Radial

Top Six Customer Care Trends to Thrive in the Age of the Consumer

Introduction

Long gone are the days when customer care was essentially just a cost center for retailers. Today, customer care can—and should—be a profit center and a key differentiator that enables retailers to increase satisfaction, loyalty, and sales. The secret to success is providing consumers with a fast and frictionless service experience regardless of the channel they use.

How important is customer service? *Harvard Business Review* reports that reducing customer effort is the most important factor for driving loyalty,[1] and also notes that customers who have the best experiences spend 2.5 times more than those who do not.[2]

In the age of Amazon, consumers have sky-high expectations. They want convenience, choices and their issues to be resolved quickly and easily. They also want retailers to be proactive and personalize their service. Fortunately, innovations and advancements in technology are enabling retailers to provide consumers with support experiences that meet and even exceed these expectations.

Indeed, customer care has been steadily evolving in many interesting ways over the past several years as consumers continue to show their preference for self-service, mobile commerce, and personalization. These three areas are responsible for driving many of the customer care trends we're seeing in 2017. *Business Insider* reports that mobile commerce will make up 45 percent of total eCommerce by 2020,[3] noting that 73 percent of consumers want to be able to solve product/service issues on their own[4]. Another study by Accenture finds that 73 percent of consumers choose to do business with retailers that use personal information to make their shopping experiences more relevant[5]. From these findings, it's clear that retailers need to add solutions in these critical areas to build loyalty and increase profits.

This paper takes a deeper dive into these trends with a specific focus on the tactics that will enable your retail business to deliver a customer care experience that goes above and beyond your customers' expectations.

Self-Service

Self-service is one of the hottest trends in customer care. Consumers love the idea of being able to quickly and easily find answers on their own, so retailers' attempts to incorporate everything from online knowledge bases to tools to streamline support calls to chatbots have dramatically improved their ability to engage and satisfy customers.

When you consider that self-service channels consistently outperform other channels,[6] it's easy to understand why consumers choose this channel to reduce friction. While there are many self-service trends on the horizon, providing customers with artificial intelligence options and visual IVR technology are two of the most popular and effective solutions available.

Let's take a closer look at how they're transforming customer service.

Artificial Intelligence

Artificial intelligence (AI) has been buzzing around the retail world for a few years. Although it sounded like science fiction not very long ago, AI is literally transforming customer care as we know it. Nearly 8 out of 10 businesses have either already implemented an AI solution or are planning to adopt one by 2020, according to an Oracle study.[7]

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To put it simply, AI refers to the capability of a machine to imitate intelligent human behavior. AI goes through a progression of understanding, reasoning, learning, and then adapting insight. Over time, you can leverage these insights to improve reason and adjust your services to deliver the type of quick and effective support today's consumers demand.

Chatbots are probably the most recognizable AI applications for customer care. These virtual agents can answer basic questions for consumers and guide them on their journey to get answers online. They're ideal for helping consumers access information and complete basic tasks in a natural way that saves retailers money and improves the customer experience. After all, customers find the need to interact with retailers to fulfill many different requests that don't necessarily require a live agent, including everything from order status and billing questions to troubleshooting and product inquiries. Virtual agents powered by AI provides a fast and cost effective way to access a variety of information and data that can solve customers' problems without having to go through traditional interactive voice response systems (IVRs).

Virtual agents are deployed in the voice channel or through web chat, text, mobile applications, or social media. Ideally, you want to have all of these channels supported by the same underlying AI system to provide customers with a seamless experience. For example, when a customer contacts you via email, your AI should be able to access previous interactions he had via voice to more quickly resolve the issue. That's what comes with having a 360-degree of the customer, which is essential for providing a satisfactory experience in our uber-connected world.

As simpler tasks are accomplished with various levels of automation, retailers can dedicate the human resources necessary to more profitably handle complex issues that require more sophisticated human intervention. In the meantime, AI-enabled agent support systems can help provide the service consumers expect.

Swedish retail bank Swedbank is an excellent example of artificial intelligence in action. To reduce the number of calls it was receiving in its contact centers, the brand created Nina, a virtual agent that handles about 80 percent of the company's 30,000 monthly customer inquiries via the website.[8] Nina has been answering customers' questions, solving their problems, and improving her knowledge base since Swedbank put her on the virtual payroll about two years ago. "At the beginning, we threw in what we thought would be the hundred most commonly asked questions and answers in the database and then let the customers do the work," said Martin Kedback, head of channel management at Swedbank. "As they continued to ask questions, we made Nina smarter."
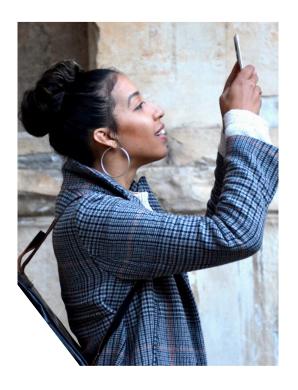
Visual IVR

Consumers are always looking for the path of least resistance when it comes to contacting customer care. If they can't find what they're looking for using your online knowledge base/FAQ, consumers are likely to call to speak with an agent. But traditional IVR systems can be cumbersome and provide a poor user experience, causing customers to wait and be frustrated by having to listen to an extensive menu of options.

Instead of waiting to listen to voice prompts to navigate these options, visual IVR displays the voice menu on the customer's smartphone screen so he can quickly and easily skip to the exact department or information he wants without having to listen to a bunch of irrelevant choices. He can simply tap what he wants to do on the menu and be directly connected with the person or information he's seeking.

Visual IVR is especially beneficial for mobile customers—which includes the majority of millennials—who tend to embrace this tool. Visual IVR offers customers a much faster and frictionless support experience, giving them exactly the information they want in their preferred channel.

For example, Radial recently implemented a visual IVR solution that has proven to deliver a much more satisfying support experience for the retailer's customers. The solution achieves a 70 percent containment rate; and customers like the visual IVR solution, too, as evidenced by the 87 percent Net Promoter Score (an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others.)

Mobile

The shift to mobile over the past few years has been driving the way consumers research, shop, and buy everything from yoga pants to airline tickets. When you consider that mobile shopping accounted for nearly half (47 percent) of visits to retail websites for Cyber Monday 2016,[9] it's pretty obvious that retailers better prioritize mobile as their prime channel going forward while continuing to improve their omnichannel capabilities.

Of course, consumers prefer mobile when they need support as well, so providing a user-friendly customer care experience that is customized for mobile users is crucial for satisfying today's consumers. You can take advantage of the growing mobile trend to improve customer engagement and satisfaction by implementing the following customer care strategies.

Text for Service

Considering how frequently consumers—especially millennials—choose texting over calling in their personal lives, it should come as no surprise that they want the ability to text retailers regarding service issues. In fact, a Harris Poll discovered that 81 percent of consumers are frustrated when they're stuck with either the phone or a computer while waiting for customer service assistance, and 64 percent of them say they would rather text than call.[10]

"64% of customers would rather text for customer service."

In addition to offering consumers more convenience and choice of communication, texting can also be more cost effective than a call due to the ability for agents to handle more than one text interaction at a time. Consumers tend to open text messages within a few minutes of receiving them, so texting provides faster service, has higher customer satisfaction rates, and doesn't waste agents' time leaving voicemails or sending emails. Texts have nearly a 100 percent open rate and reduce calls by 20 to 30 percent.

Although texting for customer service is a growing trend and most retailers think it makes sense to communicate via SMS, only 29 percent actually do so today, according to eMarketer.[11] With millennials becoming one-third of the global income by 2020, we expect to see this statistic climb steadily over the next few years, especially considering that 44 percent of consumers prefer to send a text to a retailer's customer service department because it's less time-consuming, and 42 percent prefer texting because it's more convenient than making a call.[12]

Some retailers are even leveraging text to not only provide traditional customer care but also to act as a concierge service to improve the shopping experience. Nordstrom's opt-in TextStyle service, for example, enables customers to receive texts from store associates regarding products that may be of interest to them based on their past purchases and current promotions. A customer simply has to respond to the text with a code provided by the store associate who then processes the transaction. "For customers who prefer text messaging," said Jamie Nordstrom, president of stores for Nordstrom, "TextStyle is a way for our salespeople to provide a personalized styling experience and for customers to view and buy seamlessly with the convenience and simplicity of a text message, wherever and whenever they like."

In-Transit Delivery Updates

In addition to enabling text for service and support issues, retailers can improve the overall customer experience by providing in-transit SMS delivery updates when a package leaves the warehouse, is out on a truck for delivery, and has been delivered to properly inform and manage customer expectations. Giving consumers an Amazon-like experience by staying in regular communication throughout the fulfillment and delivery process boosts customer satisfaction and loyalty. Simply put, consistently communicating order deliveries via SMS translates into happier customers who are more likely to continue doing business with you.

A lot of retailers are beginning to implement in-transit delivery updates to keep their customers satisfied. For example, a Fortune 100 retailer that sells software, digital books, movies, video games, and consumer electronics that wanted to deliver better customer experiences started using text notifications to keep consumers up-to-date on shipping confirmations, tracking information, and delivery alerts. By sending text messages such as, "Your package has left our facility and is expected to arrive on November 3. You can use this unique tracking number to track your order's progress," the retailer has improved its customers' post-click experience which has resulted in a more positive impression of the brand.

Personalization

"52% of consumers will switch brands if service is not personalized"

Providing consumers with personalized, omnichannel experiences isn't an option for retailers; it's table stakes for driving loyalty and improving sales. In fact, when you consider that 77 percent of consumers have selected, recommended, or spent more money with a retailer or brand that delivers a personalized experience[13] and that more than half (52 percent) of consumers will switch brands if a retailer doesn't personalize their communications with them,[14] improving your personalization capabilities is essential for winning and sustaining loyalty.

Let's explore a couple of trending customer care personalization strategies that are enabling retailers to crack the code on customer satisfaction and loyalty.

Personality Pairing

Revenue, retention, and reputation are all at stake when a customer contacts you for support. Every engagement provides the opportunity to either win or lose a customer for life. It's up to your agents and the technology they have at hand to make sure customers have an exceptional support experience that compels them to keep coming back.

On the technology front, the advent of personality-based call routing software dramatically increases the likelihood of a positive interaction every time. The technology works by automatically connecting customers and agents who are likely to have a natural rapport based on millions of behavioral algorithms that account for everything from personality style and whether the customer is upset to whether the agent shows empathy and how much effort the interaction takes. Calls are routed based on the customers' tone, tempo, keywords, grammar, syntax, and issue as well as the agents' personal strengths and past performance with similar customers.

For example, an irate customer calling to discover why his car rental reservation has been canceled would be transferred to a different agent than a calm customer calling to inquire about options for vehicle upgrades. The technology determines the best match based on the available data, which includes the way customers articulate their needs and prefer to receive information according to their personality type.
This innovation is helping retailers improve interactions by delivering personalized service to every single customer.

"For example, an irate customer would be transferred to a different agent than a calm customer"

Everybody wins, which increases both customer and agent satisfaction. Customers are happier because their needs are met by someone with similar personality.

Aligning customers with agents who recognize and respond to their specific definition of great customer service sets up a successful interaction, which improves key metrics like first contact resolution and average talk time. This is especially important when you consider that first contact resolution is one of the most critical drivers of overall satisfaction and that retailers who promptly resolve customers' issues compel 94 percent of them to keep coming back.[15]

Customers and agents who are optimally paired have more natural conversations as well, which results in better metrics and more opportunities to engage and satisfy other customers. Ultimately, personality pairing has the potential to improve customer loyalty and sales, and retailers who ignore this trend risk losing customers to competitors who put a premium on this important functionality.

One retailer that is using personality pairing to more intelligently route calls to the right agent is CVS Health. As part of a 60-day pilot program with Mattersight, a provider of personality-based software applications, two-thirds of calls were routed with Mattersight's Predictive Behavioral Routing and one-third were randomly routed on their own. After only 30 days, average talk time (ATT) had decreased by about 13 percent on the Mattersight-routed calls, which was "compelling enough for us to make the decision to move it out across all of our customer care sites to full production," said Gloria Walker, the director of customer care at CVS Health.[16]

Advanced Analytics

Every consumer who contacts your customer support channels has valuable data and insights to share—information you can use to dramatically improve your customer experience. Advanced analytics are essential for understanding what customers are likely to do next (known as predictive analytics), and what steps your business should take to provide better customer care in the future (known as prescriptive analytics). You can leverage the advanced analytics you collect during customer care interactions to achieve everything from brand awareness and omnichannel adoption to increasing marketing offers and confirming whether your customer segmentation strategies are accurate. The insights gathered can also inform merchandising strategies, product development, and website functionality.

Take Stage Stores, for example—a retailer that is using advanced analytics to speed the delivery of the right goods to the right stores, personalize customer service, optimize pricing, and boost its bottom line. Stage Stores leveraged predictive analytics to create a recommendation engine that provides store associates with information about a customer's buying habits and past purchases to suggest recommendations for accessories. The program was a hit with customers who wanted store associates "to be informed as to what they like, instead of offering an opinion out of the blue," said Stage Stores' CIO, Steve Hunter. "We're going towards retail being a science instead of an art. We'll always have to buy the right merchandise. But the way we do it, and the way we leverage technology, will continue to evolve."

By collecting and sharing the right data, your customer care provider can predict your customers' specific needs regarding everything from churning to abandoning a call to being cross-sold on a particular product. Using analytics to predict behaviors and interaction outcomes enables you to anticipate your customers' needs and expectations, virtually eliminating the unpredictability of meeting those expectations, and taking the right course of action to exceed them. With advanced analytics, you can shift customers from being routed to the next available agent and instead connect them with agents that are perfectly suited to address their needs with the best skills, offers, and performance when, where, and how they need it.

Together, prescriptive and predictive analytics can be used to optimize customer experiences. They enable you to focus on engaging customers in ways that satisfy them, encourage future interactions, and drive them to more profitable experiences. Partnering with a customer care provider that specializes in collecting, analyzing, and leveraging this type of data is the best way to improve your customers' individual support experiences, boost their loyalty, and drive future sales.

Conclusion

In the age of the Consumer, every retailer has a mandate: create the Amazon-like experiences consumers have come to expect or risk going out of business altogether. This mantra is especially relevant in the context of delivering customer service. By either implementing the right strategies on your own or by partnering with the right customer care provider, you can create the same exceptional experiences in your own retail business.

While focusing on self-service, mobile, and personalization strategies will have the greatest impact, you should always be analyzing your data and surveying your customers to determine the best ways to consistently engage and delight them. If you build a better customer care machine that leverages these trends and strategies today, you can level the playing field with Amazon and achieve greater success tomorrow and beyond.

About Radial

Radial is the leader in omnichannel commerce technology and operations, enabling brands and retailers to profitably exceed retail customer expectations. Radial's technical, powerful omnichannel solutions connect supply and demand through efficient fulfillment and transportation options, intelligent fraud, payments, and tax systems and personalized customer care services.

Hundreds of retailers and brands confidently partner with Radial to simplify their post-click commerce and improve their customer experiences. Radial brings flexibility and scalability to their supply chains and optimizes how, when and where orders go from desire to delivery. Learn how we work with you at **www.radial.com**.

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