

# The Next Generation of Retail Customer Interaction

Strategies and Technologies for Meeting the Evolving Needs  
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For decades, the only constant in retail is change. Storefront retailing, the staple of the industry, has slowly evolved new branches; catalog sales, then e-tailing, then m-commerce, have taken center stage as channels of interaction expanded with emerging technologies. But, while much of the change that has occurred over the past century has been evolutionary, the current state of disruption in the retail industry is nothing short of revolutionary. Consumers today have markedly different expectations, motivations, resources, and buying behaviors than were present just three years ago – and retail analysts expect nothing short of an absolute transformation of the retail landscape in the next decade.

### Researching the Human Touch in Automated Self-Service Technologies

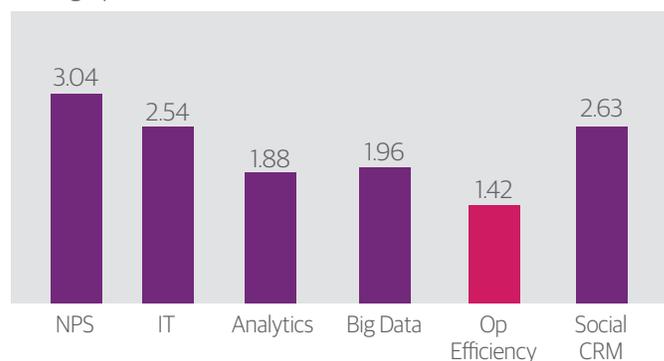
If we considered only the impact of social media, these changes would be daunting. Consumers now have access to an unprecedented volume of consumer-to-consumer (C2C) information and reviews in choosing products and retailers. Brands are now socially constructed in real time as consumers and retailers interact on Facebook and Twitter. A savvy social marketing campaign can yield impressive dividends in customer loyalty and buying activity; a misstep, conversely, can haunt a company for years. But, social media is far from the only force at work in the retailing sector. The conflict between online and brick-and-mortar retailers has forced large retail organizations to rethink everything about the way they conduct business, from the role and format of the physical store to the management of multichannel customer interaction to the delivery of the customer experience. Meanwhile, efficient new C2C marketplaces, most notably eBay, have created an entirely new 24x7 shopping experience for consumers.

The convergence of these disparate trends has created a retail environment that is markedly different from any era prior, and one in which incremental change has become quicksand. Failing to keep pace with the leaders in the industry creates more and more ‘bubbles’ of unmet demand, until the gap becomes too large to

close and former retail giants age into irrelevance. The pressure present to change multiple aspects of the retailing operational stack at once is clear in Aristeia’s 2012 Corporate Focus Study, which found that **six different** competing strategic priorities, from operational efficiency to Big Data analytics to social CRM and Net Promoter Score™, are all jockeying for precious resources and executive attention. But one goal – operational efficiency – was consistently ranked as more important than all others (lower scores indicated a higher priority in the report):

### Strategic Priorities

Aristeia’s 2012 Corporate Focus Study identified six competing strategic priorities.



Within the top organizational priority of operational efficiency in retail, four subtasks consistently stand out from the others in terms of their high-value impact and immediacy of need. They are **seamless channel management, sales integration, smart device enablement**, and redeployable **savings** in the customer interaction function. In the sections that follow, each will be examined in turn.

- **Seamless channel management** enables a retailing organization to ‘follow the customer’ through multiple interactions, in multiple settings, across multiple platforms. A question or comment that might begin at the retail counter can continue

Customer service now exists to meet the customer's needs.

as a dialogue via SMS, mobile application, chat, or telephone throughout the day, and can be turned back over to the original store, another brick-and-mortar

site, or even the online arm of a retail organization for disposition. The promise of seamless channel management turns the traditional customer service offering – a centralized contact center – on its head. Customer service now exists to meet the customer's needs on his or her schedule, and via his or her preferred mode of interaction.

- **Sales integration** within a retail organization recognizes that, increasingly, **everyone** who touches a customer has a sales task. Whether that involves actually selling products, selling the brand, or selling the customer experience, sales happen **everywhere** in a next-generation retailer. But empowering employees to manage sales, and make decisions regarding customer delight, requires new and different infrastructure that can route customer requests intelligently across an entire retail organization. Existing retail sales management is often 'siloeed,' with the contact center, online sales arm, and brick-and-mortar personnel cut off from access to one another. This has held back the concept of 'selling everywhere' in modern retailing.
- **Smart device enablement** ensures that the retailer's brand maintains persistence with the customer long after he or she has left the store. The first and second generations of mobile retail applications are reaching the end of their relevant technological lives, and now the third generation is coming online. These apps go beyond store-finder and stock-checking services with location-based promotions, online purchasing (and ready-to-go in-store pickup), augmented reality overlays, and more. They will become particularly important in creating an 'always-on' interaction channel between the customer and the retailer – one that will be expected to serve content and support while the customer is mobile or in the store.

- **Savings** within the customer interaction function have historically been diverted elsewhere in the retailing organization – to inventory, to operations, to promotions. But increasingly, successful retailers are finding that cutting infrastructural costs and eliminating service workflow waste provides a source of funding that can be redeployed **higher** in the customer value delivery 'stack' – transforming a cost center into a revenue center. Retiring outdated technology components and redesigning workflow frees up fiscal and HR resources that can better be used in creating value for the customer, growing brand loyalty and encouraging Net Promoter® status, and improving the customer experience.

### A transformational era requires transformational thinking – and tools.

The era of incremental improvement in the retail sector is over. The level of promotional and customer interaction activity in the industry is such that the overall 'volume' for the consumer is very high, and small improvements and incremental changes tend to get lost in the noise. In addition, most of the efficiency gains possible through such changes have already been realized across the highly-competitive retailing industry. Years of process optimization and workflow automation have maximized the yield of existing retailing models, and the



### Multiple Aspects, One Goal

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Improve sales, reduce lost calls, manage smart device interactions, and cut operational costs.

industry is seeing diminishing returns from continued efforts to fine-tune those models.

But, perhaps the most important reason that retailing is entering a transformational era is the fact that the tools are finally ready

to support transformational strategy. Forward-thinking retail executives have seen the potential in multichannel management, sales integration, smart device enablement, and cost management in the customer interaction function for some time. Yet supporting these tasks with easy-to-use, commercial off-the-shelf (COTS) software has been an insurmountable challenge. Individual software components have promised to address one factor or another, but combining them into a cohesive whole has cost more in time and dollar expenditures than organizations have gained back.

For the first time, a single technology solution addresses all four of these core challenges in a single, unified environment. eLoyalty's *icStore*<sup>™</sup> – part of the broader *icApplications*<sup>™</sup> suite of customer engagement products – provides a complete solution for stores, branches, and contact centers, effectively providing a single interface for the customer across all contact channels. With *icStore*, your organization can **improve sales, reduce lost calls, manage smart device interactions, and cut operational costs** – with measurable outcomes and proven ROI.

- eLoyalty's *icStore* application tracks customer interactions across **multiple channels**, from telephone to chat to email to social CRM interaction, and enables seamless interaction 'handoff' from channel to channel as necessary. *icStore* also aggregates reporting data across all sites and interaction channels, providing a comprehensive view of customer interaction in a single reporting environment.
- *icStore* provides **sales integration** across multiple organizational areas, from the retail store to the contact center to the online sales unit. With *icStore*,

customers are routed to sales agents faster, with the ability to span multiple branches to reach an inside sales representative faster. *icStore* can instantly determine if a customer's local store has personnel available to discuss the customer's needs. If not, branch clustering logic can find a nearby store, or route the call to a contact center agent if no store personnel are immediately available.

- Interaction management across multiple **smart devices**, including smartphones and tablets, is built into the core *icStore* functionality. eLoyalty's *icStore* technology backplane docks easily with standard mobile app development APIs, making it easy to integrate *icStore*'s interaction routing and reporting capabilities into iOS, Android, and Windows Mobile applications.
- eLoyalty's *icStore* technology creates **cost savings** at every stage in the customer interaction process, from the SIP trunk to the agent seat and everywhere in between. For customers seeking to smooth the expense curve of technology adoption, eLoyalty offers both cloud and premise-based solutions, with monthly (OpEx) or up-front (CapEx) purchase options. From large-format 'big box' brick-and-mortar chains to smaller retailers, *icStore* has consistently proved to provide measurable – and significant – ROI.

Brought together in a single customer-facing environment, these four capabilities drive customer loyalty and Net Promoter status, improve profitability, speed the customer to the sale, and increase retail brand persistence. Each is vital for success as the retail industry undergoes its latest and most dramatic transformation. Transform your own multichannel customer management function today, with proven technologies from eLoyalty and broader customer experience design, outsourcing, and analytics capabilities from TeleTech.

*icStore* is proven to provide consistently measurable—and significant—ROI.

### About TeleTech

For 30 years, TeleTech and its subsidiaries have helped the world's most successful companies design, enable, manage and grow customer value through the delivery of superior customer experiences across the customer lifecycle. As the go-to partner for the Global 1000, the TeleTech group of companies delivers technology-enabled solutions that maximize revenue, transform customer experiences and optimize business processes. From strategic consulting to operational execution, our 39,000 employees drive success for clients in the communications and media, financial services, government, healthcare, technology, transportation and retail industries. Through the TeleTech Community Foundation, the Company leverages its innovative leadership to ensure that students in underserved communities around the globe have access to the tools and support they need to maximize their educational outcomes.

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