

1 in 5 customers think online customer service is poor or unhelpful

Submitted by: FM Outsource

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As part of FM Outsource's (<https://fmoutsource.com/>) in-depth analysis of the retail sector, the customer service outsourcer surveyed 300 consumers across the UK. They assessed the challenges retail customer service faces in 2021 in the wake of the coronavirus pandemic, and how it can bounce back to deliver what customers want.

FM Outsource culminated the independent data into a white paper report aptly named 'Re-Examining Retail', it covers consumers' use of online retail the past year as well as their general attitude toward online customer service – providing retailers with insight to better understand the needs of their customers.

64% of consumers do more than half their shopping online

1 in 5 customers think online customer service is poor or unhelpful

Over 30% of customers expect to use live chat for online retailers

Two-thirds of respondents expect a live chat response within 90 minutes

90% of consumers think customer service is more important than ever in 2021

In order to get an accurate, grounded understanding of how ordinary retail customers felt about their online experiences, FM Outsource surveyed a broad selection of the UK population.

This included a split in age ranges, with 34.81% of respondents being between 18-34, 45.43% between 35-54, and the remainder being 55 or over. 52% of the respondents were female and 48% were male.

Retailers have seen a massive influx on their online platforms throughout the last 12 months. Coronavirus, and the subsequent nationwide lockdowns, have all but suffocated the brick-and-mortar market, leaving consumers with little choice but to head online and engage with retailers in a different way.

It's unsurprising then that over 64% of FM Outsource's respondents did more than half of their shopping online in 2020 and nearly 6% stating that they shopped exclusively online.

FM Outsource predicts that as brick-and-mortar retailers continue to struggle in a highly-competitive market, and online shopping becomes easier and more flexible, it's highly likely that the number of people that exclusively shop online will increase through 2021 and beyond.

Retailers should therefore consider enhancing their current online shopping platform to ensure they can accommodate this footfall.

FM Outsource also did a deep dive into attitudes towards service quality, they found nearly 1 in 5 (19.16%) customers rated an online customer service experience between 1 and 5 out of 10.

This is a significant proportion of the market that had a substandard experience online – with customer testimony ranging from simply unsatisfactory to down right terrible.

These statistics represent a significant opportunity for many retailers that want to do customer service better and use it as a differentiator from their competitors. With the right investment in customer service solutions, there's a potential gain of 20% of the market share.

When it comes to preferred methods of contact, well over half of FM Outsource's respondents (63%) still opted for phone or email as their starting point. Considering the age ranges of the respondents, and the clear desire to 'speak to a real person', this isn't unexpected.

However what marks an interesting data point is the shift in consumer preference towards live chat, with 31.27% of those surveyed stating they would use live chat features over emails or calls. 74% of consumers also believed that live chat should be available on a retailer's website.

This clearly demonstrates the development of consumer literacy and knowledge when it comes to online customer service tools and the need for retailers to implement them on their website.

With regards to average response times when using these online customer service tools, it appears that consumers are more forgiving when it comes to web-dedicated channels such as live chat.

62.83% of respondents expect a response time within 90 minutes from online services, with 40% expecting contact within half an hour. Interestingly, 14.75% of customers think it could take up to a day to get a response and 5% have no expectation on response time at all.

The vast majority of survey respondents (89.97%) believe that retail customer service is going to be more important than ever in 2021 – especially in the wake of COVID-19 and the continued move toward digitisation in the sector.

To accompany this statistic FM Outsource assessed to what extent poor online customer service could have a tangible, fiscal impact on retailers in 2021 and beyond.

When asked whether poor customer service would stop them from using a retailer again, 83.78% of those surveyed said that it would.

Not only is that a clear indicator of how seriously customers take service from retailers, it also spells out, in plain numbers, how important getting customer service right is for the survival of individual retailers – and the industry as a whole.

In order to bolster their independent data, FM Outsource gathered quotes and comments from a variety of industry experts within the UK retail sector.

Emily Bridgewater, Editor & Communications Manager at the British Independent Retailers Association, reaffirmed the significance of getting customer service right:

"It's never been more important to get customer service right – both in a shop and online. Internet shopping is very competitive and a one-dimensional experience compared to visiting a shop."

She continued, “The business that can add personality, empathy and positive customer interaction to online customer service will be a winner.”

The white paper report will serve as an invaluable resource, providing businesses with a clear idea of what their customers want moving forward. Analysing key data points and trends within the retail sector, FM Outsource hopes to help businesses bounce back after a year of almost complete collapse.

To read the full report for even more detail on the analysis and insights please visit the FM Outsource website. (<https://fmoutsource.com/resources/re-examining-retail-white-paper/>)