

The New Retail Customer Service Landscape: AI Is Transforming the Agent and Customer Experience

uniphore 





As the pandemic forced consumers to adopt new shopping behaviors, retailers had to instantly react, updating their technology, business model, operational strategies, marketing, and more. Consumers who were previously averse to online shopping suddenly embraced it, and many never plan to return to their old behaviors.

For many retailers though, the customer experience didn't always live up to changing consumer expectations and behaviors. Some retailers failed to prepare for increased customer service volume as stores were closed during shutdowns or as consumers new to click-and-collect (purchasing online and picking up either curbside or in-store) encountered issues during the process. Problems with online shopping, back orders, and returns turned into frustratingly long waits to get assistance.

Even though nearly half (47%) of consumers say high-quality customer service is most important to them when shopping online,¹ 75% of respondents in a survey on pandemic customer service said their service experiences had worsened, citing an inability to connect with agents, emails not being answered, and multiple attempts to address a single question or issue.²



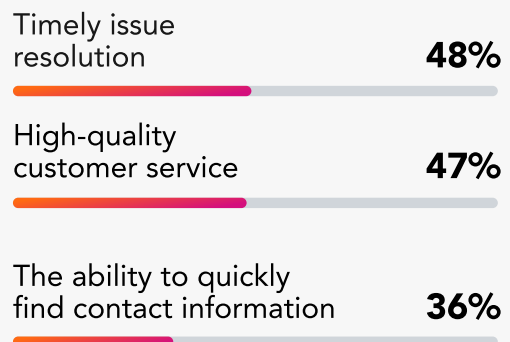
Retailers know that they can't afford to continually disappoint their customers. In an industry where competition is fierce, brands must live up to their promises or risk their customers abandoning their carts permanently in favor of companies that demonstrate their commitment to customer satisfaction.

Overcoming the many challenges resulting from the pandemic will require retailers to rethink their customer experience strategy. They must be prepared to invest in new technology platforms that remove the points of friction in the customer journey and optimize the customer service experience. That's exactly what savvy retailers are doing by embracing conversational artificial intelligence (AI).

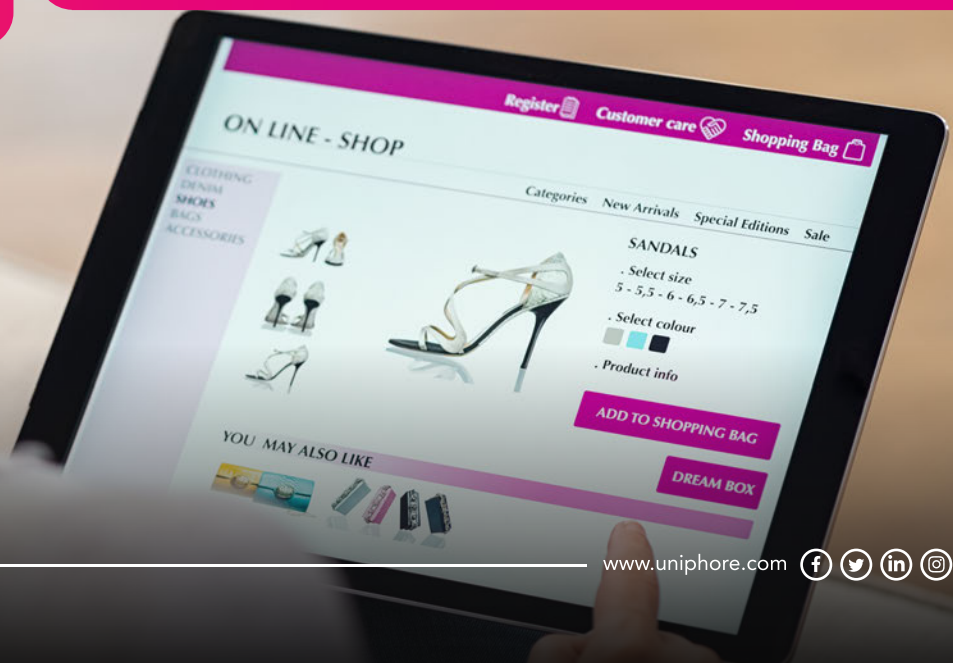


What Is Most Important to Online Shoppers?

For consumers buying online, the top three most important aspects of the experience are:



Source: "Online Retailers Bridge the Offline Divide With Customer Service Features," Stephanie Crets, Digital Commerce 360, October 2021





The Challenges of Reinventing Retail Customer Service

It's more difficult than ever for retailers to deliver on consumer expectations about customer service given the rapid changes across the industry compounded by the ongoing economic, labor, and supply chain repercussions of the pandemic.

First, there was the great migration to digital shopping which exposed existing shortcomings in the customer service approach for many retailers. Consumers new to online shopping needed assistance to find and purchase what they needed. Other shoppers experienced points of friction in the customer journey that hadn't occurred before — changes to return policies, widespread out-of-stock situations, longer shipping times and unexpected delivery delays, and finally lack of response from an overwhelmed customer service department.





Then there's the Great Resignation, where an unprecedented number of workers decided to quit their current jobs and do something different. Talent shortages continue to exacerbate the annual struggle to ramp up customer service staffing during holiday peaks, with demand far outpacing supply for workers. The number of retail job openings in the U.S. hit 1.2 million in July of 2021.³ In addition to traditional retail jobs, retailers such as Target are looking to hire more staff to handle order pickup services as well as supply chain roles.

Retailers continue to deal with a range of different supply chain issues, resulting in repeated stock outs of items. This in turn causes orders to be delayed and more customer calls to the contact center to find out when products will be available again.

Out-of-stock situations at retailers are one of the reasons that consumers increasingly turn to their favorite brands to purchase goods directly. The problem is that many of the manufacturers that decided to ramp up their direct-to-consumer (DTC) channel have been flooded with new customers, without necessarily having the customer service infrastructure in place to handle the volume. They struggle to handle the onslaught as they embrace a new business model and attempt to build relationships directly with customers.



Majority Say Wait of Longer Than 10 Minutes Too Long

Retail customers refuse to wait for long periods when contacting customer service:

55%

say they give up within 10 minutes instead of waiting for a live agent

17%

say they won't even wait five minutes for an agent

Source: "[COVID-19 Has Given Rise to Mass Chatbot Adoption in the Retail Space](#)," Bob Grohs, TotalRetail, October 2021





Conversational AI and Automation Are the Answer

Finding new ways to improve the customer experience has never been more critical for retailers and brands nor has it ever been more difficult given the current challenges. However, there is a way for companies to transform their contact center operations to deliver a differentiated customer experience that drives satisfaction, loyalty, and revenue.

It begins by using conversational AI to understand and optimize every conversation before, during, and after a customer interaction — from self-service to agent assistance to after-call follow-up and fulfilling promises made during the call. A conversational automation platform powered by conversational AI, machine learning, and automation technology automates end-to-end customer journeys, augments agents to help them deliver more efficient and empathetic service and uncovers hidden insights into the voice of the customer.

Some of the top use cases for which retail brands are deploying conversational AI and automation include:



Challenge	Solution/Use Case	Benefits
Ramping up quickly/ Training new agents	<p>In-call agent assistance that provides real-time alerts and guidance based on AI understanding of the conversation</p> <p>After-call work automation that eliminates manual, time-consuming agent tasks</p>	<ul style="list-style-type: none"> • Helps agents become proficient faster • Provides information in real time so the agent can focus on the conversation • Streamlines processes to reduce training time • Reduces the number of screens that agents need to log into during the workflow
Increasing sales	<p>In-call agent assistance that personalizes the next best action recommendation using predictive analytics</p> <p>Interaction analytics with automatic monitoring, scoring, and feedback on quality.</p>	<ul style="list-style-type: none"> • Drives higher conversion rates • Optimizes upselling and cross-selling opportunities • Drives performance improvements • Reduces quality management costs while improving quality
Reducing agent attrition	<p>In-call agent assistance with automatic insights and guidance to agents, letting them focus on the conversation</p> <p>After-call work automation that frees agents from tedious, manual efforts</p>	<ul style="list-style-type: none"> • Optimizes and enhances the customer's and the agent's experience • Frees the agent to spend more time interacting with customers
Deflecting contact center interactions to maintain quality of service during seasonal spikes	<p>Conversational self-service using an intelligent virtual assistant to deliver easy, convenient help</p>	<ul style="list-style-type: none"> • Offloads interactions and reduces contact center volume • Delivers a seamless, consistent experience via voice, web, and mobile • Accelerates resolution, improving customer satisfaction
Retaining customers and growing customer lifetime value	<p>Interaction analytics that help retailers understand pain points and patterns in the customer journey.</p>	<ul style="list-style-type: none"> • Sheds light on ways to optimize the customer experience to improve customer satisfaction • Uncovers trends and patterns that inform data-driven operational decisions to streamline the customer journey
Improving customer satisfaction and loyalty	<p>Conversational self-service that delivers an intuitive, fast, and frictionless experience.</p> <p>Automated promises management that recognizes, logs, and enriches promises and then manages the fulfillment of those promises automatically.</p>	<ul style="list-style-type: none"> • Sheds light on ways to optimize the customer experience to improve customer satisfaction • Uncovers trends and patterns that inform data-driven operational decisions to streamline the customer journey • Shortens processing time



Conclusion



Customer experience can either make or break your retail business. The return on investment on good customer service is higher conversion rates, more opportunities for upselling and cross-selling, brand loyalty, and higher customer lifetime value.

Smart retailers are investing in conversational AI to optimize, analyze, and automate every conversation. They're seeing a return on investment by transforming the consumer and agent experience across the entire customer conversation from self-service to post-interaction analytics.

Isn't it time for your brand to start delivering a positive, personalized, and frictionless experience for your customers?

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