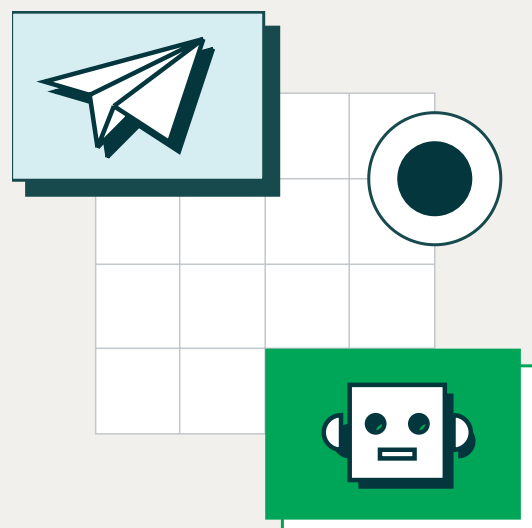


# How to become a CX Champion in retail



# Contents

<b>Foreword</b>	<b>3</b>
<b>Introduction</b>	<b>5</b>
<b>What makes a CX Champion in retail and why it is important</b>	<b>6</b>
<b>The 3 stages towards CX champion status</b>	<b>10</b>
<b>Great CX examples from the world of retail</b>	<b>13</b>
<b>Key takeaways</b>	<b>16</b>



# Foreword

The past couple years have been tough on retailers - from multiple lockdowns, to severe staff shortages and a global supply chain crisis. On top of all that, retailers are now facing the pressure of the cost of living crisis, which has severely impacted consumer spending powers across Europe and the UK. With more consumers thinking twice before making a purchase, retailers will have to place their customers at the heart of their strategy in order to meet their expectations.

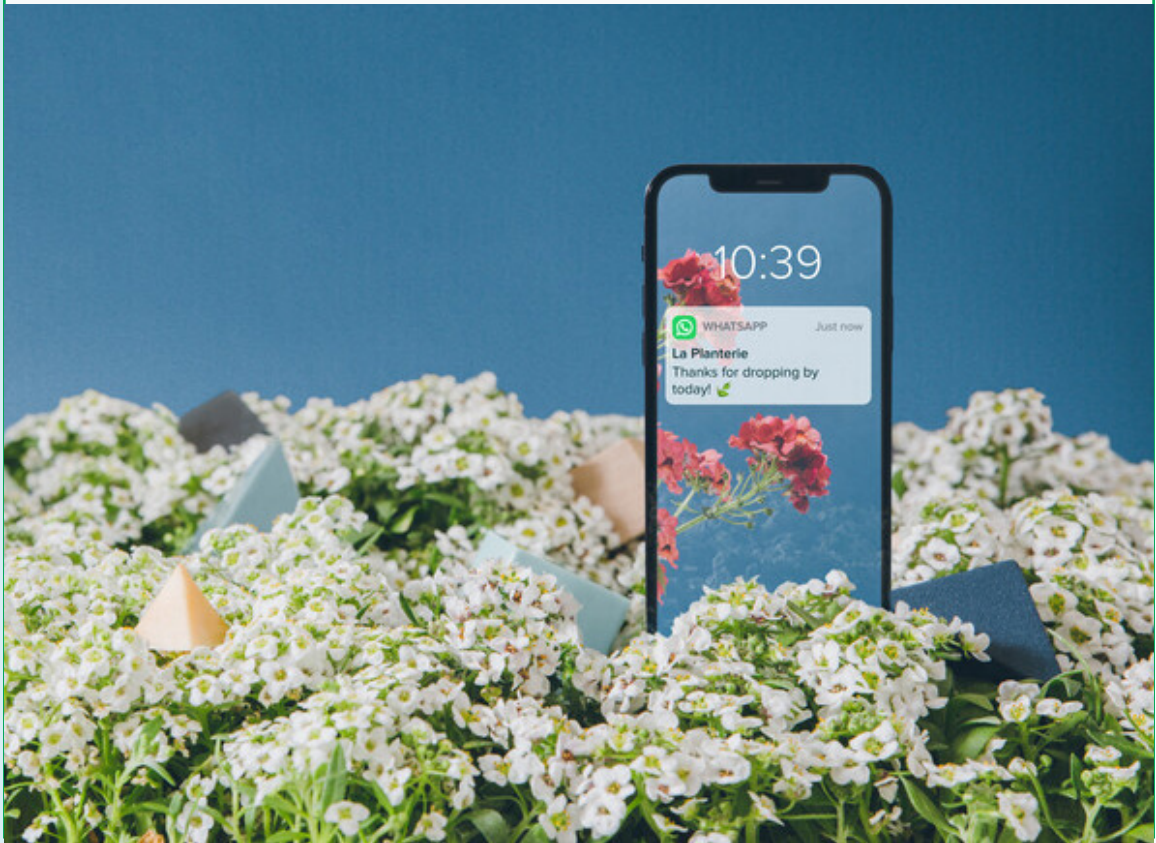
Delivering outstanding customer service experiences is how retailers can expect to ride out this economic storm. Customers are expecting retailers to provide experiences that will allow them to connect on a personal, emotional level - transactional relationships just won't cut it anymore. With that in mind, meeting these expectations offers businesses a unique way to develop a true, long-lasting relationship with their customers, especially during rough times. And while investing in great CX might have been an option for retailers a few years ago, it is now a critical factor in keeping their customers - especially in today's climate - as almost half of them would switch to a competitor after one bad experience.

Zendesk's CX Accelerator report identifies a category of businesses that successfully invest in their CX, known as CX Champions. The latter, who sit at the highest level of CX expertise, recognise the underlying importance of customer service, its impact on customer retention, and ultimately, on their business' performance. CX Champions service teams are lean, productive and rarely overwhelmed- they are set up for success, which means delivering the experiences customers have been longing for. However, despite the benefits that CX Champions reap from their efforts, there are still many retailers focusing on cutting costs instead of investing in ways to improve their CX.

To prepare for the tough road ahead, many retailers will have to redirect their efforts towards creating meaningful experiences for their customers, as well as investing in ways to empower their customer service teams.

In this report, in partnership with Retail Gazette, we've taken a look at the key factors retail CX Champions focus on to meet the latest CX standards. We've also identified the three stages leading up to a CX Champion status, and the actions retailers can take to rise up to the challenge.

**Eric Jorgensen**  
**VP Enterprise EMEA**



# Introduction

In a challenging economic landscape and a cost-of-living crisis, how retailers interact with and treat their customers counts double.

Consumer sentiment is hovering around record lows, and with household budgets squeezed by rising energy bills, inflation on food and other goods, and rising interest rates, people's propensity and ability to spend has been curtailed.

But despite the financial difficulties many are facing as 2023 approaches, there are still consumers willing to spend – they are just in fewer numbers and far more discerning than they have been for some time.

To make certain retailers navigate their way through this period, they must strive for customer experience (CX) champion status. Putting the shopper at the heart of what they do and investing in the right technology, systems, and strategy to aid customer service will be crucial to elevating their CX position.

## Four steps

This Retail Gazette report – in conjunction with Zendesk – highlights the journey retailers are on to become CX Champions.

According to Zendesk, retailers fall into four different CX camps. They're either CX Champions – and there aren't many of those – or they are a CX Starter, CX Emerger, or CX Riser striving to be a CX Champion.

In the following pages, we'll highlight what defines each category, enabling readers to gauge where they sit on the CX scale. And what it will take for them to reach the desired champion level.

Read on for best practice, exclusive insights, and to understand what it takes to achieve top-level customer service and ongoing shopper delight.

**Read on for great insight and case studies**

# What makes a CX Champion in retail and why it is important

“The proliferation of choice driven by the internet means that poor service and inconvenience very rarely lead to consumers giving a brand a second chance when there are literally thousands of alternative products and places to buy at the click of a mouse.”

These are the words of Martin Newman, an e-commerce consultancy entrepreneur turned analyst, industry spokesperson, and self-proclaimed “consumer champion”, who has spent the last decade talking up the importance of CX in retail.

As Newman says, on the face of it, it seems obvious to say CX matters in consumer-facing industries. But the reality is that so many retailers don't focus on it, or certainly don't focus on it enough – instead, there are many retailers hellbent on reducing their cost to serve to the detriment of driving long-term customer value.



## What makes a CX champion

“The goal for any business, no matter what you sell, should be to do all you can to turn customers into fans,” he argues.

“The former is merely a transactional relationship. The latter is an emotive one. You can only achieve that level of empathy and connection with customers by delivering on your promises [and] by empowering customers to have the joined up omnichannel experience they seek as opposed to the one you foist upon them that is dictated by legacy technology and a cost to serve mindset.”

Newman’s comments, which are from April 2022, go some way to explaining what it takes to become a CX Champion, and why it is important. But as 2023 approaches – with UK interest rates set to remain high and rising wages not keeping up with the cost of living – striving for CX Champion status becomes even more important.

Shoppers’ budgets are stretched and they are not going to spend their money with businesses that do not give them something extra, and do not delight them with their service.

## CX Champion credentials

According to Zendesk’s CX Accelerator Report, published in 2022, great businesses are not built on customer service classed as “good enough”. The report found customers expect the very best and they are less patient with companies that are slow to adapt to their changing needs.

And companies recognise the need for great CX too. Some 64% of those surveyed for the report said customer service has a direct impact on their business performance, while 60% said customer service impacts customer retention.

In a world where huge levels of customer acquisition online have been reported over the last two years during the pandemic-influenced shift to digital, much attention now turns to retaining these shoppers. Zendesk’s report shows CX and a focus on customer service is essential.

CX Champions are efficient and productive, with all of those ranked at Champion level saying their support teams are never or rarely overwhelmed. Some 82% of CX Champions can view performance metrics in real time.

Examples of retailers placing emphasis on CX in 2022 include John Lewis Partnership (JLP) appointing its first customer director with responsibility for both

[2. https://martinnewman.co.uk/why-customer-experience-matters/](https://martinnewman.co.uk/why-customer-experience-matters/)

[3. https://www.zendesk.co.uk/blog/cx-accelerator-2022-the-evolving-role-of-support-agents/](https://www.zendesk.co.uk/blog/cx-accelerator-2022-the-evolving-role-of-support-agents/)

## What makes a CX champion

the John Lewis and Waitrose parts of its business. Charlotte Lock arrived from Co-op to assume that role.

JLP strategy & commercial director, Nina Bhatia, said: “Charlotte’s appointment reinforces the importance of placing the customer at the heart of everything we do. Charlotte brings tremendous relevant experience and will play a pivotal role in building our Partnership brand, customer strategy and loyalty propositions.”

Meanwhile, Michelle McEttrick arrived at Primark from Tesco in September in the newly established role of chief customer officer. Reporting to CEO Paul Marchant, McEttrick is tasked with developing the brand and customer strategy – and one task will be to build the value chain’s customer insight capabilities, recognising customer centricity is key.

N Brown Group is showing its CX Champion credentials, too, by making ‘transforming the customer experience’, ‘win our target customer’, and ‘establish data as an asset to win’ three of its five strategic pillars. This clearly puts the customer at the heart of its vision, and shows the decisions it’s making as a business have a customer purpose.

As part of its wider digital transformation, N Brown has established more ways to gauge customer satisfaction – and, consequently, improve it, with the support of Zendesk.

## No time to rest on laurels

Zendesk says CX standards are slipping even at the top level, highlighting just how demanding consumers are getting when it comes to brand and retailer service. It also indicates that retailers need to keep working on developing and evolving their customer service offering.

In 2021, 7% of CX Champions had more than 10% of tickets unresolved, but this has jumped to 18% in 2022. Last year, 39% of CX Champions had an average resolution of time of less than one hour, but this dropped to 22% in 2022. Average response times are rising too.



## What makes a CX champion

These stats underline the pressure support teams are under and just how easily CX levels can drop if the appropriate attention, investment, and development is not given to the customer service team.

Now more than ever, as people feel the pressure at home and in their workplaces, retailers need to ensure they are not adding to consumers' stress. Instead, they need to be adopting practices and processes – and bringing in the right people and systems – to alleviate it and keep shopping the happy pastime it should be.



# The 3 stages towards CX champion status

The best retailers develop the most optimal processes and efficient business models. In the modern age, the successful ones engage and develop their staff and invest in technology in the most suitable and relevant ways.

But it's a journey, it doesn't happen overnight. And that's no different when it comes to CX, specifically. Zendesk's three stages leading up to CX Champion status are, as follows:

## CX Starter

Does your retail business have overwhelmed customer service agents, and do you find it difficult to find the right blend between use of bots and live agents? Are your customer service teams disconnected from sales and other departments, and are the insights gathered from shopper interactions difficult to access and therefore action to improve future conversations and business performance?

Answering "yes" to these questions probably means you don't have the most forward thinking customer service training, if any at all, and it would suggest you're a CX Starter.

Key actions to moving in the right direction include starting to implement automation to reduce the burden on the team you have in place. The modern consumer likes to self-serve online, and by implementing chatbots as a digital concierge to answer

popular questions before bringing in human responses when required, you can build new customer behaviour data streams that will be invaluable for your future business.

That will start moving your retail business towards becoming a...



## CX Emerger

This category describes retailers that have made some inroads into creating a modern CX for shoppers. You'll have analytics in place, and there'll be some customer support consolidation evident, while it's more than likely that you're deploying custom apps to augment the customer service team.

But you're still some way from CX Champion status.

The bots and human agents CX Emergers have in place to communicate with customers are not embedded seamlessly. Customers still feel the friction and that creates poor CX. Turning customer data into meaningful change is not there yet. Indeed, only 27% of businesses Zendesk surveyed said they were "very good" at this.

CX Emergers do not always have a clear line of sight to performance metrics and the customer journey, with just 36% of those surveyed saying they have real-time visibility. And customer service training still needs some investment and focus if you're to start moving towards becoming a...



## CX Riser

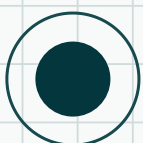
Retailers in the CX Riser category are certainly raising the bar when it comes to customer centricity. They are closing in on the CX Champions with KPIs that almost put them into the highest-performing zone. But not quite.

Unlike those just getting started in terms of CX focus, Risers may have legacy tools and workflows in place that – although helping build success over the years – have created organisational silos that need breaking down if future success is going to be realised.

With the most up-to-date technology, CX Risers could enter Champion status because it would enable them to streamline processes and integrate customer data to ensure they can offer more personalised experiences that truly resonate with consumers.

CX Risers may still report on having overwhelmed customer service agents who don't have the resources they need to deliver a market-leading conversational service. They might have rich data but in the wrong places to support the best usage.

Getting to grips with these can pave the way to CX Champion level.



# Great CX examples from the world of retail

Three retail CX Champions in profile, and what makes them stand out.

## John Lewis Partnership

Both retailer components of JLP – John Lewis department stores and the grocery chain, Waitrose – performed favourably in the Institute of Customer Service's (ICS) UK Customer Satisfaction Index 2022. They are regular high achievers on the listing, which highlights the best UK businesses for customer service.

Both ranked in the best performers for experience, as well appearing in the top-ten list of businesses in the customer ethos, ethics, and emotional connection categories.

The only area of the ICS's index they do not make the top ten in is complaint handling, highlighting how even CX Champions are forever having to evolve to keep up with consumer demands, as we referenced in section one.

When JLP announces trading results and annual performance it is clear it prioritises staff happiness. The organisation's founder, Speden Lewis, established the company understanding that happy staff results in happy customers. Effectively, it was an early recognition that a good experience for staff can help create a champion-level CX, meaning this focus is embedded in the culture of the organisation.

8. <https://www.instituteofcustomerservice.com/research-insight/ukcsi/>  
9. <https://www.happymanifesto.com/2018/06/18/john-lewis-happiness-staff-core-business/>



## Great CX examples

Working with Zendesk, the JLP team has developed an internal website to support its internal employee benefits platform.

JLP's benefits were previously shared with staff via a brochure which was printed annually and distributed in hard copy, but since 2015 the Partner Choice website has been in operation to ensure staff have real-time access to the latest perks. Zendesk products are embedded into the site, meaning staff can access information from support staff, or via web chat, or through social media messaging to get the details they require when redeeming rewards.

## Liberty

Liberty of London has recently undergone an online revamp, as part of the retailer's ambitions to make its website and e-commerce experience an appropriate reflection of its famous and historic London West End department store.

Various new tools have been embedded in the Salesforce Commerce Cloud-powered website to help the retailer build on the reputation for cutting-edge customer service it has fostered through in-store interactions over the decades. During lockdown and the Covid pandemic, when stores were closed to help stop the spread of the virus, Liberty added video clienteling features that enabled customers to select a slot from a list of Liberty experts to book one-to-one consultations with staff.

Zendesk's tools are available at the checkout for standard customer service queries, too, while Liberty has also introduced the ability to contact its customer service team via WhatsApp in recognition of the messaging channel's enduring popularity with consumers. Operating on the channels on which customers spend so much time is a mark of a CX Champion.

Liberty uses Zendesk's email management and Talk software which allows it to manage voice calls and written comms on the same platform, capturing all contact data in one system. The software is also used to manage its customer support tickets for click & collect orders and internal functions for staff, further connecting the business's functions.

10. <https://www.zendesk.co.uk/customer/john-lewis/>

11. [https://amplience.a.bigcontent.io/v1/static/Amplience-LibertyLondon\\_Case-Study](https://amplience.a.bigcontent.io/v1/static/Amplience-LibertyLondon_Case-Study)

12. <https://www.zendesk.co.uk/customer/liberty/>

13. <https://www.zendesk.co.uk/customer/lush/>

## Lush

The cosmetics retailer is a CX Champion, using Zendesk for customer service and to monitor and analyse customer enquiries, while third-party systems – Happy Fox for live chat and Ring Central for its head office telephony system – integrate neatly with the platform to avoid any customer service silos.

Some 170 agents at Lush use Zendesk to support 21 global markets, covering 15 languages, and a key target of the business is for online customer care to reflect the friendly in-person service shoppers receive in stores.

“KPIs come as standard,” explains Naomi Rankin, global CX manager at Lush, pointing to their commendable ROI figures from using Zendesk. “But our founders want us to report back and tell them how our customer is feeling. With Zendesk we can do that.”

Lush is a CX Champion because the people at the top of the business understand that customer satisfaction is the precursor to business success, and have therefore invested in the right systems to ensure they have a comprehensive view of shopper opinion from the shopfloor to the boardroom.



# Key takeaways

Five things retailers should consider as they work towards CX Champion status.

**1.** It's not a “nice to have”; CX excellence is business beneficial, especially in a depressed economy when every penny counts for consumers.

**2.** A CX Champion invests in tech, insights, systems integration, and the right leaders to make the lives of customer services support teams – and as a consequence, customers' lives – better.

**3.** Best of breed CX is a journey. Follow Zendesk's four stages of CX excellence, work out which category you fit in, and map out where improvements can be made before taking action.

**4.** Put the customer at the heart of strategic decisions, and the right decisions will be made.

**5.** A CX Champion's job is never done. Constant work, fine-tuning, and ongoing assessment is needed to ensure a retailer maintains a position of CX excellence.





# About Zendesk

Zendesk started the customer experience revolution in 2007 by enabling any business around the world to take their customer service online.

Today, Zendesk is the champion of great service everywhere for everyone, and powers billions of conversations, connecting more than 100,000 brands with hundreds of millions of customers over telephony, chat, email, messaging, social channels, communities, review sites and help centers. The company was conceived in Copenhagen, Denmark, built and grown in California, taken public in New York City, and today employs more than 4,000 people across the world, including in the UK.

[www.zendesk.co.uk](http://www.zendesk.co.uk)