



Reimagining Retail

The 3 keys to driving loyalty with brand-building CX

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Practically overnight, retailers and customers alike accelerated technology usage 10 years into the future.¹ Pressed by increased pressure from COVID-19, retailers have adopted and deployed technology to upgrade their systems and provide a better customer experience, and a record number of retail customers have been introduced to retail technology that they hadn't used before.²

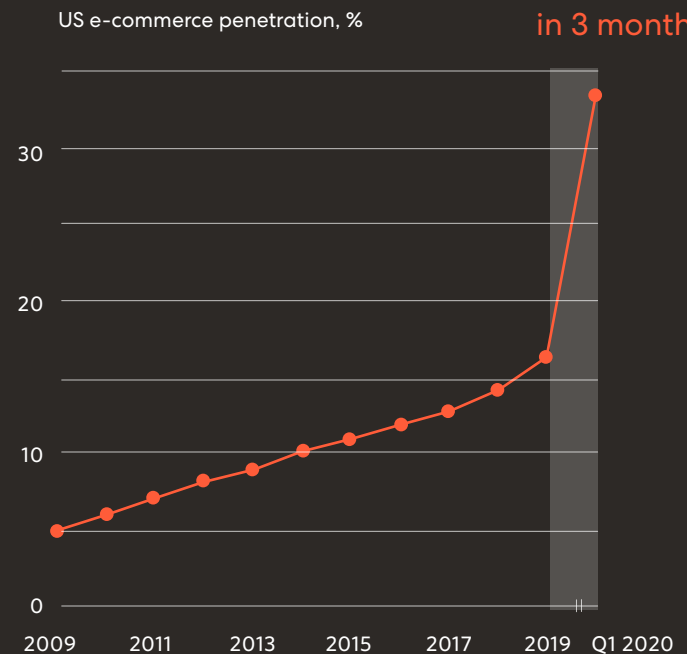
It's a perfect storm of obstacles, solutions and opportunity—but only for the retailers that quickly adapt to the new customer expectations that come with this omnichannel landscape.

“The convergence of technology and convenience has changed how consumers think about both things,” says Chris Walton, CEO and Founder of Third Haus, a retail consultancy. “Before the 1990s, convenience was about the location of your store. Today, it's much more about the post-purchase experience and the empathy and responsiveness that must be at the core of how a retail brand services its customers.”

Sagar Rajgopal, Chief Operating Officer at Ubiquity, a business process outsourcing company specializing in customer engagement, agrees. “Nearly every retailer in every category is competing in the online channel. It's up to the brand as to whether that is an issue or an opportunity, and whether or not they will succumb to an inability to handle demand or meet customer expectations.”

'The quickening' by McKinsey & Company

10 years' growth in 3 months



Source: Bank of America; Forrester Analytics; ShawSpring Research; US Department of Commerce; [McKinsey analysis](#)

Amid all the change, brands that wish to earn and sustain customer loyalty come face to face with three significant challenges:



Increased competition

More consumers than ever shop online for products as varied as groceries, consumer packaged goods and home goods. Retailers that may have previously dominated their market or category now face significant competition.



Higher expectations

Every brand's customer experience raises the bar for the rest of the retail industry. Customers expect a simple, fast, convenient experience—no matter what they're buying.



Increased complexity

Gone are the days of a simple, manual brick-and-mortar store experience. Retailers must use technology to deliver a seamless e-commerce experience or that allows customers to seamlessly shift between online and in-store interactions and purchases.

Against this backdrop, customer service has become a pivotal advantage retailers can use to meet and exceed customer expectations, outmaneuver the competition and inform investments in complex but mission-critical technology. In this report, we explore the three most important qualities of customer service driving loyalty in a post-COVID-19 retail marketplace.



Must-have customer service traits to drive loyalty

1. Real people, real empathy
2. Lightning-fast resolutions
3. Tech that works

1. Real people, real empathy

The leading metrics for measuring the effectiveness of customer service are often quantitative, such as average handling time (AHT), first contact resolution and customer satisfaction scores. But while these are valuable metrics to track, they don't always get to the heart of what customers really want: an empathetic customer experience.³ Volume-based metrics can also disempower service agents from taking ownership over customer interactions, which over time can lead to functional, lackluster service at best.



Customer-centric companies are 60% more profitable than rivals

Deloitte research⁴

A better, more empathetic approach to customer service looks for markers of emotional engagement, such as when customer support team members mirror the customer's feelings back to them and acknowledge the feelings that might be associated with the inquiry, such as happiness, sadness, frustration or patience.

However, empathetic customer experiences don't just happen on their own. They must be a part of an organization's training, quality assurance (QA) and coaching process. For example, QA scores should take into consideration things like active listening, tone of voice and willingness to help. And to emphasize that these aren't just nice-to-haves, they should be integrated into the performance and incentive structure, according to Rajgopal.

Functional Customer Experience

- Average Handling Times (AHT)
- Net Promoter Scores (NPS)
- Customer satisfaction ratings

Empathetic Customer Experience

- Quantitative metrics like AHT, NPS and satisfaction ratings
- QA scoring that emphasizes empathy and active listening
- Customer effort score (CES)



“Retailers now use technology as a foundation for being empathetic and make shopping inquiries and returns a happy process rather than an inconvenience.”

CHRIS WALTON, CEO and Founder of Third Haus

One way retail brands can bring more empathy to the customer experience is to provide customer support agents with protocols for going off the traditional script. Sometimes the recommendation to throw out the script could make retailers (and agents) nervous, according to Megan Porter, Vice President of Learning Services at Ubiquity. However, with the proper training, it almost always leads to a more natural dialogue between the customer and the customer service agent.

“We’ve consistently found that customers appreciate authenticity and empathy from customer support and that can be difficult to achieve if you’re not empowering agents to go off-script when needed.”

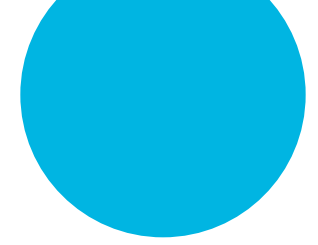
SAGAR RAJGOPAL, Chief Operating Officer, Ubiquity

“A perfectly worded playbook is no match for an organic interaction with an empathetic and empowered human being,” Porter explains. “By telling an agent exactly what to say in a situation when customers want empathy, the response sounds canned rather than authentic. By contrast, when agents are free to respond more naturally, they tend to feel more connected to the customer and vice versa.”



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2. Lightning-fast resolutions

The accuracy and speed of a resolution has always been an important factor in customer satisfaction. But today, when technology is layered into the customer experience in a fundamental way, expectations for speed are light years ahead of what they were even a few years ago. To build or maintain brand affinity with customers, retailers must seek ways to reduce discomfort or friction from every aspect of the customer journey, including inquiries about issues and deliveries.

“Retail technology simply wasn’t capable of offering this level of responsiveness before now,” says Walton. “The convenient omnichannel experiences being delivered today by retail brands like Nike combine the customer’s entire mobile, digital and in-person history to make everything about interacting with the brand easy. When customer service agents have a real-time understanding of all of a customer’s activities in one place, it allows them to be more accurate, responsive and empathetic, and it creates a real stickiness in that customer being loyal in the long term.”



95% of customers who are happy with the return process will shop with that retailer again⁶

Walton also points out that the need to solve problems goes far beyond individual transactions to take into account the entire customer lifecycle. For example, PayPal’s acquisition of Happy Returns, an e-commerce returns management provider,⁵ shows the value of taking what was once an arduous and time-consuming process and making it enjoyable—an increasingly important retail pain point to address considering the proliferation of e-commerce.

“Customers need to know that you understand their problem and can fix it. This is especially important in written channels such as live chat or email. Retailers must be confident their agents can understand the real issue and can resolve it in one email or the fewest chats possible rather than a lengthy back and forth.”

SAGAR RAJGOPAL, Chief Operating Officer, Ubiquity

3. Tech that works

When we think of retail technology, we often think of applications and processes that make it easier for customers to find what they need, make a purchase and get in touch with a brand to resolve a problem or make a return. But some of the most ground-breaking technology goes beyond those interactions—and unnoticed—to support the back-end of retail operations and customer support.

These seamless layers of anticipatory, data-driven and performance-enhancing tools empower customer service agents to have a positive impact on the quality of the customer experience, allowing retail brands to:

- Deploy self-service data integrations, callback options and predictive applications that anticipate the reason for a call, ultimately lowering costs-per-contact while maintaining high levels of customer happiness
- Receive customer feedback in real-time so managers can rapidly address issues, coach agents and track performance against business goals
- Use artificial intelligence to analyze live calls and support agents with real-time guidance and course correction, reducing handling time while improving compliance and caller satisfaction

“Great CX demands a culture of empowerment, which means giving customer service agents the right tools and support to go the extra mile for customers.”

MEGAN PORTER, Vice President of Learning Services, Ubiquity

“Done well, automation and artificial intelligence can be very useful to brands who want to streamline their operations,” Rajgopal explains. “For example, we are seeing QSRs working with technology companies to automate phone ordering to free up in-store personnel for other tasks. Contact center agents can take over if customers run into any issues with the technology, but you’re still reducing the pressure on your in-store staff so they can focus on preparing food or helping in-person customers.”

Meeting competition, complexity and change head-on

Competition, complexity and change have marked the retail industry for centuries, and with each pivot, there have been winners and losers based on which brands can adapt the fastest. But today, there's a fourth factor at play because in the era of Retail 4.0, so much of this change balances on the adoption and deployment of the right customer support technology.

Retail brands that successfully scale their customer service strategy while maintaining control over the quality of that experience will continue to have the advantage—and it all starts with the cornerstones of empathy, responsiveness and technology.

“What retailers forget sometimes when they talk about loyalty within the context of technology is that it's not all the sexy stuff that matters,” Walton explains. “In fact, the best omnichannel retail experience is one you can't see—it just happens seamlessly in the background, and it's a result of all those empathetic and responsive actions that you're taking and the tireless investments in foundational systems that the average customer will never have to think twice about.”





Sources

1. ["The quickening," McKinsey & Company](#)
2. ["Adapting to the next normal in retail: The customer experience imperative," McKinsey & Company](#)
3. ["How does empathy influence customer service - and what is working well?," My Customer](#)
4. ["Key Findings From the Gartner Customer Experience Survey," Deloitte](#)
5. ["PayPal acquires returns logistics business, Happy Returns," TechCrunch,](#)
6. ["A Guide to Ecommerce Return Policies in 2021 \[Infographic + Template\]," Ship Bob](#)



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