

2016



RETAIL MULTICHANNEL CUSTOMER EXPERIENCE STUDY



/ CONTENTS

1/ EXECUTIVE SUMMARY	3
2/ KEY RETAIL SECTOR CHALLENGES	4
3/ FAILING TO TRANSFORM	5
- ON THE WEB	5
- EMAIL	6
- CHAT	6
- TWITTER	7
- FACEBOOK	7
- CONSISTENCY	8
4/ RETAIL SECTOR COMPARISON	9
- ENTERTAINMENT	9
- FOOD AND WINE	10
- ELECTRONICS RETAILERS	11
- FASHION	12
5/ KEY TAKEAWAYS	13
APPENDIX: METHODOLOGY	15



1/ EXECUTIVE SUMMARY

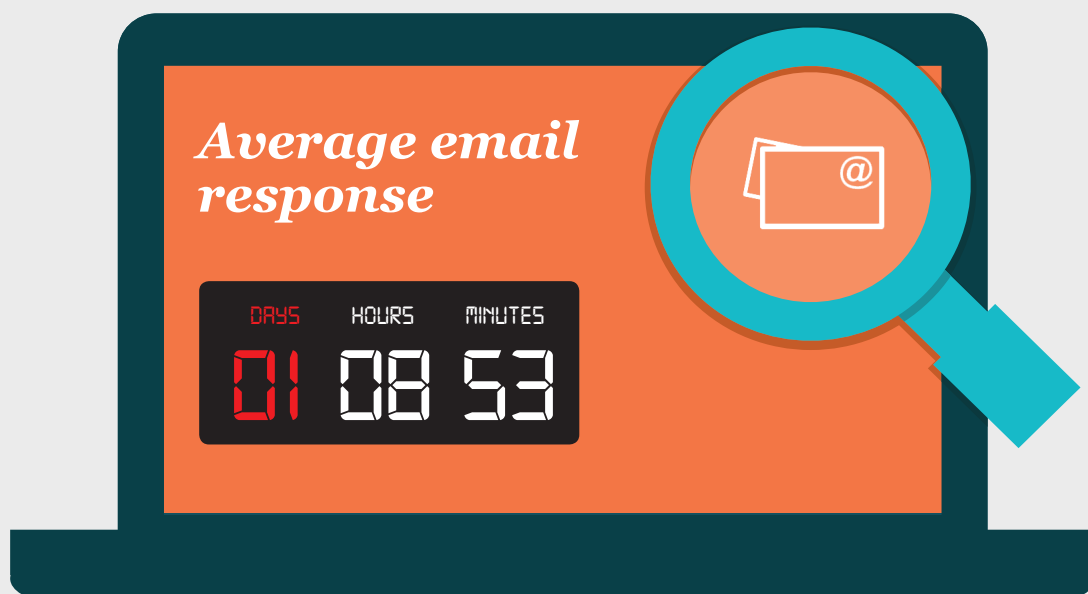
Competition in the retail market remains fierce, as a combination of new entrants and ever more demanding consumers push retailers to innovate and deliver new services, improved experiences and lower prices. Consumer loyalty is a thing of the past, as they are now able to choose from an enormous range of suppliers at the click of a mouse, or, increasingly, a tap on a smartphone screen. Shoppers want a seamless, easy to use experience that values their time and is personalised to their needs. These factors increase the focus on the customer experience as the key point of differentiation for retailers.

Since 2011 the Eptica Multichannel Customer Experience Study has charted how retailers are evolving to meet these challenges. It evaluates leading brands on their ability to provide answers to ten routine questions via the web as well as their speed and accuracy when responding to email, Twitter, Facebook and web chat.

Overall, the Study found that the service provided by UK retailers is improving slowly, with minor improvements dwarfed by declines in the experience on key channels such as email.

In total, retailers can only successfully answer 55% of all questions asked, identical to 2015. The email channel has become less accurate, and is offered by fewer retailers to non-customers. It still takes an average of 32 hours 53 minutes to receive an answer via email.

Many companies seem to be adopting a uni-channel approach, focusing on specific channels rather than providing responses to customers on their channel of choice. Consistency is poor and there are widening gaps between best and worst. This guide therefore provides more information on the Study results, along with areas to address in order to improve the experience moving forward.



2/ KEY RETAIL SECTOR CHALLENGES

Nearly 45 million UK adults regularly use the internet¹, and the UK is the biggest ecommerce market in Europe².

The ways that consumers access the web are also changing, Ofcom found that the average user now spends double the time online via their smartphone compared to their PC³. Ecommerce is increasingly international, with online marketplaces dramatically lowering the barriers to entry to retailers from overseas.

Taken together, this all means that retailers have to operate in a more dynamic, complex world than ever before. Consumers are demanding more, particularly when it comes to a seamless shopping experience that values their time and minimises their effort. Complexity will only increase as new concepts such as the Internet of Things, smart internet-connected TVs and same day delivery services move into the mainstream.

These challenges are driving three business imperatives:



PERSONALISE THE EXPERIENCE

The move to digital gives retailers unprecedented levels of information about their customers, what they buy and the channels they use. Customers are happy to give feedback, good or bad, about the experience both directly and through review sites and social media. In return for all this data, they expect to receive an experience personalised to their needs, from retailers that are continually innovating and show that they value their custom.



INCREASE EFFICIENCY

Retail competition is growing, and the barriers to entry have never been lower. To remain profitable while meeting customer needs, retailers therefore must operate as efficiently as possible. This cannot be achieved by taking a channel by channel approach, meaning they need to join up operations, centralise information and break down departmental silos, both internally and with key partners such as logistics providers. Not only will this reduce costs, but it will also improve the overall experience for customers.



ENSURE A SEAMLESS EXPERIENCE

Customers want retailers to value their time, and make the whole customer journey as straightforward and painless as possible. The retailers that thrive will be those that offer a joined-up service that spans multiple channels and provides a single view of the customer, whether they choose to make contact through mobile, PC, in-store or even the phone.



1. Source Office for National Statistics: Internet Users, 2015
2. Source emarketer via Smart Insights: Forecast growth in percentage of online retail / Ecommerce sales
3. Source Ofcom: The UK is now a smartphone society

3/ FAILING TO TRANSFORM

The 2016 Eptica Multichannel Customer Experience Study evaluated 40 leading UK retailers, split between four sectors (food & wine, consumer electronics, entertainment and fashion). As well as retailers, brands in the insurance, banking, utility, telecoms, travel and consumer electronics sectors were also surveyed. The Study aimed to mimic the behaviour of ordinary consumers across digital channels by measuring brands on their ability to provide answers to ten routine questions via the web as well as their speed and accuracy when responding to email, Twitter, Facebook and web chat.

Sample questions included:

- Can I add items to an order before it is delivered?
- Can I order online and pick up in store?
- Do you have an ethical sourcing policy? If so, where can I find details?

The research found that retailers are increasingly adopting a uni-channel approach, strong on one channel but poor on others. Performance seems to have reached a plateau, with only slight improvements in service levels, and the total number of questions answered on the web, email and Twitter remaining at 55%. Many companies performed poorly compared to 2015, particularly on the email channel.

ON THE WEB

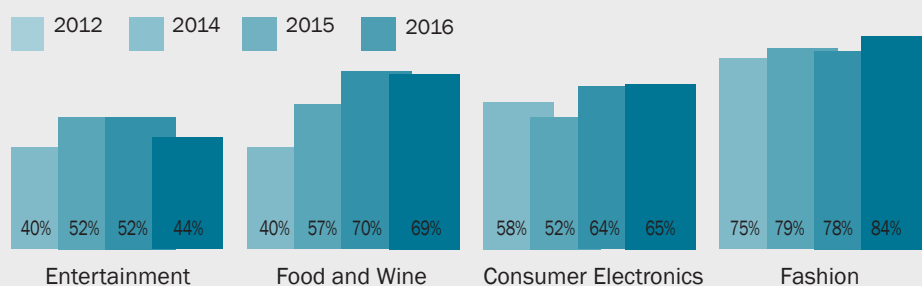
Company websites cemented their position as the most successful channel for customer service, answering 66% of all questions asked. However, this was only 1% higher than in 2015, showing that the rate of improvement has stalled. A third of questions remain unanswered.



Fashion retail led the way, providing answers to 84% of questions, up from 78% in 2015. Illustrating that slowing rate of improvement, response rates at electronics retailers rose from 64% to 65%, while food and drink dropped to 69% from 70%. As in 2015, entertainment was the worst sector, dropping by 8% to 44%. One entertainment retailer failed to answer any questions at all, while another scored just 1 out of 10.

Retailers seem to be clustering around average performance. Just 17.5% of companies answered 9 or 10 questions (down from 20% in 2015), with 27.5% scoring 5 or fewer. This leaves 55% of retailers with a score of 6-8 – hardly earth shattering performance.

Web performance by sector



3/ FAILING TO TRANSFORM

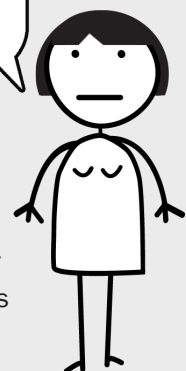
EMAIL

87% of consumers list email as their primary communications channel for contacting companies¹, with the rise of mobile devices such as smartphones making it even faster and easier for consumers to send emails wherever they may be. This is translating into a huge increase in the volume of emails sent to retailers, which is having a major impact on performance. Firstly, the Study found that a growing number of companies are switching off this channel. 88% of retailers offered email to non-customers, 10% fewer than in 2015.



Secondly, average performance is still not at acceptable levels. 55% of companies provided a successful response on email, down from 58% in 2015. Additionally, while the average speed of response had improved by over 10 hours, it still took 32 hours 53 minutes – nearly 1.5 days, to get an answer. In comparison, a similar survey of US retailers found that 73% were able to answer an emailed question, responding in an average of just 7 hours 51 minutes – nearly four times faster. Clearly the UK has a lot to learn from across the Atlantic.

10% fewer retailers offered email to non-customers than in 2015.



This overall poor picture hides considerable differences in response times – one consumer electronics supplier replied in 3 minutes, while an entertainment retailer took 152 hours. Electronics retailers answered 70% of emails, while the entertainment sector responded to just 40%.

CHAT

Chat provides the perfect real-time channel to respond to consumer queries without disrupting or delaying the customer journey. It is particularly useful in sectors such as entertainment or consumer electronics where customers may have questions that need answering before they buy. However, retailers still seem to be under-resourcing the channel. While just under half (43%) of retailers claimed to offer it, only 13% of companies had it operational when tested, up from 5% in 2015. Just one of the six food and wine retailers that claimed to offer chat had agents available when researchers visited their sites.



At the same time the performance of those offering chat has actually deteriorated since last year, from 100% successfully answering the question, down to 60% in 2016. Average time to answer nearly doubled from 5 minutes 30 seconds to 9 minutes 40 seconds.

*Slowing down?
Average chat times
increasing year-on-year*



1. Source Eptica: Power of Linguistics in Customer Service

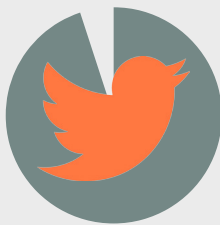
3/ FAILING TO TRANSFORM (CONTINUED)

TWITTER

Over the last year Twitter has improved slightly in terms of performance, with retailers successfully answering 45% of questions in 2016, compared to 43% in 2015. This means that over half of all queries either aren't responded to, or are answered incorrectly, putting the social network behind both Facebook and email for accuracy. This is despite the number of retailers on the channel rising from 88% to 95% in 2016.



On average Twitter was the fastest channel for customer service, but response times ranged from the superfast to the incredibly slow. One electronics retailer answered in 4 minutes, yet another company in the same sector took nearly 33 hours to reply. Only three entertainment retailers responded successfully, putting them bottom of the table, with six out of ten companies in each of the other three sectors providing accurate answers.



*While 95% of companies
were on Twitter*



*only 53% responded to
a tweet*



*with just 45% providing
an accurate response*

FACEBOOK

2016 was the first year that Facebook customer service was evaluated and the channel lead the way for accuracy. However, while 59% of queries received a successful answer, this masked major discrepancies between channels. Just one food and wine retailer replied on Facebook (despite 90% offering the channel) – and then it failed to provide a helpful answer. Facebook was also slower than Twitter, taking an average of 6 hours 36 minutes to respond, against 5 hours 40 minutes. Retailers need to ensure that they are not just present on Facebook, but are actively incorporating the channel into their customer service strategies.



Facebook average
successful response
6 hours 36 minutes

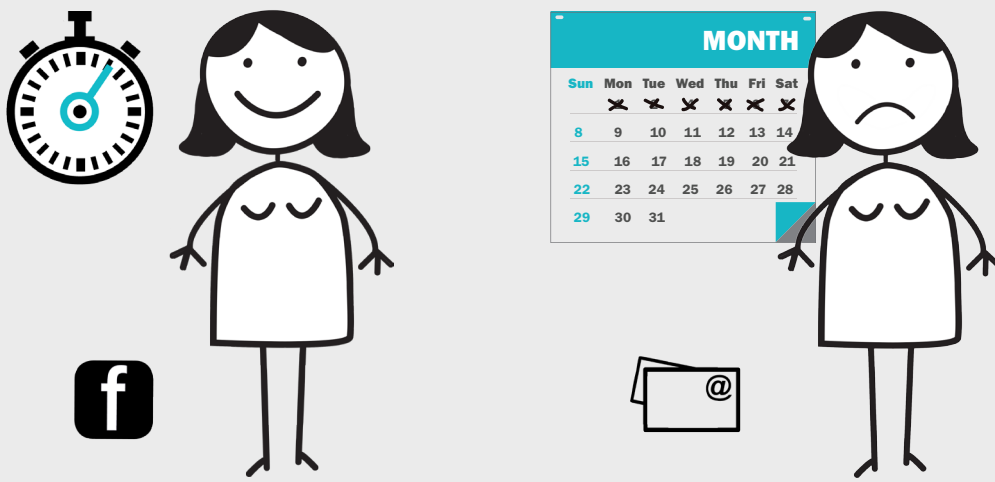


Twitter average
successful response
5 hours 40minutes

3/ FAILING TO TRANSFORM (CONTINUED)

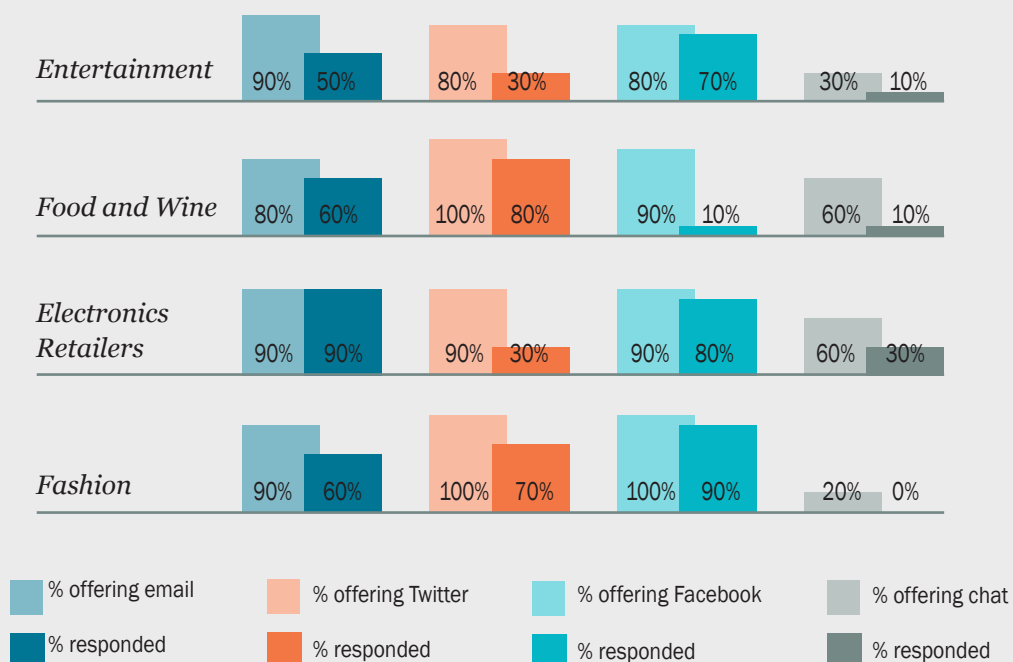
CONSISTENCY

Perhaps driven by a need to focus resources, many retailers seem to be adopting a uni-channel strategy, responding on a minimal number of channels to customers. For example, no companies successfully answered on four channels (email, Twitter, Facebook and chat), and just 10% gave a consistent, accurate response on three. 68% of retailers (including all ten food and wine companies) did not provide any consistent answers at all on more than one channel, either because the responses did not match or due to lack of any accurate replies.



Illustrating this, one entertainment retailer answered a question on Facebook in 6 minutes, yet took 152 hours to respond to the very same query on email.

Uni-channel not multichannel



4/ SECTOR COMPARISON: ENTERTAINMENT

The majority of music, books, films and games are now bought online – yet the customer service of entertainment retailers is not going to win Oscars or Grammys anytime soon. Despite the fact that retailers are often selling the same products, few seem to be trying to differentiate themselves on customer service, rather than price. The sector performed worse on the web than in 2015, scoring just 44%, putting it bottom of all ten industries surveyed. One company scored couldn't fully answer any questions at all.

Email remained static at 40%, with no improvement in accuracy since 2015, though response times slowed considerably, to over 50 hours on average – hardly helpful in the on-demand, instant download economy.

There were marked differences between Twitter, which performed poorly, and Facebook, where entertainment retailers successfully responded to 70% of questions. In contrast just 30% replied correctly on Twitter. Showing the lack of joined up thinking one company took 152 hours to reply to a question on email, 4 hours 9 minutes on Twitter and 6 minutes to answer the same query on Facebook. Another took 17 minutes on chat to respond – and then recommended phoning instead. Entertainment retailers that fail to sort out customer service are likely to face a struggle to survive in such a competitive environment.

Web questions answered



7/10 questions answered online
(One company) - Highest score



0.5/10 questions answered online
(One company) - Lowest score

Successful email



4/10 companies successfully
responded to email

Fastest response



Slowest response



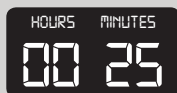
Twitter



3/10 companies
successfully responded
on Twitter

Response Times:

Fastest



Slowest



Chat



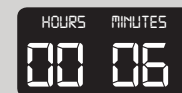
Facebook



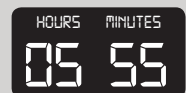
7/10 companies
successfully responded
on Facebook

Response Times:

Fastest



Slowest



Companies surveyed: (Alphabetical)

Amazon / Apple iTunes / Google Play /
HMV / Rakuten / Tesco / The Book People
/ Waterstones / WH Smith / Zavvi



4/ SECTOR COMPARISON: FOOD AND WINE

It may have taken some time to become mainstream, but consumers are now happy to buy food and drink online, whether it is their weekly shop or for specialist items such as wine or chocolates. However food retailers seem to be adopting a pick and mix approach to customer service, focusing on certain channels at the expense of others. For example, on the web the sector scored an average of 69% of questions answered, but individual retailers ranged from 90% down to 40%.

Email remained static, with 60% of companies successfully answering, although average response times increased by four hours to over 26. One grocer took over 68 hours to reply to an email about delivery dates, and then failed to give a useful answer.

Social media seems to be under intense pressure. While 90% of food retailers had a Facebook page, just one responded to a question asked on it – and this was unhelpful. Twitter was better, with 80% of companies answering, but just 60% managing to do this successfully. Six retailers claimed to offer web chat, but just one had it working when tested, although they did provide a comprehensive answer. To engage with consumers online, food retailers need to invest more in customer service and deliver across every channel, not just in-store.

Web questions answered



9/10 questions answered online
(Two companies) - Highest score



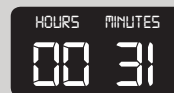
4/10 questions answered online
(Three company) - Lowest score

Successful email



6/10 companies successfully
responded to email

Fastest response



Slowest response



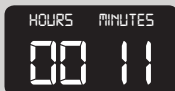
Twitter



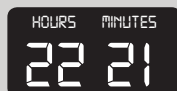
6/10 companies
successfully responded
on Twitter

Response Times:

Fastest



Slowest



Chat



Facebook



0/10 companies
successfully responded
on Facebook

Companies surveyed: (Alphabetical)

Asda / Hotel Chocolat / Laithwaites /
Majestic Wines / Morrisons / Ocado /
Sainsbury / Tesco / Thorntons / Waitrose



4/ SECTOR COMPARISON: ELECTRONICS

Retailers selling consumer electronics have whole heartedly invested in digital channels, understanding that the only way to engage with customers is to provide detailed information on the products and services that they provide. However performance has dropped slightly since 2015. They improved on the web channel, answering 65% of queries, although individual scores ranged from 90% down to 30%.

Email deteriorated, with 70% of companies successfully responding to questions, down from 80% in 2015. Speed improved, with one company answering in 3 minutes (the fastest of the whole Study). The slowest responded in over 66 hours – still much faster than 2015's 30 days.

Twitter performance also dropped, with just 35% of queries answered, despite 100% companies offering the channel. Average time doubled, showing a channel under pressure and under resourced. Facebook was much stronger, with 75% answering the query correctly, although one company took 113 hours to reply. Electronics retail was another sector that was on paper strong on chat, with 60% of companies claiming to offer it. However, only 30% had it working when tested, the second highest of any sector, with an 83% success rate. Electronics retailers clearly need to integrate service across channels to ensure a more consistent performance moving forward.

Web questions answered



9/10 questions answered online
(One company) - Highest score



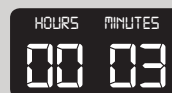
3/10 questions answered online
(One company) - Lowest score

Successful email

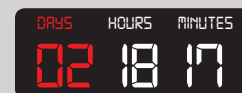


7/10 companies successfully
responded to email

Fastest response



Slowest response



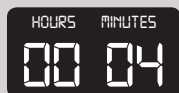
Twitter



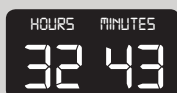
3.5/10 companies
successfully responded
on Twitter

Response Times:

Fastest



Slowest



Chat



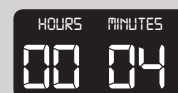
Facebook



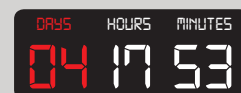
7.5/10 companies
successfully responded
on Facebook

Response Times:

Fastest



Slowest



Companies surveyed: (Alphabetical)

Argos / Carphone Warehouse / Currys
/ ebuyer / Euronics / Game / Hughes /
Jessops / John Lewis / Maplin



4/ SECTOR COMPARISON: FASHION

Since the Eptica Study began, fashion retailers have demonstrated a strong commitment to delivering a superior customer experience. This continued in 2016, with 83.5% of online questions answered, putting the sector just behind banking. No individual company scored under 70%, and three achieved a maximum 100%.

Email was less successful however, remaining static at a 50% success rate, the same as in 2015. This channel was also slower, with an average of over 29 hours, way behind other sectors.

You would expect fashion retailers to be strong on social media, but there were gaps in the service provided. While 90% of companies successfully responded on Facebook, just 60% did on Twitter, despite all companies offering both channels. Reply times ranged from 19 minutes to over 20 hours, showing that more resources need to be added to these channels to meet customer demands. None of the 20% of fashion retailers that claimed to offer chat had it working when tested, closing off a vital channel that can be used to provide advice and help to consumers.

Overall, while fashion performed well in many areas, further investment and innovation is needed to deliver a consistent service across every channel.

Web questions answered



10/10 questions answered online
(Three companies) - Highest score



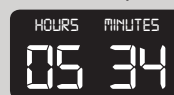
7/10 questions answered online
(Two companies) - Lowest score

Successful email

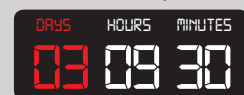


5/10 companies successfully
responded to email

Fastest response



Slowest response



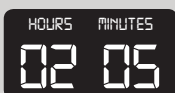
Twitter



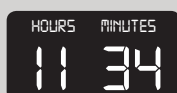
6/10 companies
successfully responded
on Twitter

Response Times:

Fastest



Slowest



Chat



Facebook



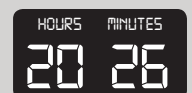
9/10 companies
successfully responded
on Facebook

Response Times:

Fastest



Slowest



Companies surveyed: (Alphabetical)

ASOS / Debenhams / House of Fraser /
Marks & Spencer / Monsoon Accessorise /
New Look / Next / River Island / The White
Company / Top Shop



5/ KEY TAKEAWAYS

The level of customer service delivered by the UK's top retailers seems to have reached a plateau. Comparing 2016 with 2015 shows that any improvements in performance have been minor, and that availability and accuracy on the email channel continues to decline. Despite understanding that the customer experience is key to success, retailers are struggling to cope with the sheer number and range of queries that consumers are asking, across more and more channels. With low barriers to entry and fierce competition this will potentially affect their ability to win and retain consumer loyalty.

To ensure success, here are five imperatives for retailers to focus on when it comes to the customer experience:

1 SUPPORT EVERY CHANNEL

Consumers want to receive excellent service on their channel of choice, yet many retailers seem to be adopting a uni-channel, rather than multichannel approach. It doesn't matter how strong your customer service is on Twitter – if a consumer fails to get an answer to their query on email, they will take their business elsewhere. Centralise resources, including knowledge, and then share them across channels – this will ensure a consistent approach with consumers receiving the same level of service, however they make contact.

2 MAKE THE PROCESS SEAMLESS

Today's time-poor consumers want an easy, seamless shopping experience that values their time, whatever channel they are using. This requires retailers to invest in the end to end customer journey, continually testing and evolving the experience so that it always meets consumer needs and enables them to complete their transaction with the minimal effort.

3 LEARN FROM THE COMPETITION

The retail market is becoming increasingly global, and with barriers to entry continuing to lower, retailers need to be aware that tomorrow's competitors may well be completely different to those of today. They therefore need to learn from the best, wherever they are located, evaluating how they operate and seeing what processes and systems they can replicate within their own business.

4 THINK LIKE A CUSTOMER

Consumer demands are continually increasing, meaning that today's customer experience leaders will swiftly become also-rans. Retailers need to be constantly innovating and have to think like customers if they want to succeed. Listen to feedback and analyse the questions that consumers ask in order to focus innovation in the right areas. Regularly test your systems from the customer perspective, as the Eptica Multichannel Customer Experience Study does, to pinpoint areas where improvement is needed.

5 JOIN UP SYSTEMS

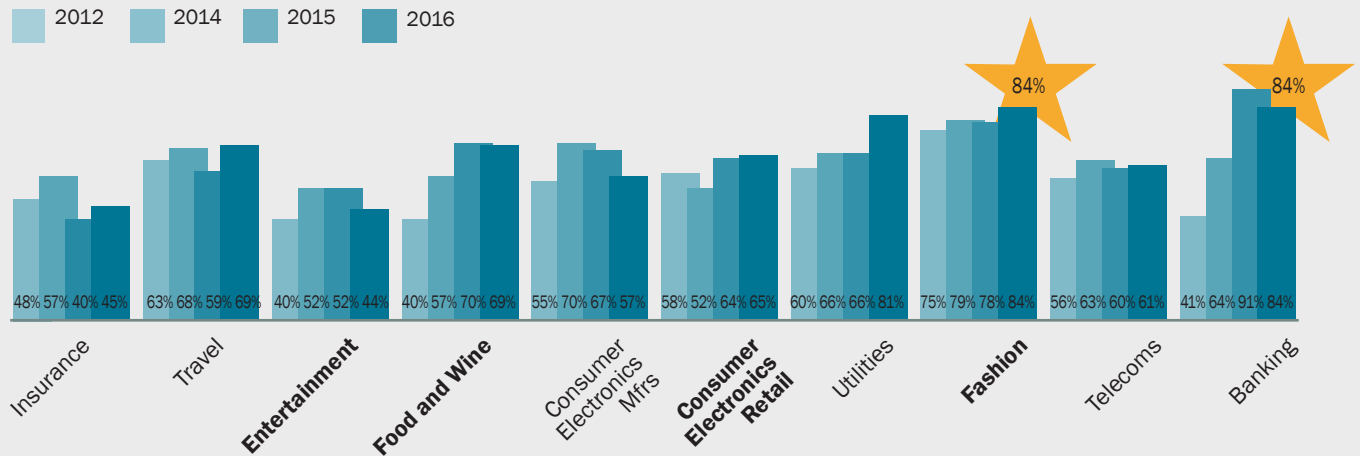
Responsibility for customer service now goes far beyond the contact centre – *everyone* within an organisation is involved in ensuring that the customer experience is seamless and effective. Consumers expect a fast answer, rather than being told that their request needs to be handled by another department. This requires systems to be joined up between channels and departments to ensure that all staff can collaborate on delivering across the customer journey, based on powerful workflow, centralised knowledge and natural language technology that automatically routes queries to the right person or department.



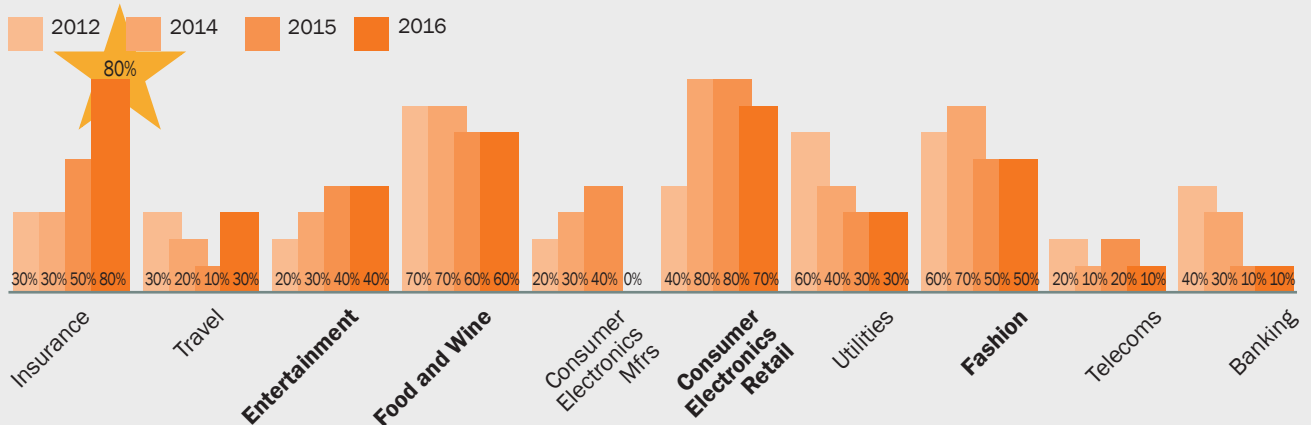
4/ RETAIL SECTOR COMPARISON

HOW DO UK RETAILERS COMPARE TO OTHER SECTORS?

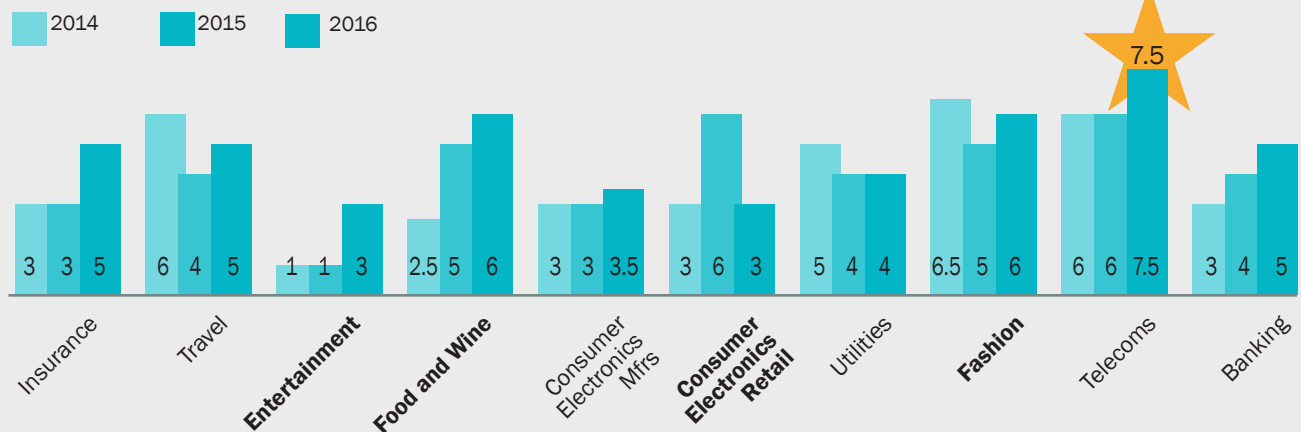
Web performance by sector



Email: Successful answers



Twitter response rates for successful answers (out of 10)



APPENDIX: METHODOLOGY

The 2016 Eptica Retail Multichannel Customer Experience Study evaluated the customer service capabilities of 40 leading UK retail companies in five ways – through the web, email, Twitter, Facebook and chat. The aim was to replicate the actual consumer experience to provide effective, meaningful results across each channel.

WEBSITE

1. Visit each website and look for answers for each of the ten sector-specific questions
2. Use the following order to look for information:
 - Begin with the home page and scan for the answer.
 - Look for the most obvious search box and ask the question.
 - Look for the help/FAQ section and search under this area.
 - Record the answer – score 1 for a complete answer, 0 for not found or ½ for partial answer.
 - Work to a time limit of 2 minutes per question – stop searching when limit reached.

EMAIL

1. Visit each website, search for email option.
2. Email 1 sector-specific question if possible, note down if no email option.
3. Record if auto-response email received.
4. Record if auto-response provides a time frame within which the question will be answered.
5. Record the time taken to respond – was it within the promised timeframe?
6. Did the response answer the question - score 1 for a complete answer, 0 for not found or ½ for partial answer.

SOCIAL MEDIA

1. Visit each website.
2. Record if there is a user forum on the site.
3. Record if there is a link to the company Facebook page.
4. Record if there is a link to the company presence on Twitter.
5. Note down if there is a specific customer service Twitter handle for the company.
6. Record if there is a link from the self-service section of the website to the user forum and/or social media as part of the answering process.



APPENDIX: METHODOLOGY

TWITTER

1. Visit each website, see if the company Twitter handle is clearly advertised.
2. Note down if there is a specific customer service Twitter handle for the company.
3. Go to Twitter and tweet the company directly with the sector specific question.
4. Record the time taken to get a response.
5. Did the response answer the query? Score 1 for a complete answer, 0 for not found or $\frac{1}{2}$ for partial answer.
6. Did you have to ask a follow up question? Yes/no.
7. Time the session from first tweet to end.
8. Compare the answer with those received via Facebook, web chat and email. Were they consistent? Score 4 if consistent across all four channels, 3 if consistent across all three channels, 2 for two channels and 0 if all three answers are different.

FACEBOOK

1. Visit each website, see if the company Facebook page is clearly advertised.
2. Note down if there is a specific customer service Facebook page for the company.
3. Go to Facebook and message the company directly with the sector specific question.
4. Record the time taken to get a response.
5. Did the response answer the query? Score 1 for a complete answer, 0 for not found or $\frac{1}{2}$ for partial answer.
6. Did you have to ask a follow up question? Yes/no.
7. Time the session from posting the first message to the end of the interaction.
8. Compare the answer with those received via web chat, Twitter and email. Were they consistent? Score 4 if consistent across all four channels, 3 if consistent across all three channels, 2 for two channels and 0 if all three answers are different.

CHAT

1. Visit each website, search for web chat option.
2. Note down if there is web chat or not.
3. Start chat session and ask sector-specific question.
4. Time the session from initiation of conversation to end.
5. Record whether you were given the option to have the conversation emailed to you. If so, request this.
6. Did the response answer the query? Score 1 for a complete answer, 0 for not found or $\frac{1}{2}$ for partial answer.
7. Compare the web chat answer with those received via Facebook, Twitter and email. Were they consistent? Score 4 if consistent across all four channels, 3 if consistent across all three channels, 2 for two channels and 0 if all three answers are different.

The research across all channels was carried out in Q4 2015 with companies in the retail sectors, to link to their busiest time of year. (Research with the 60 non retail brands took place in Q1 2016).



eptica
MEANINGFUL CONVERSATIONS

Eptica UK
200 Brook Drive
Green Park
Reading, Berkshire
RG2 6UB
United Kingdom

Eptica Singapore
1 Fullerton Road
#02-01
One Fullerton
Singapore
049213

Eptica US
470 Atlantic Avenue
4th floor
Boston
MA 02210
USA

Eptica France
95 Bis rue de Bellevue
92100
Boulogne-Billancourt
France

Tel: +44 (0) 118 949 7072 | Fax: +44 (0) 118 949 7073 | www.linkedin.com/company/eptica | [@epticaUK](https://twitter.com/epticaUK) | www.eptica.com