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Five Critical Trends that Omnichannel Retailers Must Understand

How leveraging AI and other CX strategies can differentiate commerce leaders from the laggards

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Conversation Intelligence For Customer Service

Introduction

The past couple years have posed major challenges for retailers, with a pandemic, inflation, rising interest rates, economic uncertainty and ongoing global supply chains issues. With customers starting to return back to brick-and-mortar stores, many retailers are still uncertain about how and when behaviors will shift yet again. Even so, some changes implemented by retailers to meet customer demands during the pandemic will remain in place, such as curbside pickup and new logistics options.

Through all of the uncertainty, one thing remains clear. The customer experience (CX) is paramount to sustaining long-term loyalty and advocacy. Retailers must go beyond baseline CX improvements to build true emotional connections with customers. Doing this well could not only improve goodwill, but also increase profits. According to a recent survey, **83% of consumers** said they were more likely to purchase from a brand with which they had an emotional connection.

Establishing superior CX at scale may seem insurmountable, but technology, such as artificial intelligence (AI) can help retailers create a consistent, omnichannel experience – regardless of where and how consumers choose to shop.

Let's explore five trends retailers need to understand to make it through the seasonal surges and beyond, and how technology can help retailers survive and thrive in the face of uncertainty.

Trend 1:
The swing back to brick-and-mortar might not be as dramatic as previously expected

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The enthusiastic, post-pandemic return to brick-and-mortar retail stores may have cooled since its early beginnings. In fact, spending in brick and mortar has **remained somewhat flat**, with just a 3% increase between 2021 and 2022. The good news is that online channel growth has remained relatively high.. **McKinsey research** shows that mature categories grew about 12% in 2021 (1.4 times faster than offline), and nascent categories rose 6% (seven times faster than offline).

What you can do

Despite encouraging predictions toward one channel or another, it's important to focus on the entire omnichannel customer journey. Today's customer journeys are far from linear. For example, people may spend weeks researching a product online before going into a brick-and-mortar retailer to see the product in person. They ultimately may make the final purchase online, and continue to interact with the brand on social media. For many retailers, there is not enough time or resources to invest in integrating and unifying their data across all customer interaction channels.

Even so, siloed information and a disconnected CX are top causes of customer concern. **Eighty-nine percent of customers** report becoming frustrated when they must repeat the issue they already explained in chat or to another agent. To mitigate these risks, leverage technology like AI-powered conversation intelligence to map out and understand the entire customer journey. Customer journey mapping is a critical step toward spanning silos of intelligence and empowering agents with information as customers move between channels.

Customer journey mapping defines the path that a customer takes as they move from first learning about your company's product or service to purchasing it and eventually seeking support or customer service. Along the way, customers may engage with your company's content, offers, social channels, webpages, emails, and other campaigns, with each interaction representing one point on the customer journey. A customer journey map visualises the journey while gathering and analysing data about how customers feel about each step on the journey. With this data, you can improve the quality of interactions throughout the journey to enhance CX and accelerate conversions.

Customer Journey Map

AWARENESS   EVALUATION   PURCHASE

USAGE   REPURCHASE   ADVOCACY

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Trend 2: Customer vulnerability will remain a major issue for retailers

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According to the 2022 **CallMiner CX Landscape Report**, the 38% of retail organisations said their top CX challenge in the past year has been an increase in **customer vulnerability** due to health or financial issues, or increased caregiver responsibilities.

In 2021, the **FCA reported** that nearly 28 million people in the UK displayed one or more characteristics of vulnerability (mental and physical handicaps, long-term illness, age, socio-demographic characteristics, behavioural characteristics and personal situations, among others). This figure rose 15% from 24 million in 2020.

And for consumers in the US, **the consumer price index** rose to 9.1% in June 2022, the highest in 40 years, and **the FAO Food Prices Index** was 23% higher in July 2022 than the same period in 2021 – that means financial issues are going to continue to contribute to customer vulnerability for the foreseeable future.

What you can do

Few customers, especially those in vulnerable situations, are transparent and forthcoming with their personal challenges. Listen closely, pick up on contextual clues, analyse sentiment and learn from past experiences to determine and act on customer needs.

Most companies only analyse a small sample of customer interactions, which causes them to miss out on valuable insights. This makes it difficult to recognise trends in vulnerability across the customer base, identify individuals in crisis and establish strategies for how to best serve these customers.

Instead, companies need solutions, like conversation intelligence, that help them capture, analyse and monitor 100% of customer interactions across multiple channels in a single system. Companies can follow a customer's journey and repeat contacts regardless of what communication channel is used – from call to email and chat – and extract insight, such as acoustic measurement, that can be used to identify, manage and retain vulnerable customers while improving processes, performance and decisions.

Identifying vulnerable customers starts with listening

Here are three essential items that conversation intelligence can do to uncover customer vulnerability.

- **Monitor for and flag specific words and phrases** that insinuate vulnerability, with close attention to hardships such as job loss, illness, unemployment and abuse.
- **Screen for non-compliant language** such as harassing statements, raised voices and other risky behaviour that depicts emotional instability.
- **Look for signs of stress and agitation** in consumer and employee voices to help confirm vulnerability using best judgment.

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Trend 3:
Retailers who leverage unsolicited customer feedback will gain a competitive edge
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The **CallMiner CX Landscape Report** cited above shows that 92% of retailers believe that they collect a wealth of data for the CX team. But, 76% say they are often unable to make data-driven decisions. Even more (83%) are dealing with incomplete sources of CX data.

A major missed opportunity lies around unsolicited feedback. In fact, 83% of retailers say all or the majority of customer feedback they collect is solicited. Solicited feedback means opinions that you actively request from customers, often via mechanisms like surveys, reviews, focus groups and more. Collecting solicited feedback alone omits a wealth of even more valuable and voluminous data that's ripe for analysis.

What you can do

Using technology like conversation intelligence to capture conversations with customers makes it possible to detect

important trends you might miss otherwise, such as churn-likely behaviour, dissatisfaction with products/services, positive customer advocacy, or behaviours within your own processes/teams that could be improved to reduce customer frustration and CX metrics like average handle times.

Use these insights to reinforce training, coaching or other business improvements. For example, you could analyse what makes top-performing customer support agents so successful across their customer interactions. Not only can you reward these agents who are doing a great job, but also reinforce similar positive behaviours across your entire team through the use of real-time AI-powered agent guidance.

One consumer goods company used customer feedback to inform product development. They were able to collect cumulative customer data from the customer support team to understand complaints when products weren't performing as expected. From there, the product

management team used customers' feedback to improve specific products or reach out to their supply chain manufacturers if there were material defects. These improvements saved the company money from avoided warranty claims, while providing customers with a higher quality product and service.

Trend 4: Expect some post-COVID retail behaviors to stick around for good

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While many COVID-19 restrictions have been lifted, some newly shaped consumer behaviours aren't going anywhere. Many customers have embraced certain conveniences that were born out of the pandemic's necessity.

According to the **head of retail strategy** at Sapient: "New consumer behaviours that stemmed from the pandemic – particularly omnichannel shopping, curbside and ship-to-home ecommerce sales – are proving to be real and durable even as COVID restrictions have eased. Retailers will need to position their business...by continuing to invest in digital transformation enabled by experience, engineering talent and customer data."

What you can do

Embrace AI to understand your customers' sentiment and emotions around certain changes.

Most retailers (94%) surveyed within the **CallMiner CX Landscape Report** believe AI will become critical or very important to CX. The good news is, retailers are among the most sophisticated AI users: 76% have fully or partially implemented AI tech, and 41% collect and analyse data automatically, at scale.

Analysing your omnichannel customer data and journeys will give you key insights on which pandemic behaviours your customers might be interested in sustaining. Combine this data with sentiment and emotion analysis to understand how customers feel about certain service offerings. That will help you narrow down which efforts to sunset vs. which to keep in the name of improving overall CX.

Trend 5: AI will play a critical role in crisis management and brand sentiment

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With scenarios like recalls and product safety considerations, it's no surprise that retailers are often plagued with brand reputation issues. And when **seven in 10** customers say they're willing to buy more from brands they trust, it makes handling these crisis situations in the right way even more critical.

Retailers in the **CallMiner CX Landscape Report** are the most likely of any other industry surveyed to use AI for brand reputation and crisis management (44% of respondents). That should be the case, with customers making their preferences and opinions known more than ever before, such as by sounding off on social channels or making purposeful buying decisions.

What you can do

Understanding customer feedback as it's happening has the potential to transform how quickly and effectively retailers can respond to brand crisis scenarios.

Whether it's a product that is falling short of expectations or a marketing campaign gone wrong, customers are quick to make their opinions known. That can be in a quick social media post or even during interactions with customer service representatives. In some cases, it isn't more than a passing mention. In others, it can be the cause for customer churn or worse, a full-blown brand crisis.

But using AI to analyse customer data across every channel, including social media, retailers can better understand trends that may lie below the surface. Unsolicited feedback goes beyond the limitations of focus groups to real user opinions that can help shape future marketing campaigns or help guide brand responses – and win over a new cohort of consumers.

CallMiner's Take
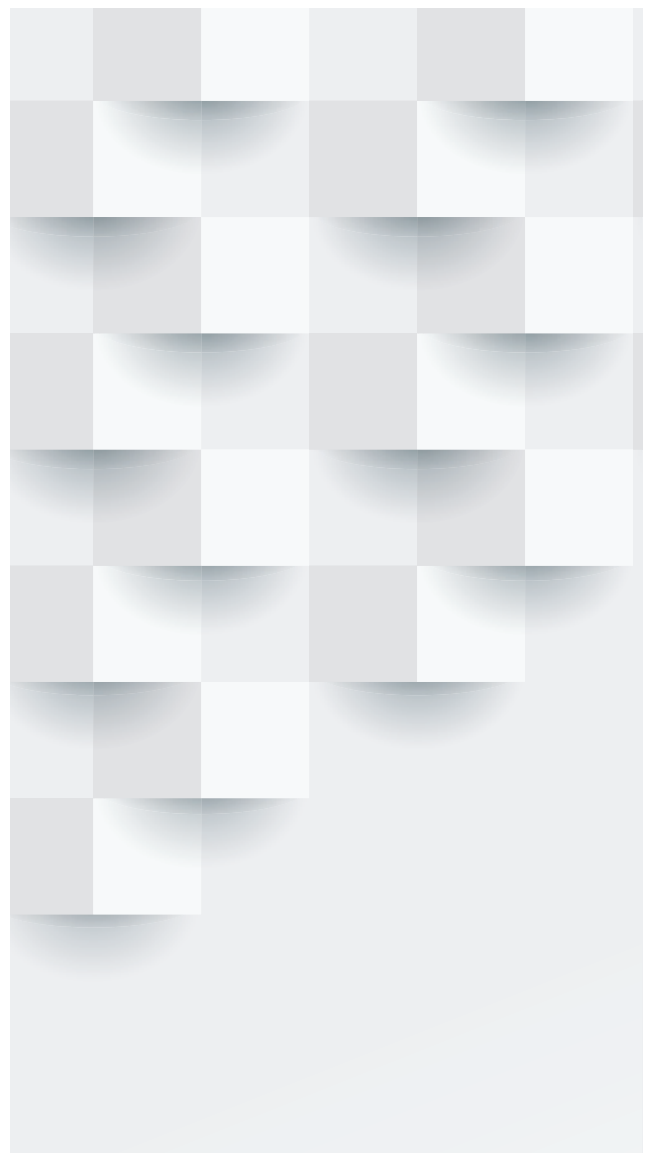
Conclusion

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Despite uncertain economic times and a rise in customer vulnerability, retailers can create a positive CX that sustains customer loyalty and creates passionate advocates. As detailed above, technology like AI and conversation intelligence can help:

- Course-correct or even predict negative customer experiences before they happen
- Improve coaching and training for employees on the front lines of customer interactions, and reinforce positive behaviours/patterns
- Enhance business operations from marketing to sales to product development and beyond
- Improve brand loyalty and brand trust

Regardless of the latest trends and predictions, using AI to analyse unsolicited customer feedback at scale can help your brand transform CX and stand out from the crowd.

To learn more about how CallMiner can support your organisation, watch our video about **experience management in retail.**

About CallMiner

CallMiner is the global leader in conversation intelligence to drive business performance improvement. Powered by artificial intelligence and machine learning, CallMiner delivers the industry's most comprehensive platform to analyse omnichannel customer interactions at scale, allowing organisations to interpret sentiment and identify patterns to reveal deep understanding from every conversation.

By connecting the dots between insights and action, CallMiner enables companies to identify areas of opportunity to drive business improvement, growth and transformational change more effectively than ever before. CallMiner is trusted by the world's leading organisations across retail, financial services, healthcare and insurance, travel and hospitality, and more.

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