



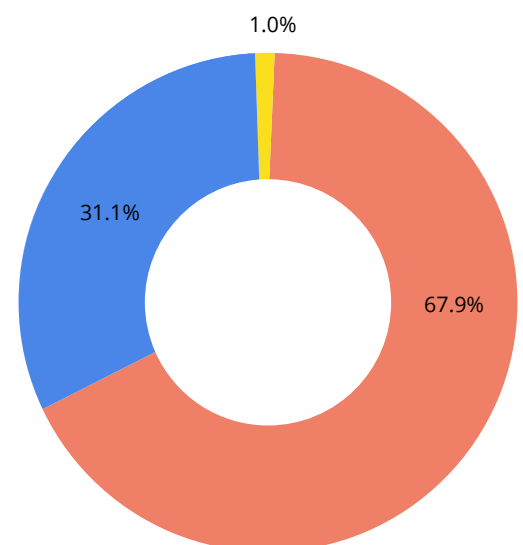
# EXECUTIVE SUMMARY

*We studied more than a thousand business and what we found is disturbing.*

**In this White Paper, we will highlight some very common customer support problems that exist in most E-Commerce businesses. Our intent to provide you with a solution that will set your business apart from your competitors so you can attract and retain your customers better.**

In a digitally-connected world, customers expect nearly instant answers to their questions regardless of which channel they use to get it. Providing customer support across mediums like phone, email, live chat, email, text and social media is called "Omnichannel Customer Support." In this key area of customer service, most businesses are failing.

**How All Companies Performed**






## KEY FINDINGS:

**Less than 1% of companies are omnichannel ready.**

**Less than 2% of companies are using all customer channels, including email, phone, live chat, and social media.**

**Less than 3% of companies asked for feedback on how to improve their customer service.**

-  Omnichannel Ready
-  Partially Omnichannel Ready
-  Not Omnichannel Ready

# ABOUT THE STUDY

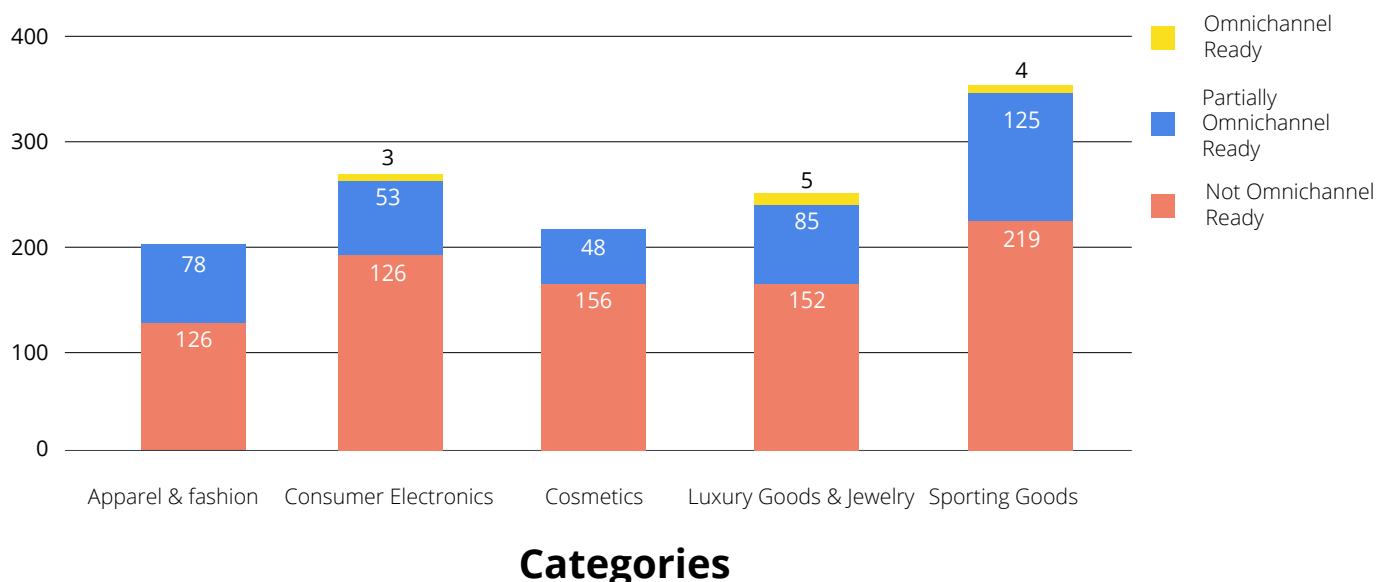
We visited **1,200** Shopify stores as a secret shopper to get a sense for how E-Commerce stores on the fastest growing online shopping platform were servicing their customers. We broke out these 1,200 stores into the following 5 sub categories:



Each subcategory had a minimum of **200 stores**, which were then ranked in terms of their omnichannel customer experience.

Our secret shoppers surveyed each company's website to identify all channels of contact (email, phone, live chat, social media, etc.) to make sure inquiries were resolved and to see which company solicited customer feedback with respect to their customer service process.

## How All Companies Performed by Category



# THE CASE FOR OMNICHANNEL CUSTOMER SERVICE

Customers today communicate in all sorts of ways. They now have a “digital first” mentality and expect a near immediate response. Social, apps, text, chatbots, and email have become the first point of contact for the majority of consumers. 70% of customers say that **“connected processes”** are very important to winning their business.<sup>1</sup>

Customers expect to get the information they want, when they want it, and how they want it. If you’re not providing omnichannel customer service, you are losing sales.

*“It’s not just about serving customers in these environments. Your customers are everywhere,”* Andy Steuer, Co-Founder & CEO of Helpware said. *“The marketing funnel doesn’t stop at the end of the purchase funnel. That’s the beginning of customer life cycle management.”*

*“If you’re not tending to that customer base,”* Steuer said. *“You are not hearing what they have to say. You are missing an opportunity to create a solution and give them incentive to come back.”*

While customer service is expensive to do yourself, it’s critical to your business. In our study, it’s clear most businesses are failing.

Customers expect a consistent experience across multiple channels, whether it’s talking to someone on the phone, or via live chat on your website, or asking a question on social media.

In fact, **73%** of customers say they are likely to switch brands if they don’t get that consistent customer service across channels and platforms.<sup>2</sup>



# WHAT WE FOUND

Companies spend a lot of time talking about the customer journey, but often when they acquire a customer, they fumble when it comes to customer support.

That message was consistent through all the survey results. Time and again companies failed to execute even basic customer support functions. Overall, only a handful of companies were ranked as “omnichannel ready” out of 1,200 Shopify E-Commerce stores. This represents less than 1% of all companies surveyed. 31% were ranked as “partially omnichannel ready” and the remaining 68% were “not omnichannel ready”.

*“These companies spend a lot of money in advertising to acquire customers,” Steuer said. “It seems counter-productive to give them a poor customer experience once they buy something - especially if they have a problem. This is a time when E-Commerce store owners to deliver what can be a magic moment for the customer, yet is often a blind*

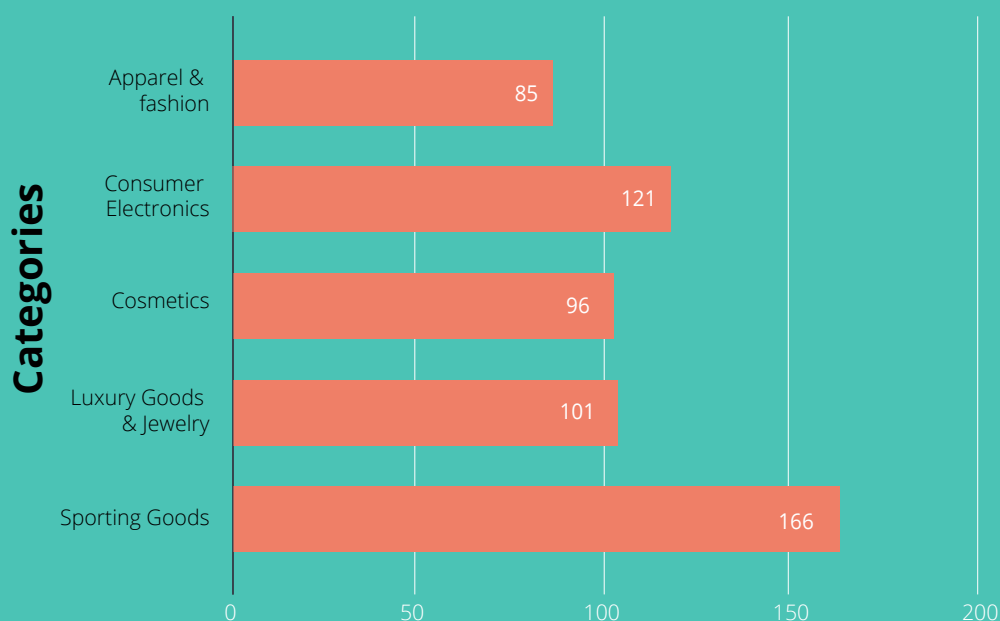
*spot for most of the businesses we researched. Acquiring the customers is just the tip of the iceberg.”*

The customer base is what’s under the surface of the water. If you erode that base, the whole thing can sink. That’s exactly what the results showed. The overwhelming majority of companies were missing opportunities to retain customers, gain repeat business, and grow loyal advocates.

*“In order for these companies to generate billions of dollars in revenue, they spent a lot of money on the front end to acquire these customers,” Steuer said. “It doesn’t make sense to let those customers fall through a leaky bucket.”*

The companies below received the highest score in one category but are “not omnichannel ready” as their overall score was under 10 out of 28. These companies see the value in providing quality customer support but are missing several opportunities to improve their customer experience.

## Companies that performed well in one category, but are not omnichannel ready



■ Companies that scored a 5 in one or more categories but received an overall score of under 10 points.

# Customer Support

There's some good and bad news in this area. **66%** of companies earned the highest score in communications in at least one channel. However, they also received an one of the lowest scores in at least one other omnichannel service category. The companies in the Sporting Goods and Consumer Electronics categories had the highest aggregate scores compared to the total number of companies researched.

## Omnichannel Customer Communication

Less than 2% of companies are using all customer channels, including email, phone, live chat, and social media.

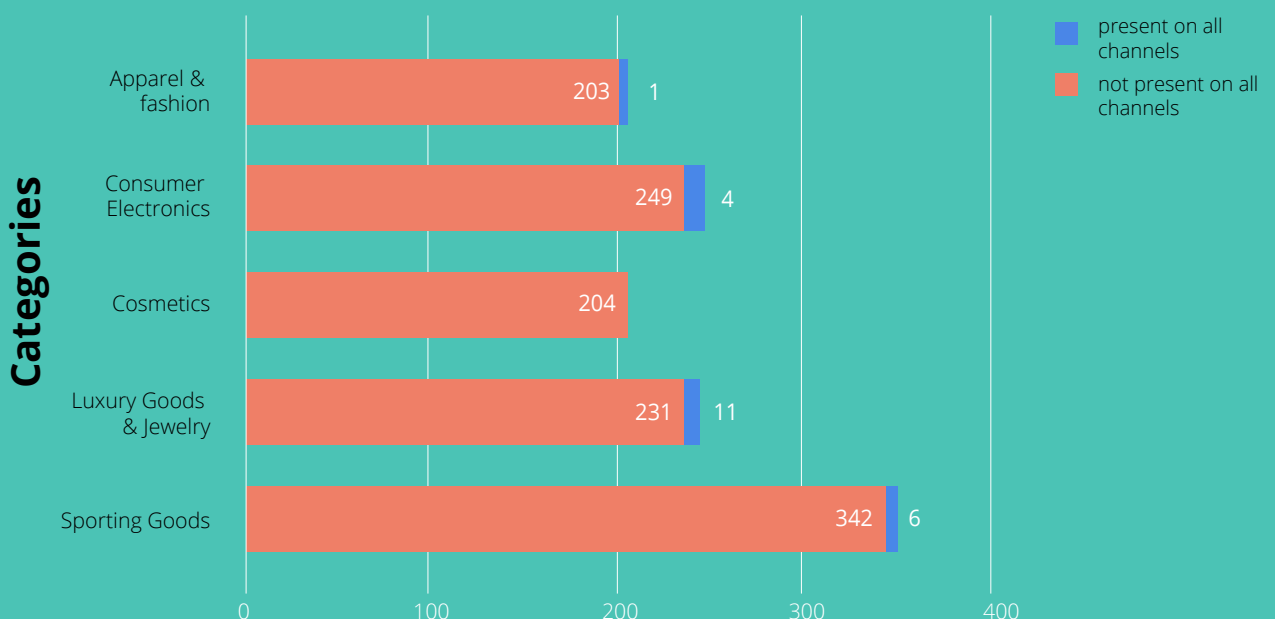
Few companies are using omnichannel communications tools to interact with customers.

Less than 2% were using email, phone, live chat, and social media. The Luxury Goods and Jewelry category scored the best, but only 4.7% of companies in that category reported using all four channels of communication.



This represents a significant amount of opportunity, and a significant competitive advantage for businesses that fix this problem.

### Most Companies Have No Customer Support Outside of Email Support



# Response Times

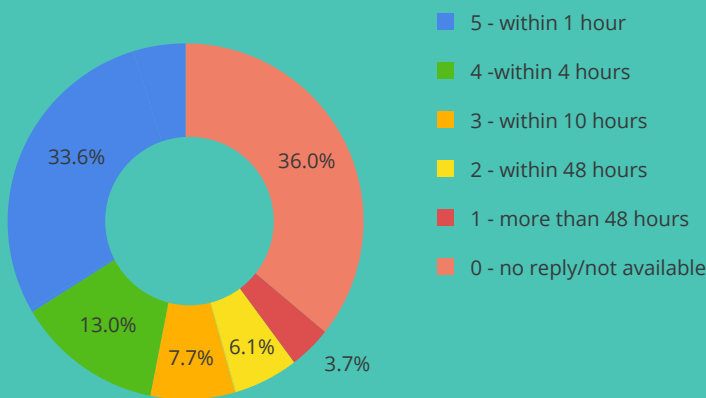
When it came to response times, scores varied dramatically depending on the channel used.

**49%** of businesses (618 companies) ranked at the top of the scale, scoring 5 on a 1 to 5 scale when it came to phone inquiries. When responding by email, 33% received top scores, social media response rates dropped to 23%, and only 6.6% of businesses had top scores in live chat.

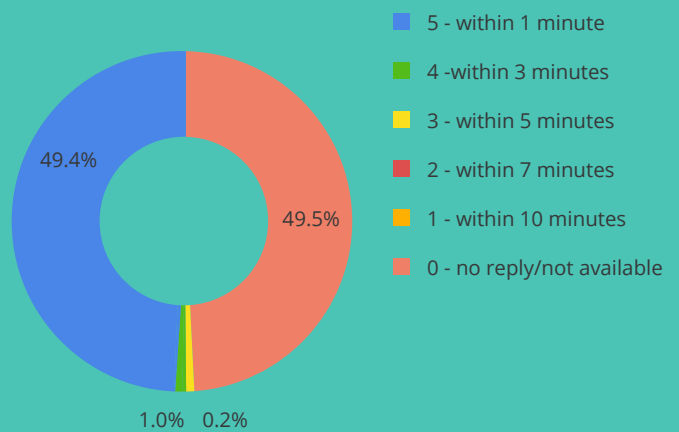
**The Sporting Goods category had the best response time scores across all of the categories surveyed.**

Below is how all companies performed in each category that we tested based on response time:

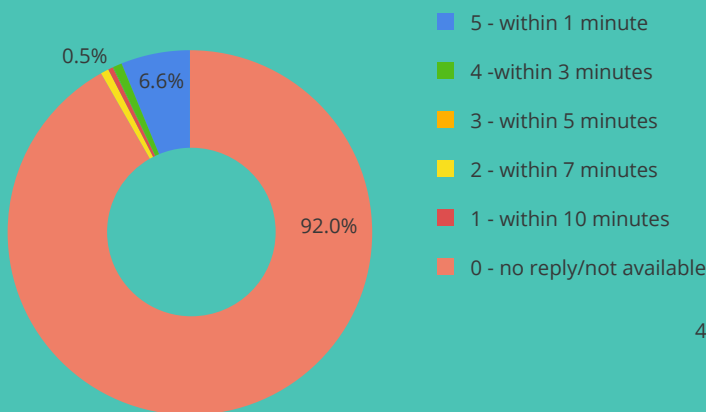
## Email



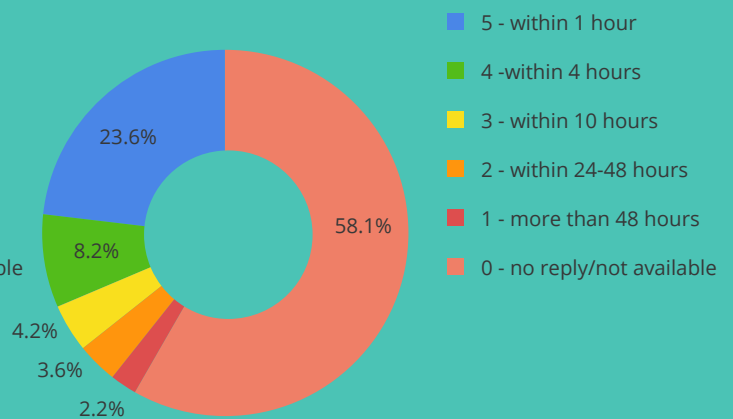
## Phone



## Live Chat



## Social Media



# Follow-up and Feedback

**None** of the companies sent a net promoter score (NPS) survey or customer satisfaction test (CSAT). As a result, these companies missed an opportunity to segment their customers to know who their best customers are (attractors) from their unhappiest customers (detractors).

Only 31 of the 1,251 stores studied followed up to find out if the reported issue had been resolved. That's less than 3%.

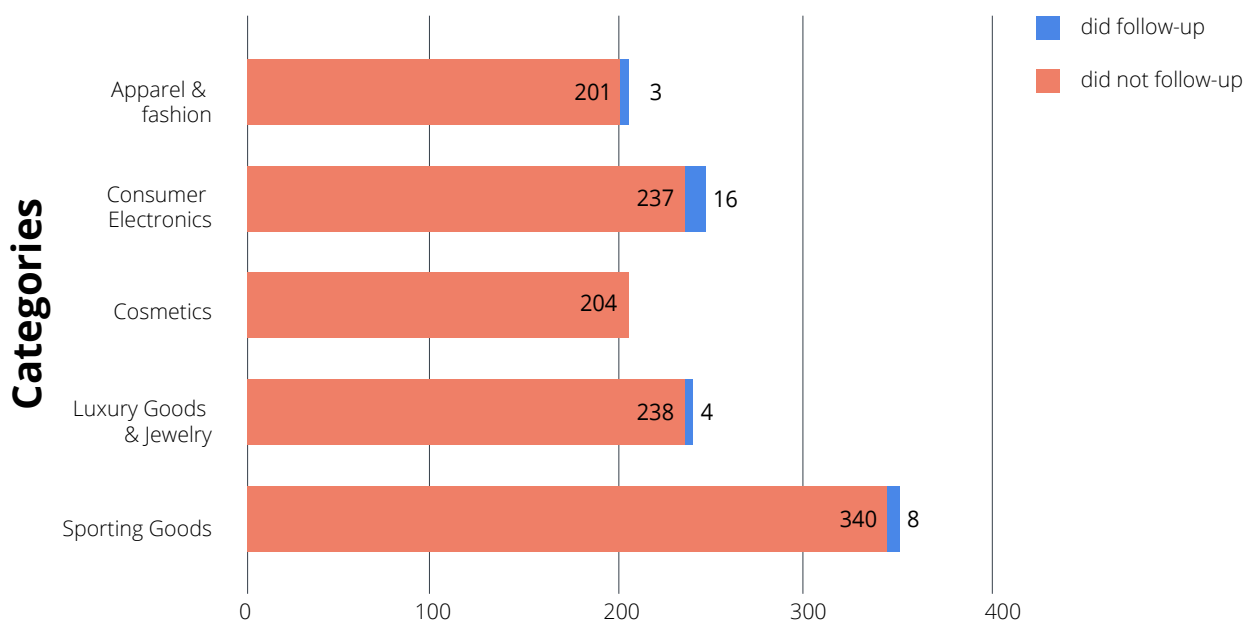
Follow-up for problem resolution was poorest in the Cosmetics category, where **none** of the 204 companies in the study followed up to see if our problem was resolved. Consumer Electronics companies ranked the best, but only 6.7% (15 of 253) of companies sent follow-up messages. Sporting Goods (8 of 348), Luxury Goods and Jewelry (4 of 242), and Apparel and Fashion stores (3 of 204) scored poorly as well.

**Less than 3% of companies (44 companies) asked for feedback on how to improve their customer service.**

Keep in mind the survey didn't provide higher scores for a favorable response, rather each company was awarded points for follow-up contact to determine if a problem had been resolved.


When it came to feedback on the customer support process itself, more companies asked for feedback on the process than asked about whether the problem was solved. Still, only 3.5% of companies asked for feedback on the customer support process.

## How Many Companies Followed-Up





# Our Scoring System Based On Response Times



**EMAIL SUPPORT**

within 1 hour - 5







within 4 hours - 4


within 10 hours - 3

within 48 hours - 2

more than 48 hours - 1

no reply - 0



**PHONE SUPPORT**

within 1 minute - 5







within 3 minutes - 4


within 5 minutes - 3

within 7 minutes - 2

within 10 minutes - 1

no reply - 0



**SOCIAL MEDIA**

within 1 hour - 5







within 4 hours - 4


within 10 hours - 3

within 24-48 hours - 2

more than 48 hours - 1

no reply - 0



**LIVE CHAT**






within 1 minute - 5

within 3 minutes - 4

within 5 minutes - 3

within 7 minutes - 2

within 10 minutes - 1



**CUSTOMER CARE FOLLOW UP - 5**





**CUSTOMER SATISFACTION TEST (CSAT) - 3**



# FAILING COSTS YOU MORE THAN JUST YOUR CURRENT CUSTOMERS

Research shows that a bad customer

experience results in **59%** of your customers leaving.<sup>3</sup> 55% of those customers end up going to a competitor.<sup>3</sup> People don't just stop doing business with you when they have a bad experience. They tell others. Social media makes it easy to share stories. We've all seen examples of bad customer service that went viral. It's a nightmare for businesses – whether the customer was justified or not. Not only do you lose current customers, but you scare away potential new customers.

The flip side is true as well and here lies the opportunity. 52% of consumers say they will continue to do business with you if they have **a positive customer experience**, and 51% will recommend your company to others.<sup>4</sup> That means getting your best customers to do your marketing for you.

*“By taking a small percentage of your revenue, and instead of spending it on ad networks, if you invest in your customers via outstanding customer support, you'll be investing in retaining your base so you can have a strong foundation to build your business upon”* said Steuer. *“When customers reach out to you in your customer support channels, you have an opportunity to engage with them and create an outstanding experience. When*

*you think of it this way, customer support becomes an integral part of your marketing team, and you will end up investing in your customers so they become your word of mouth network and your champions.”*

That's what true influencer marketing is all about. 92% of consumers say they trust referrals from people they know.<sup>5</sup> Their friends are an unbiased source that will always outrank your marketing efforts. Once that friend does business with you, the lifetime value for that new referral customer is 16% higher than non-referrals and churn reduces by 18%.<sup>6</sup>

Word of mouth is still one of the best forms of advertising, but it rarely happens by accident anymore.



# RETURNING BUSINESS TO RETURNING CUSTOMERS



*The key to growth for most businesses is getting customers to continue to purchase and stay as customers.*

Poor customer service is a sure way to drive them away. Keeping them, however, pays huge dividends in a number of ways:

1. It costs 5-25 times as much to attract new customers versus keeping an existing one<sup>7</sup>
2. Existing customers are 50% more likely to try new products or services<sup>8</sup>
3. Returning customers spend, on average, 31% more than new customers<sup>8</sup>
4. Increasing customer retention rates by 5% increases profits by a minimum of 25%<sup>7</sup>



*“Customer support is an opportunity to engage your customer again,” said Andy Steuer, Co-Founder & CEO of Helpware. “That engagement reinforces your value and can make them a repeat customer. For e-commerce sites, it means more business. Returning customers spend, on average, 31% more than new customers at retail sites.”<sup>8</sup>*

For SaaS (Software as a service) companies, it’s that engagement and value that keeps them on the platform longer.



# RECOMMENDATIONS

1. Review your own customer communications channels and note what's lacking from first contact, to problem resolution, to process feedback (Email, Live Chat, Phone, Social Media, App)
2. Conduct your own "secret shopper" campaign and reach out on every channel to see how your team responds
3. White board your customer journey throughout their life cycle and every touch point in your system
4. Create an infrastructure that allows for shared data from your customer service team, your product development team, and marketing teams
5. Empower your team members to solve problems quickly and incentive customers to return and spread the word
6. Consider outsourcing your customer support, marketing, and back end support to minimize people costs and increase efficiency

*"In this digital transformation," said Steuer. "It's critical to understand life cycle management. Customer support is **not a cost center**. It's part of a marketing department to grow your business."*

# METHODOLOGY

## Selection

More than 1,200 companies that use Shopify were sampled from each of the five largest categories on Shopify. Companies were sorted by category in 5 subcategories of 200-350 each.

## Scoring

Businesses were awarded a score on a 1 to 5 scale with 5 being the highest for the following categories:

- Email Support
- Phone Support
- Facebook / Customer Service Agent
- Live Chat
- Customer Care Follow up (Note: For this category companies were given 5 points if they followed-up and 0 points if they did not)
- CSAT (Customer Satisfaction Test) process feedback (Note: For this category the highest score available was 3 points)



## Contact Information

Contact information for each company was pulled from company websites.

## Email Test

Customer service inquiry was sent via email between 9am-1pm PT. One email attempt was made per company.

## Phone Test

Customer service inquiry was sent via phone between 9am-1pm PT. One phone call was made per company.

## Social Media Test

A customer service inquiry was sent via all social channels listed on the company website, mostly Facebook. One contact attempt was made per company.

## Customer Care Follow up Test

A company received points for this test if the company followed up with the customer to ensure that their inquiry was completed.

## CSAT (Customer Satisfaction Test)

A company received points for this test if the company followed up with the customer to ask for feedback on the customer service process.



# HOW DID YOUR COMPANY RANK?

To find out how your company ranked or to get the full data set, drop us an email at [hello@helpware.io](mailto:hello@helpware.io)

## About Helpware

Helpware delivers magic moments in customer support and back office marketing support to our clients. We help our clients level up their customer experience that results in better customer acquisition and retention.



We call it "embedding" where we provide you with resources that are **100% dedicated to your business**. We embed our team into your company's workflow. You have daily one-to-one communication with your resources, just like you would with any of your team members, and we become an extension of your team.

Step up your game today and contact us for a free consultation.

# CITATIONS

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<sup>3</sup> James, Daniel. *59% of Customers Don't Return After a Bad Customer Service Experience.* Retrieved from <https://www.business2community.com/customer-experience/59-of-customers-dont-return-after-a-bad-customer-service-experience-01306480>

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<sup>7</sup> Harvard Business Journal. *The Value of Keeping Customers.* Retrieved from <https://hbr.org/2014/10/the-value-of-keeping-the-right-customers>

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