October 2016

St Helier

Mystery Shopping Report

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Key Findings

The average Customer Service score for the stores audited was 74%. This is down from 78% in October 2015 and compares with 68% from October 2013, 73% from October 2014, and 77% from May 2015. This score falls short of the 80% target set following the 2013 audit and has slipped below the UK average of 77.4%, measured in July 2016.

Apart from Shop First Impressions all of the other performance areas involve an element of staff interaction. This emphasises just how important retail staff are in the delivery of the overall customer service experience.

These results show a general 'downward' trend with six fewer stores scoring in the 'Outstanding' category and a corresponding number of stores placed in the 'Fair' category. One store was placed in the lowest 'Poor' performing category when there had been none in October 2015.

In May 2015 three stores scored 100% for the first time with two stores scoring top marks in October 2015. Again in this latest survey, two stores have scored a maximum of 100% reiterating that delivering outstanding customer service takes continuous effort and commitment.

'Product Knowledge' at 90% continues to be the highest scoring area just pipping 'Member of Staff' at 87% into second place. The poorest performing area continues to fall within Selling Skills and in particular 'Additional Products' where the opportunity to 'up-sell' is being missed; this time with a poor score of just 29%.

The average scores for cafés has fallen back to Oct 2013 levels of 75% brought down by staff missing opportunities to offer 'Additional Food Purchases'. The average Café score is in line with the overall survey score.

Introduction

In October 2013 the Economic Development Department commissioned a local mystery shopping firm to undertake an audit of fifty-five Town Centre stores to measure the Customer Service experience.

Additional audits were commissioned in October 2014, May 2015, October 2015 and October 2016. The results allow the retail sector to:

1. Measure the Town Centre 'customer experience'
2. Monitor changes in performance over time
3. Identify areas of excellence
4. Identify areas requiring improvement

Reference to the 'period' in this report refers to the time from the first audit in October 2013 to the current one in October 2016.

Methodology

- This audit was commissioned by Jersey Business and carried out over the last two weeks in October 2016.
- A sample of sixty-two Town Centre stores were audited in Oct 2016: 54 retailers and 8 cafes.
- With the exception of two stores the sample included the same stores as the 2013 and 2014 audits. In May 2015 a further 7 stores were included and they were also included in the Oct 2015 and 2016 sample.
- The sample was selected to ensure a good geographical spread across the Town Centre and broken down into groups:
    - Small store (1-5 staff) - 35
    - Medium store (5-10 staff) - 22
    - Large store (>10 staff) - 5
- 10 of the sample were UK stores or franchises and 52 were local businesses.
- Half of the audit was carried out on a Saturday and the rest spread evenly from Monday to Friday.
- The audit was undertaken by 11 professional assessors using the same marking and appraisal system as for the previous audits.

Service Areas Reviewed

The audit reviewed three specific Areas; each split into Sections as shown below.

1. General Approach
   - First impressions
   - Acknowledgement
2. Service
   - Café (for selected)
   - The Member of Staff
   - The Check Out Process
3. Sales Opportunity
   - Establishing Needs
   - Product Knowledge
   - Customer Ordering
   - Selling Skills

Within each Section specific topics were tested and these are show in the graphs displayed on the following pages.

Understanding the Scores

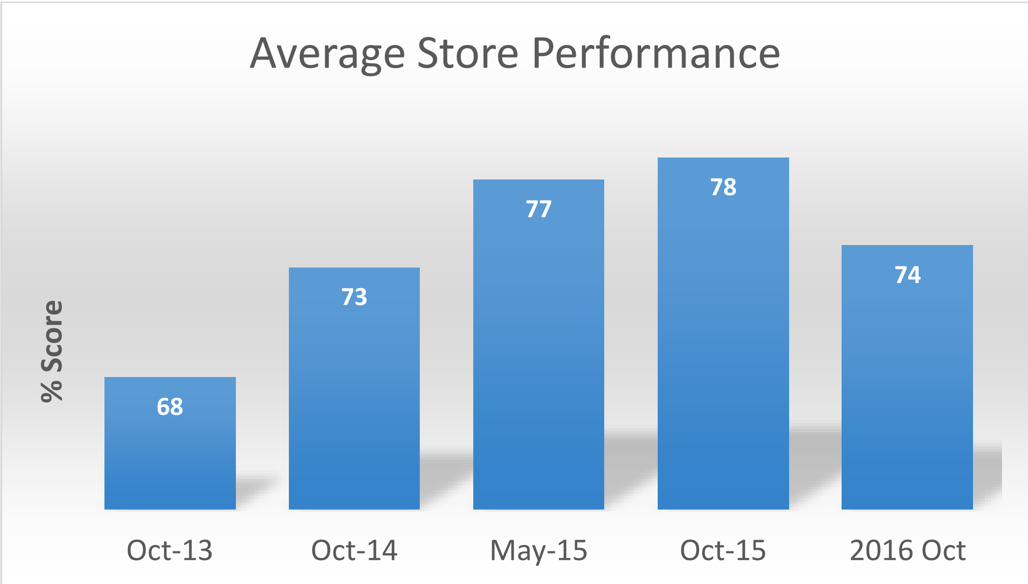
The audits are scored out of 100%. 100% would indicate outstanding customer service with all the areas covered successfully. 0% would indicate failure on every point measured.

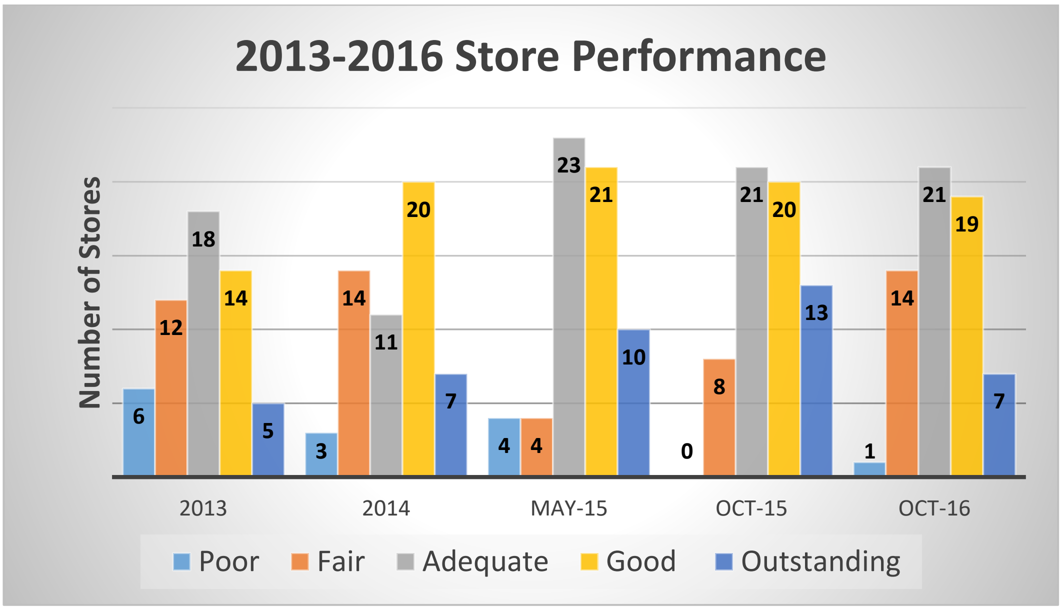
Score	Performance
0 – 40%	Poor
41 – 60%	Fair
61 – 80%	Adequate
81- 90%	Good
>90%	Outstanding

A target of above 80% was suggested as the benchmark for Jersey retailing following the 2013 audit.

October 2016 Performance

The average score was 74% down 4% from October 2016. This is a dip in the overall customer service performance when compared with the previous four year upward trend.



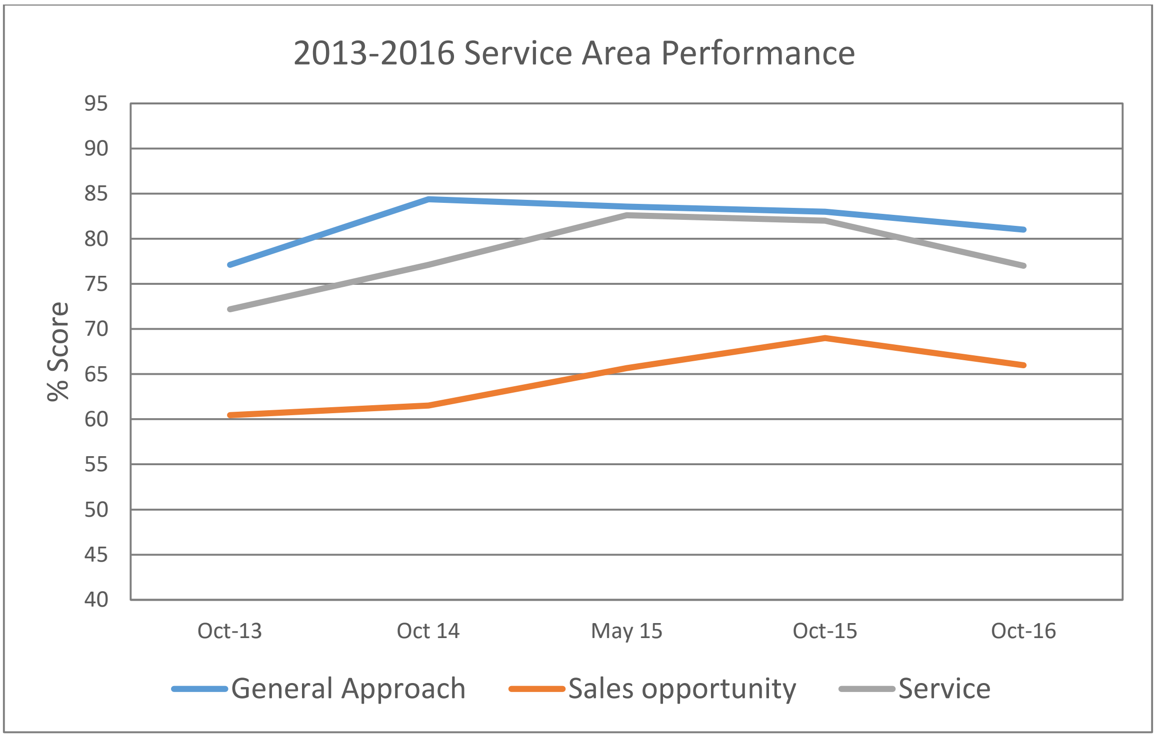


The 2016 results, which have fallen back to 2014 levels, show a similar spread of scores from the poorest to the highest performing stores with the majority of stores performing in the middle three categories. It is disappointing to see one store in the 'poor' category and a fall in the number of stores in the highest performing 'outstanding' category, falling from 13 in 2015 to 7 in 2016.

Particularly notable Oct 2016 results:

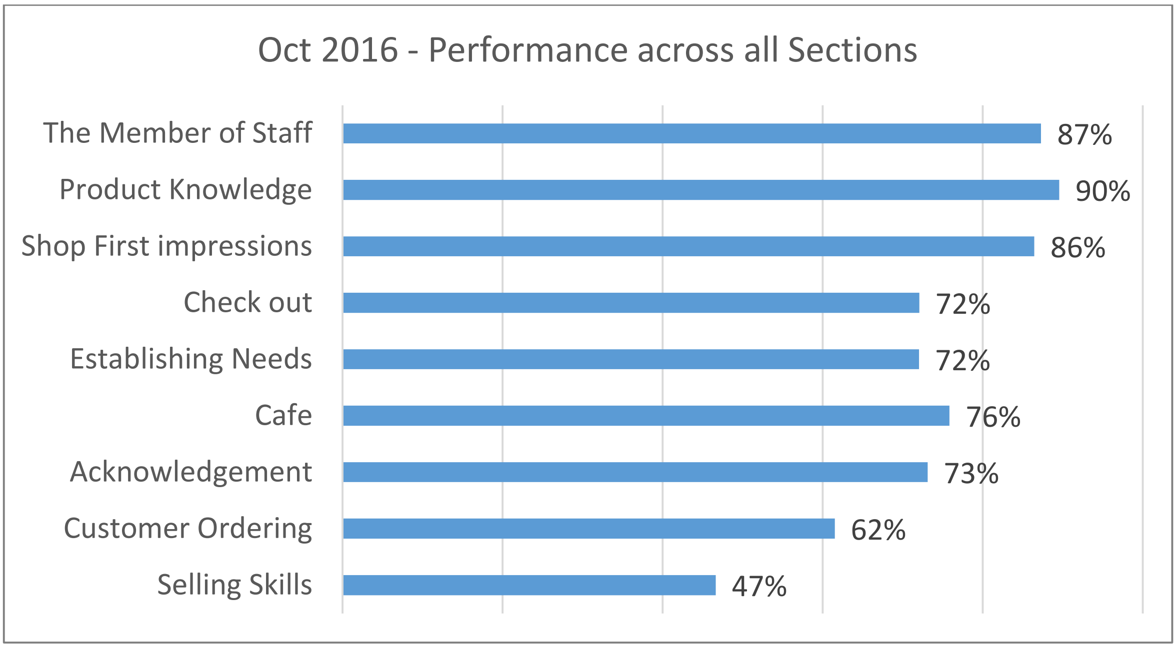
- 57% of stores classified as ‘fair’ or ‘adequate’ compared with 47% in Oct 2015.
- 42% of stores classified as ‘good’ or ‘outstanding’ compared with 53% in Oct 2015.
- 11% of stores classified as ‘outstanding’ down from 21% in Oct 2015.
- 2 stores achieved 100% scores the same number as in Oct 2015.

Performance by Area



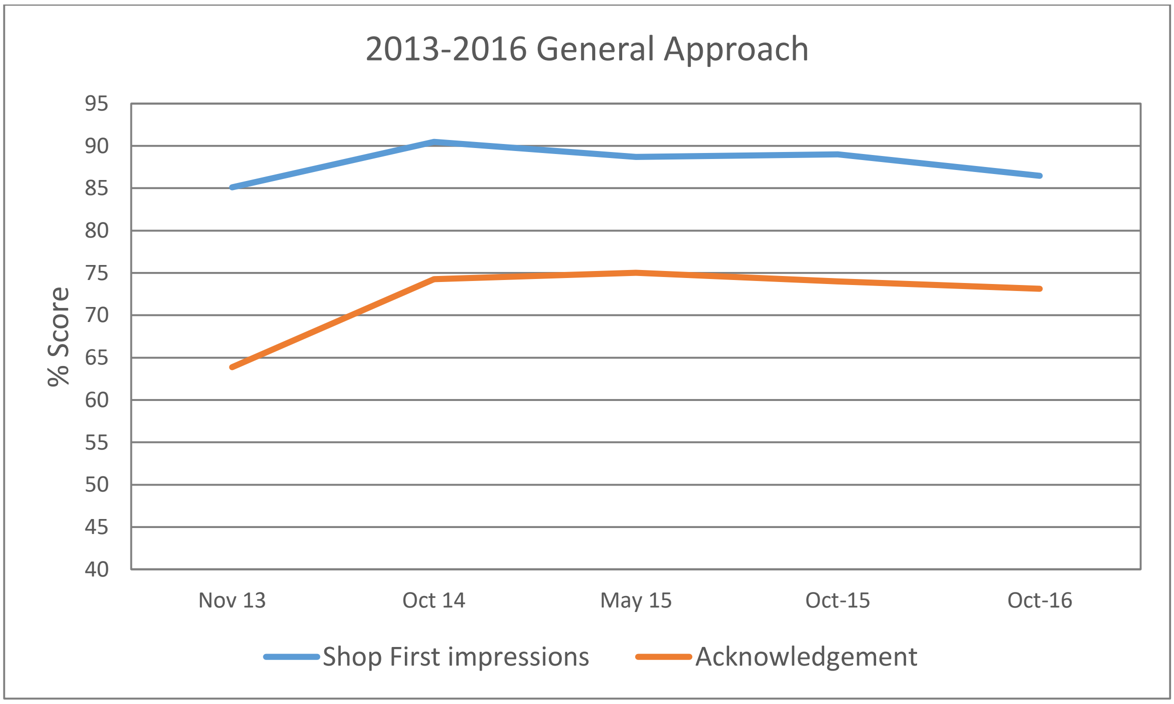
- All three areas measured saw a dip from Oct 2015 scores.
- Sales Opportunity at 66% continues to underperform General Approach at 81% and Service at 77%.

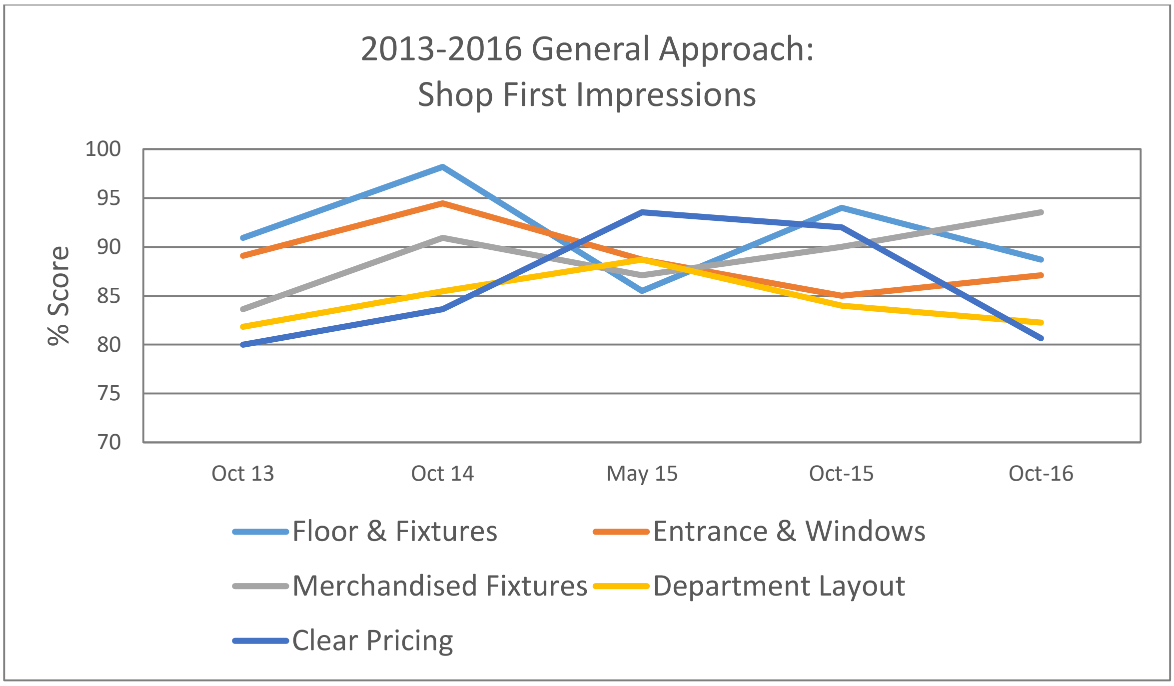
Performance by Section



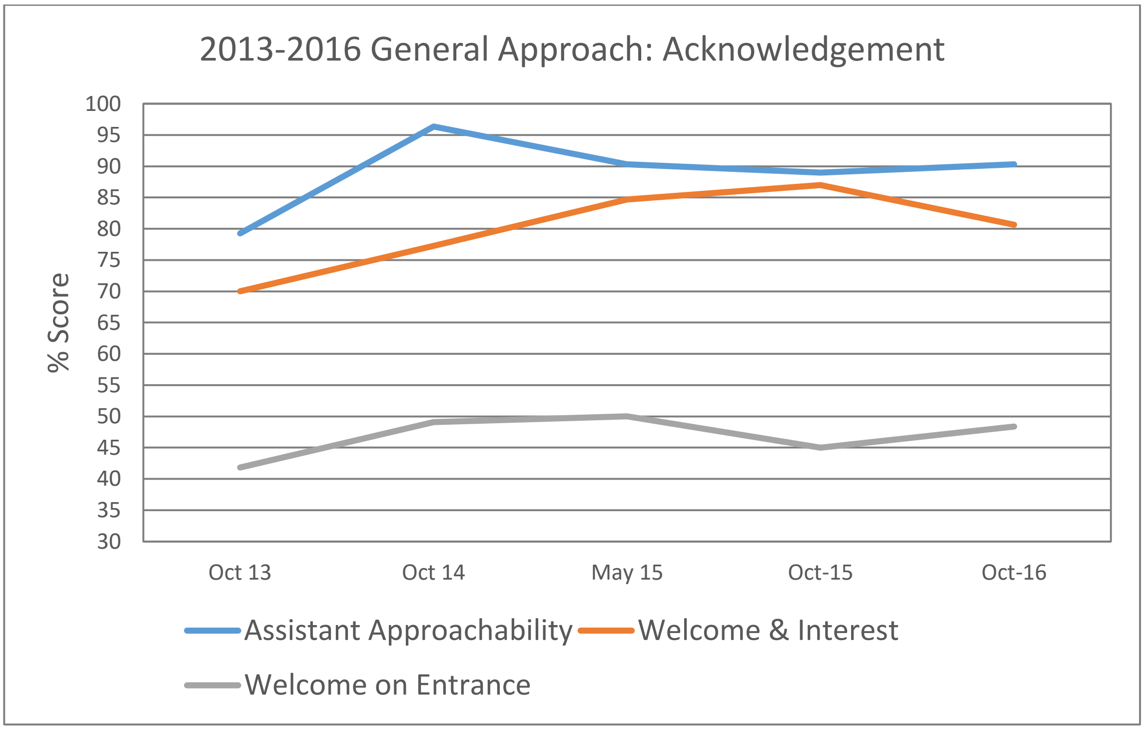
General Approach

General Approach includes Shop First Impressions and Acknowledgement. This remains a strong part of the St Helier shopping experience with the average score dipping slightly from 82% to 80% this year.





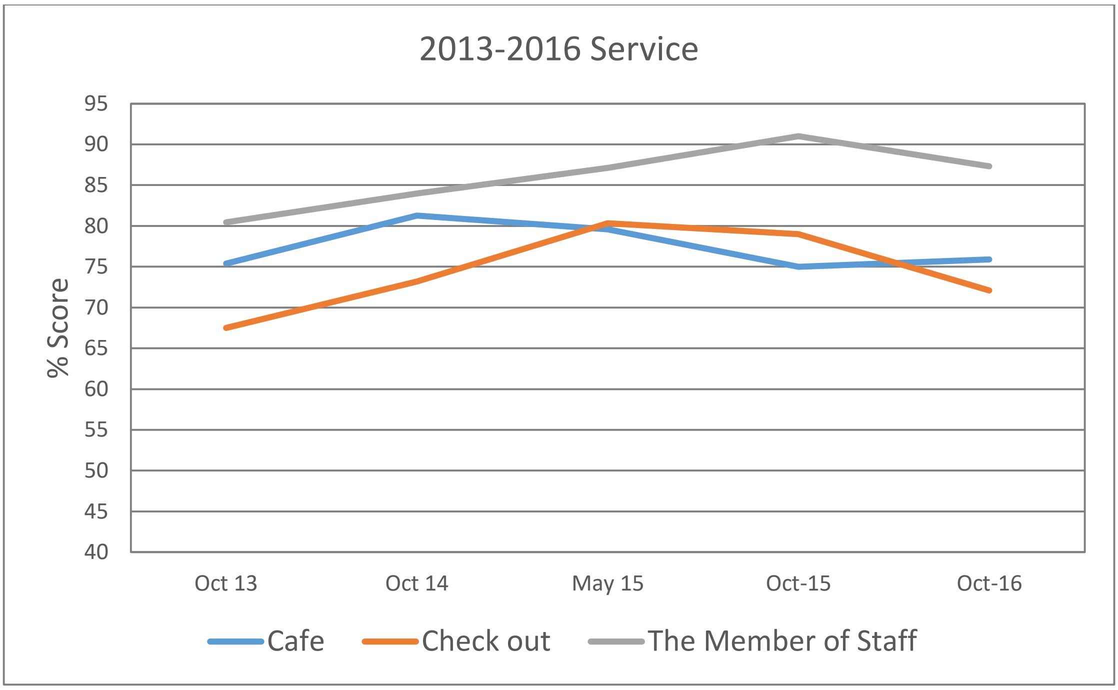
- Merchandised Fixtures continues to improve and perform strongly at 94%.
- Clear Pricing has shown the biggest drop to 81% from a high of 94% in May 2015.
- All of the Topics within First Impressions are rated as ‘good’ or ‘outstanding’

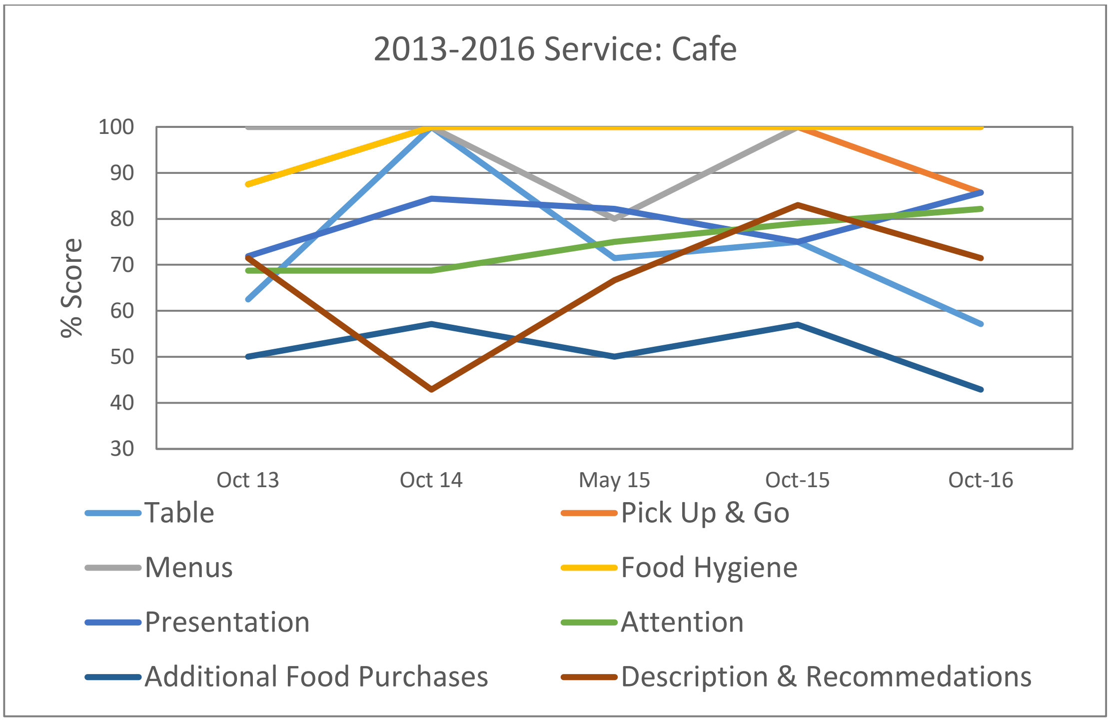


- The acknowledgment shoppers receive is an important factor in delivering excellent customer service and can be a key differentiator for ‘bricks & mortar’ stores.
- Acknowledgement scores an overall ‘Adequate’ 73% but is affected by the continued poor performance of Welcome on Entrance with a score of only 48%.

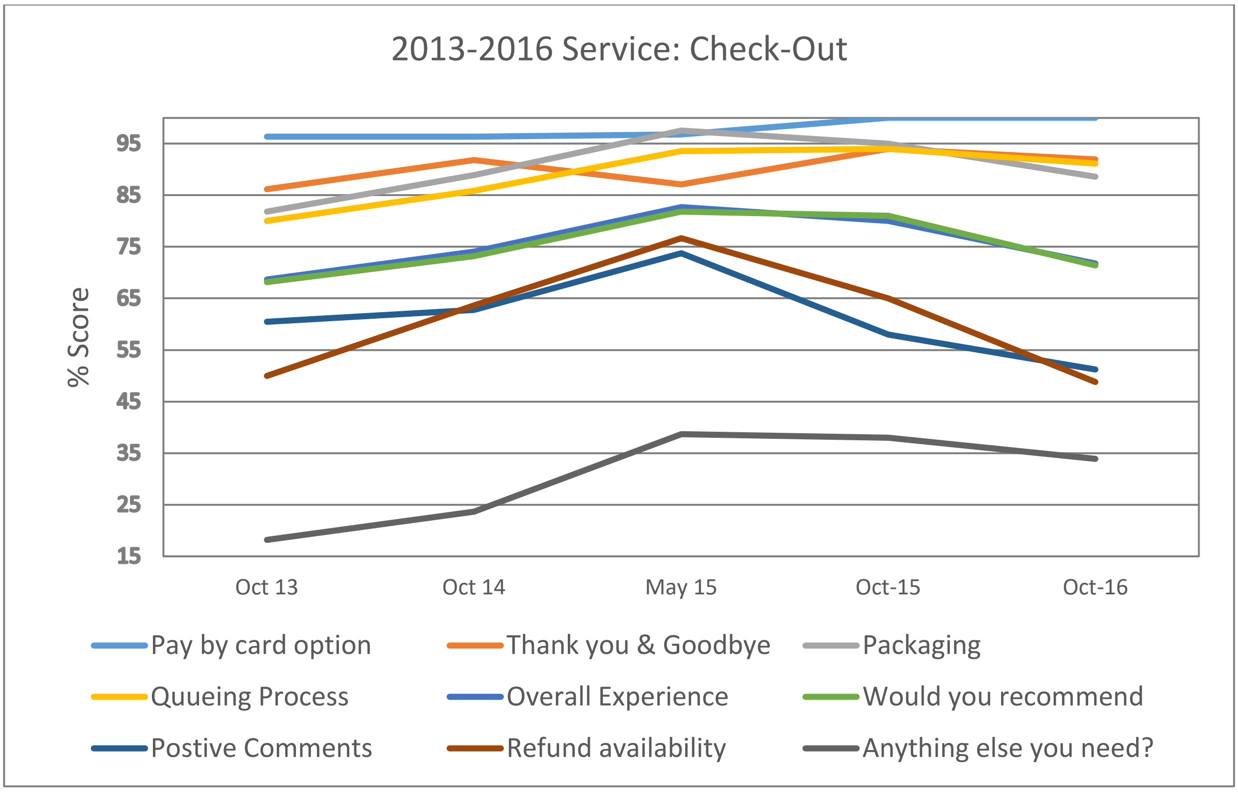
Service Performance

Service Performance includes scores for the Café, Check Out Process and the Member of Staff.

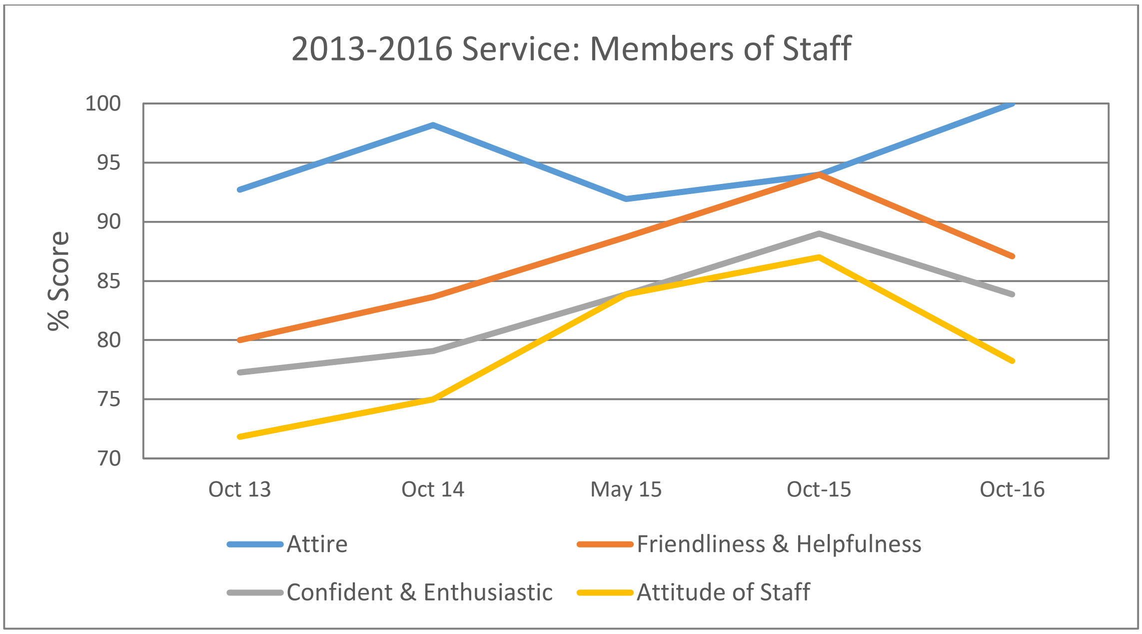




- Average scores for cafés is 76%, the only performance area maintaining 2015 levels
- Staff missing possible Additional Food Purchases continues to be the lowest score at 43%.
- However, the average Café score is in line with the overall experience of 74%.



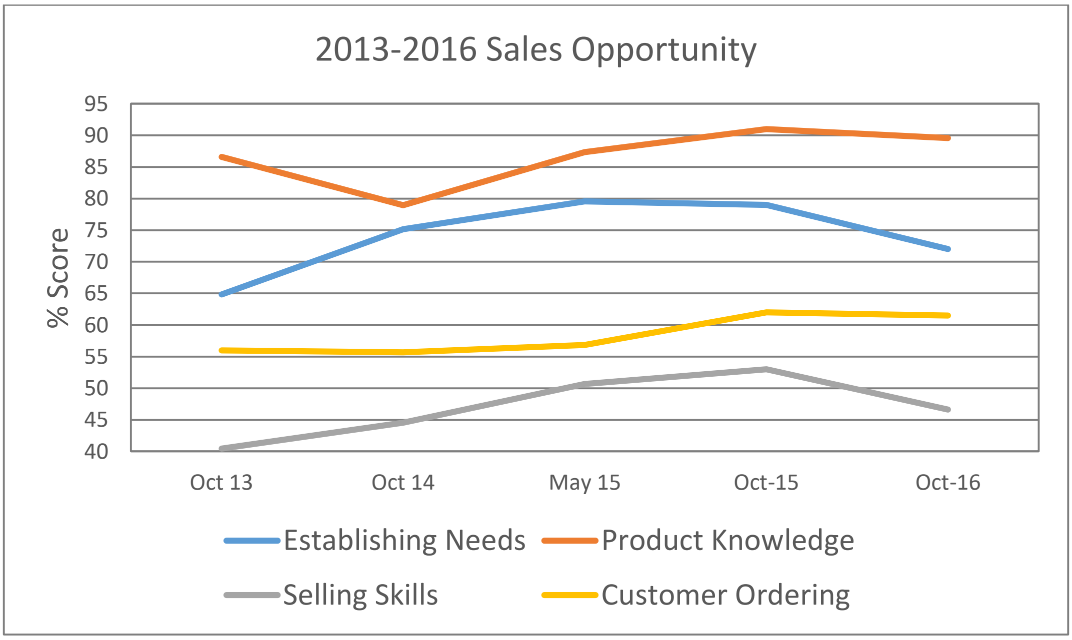
- The Check-Out process continues to present opportunities for Customer Service improvement.
- The only area maintaining its 2015 score is pay by card option, the highest performer at 100%
- 'Anything else you need' continues to perform 'poorly' at only 34%.
- Refund Availability at 49% and Positive Comments at 51% are 'adequate' but have seen a dip since Oct 2015.
- Overall experience of the Check-Out process at 72% has fallen back to a similar score of 73% recorded in Oct 2014.



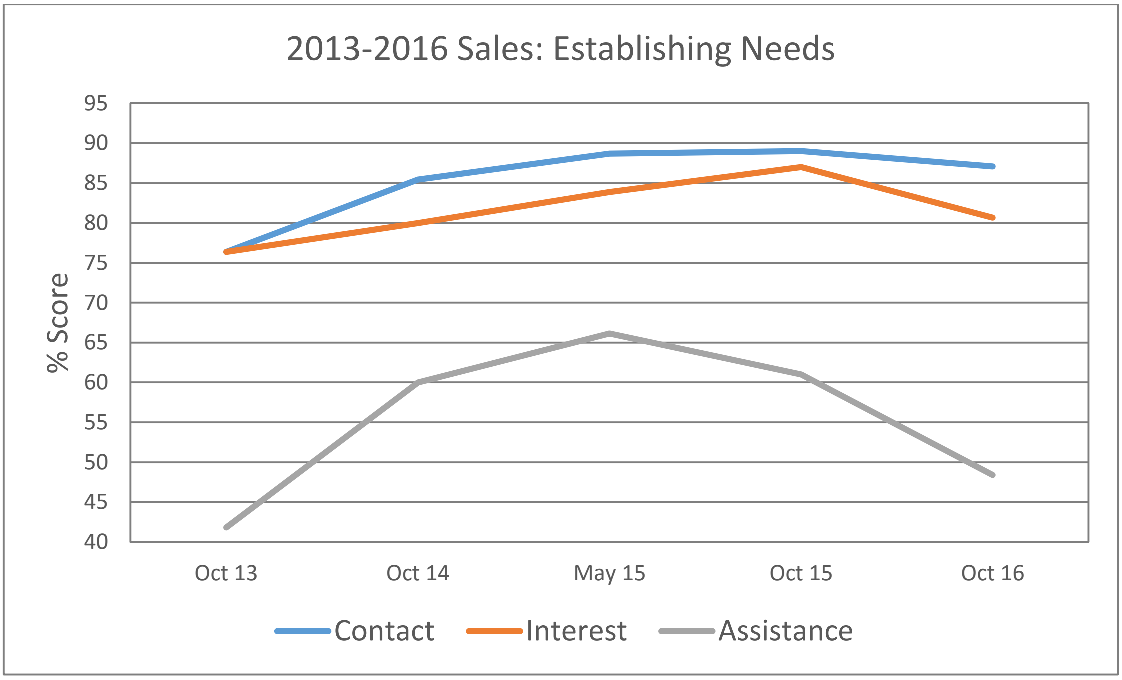
- Overall Member of Staff scores has dipped from the high of 91%, now at 87%, but remains extremely encouraging.
- However, three out of the four indicators have dropped since the last survey.
- The Member of Staff score is second only to Product Knowledge at 90%.

Sales Opportunity Performance

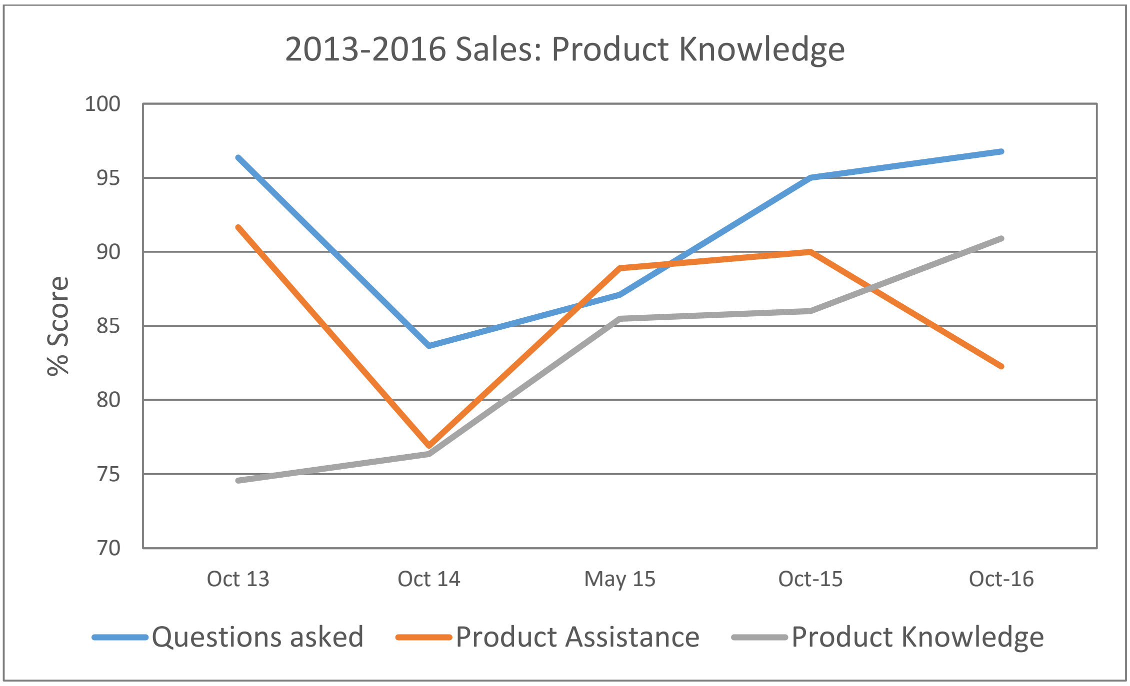
Sales Opportunity includes Establishing Needs, Product Knowledge, Selling Skills, and Customer Ordering.



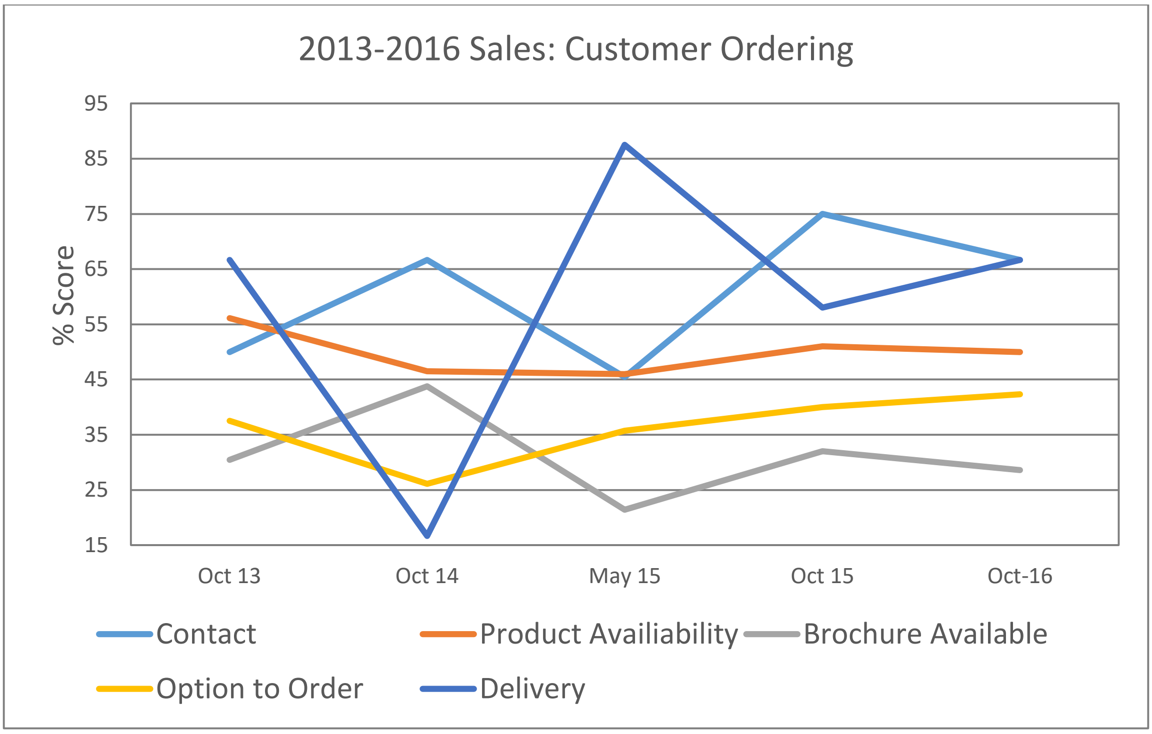
- At an average score of 66% the Sales Opportunity is the weakest performing area reviewed but shows an improvement of 6% over the period.

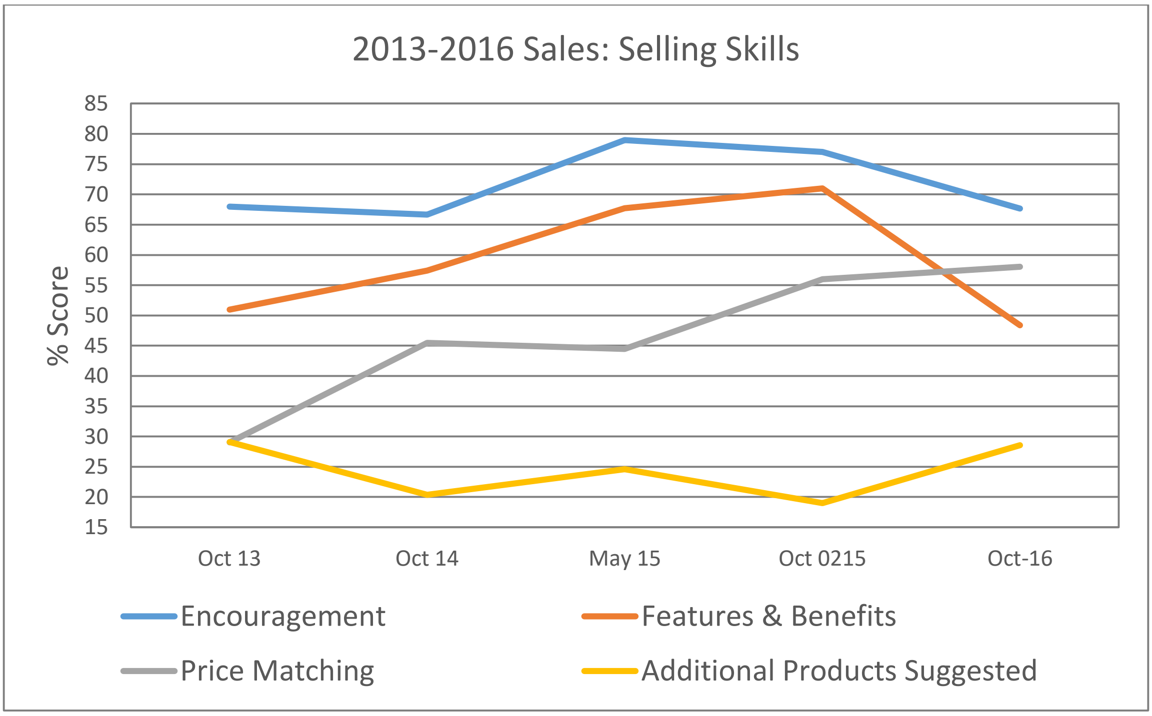


- The overall performance of Establishing Needs at 72% is let down by the provision of Assistance score at 48% which continues to dip from the high of May 2015.



- Product Knowledge overall score of 90% demonstrates a Good result and is the top score in all of the sections measured.



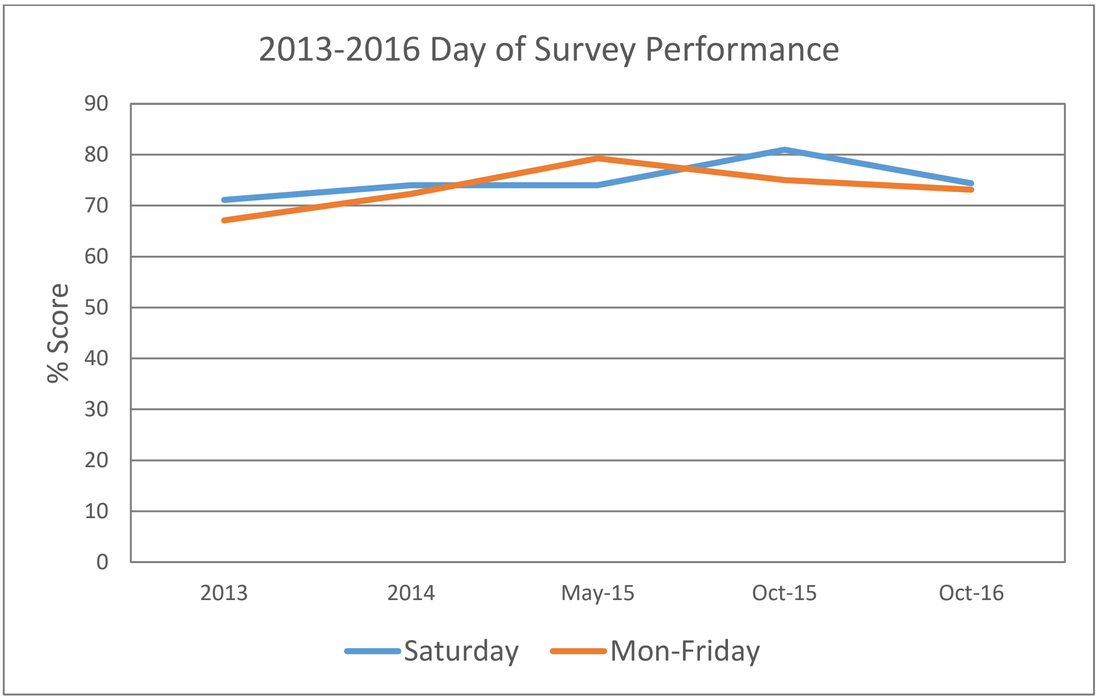


- Selling Skills at 47% is an area that continues to perform at the lowest level.
- The Additional Products Suggested score of 29% remains 'poor' and shows that opportunities to up-sell and cross sell are being missed.
- Features and benefits have shown a particularly marked decrease from 71% in 2015 to 48% this year

Targeted Performance Results

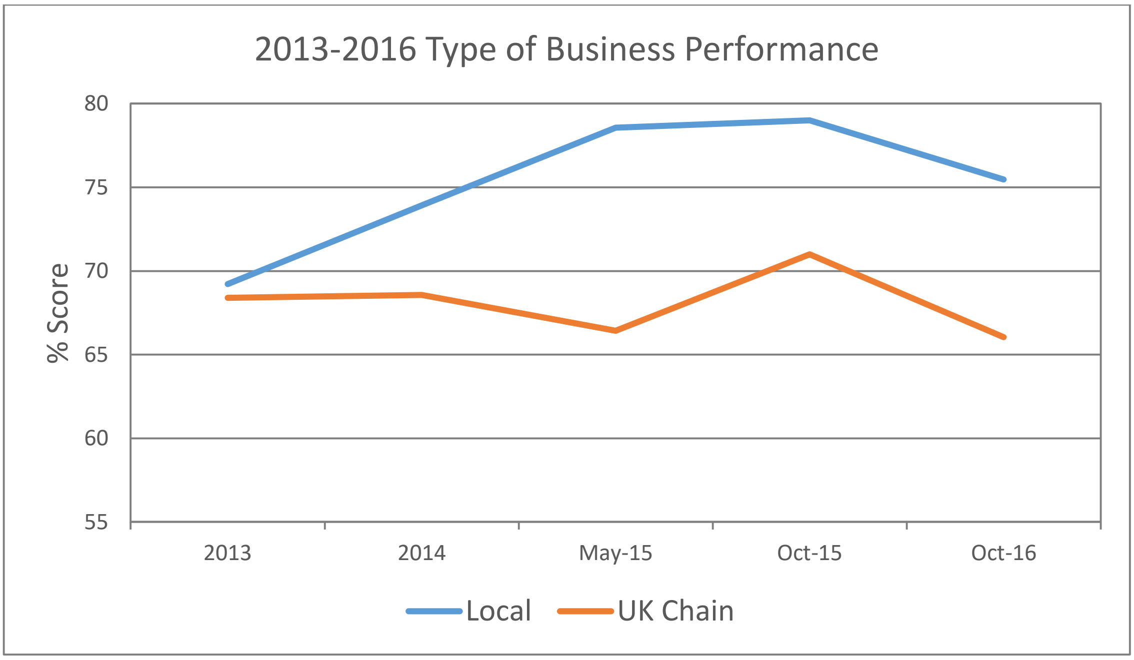
Saturday v Weekday

The closeness of the scores over the period, currently a 1% difference, demonstrates that the customer service experience on a Saturday is generally equal to a week day.



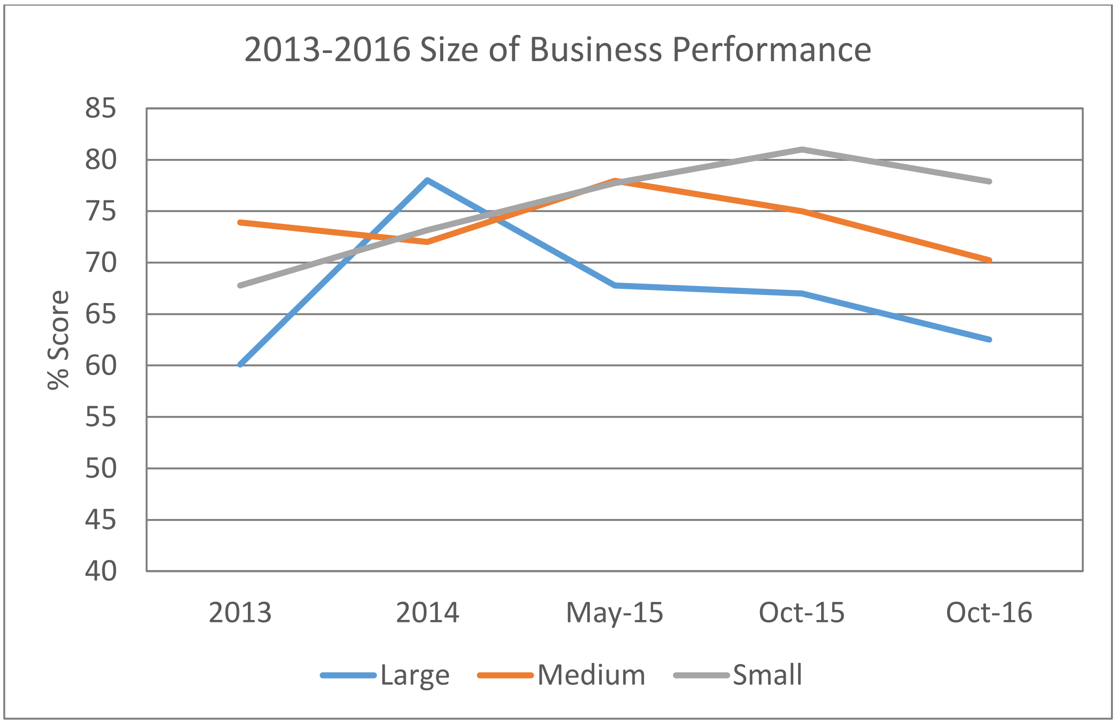
UK v Local

Scores for Local stores continues to outperform UK Chain stores, currently by 9%, and UK stores have seen a dip on overall performance of 2% over the period.



Size of Business

Small stores at 78% continue to outperform Medium stores at 70% and Large stores at 63%. The results suggest that small stores are continuing to work hardest to engage with shoppers.



Summary

The average score of 74% shows a dip of 4% from the high of October 2015 but is still a 6% improvement of the first survey from 2013; which shows there has been improvement in Customer Service performance over this period.

The overall aim must be to narrow the gap between the poorest and best performing stores and in particular to ensure that fewer stores are scored as ‘poor’ or ‘fair’ with a corresponding increase in those achieving the top scores.

The results show that knowledgeable and engaging customer facing staff are key to delivering strong customer service across the retail sector and it is notable that small sized local stores, with five or less staff, continue to outperform medium and large sized stores in the delivery of customer service.

The results of the audit will be used to assist key stakeholders, such as the Retail Development Group, to encourage continued Customer Service improvements in the retail sector. The results will help to focus efforts on areas that are required to improve the overall customer service experience.

Jersey Business will continue to work with individual retailers to implement improvements in their performance and productivity.