

Eptica Study

2017 Retail Customer Conversations

The State of UK Retail Digital Customer Experience

Contents

	Introduction	3
	5 Key Findings	6
	Detailed Analysis	10
	Retail Sector Comparison	17
	Conclusion	22
	Methodology	23

Introduction

Failing to deliver?

The retail market is undergoing **unprecedented change** and it shows no signs of slowing.

Ecommerce has fundamentally disrupted the sector, allowing new players to enter the market, increasing consumer choice and driving intense competition. Customers are continually **demanding more** when it comes to the service retailers provide, and are happy to move to rivals if their needs are not met.

All of this puts the focus on the experience that retailers offer, across all digital channels. To find out how they are faring, **Eptica evaluated the experience provided by 40 leading UK retailers, in four sectors, mirroring consumer behaviour by asking routine questions via the web, email, social media and chat.**

This builds on studies carried out since 2011, and **to add further depth the 2017 Eptica Retail Conversation Study also surveyed consumers for their views - how satisfied are they with the retail experience?**

The findings highlight a **growing chasm** between what customers want and what retailers are offering. On average **under 50% of consumers said they were happy** with the experience received on the web, email, social media and chat. Response rates and accuracy have not improved year on year across the majority of channels, with many retailers seeming to settle for 'good enough' service. In a time of enormous disruption, good enough is not enough.












**Under 50% of consumers said
they were happy**

Introduction

Overall, retailers left **nearly half (46%) of routine questions asked through email, the web and social media unanswered**, worsening by 1% since 2016.

The report therefore not only outlines the Study findings, but highlights how retailers can adapt, embracing **new technologies such as artificial intelligence to enable more meaningful conversations with consumers**, boosting engagement, efficiency and the bottom line.

46% of questions left unanswered

	2017	2016
Overall	46% 	45%
 Web	38% 	35%
 Email	26% 	45%
 Facebook	61% 	41%
 Twitter	56% 	55%
 Chat	25% 	13%

Percentage of questions that did not receive a response.

Introduction

The Market Challenge

The move to digital has fundamentally changed the retail landscape. It is now more complex and dynamic than ever before. Consumers have an increasing range of choices in terms of where they spend, across every part of the sector. At the same time growth is going into reverse figures from the Office of National Statistics show that UK retail sales dropped by 0.4% in the three months to January 2017⁽¹⁾, the first fall since December 2013. Inflation and currency fluctuations are forcing price rises, further damaging relationships with shoppers.

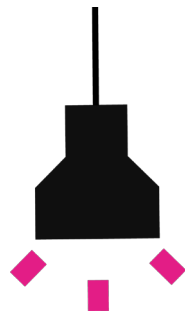
No wonder that 69% of retail CEOs surveyed by PwC⁽²⁾ said that they were investing in digital customer service technology, helping them deliver the personalised, seamless experience that consumers require. The prize is potentially vast - **93% of consumers surveyed by Eptica say they are more likely to buy from a retailer if they have a positive experience**, but 69% say their expectations are continually rising.

Retailers need to focus on creating meaningful conversations with their customers if they are to build long-term loyalty. These conversations are defined as being rapid, accurate, in context, demonstrating empathy and are personalised to individual needs. Yet meeting these requirements is a balancing act, at a time of increasing pressure on margins, retailers have to deliver service efficiently, to every individual customer, without exception. Only those that succeed in this ambition will thrive in the hyper competitive retail environment.

1. Source Office for National Statistics: Retail sales in Great Britain: Jan 2017

2. Source Essential Retail: Retailers struggle to make digital profitable, says research

5 Key Findings

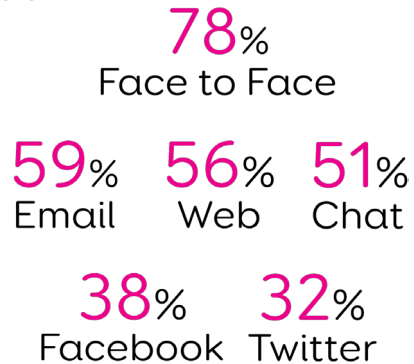


- 1 - Struggling to improve
- 2 - Accuracy sacrificed to speed
- 3 - Consistency is lacking
- 4 - Chat use is growing
- 5 - Delivering average service

5 Key Findings

1 - Struggling to improve

The performance of UK retailers seems to have stood still over the last 12 months. The number of questions answered accurately on the web, Twitter and Facebook all declined, although email improved dramatically, by 19%. Just 54% of questions across the web, email and social media were answered. **You are now more likely to receive a successful answer to a query on email than on social media.**




This mirrors the views of consumers, with levels of satisfaction varying greatly between digital channels, but correlating closely with the average scores that retailers achieved in the Study.

2 - Accuracy sacrificed to speed

Today, consumers want instant responses to their questions. Whether this is to a simple query or part of a more complex request, they value having a real-time conversation.

Brands seem to recognise this, with response times dropping dramatically year on year. On average, replies on Twitter and Facebook were all delivered in around half the time of 2016. However, this was not matched with a corresponding improvement in accuracy – **just 44% of tweets and 39% of Facebook messages were answered successfully.**

	Email	Twitter	Facebook
2017	23hr 27m	2hr 42m	3hr 43m
2016	32hr 53m	5hr 40m	6hr 36m

Drop in response times between 2016 and 2017 on email, Twitter and Facebook

Given that **91% of consumers expect a fast AND accurate response**, retailers are failing to deliver the level of service that customers demand.

5 Key Findings

3 - Consistency is lacking

Customers want the same high quality experience, whichever channel they use to make contact. Yet the Study found enormous inconsistencies, **with 58% of retailers providing different answers to the same question** across multiple channels. Just three companies responded on email, Twitter, Facebook and chat – and only one of these was consistent across all four channels.

Consumers recognise this inconsistency - 44% say service levels differ between channels and point the finger clearly at a lack of shared information, with 41% saying that they don't believe staff have the knowledge to help them.

**58% of retailers
provide different answers
to the same question
across multiple channels**

4 - Chat use is growing

While the overall picture was static, there were positive improvements in the chat channel. Traditionally underused, it seems to be finally coming of age, with 25% of retailers having it working when evaluated, up from 13% in 2016.

85% of chat sessions successfully answered the consumer's question, against just 60% in 2016.

This demonstrates a renewed focus on chat, with retailers dedicating greater resources to the channel.

**85% of chat sessions
successfully answered
the consumer's question**


5 Key Findings

5 - Delivering average service

The volume of interactions that retailers have to respond to is growing exponentially. Perhaps because of this, many retailers seem to be settling for providing average service. In 2016 four companies scored 100% on the web – yet this year none did. **Performance seems to be clustering around the middle with 50% of retailers in 2017 scoring between 20-60%**; in 2016 the figure was just 32%.

Yet average is not enough. **40% of consumers already say retailers don't keep their promises when it comes to response times** – failure to provide the right experience will drive them to competitors who provide a better service.

Comparison of the number of questions (out of 10) successfully answered on their websites by retailers



	20 17	20 16
10/10	0	4
9/10	3	3
8/10	9	9
7/10	7	9
6/10	7	4
5/10	5	5
4/10	4	0
3/10	3	3
2/10	1	1
1/10	1	1
0/10	0	1

Detailed Analysis



- 1 - Retail Conversations on the Web
- 2 - Retail Conversations through Email
- 3 - Retail Conversations on Social Media
- 4 - Retail Conversations on Chat
- 5 - Lack of joined up thinking

Detailed Analysis

1 - Retail Conversations on the Web


Losing focus?

£133 billion was spent online in 2016, up 16%, according to IMRG/Cap Gemini⁽¹⁾. Mobile is increasingly driving growth with nearly 40% of ecommerce sales made through mobile devices⁽²⁾.

However, many retailers seem to be losing their focus on providing answers and service via their websites.

Overall, the 40 brands in the Eptica Retail Conversation Study answered 62% of all questions on their websites, down from 65% in 2016. While minor, this marks the first fall in performance since research began in 2011.

The experience provided by 17 companies worsened, 8 remained the same, and 15 improved. While some are excelling, many brands are settling for OK service, rather than pushing for excellence – a dangerous move in such a competitive market. **Consumer reactions seem to back this up** – 56% said they were happy or generally happy with web service, leaving 44% who were unhappy about at least half the interactions they had with brands.

	Fashion	Food & Drink	Consumer Electronics	Entertainment
2017	77%	58%	66%	49%
2016	84%	69%	65%	44%
2015	78%	70%	64%	52%
2014	79%	57%	52%	52%
2012	75%	40%	58%	40%

Percentage of questions successfully answered on the web, split by retail sector and year

1. Source IMRG: UK online sales exceed £130 billion in 2016, fuelled by sales growth on smartphones

2. Source Ecommerce News: Mcommerce UK accounts for €30 billion in 2016

Detailed Analysis

2 - Retail Conversations through Email

Email improving


In contrast to the web, retailers are increasingly delivering a fast, consistent and accurate experience over the email channel. This reflects the vital importance of the channel to consumers, and its widespread usage – it is expected that by the end of 2019 over 246 billion emails will be sent globally every day⁽¹⁾. While the number of retailers offering email dropped slightly, from 88% in 2016 to 85% in 2017, those that provided it seem to have improved the processes and knowledge that underpins the channel:

- **83%** responded (70% in 2016)
- **74%** provided accurate answers (up from 55%)
- Average response time dropped dramatically, from **32hr 53m to 23hr 27m**

This tallies with consumer experiences, where **59% of respondents said they were either happy or very happy with the email customer service provided by retailers**, a figure that was higher than satisfaction levels with telephone customer service (57%).

However, there were **significant differences in speed between retailers**, even those in the same sector.

One fashion retailer responded successfully in **7 minutes**, yet another took **nearly 53 hours** to answer exactly the same question. Given rising consumer expectations and the need for two way conversations, retailers need to ensure that they are providing answers that aren't solely accurate, but are fast as well.

	Fashion	Food & Drink	Consumer Electronics	Entertainment
Offered email	70%	100%	90%	80%
Acknowledged email	50%	70%	70%	50%
Gave expected time to reply	50%	40%	50%	40%
Answered	70%	100%	90%	70%
Successfully answered question	65%	80%	90%	60%
Answered by own deadline	80%	50%	100%	75%
Answered within 6 hours	40%	10%	0%	20%

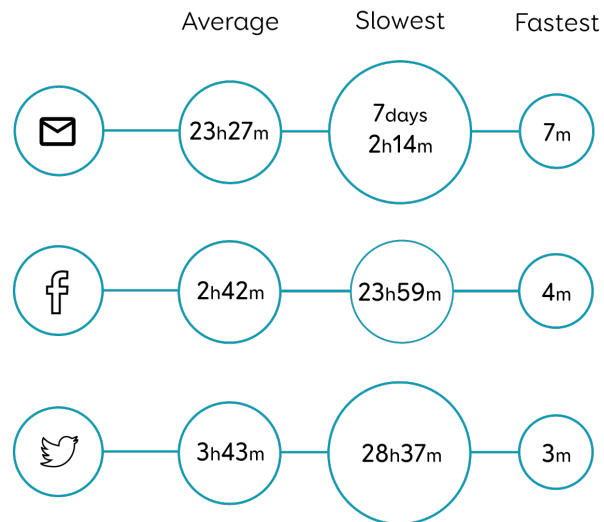
Email results by sector, against key metrics such as acknowledgement, successful response

Detailed Analysis

3 - Retail Conversations on Social Media

Failing to talk

Twitter and Facebook are increasingly where consumers want to have conversations with retailers - tweets to major brands have increased 2.5 times over the past two years, meaning that means over 4.5 million tweets⁽¹⁾ are sent every month to B2C companies.



Speed of response across email, Twitter and Facebook, showing the enormous range between fastest and slowest on each channel



Yet it appears that many retailers are struggling to cope with the sheer volume of interactions on these channels.

While 98% of companies have Facebook pages and 95% are present on Twitter, response rates are either flat or worsening.

According to the Study, you stand **a better chance of getting a successful answer to a query on email**

than on social media - no wonder that only 32% of consumers are happy with the service they get on Twitter, and 25% class themselves as very unhappy.

The experience on Facebook is similar - 22% of consumers said they were very unhappy, and just 38% were happy or generally happy. With much talk about introducing chatbots on social media, retailers need to ensure that they are centralising and sharing knowledge if these new technologies are to improve conversations with consumers.

		Fashion	Food & Drink	Consumer Electronics	Entertainment
	Offered	100%	100%	90%	100%
	Answered	70%	10%	80%	50%
	Responded successfully	45%	10%	60%	40%
	Offered	100%	100%	80%	100%
	Answered	80%	50%	50%	30%
	Responded successfully	70%	30%	59%	25%

Twitter and Facebook results by sector

1. Source Twitter: Customer Service on Twitter

Detailed Analysis

4 - Retail Conversations on Chat

Failing to talk on social media


As consumers increasingly want to have real-time conversations with retailers, chat is becoming more and more popular. It provides a quick, easy alternative to channels such as email or social media, with the added benefit for businesses that it is more efficient than telephone service. No wonder that **51% of consumers surveyed said that they were happy or generally happy with the service they received through the channel.**

However, in the past few years, the Eptica Study has found a gap between retailer rhetoric and reality when it comes to chat, with many claiming to offer it and then switching it off when resources were tight. In 2017, **chat appears to have come of age** – with 25% of retailers having chat available when surveyed, up from just 13% in 2016.

This was not the only piece of positive news.

85% of chat sessions successfully answered the consumer's question,

against just 60% in 2016. The average length of a chat dropped from 9 minutes 40 seconds in 2016 to just 5 minutes 24 seconds in 2017. Clearly companies are dedicating more resources to chat, and arming agents with the knowledge they require to have meaningful, useful conversations with consumers.

	Fashion	Food and Drink	Consumer Electronics	Entertainment
Advertised chat (2016)	20%	60%	60%	30%
Advertised chat (2017)	50%	20%	70%	30%
Had chat working when tested (2016)	0%	10%	30%	10%
Had chat working when tested (2017)	40%	10%	40%	10%
Success rate (2016)	0%	100%	83%	0%
Success rate (2017)	75%	100%	87.5%	100%

Comparison of chat channels, by retail sector, between 2016 and 2017

Detailed Analysis

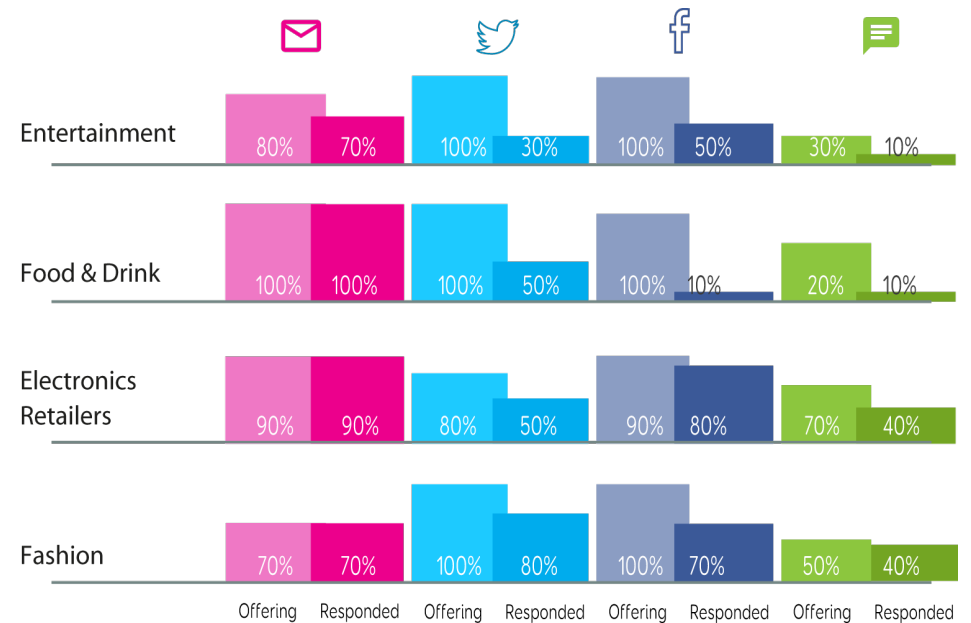
5 - Lack of joined up thinking

5.1 - Poor response rates hinder multichannel performance

77% of consumers expect to be able to switch channel during a conversation, but just 50% say it is easy to achieve in practice. Partially, this is due to a lack of channel choice.

Just three companies (8%) answered a query on email, Twitter, Facebook and chat. Only one of these was consistent across all of these channels. Retailers clearly need to join up their different channel teams, sharing resources such as a centralised knowledge base to drive up consistency, response rates and internal efficiency.

Just three companies (8%) answered a query on email, Twitter, Facebook and chat



2017 successful response rates on email, Twitter, Facebook and chat, split by sector

Detailed Analysis

5.2 - Are retailers delivering a consistent conversation?

Consumers want the ability to communicate with brands through their channel of choice, whenever is convenient to them. They want to receive the same high standard of conversation, whatever channel they use – but don't believe they are getting this. In fact **44% believe that service levels vary between channels** and **42% said that they received different answers depending on how they made contact.**

85% of companies were completely inconsistent with no answers matching on different channels

Sadly, if anything this consumer perception appears to be an underestimate. The Study found wildly varying responses between different channels – in one case a retailer provided three radically different answers on email, Facebook and chat! In another, the fastest entertainment retailer was the slowest to respond on Twitter. **85% of companies were completely inconsistent with no answers matching on different channels**, showing a lack of shared knowledge within companies.

Retail Sector Comparison

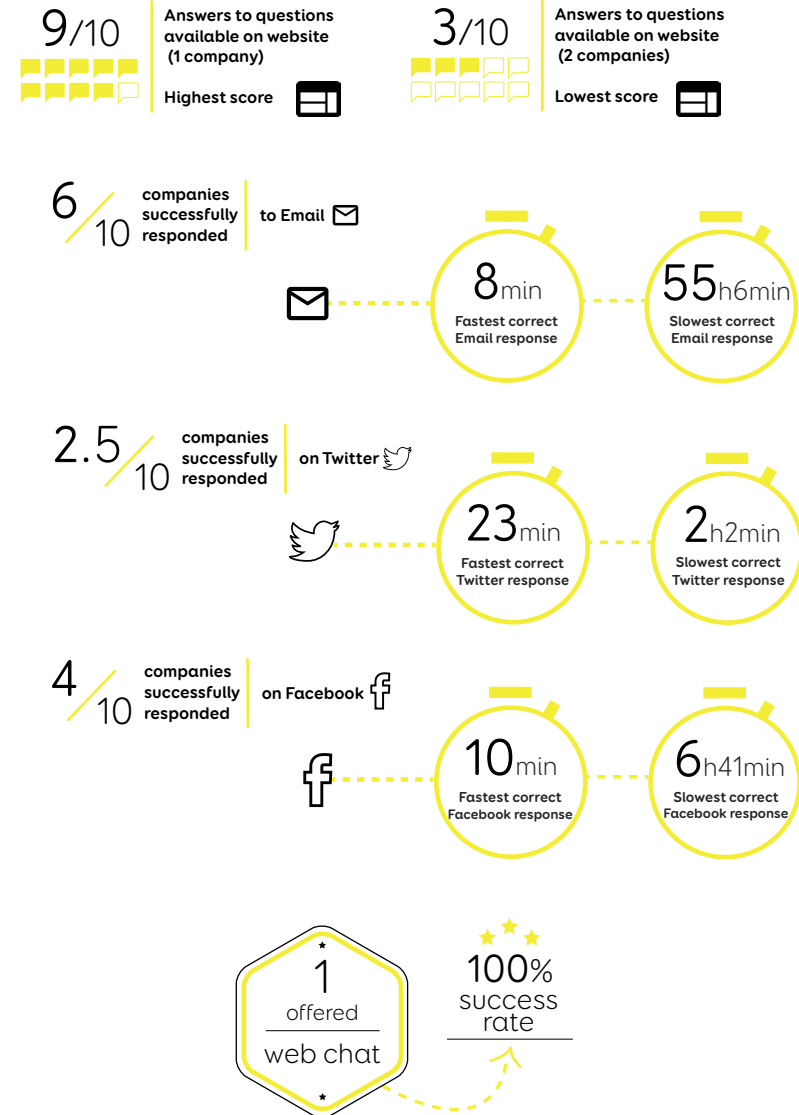


Retail Sector Comparison



Companies surveyed: (alphabetical)

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

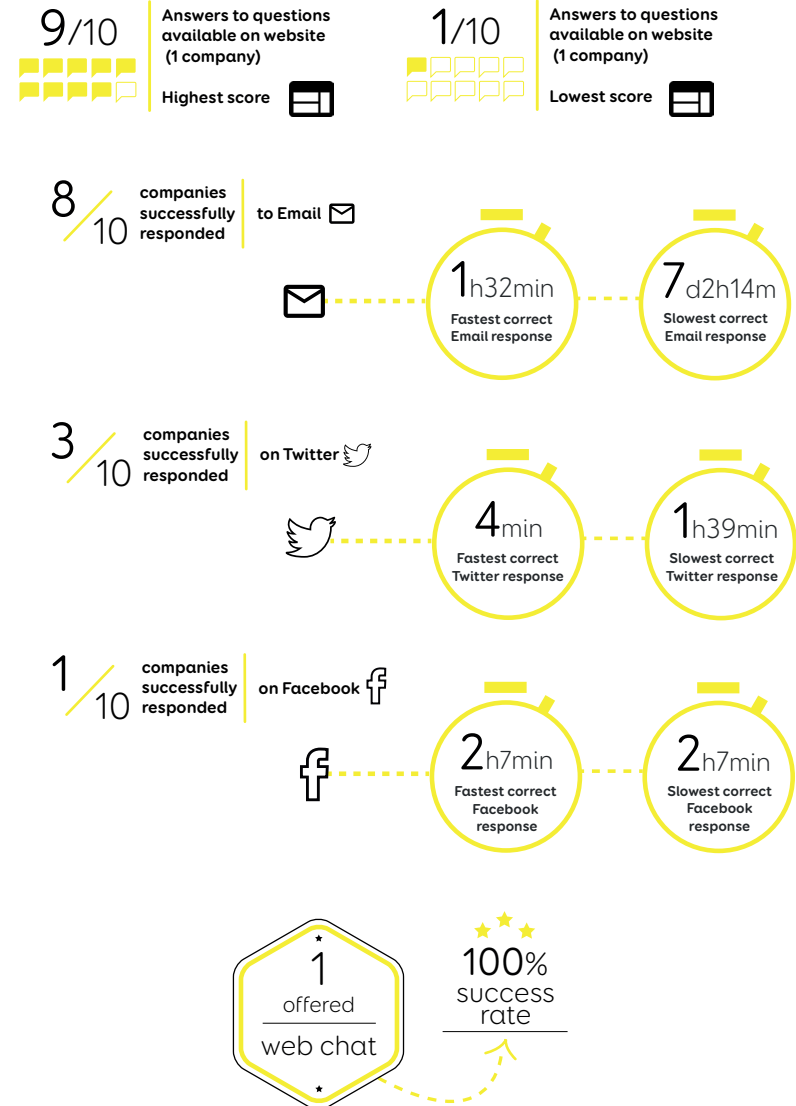


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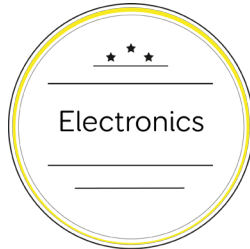


Companies surveyed: (alphabetical)

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

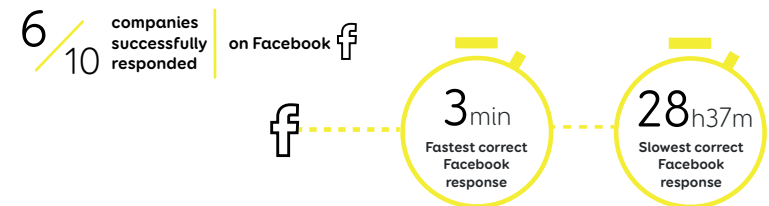
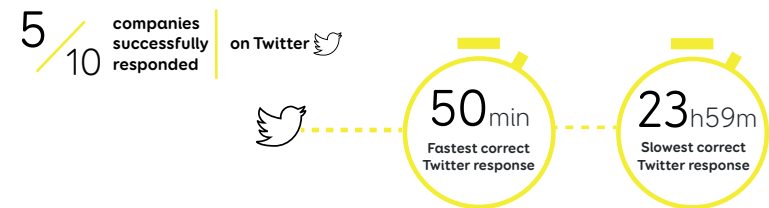


Retail Sector Comparison



Companies surveyed: (alphabetical)

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)

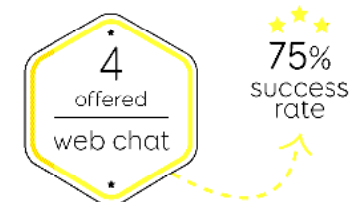
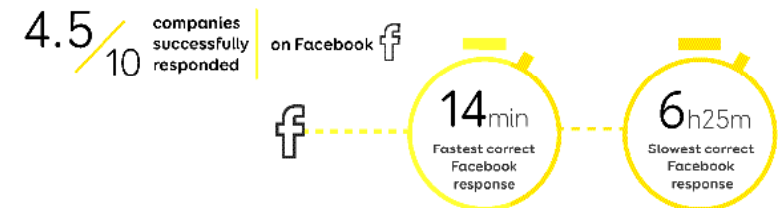
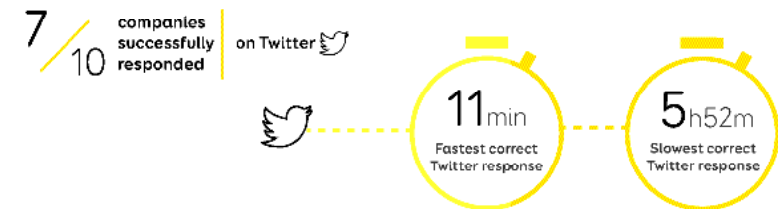
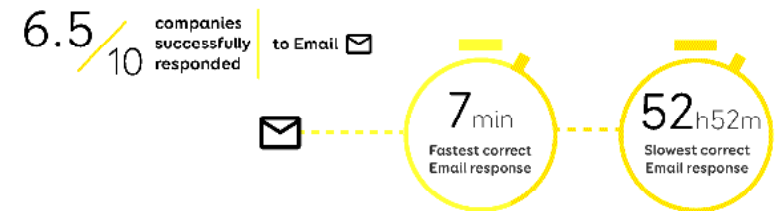


Retail Sector Comparison



Companies surveyed: (alphabetical)

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



Conclusion

The need to enable meaningful conversations

The retail sector stands at a crossroads.

Competition is increasing, pressure on margins continues to grow, and most of all consumer expectations (and volumes of queries) are accelerating. In many cases this is leading to **a gap between what customers want and what many retailers offer. For too many retailers average service seems to be the norm.**

This is **not a long-term, sustainable strategy.**

Consumers want to engage with brands, but will only be loyal to those that deliver on their promises, time after time. **They want to have meaningful conversations that answer their queries and add value to the relationship.** Fail to do this and they will simply switch to rivals.

Technology is a key enabler that can help retailers to differentiate themselves through their customer experience. Using **artificial intelligence** and **natural language processing** provides the backbone for successful customer service, allowing retailers to better understand what customers are asking, automatically provide relevant, consistent answers from a **centralised knowledge base** and **to empower their agents with the tools and information** they need to do their jobs more productively. At a time of change, those retailers that focus on customer experience, across every channel, are those that **will thrive and grow**, whatever part of the sector they are in.

Methodology

The 2017 Eptica Retail Conversation Study evaluated the customer service capabilities of **40 leading UK retail companies in five ways** – through the **web, email, Twitter, Facebook and chat**. It also **questioned 1,000 consumers on their views and satisfaction levels** with the customer experience provided by retailers. Research was completed in Q1 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 sector-specific question

- ✓ Time the session from initiation of conversation to end
- ✓ Did the response answer the question? Score 1 for a complete answer, 0 for no or ½ for partial answer
- ✓ Compare the answers received via email, Twitter, Facebook and chat and email. Were they consistent?
- ✓ Ask 1,000 UK consumers for their level of satisfaction with the customer experience received across individual channels and their views and expectations of retail customer service

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?

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 AI.

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](#).

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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
63 Bis rue de Sèvres
92100
Boulogne-Billancourt
France

Tel: +44 (0) 118 949 7072 | www.linkedin.com/company/eptica | @eptica | www.eptica.com