

In Brief:

Retail to get Skills Council:

The government has approved a National Skills Academy for Retail. The Academy will be established by Skillsmart Retail in March '09.

January Sales:

The BRC reported a 1.1% like for like increase in January. Though this figure was achieved with retailers heavily discounting their products, the result is still higher than was expected.

Show the Shops some Love:

After difficult weather in early February many retailers hope that Valentine's day will have provided a much-needed boost.

Service essential to survival, research reveals

Recent research suggests that excelling in service may be the best way for retailers to beat the credit crunch.

The survey of 3000 shoppers, by Envision Retail, looked at changes in behaviour over the past two years. The survey reports that customers ask for help 60% less frequently than they did two years ago. However, shoppers now have higher expectations.

Shoppers are becoming experts in talking themselves out of a purchase – it only takes one thing to be wrong for them to change their minds. Very often the problem is not the product, rather it is the service received from staff.

Consumers feel fragile. In this climate it is the retailers who engage their staff and make the



customer experience as smooth as possible that will succeed.

This research by Envision has demonstrated a direct link between service levels and sales. Research by American Academics for the *International Journal of Hospitality Management* has conclusively proven that better service feeds a virtuous cycle of returning to the

store, higher spends and word-of-mouth recommendations (see pg. 2).

Sources: Envision Retail, Retail Week 03/10/08.

International Journal of Hospitality Management, 'Influence of institutional DINESERV on customer satisfaction, return intention, and word-of-mouth' (28:1, 03/09), by Woo Gon Kim, Christy Yen Nee Ng and Yen-soon Kim.

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Welcome to our brand new newsletter! We hope you'll find it an informative and interesting guide to the issues surrounding performance management and customer service in the retail and leisure sector.

We'll be keeping you up-to-date with trends and developments, offer comment and analysis, interview key industry figures, and highlight interesting practice.

Why? Well, we all know the hard truth in the cliché of how much more it costs to attract a new customer than to keep an old one. And we all recognise the importance of providing the kind of customer experience that creates loyalty and advocacy. But in the current climate, the temptation is to focus on cutting costs.

Our aim is to re-focus attention upon what we all know to be the most important element for retail success: delivering excellent customer service.

Diners' Woes



The 'Good Food Guide', published by *Which? Magazine* recently published their readers' pet hates.

The guide receives 20, 000 restaurant feedback letters each year.

Asking for a tip after having included a service charge was most unpopular.

A close second, though, was over-attentive waiters: interrupting conversations to ask if 'everything's all right' is decidedly not.

'Guide' editor, Elizabeth Carter, said that many of these are 'simple mistakes that can usually be rectified by training staff better'.

New I.C.S. Chief

In a letter to *Drapers Record* late last year David Parsons, Chief Executive of the Institute of Customer Service, emphasised the importance of delivering high quality service.

'It is', he wrote, 'more important than ever for organisations to ensure that their staff

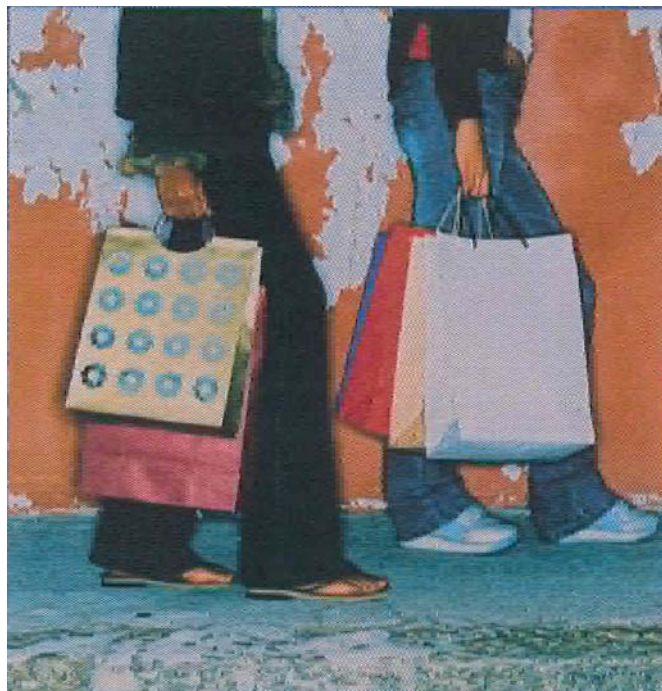
Good Customer Service: The Best Marketing?

According to YouGov research, 50% of marketing professionals expect companies to scale back their advertising budgets. If this proves accurate retailers will quite possibly have fewer opportunities to persuade customers to shop with them.

As we face an increasingly difficult economic climate the importance of customer service is worth re-emphasising.

Without so many TV and radio spots, word-of-mouth becomes all the more important. The goal, ultimately, is to turn shoppers into advocates. As IBM's Institute for Business Values says 'customers who will recommend and promote the retailer to others spend more of their wallet and remain loyal over time.'

Brand loyalty, even now, is not solely based on price: rather, it involves the emo-



tive and human aspect of service as well as the product. As Clive Briscoe, director of C.S.B. Marketing argued in *Drapers Record*: 'this is a virtuous circle, with each interaction reinforcing the positive impression already held, driving affinity, loyalty and keeping tills busy.'

Sources: Yougov.com: "'They think it's all over" – What will the crunch do to next year's marketing

"Customers who recommend the retailer spend more and will remain loyal."

budgets?', by David Lucas.

IBM Institute for Business Value: 'Turning Shoppers into Advocates', by Melody Badgett, Maureen Stanick Boyce and Herb Kleinberger.

can deliver an even higher quality experience to their customers.'

This message has been reinforced by Jo Causon who has been appointed his successor. Speaking about her appointment, which she will take up in April 2009, Causon said that she was 'delighted to have the op-

portunity to shape UK customer service at such a critical time.'

She said that customer service is 'the key differentiator' and that 'the delivery of outstanding service to customers is particularly important in the current challenging economic environment.'



Joanna Causon, incoming Chief Executive of I.C.S.

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IRC provide a professional consulting service to the retail, leisure and hospitality sectors. Our areas of expertise include mystery shopping programmes, market and consumer research, retail and leisure property acquisitions, property management, shop fitting and store design, franchising & joint venture and international expansion.

Understanding the importance of excellent customer service is easy. Monitoring it across multiple outlets and channels and ensuring that a customer-focused culture is embedded at every level is considerably more difficult.

Here at IRC, we are dedicated to raising the standard of customer service throughout the retail and leisure sector.

Unlike standard mystery shopping, our Customer Insight programme does not merely monitor customer service: we want to help you actively improve the performance of your staff, further understand the expectations of your customers and ensure that your standards are being met everywhere.

Our small team work closely with our clients to provide bespoke programmes tailored to their unique needs.

If you would like more information about Customer Insight, we'd love to hear from you. Please contact James Hopkins on 0117 930 4536 or j.hopkins@insightretail.com.

News

INSIGHT RETAIL CONSULTING



For the latest news about IRC and its clients, visit <http://www.insightretail.com>

Jo Downs Glass and IRC team up for UK expansion

One of the world's most prominent fused glass designers is set to open its fifth gallery in the heart of Bath's boutique shopping quarter—with a little help from Insight.

The gallery, offering spectacular glasswork gifts, homeware and jewellery, is nestled alongside some of the city's finest retailers in the popular Northumberland Place. Insight is proud to have secured the 1000 sq ft site and continues to work with Jo Downs on their expansion.

Martin Bloom, Insight's Managing Director, and Tom Downs, Director of Jo Downs Glass have signed an agreement bringing Martin's extensive experience in the retail property market into Jo Downs Glass. Martin will be advising on aspects of merchandising, store benchmarking and retail development.

Both companies are delighted about the partnership. Tom said 'Jo Downs Glass is continuing to expand its operations and with Martin's input we are looking forward to growing our retail base'. Martin added, 'I am excited to be working closely with a youthful family-run company that has such vision.'

