



The Retailer's Guide to Investing In An Automated Shopper Assistance Platform

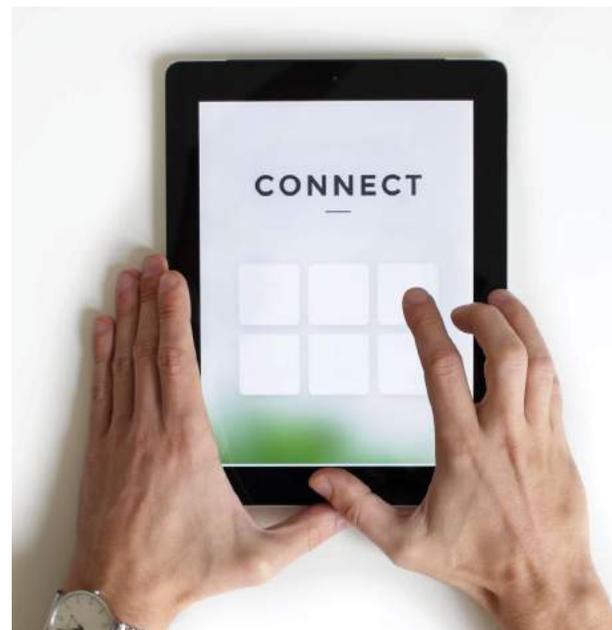
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Welcome to the age of the (hyper-connected) customer

The pendulum has swung a mighty long way from Henry Ford famously saying that customers could have one of his cars in any color they wanted as long as it was black. Today's shoppers expect brands to not only to provide all the colors (even letting them personally take the reins on customization a la Nike's "By You" sneakers or Bite Beauty's Lip Labs), but they want to be able to order when they want, engage with you on the channel they want and access on-demand customer support options that fit their specific preferences. They're also expecting all brands to give them the experience that industry disruptors such as Amazon offer (fast, free shipping, automatic reorders, unprecedented choice, instant answers, etc.) as the new normal. In fact, keeping your customers depends on it, with brands that provide a multi-channel customer experience (CX) [dramatically outperforming](#) those who don't when it comes to retaining customers year over year. And a customer retained, as any savvy retailer can tell you, is [much more valuable and cost-effective to service](#) than a new customer gained.

To understand what's driving this unprecedented customer power, you need look no further than the nearest smartphone. By 2022, [Cisco predicts](#) that the global number of internet-connected devices will soar from 18B (the number in 2017) to 28.5B. As [eMarketer reports](#), 77% of executives believe that the internet and consumer apps are setting a new benchmark for customer experience and 93% of business leaders globally say technology had changed customer expectations over the past five to 10 years. The internet never closes and users are able to access and engage with their favorite apps whenever and wherever they want. They can swipe



right while sitting in traffic or post a selfie while standing in line at a hot new brunch spot. They're used to the internet's ubiquity and at-will engagement and these expectations now apply to their interactions with retailers. Put another way, in order to win customer loyalty, your CX needs to be up to par with the UX of your target market's favorite platforms. Brands are getting this message, with 45% telling Adobe and eConsultancy that [improving their CX](#) was one of their top strategic priorities for 2018 - 2019. But their capacity to act on it is in doubt. Forrester finds that almost 90% of executives whose mandates include CX [say their organization isn't well-equipped to measure the ROI of CX efforts](#). Forrester further predicts that 20% of brands will give in to frustration and actually abandon strategic CX efforts in 2019 and turn to price cuts as a short-sighted strategy to improve market share.

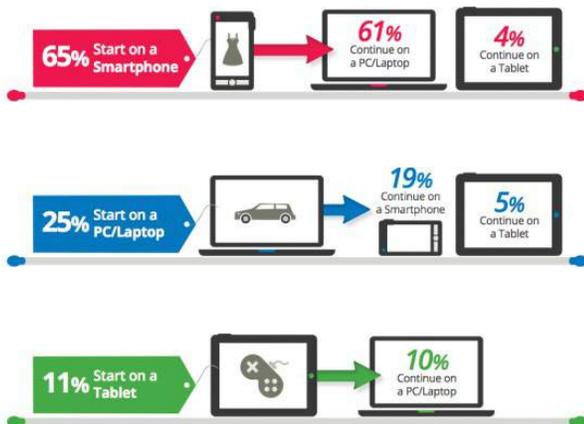
So if delivering outstanding customer experience is both a huge opportunity and challenge facing brands today and most brands recognize it as such, why are the majority still struggling to meaningfully improve their CX?

The answer lies in the customer journey and their ability to adapt to its evolution.

Multi-channel personalized customer journeys are the new reality

The linear customer journey—a straight line from research to engagement to purchase where everything hinges on conversion and where the brand shepherds the customer along a particular path—is dead. Today’s customer journey looks more like creating a landscape of physical and digital touchpoints across which your customers will roam, choosing when and where they’ll interact with your brand. Your job is to provide the GPS for this journey and ensure that each interaction they have with you as they traverse this landscape of touchpoints is both seamless and consistent.

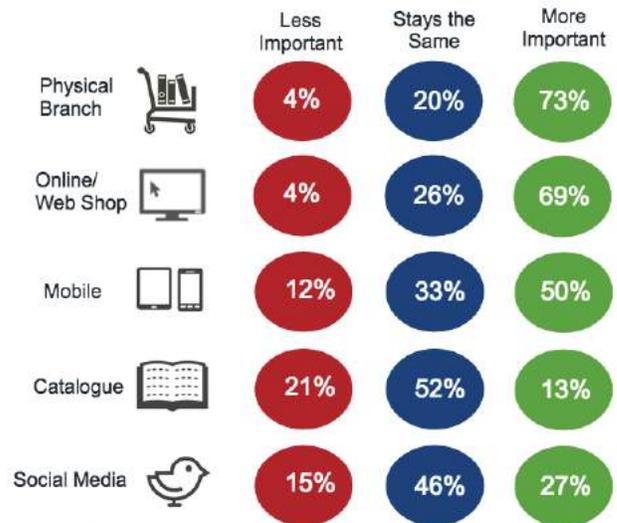
Consumers take a multi-device path to purchase



Source: B2B Business Community

Creating this landscape requires bridging functional silos such as marketing, logistics, customer service, social and ecommerce within your organization. While each functional area may use different tools and getting these tools and the people who use them to talk to each other is often difficult, it’s ultimately the customer who suffers if you can’t find cohesion. The new multi-channel CX landscape demands a seamless integration and

hand-off between each stopping point on the customer journey and the platforms that power it. The customer shouldn’t feel as if they’re crossing a border into foreign territory when they interact with different aspects of your business. And tolerance for subpar customer care is non-existent. Over 80% of consumers claim that they’ve left a brand after a single negative experience.



Source: Omnichannel Marketing

Go holistic or bust: The need for an integrated CX approach

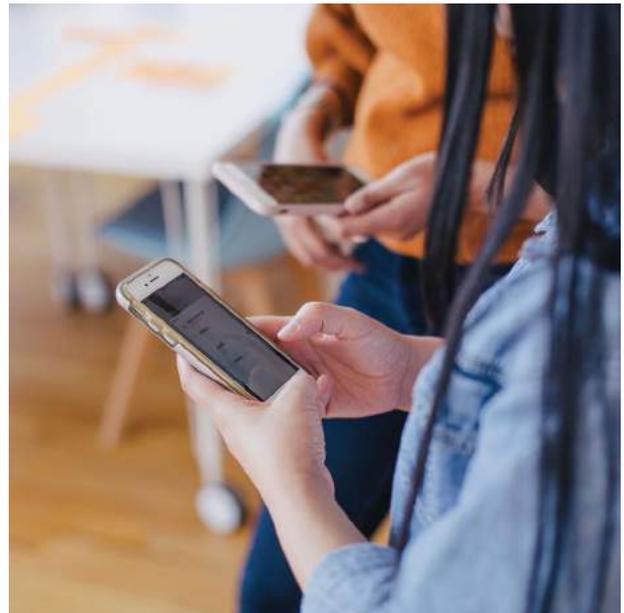
The need for retailers to have a single customer view to ensure a consistent positive experience across all the channels via which they interact with shoppers has only grown more critical as the number of channels and the volume of customer data generated has increased. Aggregating and analyzing customer data and using it to tailor your customer engagement efforts was simpler when shoppers were only coming into your physical storefront, calling your 1-800 number or ordering from your seasonal catalog. Today, they’re also tweeting at you, asking Alexa to reorder more of your product and signing up for text notifications about shipping status. The number of touchpoints

an average customer has with your brand before they purchase [is increasing](#), along with the pressure to create a seamless, integrated experience across these touchpoints. The push to gather all of the related fragments of customer data together into a single view has become more urgent than ever and silos are no longer an option. Shoppers won't tolerate interactions that exist in a vacuum, where they're forced to continually repeat their query or reference their order details as they're bounced from one contact point to another. They're seeking smart, personalized and seamless experiences that are able to effectively meet their needs quickly. Delivering to those needs requires that your customer care efforts be coordinated and highly contextual.

Prove you care: Leveraging CX as a competitive advantage

According to Gallup, [engaged customers represent a 23% premium](#) over average customers when it comes to wallet share, profitability, revenue and relationship growth. Engaged customers buy more from you, they buy more often and they're more likely to recommend your brand to others. But profitable engagement doesn't come cheap. This is especially true in retail, where managing customer care costs across the ever-expanding landscape of engagement channels is top of mind. While retailers will spend exponentially more to acquire a new customer than to keep an existing one, taking care of an existing one can still be pricey: our own research shows that [55% of retailers report that they're experiencing an increase in customer care costs](#). Pair this with the increasing competitive pressure and you can easily see why the retail industry as a whole is looking to crack the code on cost-effective customer engagement.

Given the growing HR costs associated with customer care and the fact that dramatically increasing headcount is not financially viable for most retailers, many are looking to automation to better serve their customers. Self-service options, like an FAQ or knowledge base, are a good first



step, but they solve less than 10% of a customer's needs. The most common pain points— help with a return or exchange, updates on order status— require a more guided, two-way interaction between the brand and the customer. Brands that realize this are turning an eye to AI as a cost-effective, scalable way to meet customer expectations and animate that new customer journey landscape. Done right, customer care automation allows you to leverage the data you have about customers to personalize and contextualize their experience with you across channels. This means that your automated assistant is able to draw on your integrated customer view to know what a particular shopper has bought (and returned) in the past and what shoppers of a similar profile have bought. It can cross-sell and upsell and suggest complementary products or repurchases of past orders based on the customer's own history. Smart customer care automation makes your shopper feel known and valued by your brand, which fosters brand loyalty, longer retention and increased customer lifetime value—the lifeblood of modern retailers.



Automated Shopper Assistance: What is it and why does it matter for retailers?

Simply put, automated shopper assistance and customer care bridges traditionally siloed systems like customer service, social media management, logistics systems, ecommerce platforms, and email marketing by using AI to engage with customers across channels. Given that well over half of customers' questions are standard queries, they're well-suited to be handled by a chatbot or automated assistant instead of an employee paid to triage customer care interactions. This means that retailers can dramatically reduce customer care costs while increasing customer satisfaction by leveraging automation to handle routine inquiries and questions.

It's critical, however, to use purpose-built customer care AI that relies on algorithms and real-world data for training, and offers specialized ecommerce workflows, robust scalability, natural language understanding and is equipped to resolve inquiries involving other systems. Generic AI won't do; a platform needs commerce capabilities that allow AI to tackle order status questions and offer tracking updates, notifications, reorders and

guided returns and exchanges across the channels customers prefer.

Get this right and AI can handle over 70% of customer requests, from order status updates to returns and reorders, all on the customer's channel of choice.

Not a people problem: Why customer care can't be solved with more human resources

While hiring more (trained) human agents may seem like an obvious fix to offer better customer support to a greater number of customers, this approach to solving for CX excellence is short-sighted at best. A McKinsey survey of leading customer care executives found that [40% expect inbound customer care call volume to drop significantly over the next decade, perhaps even to zero](#). Increasingly, customers are choosing digital self-service options to manage their engagements with a brand and leading brands are using automation to make it as easy as possible for shoppers to interact with them before, during and after a purchase.

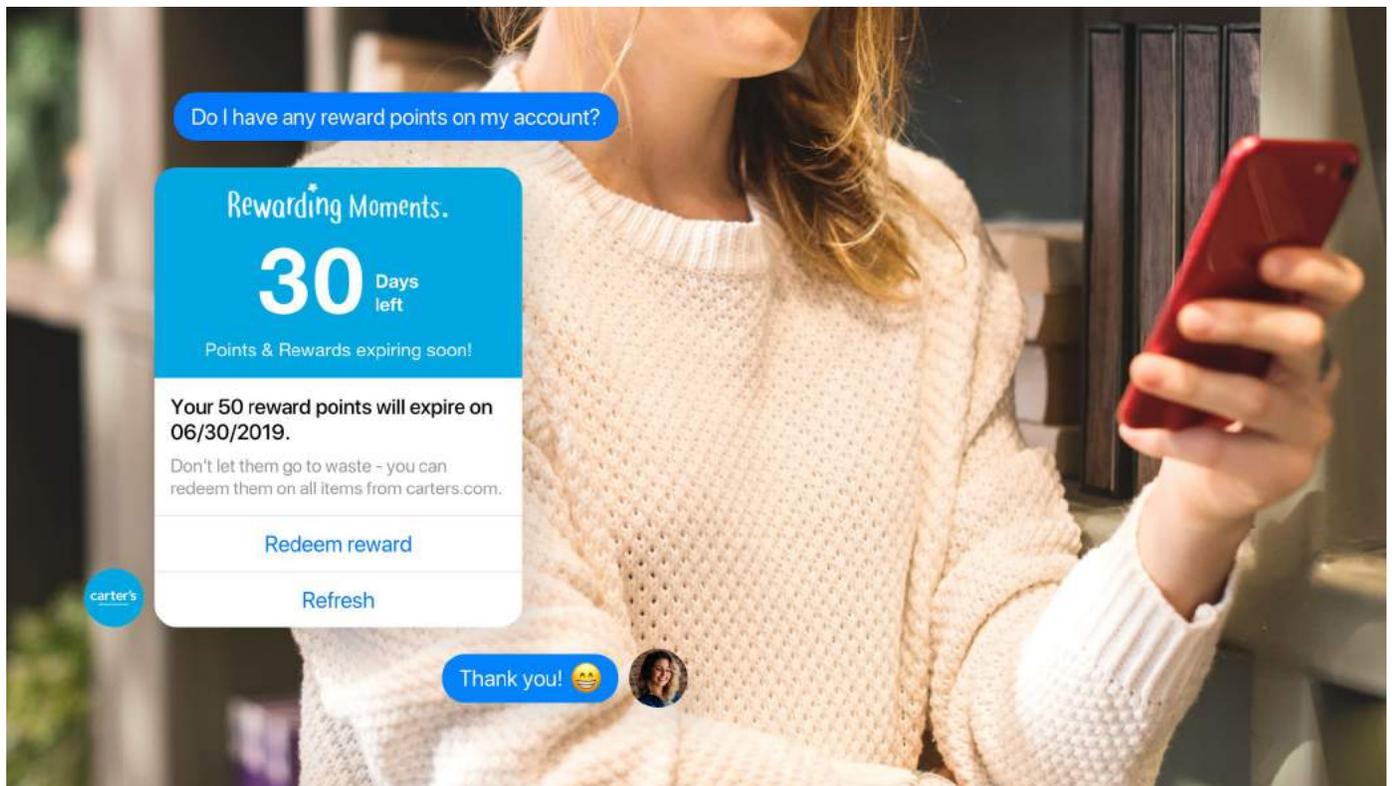
Additional research from McKinsey shows that shoppers who begin and end their customer care journey on digital channels report a 19% higher satisfaction rate than those who rely exclusively on traditional channels. Early [reports](#) from chatbot sentiment analysis also showed that customers are just as satisfied with their automated experience when compared to interacting with a human agent.

Add in the fact that automated shopper assistance neatly sidesteps issues of human error and personnel overhead costs and delivers real-time engagement with no lag in response—in the case of voice platforms like Google Assistant, for example, a customer can get an answer on the status of their delivery in 10 seconds, or arrange a return in about 30 seconds—it becomes clear that customer care automation is infinitely more flexible, scalable and cost-effective than staffing more contact centers.

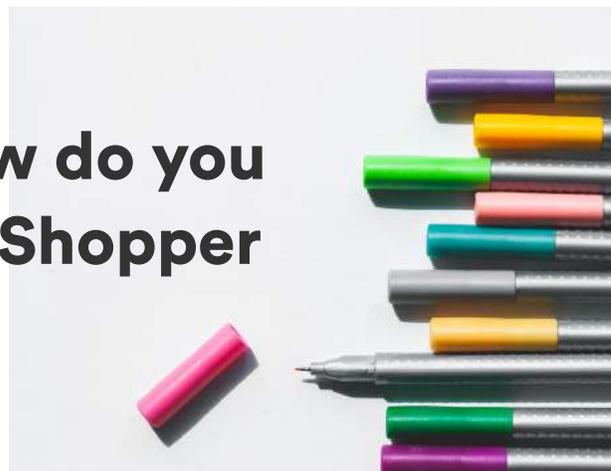
Get aligned: Meeting customer expectations with technology

The process of brands migrating to where their customers are instead of just trying to attract customers to them has been happening for a number of years. At first, this meant building ecommerce websites, then mobile sites, then (at least for a hot minute) mobile apps and, following that, amping up social efforts, but now leading retailers are expanding their scope beyond devices and many have realized that emerging channels like voice are prime real estate on which to connect with shoppers. They're ready to engage their customers in conversation on the customer's preferred terrain. Not all engagement is created equal, however, as anyone who has had a brand's Twitter account eagerly jump into their mentions when they've tweeted something about burgers or shoes or has tried to leave a voicemail for a Millennial only to be met with crickets in response can attest.

Critically important to successfully deploying customer care automation is aligning how you're using automation with the types of automated experiences your customers want to have. For example, research from Salesforce indicates that when it comes to getting quick answers to simple questions and getting 24 hour service, [customers prefer dealing with chatbots](#) over apps or email. If your brand serves the aforementioned Millennials, you should be well aware that they vastly prefer text as their customer care channel of choice over calling your 1-800 number or sending an email. And, regardless of channel, 64% of customers say they [expect to receive real-time assistance](#) to resolve their customer support inquiry. Shoppers might not want to purchase a Tiffany necklace via Amazon's Alexa (at least not yet!), but they also don't want to have to fill out a paper form to initiate a simple return or call a contact center to have a live agent walk them through the exchange process if the sweater they order doesn't fit.



Getting the goods: How do you evaluate a Automated Shopper Assistance platform?



Cultivating potential loyal customers over one-time purchasers is the key driver for reimagining the retail CX relationship between buyer and brand. Increasing the number of customers and retaining them requires rethinking the customer journey from something linear and conversion-focused to more holistic model of engagement and two-way conversation with the customer and having that customer's expectations and channel preferences drive your interactions with them. shopper assistance AI isn't a magic bullet that solves all of your CX challenges, but the right AI deployed strategically is a powerful tool for creating and sustaining profitable customer relationships.

So how do you choose the right automated shopper assistance platform to help your brand achieve these ends?

Think beyond post-purchase

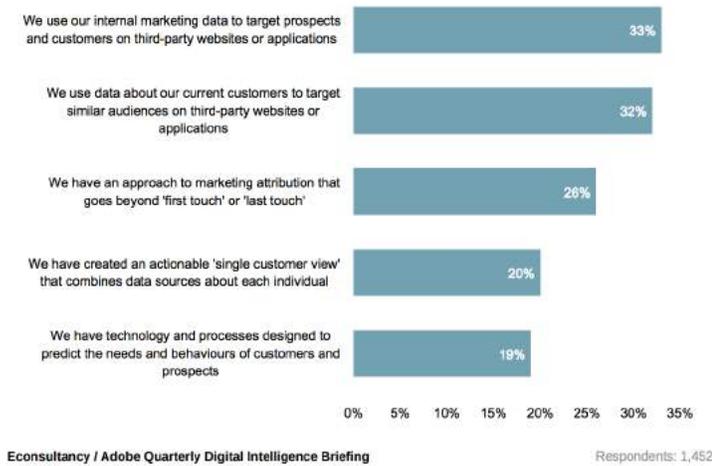
One of the biggest mistakes we see retailers make is failing to think about post-purchase as one state in larger, holistic relationship with their customer. Instead, retailers treat post-purchase as a stand-alone set of potential interactions that they can optimize in a vacuum. They invest in one or more point solutions that are meant to handle one aspect of post-purchase (logistics, order lookup, live chat, email, etc.) well and then feel like their work is done. Unfortunately for these brands, simply optimizing individual post-purchase touchpoints and attempting to string them together doesn't get to the heart of meeting evolving customer expectations and doesn't build

the customer loyalty that leads to greater profitability.

Automated Shopper Assistance makes it possible to deliver a seamless and personalized customer experience across channels. Unlike with individual point solutions, all customer data resides in a single record and can be leveraged to inform each subsequent engagement with your brand. An automated customer engagement platform is also able to share data in real-time with other systems within your customer care tech stack. An automated assistant can walk your customer through the process of initiating a return, while also using the information on previous successful purchases to recommend replacement items that might be a better fit for the buyer's tastes.

In contrast to point solutions that come with prebuilt features meant to address specific use cases and channels, customer care automation uses a modular architecture that enables its automated assistant to easily add additional capabilities and services as needed. You can deploy automation across social, SMS, live chat and voice assistant and feel confident that customers will receive a consistent experience and that the automated assistant is equipped to handle a range of customer service support including post-purchase support, loyalty program assistance, product recommendations, reordering, etc.

Figure 2: Which of the following apply to your organisation?



Source: Econsultancy / Ben Davis

Key questions to ask when investing in a Automated Shopper Assistance platform

While we hope we've made a clear case for how and why automated shopper assistance can create a distinct CX advantage and help retailers cut costs and increase customer lifetime value, not every customer care automation platform is created equal. As you embark on the search for a platform that meets your brand's needs, here are a few key questions to ask about potential solutions:

- **Does it integrate with and enrich your current CX tech stack?**

For an automated assistant to be truly effective, it needs to be connected to the specific tools it can use to solve a customer's problem in the moment. That means connecting it to order management, customer data, product information, etc. Customers expect a clear path to problem resolution when they interact with your brand, so your assistant should be equipped with the resources it needs to deliver that.

Context is king. Any solution you invest in should be able to pass information back and forth between the other systems you use to house customer data in order to both provide

context to a given customer interaction (current and past orders, previous conversations) and help to build out a richer single customer view. Only 20% of marketers [say their brand has an actionable single customer view](#), so anything you can do to gather more customer intel is critically and competitively important. Customer care AI interactions are a rich and largely untapped source of info to build out this view. In those engagements, you're learning how shoppers talk about and describe your products, what their most common post-purchase questions might be, how frequently they check for shipping updates, etc. If a particular platform doesn't integrate, it isn't worth your time.

- **Can you easily add new skills or functionalities?**

As new customer engagement channels emerge (just wait for VR to truly catch on!) and emerging ones gain more traction, you should easily be able to add additional skills and functionalities to your customer care automation platform, depending on your brand's particular needs and the behaviors and preferences of your customers. Look for a solution that is built on a modular architecture that allows you to easily customize and scale to cover your most common and profitable use cases today and in the future.

- **What does the automated assistant training process look like?**

Lack of appropriate pre-deployment training is one of the key sources of failure for brands that rushed too quickly to embrace customer care automation technology without doing their homework. Training an automated assistant isn't necessarily a smooth process and simply turning the assistant loose and hoping for the best doesn't end well. Just ask Microsoft. When the tech giant launched Twitter chatbot Tay, [it took less than a day for Twitter users to turn the innocent bot into a vocal racist](#).

Assistants need exposure to real (or seemingly real) customer interactions in order to learn and they need them in large volume. Subjecting customers to a poorly-trained or under-trained assistant that delivers an unsatisfactory experience can have long-term consequences for your brand. Over 80% of shoppers report that [they've left a brand after a single negative experience](#), with 55% saying it was the inability of a company to solve their issue in a timely manner that prompted them to leave.

regress anytime soon. Instead, seamless, contextual experiences will become more ingrained as the norm, with brands pushed even harder to go above and beyond to differentiate themselves from the pack. You want to work with a vendor who gets this and is constantly refining and enhancing their solution to meet evolving customer expectations—smarter, more intuitive AI, more robust and useful integrations, additional skills and functionalities to cover emerging channels. You want a customer care partner, not a plug-and-play solution seller.

One Bad Experience Can Cost You



82%

of respondents have **stopped doing business** with an organization due to a poor customer experience



Source: TechCrunch / Lora Kolodny

- **What is the payback period and where is ROI coming from?**

To quote Cuba Gooding in Jerry Maguire, "Show me the money!" A best-in-class customer care platform should help you cut customer care costs, reduce returns and lead to increased profitability by facilitating cross-selling, upselling and automatic reordering, so don't be shy about pressing vendors for benchmarks based on previous implementations. You want to hear about reducing service costs by 25%, converting returns to revenue in almost 15% of cases, offering upsells that yield close to a 20% CTR by using purchase history and driving a nearly 40% opt-in rate for branded notifications. Don't buy in without a clear, compelling, well-substantiated business case.

- **What does the vendor's roadmap look like?**

Once we get used to a new, technology-enabled way of being, backtracking comes to feel strange and painful. Imagine the last time you had to drive to a restaurant you'd never visited before while on vacation in a new city. Now imagine how that same experience would feel without Google Maps at your fingertips calmly guiding you through each turn. With behemoths like Amazon continuing to shape expectations around price, inventory availability, shipping speed and simple reorders and returns, customers' already lofty expectations for brands aren't likely to relax or



Conclusion: Change and be changed

"I Want It That Way" is more than a high-profile entry in the vaunted discography of The Backstreet Boys, it's the mantra of today's retail consumers when it comes to how they deal with brands like yours. And by "that way," they mean seamless, contextual, personalized, real-time interactions on the channels they prefer, when they prefer it.

Our daily relationship to our devices has changed how we communicate as a culture. To succeed in the age of the customer, retailers need to respond to these changes. The good news is that the same technology that is shaping an evolution in customer expectations is the foundation on which you can build your next-gen CX. Customer care automation offers brands the opportunity to leverage their customers' relationship with technology to build better relationships with the customers themselves. The channels and mode of engaging with consumers may be changing right before your eyes, but the enduring power of building lifetime loyalty and passionate brand advocacy has never been more important and the benefits never more clear.