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Introduction

Poor customer service has been estimated to cost brands in the UK $\pounds 37$ billion every year¹, thanks to consumers switching to rivals after a bad experience. The balance of power between brands and their customers has fundamentally changed – digitalisation and deregulation has increased competition and truly made the customer king.

Due to this consumer expectations are continually rising

- they want a better experience, across more and more
channels, and they want faster and faster answers to more
and more complex queries. This is increasing the pressure
on brands - they have to cope with an ever-rising number
of queries, and respond effectively if they are to both
quarantee revenues and ensure efficiency.

Some are excelling, but others, even whole sectors, seem to be drowning in consumer queries. That is the headline finding of the 2017 Eptica Multichannel Customer Conversation Study.

Carried out by the digital customer experience software provider Eptica, and repeating research carried out for the past five years, the study evaluated real-world performance by contacting companies over multiple channels, asking the same questions that consumers do, and then measuring their ability to deliver fast, accurate answers. 100 leading companies from the insurance, travel, entertainment retail, food and drink retail, electronics retail, electronics manufacturers, utilities, fashion retail, telecoms and banking sectors were evaluated, across the web, email, Twitter, Facebook and chat.

Introduction

The key results were:

- The overall number of questions answered successfully is down - over half (56%) of questions don't get a satisfactory response (compared to 51% in 2016)
- Driven by increasing volumes, social media was the biggest faller with just 34% of tweets and 35% of Facebook messages getting a response
- Email is proving resilient with 40% of queries successfully answered
- The web is inching forward 67% of questions could be answered on brand websites, up just 1% from 2016
- Chat is growing, with nearly half (49%) of brands advertising the channel, driven by a consumer desire for real-time conversations

Overall, many brands are struggling to cope with rising consumer expectations. New technology, such as artificial intelligence, better integration of channels and greater sharing of knowledge are key to improving performance, so as well as an in-depth evaluation of the research, this guide includes best practice areas to focus on.

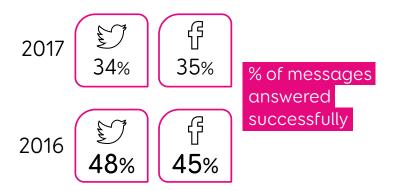


- 1 Social media is struggling to cope
- 2 Chat is coming of age
- 3 Huge range between sectors
- 4 The best are getting better
- 5 Speed is improving

1 - Social media is struggling to cope

Social media has expanded rapidly – and shows no sign of slowing. There are 32 million British Facebook users² (over 50% of the population), 78% of whom use it regularly, and **500 million tweets are sent globally every day.**

With Twitter and Facebook now the main channels for many consumers, it isn't surprising that they want to use social media to interact with brands, dramatically increasing the number of tweets and messages companies receive every day. And the Study finds that brands are finding it difficult to cope with this high volume. Accuracy is down:



2 - Chat is coming of age

65% of consumers say they are happier using chat now, compared to five years ago³. And brands are responding - nearly half (49%) of companies advertise it on their website. In 2014 the figure was just 13%.

Chat has clearly come a long way – but so have consumer expectations. Just 15% of consumers are always happy with the chat experience⁴, and out of the 49% of companies that claimed to have chat, just 22 brands had it available when evaluated.

Given chat's benefits this highlights a need to resource the channel effectively and take a step forward, making it a core part of the experience, rather than a 'nice to have'.

^{2.} Source: We are Flint

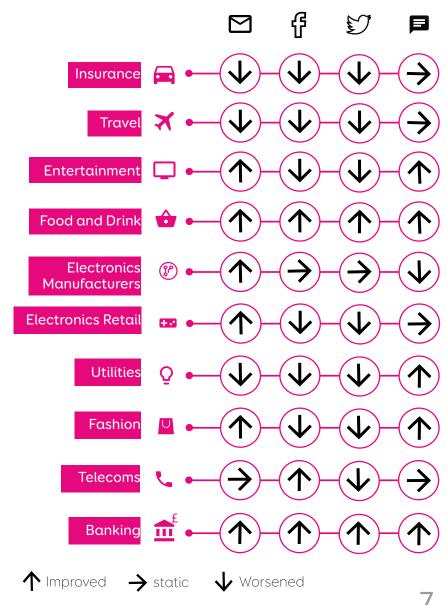
3 - Huge range between sectors

Today, consumers judge every brand by the same high standards, whatever sector they operate in. Therefore, they expect the same quality experience from a utility or bank as from an ecommerce retailer.

Yet, the Eptica Multichannel Conversation Study uncovered large gaps between sectors, with a wide range of responses. For example, electronics manufacturers answered just 29% of questions on the web, email and social media - while electronics retailers successfully responded to 67%. In fact, 7 out of 10 sectors worsened when it came to overall performance.

As barriers to entry lower and competition increases, this demonstrates a need for all sectors to focus on the customer experience, and to benchmark themselves against the best - after all, that's what consumers do.

Channel performance by sector, comparing 2016 and 2017



4 - The best are getting better

One of the key aims of the Eptica Multichannel
Conversation Study is to provide a real-world view of the
service brands in different sectors provide. What the latest
findings demonstrate is that those companies that have
invested in customer service are getting better, while
others in the same sectors are struggling to answer
identical, routine questions.

For example:

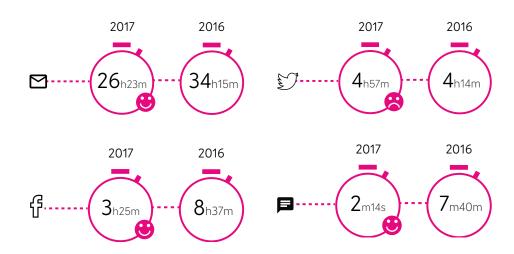
- In food and drink one company scored 90% on the web, yet another answered just 10% of questions
- One electronics retailer responded in 3 minutes on Facebook, while another took nearly 29 hours
- One brand answered a tweet in 4m another in 24 hours

62% of brands see customer experience as the key differentiator, according to Deloitte⁵. However, this is not necessarily translating into better service to consumers in all cases.

The danger for those brands that fail to match the experience that leaders offer is that they will need to compete solely on price, which squeezes margins. Increasingly, consumers will move to brands that provide them with fast, accurate answers – risking the survival of those that fail to match their peers.

5 - Speed is improving

While fewer questions were answered on email, Twitter and Facebook compared to 2016, the good news for consumers is that the average speed of response on Facebook, email and chat all improved dramatically. And, while it worsened on Twitter this was by 43 minutes, remaining under five hours.



8

This welcome drop in response times, more than halving on Facebook and Chat, shows that brands are dedicating greater resources to providing fast answers that meet customer expectations. However, they are not yet joining up their processes or channels. Many messages are still being ignored or lost in the system, while companies vary dramatically on different channels. One airline answered on Twitter in 23 minutes, but took over 4 days to answer the same query on email! It is therefore time for brands to take a holistic view that brings together channels rather than looking at them in silos.

One airline answered on Twitter in 23 minutes, but took over 4 days to answer the same query on email!



- 1 The Web
- 2 Email
- 3 Social Media
- 4 Chat
- 5 Consistency
- 6 Quality

1 - The Web

The web is now a central part of every customer buying journey, with 90% of British households having internet access and over three quarters (77%) making purchases online, according to official figures⁶. Increasingly mobile, web use has moved beyond ecommerce to embrace researching and buying across every sector, with 75% of users admitting that the online experience affects how they judge a brand⁷.

Eptica's research shows that brands understand the vital importance of the web, and are working hard to ensure that their websites provide the information that consumers need as part of the buying journey. On average, companies answered 67% of questions asked online (up 1% from 2016). Nearly half (46%) improved their scores compared to last year, with 18% remaining the same.

However, these improvements do mask some concerns. Fewer brands are scoring 100%, and some are lagging behind with 15% scoring 4 out of 10 or less.

There are big differences between different sectors – banking remains top, with an average of 82%, while entertainment continued at the bottom with 49%. **Telecoms had the highest improvement, scoring 17% more than in 2016**. Brands need to benchmark themselves against their peers and the wider web if they are to continue to improve.

		2017	2016	Change
1	a Banking	82%	84%	-2%
2	Telecoms	78%	61%	+17%
3	Fashion	77%	83.5%	-6.5%
4	Q Utilities	75%	81%	-6%
5	Electronics Manufacturers	69%	57%	+12%
6	Electronics Retail	66%	65%	+1%
7	X Travel	64%	69%	-5%
8	• Food and drink	56%	69%	-13%
9	Insurance	54%	45%	+9%
10	Entertainment	49%	44%	-5%

Overall score on web, by sector

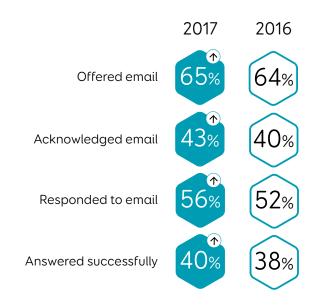
2 - Email

Despite its relative age compared to social media, email continues to be a growing channel. Research in 2017 found that 82% of British consumers say email is their most common online activity, up 3% compared to 20168. People like its ease of use, built-in audit trail and the ability to send messages of any length, at any time.

However, dealing with rising email volumes is not easy for brands. Customer requests via email are becoming increasingly complex, and can be difficult to understand, slowing down responses, or leading to queries not being answered satisfactorily. The 2017 results of the Multichannel Customer Conversation Study demonstrate these problems. While more brands offered email (65% compared to 64% in 2016), many more reserved email for customers only, shutting the door on queries from consumers interested in buying their goods and services.

Response rates also increased, and speed decreased, but overall just 40% of all brands satisfactorily answered the query.

Essentially 25% of brands are either not responding, or are not responding accurately, a missed opportunity that could be fixed through better processes or better knowledge.



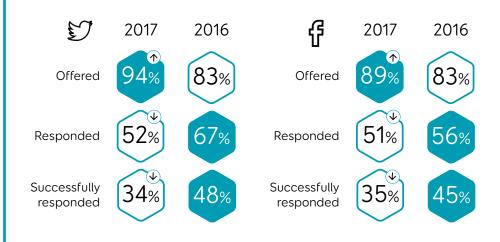
There was also a growing gap between best and worst. Response times ranged from 7 minutes to over 7 days, and while electronics retailers successfully answered 90% of queries, utilities and telecoms responded to just 10% on average.

3 - Social Media

In the 2017 study Twitter and Facebook saw a catastrophic drop in performance, dragging overall averages down. This is likely to be down to the sheer increase in customer service tweets and messages – 66% of Facebook users log on every day⁹, and there are 800 million daily Likes¹⁰. Over 4.5 million tweets are sent every month to B2C brands¹¹.

Dealing with this growth is complicated by rising consumer expectations. They want helpful answers, faster. **Just 32%** of Twitter users and 38% of those on Facebook were happy with the service they were getting from brands, according to earlier Eptica retail research¹².

While more brands are present on Twitter and Facebook compared to 2016, response rates have **dropped - by 15% on Twitter and 5% on Facebook**. Accuracy has also plummeted, although speed on Facebook has improved dramatically. If you do get a response on social media it is likely to be faster than other channels, but if you require accuracy email is a better choice.



There was a huge range of response times. Several companies **answered a tweet in 2 minutes, yet one took 166 hours**. Clearly, more brands are now active on social media, but have yet to put in place the processes, knowledge and AI technology that they need to respond effectively, either directly or via chatbots.

^{9.} Source: Facebook

^{10.} Source: Facebook

^{11.} Source: Twitter

^{12.} Source: Eptica Retail Conversation Study

4 - Chat

After several years of progress, 2017 was the year that chat hit the mainstream, with nearly half (49%) of brands advertising it on their websites, up from 44%. The reasons are obvious – consumers value the real-time, conversational nature of chat, while it also boosts efficiency and productivity.

Agents can handle multiple chats at once, benefiting brands while also deflecting expensive calls from the contact centre. Chat is the fastest and most accurate channel evaluated, with an average response time of 2 minutes 14 seconds and an 82% success rate when it came to answering customer queries.

However, while brands have increased their focus on chat, they have not yet dedicated the resources needed to meet rising customer expectations. While 49% of brands advertised chat, just 22% had it working when tested, with many switching it off, presumably to save resources at busy times. Failing to have it available is no longer acceptable to consumers – they see chat as an integral part of the customer experience, and a channel that they want to use.

Offering a strong chat experience is particularly important with the rise of chatbots, which essentially automate chat on networks such as WhatsApp and Facebook

Messenger, aiming to combine the speed and conversational nature of chat with the power of artificial intelligence to deliver efficient answers to routine queries.

For a more in-depth look at the current state of chat with UK brands, along with a best practice guide, we recommend reading our recent report, **The Changing**Face of Chat¹³.

Do you prefer using chat instead of?



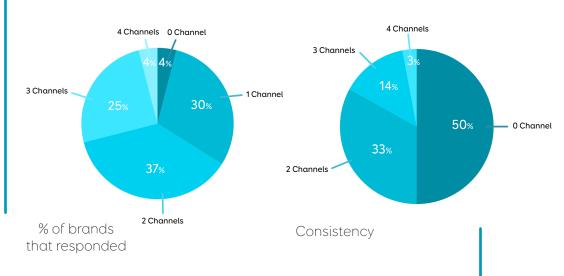
5 - Consistency

Consistency is central to delivering efficient service that matches the needs of all customers, whatever channel they choose to use. As well as annoying customers, providing inconsistent levels of service, and inconsistent answers on different channels, hits operational efficiency. Maintaining and updating different silos of information for each channel is costly and ineffective, while a lack of consistency can force confused customers to make contact multiple times, increasing volumes unnecessarily.

The evolution of customer service has led many companies to add additional channels as consumer demand has grown, and this approach could well be behind major differences in performance. For example, one utility answered on Twitter and Facebook in 2 minutes, yet took over 3 days to respond to the same question on email. 15 brands claimed to offer all four channels evaluated (email, Twitter, Facebook and chat), yet only 4 responded on all of them. This is a real wasted opportunity – centralising knowledge and resources, and making them available across channels will increase efficiency and customer satisfaction at the same time.

Overall consistency and response rates are improving but **the lack of a joined-up approach** is also driving major differences between brands in the same sector:

- One insurer responded to email in 1 hour 42 minutes another took 66 hours 57 minutes
- A travel company took 7 days to answer an email but another took 1 hour 4 minutes
- Utility performance on Twitter varied from 2 minutes to 166 hours
- On Facebook, two electronics retailers took 3 minutes and over 28 hours to answer the same question



Customer expectations are continually rising, and they increasingly want to engage with brands that understand them and deliver personalised service built on empathy and context as well as speed and relevance.

To measure this, for the first time the Eptica Multichannel Conversation Study evaluated the quality of responses for a subset of 60 brands, covering insurance, telecoms, travel, banking, electronics manufacturers, utilities and banks. They were assessed against five key criteria:

- Speed how quickly was it provided?
- Relevance how relevant was the response?
- Context did it show understanding of the whole question or respond solely to part of it?
- Personalisation was it personalised?
- **Empathy** did it show real empathy?

Each response was scored on a scale of 0-5 for each criteria. For example, to receive 5 out of 5 (100%) for relevance it had to provide a full reply that successfully answered the question, without a consumer having to send a follow-up message or visit another channel. Results were then aggregated and expressed as a percentage, measuring responses against the criteria.

The results demonstrate that brands are generally making progress towards engaging with consumers, but that some sectors and channels are faring better than others. For example, overall channel scores ranged from 57% (chat) to 68% (Facebook).

Speed was the best attribute of those that answered, scoring 69%, ahead of personalisation (66%), relevance (63%), context (60%), and empathy (59%). Given that Forrester has found that consumers that are not emotionally engaged are 5x less loyal than those that are 14, it is imperative that brands focus more heavily on quality factors in their customer experience.

14. Source: Forrester

☐ Insurance



X Travel



(?) Electronics Manufacturers



Utilities



Telecoms



a Banking



1 - Insurance 6 - Electronics Retailers

2 - Travel 7- Utilities

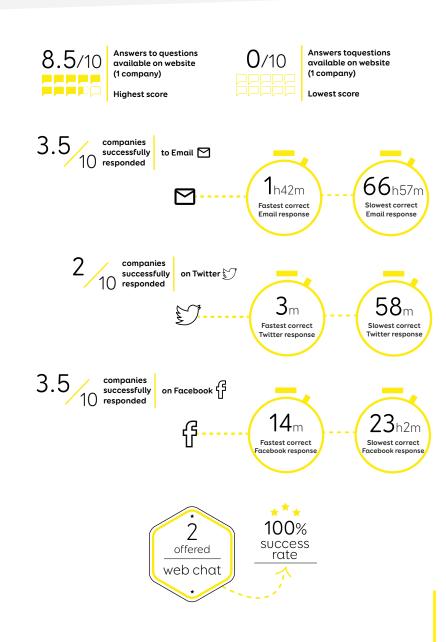
3 - Entertainment 8 - Fashion Retailers

4 - Food and Drink 9 - Telecoms

5 - Electronics Manufacturers 10 - Banking

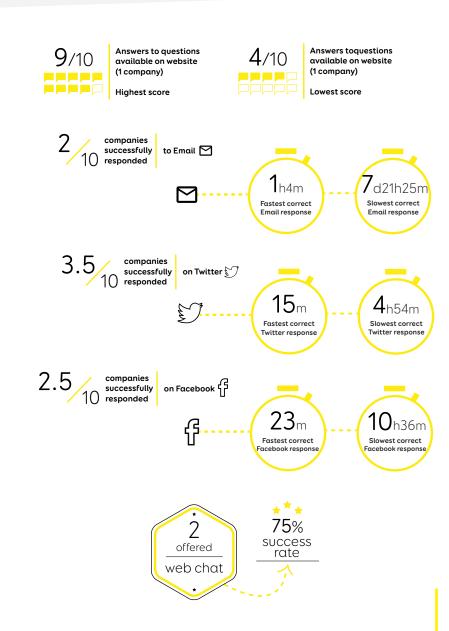


- 1. Admiral
- 2. Aviva
- 3. Axa
- 4. Churchill
- 5. Esure
- 6. Legal & General
- 7. Liverpool Victoria
- 8. More Than
- 9. NFU Mutual
- 10. Zurich



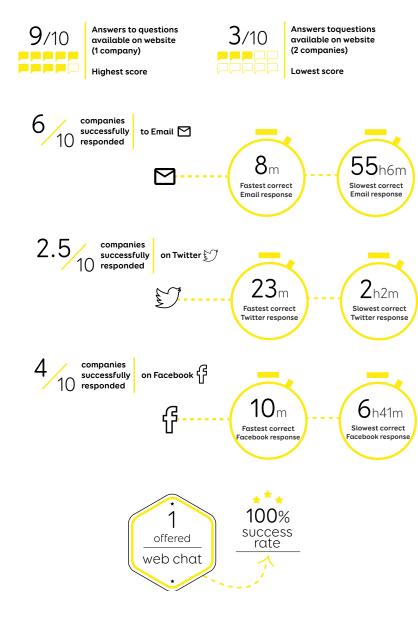


- 1. British Airways
- 2. Easy Jet
- 3. Flybe
- 4. Hays Travel
- 5. Jet2
- 6. Monarch*
- 7. Ryanair
- 8. Thomas Cook
- 9. Thomson (TUI)
- 10. Virgin Holidays
- *Research completed before Monarch entered administration



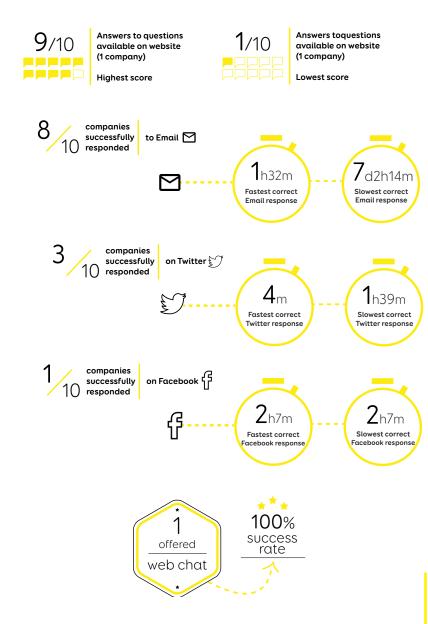


- 1. Amazon
- 2. Apple iTunes
- 3. Google Play
- 4. HMV
- 5. Tesco
- 6. The Book People
- 7. The Works
- 8. Waterstones
- 9. WH Smith
- 10. Zavvi





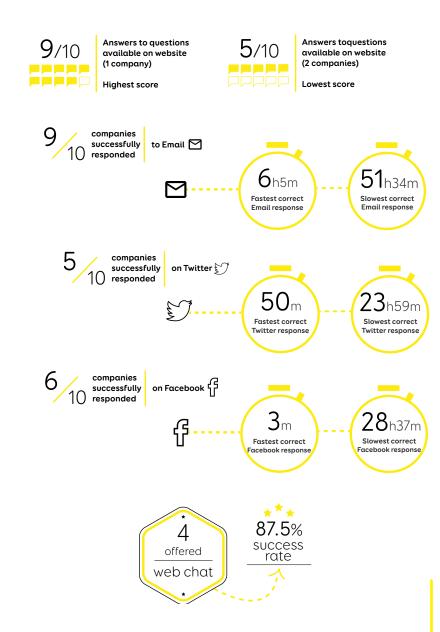
- 1. Asda
- 2. Holland & Barrett
- 3. Laithwaites
- 4. Majestic Wines
- 5. Morrisons
- 6. Ocado
- 7. Sainsbury's
- 8. Selfridges
- 9. Tesco
- 10. Waitrose





Electronics Manufacturers

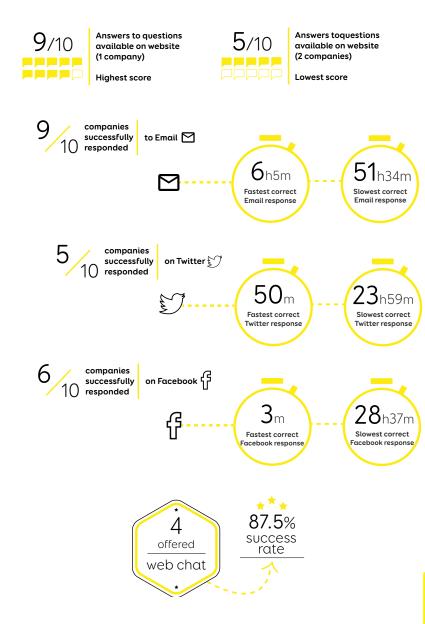
- 1. Apple (iPad)
- 2. Dell (laptop)
- 3. HP (laptop)
- 4. LG (3DTV)
- 5. Microsoft (Xbox One X)
- 6. Nintendo (Switch)
- 7. Panasonic (3DTV)
- 8. Samsung (3DTV)
- 9. Sony (PlayStation 4)
- 10. Toshiba (laptop)





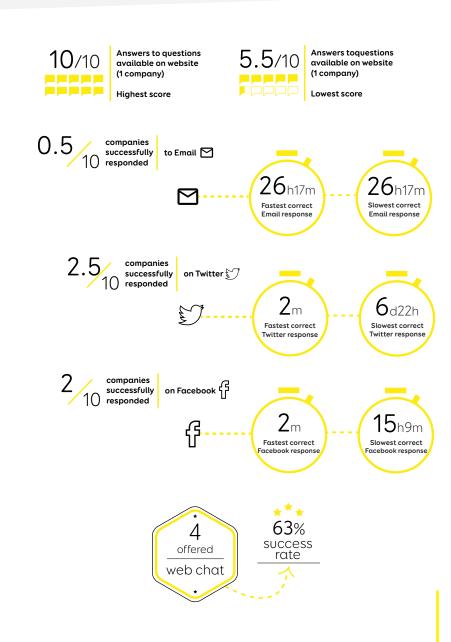
Electronics Retailers

- 1. Argos (TV)
- 2. AO (smart home)
- 3. B&Q (smart home)
- 4. ebuyer (laptop)
- 5. Carphone Warehouse (Mobile)
- 6. Currys (TV)
- 7. Game (PS 3)
- 8. Hughes (TV)
- 9. Jessops (camera)
- 10. John Lewis (TV)



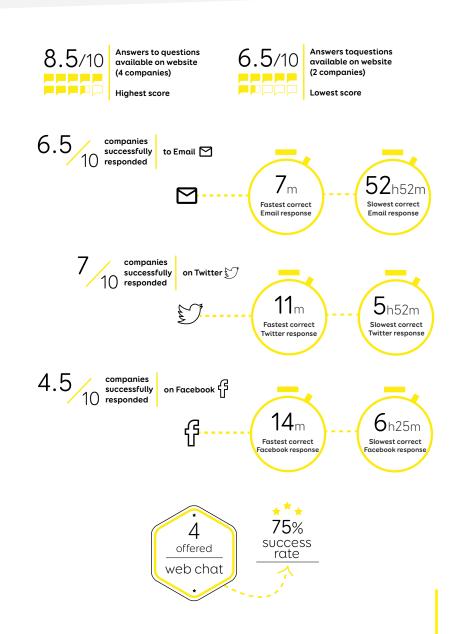


- 1. British Gas
- 2. Ecotricity
- 3. EDF
- 4. Eon
- 5. First Utility
- 6. Good Energy
- 7. nPower
- 8. Ovo Energy
- 9. Scottish Power
- 10. SSE



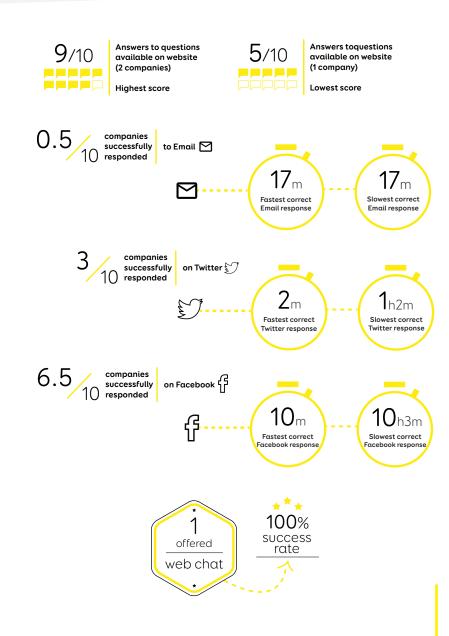


- 1. Asos
- 2. Debenhams
- 3. House of Fraser
- 4. Joules
- 5. Marks and Spencer
- 6. New Look
- 7. Next
- 8. River Island
- 9. Top Shop
- 10. The White Company



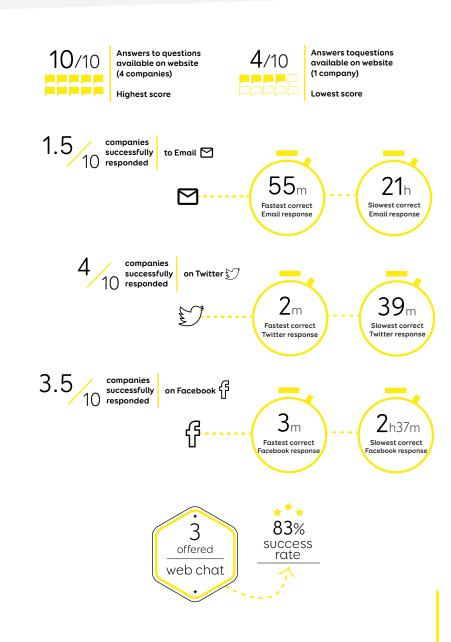


- 1. BT
- 2. EE
- 3. GiffGaff
- 4. 02
- 5. Sky
- 6. Talk Talk
- 7. Tesco Telecom
- 8. Three
- 9. Virgin Mobile
- 10. Vodafone





- 1. Barclays
- 2. Co-operative Bank
- 3. First Direct
- 4. Halifax
- 5. HSBC
- 6. Lloyds
- 7. Natwest
- 8. Nationwide
- 9. Santander
- 10. TSB



Best Practice Recommendations

Consumer expectations are changing fast, leading to a rapid increase in the volume and complexity of the requests that brands receive. To cope efficiently with this unprecedented change, they should focus on these 5 areas:

- **1 Automate more basic interactions**: Reduce the load on more expensive channels that require agent involvement such as email and the telephone by introducing web self-service and chatbots that provide consumers with fast answers to routine queries.
- **2 Invest in chat: Chat** delivers significant benefits to both consumers and brands alike. It is moving into the mainstream, so ensure that you are meeting customer expectations by resourcing it effectively and offering it to all consumers, not just customers, when and where they need it.
- **3 Integrate**: The old silo-based model of customer service simply cannot deliver in today's multichannel world. Share resources and knowledge across channels to maximise efficiency, consistency and to speed up the process of helping customers.

- **3 Empower agents**: The rise of artificial intelligence and automation actually makes your agents more valuable, as it frees them up to use their human skills such as empathy and personalisation. Augment these with AI to deliver the complete service that consumers demand.
- **4 Continually benchmark**: It doesn't matter what sector you are in consumers judge you against the best, when it comes to customer experience. Therefore, ensure that you are continually improving by comparing your brand against acknowledged CX leaders, whatever their industry.

Conclusion

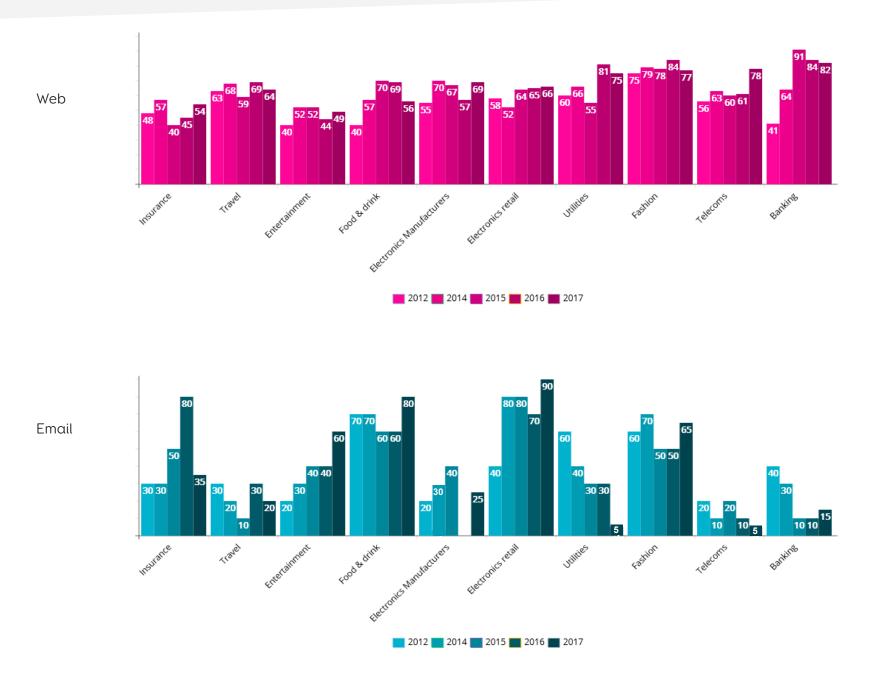
The 2017 Eptica Multichannel Customer Conversation Study demonstrates the pressure that brands are under when it comes to customer experience. Consumer expectations are rising, the volume of queries is growing and complexity is increasingly.

Against this backdrop many brands are excelling, but many more are struggling to deliver the experience that customers want. The best seem to be getting better, leaving the laggards behind. This has potentially serious consequences for those that fail to cope, with consumers happy to switch to those that provide them with the levels of service that they expect.

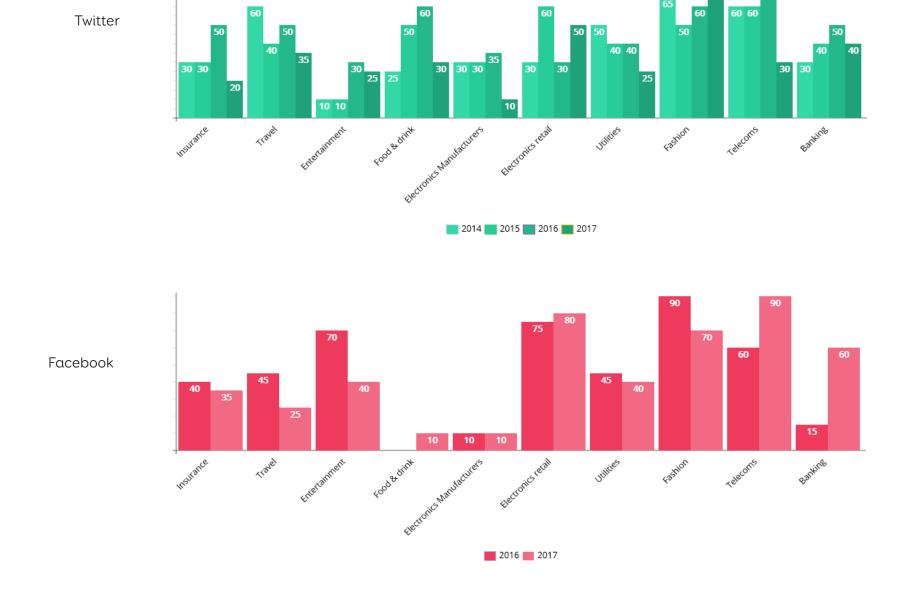
This is particularly true on social media, where brands seem to be swamped by the amount of incoming customer service tweets and messages, and are unable to respond quickly or accurately enough. Other channels are coping better, with the growing use of chat and progress on the web and email also showing that brands are gradually putting in place the processes and knowledge to meet customer requirements.

However, the world of customer experience is constantly changing. Customers now want more than just speed and relevance, and want to have a meaningful conversation with brands, based on understanding, empathy and personalisation. To achieve this at scale brands will need to integrate channels and knowledge, share resources between channels and increasingly deploy artificial intelligence to automate basic transactions while empowering agents to use their human skills to meet customer needs. Future business success relies on superior CX, and UK brands need to act now if they want to remain relevant to consumers moving forward.

Five years of research



Five years of research



Methodology

The 2017 Eptica Multichannel Conversation Study evaluated the customer service capabilities of 100 leading UK brands in five ways – through the web, email, Twitter, Facebook and chat. Sectors evaluated were banking, insurance, electronics manufacturers, telecoms, utilities, travel, food and drink, entertainment, electronics retail and fashion. Research was completed in Q3 2017.

The aim was to replicate the actual consumer experience to provide effective, meaningful results across each channel:

- ✓ Visit each website and look for answers for each of the ten sector-specific questions
- Send 1 sector-specific question via email, Twitter and company Facebook page
- Record if channel unavailable and measure length to time to receive a response

- Check if response answered the question score 1 for a complete answer, 0 for not found or ½ for partial answer
- ✓ Visit each website, search for chat option. If available start chat session and ask insurance specific question
- ✓ Time the session from initiation of conversation to end
- ✓ Time the session from initiation of conversation to end
- ✓ Compare the answers received via Twitter, Facebook and chat and email. Were they consistent?

Methodology

- ✓ Evaluate the answers given on chat, email and social media against set criteria for speed, relevance, context, personalisation and empathy (non-retail sectors)
 - Speed how quickly was it provided?
 - Relevance how relevant was the response?
 - Context did it show understanding of the whole question or respond solely to part of it?
 - **Personalisation** was it personalised?
 - **Empathy** did it show real empathy?

Questions included:

- Do I get a discount if I take out multiple policies with you? (insurance)
- What is your cancellation policy? (retail)
- Does my car insurance cover me to drive in Europe? (travel)
- Is cash covered under my household policy? (telecoms)

About Eptica













Eptica is a leading European technology company specialising in intelligent platforms for digital customer experience. Eptica provides conversational and collaborative solutions powered by Al.

Founded 16 years ago by Olivier Njamfa, Eptica supports brands to make digital CX the key link in the value chain, ensuring their customer service delivers value to consumers and across their business.

Globally, more than 450 organisations across all industries rely on our solutions on all digital channels. including self service & knowledge base, email, chat and social media. We enable millions of individuals to engage in meaningful conversations with brands improving daily lives for everyone. Customers include AXA, L'Occitane, Dixons Carphone, Crédit Agricole, Domestic & General, AirAsia, Hastings Direct, TUI, Debenhams, Capita and Ageas Insurance Solutions.



Specialising in Natural Language Processing (NLP), Eptica makes the best use of AI and cognitive **technologies for CX**, enabling brands to improve:

- 1 Customer satisfaction
- 2 Competitiveness: equipping organizations with bots that automate simple tasks and provide decision support tools to enhance agents, generating greater productivity and allowing agents to focus on more complex conversations and enabling sales
- 3 Customer knowledge: generating insights that guide brands and their operations.

Eptica has offices in Paris, London, Boston and Singapore. Follow us on Twitter: @Eptica.

Discover our news and opinions on the market in our blog.

2017 Customer Conversations

The State of UK Digital Customer Experience



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