Social media

- customer satisfaction and complaint handling

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Director of Communications & Corporate Affairs
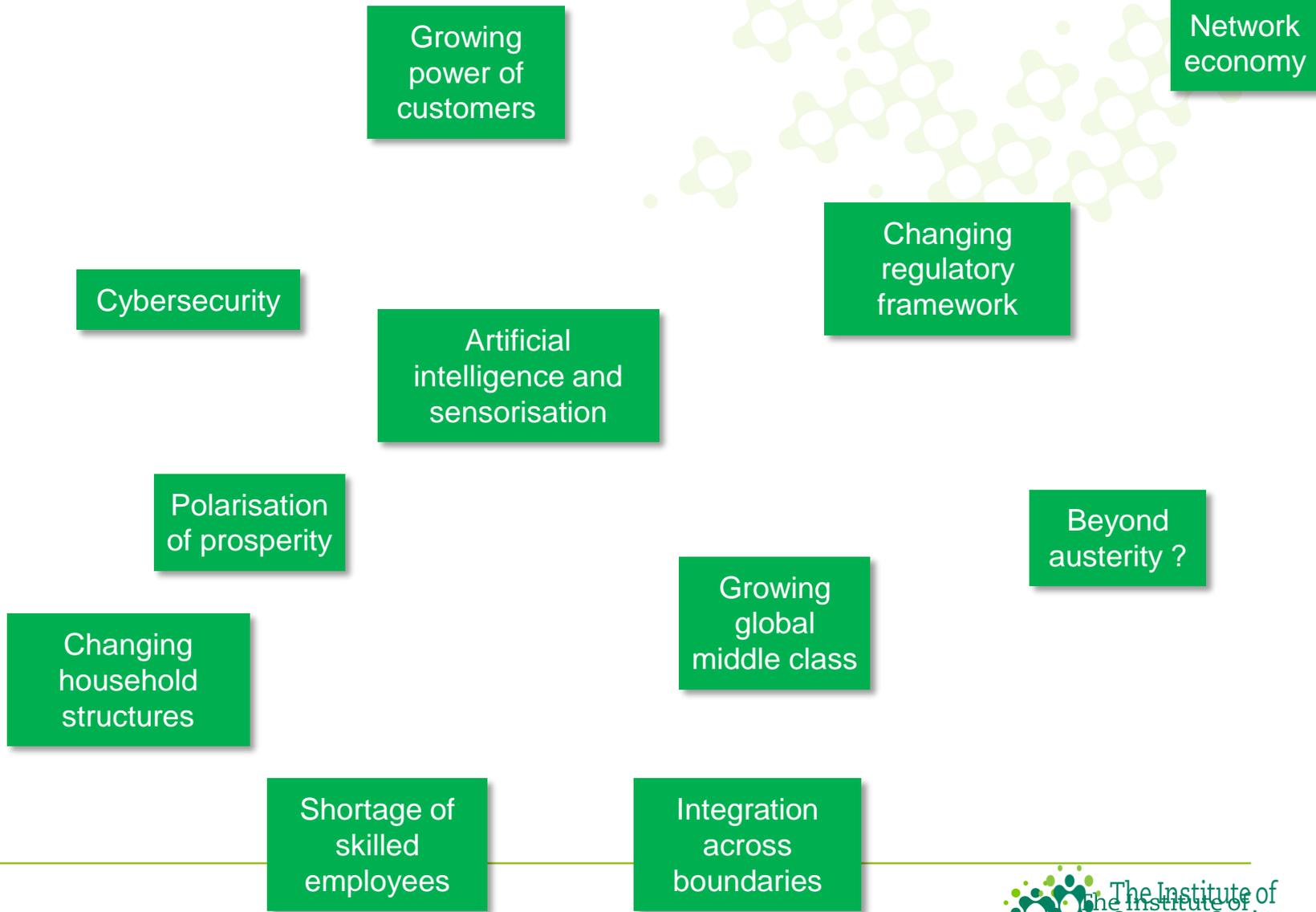
27th September 2016

Introducing The Institute of Customer Service ...

- Independent, not-for-profit membership body.

- Over 500 organisational members.

- 80% from private, 20% from public and third sectors.

- More than 4,000 individual members

- Secretariat of All Party Parliamentary Group for Customer Service

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A challenging environment

Growing power of customers

Network economy

Changing regulatory framework

Cybersecurity

Artificial intelligence and sensorisation

Polarisation of prosperity

Beyond austerity ?

Growing global middle class

Changing household structures

Shortical of skilled employees
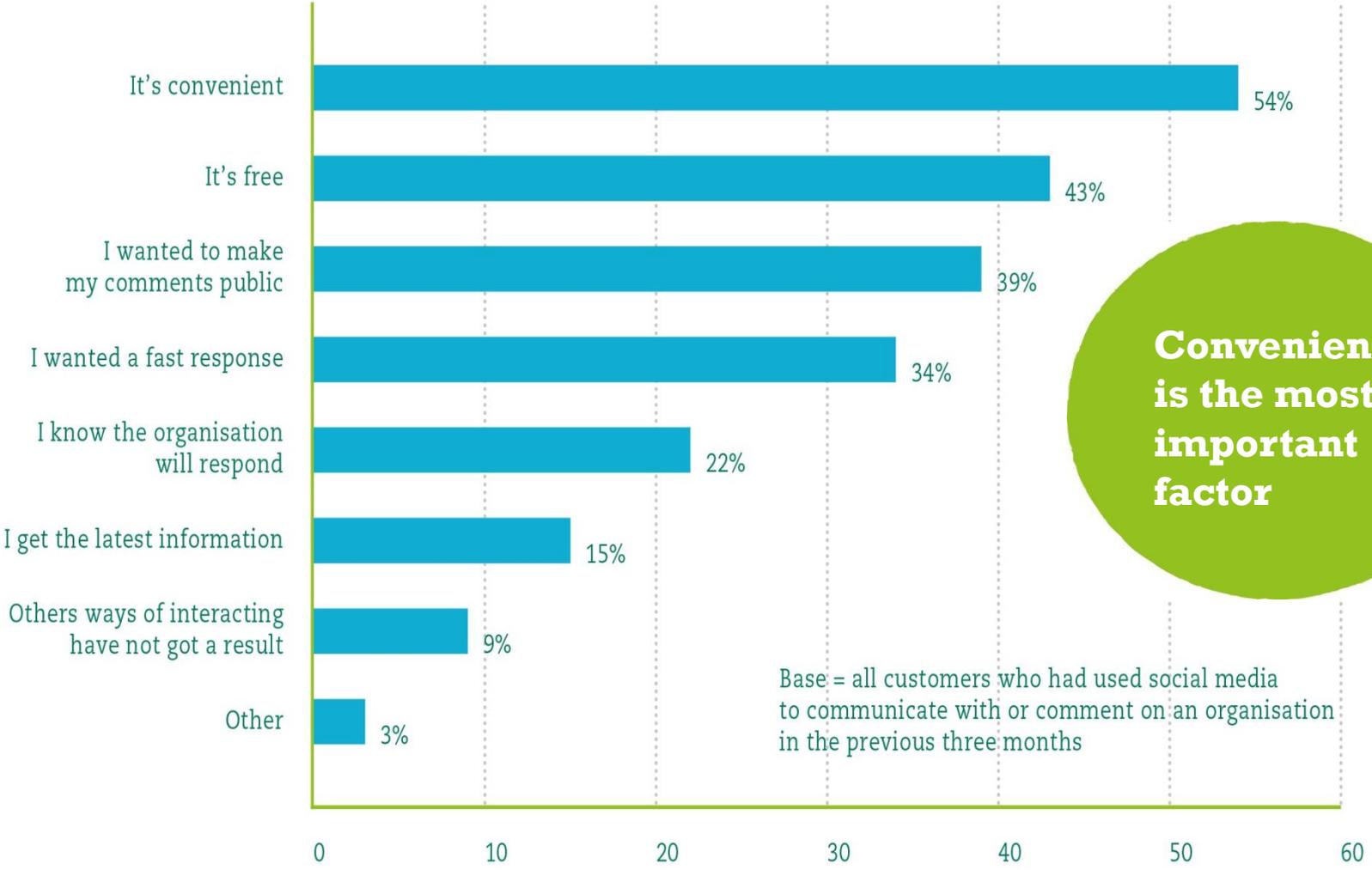
Integration across boundaries

Social media: state of the nation

- 38m active social media profiles

- 66% of UK adults have a social media account
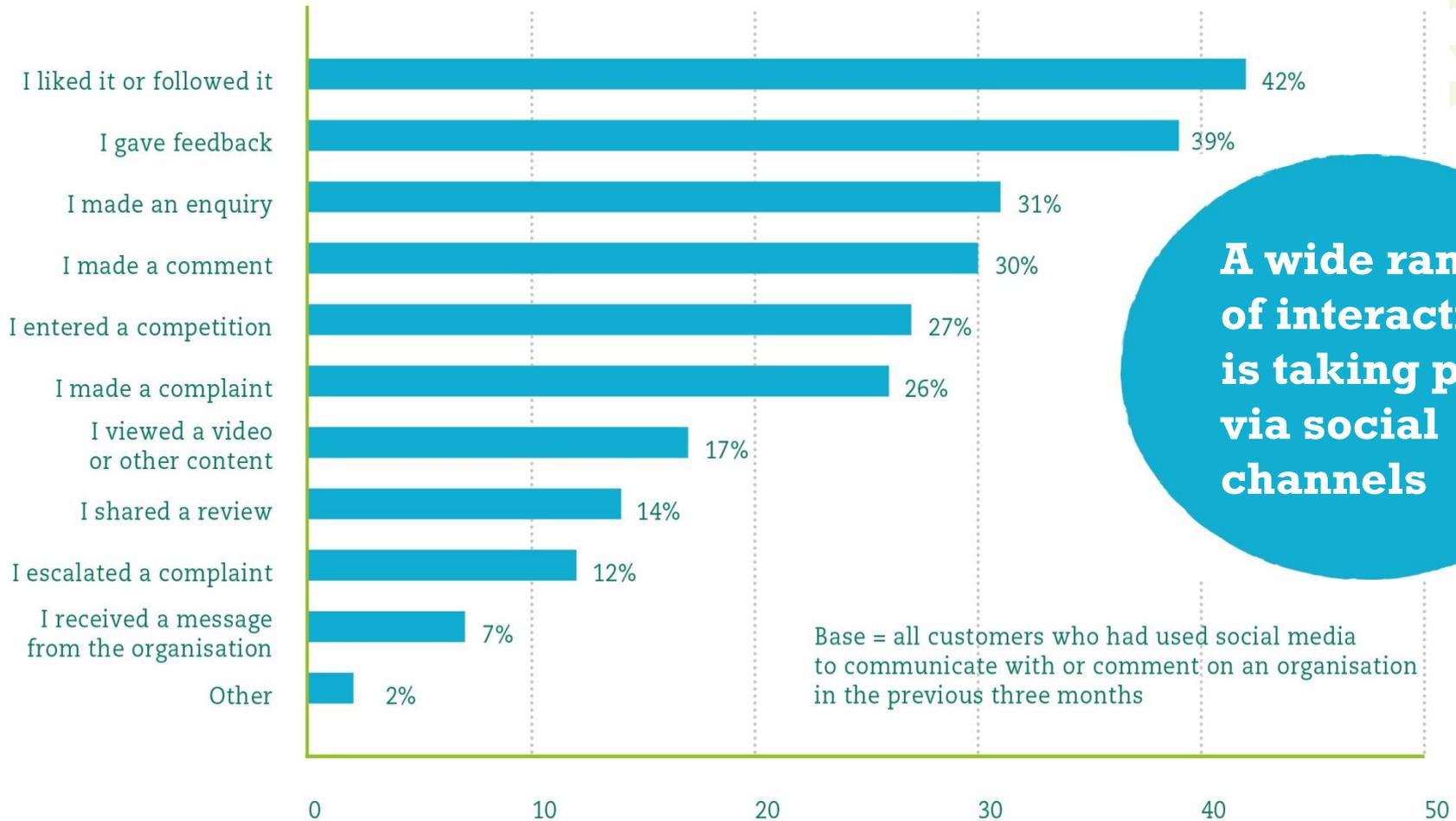
- 1 in 3 people access Facebook once / day

Social media: age demographics

- popular across the generations

- preferred by younger consumers

- 1 in 10 use social media to communicate with an organisation

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Why customers use social media to interact with organisations

It's convenient — 54%
It's free — 43%
I wanted to make my comments public — 39%
I wanted a fast response — 34%
I know the organisation will respond — 22%
I get the latest information — 15%
Others ways of interacting have not got a result — 9%
Other — 3%

Convenience is the most important factor

Base = all customers who had used social media to communicate with or comment on an organisation in the previous three months

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What areas of service customers use social media for ?

Area	Percentage
I liked it or followed it	42%
I gave feedback	39%
I made an enquiry	31%
I made a comment	30%
I entered a competition	27%
I made a complaint	26%
I viewed a video or other content	17%
I shared a review	14%
I escalated a complaint	12%
I received a message from the organisation	7%
Other	2%

Base = all customers who had used social media to communicate with or comment on an organisation in the previous three months

A wide range of interactions is taking place via social channels

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How social media is used?

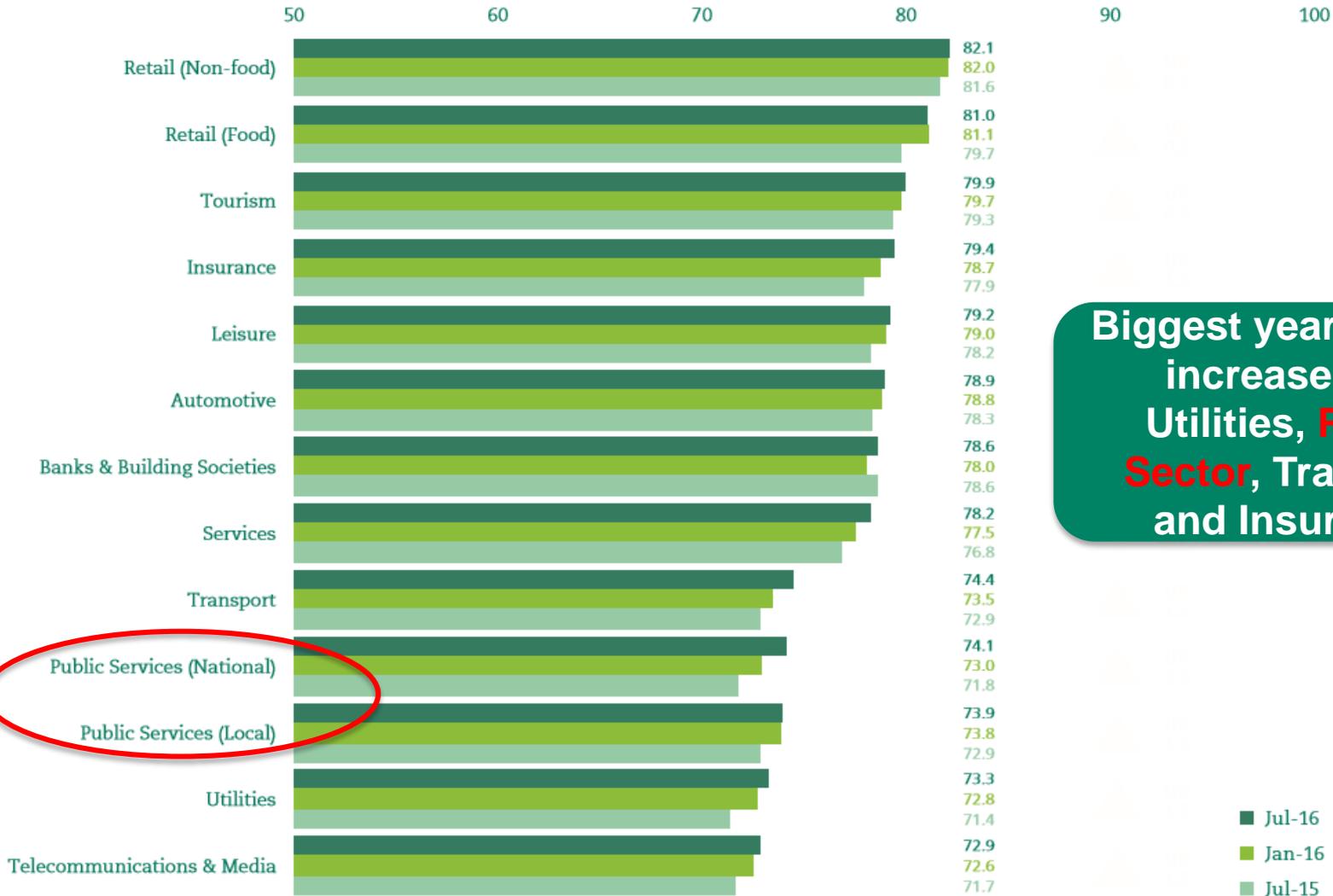| Category	Percentage
Automotive	15%
Banks and Building Societies	20%
Insurance	16%
Leisure	27%
Public Services (local)	18%
Public Services (national)	12%
Retail (food)	31%
Retail (non-food)	25%
Services	17%
Telecommunications and Media	18%
Tourism	16%
Transport	13%
Utilities	13%
Other	6%
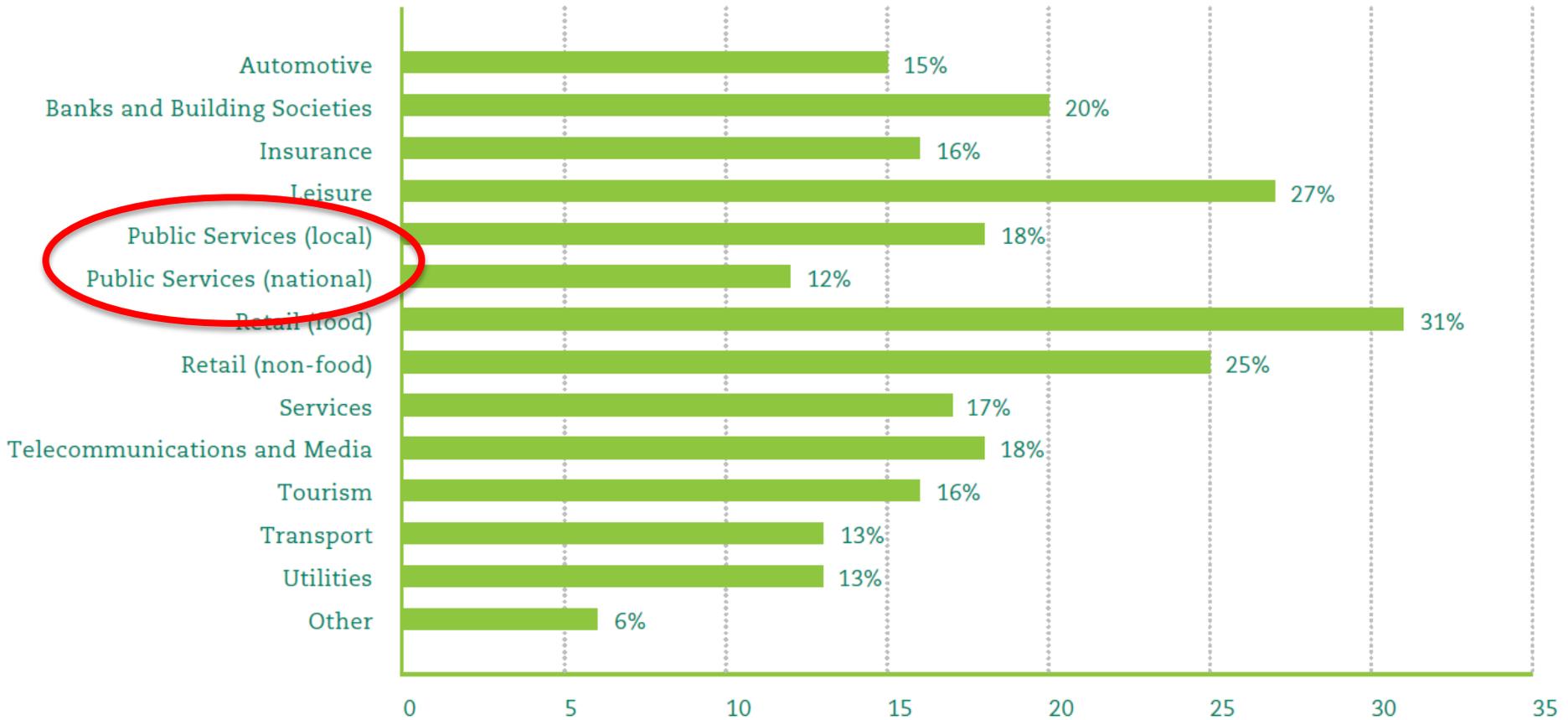
The UK Customer Satisfaction Index
- a barometer of customer satisfaction

- UK's largest cross-sector customer benchmarking panel

- 42,500 responses

- 13 sectors

- 35 metrics of customer experience

- Future customer behaviours, NPS, customer effort, right first time, trust, reputation

- Channel usage and satisfaction

- Drivers of complaints & complaint handling

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Key findings: state of the nation

72.0
74.1
75.2
75.6
76.7
77.3
77.4
78.0
78.2
77.9
77.1
76.3
76.0
76.2
77.0
77.4

19 companies dropped by > 2

77.4 1.2 points higher than July 2015

87 companies improved by > 2

Jan-09 Jul-09 Jan-10 Jul-10 Jan-11 Jul-11 Jan-12 Jul-12 Jan-13 Jul-13 Jan-14 Jul-14 Jan-15 Jul-15 Jan-16 Jul-16

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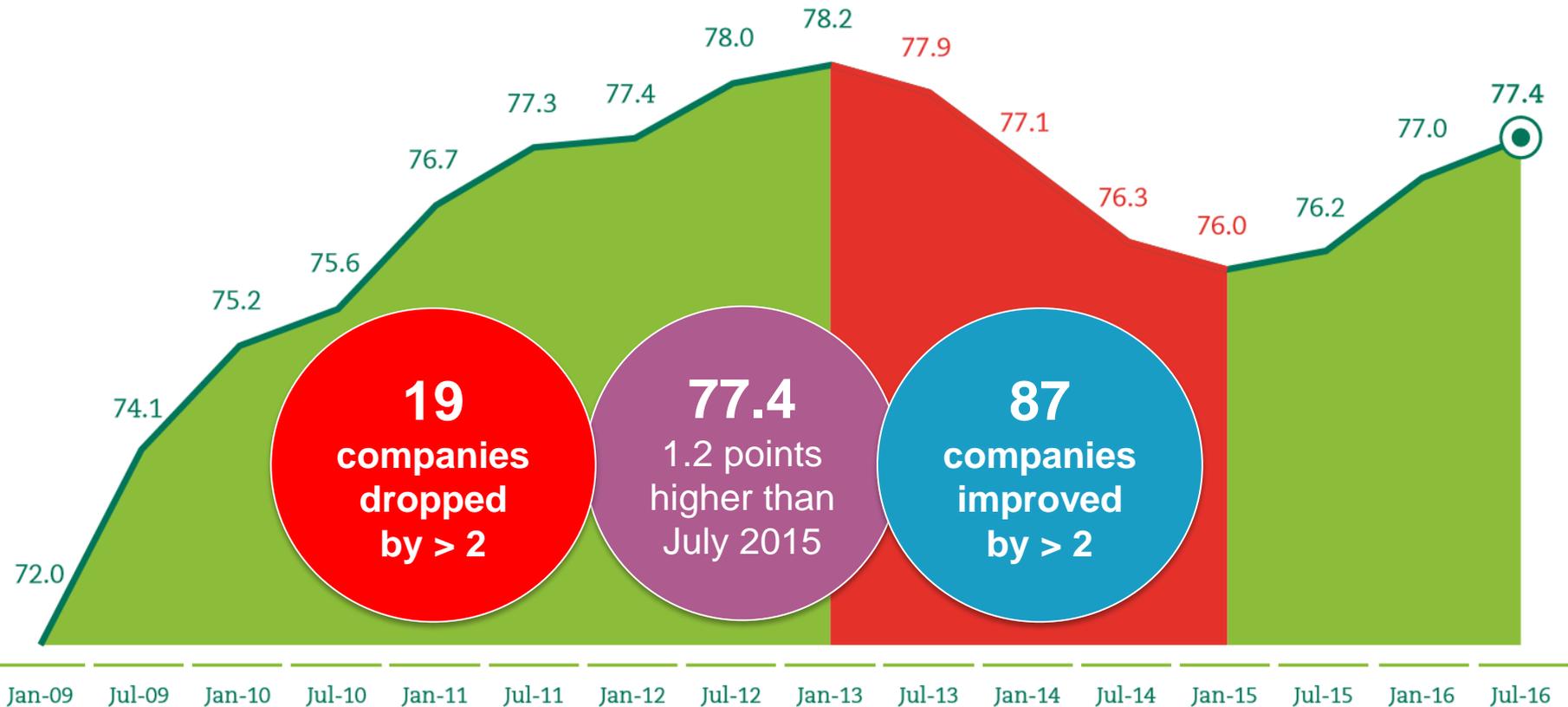
Key findings: customer satisfaction in 13 UK sectors

Sector	Jul-16	Jan-16	Jul-15
Retail (Non-food)	82.1	82.0	81.6
Retail (Food)	81.0	81.1	79.7
Tourism	79.9	79.7	79.3
Insurance	79.4	78.7	77.9
Leisure	79.2	79.0	78.2
Automotive	78.9	78.8	78.3
Banks & Building Societies	78.6	78.0	78.6
Services	78.2	77.5	76.8
Transport	74.4	73.5	72.9
Public Services (National)	74.1	73.0	71.8
Public Services (Local)	73.9	73.8	72.9
Utilities	73.3	72.8	71.4
Telecommunications & Media	72.9	72.6	71.7

Biggest year on year increases for Utilities, Public Sector, Transport and Insurance

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Key findings: top performers

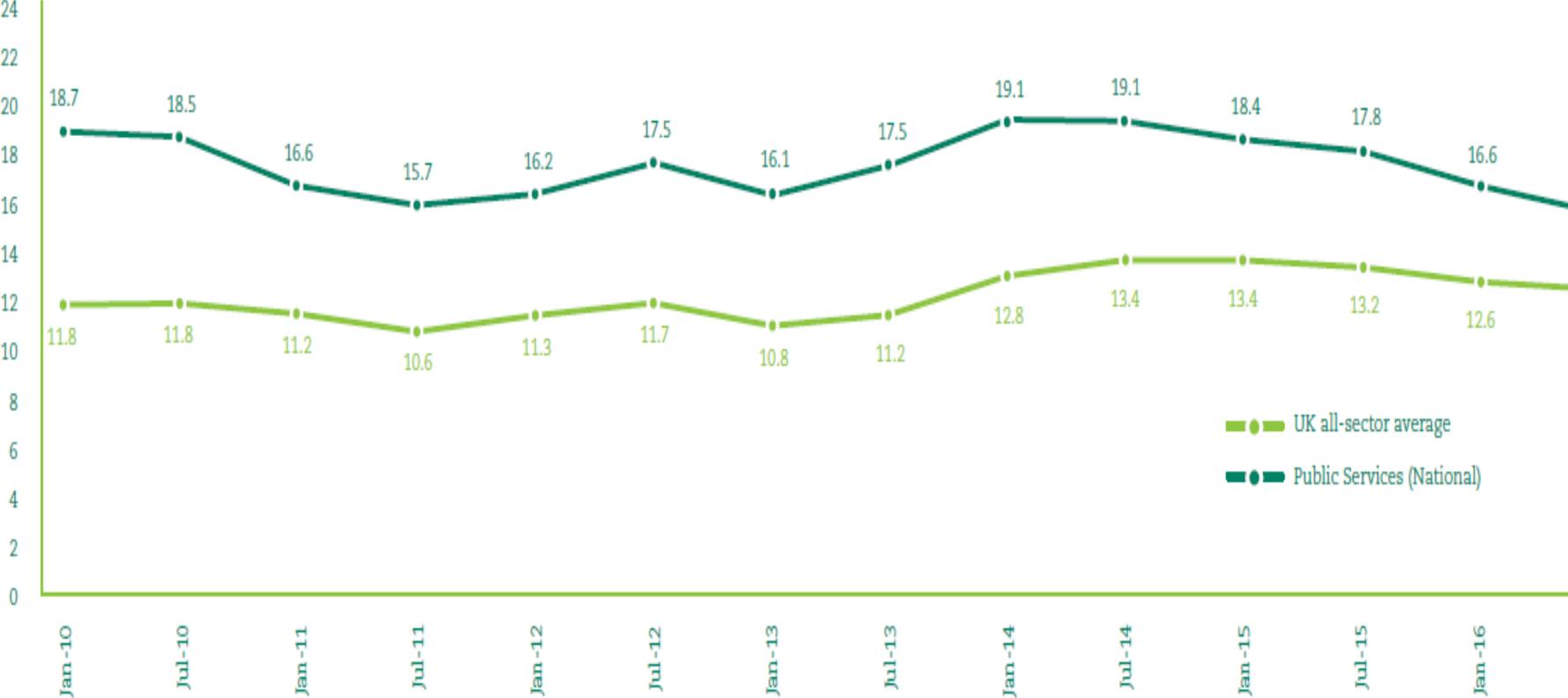| Jul 2016 rank	Organisation	Sector
1	Amazon.co.uk	Retail (Non-food)
2	Wilko	Retail (Non-food)
3 =	Waitrose	Retail (Food)
3 =	M & S (food)	Retail (Food)
3 =	Land Rover	Automotive
6	Nationwide	Banks & Building Societies
7	first direct	Banks & Building Societies
8	Apple	Retail (Non-food)
9 =	Greggs	Leisure
9 =	Virgin Atlantic	Transport
9 =	John Lewis	Retail (Non-food)

Public sector absent from top 10

Key findings: top performers

	July 16 UKCSI	July 15 UKCSI	Change
UK all-sector average	77.4	76.2	1.2
Public Services (National)	74.1	71.8	2.3
HM Passport Office	78.8	73.8	5.0
DVLA	77.0	75.7	1.3
NHS / hospital service	77.0	73.5	3.5
Post Office	76.9	76.0	0.9
The university I attend	73.6	N/A	N/A
HMRC (Inland Revenue)	59.4	56.2	3.2
Jobcentre Plus	59.2	56.6	2.6

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Key findings: getting it right first time

81.5 ✓

52.5 ✓✓

45.1 ✗
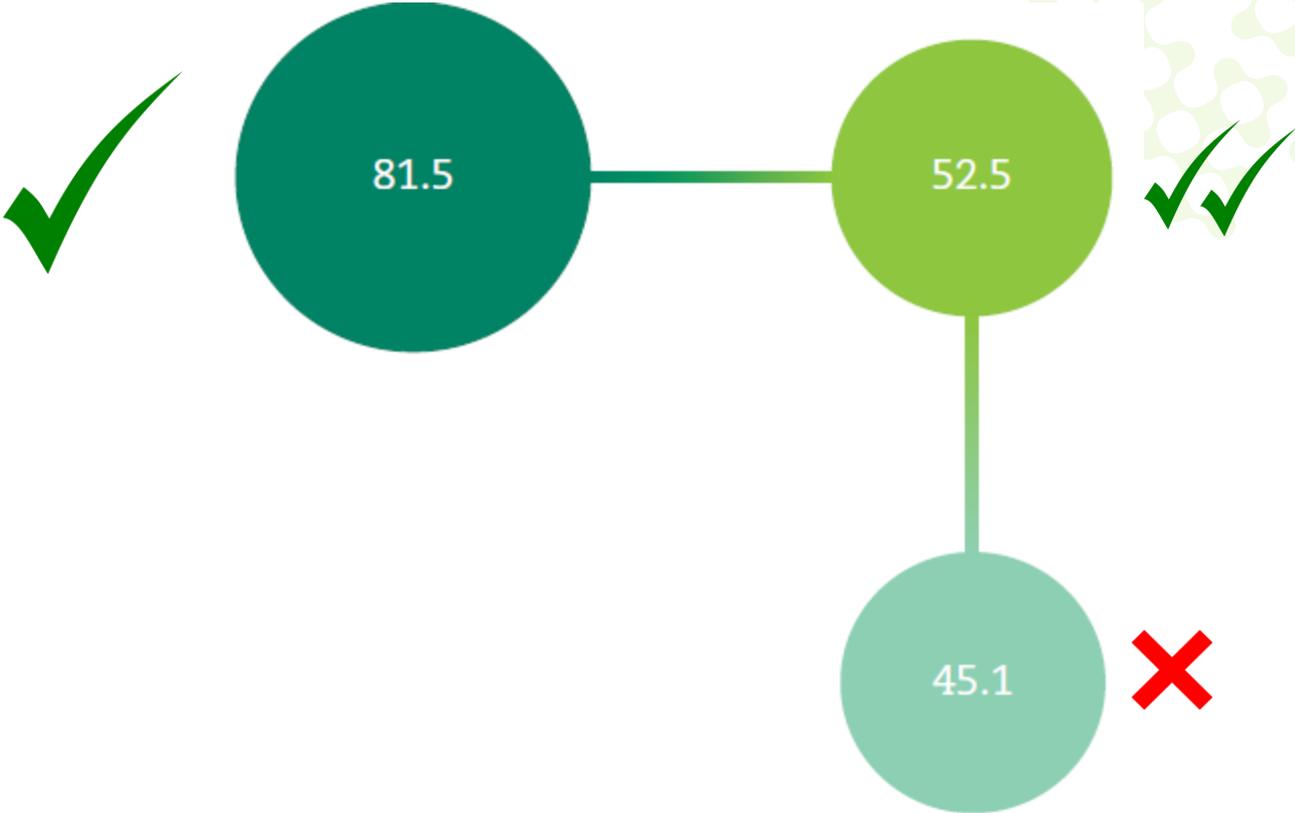
Key findings: proportion facing problems

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Key findings: nature of the problem

	UK all-sector average	Public Services (National)
Staff competence	27.1%	35.1%
Staff attitude	22.3%	33.8%
Late delivery or slow service	24.4%	31.7%
Quality or reliability of goods/services	32.7%	20.8%
Suitability of goods/services (e.g. didn`t do what you expected)	19.8%	17.6%
Availability of goods/services (e.g. couldn`t find what you wanted)	18.0%	15.2%
Other	32.5%	33.7%

Key findings: resolving complaints

How long did it take to resolve your problem?

	UK all-sector average	Public Services (National) Jul-16	Public Services (National) Jul-15
Immediately	17.9%	9.8%	13.9%
Within 24 hours	14.1%	10.1%	9.8%
2-3 days	12.2%	8.6%	9.2%
4-7 days	9.3%	7.4%	9.5%
1-2 weeks	7.8%	8.9%	6.5%
3-4 weeks	6.7%	8.0%	6.2%
Over 1 month	5.3%	8.3%	8.0%
Still unresolved	26.9%	39.0%	37.0%

Resolution time
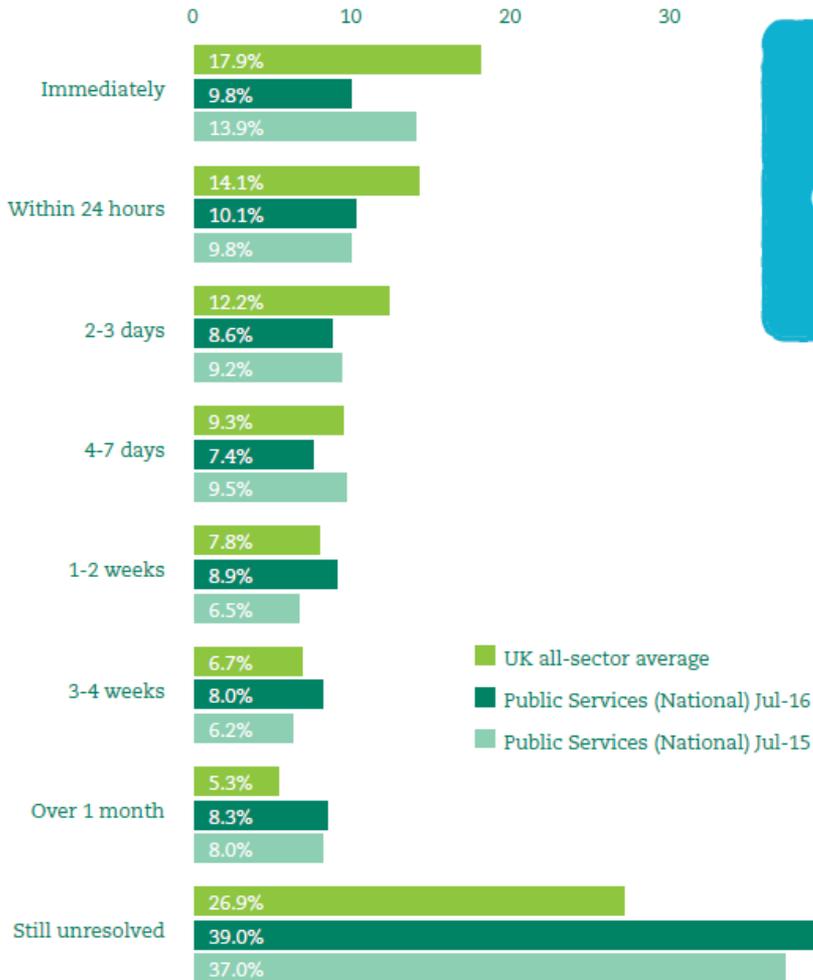
16.2% Quicker than expected

23.4% As expected

60.4% Longer than expected

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Why getting it right matters

% customers giving 9 or 10 out 10 for customer satisfaction

% of customers giving 8.0 – 8.9 out of 10 for customer satisfaction

Trust

96%

50%

Reputation

86%

37%

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Social media: guiding principles

- Problems and complaints can be minimised but not eliminated

- Customers should be encouraged to report problems

- Problems, feedback and complaints are an integral part of customer service, not a separate activity or department

- Customer expectations will continue to increase and evolve

- Complaints can be a particularly challenging and emotional area of service, hence the importance of skills, behaviour and EI

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Social media: action to take

- Ensure early first contact (empathy, apologies), is 24/7 possible?

- Flexibility and trust: colleagues can respond rapidly and appropriately

- Importance of brand boundaries, tone of voice, rules of conduct, regulatory obligations, consistency - across the organisation

- Resolve simpler, non-sensitive complaints within the social channel

- Scan for all comments/complaints for your organisation

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Social media: characteristics of high performing organisations

- Customer communication
    - open, accessible, clear
    - checking for resolution of complaint / follow-up
    - outcomes of complaints are communicated to customers

- Positive and realistic positioning of complaints
    - some volume of complaints will always happen
    - importance/opportunity of complaints
    - a top priority and part of everyone's job

- Empowered, equipped colleagues
    - authority to resolve complaints to or beyond customer expectations
    - training and support, including EI
    - selection of people

- Senior managers lead by example
    - follow-up calls with complainers
    - regular customer / complainant panels

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Social media: it's not all bad!

- Share the good news

- Recognition for colleagues builds engagement and morale

Key findings: employee engagement drives customer satisfaction

Measuring across the whole customer experience

Ease of doing business or customer effort

28% of organisations do not measure the cost of customer service

40% of organisations didn't or couldn't measure service ROI

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Implications for the sector

- Reduce incidents for complaints by **increasing skills**

- Focus on customer preferences – **speed**, **convenience**, **choice**

- Don't just fix the problem, find the **cause**

Thank you

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www.instituteofcustomerservice.com