

Customer Survey 2019 Results and insights

At Colart, we value openness and feedback and see them as opportunities for improvement. That's why, between the end of April and mid-June, we send our annual global customer survey to our customers.

After a thorough clean-up of addresses since last year, our data-base for this survey was reduced by around 800 – meaning less duplication and more reliable results.

We received 384 responses, which is 183 less than last year. International is where we saw the biggest drop in answers. We have kept this fact in mind especially when comparing figures of prior years in smaller markets.

You will find below some details of the external NPS score evolution, the key messages we received and the next steps we will be taking to address them.

How do we calculate the NPS?

The Net Promoter Score is calculated based on responses to a single question:
How likely is it that you would recommend our company/product/service to a friend or colleague, on a 0 to 10 scale?

- People rating 0 – 6 are called detractors
- People rating 7 – 8 are called passives
- People rating 9 – 10 are called promoters

Promoters – Detractors = NPS

Evolution of External NPS score over the years

NPS	All	US	UK	France	China	Italy	Benelux	Germany	Spain	Inter national
2019	2.9	-3.6	-27.5	25.1	10.2	24.3	-24.1	10	21	31.6
2017	-5,3	-15	-35	2,4	34,5	23,2	-30,8	-15,1	5,2	25,4
2016	-1,3	-9,4	-37,6	40,7	25	11	0,1	-18,2	-9,6	27,5
2015	-20,2	-32	-44,4	14,1	75,1	-21,8	-12	-2,3	-46,5	47,4

We can see that in the past 4 years, the global NPS score has improved, although at different rates depending on markets. The only exception of improvement this year comes from China.

Improvements are still needed for the UK, Benelux and US markets – but a positive point is that for the first time in four years, our overall global external NPS is positive!

What are the key messages we received?

- **Word association:** 'Quality' and 'Professional' remain the two strong word associations with Colart, but the association with 'Innovation' is not as evident as in previous years.
- **The Service Levels:** No longer a major 'red' factor but remain important and an area for improvement.
- **How is Colart perceived?** Although seen as 'corporate' – notably in the US and in the UK, Colart is seen as being arrogant in China.
- **Criticisms:** The criticisms expressed by our customers focus around operations, i.e. discontinuation of products, packaging and dispatching, delivery lead times, minimum order price, etc. In the past, criticism were more oriented around our attitude and emotions.
- **Overall:** the view of Colart from our customer perspective is still very fragmented, with clear differences between markets.

Overall Positive Comments

- High-quality product portfolio
- Good company to do business with
- Great brands that are in high demand from our consumers
- Strong consumer and brand activation

Overall Negative Comments

- Not close enough to the market
- Poor product availability and delivery
- Limited price control to protect independents
- Too focused on Fine Art

Suggestions from our customers:

- Improve the NPD hit rate, including launch communication
- Implement B2B platform for ordering and content sharing
- Become more agile and less corporate

Next steps:

- The responses from this survey will be reviewed and analysed in detail by each market, and specific, local improvement actions will be identified.
- In order to show responsiveness, the feedback and key messages will be shared with all our customers (not just respondents). We will also share our response action plans and timelines (for example, the B2B launch dates).
- We will explore how to best communicate our channel strategy and commercial policy. This will be done within the competition law guidelines, and we remain aware that these strategy and policy will be shared with our competitors.
- We will ensure that the front-line commercial teams understand and are equipped with up-to-date range listing and availability information.
- We have already shared the brand roadmaps with our major customers and are considering how to involve/validate NPD with not only our consumers and artists but also with our customers.

Should you have any question don't hesitate to contact Gail.