



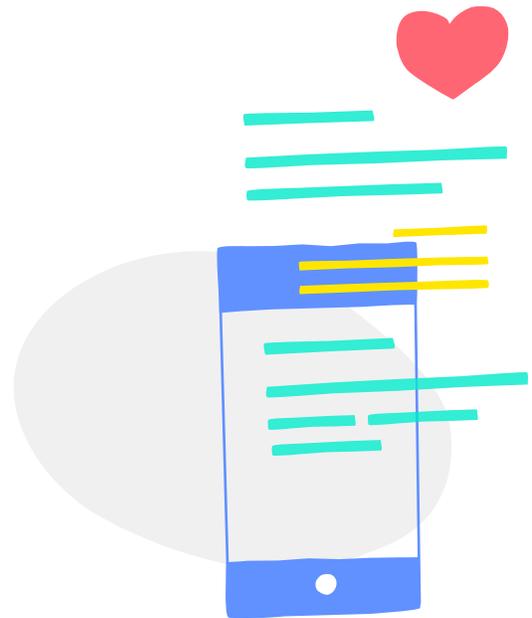
Second Edition | 2018

The State of Digital Care in 2018



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Introduction

How has the digital care landscape changed from 2017?

Customer expectations matured in 2017; no longer was social customer service just about response times and a friendly tone of voice. 2017 saw “effortless service” set the tone for what consumers deemed as acceptable, expecting convenience, in-channel resolution, and agent expertise. Brands looked to adapt—some successfully others not so successfully—to make “effortless service” part of their social care architecture.

So what’s changed in 2018?

Offering effortless social care is still as relevant today as it was in 2017. But customers expectations are maturing more rapidly, brought on by their own unquenchable demands for ease and the platforms that facilitate this ease. Today’s consumers, the “always-on” generation, are more mobile and digitally driven than ever before.

Delivering effortless customer service remains critical to delivering seamless customer experiences. Yet, over the course of 2017, the customer service landscape evolved significantly, truly undergoing its own digital transformation. The maturation of social care has given rise to the natural evolution of the term “Digital Customer Service,” which is where we find ourselves in 2018!

The Rise of Messaging:

Activate predicts that by 2018, at least 3.6 billion people will have at least one messaging app on their smartphone, catching up with the total number of internet users, and eclipsing pure social media users.

With a more all-encompassing approach to customer care, digital customer service simply means being able to service customers over a plethora of digital channels from Twitter and Facebook Messenger, to SMS and livechat. Today's digital customers want their voices heard and problems resolved, quickly and without having to jump through archaic service hoops. Evolving customer preferences are tightly linked to innovations in digital technology; brands must embrace both in order to keep pace with heightened expectations.

Harnessing the power of AI & Bots:

A recent report from Accenture found that 80% of customer engagements can be handled by bots, if the bots are also integrated seamlessly with agent work flows.

The Conversocial State of Digital Care in 2018 survey polled over 2,000 people from the United States and the United Kingdom. The demographic comprised people of all age groups, all genders, and all income brackets.

The report addresses the key consumer behaviors and trends impacting the state of digital customer service in 2018 as outlined in the report below.



Key Findings

The evolution of digital customer service is a welcome development for both brands and customers. Beyond simply solving customers' problems, digital channels offer a unique way to enhance the customer experience, boost satisfaction and contribute to a more cost-effective customer service operation compared to that of traditional service offerings. When managed properly, a digital service experience should be efficient, in-the-moment and personalized.

Brands have stepped up their digital customer service game over the past year. Providing digital customer care is now recognized as a priority focus for customer interaction, loyalty and retention.

It is a key differentiator for businesses and those that spend the time, money and effort to integrate digital into their repertoire will be handsomely rewarded.

But why do brands still fall short? From our findings, there is still a long way to go before brands meet customer expectations in offering digital care as their primary channel for brand engagement and resolution.

01

Expectations are on the rise: Consumer expectations for service via digital channels only continues to increase. A staggering **81%** of respondents indicated that their expectations for digital customer service are higher today than they were a year ago.

02

Human interactions are still key: Over half (**59%**) of those surveyed considered interacting with a human agent to be more important than being serviced by a bot or AI (Artificial Intelligence) driven resolution.

03

Social care volumes continue to grow: **37%** of respondents have used digital channels for customer service. With over a third of incoming inquiries occurring over digital, brands really need to start engaging with consumers and being part of the conversation, if they haven't already done so, or they will be left behind.

04 **It's time to "wow" your customers:** 54% of respondents considered that digital customer care teams were meeting their expectations, yet only 7% thought that their expectations were being exceeded on digital channels.

05 **Brand engagement leads to brand loyalty:** The churn rate for brands which poorly service their digital customers is higher than that of brands that take the time and effort to engage. 57% of respondents indicated that they would stop doing business with a brand due to a poor digital customer service experience.

06 **Customers expect social customer service to be effortless:** 100% of respondents deemed an "issue being resolved in a single interaction" a must-have for digital customer service, with 38% qualifying it as the most desirable aspect.



CHAPTER 3

Drivers of Brand Loyalty

In today's digital-first world, where consumers expect an instant service and immediate results, it is vital that brands take the same approach when it comes to delivering seamless customer service over digital channels.

Over the last year, customer expectations about the level of service they receive have soared. 81% of respondents acknowledged that their expectations for a brand's digital service offering, were higher than a year ago (compared to only 19% saying that their expectations hadn't changed). Clearly, connectivity has ushered in a new generation of customers who expect more, and expect it fast.

The proliferation of digital channels and mobile devices has given consumers and brands greater access to real-time interaction and fundamentally changed the way brands can service their customers.

Of those respondents who have engaged with brands on digital for a customer service issue, 63% determined the quality of service interaction delivered on digital to be "very important" to brand loyalty. Whereas only 5% deemed it to be "not important." A good customer service experience is evidently key to the customer's choice of, or loyalty to, a brand.

There is no doubt that a poor service interaction will push a customer away; as 57% of respondents in the survey also indicated that they would shun a brand due to a poor digital experience with only 43% stating that they would be happy to continue doing business.

Along with brand loyalty, digital customer service offers businesses a significant opportunity to increase profitability by improving customer retention rates, advocacy and loyalty. Interestingly, 51% of respondents stated that they were "very likely" to repeat purchase from a brand that was able to respond to their customer service questions over digital channels, with 41% indicating they were "somewhat likely."

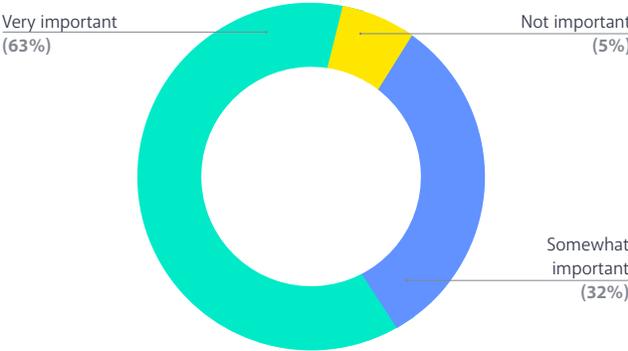
The benefits of higher retention, swayed by positive digital experiences, compound over time.

It makes sense that happy customers are perhaps one of your most profitable price points as they can generate referrals, convincing new customers to check out your brand and be more willing to spend more themselves. A digitally mature brand will execute a well-crafted customer service approach which is focused on building positive and genuine connections. Every customer wants to feel valued and if a brand can do this, it will mean the customer is more likely to come back to your brand again and again and spend more in the process.

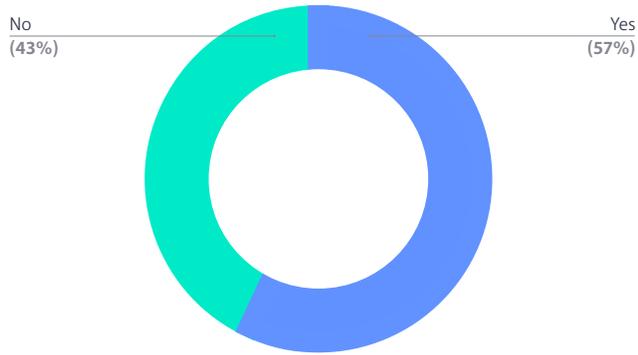
Do you have higher expectations for digital customer service today than you did a year ago?



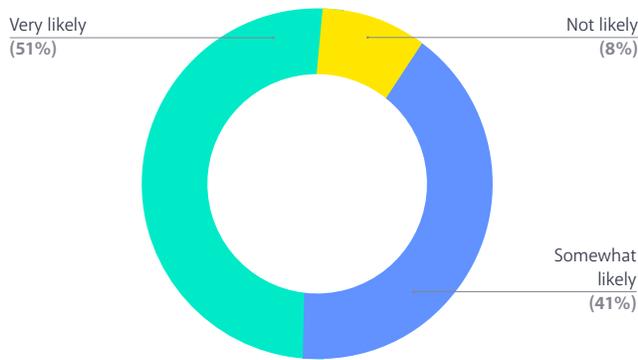
How important is good digital customer service in your choice of, or loyalty to, a brand?



Have you ever stopped doing business with a brand due to a poor digital customer service experience?



Are you more likely to be a repeat customer to a brand that responds to customer service questions over digital channels (Twitter, Facebook etc.)?



Have you ever used social media for customer service?



CHAPTER 4

Changing Customer Expectation

In today's connected world, customers expect to receive service on their own terms anytime, anywhere. But are consumer expectations for 2018 radically different to those from 2017? No, not radically. But there is serious room for brand improvement.

Two thirds (67%) of global respondents reported it took "some effort" when resolving issues on digital channels—with 12% stating it took "too much effort". There will always be a certain amount of effort associated with solving a service issue, but this hardly fits with the mantra of offering effortless engagement on digital channels. 38% of our respondents also stated that getting their issue resolved in a single interaction was their most important aspect to good digital care, corroborating that current digital service interactions require too much effort on the part of consumers.

Interestingly, 59% of respondents still feel it is "very important" to have a human handle their digital care inquiry, as compared to 35% who say it's "somewhat important" and 6% who feel it's "not important". This shows a clear consumer mistrust in the ongoing role AI and Bots will play in customer service. Many customers, unknowingly in many cases it seems, interact with a chatbot in some form. In fact, many Conversocial clients have implemented Visual IVR over Twitter DM to help manage ever-increasing volumes. The issues arise in bot-to-agent hand off.

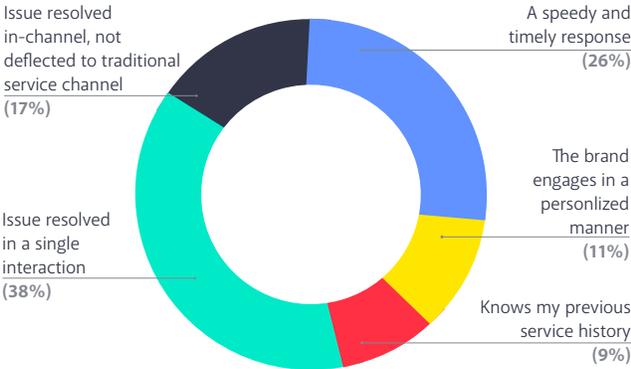
If this can be managed through seamless work flow integrations many customers will be none the wiser—although brands should not hide the fact that consumers may be interacting with a service bot. Bots and AI will play an ever-increasing role in delivering efficient service at scale, especially when we consider the ever-increasing consumer demand for real-time responses (37% of customers expect a response in under 30 minutes, 31% in under 2 hours and 26% in under 4 hours). 26% of global respondents also mentioned receiving a timely and speedy response as the most important aspect of receiving good digital care, regardless of industry vertical.

To meet these surging consumer expectations, brands will have little choice in 2018 but to help manage this volume at scale; with either greater agent efficiency, deeper channel adoption or chatbot and AI integrations. Ideally all three!

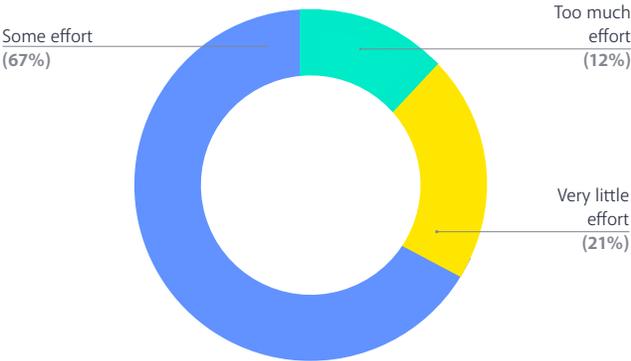
But it's not all doom and gloom. Regardless of these changing consumer expectations, fueled by innovation and consumer trends, brands are doing a good job it seems. 54% of respondents feel their expectations are being met by companies offering digital care, with 7% stating that their expectations are being exceeded. Although it's important to note that 33% say their expectations are not being met, with 6% saying their expectations are nowhere near being met.

2018 represents the year for improvement. Most brands already offer digital care pathways to their customers; this is the year that offering should mature to meet consumers' expectations.

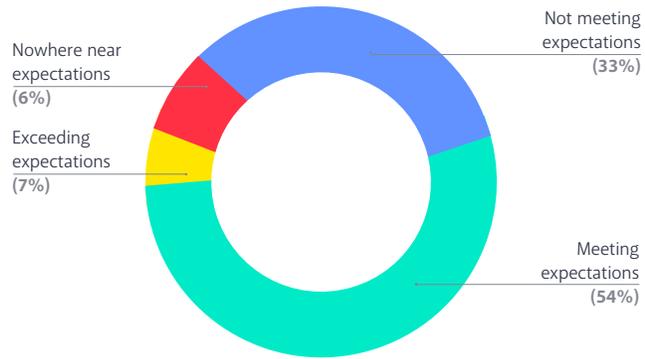
What is the most important aspect of a good digital customer experience?



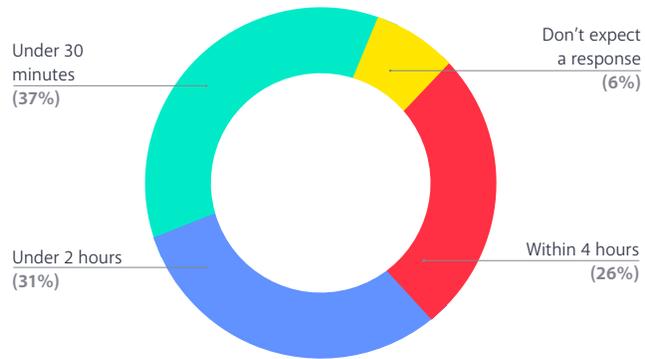
How much effort do you feel it typically takes you to resolve an issue over digital channels?



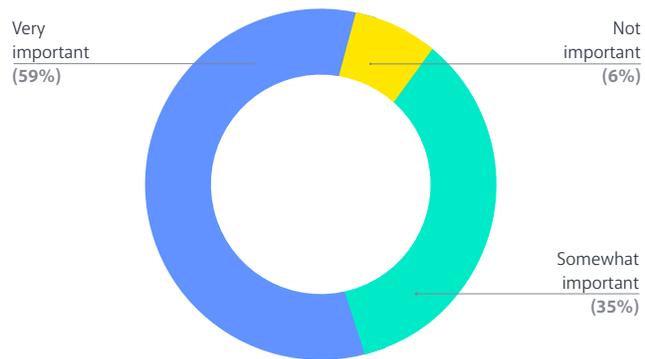
How would you rate most companies in their digital customer service?



How long do you expect to wait for a response from the brand to your social media question or complaint?



How important is the human element vs programmatic response that resolves the same problem (AI) in digital service?



Recommendations

Wherever you sit in customer care or marketing, you know of the growing importance of customer experience when it comes to increasing your brand's competitive edge. One of your best influences on your consumers' engagement experience comes from the quality of your digital customer service offering. Digital care was once viewed as a nice to have, not a need to have. This has changed.

It is no longer a cost center and needs to be invested in and viewed for what it now represents, a scalable, ROI positive driver of brand loyalty. The Conversocial State of Digital Care in 2018 indicates that:

01

Digital Care is a Key Driver of Customer Loyalty: Customer expectations are rising, and it's critical for brands to keep pace with those expectations in ways that are innovative. Our findings reveal that there is a direct correlation between delivering superior digital care and brand loyalty. In fact, 63% of respondents say it's important in their choice of, and loyalty to a brand. Brands should look to offer CSAT surveys for consumer interactions over digital channels, making sure that sentiment and customer satisfaction remain high.

02

CRM Integrations Help Agents Respond: The quality of customer service can be a key differentiator between success and failure. It sets you apart from the crowd in the age of the customer where expectations are clearly on the rise. As a brand, if you are able to differentiate, and go the extra mile when it comes to your digital customer service offering, customers will notice and reward you with their loyalty. CRM integrations offer the chance to form a single view of each customer journey, which means businesses will be armed with the ability to track customers and their communications across digital channels for a more seamless, efficient and personalized resolution.

03

Social care volumes continue to grow: 37% of respondents have used digital channels for customer service. With over a third of incoming inquiries occurring over digital, brands really need to start engaging with consumers and being part of the conversation, if they haven't already done so, or they will be left behind.

Ensure you're delivering
in-the-moment resolution,
at scale, to drive profitable
and lasting relationships over
social and digital channels.

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