Customer Service Review

Consumer Legal Services Insight 2021

Customer Service Review
Introduction

Welcome to our 2021 Customer Service Review of UK consumer law!

As we emerge from the COVID pandemic the sector faces ongoing regulatory reform, government intervention and increased competitive pressures from consolidation and new entrants.

Against this backdrop, greater competition and innovation will be the norm. The winners who emerge will be those who can combine and harness their systems, processes, people and data to deliver a compelling customer proposition and customer experience.

If, like us, you are curious to understand the progress being made by firms and practices across the sector then read on. We present a unique body of insight in the following pages in which we have deployed various analytical techniques, including Artificial Intelligence, to analyse online customer reviews across the sector, which we have augmented by a sample of secret shopping to show how different firms' customer service compare.

Charles Layfield

Bill Guthrie

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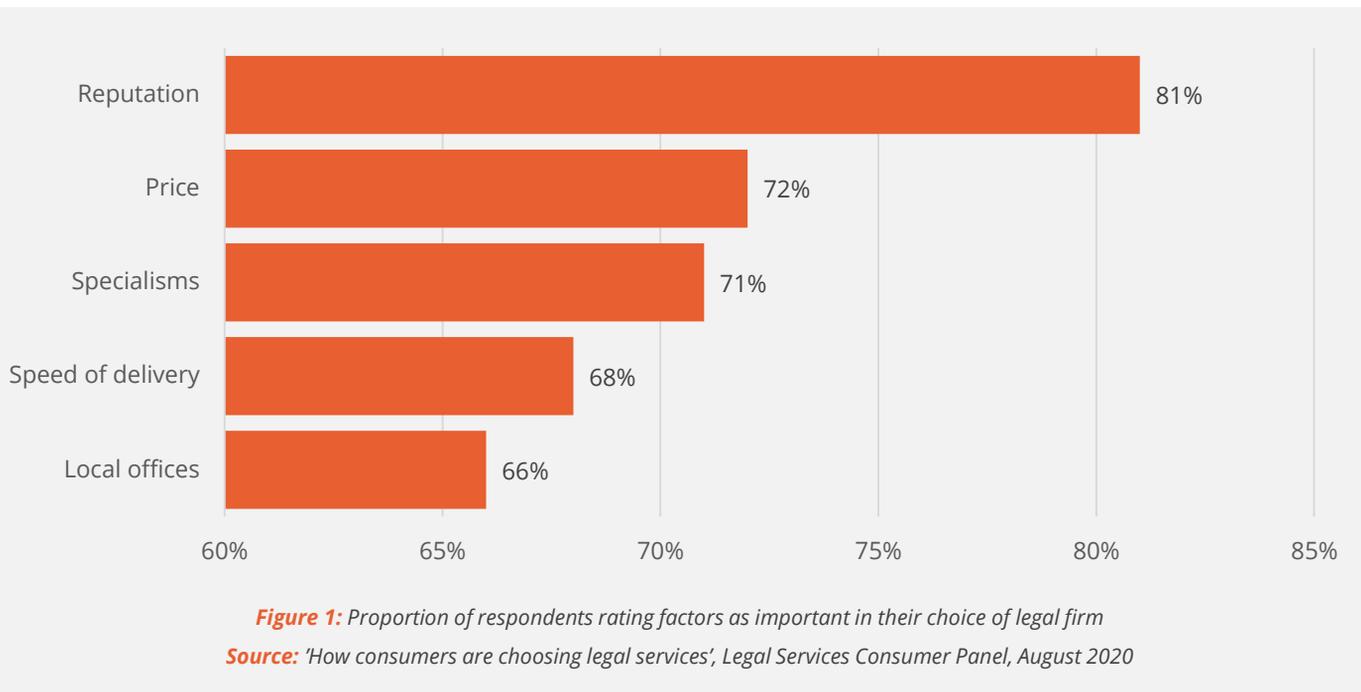
Customer Service Review

Contents

For readers who work at a Top-200 UK firm with a consumer focus then it is likely your firm featured in our analysis. We will be happy to send over a summary of this work specific to your firm on submission of a verifiable request from a company email to info@gleneskgroup.com

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How customers buy

Reputation and price matter most

Figure 1: *Proportion of respondents rating factors as important in their choice of legal firm*
Source: *'How consumers are choosing legal services', Legal Services Consumer Panel, August 2020*

The most important factors that customers use to select their preferred provider are its reputation, price and relevant specialism. Reputation is assessed by both customer service and quality of practice.

To make effective decisions, customers need to be able to evaluate and rank firms on these factors. By return, the leading firms focus on practice quality, service quality and value for money and can communicate these points clearly.

Personal recommendations are most highly valued, but are not always available and so online reviews and ratings are increasingly used. The most popular reviews website is Trustpilot, with 112 times more reviews than the next largest, solicitor.info. We have analysed these reviews to see what they reveal about reputation and its impact.

Trustpilot has 112 time more reviews than it's next largest competitor for legal firms

Currently, Trustpilot doesn't allow customers to view ratings of different practice areas on Trustpilot, so we used a technique called Natural Language Processing to highlight the difference that can exist between firm and practice reputation.

We also checked how easy it is for customers to find and compare prices for comparable services by reviewing selected firm websites and requesting information by both phone and webform.

Online reputation matters

Online reviews have increased 1100% in 5 years

The use of online reviews has increased significantly over the past 5 years, as shown in Figure 2 on the right. This increase is likely to continue given regulatory pressure, and evolving consumer preferences.

While customers have an ever increasing body of reviews to draw on, they don't always find it easy to compare firms for two reasons. The first is that similar scores amongst the best providers make it difficult to identify the best ones and the second is that the scores left by customers do not always accord with the accompanying reviews.

Comparing different firms

Customers can view the top rated firms within the 'Lawyers & Attorneys' category on Trustpilot, listing them by highest overall score, and can even filter by practice area, number of reviews and time period. While useful, each firm is only given one score, meaning customers must assume that all practice areas within a firm have a similar reputation. This is often not true which reflects, unsurprisingly, the different practice and process in each area of the firm.
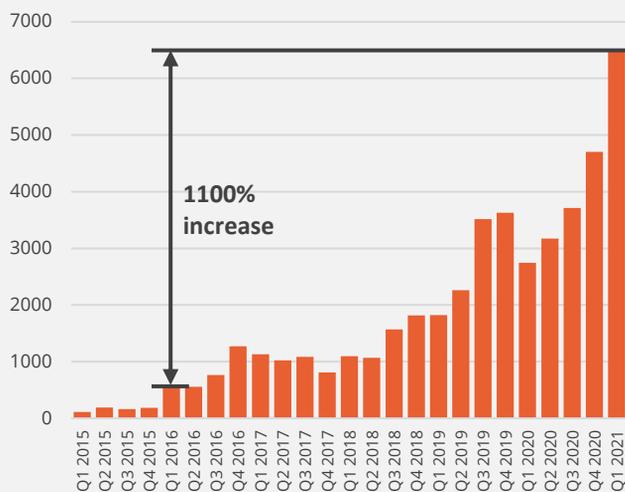
1100% increase

Figure 2: Number of Trustpilot reviews for Consumer Legal Firms from 2015 - 2021

Trustpilot also adjusts a firm's score according to the number and age of the reviews given.

While this approach has merits, it can negatively impact smaller firms and those not actively encouraging customers to leave reviews. In this report we have used a 'Customer Score'* measure which removes the impact of the number and age of reviews.

Accuracy of the scores

82% of reviews are given 5 stars

82% of all reviews are given 5 stars. This reflects trends seen in other industries and the active management of online brands by firms.
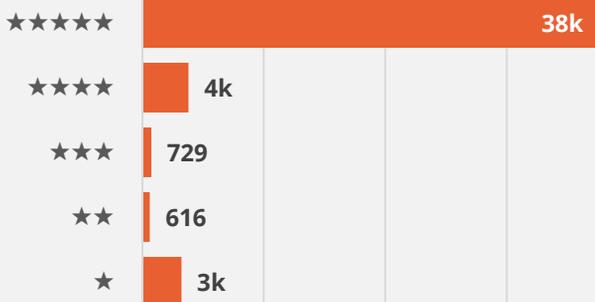
★★★★★ 38k
★★★★ 4k
★★★ 729
★★ 616
★ 3k

Figure 3: Number of Trustpilot reviews with each score for Consumer Legal Firms

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The calculation behind this measure can be found on page 17.

Not all firms manage their brand

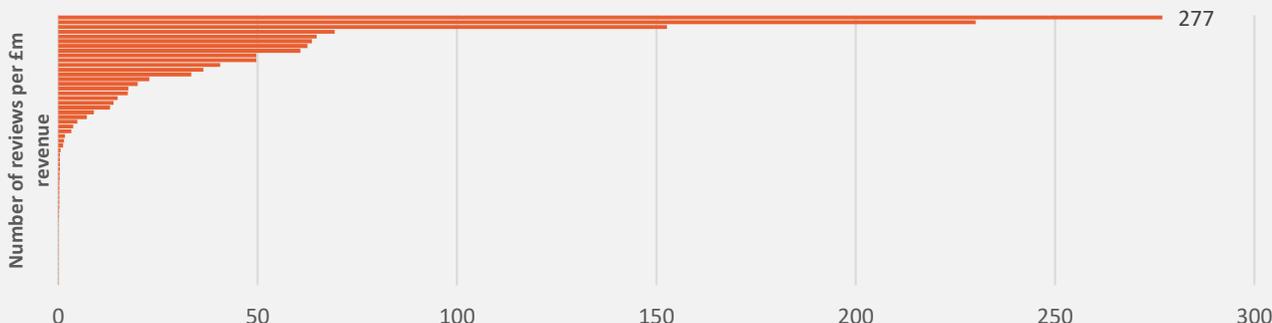## The best firms drive both review volumes and ratings

Figure 4: Number of reviews per £m revenue for firms. Includes consumer focused law firms in the Top 225 based upon The Lawyer Top 200 UK law firms 2020 with more than 10 reviews.

The best firms know the importance of their online reputation and actively manage it. To do this the focus is on both the number of reviews and the score given to each review.

Management of online feedback varies considerably, the top company having 277 Trustpilot reviews per £m revenue and the bottom company having just 0.1 reviews per £m revenue. Those firms who are not actively encouraging reviews have their online scores impacted because of the weighting placed by sites on the volume of reviews. This accounts for 49% of the market.

Figure 5: Average review score for firms (one column is one firm). Includes consumer focused law firms in the Top 225 based upon The Lawyer Top 200 UK law firms 2020 with more than 10 reviews.

The firm with the most reviews has 2770 times as many reviews per £m of revenue

Figure 5 highlights those firms not actively managing their online reputation. It's not just service quality that counts but also the active encouragement of online feedback.

As an example, the firm we ranked 7th in Figure 5 is ranked 22nd by Trustpilot because it has only 21 reviews.

The number of reviews can change your ranking from 22nd to 7th – customers need to be encouraged to leave reviews
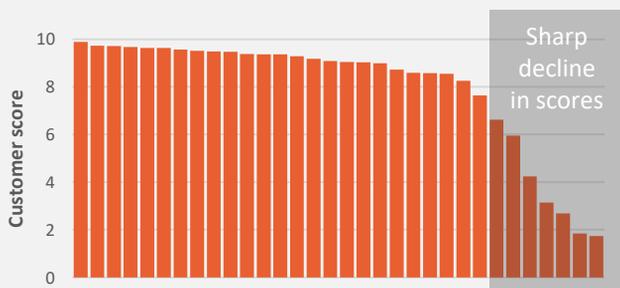
It is encouraging that 81% of firms score a 4 or above on Trustpilot. This creates a problem for customers however: how do they choose amongst the best firms? Having a good rating becomes a hygiene factor, rather than a differentiator.

5 star reviews are now the norm

High scores are a hygiene factor, not a differentiator

Figure 6 shows how the increase in the proportion of 5 star reviews in the sector. This trend is not specific to Trustpilot or to Law firms – it can be seen across all industries and reflects a form of grade inflation provided by consumers*

This is evident from some of the text accompanying 5 star reviews:
- **"No complaints"**
- **"Satisfied, thank you"**
- **"All okay"**
- **"So far so good"**
- **"I had no problems"**
- **"It's okay, thanks"**

This leaves customers in the position that they can quickly identify firms with a bad reputation but find it difficult to differentiate between good ones. Review and comparison sites might respond by using more data in their reviews and the use of sentiment analysis to score firms based on the strength of feeling conveyed which may pose problems for firms that are not currently managing online sentiment, underlying customer service and quality of practice. If regulators and review sites do not tack in this direction then consumers may be forced to use other means of selecting their preferred provider.
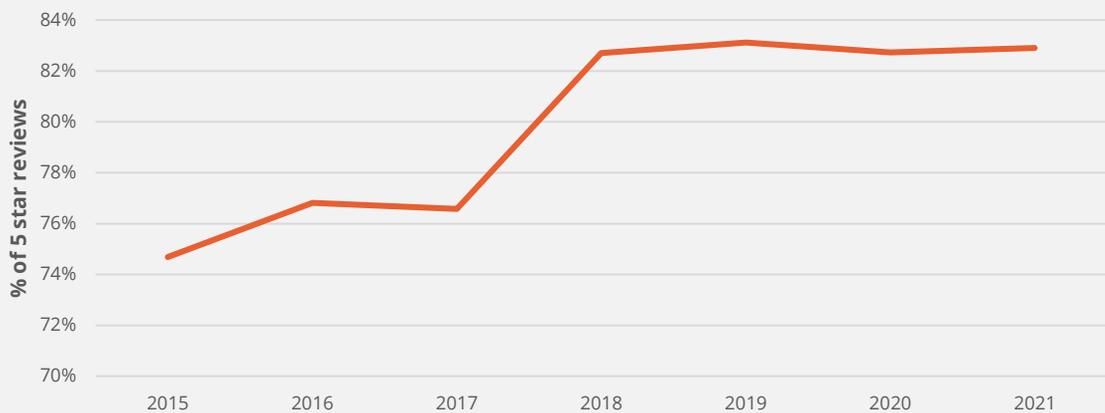
Figure 6: Change in percentage of reviews for Consumer Legal Firms on Trustpilot that receive 5 stars

*There have been a number of academic studies into this behaviour, with one paper (Reputation Inflation, 2020, Filippas, Horton and Golden) finding an increase in 5-star ratings of 52% across a 6 year time period. It was found that the largest cause of this increase was due to higher ratings, without the expected increase in sentiment, rather than the customers becoming more satisfied. The majority of the increase was not due to increased performance.

Little impact from COVID

Firms managed their reputation and consumers made allowances for disruption

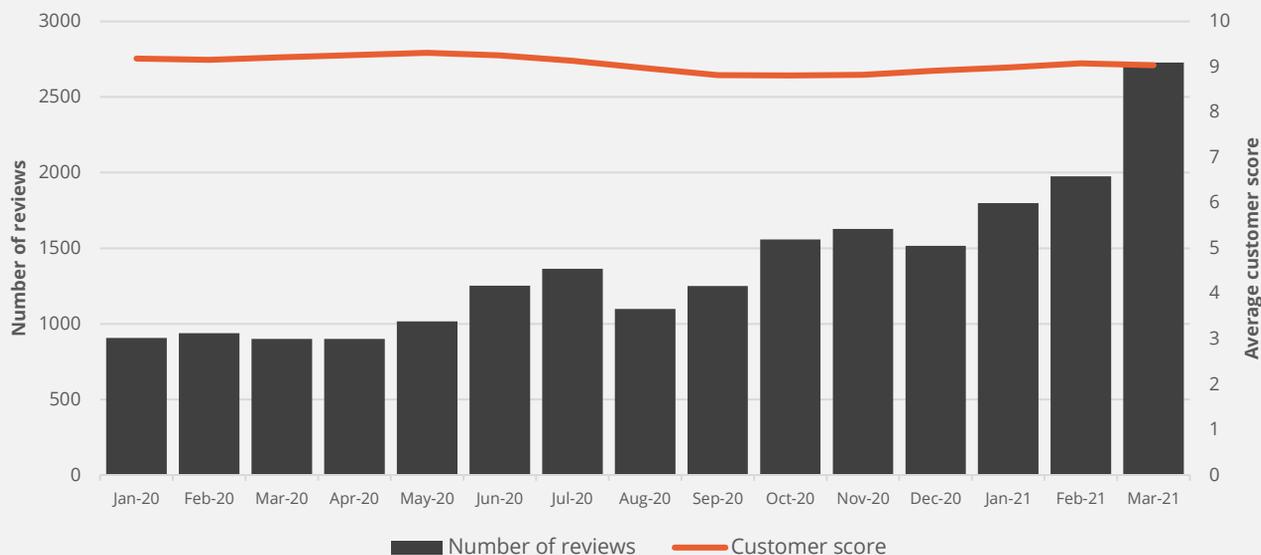**Figure 7:** *Change in number of reviews and Customer score through the COVID-19 pandemic (2020-2021)*

Whatever the technical and logistics challenges of COVID, firms have managed them while maintaining their online reputation. Figure 7 shows average customer feedback scores over the period which vary by less than 0.4/10 from pre-COVID levels.

Only 4 firms saw a notable decrease in Customer feedback scores after March 2020 and in each case the low number of reviews left make it difficult to draw any clear conclusions about the size or correlation of the drop relative to lockdown.

- **"Great service, even though our whole transaction was disrupted by COVID"**
- **"Very helpful in difficult circumstances due to COVID-19"**

- **"Difficult times with Covid 19, kept the ball rolling, well done and thank you"**
- **"I found it quick and easy to draw up my will, despite inevitable Covid restrictions"**
- **"Made every effort to accommodate being hearing impaired whilst dealing with covid working conditions"**

This suggests that the sector has successfully pivoted to a remote working model, and that customers are content with this way of working, reducing the need for firms to have costly central offices in expensive locations.

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Firm scores depend on service mix

Practice reputation is a better guide to service quality

Some consumer practice areas are more highly regarded by customers than others, which reflects the potential for matter types to be dealt with in a way that leads the customer to feel content or happy with the result.

Wherever a practice area was mentioned or could be inferred in an online review the aggregate scores across all firms are displayed in the table below.

ResCon	PI	Wills & Probate	Emp.mt	Family
9.2	8.4	8.2	7.8	7.2

There is a 20% difference between the best and worst rated practice area. This is significant because the mix of the business undertaken by each legal service provider will influence its reviews and reputation. A firm undertaking exclusively residential conveyancing work will most likely find it easier to get strong online reviews than one which has little conveyancing but many family law cases on its books.

As an example the firm ranked 17th by Trustpilot would be rated 4th if it's Residential Conveyancing practice was considered in isolation. Figure 9 highlights the wide variation in practice reputation conflated in online scores.

Trustpilot only shows one score for each firm. One poorly performing practice area can impact the reputation of the whole firm, and customers will not be able to identify that other practice areas are rated highly.

The best firms drive consistency of customer service and communication across all of their practice areas, having a variation of less than half a point between their best and worst performing practices. Historically, less than a third of online reviews mention the relevant practice area and firms might usefully do more to manage their brand at practice level as well as at the level of the firm.

The comparison sites and regulators could also do more to drive a more to capture and present data in a way that allows customers an easy and accurate view of practice rankings across a range of key performance indicators.

Figure 9: *Variation in customer score by practice area for 5 firms*

Customers crave effective comms

Clear, timely and consistent client communication is the key to great (and bad) feedback

Figure 10: Most frequent words used in 5-star reviews

Figure 11: Most frequent words used in 1-star reviews

Customer scores only reveal so much; their words tell us what factors are most important to them. The most frequent words used in both 5 star and 1 star reviews are summarised in Figures 10 and 11 respectively.

The same factors are prioritised from both perspectives:

● A need for clear, consistent and timely communication

Figure 12: Complaints by reason for Top 200 Law Firm

● Effective, joined up case management and customer experience from discovery to billing

● Pace of progress with the matter

The highest ranked firms have coordinated their data, systems, processes and people to deliver great customer service consistently and at scale.

Comment on practice quality is rare which is to be expected given the technical and specialised services provided. What customers comment on is customer experience which relies on whether they feel heard and well informed.

This feedback mirrors typical reasons for customer complaints. Figure 12 shows a breakdown of complaint cause for a Top 200 UK Law Firm in which two of the top three causes resulted from ineffective communication caused by inconsistent process.

Great communication starts by making it easy for customers to buy; providing the information they need at first point of contact. We contacted the top and bottom firms as rated by customers to see how they performed.

Firms impede their sales

3 in 4 firms in our survey do not respond to customer enquiries when asked

Secret shopping activity* was undertaken to see how easily we could compare different firms. There were three key elements tested:

- Information available on websites
- Contact through webforms
- Contact by phone

In each case the simplicity and transparency of the pricing information was assessed alongside the product/service we were enquiring about:

- Personal Injury due to RTA
- Residential Conveyancing purchase
- Wills

The results show room for improvement:

- **2 in 3** firms did not put calls through to an informed team
- **5 in 6** firms did not answer basic questions on service & price online or over the phone
- **3 in 4** firms did not call back customers when they committed to do so
- **More than half** of websites contained little to no pricing information on consumer law pages

Figure 13 shows that pricing is opaque and communicated variably both across firms and also within practice areas in the same firm. It is also clear
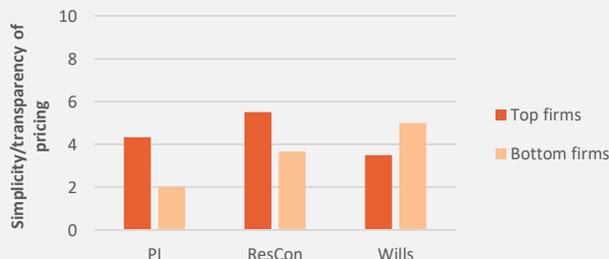
Figure 13: Average proportion of customer questions answered for top and bottom rated firms on Trustpilot (full explanation of rating can be found on page 17)

that this is an area where significant improvement could be made, with an average score of 4/10 across all firms and practice areas.

A similar picture was found when investigating the transparency of the product/service. Figure 14 shows an average of 2/10 across all firms and practice areas, with no firms scoring highly.

These low scores described in Figure 12-13 were caused by firms not responding to enquiries, responding slowly (over 72 hours for a response) and not providing the information sought.

The performance of the best performing firms in our analysis were not significantly better than those receiving less glowing customer feedback. This may highlight the gap between online reputation management and real differences in customer service. It may also indicate that customers discount their initial interactions with a provider when offering online feedback after the service has concluded.

Whatever the cause, there is a gap between how the customer wants to buy and how legal firms present their offer. This presents a significant opportunity for firms with a desire to increase their conversion and intake of new business.
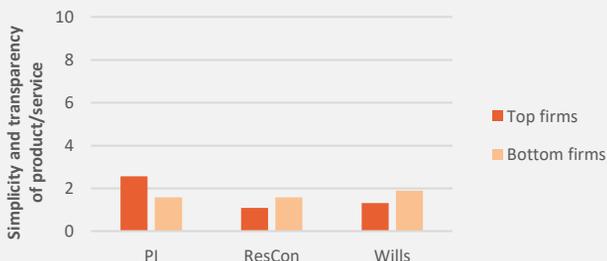
Figure 14: Average proportion of customer questions answered for top and bottom rate firms on Trustpilot (full explanation of rating can be found on page 17)

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*(more detail is available on page 17)

Improving conversion rates

Ensure customers can access information their way and build effective communication into your ways of working for the entire customer journey

Monitor and manage your online brand and recognise that one bad practice area can impact the reputation of the whole firm

Go beyond this to design your customer communications from first enquiry to case conclusion

Make your pricing visible

Close the digital gap, get the basics right marrying digital, process and people in your marketing across all channels (not just phone lines)

Design in the elements that customers care about: service, speed, communication and consistency

Make your reputation much more visible
(for example adding a Trustpilot widget to your website
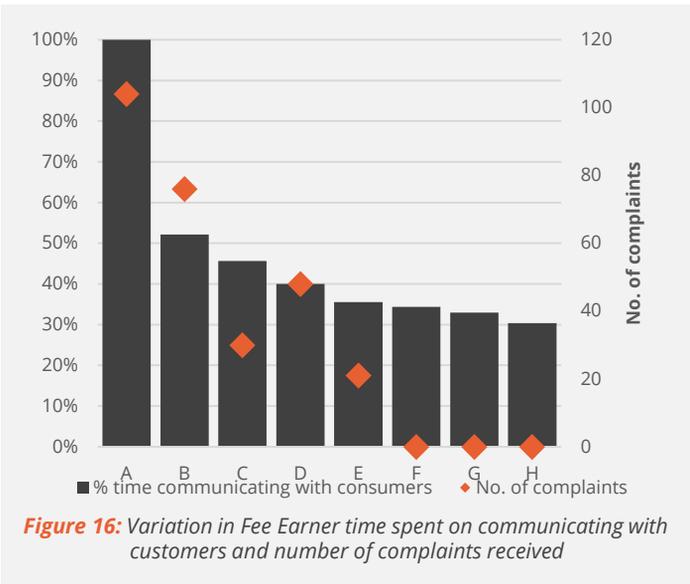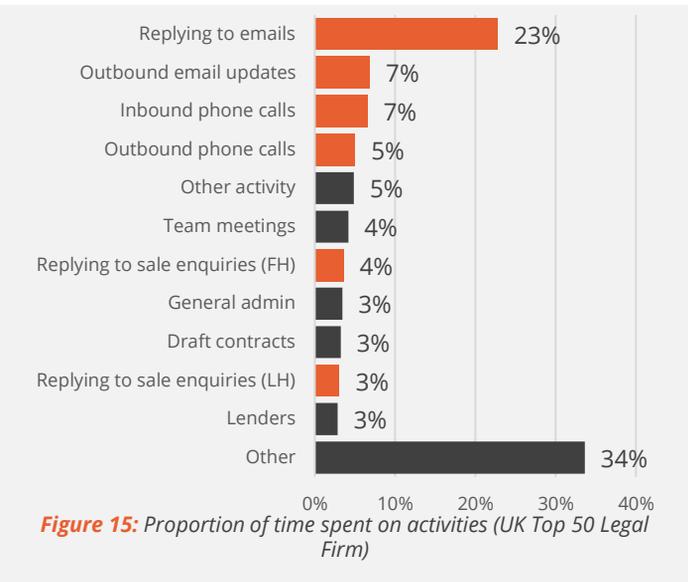
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Reducing costs

An investment in service design makes best use of technology, saves time, and improves customer service

Typically, client communications account for almost half of fee earner time. (Figure 15). Previous projects show (figure 16) that there is no correlation between the time spent on client comms and resulting client feedback or complaints. It is quality of communication and not volume that counts and the sector has a significant opportunity to improve quality in this area while also being significantly more efficient.

Firms can both improve customer communication and reduce the time spent on it with intelligent design. This involves identifying what communication customers want and working with both fee earners and digital teams to design ways of working that join up people, processes and technology, minimising time but maximising effectiveness.

Where this is achieved, firms separate themselves from their peers in terms of customer reputation and additionally reduce their internal costs.

Figure 15: *Proportion of time spent on activities (UK Top 50 Legal Firm)*

Replying to emails — 23%
Outbound email updates — 7%
Inbound phone calls — 7%
Outbound phone calls — 5%
Other activity — 5%
Team meetings — 4%
Replying to sale enquiries (FH) — 4%
General admin — 3%
Draft contracts — 3%
Replying to sale enquiries (LH) — 3%
Lenders — 3%
Other — 34%

Figure 16: *Variation in Fee Earner time spent on communicating with customers and number of complaints received*

■ % time communicating with consumers ◆ No. of complaints

Invest in communication design to address the elements that customers want, while reducing unnecessary communication

Make use of digital advances to minimise fee earner input in communications – but ensure new ways of working are designed across teams

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13

Getting changes made

Successful delivery has common characteristics

- Design your processes from end-to-end: including across team boundaries, giving customers a smooth journey from start to finish
- Spend time identifying the outcomes of your processes: what are you trying to achieve? Then work out what essential elements are required to do this
- Include the elements customers are looking for: service, speed, communication and efficiency
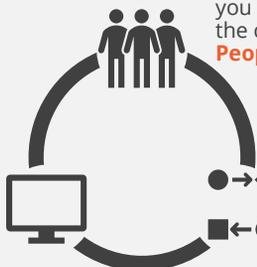
Process design

- Your ways of working need to marry together people, processes and technology
- Everyone involved in these areas must be aligned and working towards the same outcome

Ways of working

What are their incentives? How will you help them through the change?
People

Is this supporting the outcome? Have optimised processes making use of the latest technology
Technology

Process
Is it designed across all teams? Does it do everything it needs to?

Making the change happen

Alignment, and involvement is needed from all teams

Teams need the right skills and capacity to make change work

Successful change is underpinned with effective management and oversight

- Align your business KPIs with your outcomes and ensure there is a governance structure in place that monitors them
- Be prepared to identify issues and improvements and make sure there is capacity to make these changes

Keep getting better

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Delivering bottom line results

Some symptoms that joined-up-design is missing

Customer complaints due to lack of case progression or response
- Cause: Siloed processes, not designed for the complete customer journey

Unnecessary hand-offs within cases
- Cause: Customer journey not prioritised in process design

Unexpectedly long case duration
- Cause: Manual workarounds and unnecessary case steps

Process design

Investment in technology without bottom line improvement
- Cause: Lack of alignment between technology teams and practices

High risk exposure from errors
- Cause: Variation in practice and inconsistency in use of process and systems

Excessive time and confusion due to unwieldy systems interfaces
- Cause: Siloed implementation of new systems, without sufficient practice input
- Cause: Accumulation of multiple systems, inputs and tools over time
- Cause: Prioritising quick fixes over long term sustainable improvements

Ways of working

Making the change happen

You need alignment, input and resource from all teams

Those teams need the right skills and capacity

The change must be underpinned with effective programme management and governance

Lack of visibility of performance leading to a fire-fighting culture
- Cause: No clear data and reporting to make evidence based decisions

Inconsistency in people supporting the goals of the firm
- Cause: Misalignment of incentivisation between the firm and individuals

The same problems keep occurring
- Cause: Lack of resource and governance to permanently fix issues

Keep getting better

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About this report

Our team

Our senior advisors:

Charles Layfield

Charles qualified as a solicitor in 1999 and has held leadership roles in the legal services sector since 2005, Executive roles since 2010 and Board positions since 2014.

Charles was appointed as a Senior Advisor to Glenesk in March 2021 and is working closely with the Glenesk team to shape and deliver a unique transformation and change proposition for the legal and connected sectors, helping organisations address the challenges and opportunities afforded by a rapidly evolving legal services sector and the future needs and requirements of customers, regulators and the UK government.

David Walsh

David is an experienced consulting leader, with over 30 years heading a number of highly successful Performance Improvement, Strategy and M&A practices. More recently David has turned his attention to supporting boutique consulting firms and he now works with Glenesk's leadership team on the development and execution of its growth strategy.

Prior to this, David held senior leadership positions in PwC, Deloitte, Newton Europe and Unipart Consulting and also personally advised the Boards of a number of global high-profile firms on their operational transformation.

Our leadership team:

Bill Guthrie

Bill is the founding Director of Glenesk. He has over 20 years experience delivering transformation across sectors. He specialises in the delivery of complex change that spans data, systems, process and people. He holds an Executive MBA from Henley Business School and a Masters Degree in Economics from the University of Dundee.
Email: bill.guthrie@gleneskgroup.com

Sarah Castor-Perry

Sarah is an experienced programme manager, specialising in leadership development, and culture change. Her work has delivered savings for clients and improved C-suite and wider team dynamics and working practices.

Emma Hall

Emma has led transformation projects for a range of clients, including FTSE 100 companies, delivering increased performance visibility along with bottom-line savings.

Tom Wheeler

Tom's work has worked across multiple sectors on complex transformation programmes, delivering millions in savings and reduced cost exposure.

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About this report

Unique insight from open source data

The analysis discussed in this report is based on data compiled from Companies House, Trustpilot, 'secret shopping' activity undertaken in April 2021 and previous projects.

The data collected was for the Top 225 legal firms by revenue (as based upon The Lawyer 2020 UK law firms 2020) that have a consumer presence. Any firms with fewer than 10 Trustpilot reviews have also been removed (16 firms).

For readers who work at a firm featured in this report, we will be happy to send over a summary of this work specific to your firm on submission of a verifiable request from a company email to info@gleneskgroup.com

Further detail on the data collection and associated data manipulation is detailed below.

Companies House:
- Published accounts were used to collect revenue, operating profit and salary expenses for relevant firms

Trustpilot:
- Individual review data was taken from Trustpilot (March 2021) including: Score, review text, review date
- Overall firm scores on Trustpilot are weighted by age of review and by number of reviews, which can unfairly impact smaller firms, to remove the impact of this in our report we calculated our own 'Customer score'. This has been calculated in the following way:
  - Customer score = Positive review score + Average score, where
  - Positive review score is the proportion of all reviews that were positive (scored a 4 or 5)
  - Average score is the mean average of all reviews (not weighted by age or number)
  - N.B. These two measures were given equal weighting in calculating the customer score

Secret shopping:
- A selection of 6 firms were picked from our Trustpilot analysis (3 firms from the highest quartile and 3 from the lowest quartile of customer experience performance)
- A set of questions was asked (where relevant to the product being discussed):
  - What are the product options / different levels of service?
  - What would the fee / price be?
  - Are there other costs to me?
  - How is payment made? (Up front, interim billing, or payment at end, if applicable)
  - Do I need to go to court?
  - What is the typical time taken for my type of case?
  - What is required from me?
  - What's the process for my type of case?
  - Can I speak to my solicitor throughout?
  - What is your success ratio (if applicable)?
- This information was requested through:
  - Information available on websites
  - Asking questions when phoning the firm as new customers
  - Requesting Information through webforms as new customers
- Each firm was assessed across three products across a range of practice areas (Personal Injury as a result of an RTA, Residential Conveyancing for a house purchase and a will writing enquiry)
- Across each of these categories the different channels were assessed on the simplicity and transparency of pricing, product and service

The key insights from this data are included in this report. If you have any questions or would like to discuss the findings further please get in contact one of the authors using the details provided overleaf.

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For a confidential discussion on any of the topics raised in this report please contact…

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