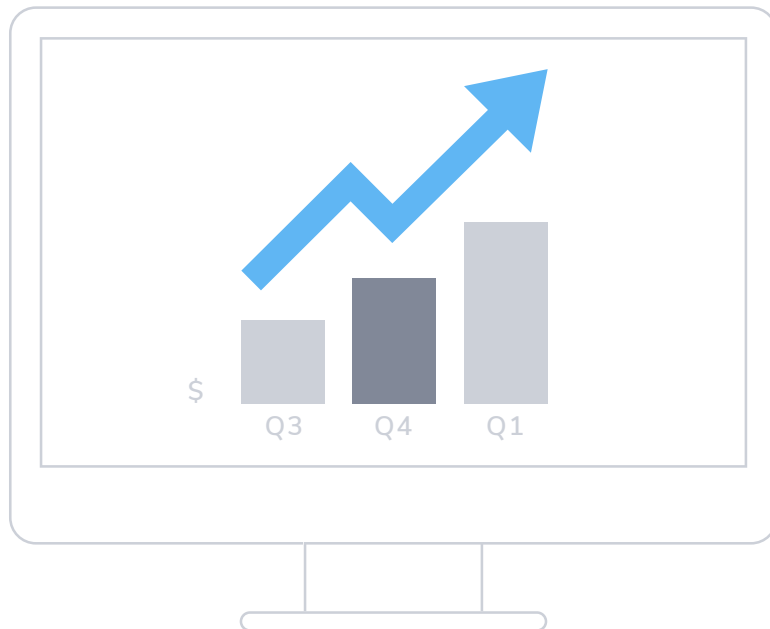
Regardless of how you measure it, better customer experience leads to **more** returning shoppers.

LIKELIHOOD TO REPURCHASE

WILLINGNESS TO RECOMMEND	OVERALL CUSTOMER SATISFACTION	CX INDEX

Detractors	Promoters	Not Satisfied	Satisfied	Low CXi*	High CXi
25%	73%	13%	84%	12%	66%

CX Index is a composite scale that takes into account three factors: ease, effectiveness and enjoyability. It was developed by Forrester Research and is used as an annual benchmark of customer experience quality among large global brands.

Customer experience drives profits.
Centriam's 2017 Retail Survey further shows that customers who recently had a positive experience were eight times less price sensitive. Again, this finding was true regardless of how we measured customer experience. Independent research confirms that customer satisfaction is highly correlated with value for the money.

Regardless of how you measure, customers who recently had a positive experience were at least **eight times** less price sensitive.

	SATISFIED WITH PRICE

WILLINGNESS TO RECOMMEND
Detractors: 5%
Promoters: 39%

OVERALL CUSTOMER SATISFACTION
Not Satisfied: 6%
Satisfied: 59%

CX INDEX
Low CXi: 0%
High CXi: 38%

No bad news from your customers is likely bad news for your business.

You may feel you already hear enough about common customer challenges. Unfortunately, that is probably not the case. Research shows that most retailers are unlikely to be receiving enough feedback from the right customers to really address root cause problems and effectively raise customer experience. Your feedback is likely biased because:

Most customers do not provide negative feedback. Our survey shows that only 36% of customers are inclined to provide negative feedback. What's more, most negative feedback received at the store remains at the store, unusable for most of the organization. Previous research shows that a mere one in ten complaints are escalated to corporate, where the feedback can be used to guide larger investments and strategy. Odds are that for every customer who complains, over twenty are silent, leaving corporate in the dark about recurring problems.

About one third of customers expect to provide feedback on negative experiences, but **only four percent of feedback** reaches corporate.

64%   36%   4%   32%
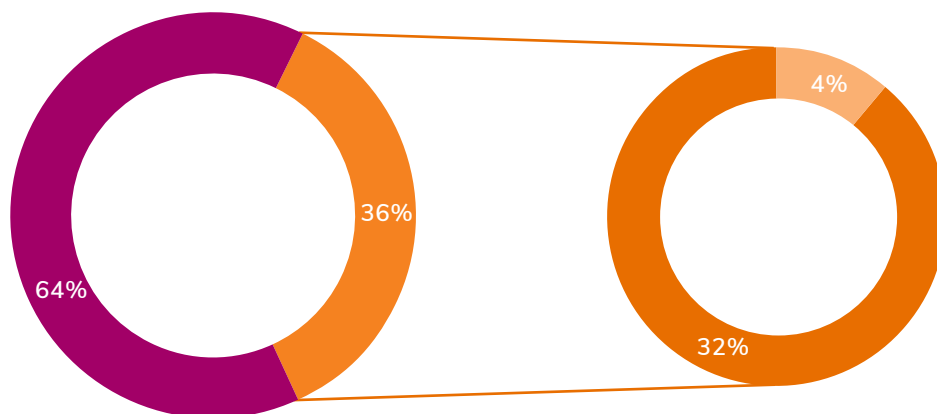
NO FEEDBACK   FEEDBACK RECEIVED   FEEDBACK TO STORE   FEEDBACK TO CORPORATE
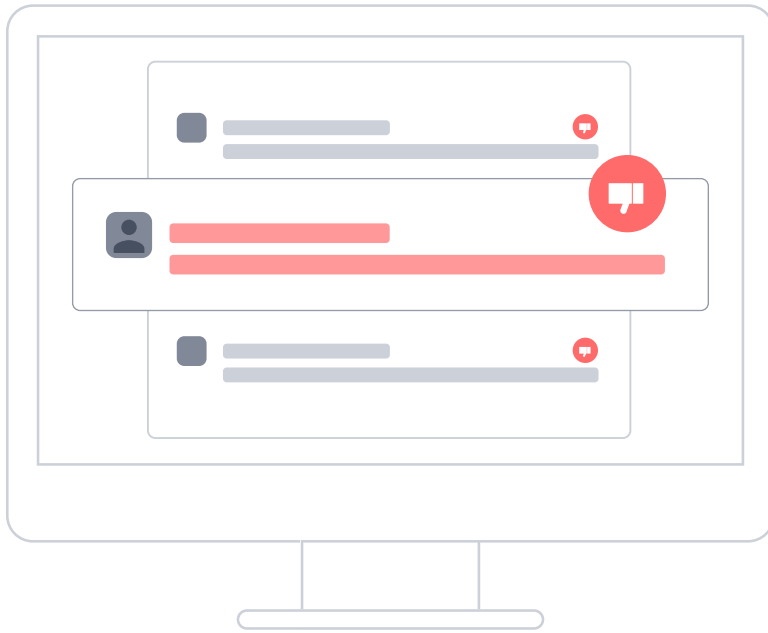
Social listening often biases to promoters.

Our survey surprisingly reveals that detractors are much less likely to provide negative feedback than promoters on social media or review sites.

So while social listening can help you understand your customers, it is biased towards promoters. And if you are only hearing from promoters, you are blind to the problems that detractors are experiencing, which are usually very different.

Promoters are much more likely to provide negative feedback.

Bar chart with axis labeled FEEDBACK LIKELIHOOD*

- Detractor: 4%
- Passive: 9%
- Promoter: 19%
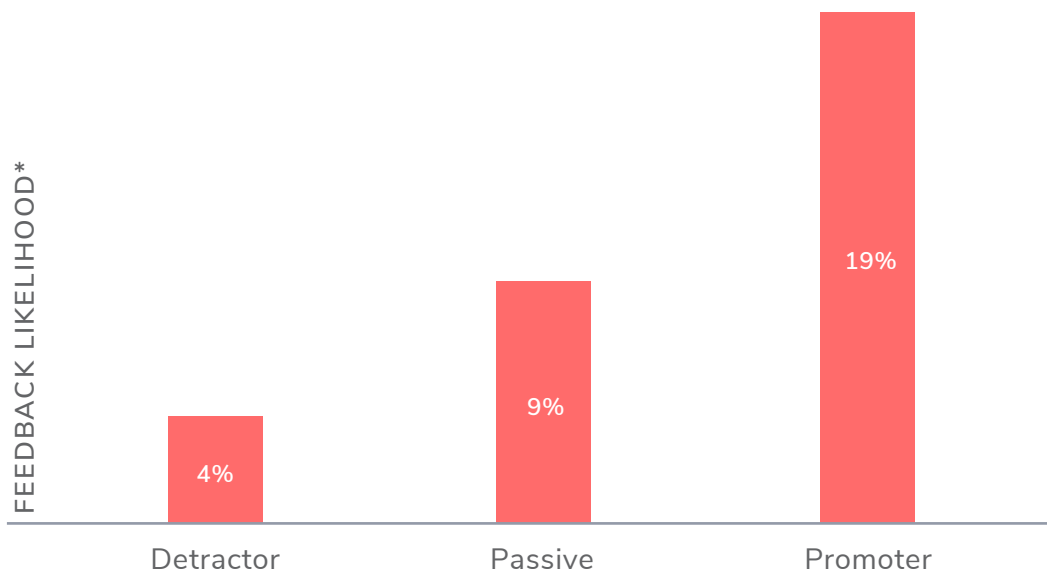
*Percent of respondents who said they are completely likely to provide feedback on social media or review sites based on a negative experience at the store.

What can be done?
Ask customers for more feedback.

To get better feedback, which can be used to drives sales and profits, you need to solicit more feedback. Gathering responses from those with negative experiences is particularly valuable. This is surprisingly easy for three reasons:

CUSTOMERS WANT MORE SURVEYS.

Over 59% say the retailer doesn't request enough survey feedback, including 42% who say they have never been surveyed. Only one customer in twenty reports that retailers request surveys too often. Customers want to be asked about their shopping experiences—why not meet that desire?

CUSTOMERS ARE NOT OVERWHELMED BY RETAIL SURVEYS.

Seventy three percent of consumers said they receive less than one survey invite per week, which is a mere trickle compared to the 45 marketing emails delivered to them weekly. Only seven percent report receiving more than two surveys per week. Considering the average adult receives 650 emails per week, an occasional survey from your retail brand won't be a burden.

CUSTOMERS PREFER LOW COST CHANNELS.

A whopping 93% of respondents want survey invitations as a link in an email or text. Customers don't want to be called, so choosing these low-cost methods is a win-win. Mobile compatibility for your surveys is a must — 55% of our survey completions were on mobile devices — but this should already be part of your survey platform.

Managing customer feedback is essential to realize your potential financial gains.

When gathering more feedback, you need processes and technology to capitalize on it. To keep it simple, consider pilots focused on specific touch points, channels or regions. There are numerous options, the most common which Centriam has seen used to drive customer experience improvements and revenue include:

INTEGRATE AND MINE METRICS

PROCESS → TECHNOLOGY

Merge operational and POS data sources with survey data to identify a few significant pain points. Look at historic variability to establish reasonable starting benchmarks and build a simple business case for improvement from those benchmarks. Pilot interventions and track changes in customer repurchase rates, upsell, and experience scores.

Establish a customer experience measurement platform so you can track each of your pilots. Having a mix of executional and outcome metrics, such as agent compliance, customer response and changes in purchase behavior, will allow you to accurately assess your strategy. Also make sure your platform can measure incremental behavioral so your results stand up to scrutiny from finance.

CLOSE THE LOOP

PROCESS → TECHNOLOGY

Follow up with customers, perhaps with a small recovery team, to resolve their issues and create a healthy customer experience. Research has repeatedly shown that customers who have a problem resolved are more loyal than customers with no problems at all. As you collect more feedback the value of this type of program will continue to grow.

Centralize the process in one platform. This allows you to drive change by assigning a portion of complaints to trained store managers while following up with the remainder through a centralized care center. Plus, you'll be able to track compliance, changes in customer feedback and incremental financial impact in one place.

Key Findings of Centriam's 2017 Retail Survey

New research confirms improvements to your customer experience will drive both sales and profits.

What you think your customers are experiencing is both incomplete and biased.

You need to ask your customers for more feedback, and they won't mind sharing it.

You need a system to manage this feedback in order to capitalize on your customer experience opportunity.

Centriam software enhances customer intelligence, enables personalized programs, and identifies efforts with the highest impact on customer experience.

Request Demo	Learn More

About Centriam:

Centriam was started by data scientists who were frustrated by how difficult it was for decision makers to monitor, understand, and most importantly to improve customer experience. We knew that companies who consistently act on data and insights grow at faster rates. So we founded Centriam to build customer experience technologies that uncover new insights and make them easy to act on.

About the Survey:

Centriam's 2017 Retail Survey was fielded from October 3rd through 5th. Respondents were asked about shopping experiences within the last 3 months at the nation's ten largest retailers. Overall 584 retail customers participated. All respondents were between the ages of 18 and 59, and were sampled across all incomes and U.S. geographic regions.

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