

RETAILERS RELY ON  
RANGE OF SOLUTIONS TO

# Maintain Customer Connections

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SPECIAL REPORT



## INTRODUCTION

COVID-19 has altered, perhaps forever, the way consumers shop and engage with brands. The pandemic also has reaffirmed the unwavering importance of the customer experience (CX).

As customer shopping habits change, retailers are facing an urgent need to assess current CX practices, both within brick-and-mortar stores and via digital channels. Once retailers evaluate the impact of potential long-term shifts to e-Commerce and digital engagement, they can determine which tools and platforms designed to enhance the shopper experience they should embrace.

The most noticeable shift caused by COVID-19 has been the surge in online shopping, and it's likely to continue even as brick-and-mortar locations reopen. Although more than half (**54%**) of consumers feel safe going to the store, according to [Deloitte's State of the Consumer Tracker](#), many still avoid in-store shopping.

The massive shift to online shopping is fueled by convenience and perceived safety benefits, said Steve Barr, Consumer Markets Leader, [PwC](#) in an interview with *Retail TouchPoints*. "The explosive growth in e-Commerce engagement may go down a bit in the wake of the pandemic as stores open up, but **we expect a substantial portion of shopping to be done online going forward**. For small and medium-size businesses who have not had that kind of eCommerce experience, that can present some challenges."

Three-quarters (**75%**) of Americans are trying new shopping behaviors during the crisis, including new methods, brands, and places, with the intention of sticking with them in the long-term, according to [McKinsey & Co.](#)

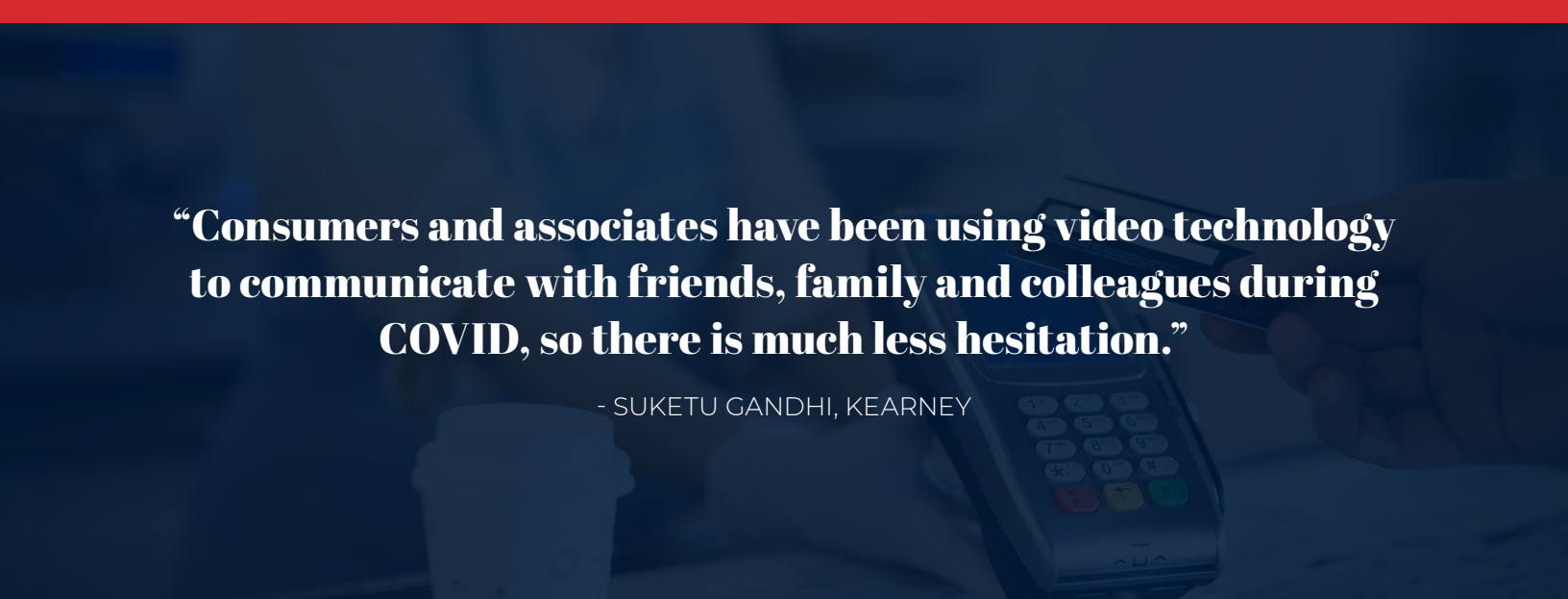


On a positive note, digital shopping provides retailers with more data that can help them tailor interactions with consumers. “The next-generation data and analysis available to retailers will certainly enhance the customer experience,” Barr said.

In the brick-and-mortar environment, retailers’ challenge boils down to compensating for limited staff and stores that are closed or operating with reduced hours, while continuing to elevate the customer experience. “**It is not just about keeping customers engaged, it is about keeping employees engaged, employed and equipped** to provide a great customer experience,” said Jennifer Conklin, Unified Commerce Sector Lead for **Capgemini** in an interview with *Retail TouchPoints*.

This *Retail TouchPoints* Special Report breaks down the new rules and realities of the customer experience, considering the short- and long-term impact of COVID-19. Analysts, experts and retail executives share their perspectives on the tools and tactics retailers will need to implement to meet new shopper needs and expectations, including:

- **Livestreaming and video chat** to add a face to digital interactions;
- How to use **chatbots** most effectively;
- The role that **mobile technologies** will play — both consumers’ devices and those carried by in-store associates;
- **Messaging apps** that can personalize every brand interaction, no matter how brief; and
- Automated tools and technologies to maximize **contact center agent productivity** and boost customer satisfaction rates.



**“Consumers and associates have been using video technology to communicate with friends, family and colleagues during COVID, so there is much less hesitation.”**

- SUKETU GANDHI, KEARNEY

## CONNECTING WITH CUSTOMERS IN THE MOMENT

While in-store shopping has been curtailed as some retailers have limited hours and others have remained shut, retail leaders have compensated with greater use of livestreaming and video chats. “While you mostly think of high-end retailers providing this type of service, Levi’s points to the success of the video concierge service at the company’s branded stores in its latest earning report,” said Jerry Sheldon, Analyst at [IHL Group](#) in an interview with *Retail TouchPoints*.

According to a *San Francisco Business Journal* [article](#), Levi Strauss & Co. CEO Chip Bergh said the company is seeing “strong conversions” on a virtual concierge service that was launched in the past quarter. In addition, Bergh said the company has “accelerated” omnichannel initiatives in the last quarter, such as turning stores into “mini fulfillment centers” to handle online orders. He said that **30% of online demand was filled via stores in May, contributing to an 80% year-over-year e-Commerce revenue growth that month.**

A furniture retailer is using mobile phones for live chats with customers, according to Conklin. “They have a few people in each location and they can have an interactive conversation with customers from the store,” she said. “They can sit on the couch, walk around the couch and give the customer a better idea of the item’s features than they could get from a static picture.”

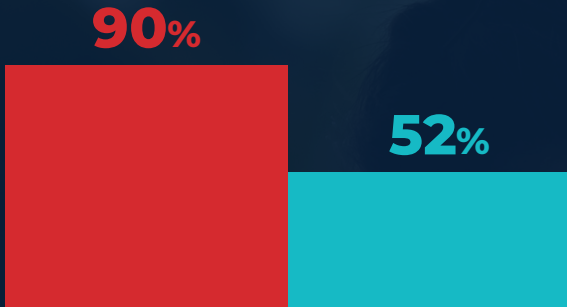
The pandemic has gotten people more accustomed to using video to communicate, experts noted. “Customers and associates have been using video technology to communicate with friends, family and colleagues during COVID, so there is much less hesitation,” said Suketu Gandhi, Partner and Leader for Digital Supply Chain at [Kearney](#) in an interview with *Retail TouchPoints*.

Many stores are dealing with occupancy limits, which can frustrate customers looking for a personalized shopping experience. [JRNI](#) offers a suite of solutions for scheduling of virtual appointments and virtual events, to help maintain a personal connection with clients.

“As stores reopen carefully they are beginning to use appointments as a source for social distancing,” said John Federman, JRNI’s CEO. “**The consumer’s experience is based on their pre-appointment data.** For example, a stylist can pull out a summer suit for a wedding — matching shirt, shoes, belt — prior to the appointment, to minimize the time and the need for interaction.” Federman added that the average basket size of retail customers with appointments is approximately **5X** of those without appointments.



## CUSTOMER EXPERIENCE BY THE NUMBERS



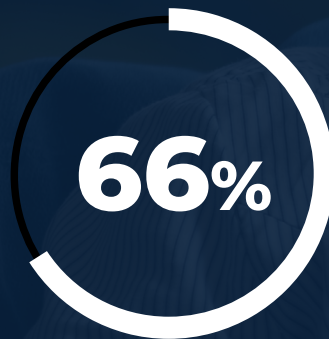
Almost **90%** of respondents experienced longer hold times than usual. However, **52%** of consumers said they used the phone for customer service more than usual.

SOURCE: CALLMINER'S *CUSTOMER EXPERIENCE INSIGHTS FROM THE PANDEMIC REPORT*



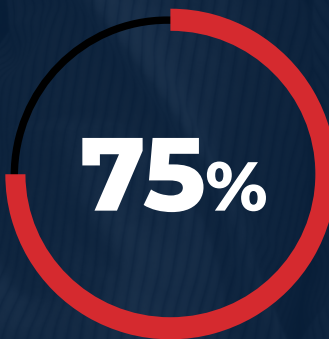
**54%** of consumers feel safe going to the store

SOURCE: *DELOITTE'S STATE OF THE CONSUMER TRACKER (8/4/2020 – 8/8/2020)*



**66%** of consumers prefer to use mobile apps at physical locations such as stores instead of touch-based alternatives.

SOURCE: *CAPGEMINI*



**75%** of Americans are trying new shopping behaviors during the crisis, including new methods, brands, and places, with the intention of sticking with them in the long-term.

SOURCE: *MCKINSEY & CO.*



## **CUSTOMER ENGAGEMENT: HOW TECHNOLOGY IS SHAPING THE FUTURE**



**ONLINE APPOINTMENTS, VIRTUAL QUEUEING AND CLICK-AND-COLLECT TECHNOLOGY WILL BE CRITICAL FOR RETAILERS IN ORDER TO ENGAGE CUSTOMERS AND PERSONALIZE THE SHOPPING EXPERIENCE**

BY JOHN FEDERMAN, CEO, JRNI

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2020 has proven to be an incredible year of challenges for businesses around the globe — and retail has been hit especially hard. According to the [New York Times](#), clothing sales in the month of May 2020 were down 63% from May of the previous year.

While retailers grapple with revenue concerns amidst the worst pandemic of our lifetime, they are also faced with the daunting challenge of how to continue to engage customers. Even as consumer confidence restores, and brick-and-mortar shopping slowly bounces back, the in-store shopping experience has drastically changed.

Consumers are spending less time in stores and making “in and out” purchases versus taking the time to mull over additional items to buy. Face-to-face interaction with customer service associates is distant and minimal. How will retailers maintain the level of customer engagement their loyal followers have come to expect? What will the customer experience look like inside and outside of stores?

### **THE APPOINTMENT ECONOMY**

Shopping appointments offer retailers a great alternative — with the ability to make deep connections with customers through a more personalized experience with fewer hassles, rules and requirements. There will be little to no interruptions or distractions, enabling retailers a higher level of service, with the ability to interact one to one with customers, offering tailored experiences with the ability to get “up close and personal” at a safe distance. And for the elderly, health-compromised, or those who are not comfortable going back into stores, online shopping appointments will surge.

Appointments will fare especially well among specialty stores and boutique services such as bridal shops, where an initial online consult may be scheduled and the bride or groom can narrow down several apparel choices prior to an in-person appointment, significantly cutting down time in-store. From a sales perspective, having the full attention of the customer is a bonus. And for the customer, having the retailer provide a tailored assortment to meet specific needs is a luxury.



## MAKE MORE PROCESSES DIGITAL

Every retailer is working to develop a more robust e-Commerce business model and accelerate their digital transformation. But to rise above the rest, you have to do more than shift to an online model — you also have to tweak your services that can't be delivered online, so that they can be delivered safely.

**Click-and-collect technology** will continue to thrive, enabling customers to buy online and pick up in-store (or curbside), which gives retailers the ability to still provide the best customer service with little to no touch points. And **virtual queuing** will continue to be important so that customers will not have to wait in long lines in order to be served.

The bottom line for retailers is to engage in technology to better engage customers. Each serves as a key part of a holistic customer engagement strategy designed to provide the most efficient, personalized and consistent experience.

## PLANNING FOR THE NEXT GENERATION

It is crucial to think beyond the now, and truly look forward — you also must plan for the next generation of customers. After social isolation and a lapse of in-store shopping, your future customers are going to expect different things. The ability of a store to create personalized experiences through technology — experiences that make their customers feel connected, understood, and cared for — is going to be the next great brand differentiator.



**“Most chatbots have a limited view of the customer and don’t have a view of their history over time, which makes personalization difficult.”**

- ROD SIDES, DELOITTE

## **RETAILERS USE CHATBOTS TO FORM A HUMAN CONNECTION**

While many retailers use chatbots primarily to handle routine questions about basics such as store hours, others look to chatbots to create a more personalized experience. A challenge these retailers face is that most chatbots are not connected to the customer-specific data that enables personalization. “Most chatbots have a limited view of the customer and don’t have a view of their history over time, which makes personalization difficult,” said Rod Sides, Vice Chairman, **Deloitte** LLP and U.S. retail and distribution sector leader

However, chatbots do provide a way for employees to connect with customers at North Carolina-based **Bitty & Beau’s Coffee**, one of many small businesses that had to shut down stores and lay off employees due to COVID-19. Prior to the pandemic, Bitty & Beau’s Coffee already had adopted **Salesforce** software to keep up with an influx of customer inquiries. When the business was forced to close its stores and furlough 120 employees due to COVID-19, it was able to quickly shift to online merchandise sales and maintain its connection with the community. The company also instituted a customized version of Salesforce’s Einstein chatbot, called “Bitty Bot,” **to help employees respond to customers immediately, reducing service response times by 96%.**

“[We were already] working with Salesforce, so that our web site was streamlined and able to handle incoming communication,” said Bitty & Beau Co-Founder Amy Wright in an email to *Retail TouchPoints*. “So I feel like we were really prepared for this moment. We’ve ramped up our newsletters. We have launched a social media campaign called ‘Fill Your Feed,’ and we are trying to share good stories about what is going on with our employees.”

Artificial intelligence (AI)-enabled chatbots and other technologies from **Sinch** are helping retailers engage with customers based on their location. Knowing the customer’s location helps retailers connect customers with staff at the stores where they typically shop.



# Retailers can use shopper mobile device data to “track traffic and get data on how to set up their stores as people change their shopping habits as a result of COVID.”

- NICK KRAMER, SSA & COMPANY

## CONSUMERS AND RETAILERS CONTINUE TO RELY ON MOBILE

Prior to the pandemic, consumers were very comfortable interacting with retailers on their phones for tasks such as researching products and making purchases. “Since people are at home more in front of their laptops and desktops, we’re seeing a little more interaction on those devices, but **we expect mobile to continue to be the platform of choice**,” said Sides.

Mobile is becoming more integrated into the customer experience, experts noted. Nearly two-thirds (**66%**) of consumers prefer to use mobile apps at physical locations such as stores instead of touch-based alternatives, according to a [Capgemini report](#).

Customers can engage with the store and associates prior to arrival and have a more touchless experience once they arrive, said Jean-Emmanuel Biondi, Principal, Deloitte Consulting LLP in an interview with *Retail TouchPoints*. “Consumers can use their mobile devices to view the layout of the store prior to coming so that they can plan their trip and make appointments,” he said. “They can also use their phones for a contactless experience in the store, such as virtual fittings when they can’t or prefer not to try on clothes in the store. **Augmented reality provides the possibility of hovering a phone around an item to learn more about it without touching it.**”

Even when consumers are in the store, they are likely to use their mobile devices to do research and check availability. “If I have a question about headphones I am buying, I can pull down the box and read it, but maybe I need more information,” said Nick Kramer, Vice President – Digital Analytics at [SSA & Company](#) in an interview with *Retail TouchPoints*. “If I can’t ask a store associate because there are fewer of them in the store these days, I’m going to turn to my mobile device, so **retailers and manufacturers should really ensure that their information is accessible on mobile devices.**”

Savvy retailers are using mobile devices to learn more about consumer behavior as they reconfigure their stores. “They can track traffic and get data on how to set up their stores as people change their shopping habits as a result of COVID,” said Kramer.

Messaging apps such as Facebook Messenger and Instagram are becoming more critical to reaching consumers, but experts say generic messaging doesn’t encourage customers to interact via these channels. The message must be something specific to the customer, **based on their purchasing habits, location or other identifying characteristics.**



## Overall call volume to contact centers rose 300% in the early days of the pandemic.

- PINDROP PULSE FLASH REPORT

### MANAGING A FLOOD OF CALL CENTER QUERIES

While consumers have turned to their phones during the pandemic, there are times when they need to speak to a human — or at least an automated system replicating a human. Overall **call volume to contact centers rose 300%** in the early days of the pandemic, according to a [Pindrop Pulse Flash Report](#). As the pandemic has continued, contact center call volumes jumped more than **800%** from normal levels.

**Almost 90% of respondents experienced longer hold times than usual**, according to CallMiner's [Customer Experience Insights from the Pandemic](#) report. Just over half (**52%**) of consumers said they used the phone for customer service more than usual.

As call centers risk becoming overwhelmed, retailers are relying more heavily on chatbots to handle routine interactions as well as more complex issues. Retailers are using technologies such as [CallMiner's](#) speech analytics to guide agents communicating by chat or phone, helping them make adjustments to their interactions based on tone and other indicators.

One of the key challenges that many retailers faced at the beginning of the crisis was equipping their agents with the capabilities they needed to work remotely. When its stores were closed, **T-Mobile** enabled associates to handle customer calls using [Aceyus](#), a provider of contact center management and customer and agent experience solutions. In addition to processing payments, initiating new orders and answering questions about order status, agents are able to show customers short video clips about the features of the phones they're considering.

While the pandemic may have slowed down some digital transformation initiatives, savvy retailers are channeling their resources back into technology and tools that will have a direct, positive impact on the customer experience.

Customers will continue to look for new ways to interact with their favorite retailers and brands, so customer experience and innovation will be an even bigger differentiator going forward.

## LEARN MORE...



JRNI is the enterprise SaaS scheduling platform for personalizing and optimizing the customer journey. The platform enables innovative retailers to deliver intelligent and personalized actions across touchpoints — appointments, events, queuing, call centers — and optimize resources to deliver superior in-store experiences

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