

How to be part of the conversation in retail 2021

June 2021



Tips, techniques and trends for
personalised and conversational
customer service

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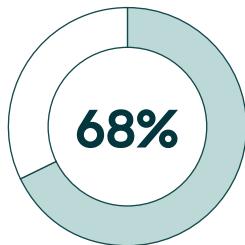
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Foreword

Following a tumultuous year for the retail industry, with some shops only re-opening in the past few weeks, retailers find themselves looking towards the future and how to build lasting customer relationships - through both bricks and clicks.

This has led to a transformation in the shopping experience. With more customers than ever shopping digitally, businesses have to work out how they can connect the in-store and digital shopping experience to win loyal customers for the future.



The majority of UK company leaders (68%) agree that the global pandemic has compressed the timeline for acquiring new technologies.

Such a pace of change brings its own challenges, but being able to keep up offers even bigger rewards. Now that the shift to digital is in full swing for many firms, companies are in a much better position and ready to continue their journey to richer digital experiences that complement the in-store experience. Technologies ranging from messaging and live chat to augmented reality (AR) - which allows customers to try clothes on virtually, or visualising how an item will appear in their home - helps bridge the gap and allow customers to browse first, before coming to the store to buy.

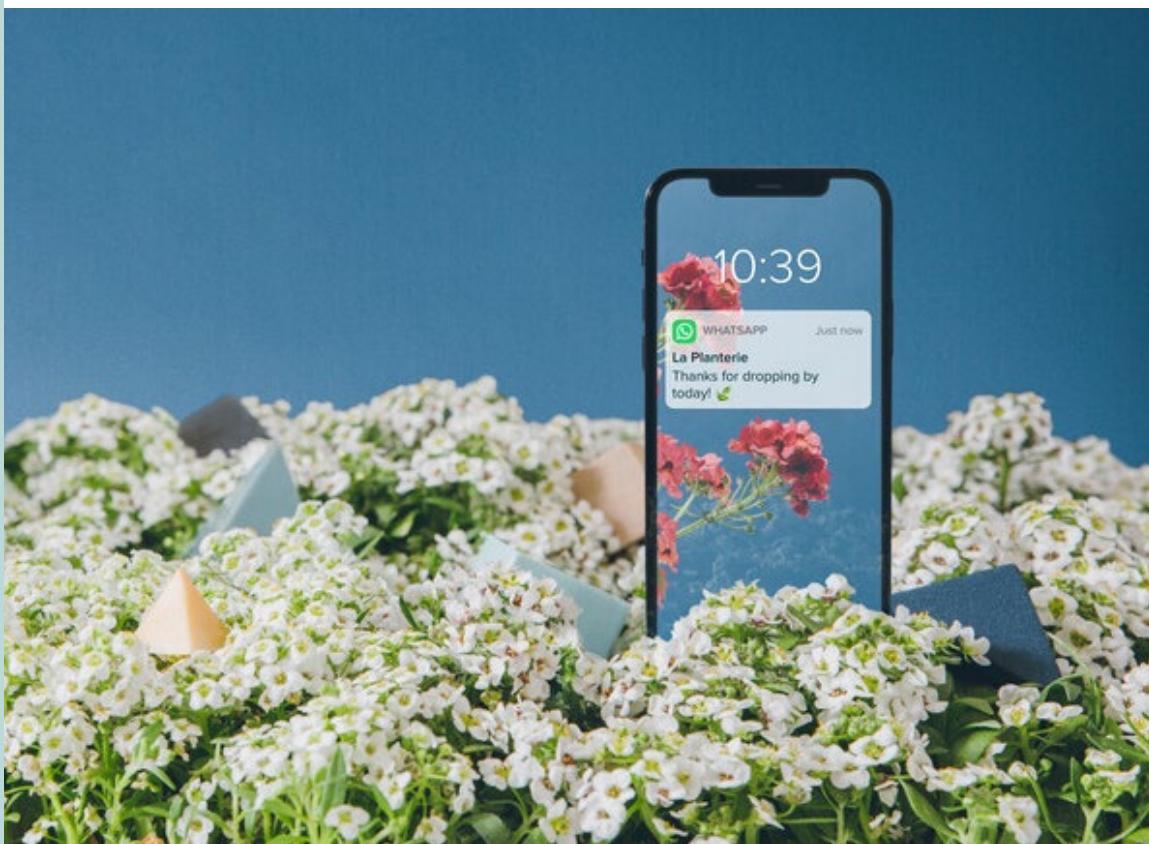
The result is win-win: customers are willing to spend more as they have an easy way to virtually select their preferences and get answers to their product questions; and retailers can achieve a greater turnover with less time spent in capacity-restricted stores. With 74% of global consumers shopping via both

online and brick-and-mortar channels, it's no surprise that some tech-savvy retailers are already starting to offer this, and it is a trend which I think is likely to continue in the future.

However, the future of retail is not only about the introduction of new technologies, but will focus on the overall shopping experience, using existing technology in different ways to support a new type of connected customer journey.

This presents an opportunity for stores to get an even better image of their customers. In this report, in partnership with Retail Gazette, we've taken a look at how new technologies and communications methods are changing the way customers interact - and how retailers can respond to create a seamless journey whether shoppers are in-store or leaning in to the digital revolution.

Celine Maher
Regional Vice President, UK & Ireland, Zendesk



Introduction

Retail looks very different to how it did at the start of 2020.

Gone are high street mainstays such as Debenhams, Dorothy Perkins, Oasis, Warehouse, Topman and Topshop, turning online only through merger and acquisition, while the way traditional retail functions has been altered forever by the pandemic.

More customer service is conducted online as a result of the rise in eCommerce, but also because retailers have invested in their digital communication technology and increasingly view online as the entry route into other sales channels.

The reopening of non-essential retail after coronavirus-enforced lockdown resulted in an expected initial spike in visits to shopping centres, retail parks and the high streets and online sales dipping month-on-month. But research from Springboard, a consultancy monitoring footfall in shopping locations, shows the physical store traffic has remained no better than steady since and shows no major uplift.

And online retail trade body IMRG reports that online sales are actually up year-on-year despite the impact of shops reopening, painting a picture of greater eCommerce penetration on the industry's overall sales total.

Retailers' communication strategy needs to change with the times, and many businesses have realised the need to invest in the right tools to facilitate an evolution in customer service.

From video connections and online chat prioritised as an early point of customer interaction to advances in messaging apps facilitating brands and consumer engagement, 2021 will be a landmark year in conversational commerce online.

Brands and retailers live and die by their service, and the following pages highlight tips, techniques and trends for ensuring it remains relevant.

Read on for great insight and case studies

Changing the conversation



Due to widespread closures, there are fewer shops for customers to access information about retailers but there are now more ways in which to interact with brands digitally.

Online retail as a percentage of overall retail sales reached a peak 33% in May, according to the Office for National Statistics, and digital revenue is now a much larger part of business than it was at the start of the year for many retailers and brands.

Such dynamics are necessitating new forms of customer service, and fresh digital-led strategies and recruitment drives.

Online retail's influence on the landscape is expected to grow further, with the UK's biggest retailer, Tesco, on the hunt for 16,000 new permanent members of staff to support its burgeoning online business. In October, the John Lewis Partnership said it plans to increasingly bring its staff and products into customers' homes through running more virtual services such as personal styling, home design and, in peak period, the John Lewis 'Virtual Christmas' shop.

Switching the channel

A [Zendesk survey of retailers](#) shows companies adding new channels are really embracing messaging. Of the 40% of businesses that added a new channel over the last year, 53% turned to messaging, including apps like WhatsApp, and SMS/texting embedded in their own website.

Companies boasting the fastest resolution times and highest satisfaction scores are more likely to use messaging to interact with their customers – it's a correlation that cannot now be ignored by retailers, which rely on customer happiness like no other sector.

Direct-to-consumer players are leading in this effort, and are scaling messaging channels faster than everyone else, according to the study.



Social media chat (32%) and video chat/conferencing (33%) were the next two preferred choices for retailers which added new service channels last year. Phone, email and web chat helped comprise the rest of the top six.

Messaging's popularity has grown faster than any other channel and it's rapidly transforming how customers interact with brands – with the likes of Made.com seeing WhatsApp customer communication rise last year as email chat reduced.

Gary Sheppard, global customer service operations manager at Made.com, says messaging is "growing rapidly" as a channel used by customers to engage with the recently public-listed furniture retailer.

Ticking some sought-after boxes of the modern consumer – convenient, conversational and personal – messaging supports an ongoing dialogue between customer and company, and fits in with everyday life in a way that phone support might not.

Recent releases from tech giants like Apple, Google and Facebook mean that customers now have more opportunities to easily connect with companies if their favourite brands embrace the tech at their disposal.

Web chat

In the pandemic, web chat grew in importance too – especially as shoppers were forced online due to store closures and, in many cases, started shopping with unfamiliar brands where more information was required prior to making a purchase.

Some 31% of customers bought from a new company in 2020, and as demand for service soared there was a need to spread the customer support team workload with tools such as web chat to take the workload of agents or filter conversations accordingly.

Beauty brand Cult Beauty conducted 30,565 live chat conversations with customers in 2020 after deploying the technology at the end of the previous year.

Emily Bloomberg, customer experience director at the business, described live chat as “an absolute saviour” last year, explaining that it helped support her team during their shift to remote working which impacted the organisation’s telephony capability.

Bags, clothing and accessories retailer Skinnydip is another company building its network of customer comms tools, seeing it as a necessity in order to serve the modern consumer.

“We would like to connect with our customers more than ever and we’ll be looking at different methods of communication like WhatsApp or LiveChat,” explained Leoni Dean, customer service manager.

“Now more than ever the demand for connection is huge.”

How else do today's customers want to engage with retailers?



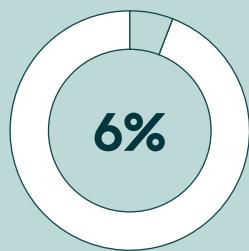
We've found customers respond very well to it as a quickfire service.

We are yet to restore our telephony and have been able to take a patient approach [due to the presence of live chat].

Emily Bloomberg
Cult Beauty

Customer connections

Shoppers are growing in confidence online, evidenced by the rise in eCommerce and the respective success of previously relatively small online sectors such as gardening and DIY.



Homes without internet access

Connectivity continues to increase with the proportion of homes without internet access falling from 11% in March 2020, as the UK entered lockdown, to 6% of homes – around one and a half million – one year on.

Even if a customer doesn't buy online, the web is the window to the overall shopping experience – providing an entry point to a brand that might result in a transaction in a shop or on another marketplace, making it a crucial platform for communication.

Retailers are therefore on the lookout for multiple ways to capture the attention of the digital savvy consumer, and that includes on social media.

Instagrammable shopping opportunity

Facebook's recently released plans for Instagram will open some doors to even more personalised customer engagement.

Following the June announcement that the Facebook Messenger API for Instagram is available to developers, Marion Boiteux, product manager for Messenger, talked up the opportunities for brands and consumers alike.

Retailers on Instagram now have a chance to message and chat with other users (their customers) of the social media site, which boasts an active audience of more than one billion.

Boiteux said 90% of people on Instagram today follow at least one business, and engaging with brands is “increasingly appealing for customers and important for businesses”.

The move, she explained, was “making it possible for brands to offer messaging experiences on Instagram”, and help foster “more meaningful conversations that increase customer satisfaction, and grow sales”.

It neatly fits with the developing trend seeing more retailers and customers using messaging apps for commerce.

Zendesk and Instagram

The Messenger API for Instagram is intended for businesses who need to manage their Instagram direct messages at scale when multiple live care agents are needed to reply and attend to customer enquiries.

It is set to be revolutionary for customer service because of the scale of the audience on Instagram. Companies can connect their Instagram accounts to Zendesk to provide quick, personalised service and have conversations with customers at scale to



Send direct messages with text, images, emojis, attachments; react to mentions and respond to story replies



Automate and escalate conversations with use case and workflow management tools



Share product information that directs customers to the Facebook store for purchase



View a more complete customer profile of past interactions across other messaging channels

Concierge in the digital age

The department store was once the place to go for the ultimate concierge service and personal customer experience.

And while the likes of John Lewis continue to ramp up this in the stores which remain open following the company's downsizing in the pandemic, the concierge appears much more of a multichannel operation these days.

John Lewis used video calls more than ever in 2020, hosting more than 11,000 virtual appointments across home design, personal styling and nursery over the course of the 2020-21 financial year.

Claire Pointon, customer director at John Lewis, says the retailer's range of virtual services aim to "entertain, motivate, educate and inspire our customers".

Retailers of all sizes continue to blur the boundaries between store and online shopping, and offering a suitable array of customer service touchpoints is crucial to the success of this mission – as is the agility to switch seamlessly from one to another.

As JD Williams, Jacamo, and Simply Be parent company N Brown Group said in May, as part of its list of digital experience improvement goals for the current financial year, "we are focused on improving our digital self-service capabilities and refreshing our contact centre and telephony offering for our customers".

**Read on for more best practice
customer service**

Lessons from the customer support front line



While 2020 was a year when many new customer service tactics were required, 2021 should be a year when retailers build on what worked and learn from recent experiences.

There is no one-size-fits-all customer support operation because businesses must offer points of contact and communication channels in keeping with their individual audience demographics, but there is universal good practice to follow.

Skinnydip, which has a core 16-30-year-old female shopper base, made the decision to close 13 stores as the pandemic hit and heighten its focus online. It experienced “a huge influx of customers” in 2020, according to Leoni Dean.

“With a young target market, it’s essential we offer fast and relevant customer service support to ensure we are making the most of every customer visit to our website,” she explains.

“Something we want to work on in 2021 is communicating with the customer throughout the journey rather than just the end – letting our customer know if there is going to be a delay before they come to us.”

It is a similar situation for Emily Bloomberg at Cult Beauty, which curates skincare, make-up and other beauty and fragrance products from around the globe. She says: “We have looked for as many opportunities to message our customers through the journey, not just when they get to customer service.”

Bloomberg suggests brands “should always under promise and over deliver” and be agile enough to change order and delivery service level agreements (SLA) if operational pressures dictate, as they did during “unexpected” peaks at the height of the pandemic.

“It’s our responsibility as customer leaders to make sure the messaging is up to date,” she says.

Motivating customer support teams

The two retailers were talking on a [Zendesk webinar](#) on 31 March, and Bloomberg explained keeping up “best practices from the office” such as daily team huddle – albeit via Zoom – aided the customer service team’s shift to remote working.

“Buddy” systems are in place for new starters too, in the acknowledgment that remote induction periods bring their challenges. This format allows new recruits a chance to learn how to deal with customer queries from experienced members of the team.

Dean says giving customer support staff up-to-date performance metrics helps motivate them, and supports continued good practice when offering customer service.

“We’re constantly looking to improve the customer service experience on our website. We’ll be implementing the Flowbuilder feature on Zendesk, which we hope will bridge the gap between live chat and email threads.”



“If a customer has a negative interaction with a customer support team member or they don’t have a very good experience on the website or with an order, it will completely change their buying pattern,” she warns.

Leoni Dean
Skinnydip

Tech that helps

Despite often negative talk about the impact automation has on the reduction of the workforce, in the world of customer service this tech can really supplement the human role and help support compelling CX.

The implementation of triggers and auto responses to customer queries, set up via Zendesk, “helped ensure our customer volumes were not unmanageable” as demand rose last year, according to Bloomberg.

These tools, “I cannot recommend enough”, she explains, “so you keep communicating with your customers in the event you are struggling with your SLAs”.

Great advice, I'm sure you'll agree, but what else is there to consider?



Key takeaways

Five areas of focus creating a path to successful retail customer service:

1. Spotlight on CX

While in-person interactions decreased last year and perhaps in the long-term due to eCommerce's rise to prominence, the importance of providing meaningful customer interactions remains.

69% of retailers said they care more about CX than last year and retailers with the happiest customers are likely to have invested in omnichannel customer communication. The evidence suggests this should be a key focus area for 2021.

2. Conversational commerce

Retailers saw a 24% increase in support requests come in over WhatsApp last year, and 37% who added a new channel turned to social messaging. With Facebook and Instagram's moves in this space, the signs are it's an area of huge opportunity for brands.

3. Emphasis on agility

If 2020 taught retailers anything it was that agility is crucial to success – businesses need to be able to pivot at different times to adapt to the macro environment but also nuanced changes in consumer behaviour.

4. The future of work is now

For years, businesses have said “when we work from home in the future...”. Well, now the future is here.

Many retailers are operating with permanent remote workforces or a hybrid of home and office-based customer support staff. The operational requirements for facilitating this model must be addressed to ensure successful service levels are maintained.

5. The digital tipping point

There's no denying that more shopping and customer engagement with brands now takes place online, and the work retailers did to invest in this infrastructure in 2020 will need to be built upon in 2021. Investment must be ongoing to stay relevant.



Want to find out more...?

Zendesk started the customer experience revolution in 2007 by enabling any business around the world to take their customer service online.

Today, Zendesk is the champion of great service everywhere for everyone, and powers billions of conversations, connecting more than 100,000 brands with hundreds of millions of customers over telephony, chat, email, messaging, social channels, communities, review sites and help centers. The company was conceived in Copenhagen, Denmark, built and grown in California, taken public in New York City, and today employs more than 4,000 people across the world, including in the UK.

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