

5 reasons tomorrow's customer won't be shopping with today's retailer

The retail sector is changing. And with it, the retail contact center. This eGuide looks at the reasons customer motivations are driving them away from traditional retailers—and how retailers with an eye on the future can turn it to their advantage.

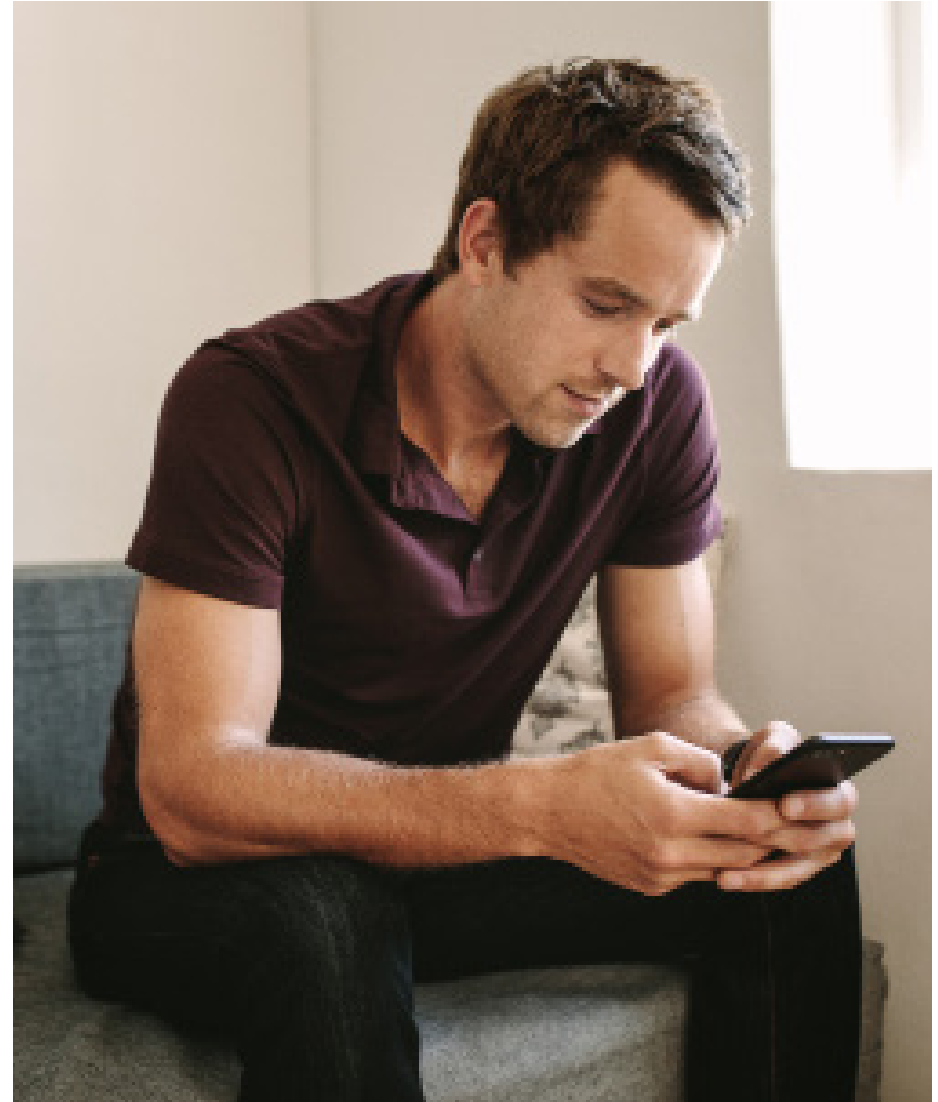
Introduction

Silent downtowns. Empty shopping malls. Tumbleweed-tossed main streets and side streets all across America.

Of course, that's not the reality of retailing—**yet**. But like any other sector, retail is evolving. And to serve the **new breed of customer** entering the market, the retail contact center has to adapt.

Because in a world of insanely high quality production values and failure rates measured in the last decimal point, the only thing differentiating one product from another is the customer experience you work with every day. As a customer experience professional, your role will only get more important.

These new behaviors are being driven by three key changes. It's an increase in communication: review sites like **TrustPilot** and **TripAdvisor** are making sure that whenever someone talks about a bad experience, people far beyond their friends group hear about it. It's an increase in channels: the immediacy of mobile can make or break a movie's opening weekend, as an audience texts their opinions from within the theatre even before the credits roll. And it's an increase in expectations, too. With big names like **Amazon** showing millions how customer service should be done, customers are less willing than ever to put up with lackluster service.



Introduction



In an environment where a complex overhaul to 1,235 retail locations might have taken years, **Marks & Spencer** exhibited a determination to maintain its reputation for delivering premium-level service by completing the transition in just months.

While bricks-and-mortar stores like **Total Wine & More** are bringing a level of quality to their digital customer experience that rivals what their associates deliver in-person. In short, these companies are treating the experience as the major part of the purchasing journey, the place where most of the value is delivered. Even more than the product itself.

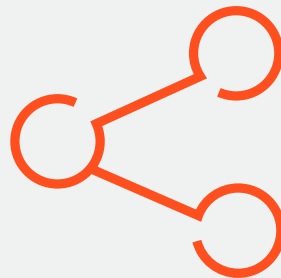
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Let's start with the biggest. Studies show that Generation X and older have a problem with sharing their data, and often prefer the extra work that comes with anonymity. But for millennials and younger, it's **just as frequently a non-issue**. The post-1980 cohort grew up with digital technologies and actively expects retailers to know something about them.

*(Note: this doesn't indicate a lack of concern for privacy. In contrast, millennials are more adept than their parents at managing their online identities. What matters is that people under 40 tend to be better at seeing the benefits of releasing some personal details to marketers, and do business with those they trust.)

Compare that with the main street retail experience: until your loyalty card is swiped, the shop has no idea who you are. It can't shift shelves to move your frequent purchases nearer. It can't adjust stock on the fly, or present choices you haven't considered but might like.



Social media is now the top-ranking source of trusted information

PWC



1. Today's retailers don't know who you are...

Online stores, of course, can do all these things. **And so, increasingly, can some of the savviest bricks-and-mortar retailers.** Some names are experimenting with RFID contactless technologies, letting the store know who's roaming its aisles.

Others are doing away with the need to even know your name, and tracking your journey around their square footage with cameras and algorithms — identifying what you'll like by your behavior rather than your past actions.

What can the retail contact center do about this online advantage?

Answer: **embrace it.** 



1. Today's retailers don't know who you are...

More data, better machine learning to make sense of it, and an audience that's relaxed about you using it are the perfect recipe for improving the customer experience.

It's vital to look for solutions that **join data together** coherently and whose **applications**

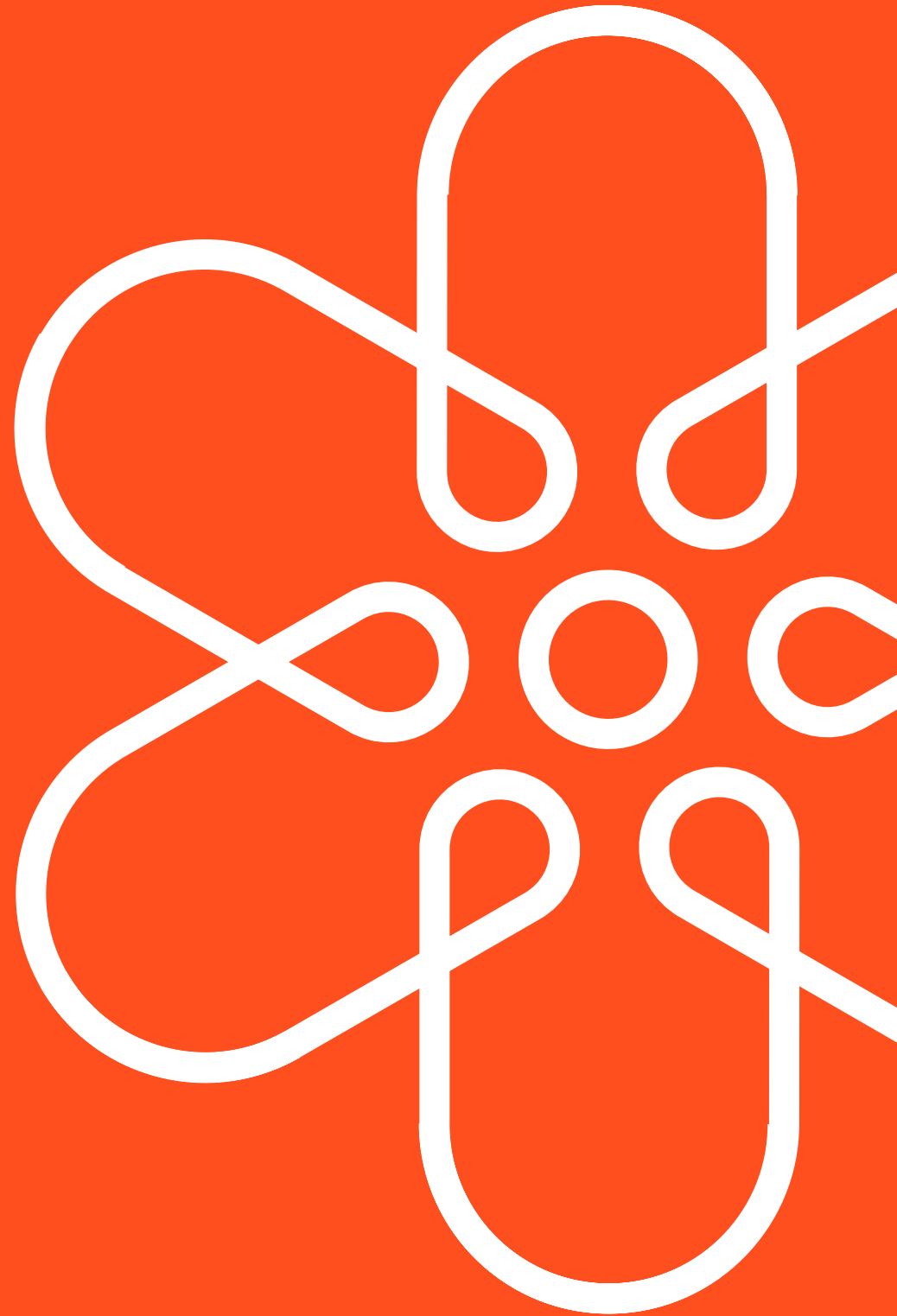
work as one. So that both software and human agents can present a positive experience to those opening their (e)wallets.

Our recommendation for the customer experience professional: **don't limit your learning to websites.** The queue at the clerk, the fulfilment

process, the order-and-return dynamic—most parts of the customer experience aren't built in the store anyway. Shift your vision towards making every step a delight, and you'll be ready for tomorrow's shoppers.



2. If today's retailers
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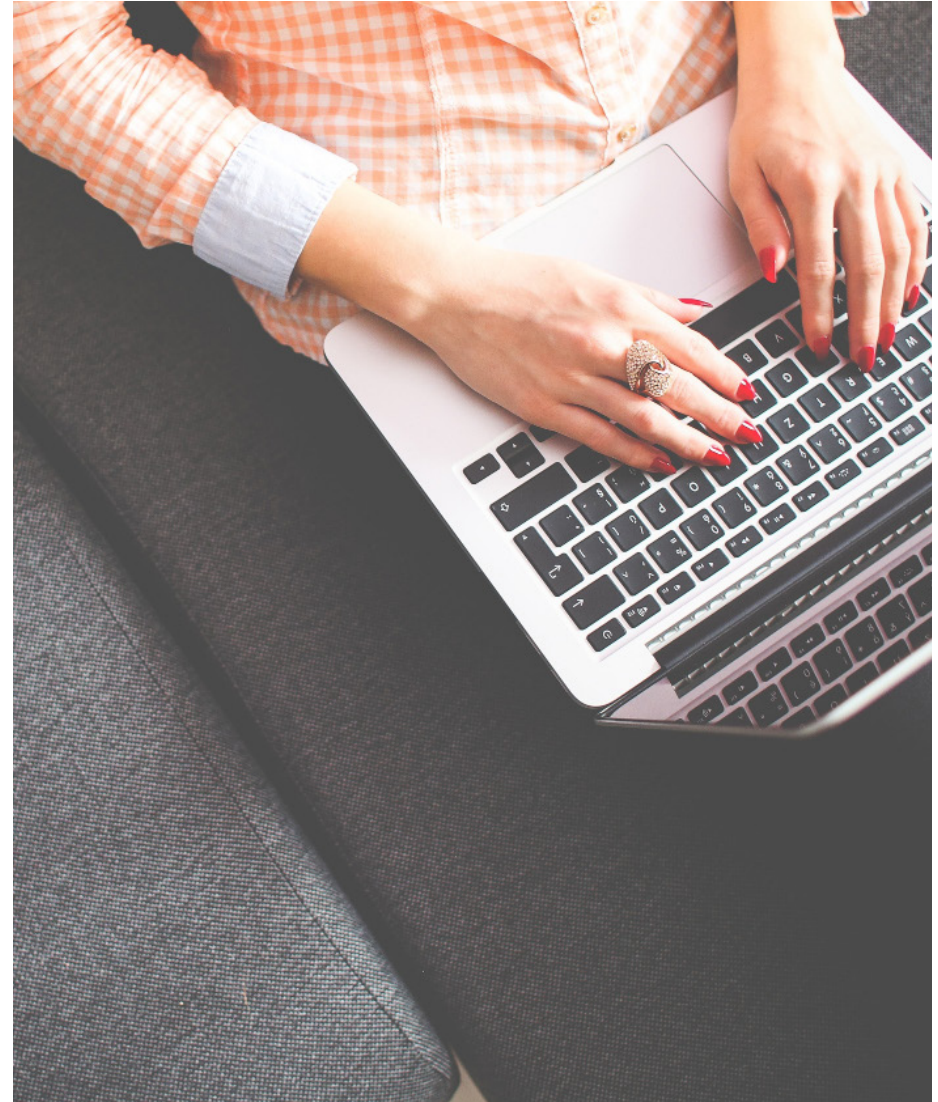
2. If today's retailers do know you, they only see one facet

One aspect of retail customer experience has arguably become worse than retailers not knowing who the customer is: knowing that customer only in part.

The customer today is omnichannel. For example, your customer could use a phone during the commute, a laptop at their desk, and a tablet in the evening as they wind down. If you only know your customer through their interactions at the call center, you're only getting a partial view of that individual. Which means you'll never understand their actual desires and see the full picture.

The effect on the retail contact center: **customer frustration**. Seeing the customer from a single angle means forgetting that web chat your customer started from their mobile, missing that catalog crawl they did in the coffee shop. It blanks all the learnings you need to build a true and complete picture of that person. And if other retailers are doing it and you're not, well, that customer is going elsewhere.

That's advice for the contact center: **know your customer from all angles**. And for the customer experience professional making it happen: don't just look at all the channels; make sure you can **connect them together**. Behavior on the phone in a relaxed evening has an impact on how they use their laptop. For a more comprehensive experience, you need to see it all **in context**.





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Imagine a modern automobile dealership and that profit-fattening staple, **the options list**.

It's a great example of how to add value by offering greater choice: for most auto outlets, the juiciest margins are in the add-ons. But it's also—perversely—a great example of how not to do it.

The endless options for color, finish, patterning—before you even get to the engine choices and electronics—have a negative effect: the consumer goes away and thinks, thinks, thinks for months, desperately trying to decide whether diamond-pattern leather or distressed canvas truly define them as a person.

And in the world retailing is moving into—where most purchases are non-essential and competition is intense—many consumers will take the simplest option: **deciding not to buy at all**.



In one famous experiment,
limiting choices led to

10X

the number of actual purchases

eConsultancy



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So it's likely the retail contact center with the biggest sales will be the one that narrows down those options. Once again, it's about effective use of data. For Hank from Texas who's on his third SUV in five years, it's a reasonable bet that pink isn't worth including among the color choices. Algorithms are increasingly capable of guesstimating the (very) few options in any buying universe that carry a reasonable chance of any given customer buying them. And when you understand that customer deeply, you can limit your presentation to what Hank will actually consider.

There's an angle for the person doing customer experience as a job, too. Maybe your mission isn't to do a thousand things well, but to do one thing brilliantly. It's a basic principle of economics that success means concentrating on your core competency and buying in everything else. In the past, a retail customer experience meant being a generalist; tomorrow, more and more, is going to be about specializing.



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In the last decade, website after website has offered self-customization options. Often using clever technology—self-scanning, motion capture, novel interfaces—they give the consumer control over many aspects of product design, from cut to shape to material. Nike and Levis have both taken the self-design road in the past.

What they have in common: It's hard to accurately predict where consumers will engage with self-customization. Some high-profile efforts have quietly closed within a year of launching.

4. Self-customization negates the value of just-right

The late Steve Jobs knew why, and would have laughed scornfully. If you'd asked consumers to customize the perfect transport a century back, most would have wanted a sleeker horse. That's the point of a great customer experience: people want a **pleasant surprise**. They don't want to be in control of every last aspect of production—after all, by definition the retail customer is prepared to pay someone else to do what he can't do himself.

A great product design—the core of any great customer experience—is the output of skilled technicians using their expertise to combine ideas, technology, and materials to produce something new. You can't replace aluminium with wood and expect the product to function in the same way. What the consumer wants is for you to **anticipate his needs** in ways he can't articulate on his own.

So tomorrow's retailer may well carry fewer SKUs, and more customer focus. In the contact center, that's a bonus, because fewer products to support means a lower training budget. And for you as a customer experience expert, life may be less about "billions and billions of choices" and concentrating on that one, perfect option... that starts with the first customer web search and finishes after a lifetime of delivering value.

By 2020, consumers will expect marketers to automatically personalize experiences

Walker



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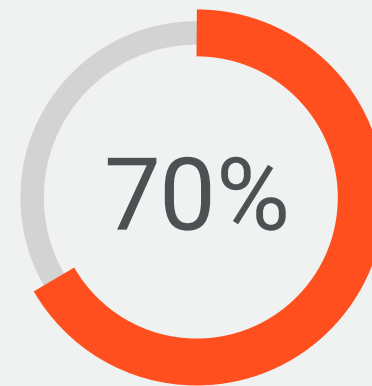
Following on from that is our final reason tomorrow's customer won't be throwing dollars at today's retailer: the experience of any product or service begins way, way before the purchase, and continues long after that product's useful life.

Marketing agencies doing the most effective form of customer engagement—**content marketing**—know this well. To sell your better mousetrap, you've first got to capture consumers with a mice problem, and before that, educate them about the risks of mice.

These agencies gently coax their audiences into the sales funnel with words of wisdom, long before they even mention their client's name.

So if today's retailer sees itself as the source of the product, it's doomed. The way forward is to be the source of solving customer pain. And that means starting where the pain (or pleasure) first rears its head—or even before.

To thrive in this environment, both contact center and customer experience professionals need to be clear about what they're really selling. What pleasurable emotion? What anger assuaged? What injustice righted? Relief from what?



of consumers still
enjoy going into
physical stores

HuffPost

5. The customer experience starts a lot earlier, and ends a lot later

In a confusing world fracturing into noisy special-interest groups, the value of standing for something is attractive. It lets you build a tribe around your product or service, and turn buyers into NPS-10 advocates.

That sense of belonging, of shared enterprise, can draw audiences together into something new—not demographics or segments or personas, but **friends**.

And friendships, once built, are yours to lose. So plan on maintaining them for a lifetime, and you'll be equipped for whatever tomorrow's retail environment can throw at you.



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so different



Different, but not so different



What the customer expects and wants is changing fast. Technology is letting retailers deliver- but contact centers and customer experience professionals need to recognize its potential. The common denominator is data. Remembering who a customer is, connecting all touch points from first search to last order across all channels, and bringing those data points together into one complete, accurate version that represents him or her as an individual.

So on some deeper level, retail tomorrow is not so different to retail today. It's still about an emotional connection, an answered desire.

It's about turning pain into satisfaction, and satisfaction into delight. Then leveraging all these positives into the hard numbers of sales and profits—driving conversions up, churn down, bolstering profits and maintaining margins. All while taking every opportunity the customer presents for up-selling, cross-selling, and building a stronger, more sustainable relationship.

The best retailers of tomorrow will look at least a little like the best retailers of the distant past. They'll be selling a clear benefit, in an entertaining way, that solves a situation the customer recognizes. And they'll do it wherever the customer wants to shop—whether that's a brightly-lit trading park, bustling downtown, or buzzing main street.

Tomorrow is here. It's time to get started.

Takeaways



Tomorrow's retailer will know its customer's data—and if you treat them well, customers will be happy to share it



Mobile, desktop, handset, medium: tomorrow's retailer needs to be ready to react on any channel



Customer delight is less about giving choices, more about giving the right choice



The common denominator is making better use of data—make sure yours is in a usable form



Tomorrow's retail environment is already here—and the best contact centers are taking advantage



Transforming your customer experience doesn't have to mean budget-busting expense or breaks in business continuity.

Small adjustments applied to your processes and applications can foster new ways of thinking that deliver true customer centricity. Here's a simple, six-point checklist to help you get started.

[Access my checklist](#)

How many of these steps have you already taken?



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