The Convers-AI-tional Nation Report.

Examining the performance of the UK's leading retail and travel brands when it comes to customer engagement

Foreword by James Matthews, Country Manager, UK & Ireland, CM.com

As inflation continues to rise and UK consumers become ever more cautious in their spending, investing in efficient, effective customer service is more critical than ever for brands to drive long-term loyalty. We've seen reports in recent months that suggest UK consumers are unhappy with the level of service they currently receive– but what's the reality of how brands are really performing?

In a bid to lift the lid on how the top 25 UK retail and top 25 UK travel brands (ranked in accordance with turnover and passenger numbers) are doing when it comes to customer engagement, we audited the availability of various communication channels: Website, Telephone, Email, Chatbot, Call Back, Voicebot, Online Contact Form, Live Chat, Facebook Messenger, WhatsApp, Twitter, and Instagram. We then posed a series of commonly asked questions via each channel, ranging from simple FAQs like 'how can I make a complaint?' to more specific 'how can I return an item?' or 'my bag is lost; how can I find it?', assigning scores for speed and effectiveness.

Our findings are startling, with just under two-fifths (38%) of the brands audited unable to answer our questions fully within a reasonable timeframe, and nearly half (45%) of our queries going completely unanswered. Retailers offering more ways for customers to get in touch with the brand were able to provide timely and more complete answers to questions posed. Those brands, in turn, were those that had a higher annual turnover, demonstrating a positive correlation between good customer service and business success. Despite this, only 17% of our queries to both retail and travel companies resulted in complete and timely responses.

Fortunately, the data from our study also highlights a significant opportunity for brands that are serious about providing customers with the vital information they need. There is a clear case for providing both more avenues for customer engagement, and via the platforms that customers want – traditional phone lines and websites should be combined with Facebook, Twitter and chatbots for example. It's also worth noting that while AI chatbots are powerful enough to stand alone, the experience can be boosted or improved through the addition of live chat with a service agent, giving the customer even more support or information.

Now more than ever, customer service has a pivotal role to play in the overall brand experience for a consumer. For brands, being able to connect with a customer and provide an outstanding experience really does make a difference in retaining or losing them. The technology exists, as does the customer appetite, so it now rests with brands to act and ensure they have the capabilities in place to provide positive experiences no matter what.

If you'd like to share your thoughts on this report or like to discuss how to put our recommendations into practice, we'd love to hear from you. Get in touch at https://www.cm.com/.

List of audited companies.

Retail (UK's top 25 retail brands based on turnover 2020/2021 according to Retail Economics)	Travel (UK's top 25 tour operators based on ATOL-authorised passenger levels)
Tesco	TUI UK Ltd
Sainsbury's	We Love Holidays Ltd
Amazon	Booking.com B.V.
Asda	easyJet Airline Company Ltd
Morrison's	easyJet Holidays Ltd
Aldi	Jet2holidays Ltd
Co-Op	Virgin Holidays Ltd
M&S	British Airways Holidays Ltd
Lidl	On the Beach Travel Limited
Waitrose	Southall Travel Ltd
Boots	BravoNext SA
Curry's	Expedia Group, Inc
Associated British Foods	Hays Tour Operating Ltd
B&M	Thomas Cook Tourism (UK)
Iceland	Lotus Travel Ltd
John Lewis	Marella Cruises Limited
B&Q (Kingfisher)	Travel Counsellors Ltd
Next	Carnival PLC
Home Bargains	Cresta World Travel Ltd
JD Sports	Hotelplan Ltd
Very.co.uk	Riviera Tours Ltd
Ocado Retail	Travel Republic Ltd
TK Maxx	Classic Package Holidays Ltd
Screwfix (Kingfisher)	Gold Medal Travel Group Limited
Sports Direct	Trailfinders Ltd

Section 1: UK Retail and Travel Brands Falling Short on Customer Service.

Despite UK companies devoting £9bn a month to the handling of customer complaints, many do not make it easy for customers to find basic information about the goods and services they buy.

CM.com's findings show that over one in three (36%) of the UK's leading brands are only contactable during office hours, presenting a significant barrier to a large proportion of the working population.

What's more, one-fifth of the major companies surveyed had only five or fewer options for how they could be contacted, with many ignoring the fact that technology exists so customers can move beyond the phone call and onto their preferred avenue for contact.

> Nine out of ten **(90%)** of the companies had a phone number for customer contact and **86%** have an option to contact on Facebook Messenger with the UK being home to over 48.5 million users. Only two-fifths **(44%)** had a chatbot available for basic customer service questions.

Comparing average scores per channel for retail and travel brands

Channel	Average Score - Speed - Retail	Average Score - Effectiveness - Retail	Average Score - Speed - Travel	Average Score - Effectiveness - Travel
Website	27.6	27.2	22.8	22.6
Email	0	1.2	0	0
Online Contact Form	0.9	1.4	0	0
Phone	14.9	16.6	16.3	21.5
Call Back	1.2	2.4	1.2	1.2
Chatbot	8	6.7	6.5	6
Voice Bot	0	0	0	0
Live Chat	7.4	7.8	4.8	8.2
Facebook Messenger	0	13.2	2.6	8.4
WhatsApp	0	1	0	1.1
Twitter	1.9	11.6	1.9	3.4
Instagram	1.2	2.3	1.9	5.7

The average score shows sector performance across each communication channel, measured for both speed and effectiveness. Higher scores indicate that the given channel responded to the six questions faster or more efficiently.

We found that travel companies generally outperform retail brands when it comes to both speed and effectiveness of responses on customer service channels. However, retail companies in fact average more available customer service channels than travel brands, having 6.4 channels compared to 6.1. When it comes to customer service operating hours, over two-thirds (68%) of retail brands have customer service channels available morning to evening (08:00-22:00), compared to less than a third (32%) of travel brands. Interestingly, nearly half (48%) of the travel companies audited could only be contacted during office hours (09:00-18:00), restricting the time that customers can make enquiries even amid travel disruptions. For both retail and travel brands, the provision of customer service access 24 hours a day is still lacking, with just 24% (retail) and 20% (travel) providing this option to consumers.

Customer service availability comparisons across retail and travel

Customer service availability – access to a human agent	Retail	Travel
24 hours a day	24%	20%
Morning to evening (08:00-22:00)	68%	32%
Office hours only (09:00-18:00)	8%	48%

How different retail sub-sectors measure up

Vertical	Average Score	Customer service availability – access to a human agent	Channel Availability
Apparel	139.6	16.66% 24 hours a day 50% morning to evening 33.33% office hours only	7.3
eCommerce	159	50% 24 hours a day 50% morning to evening	6.5
Groceries	185.7	80% morning to evening 20% office hours only	6.1
Home and Electric	129.5	71.4% morning to evening 28.5% office hours only	6.2

Section 2: Humans and Robots Work Best Hand-in-Hand

Despite supply chain issues and surging inflation leading to more customer enquiries than ever before, the research reveals ways for brands to overcome these issues and ensure the smooth flow of information to the customer. Those companies with more customer service channels available were able to provide faster and more effective answers to customer questions.

Just over two-fifths (44%) of the companies we audited had a chatbot available, and of these nearly over eight in ten (86%) could provide any information or answers to our queries in a reasonable timeframe. Notably, 14% of the chatbots we 'spoke' to couldn't answer any of our simple questions. Clearly, while chatbots can be highly effective at providing a superior customer service experience, there's still some work to do in the UK when it comes to availability and effectiveness.

Over half of the brands audited (52%) only have customer service channels serviced by live human agents, while over a third (38%) opted for customer service channels that use bots and humans together.

Performance statistics – human vs human and bot vs bot

Channels	Percentage	Average Score	% Complete	% Incomplete	% No answer
Human only	52%	122.1	13%	44%	41%
Bot only	6%	166.6	18%	47%	35%
Mix of human and bot	38%	172.1	16%	32%	51%

Section 4: Conclusion

As both the retail and travel industry continue to face uncertainty, our research demonstrates that prioritising customer service will be crucial to restoring consumer confidence and fostering loyalty. Investment in efficient and effective communication systems will help attract and retain customers; making this work long-term relies on brands extending beyond the one or two traditional options that are typically available. Reducing contact barriers by providing consumers with as many relevant channels as possible will help to improve satisfaction and ensure that queries are resolved efficiently.

In the context of an increasingly digitalised market, there is a clear case for increasing entry points for customers. While standard platforms such as websites and phone lines will continue to be utilised by consumers, combining these with non-human solutions such as chatbots will provide more avenues for customer engagement. Implementing technologies which are designed to meet the changing needs of consumers, rather than what suits the business best, is key to building meaningful relationships with customers. Ultimately, striking a good balance between AI-powered bots and human agents (while recognising the benefits and limitations of each) will ensure that information flows freely from the brand to the customer, paving the way for an improved experience.

Methodology

CM.com conducted a desk audit of the UK's top 25 retail brands based on turnover 2020/2021 according to Retail Economics and the UK's top 25 tour operators, based on ATOL-authorized passenger levels. All figures, unless otherwise stated, were collected through this audit which took place 5th-8th September 2022 and data was collected during the same time period across these days. Questions were asked across a representative sample to the following customer service channels if offered by each brand: Website, Email, Online Contact Form, Phone Number, Call Back Service, Chatbot, Voicebot, Live Chat, Facebook Messenger, WhatsApp, Twitter, Instagram, (other).

Questions:

General questions – asked to all brands across both retail and travel:

How can customers find out what personal data you hold?
How can I make a complaint?

Retail-specific questions:

What delivery options do you offer?
How can I return an item?
Do you have a store near me, and if so what are its opening times?
My item is missing, how can I check where it is?

Travel-specific questions:

What's your cancellation policy?
Do you offer price matches?
What are the most popular destinations you currently offer?
My bag is lost, how can I find it?

Brands audited:

Retail (Top 25 UK retailers based on turnover 2020/2021 according to Retail Economics):

Aldi, Amazon, Asda, Associated British Foods, B&M, B&Q (Kingfisher), Boots, Coop, Currys, Home Bargains, Iceland, JD Sports, John Lewis, Lidl, M&S, Morrisons, Next, Ocado Retail, Sainsbury's, Screwfix, Sports Direct, Tesco, TK Maxx, Very.co.uk, Waitrose.

Travel (UK's top 25 tour operators based on ATOL-authorized passenger levels):

BravoNext SA, British Airways Holidays Ltd, Booking.com B.V, Carnival PLC, Classic Package Holidays, Cresta World Travel Ltd, easyJet Airline Company Ltd, easyJet Holidays Ltd, Expedia Group, Inc, Gold Medal Travel Group Limited Hays Tour Operating Ltd, Hotelplan Ltd, Jet2holidays Ltd, Lotus Travel Ltd, Marella Cruises Limited, On the Beach Travel Limited, Riviera Tours Ltd, Southall Travel Ltd, Thomas Cook Tourism (UK) Company Limited, Trailfinders Ltd, Travel Counsellors Ltd, Travel Republic Ltd, TUI UK Ltd, Virgin Holidays Ltd, We Love Holidays Ltd.

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