Redefining Retail CX

A Guide to Moments of Shoppers Delight

freshworks

Table of contents

Introduction

Until the 17th century, One-to-One shopping was the norm. Although it came at a premium, **One-to-One customer service was the expectation**. With the Industrial Revolution, this changed. Mass production of goods changed how people shopped. Consumers now had **more choices**, but they still had to travel to the nearby shop to find the available choices. That changed with the **Internet**. With the internet came the convenience of shopping from wherever they were. It was **up to the retailer** to offer the consumer what they wanted, on-demand. This became the **gold standard** of shopping experiences.

Until last year.

While history tells us that this is not the first pandemic that the world has seen, the reality is, it is our first. As a result, businesses were left with no other choice but to **radically transform their strategies** overnight. Many big box retail organizations opened up an online version of their business. Now, that the same consumers have experienced the convenience of online shopping, they are **rethinking the in-store experience.**

At **Freshworks**, we researched market trends and corroborated the initial research with data collected from **more than 750 B2C organizations** of all sizes across countries over the past 18 months. In this report, we explore how brands like yours can accelerate their resurgence by consistently **providing moments of delight** to your shoppers, while reducing reliance on your customer care team, be it in-store or online.

Defining the New Shopper

The first step to accelerating recovery is to **delight your customers consistently**. But to delight your customers, you need to **understand them** first. We looked at global consumer behaviour - how shoppers across the world adopted to the new normal and changed their shopping habits both in-store and online.

To corroborate our preliminary findings, we collected data from over **30 million unique conversations** from March 2020 to July 2021, between customers and 750+ B2C organizations of all sizes across countries using Freshdesk Messaging. We also partnered with **Forrester** who interviewed four B2C organizations with several years of experience using Freshdesk to understand the benefits, costs, and risks associated with this investment.

With such data sets, we wanted to take a look at **how customers transformed their pre-purchase and post-purchase habits** and **how organizations responded to these changes** to help serve their customers better.

7-ELEVEN

"In 2021, we saw a 60% increase in conversations from Facebook. People are no longer emailing us, they are either messaging us directly on Facebook or commenting on posts "

Allian Marie Sheila Garcia,

Business Process Consultants, 7-Eleven, Philippines

Freshworks customer

Retail & E-Commerce Customer Service in Flux

73%

of retail consumers use **multiple channels** to shop

(HBR)

208%

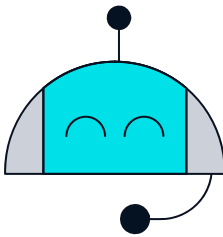increase in **BOPIS orders** in 2020-2021 in the US

(Adobe Analytics)

60%

of Americans prefer solving basic customer service issues through **self-service**

(American Express)

2x

Number of conversations handled in 2020-21 by enterprise companies in North America that use **chatbots** compared to ones that didn't

(Freshworks)

The New Shopper

Prefers the ease and safety of shopping from their homes combined with the quick order fulfilment of in-store shopping

Is comfortable with reduced human interactions and try to find answers for their queries themselves first
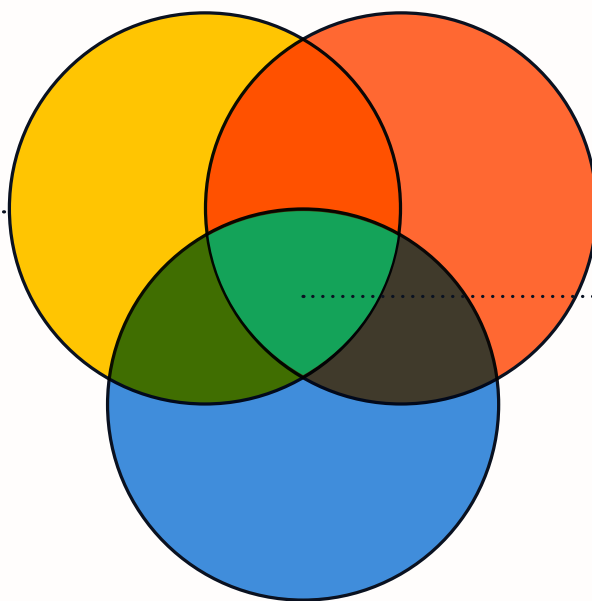
The New Shopper

Expects you to provide them with an immediate resolution and retain personalized context on-demand

The New Shopper is a digital-first individual who prefers the ease and speed of contacting businesses on digital platforms like Facebook, WhatsApp and are comfortable with reduced human interactions in exchange for faster resolutions.

New Engagement Models - The 3 Cs

As digital customer interactions increase and physical touchpoints diminish, the P2P service model is no longer feasible. Both Retail and E-commerce organizations must overhaul their existing customer service systems while adopting the 3 Cs to delight the new shopper and accelerate recovery.

Convenient

Retail CX is punctuated by social distancing. Covid Anxiety has led to increased Discovery, Evaluation and Purchase on accessible mediums - be it web or apps like Facebook, WhatsApp, iMessage, etc.

This gives rise to **Convenient Commerce**

Contactless

The growing digital platform adoption will result in the rapid growth of online interactions. Customers want answers 24*7 and to solve this, businesses need to scale their self-service rapidly.

This gives rise to **Contactless Commerce**
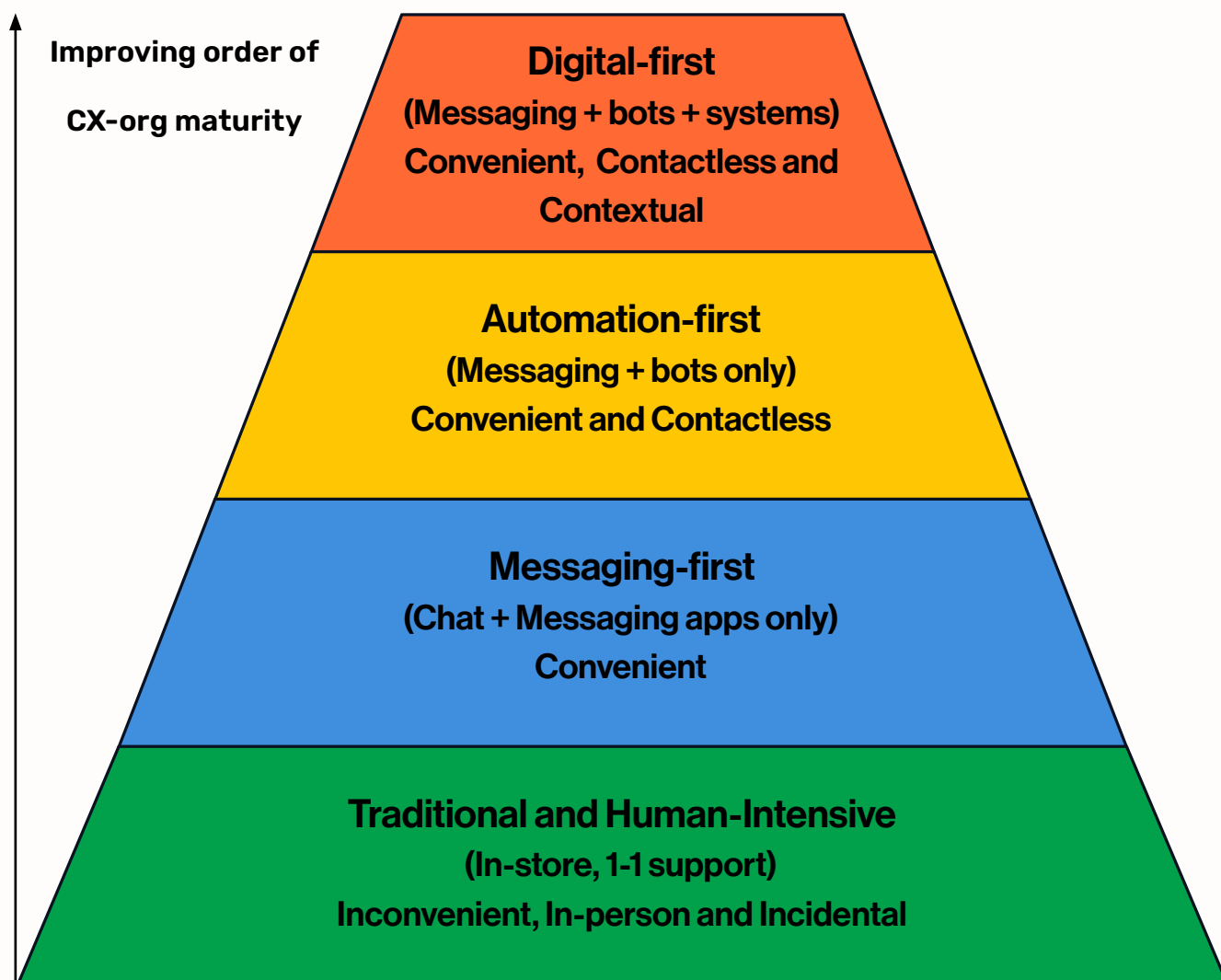
Contextual

Speedy interactions and resolutions require immediate customer context. Unbaked customer context is a no-go. Poor context results in sub-optimal customer experiences.

This gives rise to **Contextual Commerce**

The 4 levels of CX Org Maturity

Having explained what Retail and E-commerce customer service organizations should adopt, we understand that most customer service organizations would vary in terms of **digital maturity**. We also understand that not every business would be in a position to execute a major digital transformation, so we've broken down the **roadmap** for you.

The upcoming section outlines our **recommended considerations and best practices** for customer service centers to adopt, in order to transition into the next level of maturity and eventually adopt digital-first customer service solutions.

Improving order of

CX-org maturity

Digital-first
(Messaging + bots + systems)
Convenient, Contactless and
Contextual

Automation-first
(Messaging + bots only)
Convenient and Contactless

Messaging-first
(Chat + Messaging apps only)
Convenient

Traditional and Human-Intensive
(In-store, 1-1 support)
Inconvenient, In-person and Incidental

Level 01

Traditional and Human-intensive

Built on top of **human intensive and cost-intensive** technologies like phone, in-store support or basic digital blocks like email helpdesks.

This type of service is majorly **in-person, inconvenient and incidental.**

Characteristics

- **Uses P2P customer service channels** like in-store support or phone

- Heavily dependent on **synchronous human interactions** for building better consumer relationships

- Dependent on **availability of workforce**

- **Limited analytical insight** about the consumer behaviour and journey

- **Economically inefficient** as they scale linearly with number of customer service interactions

Issues

- **Negative impact on the unit economics** as phone helplines have a high cost to serve per customer interaction

- **Increasing ticket backlogs** and **delays in responses** results in frustrated consumers

- **Not available 24*7**

- **Zero or Limited data results** in inability to streamline customer service operations

- **Ineffective method of scaling** customer service for optimum service and ROI

Transitioning to the next level

Make your org accessible. Messaging channels like WhatsApp, iMessage, LINE, Facebook Messenger make it convenient for customers to access your organization.

Level 02

Messaging-First

Businesses now have the ability to support their customers on messaging channels like WhatsApp, Facebook, etc. While this makes it **convenient** for customers to reach out, businesses still have to wait for humans with the right context to get answers.

Characteristics

- **Utilizes messaging channels** like WhatsApp, Facebook, iMessage to provide convenience

- **1: Many interactions** on these channels with multiple shoppers

- **Human-Intensive interactions**

- Some elements of proactive customer support like **notifications**

- **No self-service capabilities**

Issues

- **High support traffic** due to increased convenience

- Imperative on the org to keep the **conversations contextual at scale**

- Scaled accessibility **without the ability to better response** and **resolution times**

- Agent burnout and low team morale resulting in **poor CSAT**

- Customers still have to **wait for answers**

Transitioning to the next level

Scale your support with automation*. Chatbots can help you automate self-service to make your customer service be available 24*7, on-demand.*

Level 03

Automation-first

Companies deploy automation like chatbots on channels that help scale customer service and makes it **convenient and contactless,** while reducing the total ownership costs. However the lack of customer context still leads to broken customer experiences.

Characteristics

- **Utilizes simple chatbots** on messaging channels like WhatsApp, Facebook, iMessage, etc

- **1: Many interactions** on these channels with multiple shoppers

- **On-demand customer service** is available

Issues

- Support traffic is tackled partially with **bots**

- Scaled accessibility and availability without context leads to **broken experiences**

- Frustrated customer conversations fallback to agents resulting in **overwhelmed agents**

Transitioning to the next level

Give the ability to retain context to both your bots and agents by integrating your POS and other software inside the main customer service software.

Level 04

Digital-First

Digital-first customer service blends the **scalability and cost benefits** of an Automation-first system with the deep touch **value-oriented customer experience** of the P2P model.

Businesses can scale **contactless** service by deploying chatbots on **convenient** messaging channels like WhatsApp, Facebook, iMessage, etc. while retaining **context** immediately by integrating their PoS and inventory systems to get order and customer info on-demand.

Characteristics

- **1: Many interactions** on messaging channels with multiple shoppers

- **Smart chatbots** that drive customers to resolution

- **Reduced P2P conversations**

- **Integrated with other systems** like POS, Shipping, Inventory etc

- **Single data repository**

Benefits

- Ability to **deliver exceptional multi-channel customer service**

- **Reduced reliance on human-powered service teams**

- Focused work resulting in an **increased employee morale**

- Lack of silos resulting in **decreased resolution times**

- **On-demand insights** into buyer profiles and journeys for complete customer context

Transitioning to the next level

In simple terms, Digital-first customer service optimizes convenience for the customer, productivity for the team, and costs for the organization.

Conclusion

The next normal is here and is here to stay. Resilience to thrive amid the disruptions brought about by the pandemic with the continual agility to delight the new retail shopper at speed will be a core competitive differentiator for organizations. **Digital-first customer service acts as the disruptive transformational innovation** that will help build and implement such a strategy.

This guide provides some of the initial constructs of the framework with which aRetail and E-commerce organizations can accelerate their resurgence by adopting and building a Digital-first CX system. Having planned and implemented Digital-first CX, our team of experts can provide further information, steps, and case studies and guide you to implement Digital-first CX for your organization.

Talk to our experts to understand and implement Digital-first CX solutions and delight your shoppers consistently.
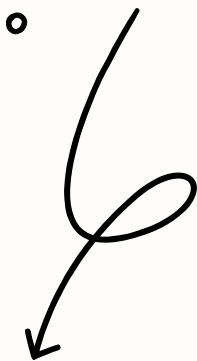
About Us

Delight made easy with Freshworks

Headquartered in San Mateo, California, Freshworks is on a mission to make it fast and easy for businesses to delight their customers and employees. Freshworks provides businesses of all sizes with modern SaaS products - designed with the end user in mind. Freshworks' 3000+ team members work in offices around the world.

Freshdesk Messaging

Freshdesk Messaging is a customer messaging software from Freshworks to connect organizations of all sizes with customers on the channels they love and easily guide them to find answers fast.

For more information, visit *www. freshworks.com/live-chat-software/*

freshworks