



The Future of Retail Is Now: Optimize Customer Satisfaction Through AI-Driven Strategies

GUIDE



John Swain
VP of Account Management, iQor

Susan Halvorsen
VP of Channel Partnerships
and Business Development, iQor



Retail

© 2023 iQor. All rights reserved.
www.iqor.com



Today's digital-age customers have a stronger voice than ever, which is why retailers are investing in transforming their teams and operations to build a customer-centric culture.



Technology plays a transformative role in this pursuit of exceptional customer service, and generative artificial intelligence (AI) is at the forefront of this revolution.

The COVID-19 pandemic uprooted the **retail industry** at every juncture, from supply chains to inventory management to staffing. With fewer in-person shopping experiences, retailers turned to digital for creative strategies to meet customer demand. The cultural shift of the pandemic converged with the Digital Era to forever change the face of retail and create opportunities for retailers to thrive in a new world.

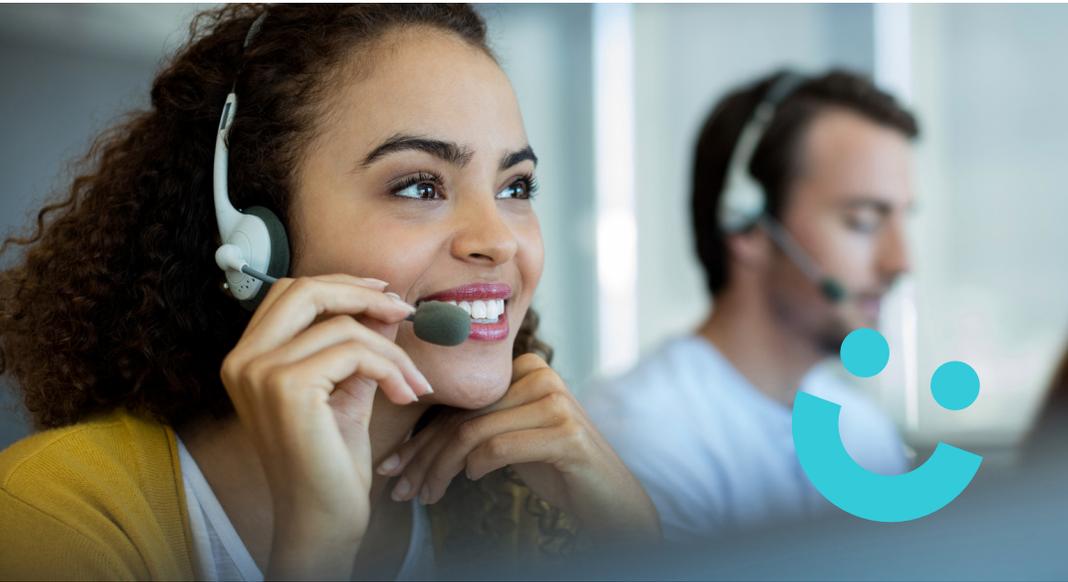
Today's digital-age customers have a stronger voice than ever, which is why **retailers** are investing in transforming their teams and operations to build a **customer-centric culture**. A culture that revolves around understanding and catering to the customer's desires fosters stronger connections for both employees and customers, creating a unique and memorable shopping experience. This approach boosts sales and forges lasting relationships with customers, reinforcing brand loyalty and differentiating your retail brand from competitors.

Though **eTail** is far from new to consumers, the **digital transformation** has merged traditional brick-and-mortar with digital eTail in groundbreaking ways. Technology plays a transformative role in this pursuit of exceptional customer service, and generative artificial intelligence (AI) is at the forefront of this revolution. Generative AI empowers brands to craft an immersive and personalized shopping journey that drives successful outcomes while nurturing loyal customers who are more likely to return for repeat purchases and become brand advocates, spreading positive word-of-mouth that can significantly impact a retailer's reputation and bottom line.

With this knowledge, retailers increasingly recognize the immense opportunities for growth in optimizing customer service performance. By placing the customer's needs at the heart of every interaction, your retail brand can carve a path toward long-term success.

Learn More
About iQor's
Digital
 **CX**
Solutions





For 92% of customers, a positive customer service experience factors into their decision to make future purchases with a brand. – SuperOffice

Here we discuss how retailers are thriving by embracing a customer-centric culture and leveraging AI-driven digital transformation to unlock **contact center optimization** and build the future of customer satisfaction in retail.

Customer Service Is Key for Retailers to Stand Out in a Competitive Market

Customer service has significant power to boost consumer confidence and encourage loyalty over competitors—digital integration plays an important part in this at every step of the customer journey. For **92% of customers**, a positive customer service experience factors into their decision to make future purchases with a brand. In other words, delivering on expectations for exceptional customer service will create smile-worthy experiences for customers and generate strong returns for your bottom line.

Customers expect the convenience, speed, and efficiency of digitally empowered customer service—and brands across all industries are paying attention. According to research by **Metrigy**, customer experience (CX) is the number one priority for companies increasing their technology spending in 2023.

Understanding Customer Experience Trends Can Help You Reduce Friction and Boost Your Bottom Line

As retailers strive to remain competitive in today's digital landscape, understanding customer experience trends is crucial for success. By paying attention to the changing needs and preferences of customers, retailers can reduce and even prevent friction in their customer interactions and ultimately boost their bottom line.

Effective customer service strategies play a critical role in eliminating friction by reducing gaps and inconsistency throughout the customer experience. Here are five ways you can leverage customer expectations to build a customer service strategy that delivers a seamless omnichannel customer journey, builds stronger customer relationships, and drives long-term growth.

5 Proven Ways Retailers Can Optimize Their Customer Service Strategy for the Modern Era

1. Start with the data.

Using data analytics to identify your customers' expectations and behaviors can help you predict the most common issues that could lead them to contact customer service. This data can guide the

Ready to digitally transform your CX solutions?

Contact us today.



By paying attention to the changing needs and preferences of customers, retailers can reduce and even prevent friction in their customer interactions and ultimately boost their bottom line.

development of proactive solutions to reduce the volume of inquiries and improve customer satisfaction (CSAT). Data analytics can also guide the development of **machine learning models** that inform specific operational improvements based on your brand's needs.

By accurately gauging customer intent, retailers can provide the type of personalized support that creates smiles for shoppers in the Digital Age.

At iQor, we offer our proprietary interaction analytics platform **VALDI** as a service to help our clients mine every customer interaction for this type of valuable data. VALDI uses cloud computing, machine learning, and AI to provide fully customizable analytics guided by each client's individual and evolving needs. Our tailored approach makes VALDI powerfully effective in meeting the needs of the modern-day retailer for flexibility, personalization, effectiveness, and consistency.

2. Leverage a full suite of omnichannel support with self-service options.

Today's customers are independent, with **69%** saying they prefer to solve **simple issues on their own** rather than relying on traditional customer support channels. The most successful retailers offer comprehensive **omnichannel** support with self-service options such as chatbots, virtual assistants, FAQs, and other knowledge base resources. Effective omnichannel customer service improves customer satisfaction, reduces support costs, and improves the overall customer experience.

3. Prioritize data privacy and security.

While Big Data and cloud computing are important for providing personalized service, this **data must be kept secure**. Here are some reasons why security is especially important for the retail industry:



Subscribe to the

Digitally Irresistible
PODCAST



The most successful retailers offer comprehensive omnichannel support with self-service options such as chatbots, virtual assistants, FAQs, and other knowledge base resources.



- **44% of retailers** were attacked globally by ransomware in 2021, the hardest hit of any industry.
- **74% of consumers** say data privacy influences their decision to do business with a brand.
- The rapid evolution of new **financial technology (FinTech)** such as third-party peer-to-peer (P2P) payment options enables brands to provide flexible, convenient payment alternatives. Customers expect retailers to verify the legitimacy and security of these platforms before offering their services to guarantee that their money and data are transferred securely.

At iQor, we leverage a multi-layered security approach to guarantee that our client's data is always thoroughly insulated from security risks. Our dynamic approach to **zero trust** allows for unparalleled control and real-time endpoint protection. We leverage endpoint security that ensures compliance with all regulatory requirements and provides comprehensive safeguards to secure client data.

4. Empower frontline agents to resolve customer service requests without escalations.

Empowering customer service agents to resolve customer requests without escalations can bring multiple benefits to retailers. **Empowered frontline agents** can:

- Build trust and loyalty with customers by providing a consistent, convenient, and satisfactory experience.
- Reduce the workload of management and escalation teams so they can focus on other

important tasks.

- Demonstrate that retailers value their employees by trusting them to handle customer inquiries professionally.
- Boost agent job satisfaction, increasing the pool of tenured employees who provide the best quality service.
- Improve customer resolution times (CRT) and other key performance indicators (KPIs).

The rewards of equipping your agents with the tools to succeed are plentiful when the risks are well managed. In addition to creating a better experience for both your employees and your customers, the investment can result in quantifiable growth for your bottom line.

5. End with the data.

Trends and data are continually evolving. Retailers can gain a better understanding of what customers need over time by leveraging data analytics and asking customers directly what they want in a customer service experience. Regular surveys provide data to help inform **strategic email marketing** campaigns that offer additional opportunities for cultivating deeper customer relationships. By understanding the broader consumer culture and trends to gauge customer behaviors relevant to a brand, retailers can add more smiles to their customer service experience.

How the Rise of AI in Retail Facilitates Great CX Across the Customer Journey

In today's fast-paced and digitally driven world, **customer expectations** have evolved beyond simple transactions into experience-based shopping that

captivates their senses and emotions. In response to these evolving expectations, retailers are harnessing the power of **intelligent automation** to cultivate immersive customer experiences, and the rise of **generative AI** has emerged as a critical facilitator of the modern shopping experience. Many retailers are developing innovative strategies for integrating AI software into each touchpoint of the customer journey, revolutionizing how customers find relevant products, access information, make purchases, and resolve inquiries. Through AI-driven personalized recommendations, customers can discover products that align precisely with their preferences and needs.

AI tools allow retail brands to analyze vast amounts of customer data, enabling them to predict buying behavior accurately, tailor promotions accordingly, and boost **upsell and cross-sell** performance. AI tools are especially effective in the realm of customer service. AI-powered **chatbots** and virtual assistants provide real-time assistance, guiding shoppers through their purchasing journey and promptly addressing any concerns they may have. Integrating AI software into various omnichannel customer service options has proven instrumental in providing instant support that maintains frictionless CX.

Unlocking the Potential of Customer Lifetime Value: Why Retailers Are Betting on AI Tools in Contact Center Operations to Drive Loyalty and Revenue

Retailers are betting big on AI tools in their contact center operations because they understand that customer loyalty and CLV go hand in hand. AI is ushering in a new era of how retailers conduct operations in a competitive market, with one study anticipating an explosive 30.3% **compound annual growth rate** (CAGR) of AI in the global retail market from 2023 to 2033.

By prioritizing the entire customer journey and leveraging AI technology, you can provide exceptional service and support that create smiles with your valued customers. As a result, you stand to gain a competitive advantage while cultivating a loyal customer base that continues to generate revenue and contributes significantly to long-term brand loyalty.

How Contact Center AI Software Is Rewiring Customer Service in the Retail Industry

In the ever-evolving landscape of the retail industry, customer service stands as a critical differentiator for success. The future of contact center optimization is here, driven by AI, and it's transforming how retailers interact with customers in unprecedented ways.

AI Software for Optimizing Workforce Management

AI software is streamlining **workforce management** in retail customer service departments. Through predictive analysis, AI helps you anticipate call volumes and customer demands, enabling you to allocate resources more efficiently and improve the employee experience for both in-office and **work-at-home** (WAH) team members. This optimization ensures you have the right number of agents available at the right time, leading to reduced wait times and improved customer satisfaction. It also guides opportunities to improve training and **coaching** strategies.

Intelligent Call Routing and Prioritization Using AI Algorithms

AI algorithms are transforming **call routing** and prioritization. By understanding the context of customer inquiries, AI can intelligently route calls to the most appropriate agents based on their expertise, reducing the need for customers to be transferred between departments. Additionally, AI can prioritize urgent inquiries, ensuring that critical issues are addressed promptly and effectively.

Chatbots and Virtual Assistants for Self-Service Support

Chatbots and **virtual assistants** have become indispensable tools for providing **self-service support** to customers. AI-powered chatbots can handle routine inquiries, offer product recommendations, and process orders, freeing up human agents to handle more complex issues.

Natural Language Processing, Sentiment Analysis, and Emotion Detection

AI's natural language processing (NLP) capabilities



enable retailers to understand and interpret what customers need despite the many ambiguities and nuances of human language. Sentiment analysis allows retailers to gauge customer satisfaction levels and identify potential pain points, while emotion detection helps agents tailor their responses and provide empathetic support.

Predictive Analytics for Proactive Customer Service Strategies

AI-driven predictive **analytics** empower retailers to adopt proactive customer service strategies. By analyzing customer behavior and historical data, retailers can anticipate customer needs and preferences. This foresight enables you to proactively reach out to customers with personalized offers, recommendations, or assistance.

As AI continues to evolve, it will become increasingly essential for contact center optimization, driving retail success and ensuring lasting customer loyalty. The future is now, and the possibilities are endless with AI at the forefront of retail customer service transformation.

4 Essential Indicators That Prove the Success of AI-Powered Customer Service for Retailers

As many retailers embrace the power of AI in their contact center operations, they are witnessing significant transformations that directly impact KPIs. Here are four essential indicators that prove the success of integrating AI tools into call center operations.

1. Productivity

AI-powered customer service solutions have a direct impact on KPIs like CRT and average handle time (AHT). By leveraging AI, retailers can automate routine inquiries, enabling faster issue resolution and reducing the time human agents spend on repetitive tasks. This leads to improved CRT and AHT metrics, boosting **employee productivity**. Moreover, AI has the potential to redefine retailers' most prioritized KPIs by introducing new metrics that align with the personalized and efficient nature of AI-driven interactions.

2. Performance

Maximizing the employee experience is a crucial aspect of successful AI-powered customer service. By automating repetitive tasks, AI software frees up agents to focus on more complex inquiries that require human touch and expertise. This performance optimization results in improved job satisfaction among agents, as they can now spend more time addressing customers' unique needs and concerns. Reduced redundancy leads to increased efficiency and concurrency, ensuring that agents can handle multiple interactions simultaneously, further boosting performance.

3. Personalization

AI-driven customer service is all about providing personalized experiences to customers. Through



advanced natural language processing and sentiment analysis, AI can understand each individual customer's needs and preferences. This enables retailers to tailor interactions and resolutions based on the specific requirements of each customer, making them feel valued and understood. **Personalization** fosters stronger connections with customers, driving **brand loyalty** and repeat business.

4. Profitability

AI's impact on customer service extends beyond customer satisfaction; it also leads to increased operational efficiency and cost savings. By automating routine tasks and streamlining workflows, retailers can optimize their resources, ensuring that agents are utilized efficiently. This leads to cost savings and boosts **profitability**. Additionally, by delivering exceptional personalized experiences, AI-powered customer service drives customer loyalty and retention, translating to higher customer lifetime value and increased revenue over the long term.

AI Tools in Empowered Employee Hands: 5 Best Practices for Success in Your Retail Brand's Contact Center Optimization Strategy

As the retail industry continues to embrace the transformative potential of AI in customer service, a successful contact center optimization strategy is crucial for delivering exceptional customer experiences.

Empowering your employees with the right tools and practices ensures that AI becomes a catalyst for improved performance and customer satisfaction that yields the best return on investment (ROI). Here are some best practices to guide your retail brand's journey toward an AI-driven contact center optimization strategy.

1. Invest in the right tools.

Choosing the right AI tools requires a crystal-clear understanding of your retail brand's needs and objectives. For some brands, **point solutions** are suitable to address specific tasks or processes, offering streamlined implementations at a lower initial cost and with quicker results. For others, enterprise platform solutions are best suited for offering scalability, centralized control, and adaptability through a comprehensive ecosystem that integrates multiple automation functionalities under one roof. Consider beginning your search with your incumbent enterprise platform solution providers to explore their current capabilities and gain insight into their product roadmap. While investing in new AI solutions always involves an initial cost, the return on investment for integrations tailored to your retail brand will be significant as streamlined operations elevate your level of customer service and contribute to customer lifetime value.

2. Empower your teams through training.

Empowering your employees to effectively utilize AI

tools goes beyond investing in software and equipment. It's essential to provide comprehensive training to your teams, enabling them to harness the full potential of AI platforms. Ongoing training ensures that your staff stays updated with the latest functionalities, allowing them to provide exceptional service and support to customers.

You can also harness AI to help inform and power employee training and coaching sessions. **AmplifAI** is an AI-driven software as a service (SaaS) platform that enables iQor to improve the performance of frontline associates for a number of our clients by optimizing coaching strategies. It saves supervisors significant time by analyzing data and providing actionable insights, empowering them to manage agent performance at scale through personalized recommendations for coaching for individual agents as well as leadership. With AmplifAI's intelligent automation, our teams can focus on creating human-to-human interactions that drive irresistible customer service.

3. Integrate AI into existing processes.

A successful implementation of AI in your contact center requires a balanced approach. Instead of reinventing the wheel, focus on integrating AI into your existing processes and operations. Foster open communication between teams, allowing IT and operations to provide valuable input on the optimal implementation of AI technology that provides a seamless customer experience.

4. Update your customer service strategy.

AI technology offers the opportunity to evolve your customer service strategy to align with the expectations of today's digital age shoppers. Consider personalization, omnichannel support, and quick issue resolution as key components of your updated strategy. Tailor your approach to cater to the preferences and needs of your target consumer, strengthening your brand-customer relationship.

5. Monitor performance and results.

To continually improve your AI-powered customer service, monitoring performance and results is crucial. Regularly evaluate **KPIs** to assess the effectiveness of

your AI software. Analyze customer feedback and interactions to gain valuable insights and identify areas for improvement. By doing so, you can refine your AI strategy to remain relevant and impactful.

Unlock the Potential of AI by Harnessing Cutting-Edge Tech and Human Solutions to Drive Your Retail Brand's Success

The digital age has transformed the way people shop and interact with retail brands. Those retailers who responded to these transformations with adaptability and innovation are thriving. By embracing cutting-edge CX technology, retailers can provide a seamless and **personalized experience** that meets the needs and preferences of their customers. Additionally, excellent customer service and employee training can make a significant impact on the success of retail businesses. Engaging these new opportunities with a flexible, strategic, and humanized approach provides retailers unlimited potential for unlocking future growth.

As technology continues to evolve, the retail industry stands at the cusp of a transformative era where AI-driven experiences will redefine the customer journey. Retailers embracing these innovations are positioning themselves to exceed customer expectations, forging lasting connections with consumers and creating opportunities for growth in an ever-competitive market. The future of retail belongs to those who can effectively leverage AI at every step of the customer journey to deliver seamless, personalized, and captivating experiences that leave shoppers coming back for more.

Experience the iQor Difference

We invite you to take the next step in your business's success story through a strategic partnership with iQor, a global leader in **business process outsourcing** (BPO) solutions. iQor provides a comprehensive suite of full-service and self-service scalable offerings and AI-enabled solutions that are purpose-built to deliver enterprise-quality CX that elevates your retail, eTail, or e-commerce brand.

Our omnichannel support experience helps you connect with customers on your terms. We lead with flexibility to facilitate seamless transitions to help streamline your business operations and exceed customer expectations. Driven by iQor's **culture of open communication**, our team of CX experts collaborates closely with our retail clients every step of the way to craft intelligent channel optimization strategies. From AI-powered agents to in-app messaging, we strategically apply automation where it matters most to offer the digital infrastructure that meets your brand's unique needs. The end result? A BPO partnership that places your success at the heart of our custom solutions and powers top-tier customer service.

iQor provides a comprehensive suite of full-service and self-service scalable offerings that are purpose-built to deliver enterprise-quality CX. Our award-winning CX services include:

- A global presence with 50 contact centers across 10 countries.
- A CX private cloud that maximizes performance and scales rapidly across multiple geographies on short notice.
- A partnership approach where we deploy agents and C-level executives to help maximize your ROI.
- The perfect blend of intelligent automation for scale and performance coupled with an irresistible culture comprised of people who love to delight your customers.
- Virtual and hybrid customer support options to connect with customers seamlessly, when and where they want.
- The ability to launch a customer support program quickly, even when you need thousands of agents ready to support your customers.
- A best-in-class workforce management team and supporting technology to create a centralized organization that can better serve your entire business.

iQor helps brands deliver the world's most sought-after customer experiences. Interested in learning more about the iQor difference? If you're ready to start a conversation with a customer experience expert, **contact us** to learn about how we can help you create more smiles.





Smile!

With iQor

Learn More About iQor's Digital
Customer Experience Solutions at
www.iqor.com.

© 2023 iQor. All rights reserved.