

PRESS RELEASE

Australia, 24 July 2009



Study: Customer service skills fall short of stimulating purchases

Retailers are not doing enough in the current economic downturn to maximise the number of in-store purchases made by customers, according to the latest benchmarking data compiled by The Realise Group from almost 40,000 mystery shops conducted in the 2008 – 2009 Financial Year.

Results from similar benchmarking exercises conducted in 2006 and 2007 revealed that there were significant improvements overall from 2006 and 2007, but that many standards have slipped since 2007.

Sales assistants' selling skills are in trouble, with only 48% of sales assistants attempting to add-on or upsell a purchase, a 4% decline from 2007. Only 56% of sales assistants attempted to close the sale, an 8% decline from 2007.

The basic customer service standard of approaching customers to offer assistance rose by 15 percentage points from 2006 to 2007, but then experienced a large decline in the 2008 – 2009 Financial Year, falling 11 percentage points from 85% to 74%.

"The results were a surprise, as our expectation was that the recession would have created an imperative to deliver on these critical standards to encourage sales," said The Realise Group's Managing Director Katie Miles.

"In these competitive times, sales staff need to be more than just a smiling face. They need to be equipped with the skills to turn browsers into buying customers **and** encourage shoppers to purchase more than they intended to."

Less than 50% of staff assessed in all three sectors (Apparel, General and Food) of the study attempted to upsell / add-on.

Staff in Food sectors led in making customer service top priority with an average result of 90%, compared with 84% in General retailers and only 68% in Apparel retailers.

"This was an interesting finding in our study. Apparel retailers seem to place their housekeeping and administrative duties above customer service and will often only approach our mystery shoppers to offer assistance if shoppers deliberately put themselves in their line of sight. Think of how many lost opportunities this results in!" said Katie Miles.

85% of sales assistants in Apparel asked questions to determine mystery shoppers' needs, followed closely by General retailers with 84%. 94% of both Apparel and General retailers made appropriate product recommendations.

In the Food sector, 91% of mystery shoppers said that the food met their expectations and that their orders were prepared in a timely manner. 96% of payments were handled in an efficient manner.

Across all three categories, 46% of mystery shoppers rated their overall experience as 'good' and 34% rated them 'excellent'. Overall, 87% of mystery shoppers said that they would return to the store based on their experience, unchanged from 2007.

Benchmarking questions	Apparel	General	Food	Overall FY 08-09	Overall 2007
1. Were staff making customer service their first priority?	68%	84%	90%	81%	86%
2. Did the store's presentation meet your expectations?	97%	94%	97%	96%	95%
3. Were you offered a friendly greeting?	80%	86%	84%	84%	89%
4. Were you approached and offered assistance?	72%	76%		74%	85%
5. Did the staff member ask questions to determine your needs?	85%	84%		85%	82%
6. Did the staff member make appropriate recommendations?	94%	94%		94%	88%
7. Did the staff member attempt to upsell / add-on?	47%	49%	49%	48%	52%
8. Did the staff member attempt to close the sale?	62%	50%		56%	64%
9. Were you thanked / offered a friendly farewell?	90%	91%	80%	88%	82%
10. Was your payment handled in an efficient & professional manner?			96%	96%	88%
11. Did the food meet your expectations in taste, quality, temperature and presentation?			91%	91%	87%
12. Was your order prepared in a timely manner?			91%	91%	87%
13. Were you made to feel welcome?	82%	88%	87%	86%	87%
14. Based on your experience today, would you return to this store?	84%	88%	92%	87%	87%
15. Based on your experience today, would you recommend this store to family / friends?	81%	84%	83%	83%	83%

Notes

- General Category includes Household, Recreational and other General Retailers.

###End

The Realise Group offers customer experience evaluation services such as mystery shopping, customer satisfaction surveying, store standards auditing and exit interviews to help retailers understand how their brand promise is being delivered at store level. The Realise Group also manages customer service desks at major shopping centres.

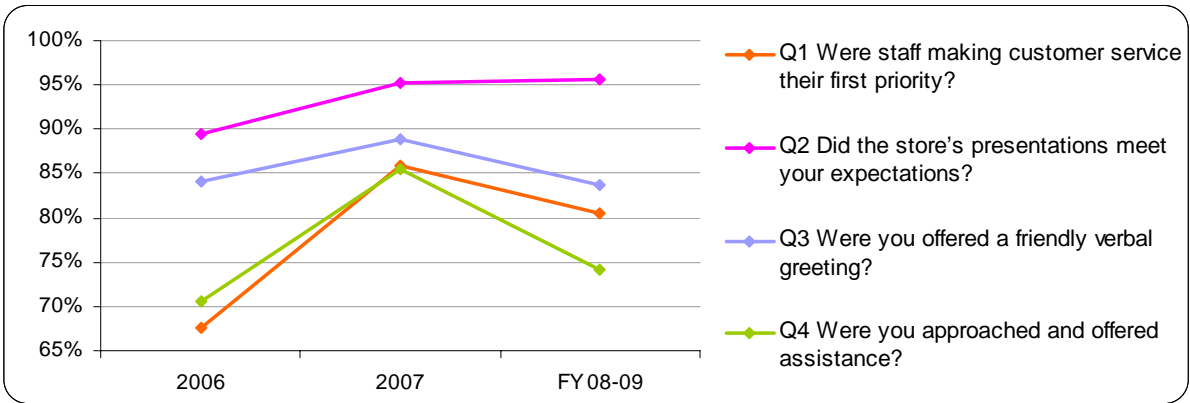
For further information contact:

Elizabeth Liu – 03 9224 8709 or elizabethliu@therealisegroup.com.au

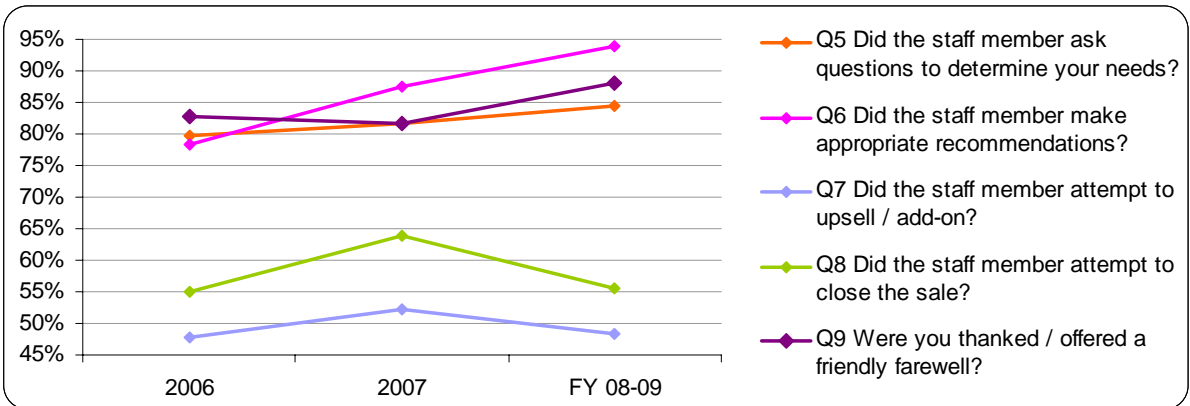
Katie Miles – 03 9687 2360 or katiemiles@therealisegroup.com.au

The Realise Group
 Docklands Cotton Mills
 Studio 53, 91 Moreland Street
 Footscray VIC 3011 Australia
 Tel: +61 3 9687 2360
 Fax: +61 3 9687 2431
 Web: www.therealisegroup.com.au

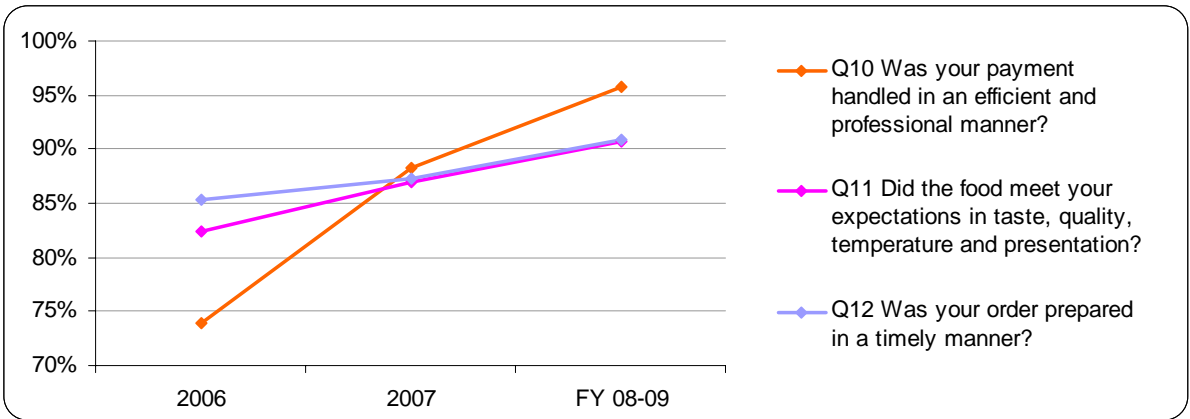
First Impressions (Q1 – Q4)



Selling and Building Rapport (Q5 – Q9)



Transaction and Food Quality (Q10 – Q12)



Customer Perceptions (Q13 – Q15)

