In association with

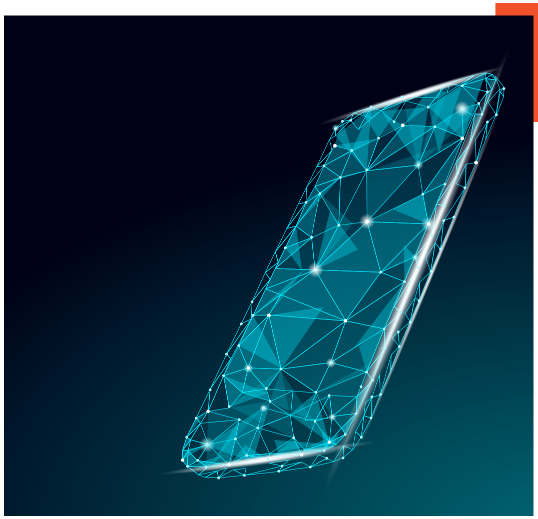
Retail Systems

GENESYS

THE DIGITAL CUSTOMER:

How are retailers using data, AI and automation to optimise customer service journeys in the omnichannel era?

INTRODUCTION & METHODOLOGY



INTRODUCTION

With High Street footfall on the decline, a cost-of-living crisis, and ever-increasing competition in the online marketplace, placing focus on the digital customer has never been more important.

These days consumers increasingly expect retailers to provide omnichannel functionality which makes their experience – from resolving queries and receiving updates, to personalisation and payments – as friction-free and efficient as possible.

When it comes to customer experience, cross-departmental connectivity has the potential to give organisations a clearer understanding of customer behaviour and what a customer's needs are.

With a connected call centre, organisations can leverage mutually valuable data from multiple departments to provide customer experience which is more predictive and presents a higher-level overview to help address a broad range of customer requirements.

Data, AI and automation all have a role to play in assessing and implementing measures to make customer journeys more connected, personalised and efficient – all factors that are critical aspects of creating a seamless customer journey and meeting consumer expectations.

Retail Systems and Genesys conducted a survey to assess the current state of retailers' customer call centres, gauging how connected they are to the rest of their organisation, and how far along retailers are in deploying AI and automation to provide an omni-channel experience that meets customer needs.

METHODOLOGY

Retail Systems and Genesys surveyed 100 retail decision makers to assess the role of technology in improving the customer service journey. The results offer a representative snapshot of the key challenges and drivers for retail organisations as they look to achieve seamless customer experience and an effective call centre strategy.

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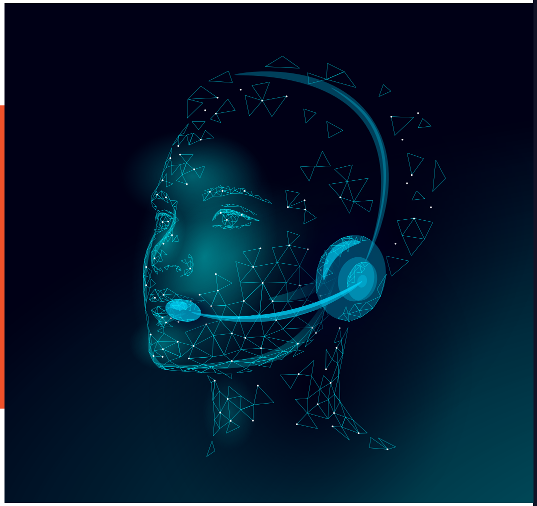


GENESYS™

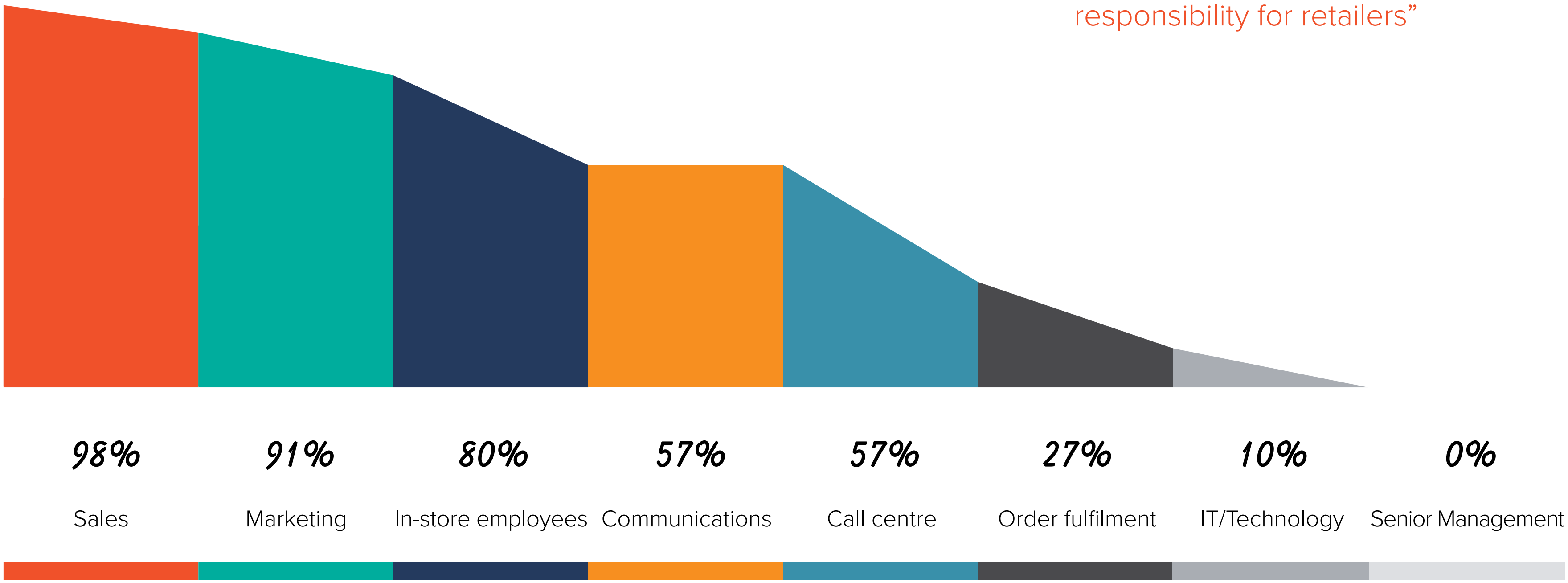
1.WHICH DEPARTMENT(S) IN YOUR ORGANISATION ARE RESPONSIBLE FOR CUSTOMER EXPERIENCE? *(Select one option)*

The results demonstrate that customer experience is largely a shared responsibility for retailers, with nearly all departments playing some role in this area.

The vast majority – nearly 100 per cent and over 90 per cent respectively – said that sales and marketing were responsible for customer experience, while over three quarters said it was the responsibility of in-store employees, showing a strong correlation between customer experience and revenue-generating activities.

Over half said the call centre and communications departments take responsibility for customer experience, indicating that human interactions are a key part in setting the customer experience agenda. Only one in ten said the responsibility fell to the IT/technology department, while none of the retail decision makers in the survey felt that senior management plays a role in customer experience, indicating that individual departments within the respondents' organisations are given latitude to set the customer experience agenda rather than adopting a top-down, 'single version of the truth' approach.

"Customer experience is largely a shared responsibility for retailers"



2.WHAT ARE THE MOST COMMONLY USED CHANNELS FOR CUSTOMER SERVICE IN YOUR ORGANISATION?

(Select top three)

The vast majority – almost 100 per cent – said that the call centre was a top-three customer service channel, while three quarters identified email as a commonly used method. The figures reveal that traditional channels are still largely dominating retail customer service.

In contrast, almost half said an app was a commonly used channel, showing that automated channels are beginning to gain traction and are viewed by customers as an acceptable alternative to human-based customer service.

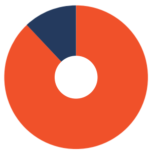
Just over a quarter said chatbots and live/agent-assisted chat were the most commonly used channels. The results indicate that retailers are beginning to branch out to new digital channels, as consumer demand calls for a variety of speedy and simple options when it comes to customer service, but their adoption rate is not yet especially pronounced.

None of the respondents said social media interactions, SMS, web messaging or self-service dashboards were among the most commonly used customer service channels – indicating that few, if any, operate an omni-channel setup when it comes to customer service. With consumers increasingly expecting digital services to support traditional channels, retailers could risk losing customers who want seamless cross-channel support, with real-time responses via different channels, including social media and live chat.

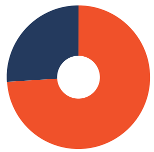
99% Call centre
75% Email
44% App
28% Chatbots
27% Live/agent-assisted chat
22% Via chat integrations e.g. WhatsApp
0% Self-service dashboard
0% SMS
0% Social media interactions
0% Web messaging

3.WHAT ARE THE KEY DRIVERS FOR CONSUMERS TO CONTACT THE CALL CENTRE?

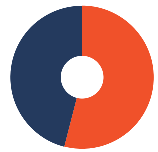
(Select all that apply)



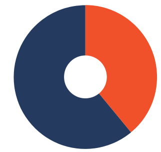
88%
Product query



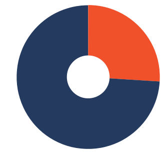
74%
Faulty item



54%
Order modification



39%
Delivery missing



26%
Complexity of issue requires human interaction

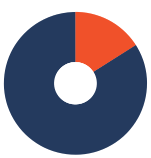
With more than half of respondents highlighting order modification, nearly three quarters choosing faulty item, and almost 90 per cent picking product query as top drivers, the results suggest that customers view human interaction as the most effective means of dealing with complex enquiries requiring more than a ‘yes/no’ answer.

Yet almost three quarters also said the complexity of an issue was not a factor that drives consumers to the call centre, and for a majority of retailers, negative attitude towards technology is not a key driver.

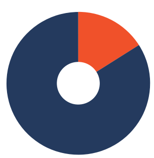
The results either indicate a lack of other available customer contact channels or that consumers still prefer speaking with a human agent if their query is more straightforward than resolving simpler queries through an alternate communication channel.

Over a third reported that a missing item is a driver for contacting the call centre, which could indicate that some organisations are currently struggling to effectively provide tracking functionality or connect with their logistics department.

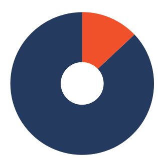
None of the respondents said the key driver for customers to contact their call centre was because it was their main customer service channel or that their digital help options were ineffective, indicating that respondents’ organisations use at least two customer service channels and that at least some customer enquiries can be successfully addressed through an alternative channel.



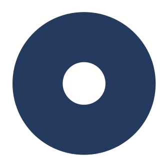
16%
Additional services/ followup



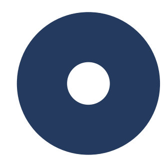
16%
Stock enquiry



13%
Dislike of relying on technology solutions/Negative attitude towards technology



0%
Call centre is our main customer service channel

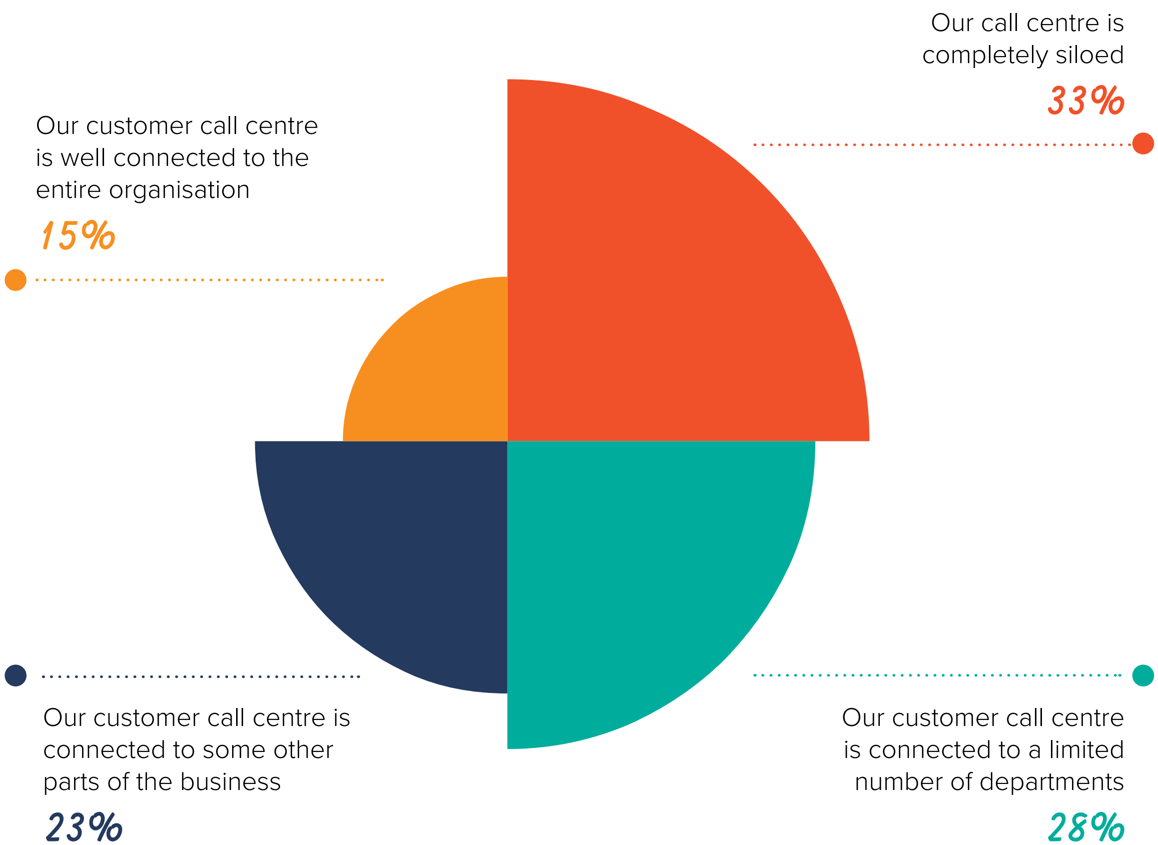


0%
Ineffective digital help options

With only 15 per cent of respondents saying their call centre was well connected to the entire organisation and a third revealing that their call centre is completely siloed, it appears that the vast majority of retailers are missing out on the benefits of a company-wide customer service strategy.

Almost a third said that their call centre was connected to a limited number of departments, while just under a quarter are connected to some parts of the business. This shows that just over half of the organisations surveyed are on a journey to some form of cross-department strategy when it comes to customer service and had at least some cause for their call centres to interact with other parts of the business.

4.HOW CONNECTED IS YOUR CUSTOMER CALL CENTRE TO THE REST OF THE ORGANISATION?



5.WHAT ARE THE KEY ROADBLOCKS TO CONNECTING THE CUSTOMER CALL CENTRE TO THE REST OF THE ORGANISATION? *(Select top three)*

The figures reveal that nearly 60 per cent of retailers in the survey identified cost/budget restraints as a top three barrier to connecting the customer call centre to the rest of the organisation.

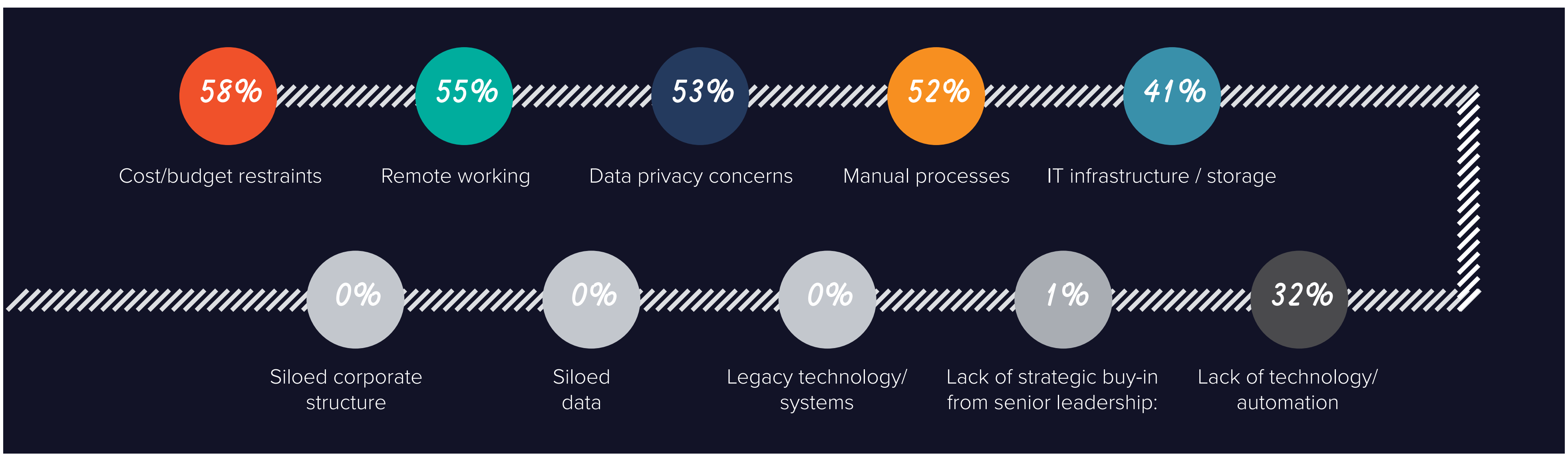
While there will always be an initial financial outlay to connecting a call centre with some or all parts of an organisation, companies who decide not to in order to avoid costs in the short-term could be missing out on realising enhanced customer satisfaction with a more streamlined customer experience, along with lower costs and higher revenue over time.

Driven by the pandemic, the shift to working from home more often or even entirely over the past few years also appears to have impacted customer service strategies. Over half reported that remote working is a key roadblock to uniting the call centre with the rest of the organisation, with employees connecting remotely to servers and from a disparate range of domains.

Over half of respondents cited data privacy concerns as being a key roadblock to organisation-wide call centre connectivity. The results suggest a revised data governance strategy, the establishment of best practices when managing data across the organisation, and the deployment of measures such as data encryption, are all steps which could be taken to shore up these concerns to help organisations reap the benefits of sharing mutually valuable data across different departments.

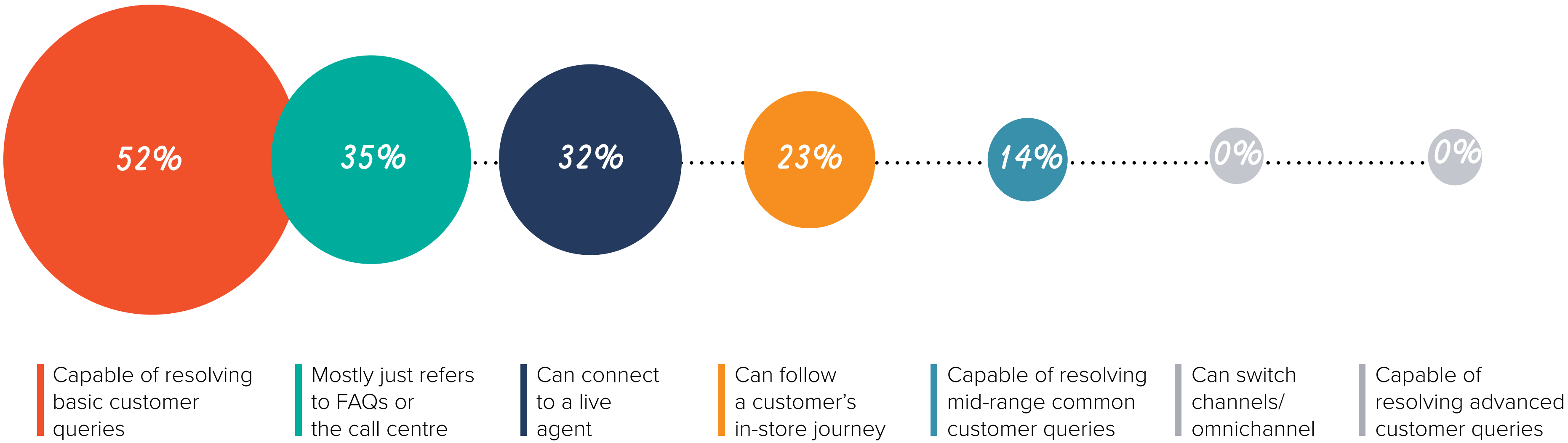
None of the respondents said siloed data, legacy technology/systems or a siloed corporate structure were key roadblocks, indicating a lack of preparedness is not a mitigating factor for the respondents and perhaps suggesting that while the customer service centre might be siloed, generally other areas are not.

However, well over a third said IT infrastructure/ storage was a barrier, suggesting this is perceived by some respondents as an area that would first need to be overhauled and invested in to make connecting the call centre across their organisations viable.



6. WHAT CAPABILITIES DOES YOUR ORGANISATION'S CHATBOT CURRENTLY HAVE?

(Select all those that apply)



More than a third said their chatbot mainly just refers customers to FAQs or the call centre, suggesting chatbots are primarily viewed more as a means of rerouting customers than a tool which can support many aspects of the customer journey in itself.

Similarly, almost a third selected connecting to a live agent as a function of their chatbots, again suggesting chatbots are seen more of a means to an end than tools with much agency of their own. More than half said their chatbot could resolve basic customer queries, revealing that the primary function of chatbots are seen as a means to alleviate call centre pressure. Less than a fifth said their chatbot was capable of handling mid-range queries, and none said it could handle advanced queries. These results indicate an underutilisation of the full potential of chatbots and suggest that other customer channels are still viewed as the primary choices for more detailed customer queries. The figures also suggest that chatbots are not currently intended as a replacement for the likes of email or the call centre.

While just under a quarter said their chatbots could follow a customer's in store journey, none of the respondents said it could switch channels/had omnichannel functionality – suggesting the intent for chatbots to oversee a customer's journey is there but needs further development.

With a lack of omnichannel functionality, when it comes to chatbots it appears that retailers are failing to provide a holistic customer service experience that addresses consumer demand for personalised and seamless interactions that can quickly resolve issues across their retail journey, from in-store purchases and click and collect to online.

7. WHAT ARE THE KEY PRIORITIES FOR RETAILERS IN ROLLING OUT AI FOR CUSTOMER SERVICES CHANNELS?

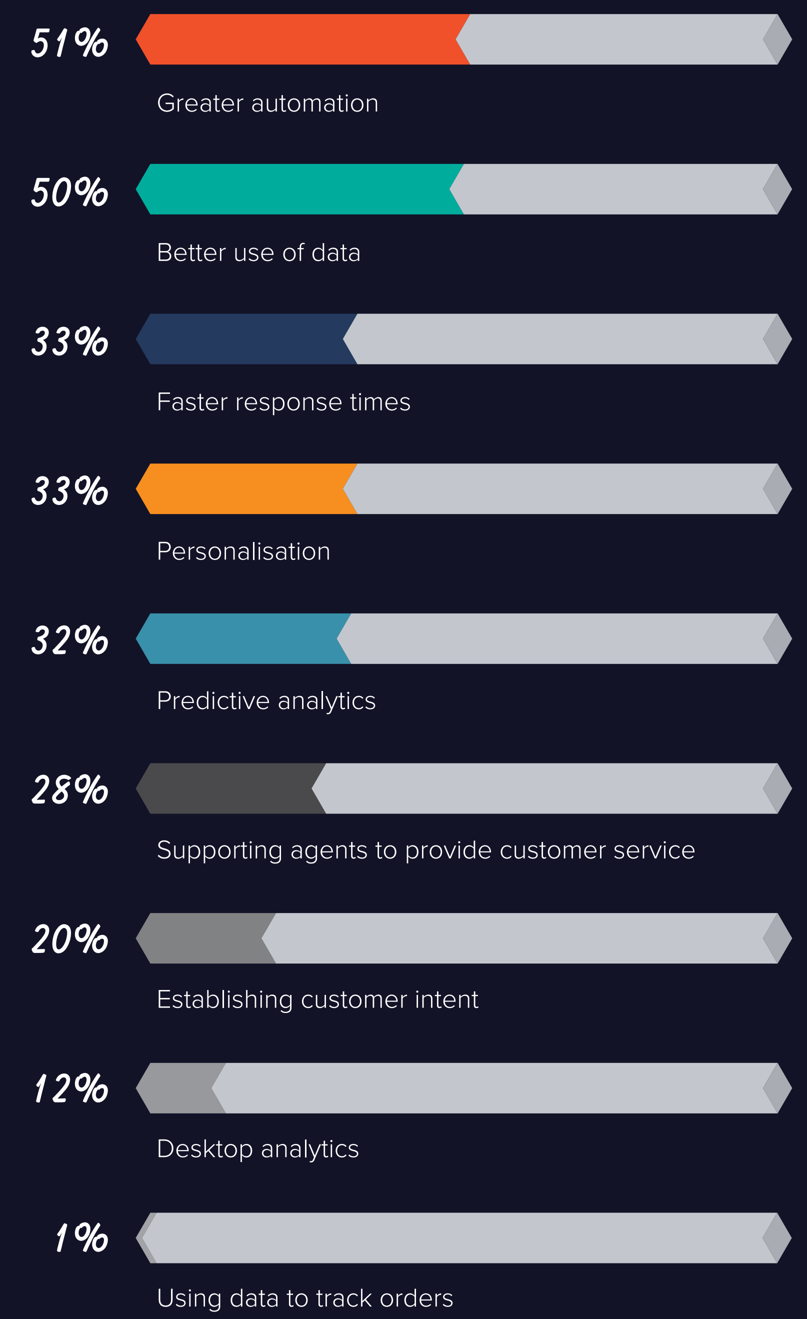
(Select all those that apply)

Half of respondents said greater automation and better use of data were key priorities in rolling out AI for their customer services channels – indicating that the technology is currently viewed as more of a tool for respondents to better understand customer needs as well as a means of facilitating speedier and more accurate processes through automation.

Faster response times and personalisation were the next most commonly reported priorities of rolling out AI, both chosen by a third of respondents, indicating that these areas are a priority for many retailers when it comes to boosting customer service channels.

Predictive analytics and supporting agents to provide customer service were listed as the next highest priorities – at almost a third – emphasising further connections between the technology as a means of improving the customer experience in the call centre.

"Half of respondents said greater automation and better use of data were key priorities in rolling out AI"

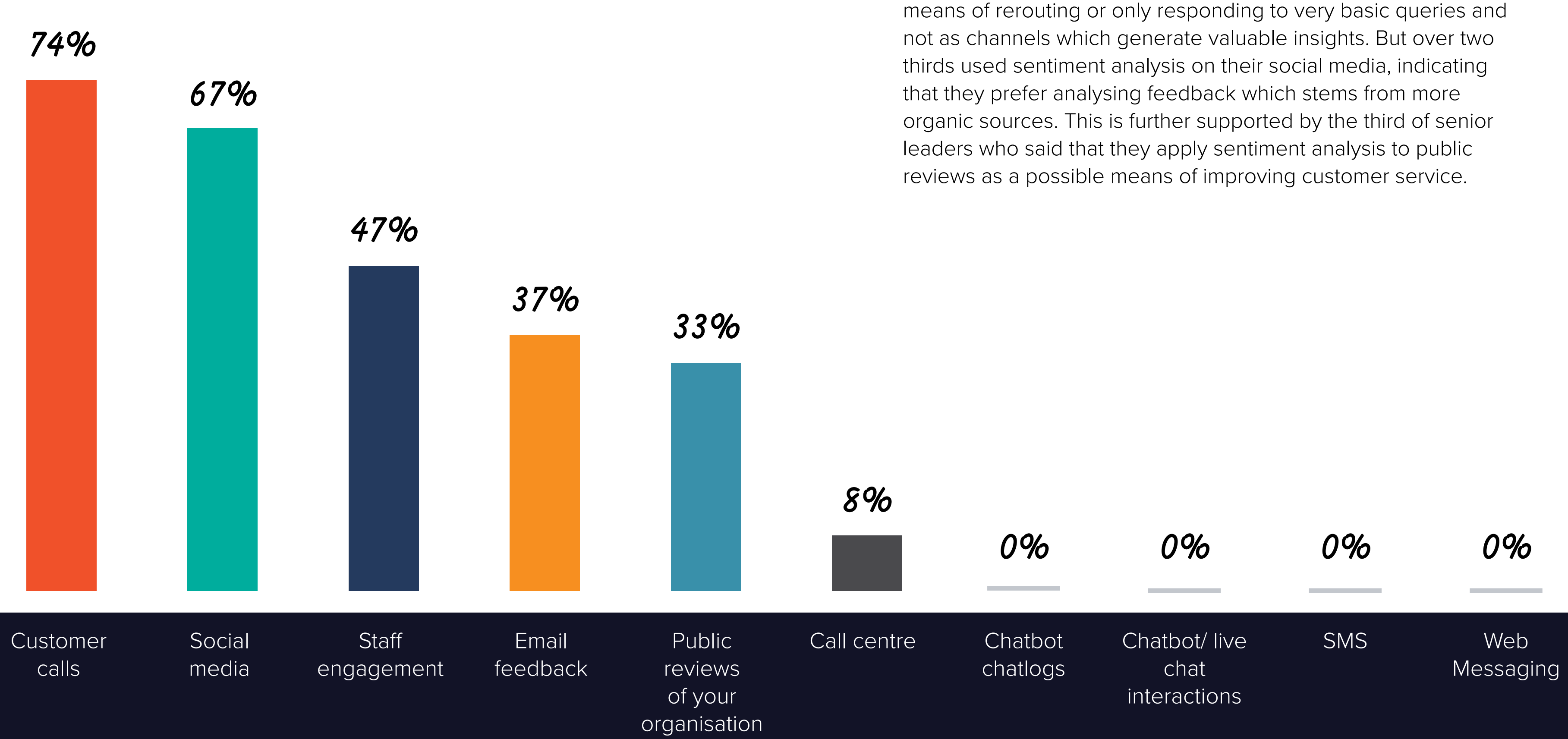


8 IN WHAT AREAS IS SENTIMENT ANALYSIS BEING APPLIED IN YOUR ORGANISATION?

(Select all those that apply)

The results show that sentiment analysis is mainly being used for direct interactions with consumers and staff. Nearly three quarters said the technology was being applied to their customer calls, clearly showing that this customer channel is considered the most beneficial for analysis, while almost half said it was being applied for staff engagement. The figures suggest that the technology is becoming an increasingly valuable part of training staff and helping respondents' organisations improve customer experience by giving a sense of how an individual agent or contact centre is performing.

None of the respondents said they used sentiment analysis either in their chatbot chatlogs, SMS, or web messaging, potentially due to their perception of the channels as more of a means of rerouting or only responding to very basic queries and not as channels which generate valuable insights. But over two thirds used sentiment analysis on their social media, indicating that they prefer analysing feedback which stems from more organic sources. This is further supported by the third of senior leaders who said that they apply sentiment analysis to public reviews as a possible means of improving customer service.



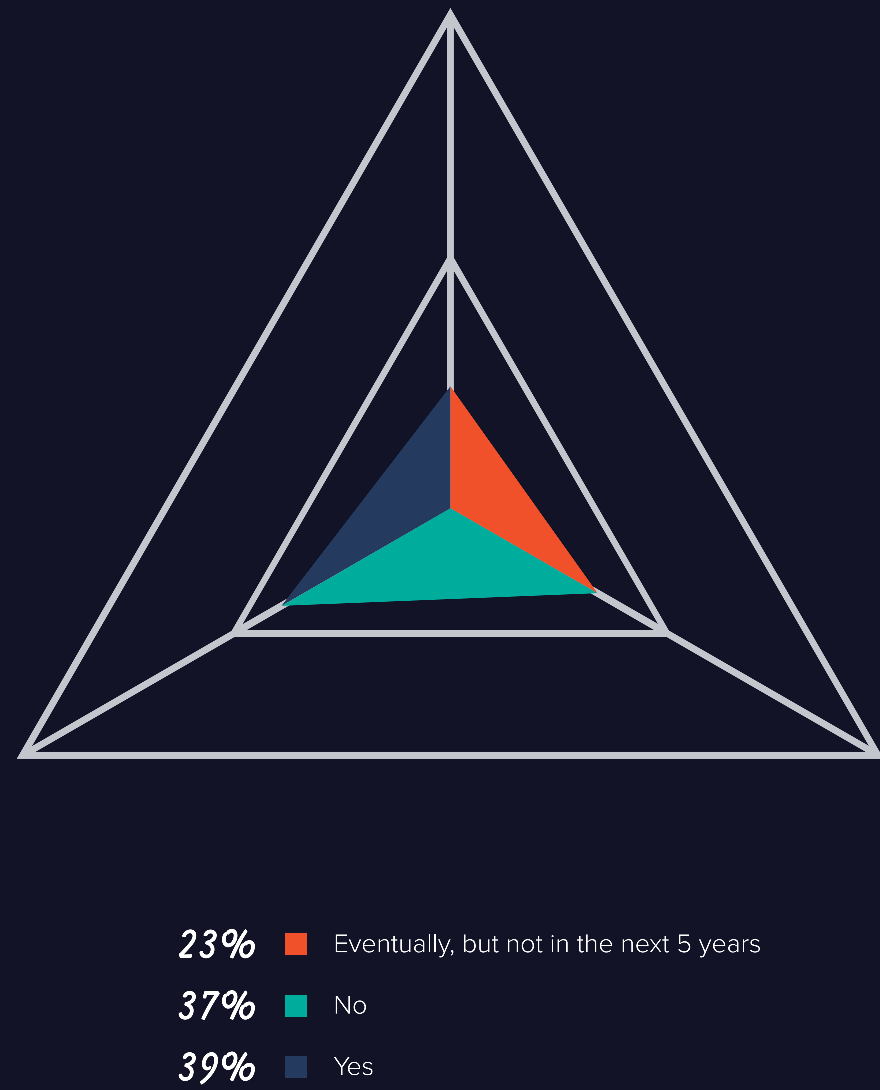
9.DO YOU THINK IT IS POSSIBLE TO AUTOMATE THE ENTIRE, END-TO-END CUSTOMER SERVICES JOURNEY?

(Select oneoption)

The survey shows that slightly more retail decision makers thought it would be possible to automate the entire customer service journey in the next five years than not, while almost a quarter said it would be possible but not in the next five years.

The results indicate that while the majority – a combined 62 per cent – think that at some stage the entire customer services journey could be fully automated, there are still significant barriers. The figures demonstrate that ultimately the call centre and human interaction is, and will continue to remain, a vital part of customer service journey and is unlikely to be wholly replaced by technology in the near term.

"The results indicate that while the majority think that at some stage the entire customer services journey could be fully automated, there are still significant barriers"



CONCLUSION

The survey shows that customer experience is viewed as an enterprise-wide imperative—a factor which may ultimately be stymying a more harmonised, efficient approach to the connectedness of customers' journeys across respondents' organisations.

While tentative steps are being taken to connect the call centre to other parts of the organisation, the call centre still appears to be viewed as the central hub of customer operations, given the prevalence of other customer channels being used as a means of redirecting customers to the call centre.

The rollout of technology also seems to be viewed as more of a fact-finding function, opposed to a tool which can meaningfully replace the call centre, indicating that respondents are still in the fledgling stages of using technology to give them indications about how they may more meaningfully deploy it moving forward.

Beyond rerouting customers to the call centre, the results make it clear that chatbots are perceived as tools for solving basic queries, with none of the respondents stating their chatbots could resolve any advanced queries.

With tech being applied to gauge preliminaries, such as gaining insight into customer behaviour, the overall impression is that respondents are

yet to meaningfully use the likes of AI and automation to bolster organisation-wide connectivity, although they are beginning to ask the right questions.

Retailers that invest in the latest technologies, harnessing data, AI and automation across the customer service journey, will be the ones who truly meet consumer expectations in an increasingly complex omnichannel environment.

ABOUT GENESYS

Every year, Genesys® orchestrates billions of remarkable customer experiences for organisations in more than 100 countries. Through the power of our cloud, digital and AI technologies, organisations can realise Experience as a Service℠, our vision for empathetic customer experiences at scale. With Genesys, organisations have the power to deliver proactive, predictive, and hyper personalised experiences to deepen their customer connection across every marketing, sales, and service moment on any channel, while also improving employee productivity and engagement. By transforming back-office technology to a modern revenue velocity engine Genesys enables true intimacy at scale to foster customer trust and loyalty.