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Retailers Still Struggle To Provide Consumers With High Quality Customer Experiences, According To Forrester's CX Index

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Forrester ranked 53 multichannel and digital retailers in its 2018 Customer Experience Index, finding that average CX quality remained stagnant or declined since 2017.

CAMBRIDGE, Mass., June 27, 2018 /PRNewswire/ -- Brands must focus on providing high quality customer experience (CX) to gain loyalty, but retailers are missing the mark: According to Forrester's <u>US 2018 Customer Experience Index (CX IndexTM</u>) multichannel retailers' CX quality remained flat, and 36% of digital retailers' scores decreased significantly since last year.

Contrary to popular belief, making customers happy is not the single best way to achieve loyalty – feeling appreciated and confident are equally as important in the retail industry. According to Forrester's 2018 CX Index data, 86% of multichannel shoppers and 87% of digital shoppers who feel appreciated intend to spend more with the brand. This is a clear indication as to why understanding which emotions evoke loyalty matters.

"Few industries have felt disruption like retail, and many are choosing the wrong path forward because they're not focusing on the drivers that improve customer experience where it counts," Forrester Chief Research and Product Officer Cliff Condon said. "CX is directly linked to driving revenue – Forrester estimates that a 1-point improvement in a big-box retailer's CX Index score can lead to an incremental \$244 million in revenue – so it's vital for retailers to identify what consumers want and invest in those elements that drive loyalty. Only then will retailers see an improvement in the CX quality that their customers now demand."

Based on a survey of more than 110,000 US online adult consumers, Forrester's CX Index measures and ranks nearly 300 US brands across 19 industries to identify how well a brand's customer experience strengthens the loyalty of its customers. Of the 287 US brands ranked in 2018, <u>42</u> multichannel and <u>11 digital retailers</u> were analyzed to determine how customers perceive their experiences and how CX drives loyalty.

Most notably, newcomer Trader Joe's claimed the top spot in multichannel retail, thanks to its ability to provide the most positive experiences of all 287 brands ranked. Costco Wholesale and Neiman Marcus also placed second and third on the multichannel list, while Home Shopping Network, QVC and Zappos.com were the three leaders for digital retailers.

For a full list of the 2018 retail rankings, read Forrester's multichannel retail and digital retail reports. [subscription required].

Additional Resources

- To learn more about how Forrester's CX Index can help your business, please visit <u>forr.com/cxindex</u> or <u>contact us</u> for more information.
- Watch part one of Forrester's complimentary webinar series on the future of retail to learn more about how the retail industry is changing.
- Listen to <u>Forrester's What It Means podcast episode</u> where Vice President & Research Director Harley Manning digs into Forrester's 2018 CX Index rankings and explains how companies can become CX leaders by placing customers at the core of their business.

About Forrester's CX Index

Forrester's CX Index is the most complete and powerful CX tool in the market today. The CX Index gives businesses a deep and actionable understanding of the quality of their customers' experiences, competitive benchmark data so that business and technology leaders know how they stack up against their peers, and the ability to model the improvements that will have the biggest impact on revenue.

About Forrester

Forrester (Nasdaq: FORR) is one of the most influential research and advisory firms in the world. We work with business and technology leaders to develop customer-obsessed strategies that drive growth. Forrester's unique insights are grounded in annual surveys of more than 675,000 consumers and business leaders worldwide, rigorous and objective methodologies, and the shared wisdom of our most innovative clients. Through proprietary research, data, custom consulting, exclusive executive peer groups, and events, the Forrester experience is about a singular and powerful purpose: to challenge the thinking of our clients to help them lead change in their organizations.

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