Spotlight on
Ocado Retail

Ranked 3rd in 2024

Ocado Retail has made a remarkable leap in our UK Customer Experience Excellence index, moving from 14th to 3rd place this year, following a steady climb from 37th in 2021. This rapid ascent is fuelled by notable improvements in Ocado's Empathy and Resolution scores. Laura Harricks, Chief Customer Officer, Ocado Retail, spoke to us about the company's dedication to enhancing customer experience (CX) and the strategies driving its success. Here are some of the insights Harricks shared.

For Harricks, the foundation of Ocado's transformation lies in an unwavering focus on perfect execution, which she describes as "a commitment to getting things right the first time, every time." In the grocery retail business, where thousands of details need to be spot-on daily, this approach is crucial. Ocado's relentless attention to detail ensures that every aspect of the customer journey is meticulously managed, minimising errors and maximising satisfaction.

Ocado's strategy for delivering exceptional CX is built on three pillars: Choice, Value, and Service.

1. Choice

Ocado offers a staggering range of over 45,000 stock-keeping units (SKUs), ensuring that customers have access to an extensive selection of products. Advanced technology plays a key role in maintaining this broad assortment, ensuring that popular items are always in stock. Ocado's commitment to providing customers with the best possible range was recognised when it was named "Which? Online Supermarket of the Year." A significant factor in this accolade was Ocado's ability to minimise substitutions, ensuring that customers receive exactly what they ordered.
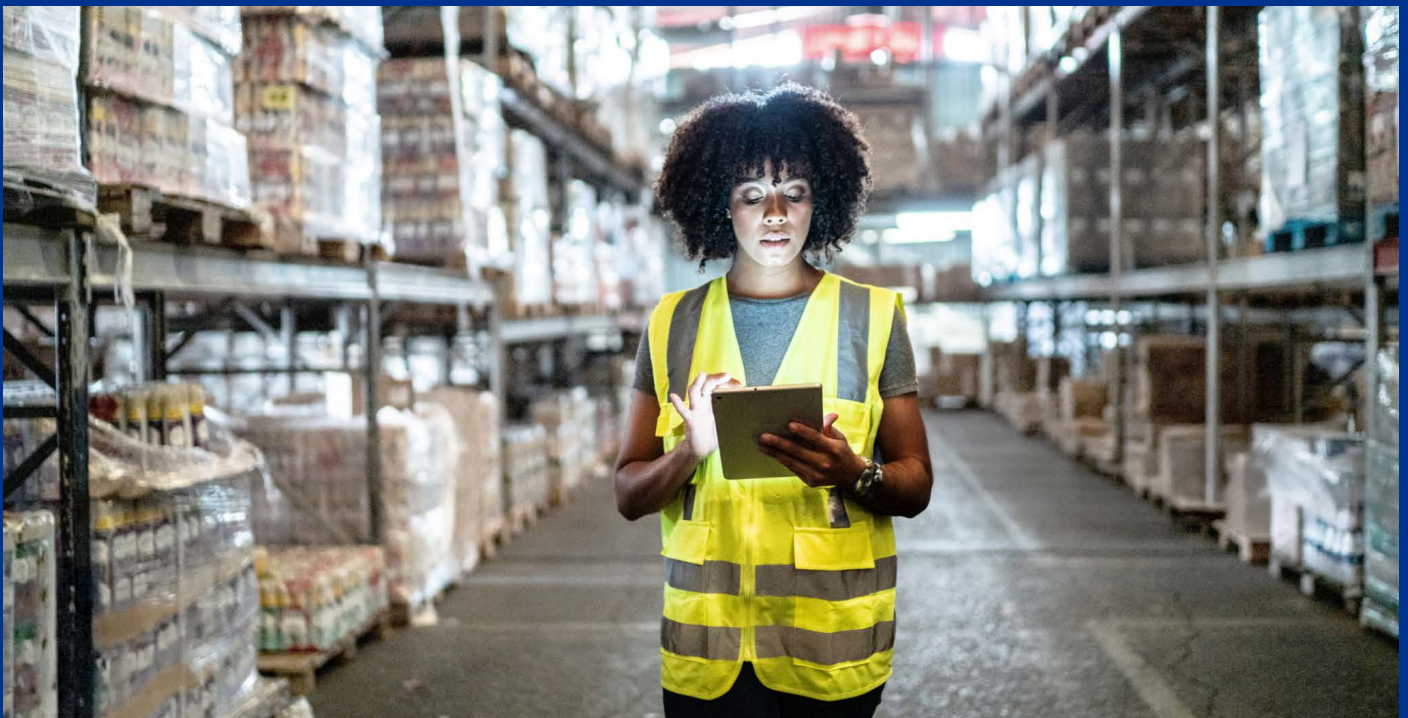
2. Value

With the ongoing cost-of-living crisis and high inflation, customers are more price-sensitive than ever. Ocado has responded by investing in value, ensuring that its prices remain competitive. This focus on value, combined with the convenience and service Ocado offers, ensures that customers perceive their purchases as offering outstanding value for money.

3. Service

Convenience is at the heart of Ocado's service offering. The company has expanded its same-day delivery options and increased the availability of delivery slots to ensure that customers can receive their groceries when it is most convenient for them. Additionally, Ocado emphasises first-time contact resolution in customer interactions, aiming to resolve issues quickly and effectively. By doing so, Ocado can turn potentially negative experiences into positive ones, improving customer satisfaction and boosting its Net Promoter Score (NPS).

Embracing AI for enhanced CX

Technology is a cornerstone of Ocado's operations, and artificial intelligence (AI) is playing a significant role in improving internal productivity. The company is actively testing and implementing AI-driven solutions across various areas of the business.

Predictive analytics, for example, helps enhance supply chain algorithms, ensuring that products are available when needed, and supports deep personalisation efforts to better understand and serve individual customers. This focus on personalisation not only improves the shopping experience but also fosters customer loyalty.

Generative AI is also being utilised to improve product descriptions across Ocado's extensive range of SKUs. By generating and refining product descriptions in collaboration with suppliers and their marketing teams, Ocado ensures that customers have accurate and engaging information about the products they are considering.

AI is also being tested in other areas, such as generating and testing email communications and experimenting with a meal planning assistant that could further enhance the customer experience.

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> Laura Harricks, Chief Customer Officer, Ocado Retail

The correlation between NPS and customer lifetime value

Ocado has identified a clear correlation between high NPS scores and increased customer lifetime value. This insight has been pivotal in justifying its investment in customer experience initiatives. Higher NPS scores lead to larger basket sizes and greater customer loyalty, proving that a focus on customer satisfaction directly impacts the bottom line.

Conclusion

Ocado's remarkable rise in the customer experience index is a testament to the company's commitment to excellence. By focusing on perfect execution, offering a broad range of products, providing competitive value, and leveraging cutting-edge AI technology, Ocado has successfully enhanced the customer experience and built stronger, more loyal relationships with its customers. As it continues to innovate and refine its approach, Ocado is well-positioned to maintain and even further improve its standing in the KPMG Customer Experience Excellence index.