



CASE STUDY

A Little Better Every Day

How Tesco's Obsession with Customer Stories Engages Employees, Drives Change, and Impacts the Bottom Line

Tesco—a mammoth multinational grocery and general merchandise retailer—knows its customers want more than just a mundane, transactional grocery shopping experience. So it works to create a unique shopping experience for its customers by encouraging its 330,000 employees across the UK to give a little bit extra through a programme called, **Every Little Helps**. With this mantra at the core of the company's mission, Tesco has grown to become the fifth largest retailer in the world with £48 billion in annual revenue and 7,300 locations in 10 countries.

Customer Viewpoint

Early in its Voice of Customer journey, Tesco used a mystery shopper programme—one person's opinion, one day a month, using a list of predetermined and predictable objectives—but it was not a true representation of the shopping experience. Exit surveys at its largest stores—interviewing customers as they left the store—ended up being costly, time consuming, and with only 100 surveys conducted each month, not delivering a comprehensive assessment of performance.

Tesco partnered with InMoment in 2012 to launch Customer Viewpoint, a real-time, 360-degree view of experiences throughout the customer journey. Trends and themes surfaced from customer comments are used to improve experiences and inform changes across the brand. Tesco offers its customers powerful ways to share their experiences—across multiple touchpoints—in an authentic, timely way:

- **In-Store:** At nearly 4,000 locations across the UK, Republic of Ireland, Hungary, Czech Republic, Slovakia, and Poland, Tesco collects approximately 125,000 pieces of customer feedback each month.
- **Tesco Direct (online marketplace) and tesco.com (grocery fulfillment):** Through these services, customers place grocery or marketplace orders online, which are either delivered to their home or picked up in-store. Feedback focuses on the attributes of the delivery driver, whether the order arrived on time, the condition of the package, accuracy of the order, ease of in-store pick-up, and friendliness of staff members.
- **The Café:** A subset of Tesco that operates within retail locations—and serves guests over 78,000 cups of tea each week—includes feedback prompts focused on menu choice, service, and cleanliness.
- **Contact Center:** These centralised service centres collect approximately 40,000 customer experiences each month regarding general experience with the centre (e.g., was the customer’s issue resolved?) and agent attributes (e.g., was the agent understanding and helpful?).

Engagement methods include point-of-sale receipts, feedback invite cards, and email for Tesco Clubcard holders, while collection methods include web, outbound IVR (phone), and mobile SMS (text message). To optimise response rates, customers are incentivised across channels with bonus loyalty (Clubcard) points and entries into monthly drawings for cash prizes. Tesco tracks multiple KPIs—in addition to NPS and OSAT—and uses a custom

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“Community Metric” which monitors the company’s impact on the local community (as perceived by Tesco customers).

Stories Over Scores

According to Dan Portus, Tesco’s Insight to Action Programme Manager, “If we start connecting to our customers, wherever we work, we’re more likely to make the right decisions for the customers when we’re making a change.”

Over the past few years, Tesco has made a conscious effort to prioritise customer stories—and the inherent emotions involved in each experience—over scores. Using InMoment’s Active Listening™ technology—which elicits more robust feedback from customers in real time—Tesco aims to capture the full story. And bespoke text analytics, which are based off an industry model and then tuned specifically to Tesco, ensure that no actionable data is lost in the analysis. This enhanced collection and analysis leads to more insights and greater opportunities for coaching and improvements.

Additionally, with video feedback, Tesco offers customers the opportunity to be truly authentic and deliver invaluable feedback with a personal touch—facial expressions and emotion—that is otherwise difficult to capture. The same advanced text analytics that are applied to unstructured data from traditional collection methods are used to analyse feedback transcribed from video.



In fact, Tesco is so committed to stories that it has removed in-period score reporting to allow for more focus on detailed customer experiences, and only reviews scores at the end of each period.

Closing the Loop (and More)

Resolve™—InMoment's advanced case management and real-time alerting platform—helps Tesco simplify the management of customer experience cases, thus reducing churn, identifying larger trends, and understanding root causes through the eyes of its employees. The platform helps Tesco by alerting the contact centre when cases occur, prioritising cases based on urgency, and recommending the best course of action to resolve each one. It also enables seamless communication with customers and tracks the process of cases until they are closed, escalating them to decision makers when necessary.

And Tesco takes it one step further: call log data is imported to each store, giving stores complete visibility of what customers are saying about them, and allowing store managers to reach out to customers, so they may receive both a corporate and location-level response.

Making Moments Matter

Based on customer feedback, Tesco identified the need for standardised training beyond hard skills, and created Making Moments Matter. The six-pillar programme focuses on employee empowerment, the employee lifecycle, customer service, leadership, communication, and exceptional team member recognition. Employees and teams are recognised and rewarded based on customer feedback to the tune of 100,000 specific staff mentions every two to three months.

Additionally, through a third party vendor, Tesco runs an Employee Engagement programme; however, in one instance InMoment ingested over 100,000 employee responses, ran bespoke text analytics on the unstructured data, and correlated employee stories to the metrics. The insights brought to light the best aspects of working for Tesco as well as opportunities for improvement. A recent employee poll shows staff are more aligned with the company's mission than ever before.

Custom Reporting

In addition to standard reporting for 3,500 platform users and weekly overview meetings with custom analysis of key hypotheses, InMoment performs quarterly business reviews for Tesco leadership, delivering key insights and recommendations for improvement. Between meetings, Tesco uses two of InMoment's advanced, self-service reporting tools: CX Analyst (for drag and drop access to ad-hoc analysis) and Executive Dashboards (for a flexible, high-level view for programme owners and C-level executives). Additional custom reports focus on areas of specific interest to Tesco (e.g., a "Congestion Dashboard" identifies times and causes of store congestion).

Tesco is using InMoment's Discover™ in beta—a real-time anomaly detection tool—to highlight both positive brand differentiators and focused areas for improvement at the store-, regional-, and corporate-level. "We know instantly what customers' frustrations are, or even delights," says Portus, "and that is a real game changer for us."

A Never-Ending Journey

Through Customer Viewpoint, Tesco knows exactly how its customers feel. Did they feel welcome? Were they treated fairly? Did they leave feeling satisfied with their service? Would they recommend Tesco to their friends? If any negative comments or constructive suggestions arise, insights can be analysed and changes implemented at the store level.

The company is regaining market share and its 2.2 percent growth is its best in two years. On the customer experience front, it's improved over five percentage points

in the Forrester CX Index. It's also been able to directly correlate NPS scores to increased customer spending, highlighting the need for a consistent experience across channels and locations.

With a steady stream of customer feedback in place, buy-in at all levels of the brand, and a committed corps of customer service savants, Tesco is truly serving Britain's shoppers a little better every day. Yet even though Tesco is making impressive progress, it knows sustaining its success is a long-term commitment—a never-ending endeavor. Says Portus: "We're not finished yet. We're absolutely on a journey."

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Dan Portus, Insight to Action Programme Manager, Tesco

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