NUANCE

12 best practices for omni-channel retail customer engagement

Frontline lessons from top retailers for improving sales and service.

Contents

The AI-powered future of omni-channel customer engagement is already here—are you ready?

Every retailer aspires to deliver the frictionless, secure omni-channel experiences they know their customers want. They know their customer won't tolerate bad experiences. And they know the business value of offering experiences that keep shoppers satisfied and loyal. But there's a big difference between aspiring to great things and accomplishing your goals.

For some retailers, the surge in contact volumes during the COVID-19 pandemic was overwhelming. For others, it was a catalyst for ambitious digital transformations that have set them up to handle changing customer expectations and a build competitive advantage.

Tomorrow's retail leaders are already realizing the value of using conversational and analytical AI to unleash the power of their customer data. What began for many as a way to relieve caller volume to their physical locations and contact centers has become a way to offer the personalized, contextual, and innovative shopper experiences that will soon be table stakes in the world of omni-channel retail.

Best practices from retail CX veterans

In this guide, our experts will show you how you can join this new retail CX elite, and turn your customer engagement aspirations into everyday realities.

We pulled our most experienced professional services veterans off the road to get their insights into how retailers can deliver exceptional customer experiences. They've worked with thousands of brands, including five of the nine largest global retailers, and have plenty of lessons to share. Here's their field guide to the 12 best practices for retail customer engagement that have the biggest business impact.

32%

One in three consumers say they will walk away from a brand they love after just one bad experience.[1]

1 PWC, 2017 survey "Experience is Everything," Research completed in 2018.

Shift the right customers to the right digital channels

Shifting shoppers to digital channels relieves the pressure on your contact center. And by addressing the right use cases in the right way, the digital shift also increases customer satisfaction by giving customers control and faster resolutions in the channels they'd prefer to be using anyway.

1. Educate customers on the value of digital

Many of your customers may not be aware of the value or availability of digital engagements and simply call your contact center by default. Show them that value, and there's a good chance they'll start their journey in digital in the future.

For example, if there are long hold times on your voice channel, you can have your IVR give customers the option to chat now with a live digital agent. If they accept, the IVR sends them an SMS notification so they can continue their inquiry by text message.

An alternative approach is to allow callers to leave a message with the IVR instead of waiting on hold. The message is then transcribed and passed it to a chat agent, who gets in touch with the customer by SMS, fully aware of the nature of the inquiry.

Let customers know their digital options
Another effective tactic is to ensure customers see an option to use messaging when they search for your phone number or for a physical store location on a map. And be sure to offer notifications through their preferred messaging channels, such as Instagram or WhatsApp, when customers open an account. That way, they know they can reach you using their favorite messaging app. You can also use data from those messaging channels to help maintain context across all channels.

2. Use lessons from voice to drive your digital strategy

For your digital engagement strategy to be effective, it's vital to understand why people choose to call you.

We typically find that around 60% of callers started their journey in digital—so why did they feel they had to call? Is it because they don't know what digital options they have? Did they receive a notification they wanted to follow-up on? Or are they unable to resolve their inquiries on digital?

Understand what your customer engagement data is telling you. It's also vital to augment this information by talking to your agents about what they're hearing from shoppers who've abandoned digital channels.

Pick the right use cases for digital	
Digital	**Voice**
— Visual use cases: lists, directions, instructions — Capturing multiple data points on forms — Complex product choices with multiple customization options — Customers who need to show you a screenshot, or ID documents — Shoppers looking for a recommendation based on their submitted image	— Complex service issues — Frustrated or upset customers — Older customers who may prefer to call

Treat sales and service differently

You might want to deflect as many service calls as possible, but you might also want to encourage more sales calls or chats, so your agents can upsell, cross-sell, and increase conversion rates. Whatever direction you choose, your brand and business model should dictate your strategy.

3. Define your strategy

Your strategies for digital sales and service should be aligned with your primary goals for digital, as well as your brand's approach to these categories of shopper interaction. Do you want to talk (or live chat) with customers to increase conversion? Which ones? High-value customers regardless of item, or just big-ticket or complex purchases? Alternatively, are you focused on reducing costs by containing customers in automated digital channels for low-value, easy to complete tasks?

Some of the retailers we work with have a crossover approach, with agents looking for cross-sell opportunities during service calls. Some use automation to help empower their agents, giving them helpful tips and suggestions to speed up response times. Others have an automation-first strategy, using virtual assistants to handle as many orders, returns, and refunds as possible, leaving agents free to focus on complex or high-value cases. This can, in turn, boost agent satisfaction—an increasingly important objective.

Order status: the digital sales/service gray area
One area where sales and service overlap is order status inquiries. It's also one of the most important areas for customer satisfaction, and drives a high number of contacts.

What customers want most of all (even more than fast delivery) is frequent information. If you send proactive notifications providing granular detail about order status (access to the right information from the shipper is imperative here), you can significantly reduce contact volumes and increase customer satisfaction. The same thing goes for the status of a return or an appeal.
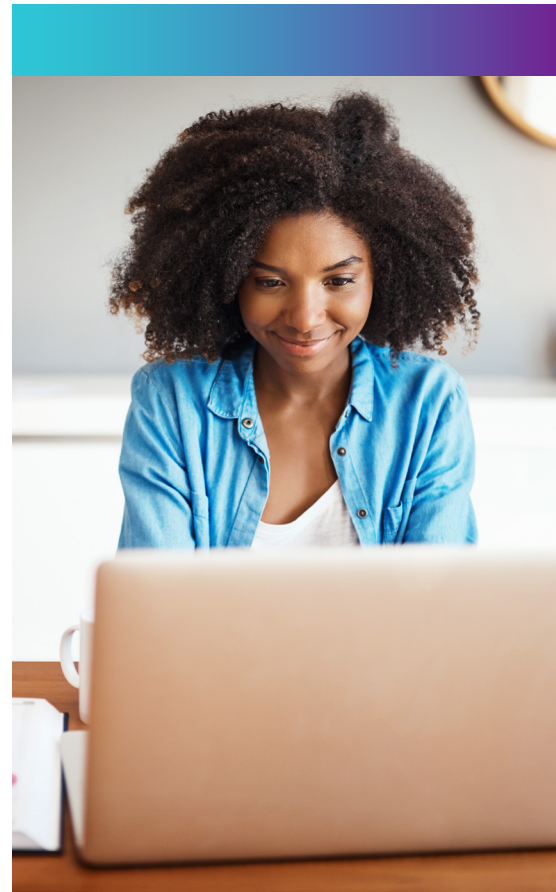
Agents should look for cross-sell opportunities during service calls.

Create digital experiences that fit your brand

A great omni-channel experience is a consistent experience, giving customers the engagements they expect from your brand, regardless of the channel they choose.

4. Offer the in-store experience in every channel

It's important to ensure you welcome digital customers just like you would in your stores. Shoppers come to your digital channels with service and "personality" expectations based on their physical experiences with your brand. And as buy-online-pickup-in-store (BOPIS) continues to grow in popularity, consistency and continuity across digital and physical experiences is becoming even more important.

No matter what channel customers use, it's important to quickly understand who they are and what they want to achieve. And, just like in your physical stores, it's also vital to know your high-value customers in digital channels, so you can offer white-glove service and target your upselling activities on the right people.

5. Don't use off-the-shelf chatbots

Your virtual assistant should reflect your brand, with the same personality, voice, tone, and visual branding as customers find in your stores and on your website.

If you only have the same old chatbot as everybody else, you're missing an opportunity to increase brand loyalty and customer satisfaction. Furthermore, many basic bots simply map user's request to generic FAQ content instead of the relevant, personalized answers that customers crave. Work with your technology partner to ensure your virtual assistant is a recognizable and engaging avatar for your unique brand.

Ensure your virtual assistant is a recognizable and engaging avatar for your unique brand.

Create the right escalation strategy

Sometimes there's only so much your automated channels can handle, and you'll need to continue the conversation with a live agent. The trick is to know when and how to escalate—and to make the transition completely seamless.

6. Know which situations to escalate

Every interaction with a live agent costs you money, so you'll generally want to avoid escalating inquiries about low-ticket items. For high-ticket items (or high-value customers), however, you may need to pass the engagement onto a human agent for conversion. Live support for a high-value customer purchasing inexpensive items may well be worth it, too. Either way, it's essential to deploy targeting analysis in your digital front ends to assess the value and complexity of any given inquiry.

It's also important to use sentiment analysis and CSAT prediction models to identify urgent intents or frustrated customers who need to be escalated immediately, so you can turn a poor experience into a good one.

7. Make handoffs seamless

Anything you can do to reduce customer effort will pay off in customer loyalty and lifetime value. Making the journey easy means intelligently routing customers to an available agent with appropriate skills, along with the full context of the conversation.

And after the escalation, you need to ensure agents have the tools and information they need— including product recommendations and suggested dialog—to quickly resolve issues or convert sales.

CASE STUDY

Automating support for common issues at a major retailer

A leading UK retailer used automated self-service to enhance its customer experience to support increased contact volumes and free up agents' time.

Nuance Virtual Assistant uses data from previous engagements to provide accurate solutions to common customer issues. Now, chat agents no longer need to spend time answering simple questions, and customers get fast resolutions.

The retailer's virtual assistant even saves sales that would have been lost, by helping customers who can't use their promotional codes on the website.

58%
of cases are resolved by the virtual assistant alone

25,000+
customer interactions with the virtual assistant in less than two years

£2M
saved in online sales due to virtual assistant interactions

"We treat the virtual assistant just like an agent. We train it, manage its performance, and it works as one of the team. We're starting to see a lot of value from that."

— Business Solutions Manager for Retail, large UK retailer

Make the most of messaging

Your customers use messaging apps to connect with friends, family, and colleagues every day. So, bring that convenience and simplicity to engagements with your brand.

8. Engage customers where they are

Messaging platforms give your customers the ability to engage with your brand quickly, in a way that fits around their schedule and within the apps they use and sites they visit. Messaging also gives you a great way to provide outstanding service, and even generate new upsell opportunities.

Picture this scenario: A shopper looks on her phone's Google Maps app for her closest patio furniture store. Alongside the store location, her search results also provide an option to get in touch through Google's Business Messages. Her message is routed to an available in-store associate, who answers questions about product availability, size, color, and so on—all through messaging. During the conversation, the associate builds a rapport with the customer, making it much easier to upsell a premium furniture set when the customer arrives at the store.

9. Use messaging to offer proactive service

When customers give you permission to send proactive notifications through their preferred messaging platforms, you can enhance the customer experience by sending them alerts about order delays, stock availability, return status, or service appointment reminders.

Ideally, you should also enable customers to respond to notifications in the same channel, so they don't have to call in. Customers increasingly expect to be able to engage with a brand on a channel once it's been offered. So, if you've sent a notification about an appliance delivery and installation, and the customer realizes they won't be home, allow them to let you know by responding directly, through the same messaging channel. By enabling conversations through messaging, you're meeting customers on the channel of their choice, leading to better service and increased satisfaction.

Use asynchronous conversations

In messaging channels, conversations can be asynchronous—spread over multiple interactions with the conversation history kept intact. That means agents can handle more concurrent engagements, and it means customers can engage with you when it suits them.

Messaging mistakes to avoid

— Don't chase customers— let them engage with you on their terms and in their own time

— Don't just refer customers to your phone channel or website, as they may have tried those previously— use messaging to handle inquiries and resolve issues

— Don't force customers into asynchronous conversations. During peaks in demands your agents should be responding back quickly. Let the customer decide when they need to step away and respond back later

Personalize experiences and predict shoppers' needs

When you know each customer's history, preferences, and context, you can begin to predict their intent—and dramatically reduce the burden on your contact center.

10. Set up for the future with data

For most retailers, one of the biggest challenges for delivering personalization is that they usually don't know who they're talking to initially. Many of the retailers we work with use an automatic number identification (ANI) database to help overcome this problem, but the key is to capture all the data you can to enhance each customer's profile.

Whenever you have contact with a shopper, you have an opportunity to build out profiles with credit card details, addresses, and phone numbers (all masked and privacy-protected), alongside browsing history, call intents and branded app usage. So, as you add new channels and touchpoints on customer journeys, be sure to set yourself up to capture data you can use for personalization.

11. Use predictive analytics to anticipate customers' needs

When you have complete understanding of a customer's identity, history, and current context, you can automatically route them to the best place to get a personalized experience that can meet or even exceed their expectations.

For example, one of the world's largest retailers uses our prediction service to intercept calls about order status in the IVR, by asking the customer if they're calling about their most recent order, if they recently made a purchase, and giving them a status update right there in the IVR. This tactic alone led to a 25% increase in the IVR containment rate. This approach can be extended to other channels, intents and inquiries, such as installation and service appointments, depending on the data that's captured, accessible, and actionable.

When you know who you're engaging with, you can use prediction to provide enhanced experiences that increase loyalty and revenue. Your virtual assistant, for example, could recommend the ideal product to a repeat customer, based on their recent browsing history and past purchases, while integrating information such as social media data about what's trending for a particular demographic and geography.

CASE STUDY

Personalized customer experiences across voice and digital at one of the world's largest retailers

When a top three global apparel retailer needed to handle increasing contact volumes, improve its customer experience, and provide automated self-service options, it turned to Nuance.

Now, the retailer's virtual assistant can solve incoming inquiries or ask a chat agent for help when it's unsure of the answer. Customers get easy access to services and fast solutions to their issues, and agents have more time to focus on complex cases.

85[%]

of final answers provided by the virtual assistant

30[%]

containment in the virtual assistant

"We've completely transformed our customer care center. Our agents are much better equipped to provide unique customer experiences, and our virtual assistant is helping us deal with rising contact volumes."

— Team member from a major global retailer

Fight fraud and remove friction

The cost of retail fraud soon stacks up. Fraud costs retailers $3.36 for every $1 lost.[2] But more than that, it damages brand reputations and customer trust. Retailers need to tighten fraud prevention—without adding friction to the customer experience.

12. Automate the authentication process

Biometrics technologies eliminate the need for passwords and other forms of knowledge-based authentication (KBA) that are a hassle for customers to remember, and easy for fraudsters to find.

Voice biometrics, for example, identifies individuals by their unique voiceprint, significantly reducing Average Handle Time—reductions of 40 seconds or more are common—and mitigating fraud risk.

In digital channels, behavioral biometrics solutions track patterns such as how someone types, how they move their finger across the screen, and how they pause when they complete a task. They can also identify suspicious authentication patterns, IP spoofing, and other tactics used by fraudsters to gain access to customer accounts. These capabilities are ideal for continuous authentication, allowing you to constantly compare a user to their profile to ensure a fraudster hasn't hijacked the session.

By implementing biometric authentication across all your engagement channels, you'll enhance fraud prevention and the customer experience, but you'll also open up more opportunities for personalized sales and operational efficiency gains.

Fraud damages brand reputations and customer trust.

2 LexisNexis 2020 True Cost of Fraud Study, e-Commerce/Retail Edition.

Small changes, extraordinary results

85%

first contact resolution delivered by virtual assistant

£2M

saved in online sales in first year through virtual assistant interactions

23%

increase in overall sales conversion rate with live chat

30%

reduction in transfers out of IVR

The Nuance difference in retail

At Nuance, we help retailers deliver consistent, convenient, and conversational shopper experiences in every channel, so they can increase conversion, sale size, and customer satisfaction while reducing costs.

Our conversational AI solutions are relied on by 11 of the 15 largest North American retailers to help them meet rising customer expectations for effortless, personalized journeys that span voice and digital channels.

With Nuance, you can:

- Balance cost reduction and superior CX by shifting the right customers from the IVR to digital channels

- Increase conversion and customer lifetime value by delivering consistent omni-channel experiences

- Reduce customer effort and increase satisfaction, with seamless, contextual handoffs

- Meet customers where they are by engaging them on their preferred messaging platforms

- Create more upsell and cross-sell opportunities with personalized, predictive service

- Protect your customers and your brand with secure, friction-free authentication

Whatever stage of the journey you're on, your next step is to ask yourself these important questions.

Is your customer engagement ahead of the pack—or behind the curve?

Maybe you're already doing some of the things our experts have highlighted in this guide. Or maybe you're not quite ready to push forward with some of these best practices.

— What steps are we taking to make sure our customers know about all their digital engagement options?

— Are we using data from our voice channel to inform our digital engagement strategy?

— Do we have a defined strategy for how we treat sales and service in digital channels?

— How is our in-store experience reflected and integrated with each channel?

— Is our chatbot a true representative of our brand personality?

— Can we predict customers' need for support to proactively resolve them and avoid the contact in the first place?

— Are we escalating the right cases to live agents?

— Are handoffs between automated and human assistance seamless?

— Can customers engage with us on their preferred messaging platform?

— Do we use proactive notifications effectively? And can customers interact with those notifications in the same channel?

— Are we capturing all the relevant data we can to enable deeper levels of personalization?

— Can we accurately predict customer intents?

— Do our authentication processes add customer effort? And are they really secure?

Further reading

Retail chatbot fails

5 reasons they break and how to fix them

The new retail customer journey

Gain insight into emerging retail trends and the new customer journey they're shaping as more and more customers choose online shopping first

Leading global retailer

A top brand creates personalized customer experiences across its voice and digital channels

LEARN MORE

If you'd like to discuss your own customer engagement challenges and opportunities with one of our retail experts, get in touch at cxexperts@nuance.com.