

# A Retailer's Guide to Getting Omnichannel Customer Service Right



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With every risk comes reward, or so the saying goes. Now that consumers interact with retailers and brands across more channels than ever before, retailers have a tremendous opportunity to reach new consumers, sell more, and build long-term loyalty. However, interacting with consumers across channels does come with increased risk. Customers now hold retailers accountable for providing a seamless, enjoyable experience as they move between channels and interact with your brand in-store, on your website or mobile app, with your call center or even with your catalog—from the start of the purchase journey to the end. If the entire experience doesn't meet customers' expectations or needs, they will use those very same channels to vent frustrations and seek help.

Therefore, retailers must be prepared to serve today's omnichannel customers. That means customer service agents must have a 360-view of customers' transactions and behaviors, and be ready and able to answer questions whether they come via a phone call, live chat, tweet or Facebook post, email, or an in-person conversation.

This e-book offers insights into:

- Why an omnichannel customer service strategy is imperative for retailers
- How to take inventory of what you're already doing for customer service and identify what's still needed
- Executing on your customer service strategy once the people, processes, and systems are in place
- How some brands are leading the way when it comes to providing an omnichannel customer experience, and what you can learn from them

**"customer service agents must have a 360-view of customers' transactions and behaviors, and be ready and able to answer questions"**



# Why you need omnichannel customer service

Consumer behavior is evolving, thanks in large part to advancements in technology and innovation that have enabled shoppers to be "connected" 24/7. We no longer rely on retailers and brands to tell us about their products and services—we simply do the research online, on our own.

In fact, consumers are often more knowledgeable about a brand's products than the store associates whose job it is to sell them. Consider that 81 percent of shoppers said they do research online before making a purchase in-store.

The research doesn't stop once consumers are in-store, however. A whopping 90 percent of consumers said they use their phones while shopping in-store, performing such tasks as price comparisons, looking up product information, and checking reviews.

So while the vast majority of transactions still occur in-store, the way consumers are arriving at those purchases has changed. And perhaps more significantly, brick-and-mortar sales continue to slide while e-commerce sales—mobile in particular—are surging.

What does this mean for retailers? That it's more important than ever for your brand to have a presence and to be available to shoppers in multiple channels, especially to bridge the in-store, web, and mobile experience. But that's just the bare minimum.

## What customers expect

To be successful and win the loyalty of the omnichannel customer, each experience must be smooth, consistent, and easy, from product discovery to post-purchase support.

Customers have high expectations, and managing those expectations seems like a daunting challenge for most retailers—and rightfully so. Things get complex fast when you consider what it might take to integrate your various business systems (CRM, OMS, ERP, etc.), and align staff and processes (from IT and marketing to the warehouses and stores). But this all happens behind the scenes, and consumers don't care.

In fact, most consumers don't know what the term "omnichannel" means. They expect (read: demand) to have the same hassle-free experience no matter how they engage with your brand, along any part of their journey. And when they don't, they'll let you know.

It's when a customer has had a negative experience that appropriate service must be provided. This is your last opportunity to win over a dissatisfied customer. Otherwise, they're on to find another retailer that can satisfy their needs— and they certainly don't lack for options in today's intensely competitive retail environment.

# The boiling point

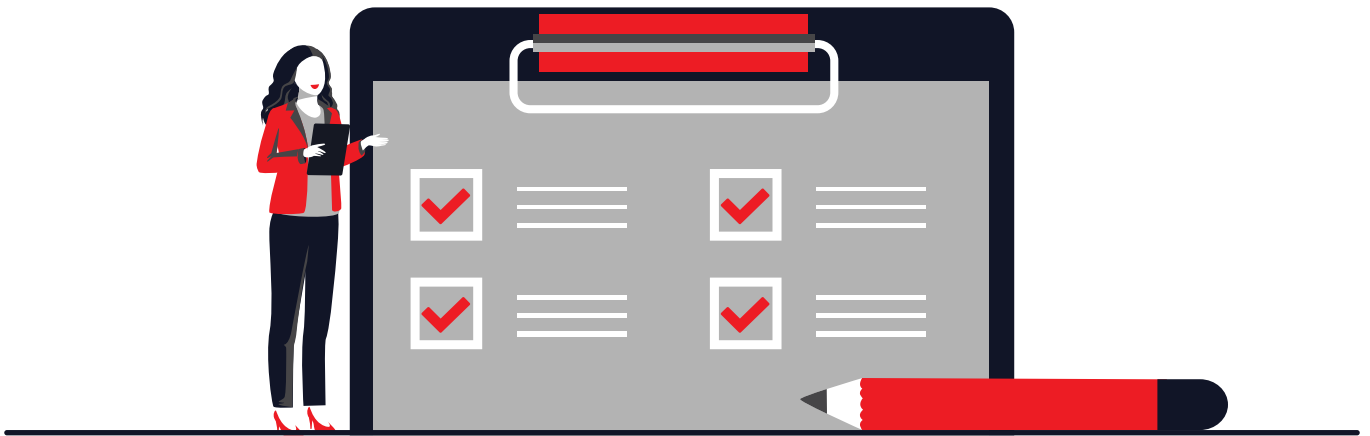
Knowing this type of support is required by customers and delivering on it are two entirely different things. Most brands haven't integrated their communication across support channels, which leads to a disjointed experience for the customer. As a result, customers become frustrated with the level of service they're receiving from retailers.

Consider the following:

**87%** of customers think brands need to put more effort into providing a seamless customer service experience

- 89% of customers get frustrated when they have to repeat information to multiple service representatives
- More than 35% of customers expect to contact the same customer service representative in any channel
- 61% of customers haven't been able to easily switch from one channel to another when interacting with customer service
- 64% of customers expect to receive real-time assistance regardless of the customer service channel they use

What's needed to ensure that your customers are satisfied with the service they receive? The process starts by assessing the people, processes, and systems you currently have in place for customer service.



# Perform a customer service audit

Before you can overhaul your customer service, you need to take stock of what you're already doing. Begin by asking yourself the following:



Which channels are currently available for customer support? What is the demand/volume for each channel?



Are there other channels where your customers are engaging with you that you're not using for support? (E.g., SMS, social media)



Do you have your customers' permission to reach out to them using the data they've provided to you (E.g., phone numbers, email addresses, social media accounts, etc.)?



Are your customer service representatives trained properly?



How have your customer service KPIs been trending? For example, your customer satisfaction (via surveys), customer retention rate, average resolution time, revenue, etc. What's working and what could be improved?



Do your support staff have all the tools they need to effectively do their jobs?



Do you have enough people working in customer service?



What are the most common complaints your agents hear from customers?

As part of your customer service audit, there are three critical areas to evaluate: your people, processes and policies, and your systems.

# 1. People

Hiring the right people is the No. 1 factor in providing exceptional customer service. You can have the best processes and systems in place, but without the right people to execute them, they're meaningless.

So how do you find the right people? You need to know what you're looking for. Here are four tips for assembling a great customer service team:

## HIRE FOR ATTITUDE

To effectively serve your customers, a person needs to have a service mindset. This means always being ready to serve others, and a willingness to go the extra mile to create truly memorable customer experiences. A person with the right attitude can be trained for the skills needed to excel in customer service.

## SEEK OUT EXCELLENT COMMUNICATORS

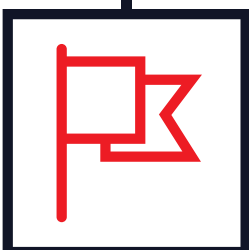
Customer service is a people-focused job. It's all about creating personal, positive connections in daily interactions with customers. Therefore, excellent communication skills are a must; effective communication creates better relationships and builds trust.

## LOOK FOR LISTENERS

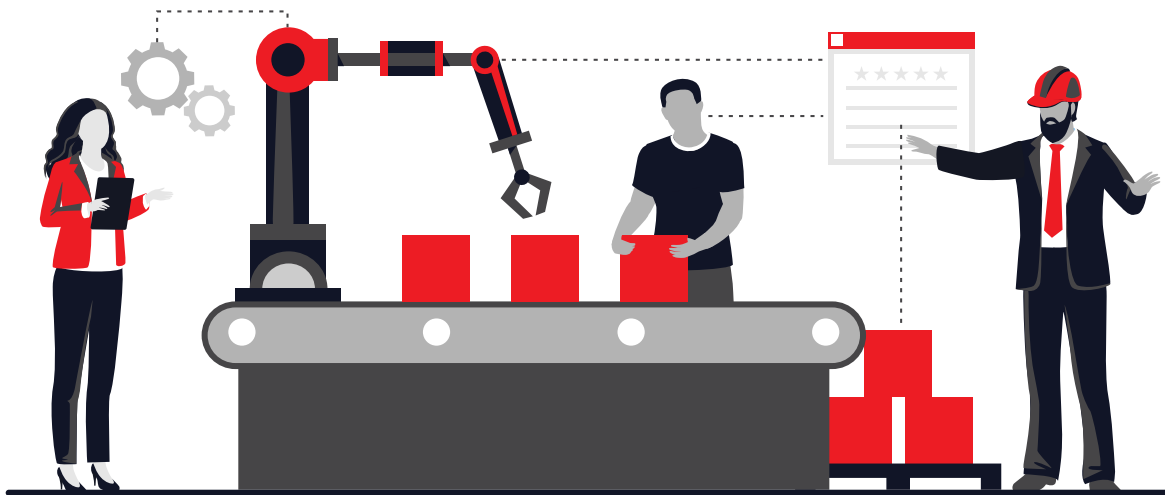
Being a great listener is key to understanding customers' needs, wants, and concerns. A good listener is better able to ask the right questions and figure out the real issue behind a customer's frustration, thus helping to find the best solution.

## FOLLOW THE LEADER

Leadership skills are critical for customer support staff, who are often asked to deal with complicated situations and to provide quick and efficient solutions.







## 2. Processes & policies

Developing a set of processes for your customer service team to follow makes their jobs easier and leads to better service. And happy agents leads to happier customers, who are more likely to return and buy again. It's a virtuous cycle.

**Here are some customer service policies to implement within your organization:**

- Never ask a customer for the same information twice.
- Service the customer in the channel they choose. For example, if they called into your call center, handle the entire interaction on the phone; Don't try to push them to email.
- Make a single person responsible for each customer service inquiry. Don't bounce customers from one department to another.
- Empower your support staff to make their own decisions based on what they feel is in the best interest of the customer.

It's imperative that a company continually updates its processes and policies based on what's working—or not—and in response to any internal and external changes that impact customers. Furthermore, providing regular training for your customer service team, no matter how long a person has been on the job, is critical for increasing employee engagement. Ongoing training gives employees a chance to improve upon existing skills and to learn new ones, and keeps that virtuous cycle humming along.



### 3. Systems

The remaining piece of the puzzle is determining whether you have the right omnichannel customer service system in place, one that allows your people to shine. The right system should enable your company to communicate data seamlessly between channels, scale as your business grows, offer self-service options, and differentiate itself with proactive engagement. The right system will yield customer relationships that are more meaningful, personal, and productive.

Here's a detailed checklist to help retailers evaluate the right customer service platform for your business:

- Define your objective. What are the specific problems you want your tool to solve, and what will success look like?
- Create criteria to help you narrow the field. For example, which solutions remain options based on their licensing models and your budget?
- Factor in all costs of the system, including support and training, implementation, customization, annual licensing fees, and future upgrades.
- Get input from all key stakeholders, which may include support staff, customers, partners and suppliers, managers, and IT and Legal.
- Determine which features are critical to your business, and which are "nice to have".
- Inquire about the scalability of the platform to account for business growth.
- Reach out to current customers of the vendors you're considering to see what their experiences with the software and vendor have been like.
- Ensure security and uptime, especially if considering a SaaS solution.
- Request a customized demo to see how the platform can work for your business.
- Find out how long deployment will take, and then manage those expectations with your stakeholders.
- Consider whether the vendor shares a similar culture or values with your business.

Finding the right system doesn't have to be a difficult process. By taking all of this into consideration, you'll find a platform that fits with your business goals and your budget.



# Tips for transforming your customer service

Once you've performed a complete customer service audit, your business will be ready to transform customer service from a cost center to a profit center. Retailers primarily compete on three variables: price, product (both quality and selection), and service. Of the three, customer service is the easiest win.

But it requires putting your customers at the center of your business, and thinking of them before any decision is made. Your success relies on more than just offering great service—it relies on offering a great experience throughout the purchase journey, and thinking about the customer from discovery through purchase and post-purchase.

This may mean shifting how you think about customer service. Customer service isn't only delivered when the customer directly contacts your brand—instead, it's a continuous experience without a start and end point. That's how your customer views their experience with your brand, so it's a good starting point as you continue to identify the different ways your brand can proactively help customers throughout their journey.

Here are four customer service tactics to employ as you execute your omnichannel service and strategy:

### **BE PRESENT IN MULTIPLE CHANNELS.**

Customers want to be able to engage brands in the channel that's most convenient to them, whether that be a phone call, email, text message, visit to a store, live chat, or social media. However, you must be able to monitor all of those channels on a real-time or near real-time basis. Which leads us to...

### **RESPOND QUICKLY.**

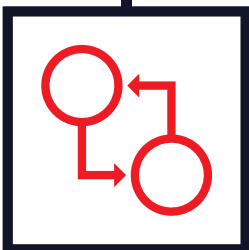
No one likes to be ignored, especially from a company you just gave your money to. Be able to provide rapid and contextualized service in every channel you offer support, an effort that should be aided by the right software solution.

### **CONNECT INFORMATION BETWEEN SERVICE CHANNELS.**

The goal is for all of your customer service agents, no matter which channel they handle, to have a complete view of the customer, including purchase history. This will enable your agents to quickly and effectively provide the level of support needed, while saving customers from having to repeat information like their name, address, account number, and so on as they move between channels.

### **EVALUATE PERFORMANCE AND MAKE IMPROVEMENTS.**

There are a multitude of KPIs that you can track to measure the effectiveness of your customer service efforts. Identify the ones that are most critical to your business, monitor them on a continual basis, and make adjustments when necessary. For example, you may need to add more support agents during peak sales seasons to keep the average resolution time consistent throughout the year.



# Brands doing it right—and what you can learn from them

Before identifying some of the retailers leading the way in omnichannel customer service, it's important to consider what's at stake. According to a study by IDC and Google, customers that purchase in multiple channels have a 30 percent higher lifetime value than those who purchase in only one channel.

**Here are a few more stats that help illustrate the value of acquiring and retaining omnichannel customers:**

- Companies with extremely strong omnichannel customer engagement retain, on average, **89%** of their customers, compared to **33%** for companies with weak omnichannel customer engagement.
- Companies with extremely strong omnichannel customer engagement see a **9.5%** year-over-year increase in annual revenue, compared to **3.4%** for weak omnichannel companies.
- Strong omnichannel companies see a **7.5%** year-over-year decrease in cost per contact, compared to a **0.2%** year-over-year decrease for weak companies.

Consumers' behaviors have undoubtedly evolved. It's the consumer who now dictates to brands where, when, and how they want to engage. Therefore, it's incumbent upon retailers to provide a consistent and seamless experience in all channels, particularly when something goes wrong and customers need help.

Luckily, there are some great brands leading the way. These retailers are setting a high bar when it comes to providing omnichannel customer service.

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## NORDSTROM

The upscale department store chain ranked in the top five for each of the three generations surveyed in Proper Insights & Analytics' 2015 Customer Service Champions—Millennials (born between 1983–1997); Gen Xers (1965–1982); and Baby Boomers (1946–1964). The retailer, in business for more than 100 years, takes prides in its customer service. As a traditional brick-and-mortar retailer, Nordstrom has adapted nicely to its increasingly digitally-savvy customers, winning over shoppers with free shipping and returns on all orders, implementing a price-matching policy, and by carrying designer offerings not found at most other department stores.

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Ace Hardware has more than 4,800 independently owned-and-operated stores. The company's commitment to customer service is stressed from the corporate office down to the individual store owners. Regular customer service training for employees and a mystery shopping program have created a culture of service at Ace. The corporate-organized mystery shopper program assigns secret "customers" to shop Ace stores and scores them based on customer service, product selection, inventory, signage, among other variables. The scores are ranked and compared so owners know how they size up to other Ace Hardware locations.

"The vision statement is 'the most helpful hardware store on the planet,'" says Jeff Gooding, senior director of marketing and advertising at Ace Hardware. "You can't have a vision statement like that and not back it up."

Ace Hardware's efforts are paying off. The retailer was recognized by J.D. Power and Associates for having the most satisfied shoppers among home improvement chains. This is the 10th straight year Ace Hardware has received this award.

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## BAUBLEBAR

The jewelry retailer trains its customer service agents across all channels, including phone, live chat, email, video chat, and social media. One unique way that BaubleBar is leveraging its customer service agents is to have them post pictures of themselves wearing the jewelry they sell.

"Sharing why they love the jewelry is a lot more personal than just sending links to things on the site and saying, 'Check out these new arrivals,'" said Nina Alexander-Hurst, vice president of customer experience and SWAT at BaubleBar. "If it's not personal, there's no relationship-building there. It doesn't feel like the agent knows the customer, and the relationship is what's important."





## Conclusion

With gains in technology and the growing adoption of smartphones, today's digitally-savvy, 24/7-connected consumers are outpacing businesses. Retailers must work to align their businesses for this new reality—including customer service—or be left behind. The good news is that when you think about the customer first and build your organization around how you can help customers move quickly and effortlessly between channels, you'll find yourself ahead of the curve.