



The Ultimate Guide Improving the Retail Experience

A step-by-step action plan to manage and improve the customer experience and fuel your company's growth.



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Special Thanks to Elkjøp, the largest consumer electronics retailer in the Nordic countries and long-time HappyOrNot client, for their in-depth customer story contribution to this Retail Guide.



1

Today's Shoppers

What's in store for the future of retail?



Consumer expectations are changing

There's no denying these are challenging times for brick-and-mortar stores. With new technologies and the blurring boundary between online and offline shopping, the retail landscape is undergoing many changes. Consumers demand more from the brands they engage with and expect a frictionless experience across all channels.

Traditional practices that used to work—or that used to be tolerated—are no longer enough to attract and retain customers today. More and more shoppers won't buy from retail brands that offer bad customer service, have long check-out lines, or lack digital technology in store. In other words, taking a “business as usual” approach to retail today simply won't cut it.

But embracing new technologies merely for the sake of having the latest buzzworthy tech isn't enough either.



Forward thinking companies use technology strategically to engage customers and provide memorable shopping experiences that keep them coming back.



The ROI of Customer Experience in Retail

\$75

billion lost by American companies every year from poor customer service

(New Voice Media)

51%

of people will never do business again with a company after one bad experience

(New Voice Media)

74%

of customers will switch brands if they find the purchasing process too difficult

(Instant Search)

84%

of organizations working to improve CX see an increase in revenue

(Dimension Data)



How to prepare for next-generation retail

With several big-name bankruptcy filings and store closures in the past few years, it can seem like brick and mortar is dead. But really, the future is bright if you can adapt your business to meet the needs of today's shoppers.

Your goal is to have a satisfied and loyal customer base and improve your retail bottom line. But first, you must ask yourself:

- 1. What exactly do shoppers expect from you today?**
- 2. Do you know what your customers think of your in-store and online experiences?**

With all the industry changes, one thing's for certain: the power now lies in the hands of shoppers. **You need to leverage customer feedback data to improve your retail experience today, and be prepared for the retail world of tomorrow.**

The traditional ways of collecting customer feedback are problematic. Lengthy surveys, for example, require tons of time and energy from shoppers. Retailers usually conduct these surveys long after the purchase has been made and the shopper has left the store. By relying on your customers' memories, you set yourself up for inaccurate data. Plus, these surveys are usually only sent to buyers—not to people who visit your store but don't buy. This presents a significant gap, as there is a real need to truly understand why these shoppers didn't buy from you, and what you can do to improve your in-store experience to turn them into buyers.



It's simply not enough to collect feedback once or twice a year, as once you get the survey results it could take up to months to analyze—meaning that when the data is ready, you're already behind. To keep up with the competition, you need to be able to improve customer experience fast. The reality is that customer expectations are always changing so feedback collection must be a constant process. You need to know exactly how your customers are feeling at all times and throughout their entire journey in order to improve their experiences.

Retailers are also challenged with how to ensure customer feedback data is easy to use for all roles in the organization—not just the management team. The employees who directly connect with your customers must also receive and understand customer feedback. Your goal is to improve your retail business with CX insights, but delayed and inaccurate data is essentially useless.

Fortunately, there is a better way to understand your customers.



To compete in today's retail landscape, retailers need:

- Continuous, high-volume CX feedback
- Real-time, scalable data analytics to predict CX trends
- An interactive and engaging platform for all users



“

“Every retailer really is in the digital and data business; they just don’t know it yet.”

**Brendon Hore, Chief Technology Officer
at Peregrine Corporation**



2

Inside the Shopper's Mind

Gain visibility across all touchpoints and locations
with real-time feedback data



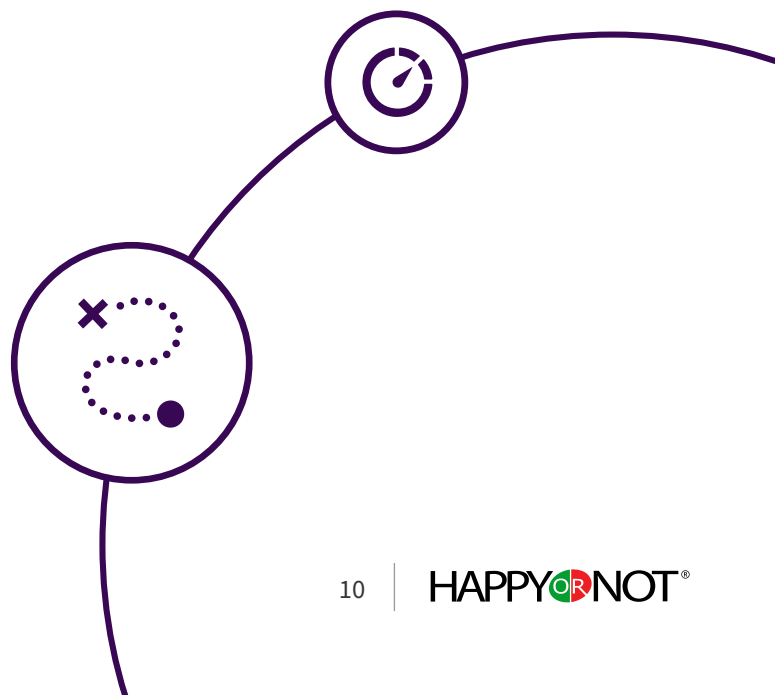
Collect feedback at every stage of the customer journey

From in-store product aisles to your webshop, the retail customer experience consists of a collection of micro moments along the purchasing path.

Shopping journeys today are nowhere near linear—people go through a variety of physical and digital touchpoints within your brand’s ecosystem according to however they want to shop. Ultimately, it doesn’t matter where a transaction takes place, as long as they decide to purchase from you. But the experience you provide shoppers—positive or negative—will influence their buying behavior.

Whether your customers are shopping in-store, online, or a mix of both, they expect a smooth, unified experience. To ensure shoppers are satisfied, you need to be agile and responsive to their needs.

By collecting feedback from every touchpoint, you can uncover hidden problem areas that are decreasing your service performance. You’ll stop relying on guesswork and start discovering exactly where improvements are needed.





Before you ask shoppers for feedback, you should ask yourself the following questions:

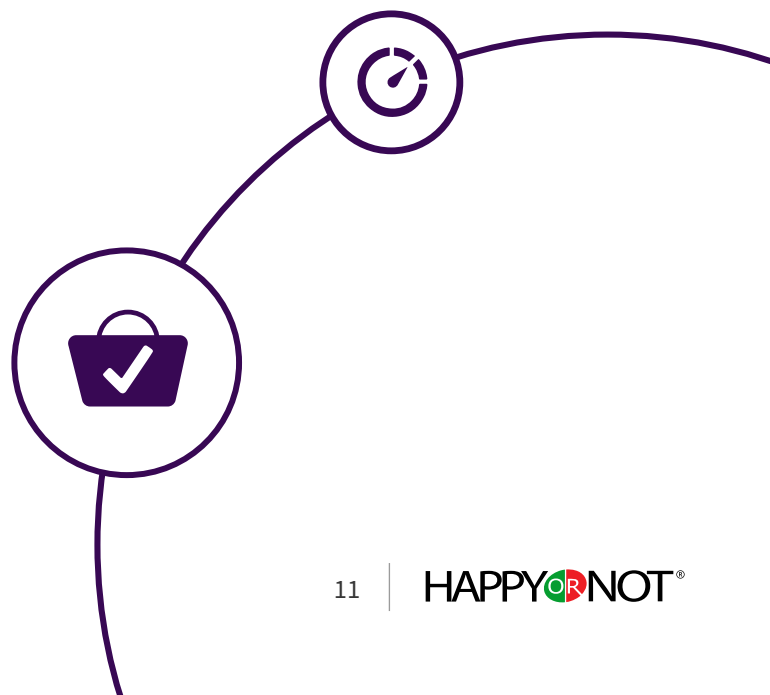
- Why are we asking for feedback?
- What are we expecting as feedback?
- What insights do we want to gain with this feedback?

And you should be interested in discovering:

- Are your customers happy or unhappy?
- What specifically makes your customers happy or unhappy?
- Why are your customers happy or unhappy?
- What do your customers wish you did better?



Clarifying your motive for requesting feedback will help you decide where and when to ask for it. You can then define a set of questions to ask shoppers that support your strategic business development.



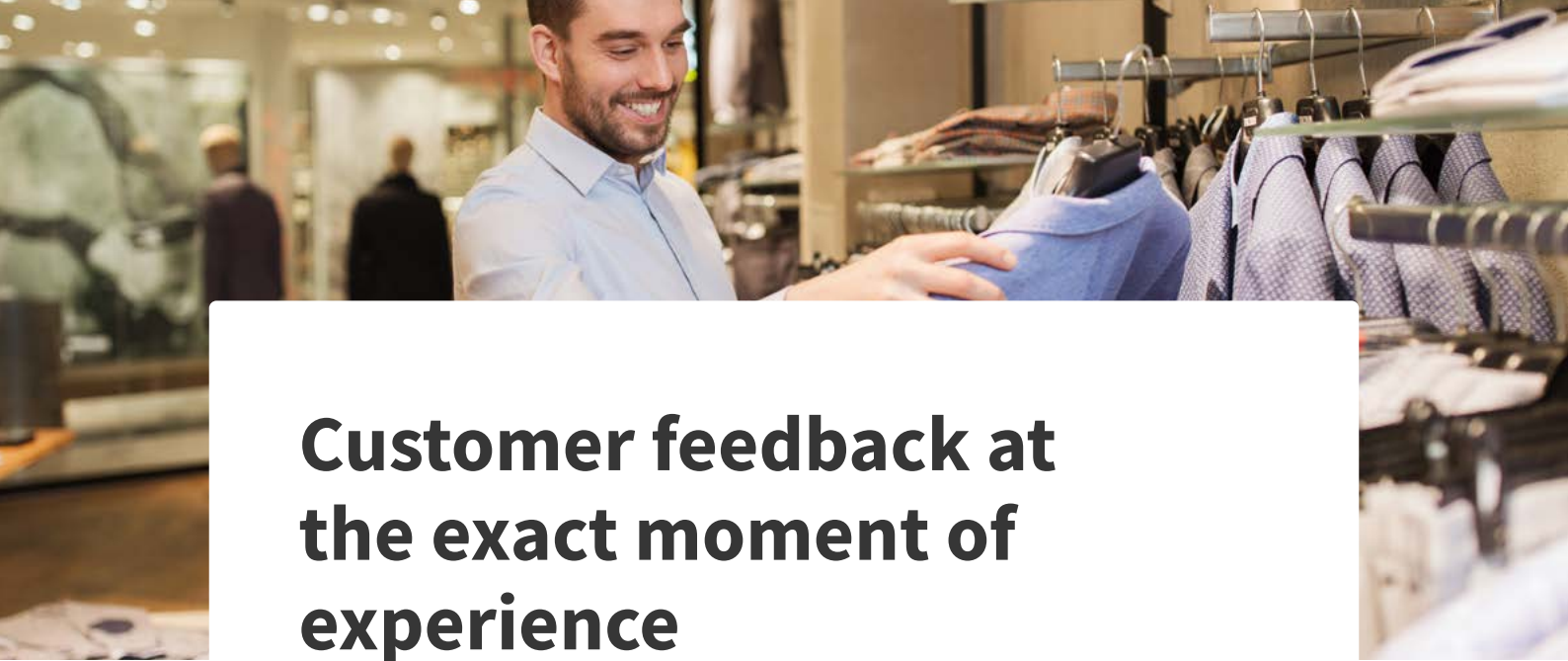


Did you know?

The average shopper experience satisfaction rating in 2019 is **87.2%** (up 1.3% from 2018)

Conversely, **12.8%** of shoppers are unhappy

(Based on HappyOrNot global retail CX data of 630+ million experience ratings)



Customer feedback at the exact moment of experience

After leaving your store, shoppers won't be bothered to answer lengthy feedback forms. No one wants to fill out a 10-minute survey for a four-minute store visit.

Think of all the requests for feedback you receive daily—how often do you share your opinions? Customer feedback is necessary for your retail business, but why should shoppers offer their time to tell you how you can improve?

To capture shoppers' honest opinions, you need to make it quick and effortless for them to give it. When shoppers can share their feedback in no more than a few seconds and at the exact moment they're experiencing the service, it's not only easy for them—it also captures their true sentiment.

Collecting your shoppers in-the-moment feelings means you'll get accurate and honest feedback. And it means you can take immediate and reliable actions to improve their experience.



When asking for feedback, make your customers feel important. You want them to know that each feedback given is valuable, and that you use their feedback to improve their experience.



Truly understand your customers

Shoppers' expectations are always evolving. It's not enough to collect feedback once or twice a year—you need to know how your customers are feeling at all times in order to pinpoint problem areas and make strategic improvements. Ask shoppers for feedback in the exact moment of experience to ensure they share their honest opinions.

The Old Way

- Lengthy annual surveys that get low response rates
- Interviews long after customers have left your store
- Voice of the Customer programs that don't lead to actions
- Analyzing complex customer satisfaction data months after the experience interaction

The New Way

- Comparable customer feedback data from all store locations
- Continuous experience measurement at all customer touchpoints
- Real-time customer feedback data analytics
- Instant and reliable insights for agile and effective decision making



When you collect feedback in real-time, you get actionable insights to improve your retail business at a micro and macro level.



Did you know?

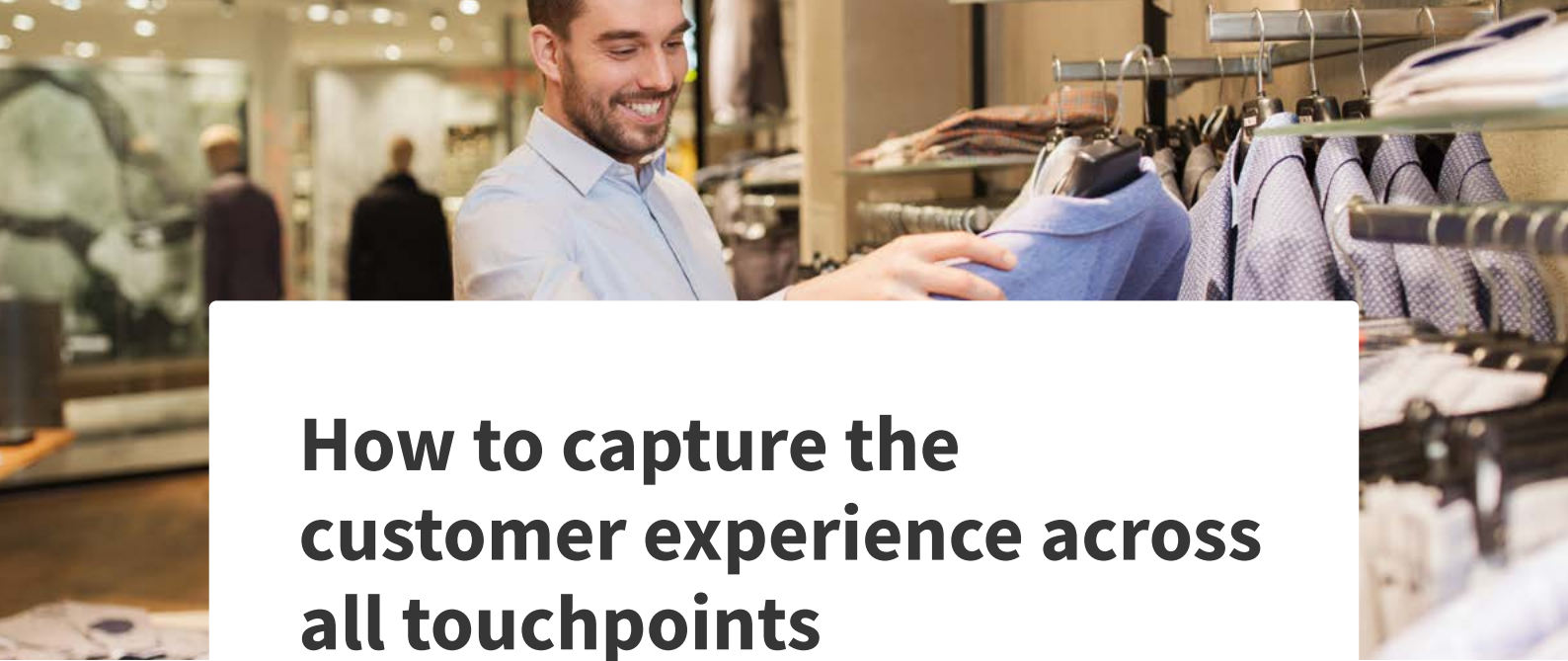
Trends in 2018 showed:

The happiest month on average was **November**

The least happy month on average was **August**

The happiest day of the week was **Thursday**. The least happy was **Sunday**.

(Based on HappyOrNot global retail CX data of 630+ million experience ratings)



How to capture the customer experience across all touchpoints

Is your finger on the pulse of your retail stores?

Collect instant feedback at these specific points of the customer journey and equip your retail team with real-time, actionable CX insights.



Happy employees make happy customers. To find out whether your employees are engaged and motivated, collect their feedback on the core aspects of employee experience, like workday satisfaction, job motivation, open communication, or leadership competency.



Focus areas along the customer journey



Departments and Product aisles

Can your customers easily find what they need?

CX KPIs to measure:

- Product availability
 - Store layout
 - Staff availability
 - Staff friendliness
-



Checkout and Exit

How is the overall experience at your store?

CX KPIs to measure:

- Checkout process
 - Staff availability
 - Staff friendliness
 - Queue times
-



Customer service staff

Are your frontline staff providing positive experiences?

CX KPIs to measure:

- Staff availability
- Staff friendliness
- Staff knowledge



Webshop

Discover whether your online shoppers find your web store easy to use.

CX KPIs to measure:

- Product search
- Ease of use / navigation
- Customer support availability



Additional focus areas

Measure the CX of other touchpoints, like

- Service desks
- Self-service checkouts
- Washrooms

Measure how CX varies according to different:

- Locations
- Stores
- Departments
- Times of day, week, month, and year



There's a strong correlation between spending speed and basket size, with **large basket shoppers spending up to 10 times faster than small basket shoppers.**

(Kantar TNS)

Friendly retail staff draw **40%** more from customers' wallets.

(The Retail Bulletin)



3

Make a Change

How to turn real-time feedback into actionable improvements

Four ways to implement customer experience data

Real-time customer experience feedback drives real-time action. Rather than spending your time interpreting complex data, plan immediate actions with your retail team to improve retail KPIs. Even simple actions and interactions with customers can have a positive impact on their experience with your brand and your bottom line. For example:



Conversion rate

Turn browsers into buyers by offering a great customer service experience.

“Hi! How can I help you today?”

Basket size

Happy customers spend over 40% more than unhappy ones.

“Is there anything else you would need?”

Repeat visits

Happy customers will return to your store, and also recommend to their friends.

“Thank you. Have nice a day!”



Here are the four ways you can use the feedback data insights to plan and implement improvement actions for your retail stores:

1. Immediate actions

Real-time feedback insights allow you to take immediate corrective actions and see straight away whether customer satisfaction levels improve.

Enabling real-time alerts through instant access, like via a mobile app, maximizes the impact of CX insights while taking up just a few minutes of frontline staff and store managers' very busy days. It also enables the entire retail team to coordinate and communicate more efficiently.

Receiving instant notifications of service fluctuations through a mobile app means that store managers and frontline staff can quickly see when and where issues arise, and react immediately. Staff can acknowledge when they start reacting to an issue, make comments about the situation, log the corrective measures being taken, and mark as resolved once completed. Having a record of events provides retail managers with documentation of service and improvement actions which can be used to establish, or update, standard operating procedures, and also as progress reports to upper management.



There's no need to wait until the end of a shift to check CX data on a desktop computer—instead, your retail team can monitor CX on-the-go through their mobile phones. If there's a sudden decline in satisfaction levels in one area of your store, a staff member receives a notification and can immediately relocate to that area to help.



2. Daily and weekly actions

Short-term actions that are quick and easy to implement and see the benefits almost immediately, daily and weekly customer satisfaction performance reports give insight into how you and your staff perform on the average daily basis.

To uncover improvement opportunities, schedule a weekly catch-up to review and discuss the previous week's results to uncover with your team what's happening during low satisfaction times. Are too many employees taking their lunch breaks at the same time, stocking shelves at the same time, or leaving no one to help your customers?

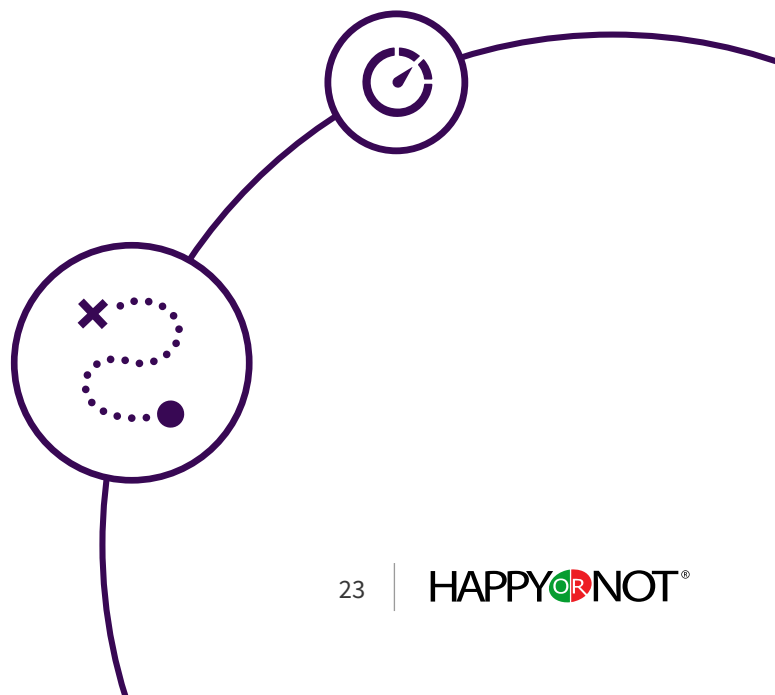
You can use the data to agree on how to fix issues, motivate your staff to better serve customers, encourage responsibility taking, and ultimately achieve more sales.



Use negative feedback to improve your business processes!

While no business wants to receive negative feedback, you can turn it into opportunities to make your customers happier.

Negative feedback tells you where to focus your efforts so you can make changes that drive big results.





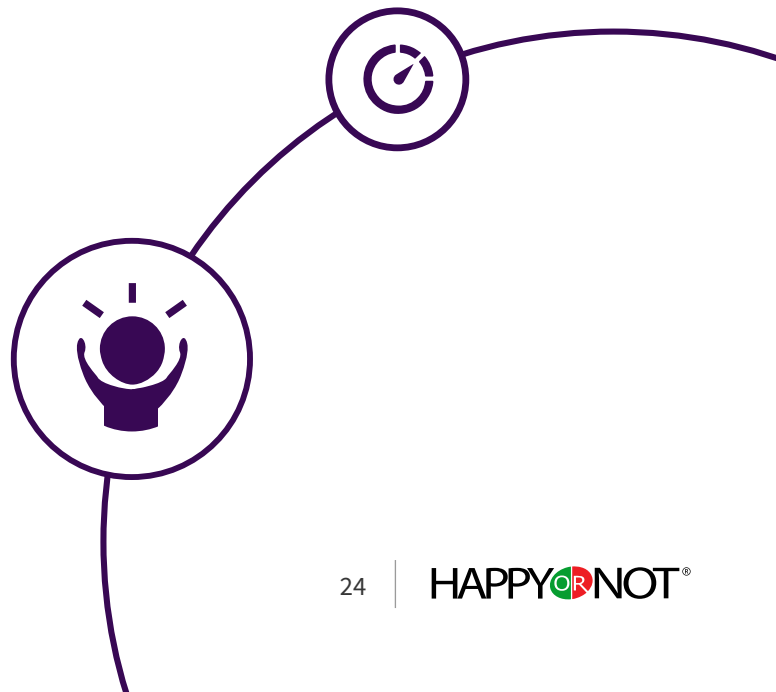
3. Monthly actions

Medium-term actions that relate to improving your operations, monthly customer satisfaction performance reports give insight into emerging trends resulting from the collective “daily” performance. While a bit more planning is required, these plans are still easy to deploy.

To discover where improvement is needed most urgently, area managers can check how specific stores are doing compared to others in their responsible area, and see in the rankings which stores are performing best, or falling behind. This information can be used to facilitate discussions with managers at top performing stores to learn their best practices so that you can offer direct guidance to, or connect these managers with, the managers at the low performing stores and implement the best practices as action plans.



Area Managers can also use comparison data to launch internal competitions and reward programs. Friendly competition can help motivate store managers and frontline staff to improve their store’s experience, both as individuals and as a team.





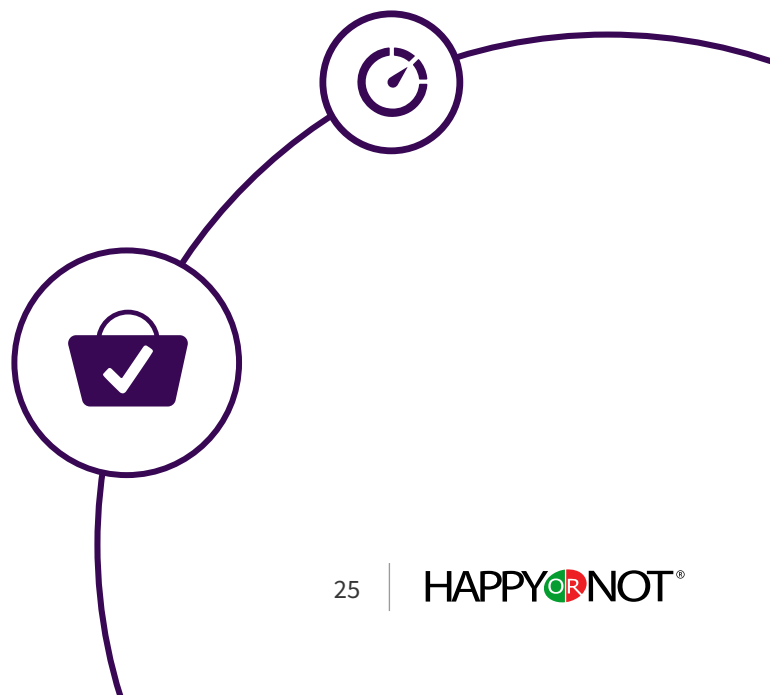
4. Quarterly and annual actions

Long-term actions related to bigger concepts and changes, quarterly and annual customer satisfaction performance reports are for using the CX data to make strategic business decisions based on trends and patterns you've observed over time.

For example, you might consider changing your store layout if customers continue to have trouble finding products or navigating their way around. Use the CX data to test new concepts and validate the success of your investments. By measuring customer satisfaction before and after rolling out a new initiative, you can track its effect on customer happiness, and monitor improvements in customer satisfaction and sales over time.



If you're having trouble driving traffic to your stores, invest in transforming your in-store experience and making your shoppers feel part of a community. Can you offer consultations or in-store services? Providing an elevated in-store experience will help you stand out from the competition and increase brand loyalty.

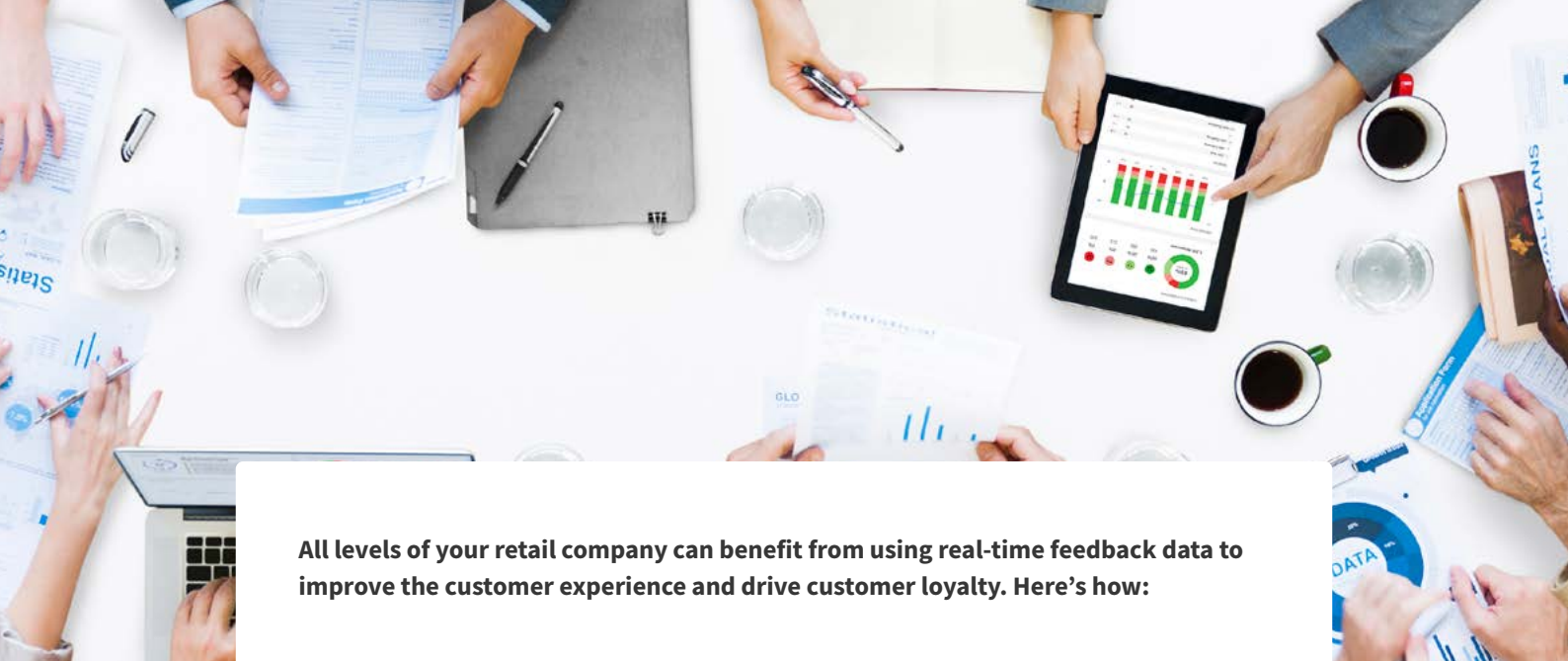




4

Empower Your Team

How all company levels benefit
from real-time CX data



All levels of your retail company can benefit from using real-time feedback data to improve the customer experience and drive customer loyalty. Here's how:

C-Level Retail Executives

A competitive advantage to stand apart from your competition:

- Gain a high-level overview of customer satisfaction across your entire retail business
- Identify which areas of your business require development, and formulate business decisions based on factual data
- Use business-wide performance data to improve all retail KPIs, including acquisition, retention, and revenue
- Document and report the impact that improved CX has on key company metrics to board members and stakeholders

Heads of Retail & CX

Reach your targets by combining CX insights and operational data:

- Gain 24/7 CX performance visibility on all stores in your responsibility area
- Use aggregated CX data to make operational decisions that ensure each store operates at peak performance
- Empower your Area and Country Managers with a simple, yet powerful, tool to track and manage customer satisfaction
- Deliver CX reports to your superiors that validate customer pain points and show the impact of your improvement strategies



Area & Country Managers

Empower store managers to make strategic improvements:

- See rankings and compare the performance of all stores in your responsibility area
- Set CX targets for different stores and coach store managers on how to reach them
- Report action plans to Heads of Retail and Customer Experience
- Provide concrete recommendations for staff training and resourcing based on data

Store Managers

Support your frontline staff and increase customer loyalty:

- Track and report real-time customer happiness across all touchpoints in your store
- Identify customer pain points, make immediate corrective actions, and verify the outcomes
- Share results with your frontline staff to motivate them to provide better service, and reward best performers
- Increase employee engagement, customer loyalty, and sales



Frontline Staff

Understand your service performance and its connection to customer experience:

- Understand your crucial frontline service role and how you influence CX
- Gain motivation and pride in providing a great service experience
- Immediately act upon customer feedback, communicate with your store manager, and see your efforts validated through satisfaction data
- Keep customers happy and coming back to your stores

Continuous, cross-functional collaboration is key

Real-time CX is not just about feedback collection. It's about collaborating with your service providers to make the most out of the data. The retail industry is rapidly evolving—you want to ensure your customer service can develop to exceed customer expectations.

You'll get the best results from strong collaboration, training, and CX Maturity Roadmap planning.



5

Customer Spotlight

Learn how Elkjøp, owned by UK retail giant Dixons Carphone, works toward being the world's most customer-oriented retail chain



Elkjøp: A leading international electronics retail chain

Owned by UK retail giant Dixons Carphone, Elkjøp is the largest consumer electronics retailer in the Nordic countries. The company has operations in Norway, Sweden, Finland, Denmark, Czech Republic, and Slovakia, and trades under several different brands including Elkjøp, Elgiganten, and Gigantti.

After the financial crisis in the 1990s, Elkjøp experienced huge sales growth—customers were looking for low prices, and that’s exactly what Elkjøp was offering. But at a certain point, Elkjøp realized they needed to take a closer look at their customer satisfaction. The organization wanted to find out if they had loyal, happy customers, or if their customers were only loyal to the low prices.

The challenge for Elkjøp

Customer experience is more important than ever for brick-and-mortar stores in the age of online shopping. With the goal to be the world’s most customer-oriented retail chain, Elkjøp knows that customer feedback is crucial for retail success. While Elkjøp had already been focusing on CX back in 2013, the organization had too little information about their customers and what they thought of the shopping experience. Elkjøp had tried several different customer feedback solutions, but customers rarely shared their opinions. They used to have exit polls where people from an external company would come in and ask customers questions at the store exits. But the company would randomly pick which stores to go to, and they were only there for one or two days a month.

Collecting feedback once a month in random stores was simply not an effective way to get reliable CX data. To truly prioritize the customer experience, Elkjøp needed a simple solution that would make it effortless for customers to share their opinions. They needed continuous and consistent feedback, and real-time customer insights in order to make fast CX improvements. It wasn’t enough to learn how customers felt after their in-store experience—Elkjøp needed to know how their customers were feeling at all times, at the exact moment of experience. Plus, they needed a high-level of customer satisfaction across all regions and individual stores.



How Elkjøp uses real-time CX data

Elkjøp first piloted the HappyOrNot service in their stores during the summer of 2012 with the aim to strengthen their industry leadership in customer service, pricing, and quality. Following this successful trial, Elkjøp recognized that HappyOrNot was the right solution to help them achieve these goals. They launched HappyOrNot in most Elkjøp and Elkjøp franchise stores in May 2013.

Elkjøp now has over 500 HappyOrNot Smileys throughout all 400 of its Nordic locations. Each location has at least one Smiley Terminal or Smiley Touch to measure customer satisfaction at the store exists and in the after-sales facilities, with many having two feedback machines in use. They've collected over 56 million feedback responses to date, an average of 900,000 each month across all locations.

Morten Schwartzmann, Nordic Productivity Manager, describes their CX improvements:

“About 6 months after we received the first HappyOrNot terminals, it all made sense for everyone. We saw big improvements in the first two to three years. At first, our Happy Index score was at 75 or 77, then a year later we were at around 85—we jumped 10 to 15 points every year. More and more, we saw the value of HappyOrNot and actually started working with the data.”

All organizational levels within Elkjøp—from frontline staff to retail executives—now use HappyOrNot on a daily basis. Retail executives see customer satisfaction as a key business KPI and strategic goal. They monitor CX across the entire Elkjøp organization, and make business development decisions based on CX trends and patterns.

Elkjøp area directors get CX data insights into store-level performance across their regions, compare the performance of all stores, set store-level CX targets, and coach store managers on how to achieve better results. With HappyOrNot, store managers can discover the reasons for customer dissatisfaction, take quick corrective actions, and empower their frontline staff to improve customer service.

Real-time CX insights not only helps Elkjøp improve customer satisfaction—it also enables them to optimize staff scheduling and save on recruitment costs, determine training needs for employees, and increase sales and conversion rates.



Becoming a CX leader

Elkjøp store managers are no longer satisfied with high sales alone, but now make customer satisfaction a priority. For example, **Peter Bjerregaard, Store Manager at Elgiganten Gentofte**, helped shift his store's overall attitude to focus more on customer satisfaction rather than revenue alone:

“The store was satisfied with selling the most, but it’s very important to remember that our customers can choose another place to buy their goods if they like. We have to be humble and treat them as our guests. If we treat our customers badly, it would be so easy for them to drive five kilometres further and buy from another store. We’d be empowering our competition.”

Even though Elkjøp shifted their strategy from a sales oriented organization to a CX oriented organization, they have significantly increased their sales since launching HappyOrNot. Elkjøp reported an all-time high sales in June 2018: Group annual sales grew 9% to 3.9 billion euros in 2017, making it an all-time record.

Simply put, happy customers spend more money. So when Elkjøp made customer satisfaction a top KPI and took their CX to the next level, the organization increased conversion rates and grew their retail business.

To ensure customer satisfaction remains a priority, Elkjøp is now focused on educating staff about real-time CX data, including why it’s important and how they use it. The company uses clear and practical materials to ensure frontline staff are able to take corrective actions based on the feedback data collected via HappyOrNot. For example, Elkjøp has an online academy that includes a HappyOrNot training for all new staff to go through. So when new employees start in one of their stores and see the Smiley units, they know what they are and how to affect the results.

As store manager Peter Bjerregaard summarizes:

“If you don’t offer excellent customer service, there’s no right for you to be in the market. Customer service is the number one KPI—it’s more significant right now than ever.”

By making strategic decisions based on real-time CX insights, Elkjøp was able to increase customer satisfaction in all 400 locations. They saw 52% less unhappy customers across all 400 locations from 2013 to 2018, and continue striving to provide the best possible shopping experience today.



6

Your Trusted Partner

How to transform your customer experience with HappyOrNot



Retailers using
HappyOrNot **decrease**
customer dissatisfaction by
20% in just 12 months!



Transform your retail business with CX insights

The world's leading experience management solution will enable you to improve results through real-time, actionable CX data.

HappyOrNot enables you to:

Capture shopper sentiments in real-time

Make it unbelievably easy for both your buyers and non-buyers to share feedback at every touchpoint of their journey with your brand. Get high-volume, instant feedback and gain full visibility into all your retail areas and locations.

Get instant insights and take action

Gain in-depth CX insights at your fingertips. Integrate your CX data to your company's own metrics and receive automated performance reports straight to your inbox. Get real-time alerts of service performance fluctuations through the mobile app, pinpoint problem areas, and make immediate improvements.

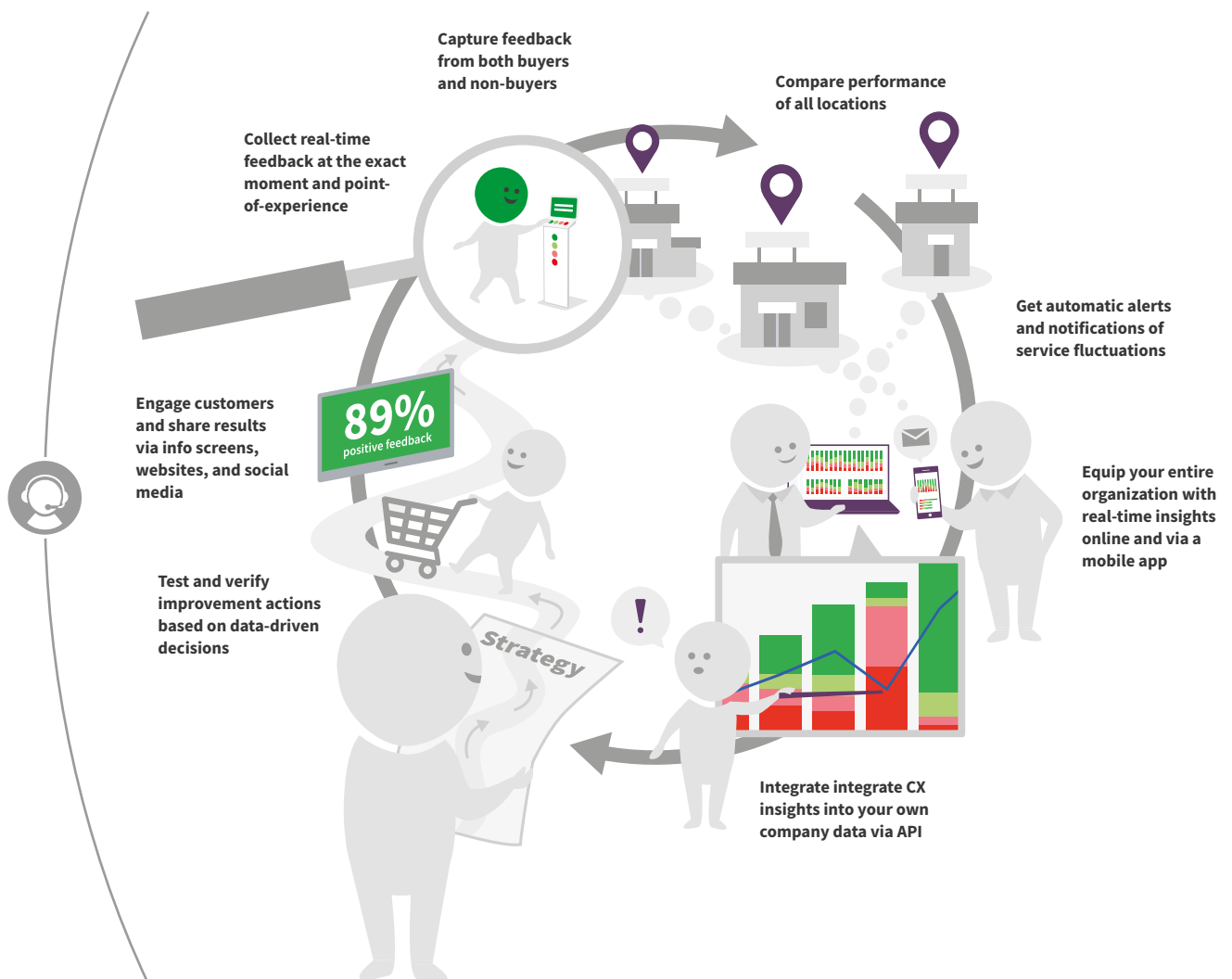
Drive accountability for CX across your entire retail team


Empower frontline staff, managers, and leaders with a powerful system to track and manage the customer experience. Promote collaboration and engagement between managers and frontline staff with the mobile app. Make your customers and employees feel part of the driving change by sharing your results in-store and on your social channels.

Increase your retail sales

Improving the customer experience is the key to increasing revenue in your retail business. Retail clients using HappyOrNot decrease customer dissatisfaction scores by 20% in just 12 months, meaning happier customers leave and return to your stores and spend more--a direct impact on retailers' top and bottom lines. The phrase "Sales figures show your past success, but customer satisfaction predicts future success" rings true: If your customer happiness increases, so will your retail sales and revenue.

CX insights as a complete service



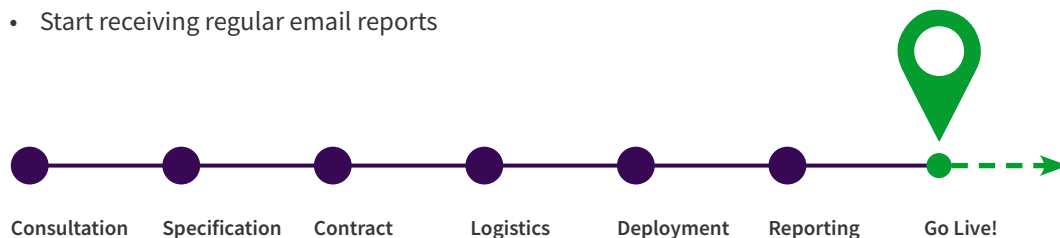


Starting your CX improvement journey

It's easy and fast to get started with HappyOrNot. Our Customer Care team is always here to answer your questions and provide technical support.

From kick-off to ready-to-use in only 1-2 months

- Consultation with a HappyOrNot CX expert
- Specification and kick-off
- Sign the contract
- Site visit and plan the in-house logistics
- Receive the HappyOrNot terminals and install them yourself in less than two minutes
- Receive your reporting service login credentials via email
- Start receiving regular email reports



Through our reporting service, you have direct access to the HappyOrNot customer community where you can find in-depth articles and videos about making the best from our service.



7

Power Up Your Retail Business

Ready to turn your retail customers into brand advocates?



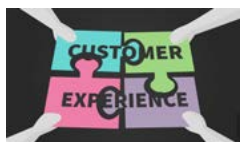
Are you ready?

You're well on your way to improving customer experience in your retail stores! By collecting meaningful customer feedback, tracking your service performance, and implementing changes, you'll keep your customers happy and coming back to your stores.

Want to dig deeper in retail? Check out these additional resources



How to Grow Your Retail Business with a Real-Time CX Solution



The Key to Achieve Your CX Goals: Engage Your Entire Retail Team



Measuring Customer Experience in the Phygital Retail World



7 Concrete Ways High Street Retailers Can Deliver a Better In-Store Experience



Transformation: Physical Meets Digital at the Cutting Edge of Tech



Get in touch! Whether you're ready to get started or still have questions, please don't hesitate to reach out at www.happy-or-not.com/contact/

