

Meeting the advanced challenges of modern retail CX



While building positive, long-term customer relationships has always been important to business success, the methods for doing so are evolving faster than ever across verticals and industries.

For retail companies, meeting customer expectations at scale is complicated. And doing so today looks entirely different than it did a decade ago—or even a year ago. As the industry evolves, advancements in technology also bring changes in consumer behavior.

In this highly dynamic environment, delivering an excellent customer experience became a key way to differentiate, as well as a marker of overall success. This whitepaper will describe how to adjust to and embrace new customer experience challenges in the modern world of retail.



Understanding the customer experience challenges of today pays off

The need to deliver a good customer experience (CX) is nothing new, but to meet growing demand and increased customer expectations, companies need to adapt their philosophy and tactics across the whole business.

Customers expect easy and high-touch access to the brands they do business with, as well as a seamless experience throughout all these interactions. But that can add significant complexity on the back end—especially for businesses with a huge number of customers, orders, and products.

While meeting these growing expectations is a challenge, the investment pays off on the top and bottom lines. Forrester recently found that businesses that are customer experience leaders grow revenue 5.1 times faster than their peers who are CX laggards.¹

Making an investment in delivering the best possible experience for customers within every interaction they have with your company increases your chances of winning those customers' trust—which is always a reliable path to higher revenue. Not only are loyal customers likely to spend more—via increased renewal rates, faster product adoption, and return business—but they'll also tell other people what they think. Word-of-mouth evangelism also brings new business and encourages a new wave of loyal customers to come on board.

But before a business can reap those benefits, it's necessary to understand what the modern retail customer wants, and the challenges that must be overcome to deliver it.



¹ Forrester Research, Improving CX Through Business Discipline Drives Growth, Harley Manning & Rick Parrish, 11 September 2019

4 top CX challenges to overcome

For all the ways in which each company is unique, customer support executives at retail companies face similar challenges, including:

1. Modernizing the existing tech stack

Whether due to end-of-life issues, security concerns, or a lack of development in new features, many companies are faced with the daunting task of upgrading legacy technology systems. In many cases, businesses find themselves dependent on platforms that are not only outdated, but also built using proprietary technology that makes them inflexible and difficult to update. It's a problem that becomes increasingly difficult to manage as a business grows.

Overhauling legacy tech solutions helps a team operate more efficiently, leverage data effectively, and stay competitive in the modern retail landscape. For example, outdated tech systems pose a security risk because they keep the company tied to outmoded features and procedures. And as a company's tech stack grows, the legacy system can't always integrate successfully with the new tools. This creates tech and data silos that impact the customer experience, but also puts blinders around the agents' view of the customer journey.

Updating systems to make operations more efficient and transparent isn't as easy as completing a series of "rip and replace" projects. It's important to consider where employees interface with data, and how they can use it to deliver the best customer experiences. It's critical to consider your whole ecosystem in order to design for future agility. When choosing a new system, consider factors like::

- Is it easy to customize?
- Does it integrate seamlessly with our current technologies?
- Will it be easy to integrate with future technologies we may invest in?
- Can it support growth in employees, customers, and users?

A modern tech stack isn't one focused only on the needs of today. It must meet current needs, while providing the adaptability required to accommodate future needs.

2. The proliferation of new channels

Maybe you could get by with only a customer call center a few years ago. But now, customers want the option of contacting companies in whatever channel they prefer. That means businesses need to be accessible by

phone, email, self-service, live chat, social media, messaging apps, and in peer-to-peer communities. To be present in so many channels, staff must be trained and have access to the tools they need to ensure that customers are having a consistent experience across those channels. And they need access to the right tech infrastructure to manage customer conversations effectively, wherever they are taking place.

Being everywhere is costly and difficult, which may explain why, according to [Zendesk Benchmark data](#), fewer than 30% of retail companies offer live chat, social messaging, in-app messaging, bots, or peer-to-peer communities. But when a business isn't accessible where customers expect it to be, it can lead to disappointment.

3. Lack of resources for self-service content

Providing self-service resources is a win-win. Customers like having the option for less-complicated tasks. And for businesses, it reduces the number of support calls agents have to handle, giving them more time to focus on the more complex issues that require a human touch. In fact, Benchmark data shows that high-performing retail companies are 52% more likely to provide self-service content, and that its adoption by customers has grown by more than a factor of five.

Yet, only a third of retail companies offer self-service support options. Even if you acknowledge the value of self-service, creating, publishing, maintaining, and customizing a self-service portal requires time and resources. Content needs to be written and maintained, and the experience itself must be designed and branded. At many companies, the desire to build out self-service support content is there, but it isn't matched with the necessary resources to realize the goal.

4. Difficulty using available customer data

Enterprises are awash in data, which is captured across many touchpoints between the customer, products, and employees. But without a good way to put that data into a format you can properly understand and use, the information isn't working as hard as it could for you.

There are proven benefits to getting a better handle on customer data, wherever it might live. According to the [Zendesk Customer Experience \(CX\) Trends Report 2020](#), retail companies that more effectively leverage customer data see 62% faster resolutions, a 67% reduction in wait times, and solve six times the number of customer requests.

Leveraging data effectively is a two-step process. It must be both formatted and aggregated. Furthermore, the larger the company, the bigger the technology stack—many with hundreds of applications and data sources. To discover the insights hidden in that data, it needs to be accessible and meaningful. That requires finding a way to connect all the different data sources and repositories—which requires building bridges.

An open, agile platform makes it possible to create a unified view of the data (and, by extension, of the customer experience) by connecting existing sources that can easily accommodate new data sources over time. But none of this is easy—especially when working with inflexible legacy systems that aren't configured to integrate with other tools.

If any of this sounds all too familiar, let's start talking solutions.

A future-proof approach to CX

Integrate customer data into one view

That abundance of customer data represents potential for innovation and exceptional customer experiences. If agents can access relevant details about each customer as they're assisting them, they can provide more personalized, helpful support. But right now, that can be a big ask.

If data is stuck in silos, agents may be able to access some of it. But other pieces of information may be inaccessible to them, or a complete mystery if they don't know the data exists or where they could find it.

A fix to this problem is within reach. To start, customer-service technology can consolidate data from multiple products into one platform in a unified view. That immediately simplifies the CX tech stack, and makes it easy to understand the customer's complete journey.

To ensure platforms and software can evolve with a growing company's needs and connect to other sources of data, it's critical to have open, flexible APIs that can be customized to work with apps, integrations, and other data sources. A flexible API means that no matter which tech tools are used now, the system will be able to connect current and future software—helping ensure data stays within one convenient view. There are customer service products that offer out-of-the-box technology-partner integrations that make this process simple for common business technologies.

Though making big tech updates is a headache, the goal is to implement a solution that can easily evolve over time. As business needs change, an open platform will help ensure adaptability and smooth transitions.

Choose technology that's relatively easy to maintain—something that doesn't require a team of specialists just to help keep that one product working. Beware of products that are initially cheaper and “out of the box,” but are riddled with hidden maintenance costs. Ensure it's easy to make updates and automate business processes with clicks rather than code, which can help ensure a lower total cost of ownership (TCO).



Using technology to impact experience

Finding the right tech solution that connects disparate tools and brings customer information into one view makes the job much easier for CX teams. But ultimately, simplifying and future-proofing is only half of the equation. The rest is just as important: delivering the convenient, personalized experiences customers expect.

Today, that means providing multi-channel support, including self service, and consistently personalizing customers' experiences using data about their journey.

Provide always-on, context-rich support

For decades, phone support sufficed. The idea of email support came along many years later, as did an agent-friendly platform for managing inquiries and communications we know today as tickets. But now that customers have many more ways to communicate with businesses, they are eager to use them, on their terms: at their preferred time of day, with the ability to switch channels and still maintain the context of an issue. Not having to repeat themselves is now table stakes for customers—according to the CX Trends Report, 42% of customers say repeating themselves multiple times is a mark of bad customer service.

Customers expect to have conversations with brands in the ways they use to communicate in their personal lives. This means social, messaging apps, email, and yes, the phone, too. Customers expect brands to listen

and respond in these channels, while also having the context of previous conversations, orders, and products being used. Offering a complete omnichannel solution ensures that customers can have the experiences they expect, while making it easy for agents to access the customer data they need in a simple, easy-to-use interface.

According to the CX Trends Report, only a third of managers say they're communicating with customers via their preferred means of contact. For many retail companies, that's because they haven't caught up to the newer, preferred channels of the day: messaging apps.

According to Gartner, “By 2022, 70% of customer interactions will involve emerging technologies such as machine learning applications, chatbots and mobile messaging, up from 15% in 2018.”² While adding channels is a big endeavor operationally, companies that provide support through channels that customers care about get better results for their efforts; Benchmark data shows that third-party messaging apps get the highest customer satisfaction score—98%—of any live-support channel.

Far from deciding to leave those legacy channels in the dust to embrace what’s new and shiny, the question is how businesses can unify the power of each channel to provide quality experiences overall.

Supply an array of self-service options

It should be easy for customers to reach a helpful human being if they want to, but the truth is that they don’t always want to. Many customers are happy to use a knowledge base, as long as they know one is available and it’s tailored to meet their needs with updated articles and sensible navigation.

Self-service bots go a long way in optimizing the experience. By making the same information in the knowledge base easier to access, an intelligent self-service automation tool can personalize answers for customers at scale. Self-service bots, when supported with machine-learning capabilities, can even get better over time at providing the right answers to customers based on the success of its past responses.

Successfully personalize each experience

For retail organizations, a huge challenge is that with so many different customers and so many different types of products, organizing customer information to make sure each interaction is tailored to their unique situations is a tall order.

But, as discussed above, 42% of customers say repeating themselves multiple times is a mark of bad customer service. Customers hate having to provide all the details about who they are, what products they are using, and what issues they’re experiencing every single time they get in touch.

The dream state is a system that ensures every agent has access to relevant customer data every time they interact with one, decreasing the likelihood of customers being subject to those blind spots we mentioned earlier. Furthermore, agents can more quickly provide the right answer for the problem.

When customer data is collected and organized, it paints a complete view of the customer, which amounts to more than just a collection of information. That’s why it’s important that all of that information is easily accessible and organized for agents providing support in all channels, ensuring they’re not wasting valuable minutes looking for a needle in a haystack.

Gathering and curating customer data is a two-way street. Any information an agent collects over one channel should be added to the shared platform, ensuring other agents can see it in real time. It may sound like a lot of work to achieve personalization, but it’s mostly about selecting the right technology that makes it all par for the course.

² Gartner, Magic Quadrant for the CRM Customer Engagement Center, Brian Manusama, Nadine LeBlanc, Simon Harrison, 11 June 2019

Responding to the unique needs of retail

Customers are increasingly demanding best-in-class digital and in-store experiences from the brands they do business with. They value the relationships they've built with brands and count on retailers to foster those relationships by knowing their preferences, responding to inquiries promptly, and delivering convenience across every interaction.

In addition to these new expectations, the rise of ecommerce has reduced barriers to entry, meaning customers have more choices when shopping. With more options at their fingertips, customers can afford to be critical when deciding who should earn their business. They actively research prices, reviews, and overall level of convenience across different retailers before making their decision.

This gives customers more power, and it puts the onus on brands to be competitive. That's true for retail brands across the board, but it presents an even bigger challenge for traditional brick-and-mortar enterprises that have higher costs, more complexity, and multiple legacy systems.

With fair pricing no longer the sole deciding factor in customer loyalty, businesses must look to other ways to differentiate. According to the CX Trends Report, 57% of consumers surveyed said that customer service was the most important attribute that makes them feel loyal toward a brand, making it a great place to start.

Make customer experience your differentiator

The CX Trends Report found that 74% of customers feel loyalty to a particular brand, and more than half go out of their way to buy from the brands they love. To earn that kind of loyalty, businesses must prove they know their shoppers by fueling personalization and using data to drive seamless experiences.

Activate personalization

Personalization demonstrates that customers' loyalty and the relationship with the brand is valued. Some 76% of customers now expect this kind of experience, which can take many forms, including knowing a customer's order and inquiry history, as well as tracking their product and channel-communication preferences.



This is a bigger challenge for brands to meet than many customers realize, especially since their preferred channel can mean more things these days, but it is doable with the right system.

To activate personalization, all agents must know some essential things about a customer: their order history, and their relationship with the brand, for starters. This requires having all customer data in one easily accessible platform.

Connecting data to provide a seamless experience

87% of customers feel brands need to put more effort into providing a seamless customer-service experience. Customers want and expect every agent they interact with across channels to know who they are and the details of their issue, as well as any other past issues. For retail brands, that often comes with the added challenge of providing a unified experience across in-store and online touchpoints.

Employees interacting with customers across channels—both in-store and online—should be empowered to communicate via any channel the customer chooses, and they need a tool that allows them to view, update, and access all relevant customer information from one place.

A platform that agents can easily access and trust, that has the most up-to-date customer information across channels, and that mobilizes customer convenience with quick responses can increase brand loyalty and satisfaction.

How to do it all: Zendesk

Providing a unified, personalized experience for retail customers is a matter of finding the right customer-experience platform. With Zendesk, retailers can build a complete view of their customers' experience by easily connecting and storing information about customer events and business objects, and creating dynamic profiles of customer relationships across any system.

Empower agents to gain quick, easy access to the particular customer details they need during each interaction. Agents can have conversations with customers in the channel of their choice, all within the same platform. And the software provides plenty of room to innovate—an open platform means that integrating future tools and products is more likely to remain affordable and easy in the years to come.

Meeting the expectations of the modern retail customer in an increasingly competitive landscape isn't easy. But the right software gives teams the means to pull it off.

