

Bricks and mortar retailers can save money by outsourcing cleaning services

'99 per cent say poor cleanliness would negatively affect their perception of a retail store'



Against a backdrop of some tough trading conditions for retailers, including a squeeze on consumer spending set to intensify¹, there is increasing pressure on retail stores to add value for customers whilst at the same time drive operational cost savings and efficiencies.

Introduction

According to the Office for National Statistics (ONS)², year-on-year estimates for retail sales show an underlying trend of growth. Retailers have seen moderate growth this year and the Centre for Retail Research³ predicts continued moderate volume growth in 2014/15.

However, the growth in *value* terms has been extremely small. In these hard economic times, consumers look more closely not just at what they spend but where they spend their money - retailers need to be smarter about how they manage their bricks and mortar overheads to increase value growth in the coming years.

In-store retailing still dominates consumer spending. Out of every £1 spent in UK retail, 42p was spent in food stores; 41p in non-food stores; 6p in non-store retailing; and 11p in stores selling automotive fuel⁴. As purse strings tighten and consumers become increasingly selective, many retailers are focusing on making the shopping experience offered in their stores superior to their competitors. Research shows⁶ that the appearance of a store has a major impact on whether a consumer chooses to shop there, highlighting the importance of the overall customer experience beyond customer service. Retailers need to look at how they can enhance the customer experience in-store in order to boost sales.

The challenge for retailers is how to use cleanliness as a key contributor in adding to their in-store experience and ultimately the bottom line. One national retailer engaged with its cleaning service supplier to generate a six-figure cost reduction whilst creating a market leading in-store environment through innovative and practical developments to its cleaning operation.

Out of every £1 spent in UK retail, 83p is spent in-store⁴.
99% say poor cleanliness would negatively affect their perception of a retail store⁵.



Cleaning and the Retail Experience

Retail brands are moving their stores away from simply being somewhere you go to make a purchase to becoming 'shopping destinations,' with this new positioning leading to a complete brand experience across in-store and online.

Outlets such as supermarkets and department stores can not only boost their reputation through effective cleaning and support provision but also save energy, costs and time, adding to the bottom line.

If a customer is unhappy with their overall experience, or the experience they perceive they will have, they will take their business elsewhere.

Who cares about cleaning? Your customers!

Outlets such as supermarkets and department stores can boost their reputation through effective cleaning and support provision whilst also saving energy, costs and time, adding to the bottom line.

A study among 1,004 adults carried out in the US, found that 99 per cent of consumers said poor cleanliness would negatively affect their perception of a retail store⁵.

Cleanliness has a major effect on the whole customer experience. When asked what would negatively impact their perception, more people reported unclean restrooms (95 per cent) and unpleasant odours (92 per cent) than poor customer service (90 per cent). These were followed by dirty floors, spills or stains, dusty surfaces and dirty glass and windows. In another study⁶, just over a half (52 per cent) have avoided a business all together because it looked dirty from the outside.



Customers more concerned with unclean restrooms and unpleasant odours than poor customer service⁵

Top Tips for improving the customer experience

1. Recognise that customers value cleanliness highly
2. Make cleaning & maintenance a priority
3. Work with a cleaning service provider that understands your brand values and operational objectives
4. Undertake regular reviews and look to your service provider to continually develop the service
5. Put strategies in place to ensure all activities are carried out to the required standards
6. Carry out regular checks on facilities such as restrooms, restaurants and walkways
7. Actively monitor complaints and comments regarding cleanliness
8. Ensure suppliers have a robust network of cleaners and are adaptable to changing requirements
9. Use your cleaning provider's expertise to improve any areas that cause concerns

Running the numbers

Any operational savings made on bricks and mortar operations that don't compromise in-store experience directly increase the value of the 83p out of every £1 that is spent in-store in UK retail.

If a retailer with 250 stores could reduce their cleaning operations by as little as 45 minutes per day per store (which is easily done if the solution isn't as mapped, precise or efficient as it could be) they could add an additional £544,000 to the bottom line through savings on operational overheads.

**A retailer with
250 stores
could save
£500,000
by making 45
minutes
of efficiency
savings a day.**

Benefits of outsourcing

With so much importance being placed on cleanliness by consumers and the effect it can have on a brand's reputation, there is a strong case for retailers to outsource their cleaning provision to ensure it is carried out to the highest possible standards and reduce overheads.

Whilst it is clear that a clean store is a necessity, it is important to recognise that customers' perceptions of a brand are equally important and that, as research has shown, they would actively shop elsewhere if they felt that a particular store wasn't clean⁶.



Reasons to outsource

There are many advantages of outsourcing cleaning provision including cost, energy and time savings, providing expertise and contributing to the bottom line. These include:

- Specialist cleaning suppliers know how to reduce costs and maintain a great service
- Cleanliness is a key driver of customer retention
- Working in partnership with suppliers to drive change and innovation can lead to increased revenues
- Outsourcing guarantees that the responsibility for cleaning services and cleaning staff lies with the provider
- Cleaning strategy can be a successful way of adding value to bricks and mortar stores.
- An outsourced supplier can bring improved methods and cleaning techniques, which can save resources and reduce energy consumption
- Working with a specialist cleaning provider delivers additional value as costs are absorbed by the supplier



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CASE STUDY:

National Retailer Achieves Significant Cost Savings through Outsourced Cleaning Services

One major retail brand with over 250 stores was able to achieve significant cost savings through its cleaning service provision. The challenge it faced was how to reduce overheads whilst maintaining a high standard of cleanliness in-store.

The organisation recognised the importance of cleanliness as a customer-facing brand so it worked with Emprise, its cleaning service supplier, to review the savings that could be achieved. In partnership they developed a strategy and methodology to implement these.

The stores required daily shop floor cleaning, back of house stock room and warehouse cleaning, janitorial services, deep cleans, window cleaning and periodic cleans.

Emprise implemented 3 key improvements:

1. A highly efficient output specification cleaning model was implemented enabling smarter working and at the same time, driving cost savings. This meant that time could be spent where it was required, not just routinely working through a list of jobs, thus ensuring the best quality and service standards were created.

2. Process mapping, a key part of the strategy, which was designed to save time yet maintain standards. It was important to build flexibility into the model to fulfil the needs of the individual stores especially around seasonal activities and footfall patterns. Process mapping involved planning out cleaners' routes through each store and the order of jobs to be done. This ensured the most efficient methods were employed to save time from 'doubling back' and resulted in an efficient solution that reduced hours whilst delivering to the same high standards.

3. Installation of more efficient equipment that helped to reduce the hours a cleaner needed to carry out each job. For example, if the equipment is old and slow, it will take longer to cover the square footage of a store, which will add cost to the bottom line. A faster machine will reduce the hours and the cost but enable the same results to be achieved.

This new cleaning strategy achieved significant cost savings whilst creating a bespoke solution that was flexible and able to deliver to the required service level expectations.

This exercise wasn't a one-off activity – it is under continual review and new ways to increase efficiency and improve levels of service are constantly promoted, whether that involves developments in technology or innovative cleaning techniques.

This proactive approach and close client-supplier working relationship continues to help this national retailer create a great customer experience whilst significantly reducing operational cost and driving value.

Conclusions

The business case for retailers to create high standards of cleanliness is clear. Cleaning is a big deal for consumers who are constantly looking not just at what they spend their money on but where they spend it. With 99 per cent of consumers saying that say poor cleanliness would negatively affect their perception of a retail store the benefits of having an effective cleaning strategy provide a compelling argument for improving customer retention as well as attracting new customers.

Outsourced cleaning services can also help retailers to reduce operational overheads associated with bricks and mortar stores. Specialist cleaning providers will know how to develop and deploy a more efficient cleaning solution that will ultimately reduce the cost of this necessary service.

The challenge is how to create a positive consumer brand experience given that competition in the retail sector is forecast to intensify further.

Working in partnership with an outsourced service supplier can provide a wide range of benefits. Outsourcing cleaning services may be seen as an additional cost but, when it is so critical to the whole customer experience, it can add value and create efficiencies such as cost reduction, flexible staffing levels, improved training and recruitment, quality assurance, time saving and energy savings.



If a retailer with 250 stores saved 45 minutes per day on its cleaning service it could save over £500,000



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Having an effective cleaning strategy that has first-class standards as its core value is a positive way for retailers to create a great customer experience, uphold brand image and ultimately help to create a retail environment that keeps customers coming back.

About emprise

Emprise is a leading support services provider specialising in cleaning and security since 1986. The company has a turnover of £90 million and employs around 8,000 people.

We understand that creating a great environment in a customer-facing industry is crucial to maintaining your brand image and enhancing the retail experience for your customers. If there's one thing we know, it's retail. We have gained extensive experience of the retail sector having worked with major retailers since Emprise was formed 27 years ago. Consequently, we have the experience and expertise required to design and deliver the best possible cleaning solutions for retail environments, ensuring efficiency, quality and cost. Emprise delivers cleaning and security services to some of Britain's best known retailers, such as Marks & Spencer, John Lewis, Waitrose, Castlepoint, Whitefriars, Eden and Tower Ramparts shopping centres.

We understand the business of retail cleaning and security. We share our knowledge to plan for seasonal footfall variation, the impact of adverse weather and to deliver the highest standards and the most financially efficient solution. Ultimately, we aim to use our expertise to help our retail clients enhance the customer experience and maximise their footfall and repeat custom.

Emprise delivers a knowledgeable, expert, reliable, flexible quality service, based on the needs of retail facilities through our sector specific management team.

To find out more about Emprise or for an informal discussion with a member of our team please call us on 020 7549 0800 or visit our website

www.emprise.co.uk

Emprise Retail Sector Fact File:

- We clean approximately 300 retail premises every day
- We safeguard retailers and visitors to 9 major shopping centres across the UK
- Waitrose is our oldest contract. The contract to clean Waitrose Dorking was originally awarded to, what was then, Lawrence & Tester in 1961
- We employ a team of over 2,200 retail cleaners



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To learn more about how Emprise can help you to create a better retail environment and improve your customers' satisfaction with your shopping experience, get in touch with Emprise today

Call **020 7549 0800** and quote **"Retail cleaning"**

Or for more information about our company visit

www.emprise.co.uk

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References

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2ONS <http://www.ons.gov.uk/ons/rel/rsi/retail-sales/september-2013/index.html>Office for National Statistics licensed under the Open Government Licence v.1.0. andAdapted from data from the Office for National Statistics licensed under the Open Government Licence v.1.0.

3 Centre for Retail Research <http://www.retailresearch.org/retailforecast.php>

4 ONS Retail Sales, September 2013 17 October 2013 http://www.ons.gov.uk/ons/dcp171778_331387.pdfOffice for National Statistics licensed under the Open Government Licence v.1.0.andAdapted from data from the Office for National Statistics licensed under the Open Government Licence v.1.0.

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6Morepace Omnibus <http://www.retailcustomerexperience.com/article/181292/Report-Consumers-influenced-by-a-retailer-s-physical-appearance>