

Experience Is Everything

3 Critical Ways to Boost Customer
Satisfaction in an Omnichannel World



Retail **DIVE**
Brand Studio

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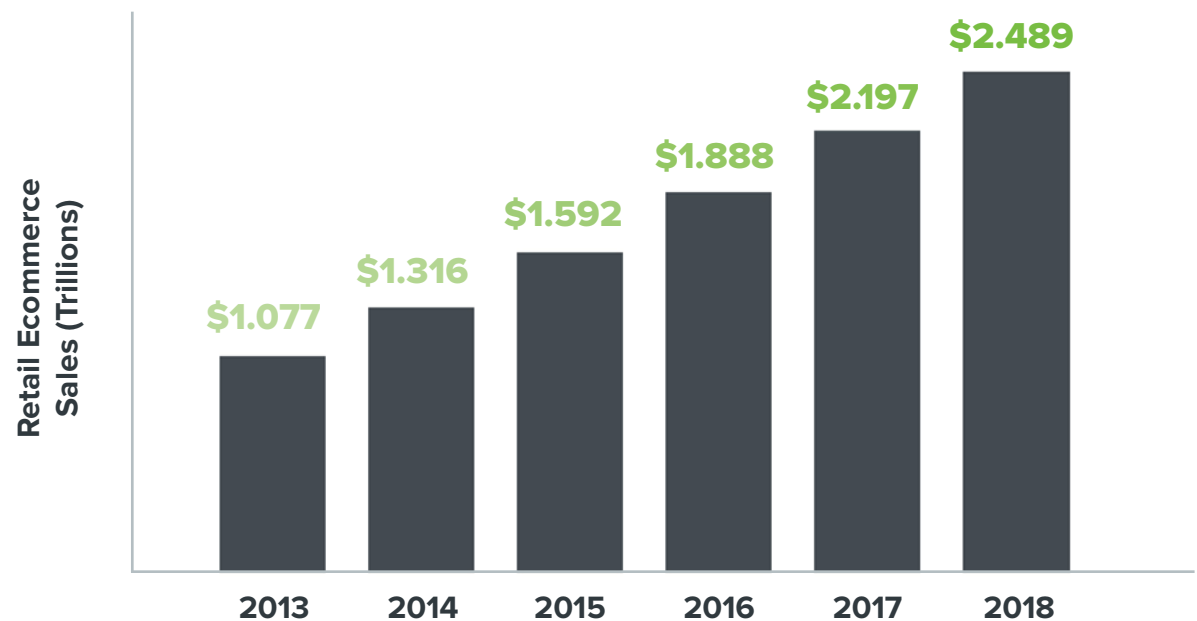
ore than two decades after the first secure online purchase, the bricks-to-clicks revolution continues to transform the world of retail.¹ Researchers forecast that digital commerce activity will represent 8.8% of worldwide retail purchases by 2018, up from just 5.1% as recently as 2013, translating to almost \$2.5 trillion in annual sales.²

8.8%

of all worldwide retail purchases will be digital by 2018.

Global Retail Ecommerce Sales

NOTE: Includes products or services ordered using the Internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets.²



¹ Spence, Peter. 2014. 20th Anniversary of First Online Sale: How We Shop on the Web. The Telegraph. Retrieved from <http://bit.ly/1AF6rIN>

² eMarketer. 2014. Retail Sales Worldwide Will Top \$22 Trillion This Year. Retrieved from <http://bit.ly/1F5NCWD>

This doesn't mean that physical stores are fading into irrelevance. Far from it, in fact. According to a recent A.T. Kearney *Omnichannel Shopping Preferences Study* probing the shopping behaviors and preferences of 2,500 U.S. shoppers--teens, millennials, Gen-Xers, baby boomers and seniors among them-- bricks-and-mortar locations remain the favored shopping channel.³ But make no mistake: Consumers don't look at physical and digital commerce as separate entities-- they see them as part of the same customer experience continuum. For example, physical stores frequently play a vital role in converting sales even if the transaction is ultimately completed online: Two thirds of respondents making digital purchases told A.T. Kearney they use a physical location before or after completing a buy, leveraging in-store visits to explore, learn and even have some fun.

Successful retailers recognize that all facets of the shopping experience-- both in the real world and its virtual counterpart-- are absolutely essential to driving customer satisfaction and building strong, long-lasting consumer relationships. They know shoppers demand an experience that is consistent and relevant, highlighted by quality service across each touchpoint. But understanding customer expectations and meeting (or, better yet, exceeding) them are two distinctly different propositions. That's why savvy brands are embracing a range of innovative tools like automated text analytics, omnichannel reporting and social advocacy to gain unprecedented insight into the consumer consciousness.

“Brands must realize that the best way to compete in the open market is by enhancing the customer experience. You have to deliver at a level that's higher than you ever have before.”

- **Lonnie Mayne,**
President at InMoment

³ A.T. Kearney. 2014. Omnichannel Shopping Preferences Study. Brown, M., Moriarty, M., & Mendoza-Pena, A. Retrieved from <http://bit.ly/1EgLG0v>

Integrate your retail channels now, not later.

A true omnichannel experience— one that integrates a retailer's online, in-store, mobile and social presences— is essential to nurturing an intimate connection with customers and differentiating brands from the competition. Consumers want engagement across the physical and digital segments. According to a recent Forrester Consulting survey, 71% of shoppers expect to view in-store inventory online, and 50% expect the option to purchase an item online and pick it up from a nearby retail location.⁴ But most retailers are lagging behind the curve. Only a third of retailers in the Forrester study had even implemented basic services like cross-channel inventory visibility and store-based fulfillment.

Retailers who continue to ignore the omnichannel opportunity threaten to alienate a significant chunk of the consumer population. Thirty-nine percent of survey respondents said they are unlikely or very unlikely to visit a retail store if its e-commerce site does not offer physical store inventory data.

71%

of shoppers expect to view in-store inventory online.


50%

of shoppers expect the option to purchase online and pick it up from a retail store later.

33%

of retailers have implemented basic services like cross channel inventory visibility and store-based fulfillment.

⁴ Forrester. 2014. Customer Desires vs. Retailer Capabilities: Minding The Omnichannel Commerce Gap. Retrieved from <http://bit.ly/1DSiLWh>




The omnichannel experience is equally vital to sending shoppers home satisfied. Asked by Forrester how they would respond if a desired item is not in stock at the store they're visiting, 45% of shoppers said they are still very likely to purchase the product in-store, provided the retailer is willing to ship it to their residence for free.⁵ By comparison, 23% said they are very likely to buy the item online from home at a later time, and just 12% said they are still very likely to purchase the product in-store and have it shipped if the retailer slaps on a shipping fee.

This is the new world of shopping. Retailers have two choices: Adapt or face declining profitability.

“Shopper sentiment and behavior drivers are a little bit different for each brand. For some it’s about availability of product in-store, for others it’s about associate friendliness,” Mayne says. “But all people who say ‘I’m not going to shop online – I want to shop in your store’ are really saying ‘I want an incredible experience. I want you to have the inventory, and I want you to treat me a certain way.’”

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⁵ Forrester. 2014. Customer Desires vs. Retailer Capabilities: Minding The Omnichannel Commerce Gap. Retrieved from <http://bit.ly/1c5TzW6>

Leverage new technologies to create a more seamless customer experience.

Retailers like consumer electronics, appliances and furniture dealer hhgregg, which operates in 227 stores across 20 U.S. states, are turning to customer experience reporting solutions, voice-of-the-customer programs (VoC) and other cutting-edge technologies to more effectively manage and improve the omnichannel environment. Email surveys, website feedback tools, social media dialogue and other interactions all offer invaluable perspective into what customers feel about a retailer— and why.

“[VoC] has really helped with the speed at which we gain insights into different customer experiences, whether that be in-store, web, delivery or pickup in-store,” says Rob Brown, hhgregg’s director of customer insights. “We have a much better understanding of the customer journey and how well we interact with our customers at each step of that journey— for example, these tools allowed us to better understand the buy online/pickup in-store experience, which is one of the fastest-growing areas of our business. We were able to make improvements both online and in-store to make this a more seamless experience.”

Brown adds that hhgregg is leveraging shopper data to better understand different demographics within its consumer base, in turn optimizing the customer experience according to the different behaviors, preferences and expectations of each group. For example, hhgregg recognizes that baby boomers prefer to resolve customer service issues via telephone, while millennials favor handling problems through digital channels or posting concerns across social media outlets. The company is now prepared to respond to each customer category the way it wants.

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Listen to customers, and act on their feedback.

The growth of social media platforms like Facebook and Twitter alongside consumer review sites like Yelp illustrates that consumers of all ages and all backgrounds want to share their stories with the world at large. Forward-thinking retailers should listen carefully to what their customers have to say across these channels. Moreover, they should probe even deeper into the consumer psyche, implementing social advocacy and leveraging reviews that not only give shoppers a voice but allow them to tell their stories wherever and however they feel most comfortable.

Mattress Firm, a bedding retailer operating in more than 1,700 locations across 37 states, responded to this challenge by rolling out real-time customer feedback and survey services closely tied to its home delivery processes. “Positive feedback is as valuable as negative commentary,” says Joe Paviglianti, Mattress Firm’s vice president of store administration, explaining that five-star reviews can illuminate procedures and behaviors that should be replicated across the entire company. In the event of a negative experience, Mattress Firm can pinpoint exactly where and how the process went awry, suggesting course corrections that stores can apply before the next delivery occurs.





While these customer interactions can shed new light on virtually any facet of a retailer's business, Paviglianti says brands must be thoughtful and judicious when soliciting feedback. "Retailers need to be very sure of the information they're asking for, so it doesn't get watered down or muddled," he says. "It must be very succinct and clear in terms of the information you're trying to obtain, and you must respect and honor the the time commitment that you're expecting from the guest."

Retailers also need to foster an environment where customer feedback translates into tangible changes and results. Customers want to know that their feedback has been heard and that changes will be made accordingly.

Paviglianti says, "You also need a business culture that is established, built, and created to look forward to this feedback in a positive manner so that they can continue to improve the guest experience – it has to be a culture open to learning and reacting without any degree of defensiveness or data denial."



Be **agile** - and be **bold**.

The omnichannel world is a world in constant flux. New devices, new digital services and new forms of communication emerge seemingly every day, and as technology evolves, customer expectations evolve in kind. Retailers must remain flexible, reacting quickly and intelligently to these rapid changes. They must also remain unwavering in their commitment to the omnichannel opportunity. The brands that will survive and thrive in the years ahead are those who embrace this new retail landscape. Those who run away from it will run themselves into the ground.

“Customers have a platform to speak to the world if they have a bad experience, so there’s fear that has crept in. The best-in-class companies are saying ‘Let’s get ahead of the fear. Let’s change the way the game is played,’” Mayne says. “You’re already seeing some incredible executives step up and do this. They’re saying ‘We’re only in business because of our customers. Let’s listen to them.’ Boldness is what it takes to win in an open market. Successful companies are bold. Be bold.”

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EVERY EXPERIENCE MATTERS

InMoment helps businesses improve customer retention and increase profits through listening, understanding, and sharing customer stories. Our Voice of Customer (VoC) solutions arm brands with real-time, actionable insights for customer experience (CX) improvement at all organizational levels.

We are a full-service partner, providing leading-edge technology, strategic guidance, market insights, predictive analytics, dashboard reporting software, and an unparalleled social media advocacy solution to more than 300 top brands. Our international presence covers more than 90 countries and 45 languages.

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