

ESPO MANAGEMENT COMMITTEE – 18 SEPTEMBER 2024**ANNUAL INSTITUTE OF CUSTOMER SERVICES**
BENCHMARKING SURVEY**REPORT OF THE DIRECTOR****Purpose of the Report**

1. The purpose of this report is to present the summary results of ESPO's Annual Institute of Customer Service (ICS) Benchmarking Survey.

Background

2. ESPO have been members of the Institute of Customer Service since 2019. The Institute of Customer Service (ICS) is the UK's independent professional customer service body, which aims to improve business performance through improving customer experience. The ICS has over 400 members and works with businesses, the public sector and the government to improve customer experience and help position the UK as leaders of service.
3. Since 2008 the Institute of Customer Service conduct the UK Customer Satisfaction Index (UKCSI). The results are published twice a year and provide an independent and objective benchmark of customer satisfaction on a consistent set of measures on 282 organisations and organisation types in 13 sectors. The UKCSI provides a unique way of tracking and comparing customer satisfaction performance across the UK. ESPO's results were benchmarked against the January 2024 UK Customer Satisfaction Index Retail (No-Food) sector results.
4. As members of the Institute of Customer Service, ESPO has access to this data to benchmark against the UKCSI. Each year ESPO conducts an annual Business Benchmarking Survey through the ICS, that assesses ESPO against the UKCSI results for the Retail Non-Food Sector. All customers who have transacted with ESPO in a 12-month period are contacted by email and invited to participate in the survey. This year's survey was open to customers to complete the survey from February to April 2024.
5. The survey results provide an insight check, identifying strengths and weaknesses compared to UK sector averages and helps ESPO to understand satisfaction by channelling and tracking progress against previous surveys. ESPO uses the results to continually review and improve the service offers for customers.
6. In addition to being members of the Institute of Customer Service, ESPO is working towards independent accreditation, which is called Service Mark. Achievement of this independent accreditation, recognises an organisation's commitment to excellent

customer service and to upholding high standards as part of an embedded customer service strategy.

7. Service Mark accreditation is awarded based on both customer satisfaction through the business benchmarking assessment and employee engagement, this is an internal survey which assesses employee engagement and commitment to customer service.

Body of the Report

Methodology

8. The UKCSI is the UK's largest cross sector customer benchmarking study, surveying generating over 45,000 responses a year.
9. The survey measures 26 metrics of customer experience, including:
 - i) Future customer behaviours, Net Promoter Score customer effort, right first time, trust, reputation
 - ii) Channel usage and satisfaction
 - iii) Causes of complaints and complaint handling
10. The UKCSI results are published in January and July. Following consultation with the Leadership Team and Heads of Service, ESPO's Head of Customer Experience initiates the survey with the Institute of Customer Service in early January each year. Once the survey is closed the ICS benchmark our results against the UKCSI and provide ESPO with a sector report, and assesses us against the January UKCSI results.

Areas of Assessment

11. The customer experience is measured against 5 key customer priorities, these are:

Experience: product/service range; product/service quality; product/service reliability; being kept informed; ease of dealing with ESPO; billing; price/cost; speed of service/response; helpfulness of staff; competence of staff; ease of using the website; how easy it is to contact the right person to help; whether ESPO explains information clearly.

Complaints: the outcome of the complaint; the handling of the complaint; the attitude of staff; speed of resolving the customer complaint.

Emotional Connection: whether the customer trusts ESPO and makes them feel reassured.

Customer Ethos: ability to interact with ESPO in the way the customer prefers; whether ESPO cares about their customers and keeps their promises; whether ESPO designs the experience around customers.

Ethics: reputation of the organisation; openness and transparency; whether ESPO does the right thing in business practices.

Results

12. This year ESPO's customers scored ESPO an average of 86.1, compared to 80.4 for the Retail Non-Food sector and 76 for the UK Sector Average.
13. ESPO's highest score was for Ethics at 87.1, compared to 78.1 for the Retail Non-Food Sector. In other areas, in comparison to Retail Non-Food, ESPO scored the following:
 - i) Experience 85.5 compared to 81.5;
 - ii) Complaint Handling 70.9 compared to 65.8;
 - iii) Customer Ethos 86 compared to 79.8;
 - iv) Emotional Connection 86.8 compared to 79.4.
14. ESPO's Net Promotor Score was 61.9 and overall effort score was 2.7, this score demonstrates that customers find it easy to do business with us.

Channel Usage

15. For the first time, this year's results show a greater proportion of customers stating that they use the website for their interactions, with 85.5% stating they were satisfied with this channel. The highest channel satisfaction score was by phone at 91%.

Satisfaction

16. Customers scored ESPO as a 9 for their satisfaction and intention to remain a customer, compared to 8.5 for the Retail non-food sector. Satisfaction and intention to recommend ESPO was scored at 8.9, compared to 8.3 for the Retail Non-Food Sector. ESPO's customers rated us most highly in relation to the helpfulness of staff, billing and invoicing and competence of staff. Areas where customers stated they were less satisfied was complaint handling.

Emerging Themes

From the feedback received, the following themes emerged:

Website Usability and Functionality

17. Comments and recommendations were made from customers about the need for further website development such as improved search filters, and overall enhancement of the website's speed and usability. Some customers find it hard to locate items even when using specific product codes. Suggestions include improving the search engine and making search results more relevant.

Delivery and Invoicing

18. There was a theme of customers looking for faster and more flexible delivery options with requests for next-day delivery options. Also, in terms of the direct channel there

were calls for improving the speed of delivery when coming direct from other suppliers.

Customer Service

19. A few customers highlighted the need for quicker response times from customer service, whether via phone or online inquiries.

Communication and Information

20. Customers are looking for better communication regarding direct orders particularly out-of-stock items. Customers want clearer descriptions of products and more accurate product information on the website.

Product Range and Pricing

21. There were suggestions around expanding the product range and offering more competitive pricing and loyalty discounts.

Next Steps

22. Following the results of the survey, the findings and verbatim comments will be used to identify any further areas of improvement. Initially further insight work will be completed with key customer groups, to really see how representative views are and understand what customers want and need from ESPO and the channels of contact offered. This will lead to the development of a Customer Experience Roadmap strategy. This roadmap will include ESPO's Customer Experience strategy, including the service offer and commitments, as well as staff training. In addition, the roadmap will cover identified service improvements as a result of customer engagement and will include enhancements to contact channels, delivery profiles as well as process improvements to streamline customer experience to create a frictionless experience for customers. The roadmap will be agreed with ESPO's Heads of Service Group.
23. As referred to in the background section of this paper, ESPO will engage with the ICS to complete the Service Check Survey. This additional survey provides an internal view of ESPO's engagement and commitment to Customer Experience. This additional insight will be used to develop the Customer Experience RoadMap. The completion of this survey alongside business benchmarking results will help support the journey to ICS accreditation.
24. A short marketing video has also been produced that will be used to promote these excellent results both internally and externally. This is available to view on www.ESPO.org.

Resources Implications

25. There are no resources implications arising from the recommendations within this report.

Conclusions

26. The results are extremely positive and demonstrate the improvement journey to which ESPO is committed. The results and verbatim customer comments will be used to develop the next stage of the organisation's customer service roadmap. The aim is to continue to ensure that the service offered to customers enables us to remain relevant and retain and grow new business.

Recommendation

27. It is recommended that Management Committee note the summary results of ESPO's Annual Institute of Customer Service Benchmarking Survey.

Equality and Human Rights Implications

28. There are no equality and human rights implications arising from the recommendations within this report.

Background Papers

29. None.

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