



# CUSTOMER EXPERIENCE FOR RETAIL INDUSTRY

## Abstract

Retailers looking to cement customer loyalty in today's digitized economy must create customer-centric shopping experiences. This requires a holistic strategy that uses emerging technologies to curate personalized customer experience journeys. However, with several innovative technologies at play within the retail industry, organizations are often unsure of which technology to adopt or how these deliver value. This paper examines the importance of CX adoption in retail. It also explains how innovative technologies can be used to create personalized CX journeys across different channels.

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## 1. Re-imagining the retail experience

Scan and Shop! No billing queues! How does this sound? Does it ring the bells of digitized retail experience in your ears? Retail stores are sprouting up globally with the intent of capturing the customer imagination and providing them with a new and digitized experience.

The Infosys Experience Store, the first of its kind on the Infosys campus, is a fitting example of how 'experience retailing' works. The store redefines the entire retail experience by addressing some conventional shopping-related woes such as long checkout lines, slow agents at PoS counters juggling countless queries, or issues and customer frustration over time-consuming purchase processes. At the Infosys Experience Store, customers can walk around the store, choose the items they want, scan these, and leave. Such digital retail experiences are not new; in fact, they are already being offered by technology giants like Amazon.

With retail experience transformation occurring at such a rapid pace, it pays to evaluate whether associated functions like marketing, sales and service can follow suit. For instance, can these functions shift from being reactive to proactive, thereby helping retailers build digital relationships with customers? Can CRM complement or even supplement the retail customer experience (CX) journey? More importantly, are these functions ready to embrace concepts like mobility, self-service, social media, actionable analytics, AR/VR, personalized CX, and omnibots?

Let us explore why the retail industry must gear up to adopt innovative trends and how these trends can help them win the 'game of customer excellence'.

## 2. The benefits of CX adoption

Typically, retail organizations struggle to differentiate their brand while creating personalized experiences for customer engagement. Some of the key challenges are:

- Inadequate knowledge for store personnel to make the right decisions
- Poor capturing of customer preferences

- Inability to engage customers in their preferred channel
- Inconsistent customer experiences owing to siloed departments
- Limited data/response analysis for actionable insights
- Lack of automation in the CRM cycle

CX solutions can address these challenges while helping companies understand their customers and deliver the right product at the right time. In other words, CX helps retailers uphold their brand promise by:



- **Customizing offers** through relevant campaigns across all channels
- **Personalizing experiences** by capturing the customer's preferred channel of interaction and providing engaging services across these channels
- **Empowering personnel** with guided assistance/knowledge for meaningful customer interactions
- **Engaging customers** in real-time through interactive conversations
- **Promoting products** through cross/up-sell offers at the right time
- **Building customer understanding** by listening and empathizing with customers on social channels



### 3. Key features of personalized CX

With customer centricity being a key success driver for retailers, brands are looking for innovative ways to provide personalized CX across every communication touchpoint. To do this, retailers must first gain visibility into the customer journey and interaction history, understand customer preferences across brick-and-mortar as well as online channels, and deliver personalized content, offers, recommendations, and resolutions. Most importantly, all of the above must be done irrespective of the customer's location or channel used.

Let us understand how personalized CX works using an example of two different customer journeys:

- **Journey 1:** Say a customer wants to purchase a DSLR camera but he is not certain which product fits his budget and requirements. He browses through several online shopping websites and catalogs and posts his preferences and inquiries. Without a personalized CX engine, here is what happens. The next day he receives a flurry of advertisements/campaigns in his inbox most of which do not pertain to his searches or preferences. Annoyed, he decides to visit a nearby store in the hope of finding the right product. Here, he is greeted by a customer service representative (CSR) who repeats the earlier process, i.e., capturing his preferences and noting his queries with a promise to get back to him. The final outcome is a **frustrated customer who still has no resolution to his query, i.e., what camera should he buy.**
  - **Journey 2:** Here is what happens when a personalized CX is in place. After his online research, the customer receives bespoke campaigns and offers about his product of interest. Across all campaigns, he has the power to provide feedback on campaign efficacy. When he visits the store, the CSR is already apprised of his online activities. Thus, the CSR is able to retrieve his record and provide meaningful recommendations without forcing the customer to undergo the earlier cycle of capturing preferences. Furthermore, online reviews of the selected merchandise is made available to the customer so he can be sure of his decision. Here, the final outcome is a **happy customer who becomes a spokesperson for the brand and its exceptional service.**
- The personalized customer experience in the second scenario is made possible through CX automation, artificial intelligence, improvised data models, and data integration across sources. Here's how each of these components contribute to providing a personalized and value-adding CX:
- **Artificial intelligence** – Through this technique, machines can comprehend user/customer behavior and recommend the next-best action. Customers are increasingly averse to the interruption of advertisements while they browse or watch their favorite television shows. Here, AI-led marketing provides best-of-breed content through data mining algorithms that analyze customer behavior across social channels, browsing history, enquiry history, purchase history, online surveys, etc. Such information helps retailers design tailored, relevant and targeted campaigns that are rolled out on the customer's channel of choice. In doing so, AI-led automation improves campaign efficacy by increasing responses/leads. It can also be used to develop offer generation solutions. These solutions provide customers with relevant offers or product recommendations by analyzing demographics, browsing history, search patterns, and competitors.
  - **Data integration** – Knowing that customers dislike having to repeat their concerns across every touchpoint, it is important for sales and service personnel to have a 360-degree view of customer data. This means that CRM applications must collate all customer information including interaction history, purchase history, complaints, feedbacks, assets, etc., across all channels. Such a uniform view helps sales and service agents provide quick and personalized resolutions for customer issues.
  - **Improved data models** – CSRs and sales personnel often answer a common set of questions about a product or service such as product features, product comparisons, value-added accessories, etc. These answers are important for customers to make informed purchase decisions. However, this is a repetitive task involving considerable time and effort by sales and service people. Cloud-based and on-premises knowledge management (KM) systems can help retailers provide consistent information instantly to employees, vendors and customers, thereby simplifying the above process. Besides improving key sales and service metrics, KM systems streamline tasks by:
    - Providing end-users with online knowledge or common FAQs about the subject, product or issue
    - Capturing CSR or sales personnel experience as KM artefacts for future reference that can be used by peers looking for quick resolutions
    - Providing in-house sales and service teams with a repository of information to handle similar issues or customer queries
    - Offering guided assistance for customers and employees when making a final decision, conducting a purchase or handling an issue
  - **CX automation** – Capturing customer feedback at the PoS or when the service is concluded is key to measuring customer happiness. In the retail industry, such information can also be used to re-design or improve services, campaigns and sales and communication processes for greater customer satisfaction. Thus, retail organizations need digital or omni-channel feedback solutions to gain cross-channel visibility into the customer pulse. Previously, independent feedback solutions like SurveyMonkey provided such capabilities. However, today's organizations want feedback to be captured within their CRM systems. Through automation, these solutions can also be used to gauge customer sentiment about newly launched products and brands using social polling, broadcast or web-based surveys.

## 4. The value of omnibots

Long wait-time during customer service or support activities is a common peeve for customers. The emergence of bots across voice as well as chat-based channels addresses this challenge with ease. While voicebots are still new within the call center environment, chatbots are increasingly common.

Chatbots can be built on many of the leading cloud CRM platforms with the option to develop bots that run along with the CRM application. In the retail industry, chatbots can be deployed either in-store as floor assistants or online to answer customer queries. For instance, today's customers are increasingly using smartphones while shopping in-store to compare and research products before purchase. Here, chatbots can double up as personal assistants that guide shoppers through the various product features and

provide direct and instant answers, thereby eliminating the need to read through copious amounts of text. Chatbots can also be used on retail websites to provide instant answers to common customer questions. In fact, a leading retail apparel store H&M has developed a bot that engages the shopper using a series of picture-based questions. By analyzing the customer's selection, the bot understands and recommends the best apparel for them. Besides ensuring continuity, the bot gamifies the shopping experience with the goal being the 'perfect buy' as per the customer's wish list.

Even Facebook Messenger supports several bots that enhance the customer experience such as Dom, the Domino's Pizza bot, that simplifies ordering a pizza through Facebook Messenger.



Voicebots are commonly used as personal assistants such as Siri, Google Assistant, Alexa, etc. These can be leveraged to handle call center operations by automating customer conversations and involving humans/agents only when required.

Thus, by automating interactions across various touchpoints, bots can play a vital role across the CRM cycle. The most common use cases are in customer service whereby bots become the touchpoint for customers who report issues or seek answers about products or services. However, it is also important for organizations to develop an ecosystem

where bots work together with humans. For instance, interactions that require human supervision can be routed using intelligent routing capabilities that are built into the bots. Additionally, when it comes to sales, bots can support sales agents by providing them with insights while they are on the field or dealing with customers.



## 5. The importance of integrating mobile, social and self-service

**Mobile** – Even as customers use smart devices such as smartphones and tablets to shop, studies indicate that social networking and online portals remain popular as the preferred channels of communication. Studies show that over 60% of US consumers interact with retailers online through their mobile devices<sup>1</sup>. Additionally, 44% of in-store shoppers use their smartphones to research the best price<sup>2</sup> and 88% of consumers trust online reviews as much as personal recommendations<sup>3</sup>.

Today, technologies such as geo-location tracking and beacons are influencing customer actions and decisions across pre-purchase, purchase and post-purchase journeys. For instance, through digitized marketing, a customer walking past a Samsung store can receive a message advertising the new Samsung mobile phone available at 0% EMI. Using the customer's smartphone geo-location feature and beacon technology, the retailer is able to push relevant advertisements to the customer. When coupled with AI, such technologies can gather information on customer behavior on social websites, shopping history and browsing history to curate targeted and timely campaigns. Similarly, product reviews can be pushed to the customer at the opportune time to drive informed purchasing decisions.

**Social** – Customers use social media to share product reviews, chat with peers and share opinions on brands, services and products. Thus, social channels can be a powerful tool to amplify positive feedback and accelerate customer conversion. Here, social media bots that emulate real-life agents can be used to provide instant and contextualized answers, intelligent recommendations and targeted campaigns.

Some CRM tools can escalate negative feedback on social media to the relevant team for immediate remediation. These tools also offer customer sentiment analysis using a keyword-based approach

that analyzes how happy or unhappy a customer is by tracking keywords used by the customer.

**Self-service** – Self-service is already gaining popularity among customers making it imperative for retailers to on-board self-service portals for customer support. These portals minimize cost and time spend on dialing up or visiting a helpdesk/customer service center. Further, self-service portals with FAQ widgets address common queries regarding product purchase, usage, after-care, warranty, etc. Besides reducing network congestion arising from repeated calls to call centers, this strategy also reduces operating costs. Additionally, to further enhance self-service capabilities, organizations are developing customer portals built with advanced functions such as contextualized knowledge management, live chat, video chat, and chatbots to provide prompt and personalized answers to customers.

It is important to note that while each channel – mobile, social and self-service – offers distinct advantages and capabilities, these should not be used in isolation. To deliver truly personalized CX journeys, organizations need a comprehensive strategy that integrates all these technologies, thereby influencing customer thought and action.

## 6. Enabling visual collaboration through AR and VR

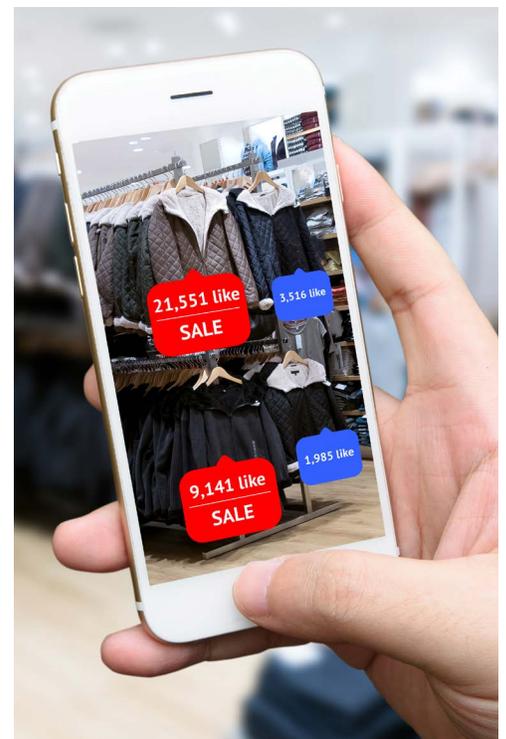
Advancements in augmented reality (AR) and virtual reality (VR) have a significant impact on the retail industry. Many retailers are testing how these technologies can be implemented across customer journeys in sales, marketing and customer support.

**Sales** – Immersive AR and VR technologies can be used online and in-store to make the shopping experience more real and personal. While VR technologies are expensive and involve bulky hardware (such as the Oculus Rift headset), AR technologies can be easily overlaid on mobile devices. Pokemon Go is a fitting example of how AR can vividly capture customer attention.

**Marketing** – A recent study by Juniper Research suggests that expenditure on VR hardware will cross US \$50 billion by 2021. Thus, as investments in research and development (R&D) for VR increase, we can expect devices to become cheaper and more easily available. This is important as VR and AR marketing strategies have the potential to grab customer attention for a longer duration when compared to traditional channels of 2D or video-based marketing.

**Customer support** – When it comes to customer support, video chats and video/image sharing are becoming increasingly popular among customers. Besides making it simple for customers to demonstrate and explain their issues, these also help agents better understand the root cause. In fact, many leading CRM platforms have augmented their LiveChat capabilities with video options to enhance customer support.

Innovative channels such as AR and VR for exchange and collaboration will be key to cementing customer loyalty by creating exceptional brand experiences. Retailers must integrate these emerging technologies into their future marketing strategies if they are to gain a clear edge over their competition.



## 7. Conclusion

To stay ahead of the competition, retailers are looking for ways to capture customer information and gain a holistic customer view across channels. Personalized customer experience solutions use innovative technologies, allowing retailers to curate delightful experiences that drive customer-centricity and increase brand value. However, it is also important to improve pre-purchase, purchase and post-purchase customer journeys. For instance, emerging technologies such as AI, AR/VR and omnibots offer intelligent ways to handle customer issues, educate customers on various product features and streamline customer journeys. Capabilities such as mobility, social and self-service

portals help retailers address issues, analyze customer sentiment across channels and improve campaign effectiveness and delivery. Data integration, automation and improvised data models capture customer data, making it easy for retailers to push relevant offers and recommendations to customers, thereby increasing sales. Thus, the combination of these technologies not only creates customer-centric digital retail experiences but also enhances marketing, sales and service functions. An integrated approach that leverages such technologies will help retailers deliver personalized customer experiences, thereby cementing customer loyalty and increasing revenue.

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