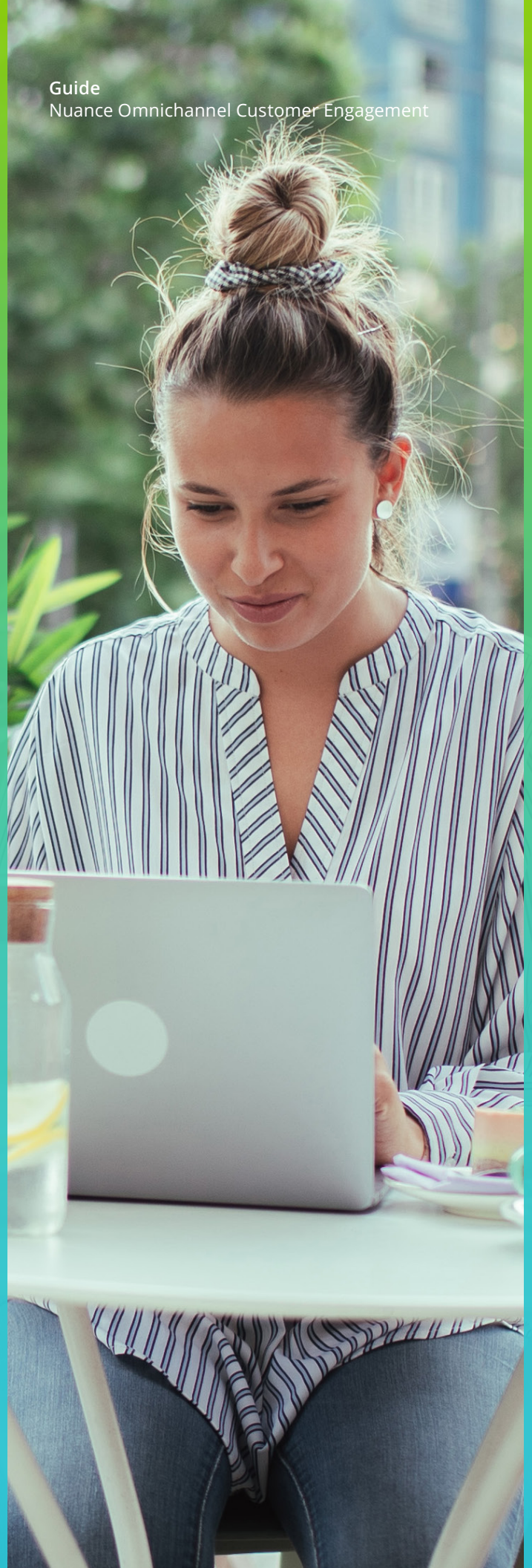# 7 retail engagement trends— and how to make the most of them

A hands-on guide to the latest trends and how your brand can keep pace.

# Contents

# Customer loyalty is difficult to build and, these days, very easy to lose

Finding the best way to deliver these small-but-mighty experiences is trickier than ever.

It's won and lost in small interactions: when customers ask a knowledgeable store associate which shampoo is best for dry hair, or you send out an email with a restock date for a hard-to-find pair of shoes they've wanted for months.

A single inquiry can hop between as many as 10 different touchpoints before your customer clicks "buy now." An omnichannel approach is the only way to service these highly complex customer journeys effectively, but that's a complex proposition all by itself.

In this guide, you'll explore seven key omnichannel trends for retailers in 2022 and beyond—the industry evolutions that our experts believe are most important to keep on your radar as you plan for this year and beyond.

But just knowing what's coming isn't enough—it's also important to know what infrastructure and processes you need to have in place to really make the most of those trends.

So, in addition to highlighting the challenges and opportunities ahead, we'll showcase useful solutions and help you shape your own roadmap with quick, effective exercises that will help assess your readiness.

## TREND 1
# Mitigate the impact of staffing shortages and improve efficiency by empowering agents

Throughout 2021, "The Great Resignation" has seen record numbers of US employees—most in public-facing hospitality, retail, and customer service roles—voluntarily leave their jobs.[1]

An average of 3.9 million left their roles every month,[2] peaking at over 4.5 million in November.[3] This, combined with higher-than-usual levels of sickness-related absence, as people isolate and quarantine due to COVID-19,[4] means many retailers are grappling with staffing shortages.

Given their traditionally high attrition rate, even pre-pandemic, contact center teams will likely take a significant hit. But customers won't stop calling just because you don't have the capacity to answer. So how can you make life easier for your agents, without compromising the high standard of support you're providing your customers?

**Put AI in your agents' corner.**
With front-end AI solutions boosting customer self-service and back-end AI simplifying contact center agents' workflows, you can transform the entire experience. As customers connect with your agents, an AI-driven tool can automatically surface relevant customer information, like their contact history and recent orders, to give agents the context they need for a personalized conversation. And for tricky situations—like handling an out-of-warranty return—the right agent assist tool should be able to recommend next best actions, and provide ready-to-use responses in line with your brand's best-practices.

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## Your exercise:

**How engaged are your people?**
Recent research by Gartner uncovered that just one in three customer service agents feel engaged in their role—and low engagement leads to high attrition.[5]

Start by surveying your customer service teams to gauge how they feel, whether they have the support they need, and what's missing from their workflows. After an initial discussion, a brief quarterly survey can help you monitor the progress of your agent engagement efforts, while making your teams feel supported.

## The solution:

**25% increase in agent availability through agent efficiency**
Give your team the support they need to deliver superior experiences with our agent efficiency solutions. Our AI-driven tools help your people answer customer queries faster, with more contextual knowledge at their fingertips—boosting satisfaction on both sides of the interaction.

[Learn more](#)

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1 bloomberg.com/news/features/2021-12-07/why-people-are-quitting-jobs-and-protesting-work-life-from-the-u-s-to-china
2 bls.gov/news.release/jolts.t04.htm
3 shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/interactive-quits-level-by-year.aspx
4 cdc.gov/niosh/topics/absences/default.html
5 gartner.com/en/customer-service-support/trends/reduce-call-center-attrition

**TREND 2**

# Omnichannel engagement steps up a gear to meet rising expectations

According to McKinsey, over a third of Americans have made omnichannel features part of their regular shopping routine since the pandemic, and nearly two-thirds of those individuals plan to continue using them.[6]

When customers can hop between apps, websites, and physical stores to shop, they expect to access customer service in the same way. They want the same experience whether they call or click the "chat" button on your website—and they expect support at the other end to have all the relevant information at hand (whether that's virtual or live).

But offering this kind of high-quality support across many different channels—through messaging, live chat, virtual assistants, over the phone, and others—only works if you have three things in place:

1. A consistent level of investment across channels, to ensure every touchpoint provides the same level of experience

2. A single approach to designing interactions across all channels, so your brand voice is preserved in every interaction

3. A way of connecting your channels into a central platform for total control and oversight

**Currys (formerly Dixons Carphone Group) rapidly expands digital service offering**
**The challenge:** With just 25 live chat agents on staff, this electronics retailer needed to rapidly scale its service channels to handle a massive spike in demand as the UK went into COVID-19 lockdown and its stores closed.

**The solution:** Currys introduced Nuance Live and Async Assist to support over 100 new chat agents, and deployed a Nuance conversational Virtual Assistant within just a few weeks.

**The results:** The virtual assistant now handles over 10,000 interactions weekly, with 35,000 managed by the expanded live agent team, supporting nearly £3M in sales every week.

Read the full case study

6 mckinsey.com/business-functions/marketing-and-sales/our-insights/the-survival-guide-to-omnichannel-and-the-path-to-value

## Your exercise:

**Put yourself in your customers' shoes**
Approach your contact center as if you were a customer—how easy is it to find the answers you're looking for? Does the virtual assistant give personalized support? Can you escalate from an FAQ to a live agent easily? Does the agent have the information they need to help you? Are there channels that are easier to use than others?

## The solution:

**3x improvement in upsells with omnichannel customer engagement**
Meet your customers wherever they are with intelligent, AI-powered customer engagement in every channel. We work with 85 of the Fortune 100 to deliver connected omnichannel experiences across voice channels, IVR, virtual assistants, live chat, asynchronous messaging, and more.

Learn more

**TREND 3**

# Authentication as an enabler—not a roadblock

During the pandemic retail fraud has surged, especially in ecommerce, with identity theft and chargebacks becoming more common.[7]

In recent years, many retailers have also resisted implementing strong authentication processes to weed out fraud attempts, worried about introducing additional friction to customers' transactions—something which could be putting their brand at even higher risk.

But security no longer has to compromise the convenience and speed of the customer experience. In fact, with the right solutions, strong security measures can actually make transactions and service interactions faster and easier.

Digital biometric authentication can identify a customer—or a would-be fraudster—in seconds using their voice, behavior, and other indicators. And because biometrics cuts out clunky knowledge-based authentication methods, real customers can access their accounts or verify their identity to an agent faster, improving satisfaction and cutting average hold times.



7 prnewswire.com/news-releases/us-and-canadian-retail-fraud-up-15-from-pre-pandemic-period-according-to-lexisnexis-risk-solutions-true-cost-of-fraud-study-301359322.html

## Your exercise:

**What's causing friction for your customers?**
Take some time to assess your current authentication or verification model—highlight areas that introduce friction and, if you have the data, where fraudsters like to target.

— Do your customers need to remember a PIN, password, or secret answer to access their account or support?

— What's the average handle time when customers contact you?

— Are there areas that lack security?

— Have you already implemented a biometrics solution?

## The solution:

**92% fraud loss reduction through authentication and fraud prevention**
Protect and personalize every customer interaction—and keep fraudsters at bay with our intelligent fraud protection solutions, which use advanced biometric authentication to verify identity through voice, behavior, and conversation.

Learn more

## TREND 4
# The era of hyper-personalization

According to Accenture, 91% of consumers are more likely to shop with brands that recognize, remember, and provide relevant offers and recommendations.[8]

Retailers have always been among the leaders in personalized experiences, but we're now entering the era of hyper-personalization. Hyper-personalization goes beyond "you bought this, now try that" recommendations and uses the wealth of customer data available to pre-empt what customers are looking for when they shop on your website.

Hyper-personalization isn't just about selling—it's about being able to greet a customer in your virtual assistant with a message like "Hi Zach, would you like to register your warranty for the new vacuum cleaner we just delivered?"

Personalization on this scale requires a powerful underlying structure; you need to be able to connect all your channels and centralize customer data to ensure your agents—whether they're real or virtual—have access to the latest information. And then, predictive analytics can help you use all this data to your advantage, anticipating customer needs as soon as they contact you.

**Top global retailer creates personalized experiences across contact channels**
"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."

**The challenge:** Update its legacy customer care center to handle over 11 million annual contacts and integrate new digital channels to offer automated self-service options 24/7

**The solution:** With our omnichannel customer engagement tools, the retailer deployed a virtual assistant to triage incoming inquiries. Agents then have access to live support which provides contextual information and proactively recommends next best actions.

**The results:** From the first day of deployment, over 85% of customers' queries were resolved by the virtual assistant—giving live agents more time to work with people who have more complex requests.

Read the full case study

8 accenture.com/_acnmedia/pdf-83/accenture-making-personal.pdf

## Your exercise:

**What data do you have?**
The first step towards hyper-personalization is understanding how much data you have access to, and how easy it is to repurpose.

— Does data from every customer interaction feed into the same record—even when they're across different channels?

— Can live agents access information from virtual assistant interactions? How about conversations in asynchronous messaging channels?

— Are agents provided with tailored "next best action" recommendations that include dialog?

— Is there a machine learning loop built into these interactions, to improve them over time?

## The solution:

**96% agent satisfaction with Agent Coach**
Help your agents serve customers more effectively with real-time, AI-driven recommendations for next best actions, brand-approved messages, and personalized upsell opportunities—so every agent can be your best agent.

Learn more

**TREND 5**
# Shopping at the edge

Customers are returning to brick-and-mortar stores—but the convenience of online shopping is hard to give up.

Introducing digital tools can combine the upselling opportunities of in-person shopping with the convenience of online shopping. For example, a virtual assistant that's connected to the store's inventory could send an SMS to proactively notify a customer when their preferred shampoo brand is in stock locally, and give employees the ability to check stock levels in other stores in the area simply by asking.

Or, you could introduce a loyalty card app that activates extra offers when customers shop in store, and uses barcode scanning to offer extra information about ingredients, sustainability, and sourcing.

This all links back to the drive for hyper-personalization and omnichannel service. By linking your digital and physical experiences together wherever possible, you're creating a connected ecosystem—wherever your customer goes, they'll have a tailored interaction.

## Your exercise:

**What are the industry vanguard doing?**
Whenever there's an emerging technology trend, there will be a few brands that are experimenting in interesting ways and leading the rest of the pack. Who's introducing exciting new tools that connect physical and digital experiences? What are they doing successfully—and what could you do better?

## The solution:

**353% three-year ROI by implementing digital engagement**
From their SMS inbox to your website's live chat, our digital engagement solutions are designed to create a seamless ecosystem where your brand can follow customers wherever they want to interact.

Learn more

## TREND 6
# The rise of social commerce

Accenture estimates that social shopping, where customers find and buy products solely through social platforms, will reach $1.2 trillion globally by 2025, growing three times faster than traditional ecommerce.[9] TV shopping channels are even having a modernized renaissance in the form of live-streamed digital shopping experiences,[10] a market set to reach $25 billion by 2023.[11]

But these new avenues for digital shopping aren't a competitor to ecommerce. They're a lucrative extension that takes advantage of the active, influencer-led communities on platforms like Instagram, TikTok and WhatsApp to drive engagement on everything from small apparel purchases to bigger tech investments.

So, by integrating customer touch points within these platforms, and giving customers the ability to browse, buy a product and connect directly with a brand without needing to leave the app, you're tapping into a whole new world of impulse purchases and word-of-mouth marketing.



### Your exercise:

**Which new channels excite your customers?**
Survey your customers to see which channels they're using, gauge their interest in blended retail experiences, and assess whether there are channels you're investing in that they just don't use. For example, if not many people engage with your Instagram, you could refocus your investment on the channels they do use.

### The solution:

**90% intent recognition across web and WhatsApp channels using omnichannel messaging**
Our omnichannel messaging tools make it simpler than ever to talk to your customers in the channels they use the most—whether that's Facebook, Twitter, WhatsApp, or something more traditional.

Learn more

9   newsroom.accenture.com/industries/consumer-goods--services/shopping-on-social-media-platforms-expected-to-reach-1-2-trillion-globally-by-2025-new-accenture-study-finds.htm
10  wsj.com/articles/is-live-stream-shopping-the-future-of-retail-11632148066
11  forbes.com/sites/kristinlarson/2021/03/27/retailers-embrace-livestreaming-market-expected-to-reach-11-billion-in-2021

## TREND 7
# Enhanced delivery, pickup and returns

In retail, transactions never really end. Once you've shipped an order, the transaction translates into a long-term nurturing opportunity where there's always the potential to make another sale—if you play your cards right.

But there are three areas where customer service often falters, and they can damage your long-term customer relationship: Delivery, pickup and returns.

For some customers, the time between their purchase shipping and finally receiving it, is a black hole where information should be. It's hard to keep track of where their package is on its journey, and how to adjust that journey if they need to.

With proactive asynchronous messaging, you can keep customers updated at every major milestone—and give them ample opportunity to respond in the same channel, using a simple text or social message to redirect their package.

This gives customers more flexibility, but it also grants convenience. They no longer need to visit your website, armed with their order confirmation, to reschedule a delivery or switch to in-store pickup. They get what they need faster—and they're less likely to call into your contact center for help.

American consumers returned 10.6% of the goods they bought in 2020, totaling $428 billion;[12] they're an unavoidable part of retail, especially in ecommerce. Adding return requests to the same channel you use for delivery updates—so customers can follow up a delivery notification with a message saying "I need to pick up this microwave in-store"—makes the whole process faster and simpler. And because it's all connected, you have the perfect opportunity to say: "We can change this order to be picked up at our store in Portland on March 14. Does that work?"

12 nrf.com/research/customer-returns-retail-industry

## Your exercise:

**What does the average delivery and return look like?**
— How long does it take to ship an item out from your store or warehouse?

— Is your fulfillment process flexible enough to accommodate changes to delivery and pickup? To what degree?

— How much information do you share about the delivery process?

— What's your range of delivery options? Can customers change their mind after their package has shipped?

— How easy is it to request a return?

— Are you able to convert a return into an exchange, or a new purchase?

## The solution:

**80% NPS increase with proactive engagement**
Start a two-way conversation with your customers, keeping them up to date with everything from order status to review reminders once they've received their purchase. It's ideal for boosting engagement and satisfaction—and cutting down on operational costs.

Learn more

# The AI-driven digital contact center revolution

All of the trends outlined here depends on one thing for success: a centralized approach to customer engagement that threads AI throughout the customer journey.

In the digital contact center, AI supports everything, from the greeting your customer sees when they open a live chat window to the back-office systems your contact center agents use to reply.

However, adopting an AI-driven digital contact center doesn't have to be all or nothing from day one. The exercises outlined in this guide are question-heavy by design. To understand where your brand sits in the readiness scale— whether you're new to omnichannel engagement or ready to take your place as an industry leader—you need to start by casting a critical eye over your customer interactions.

Once you have your baseline, it should be easy to work out which of these trends are most relevant for your customers and agents, and which you should pursue first.

**Ready to start thinking about the next step?**
You can learn more about our omnichannel customer engagement solutions at our Retail CX Resource hub—and discover why more than 1,500 of the world's leading brands trust us to help them build customer and agent experiences that keep everyone coming back.

**NUANCE**