

Focus on service quality above all else

RETAIL



The pandemic may have rewritten the rulebook on retail, but in doing so, it created lucrative opportunities for retailers to grow their business and their bottom line.



Customers want personalized service that's available around the clock and streamlined service no matter what channel they use. It's a hefty payoff—more and more customers actually let customer experience guide who they buy from. To meet the mark, retailers must shift not only their mindset and priorities but also their approach.

Here's another reason to prioritize great customer experiences: retailers with a strong omnichannel presence and digital footprint are pulling ahead of their competitors, according to a [recent McKinsey study](#). And as the gap between leaders and laggards widens, it's in everybody's interest to ensure high-quality experiences are at the top of every company's wish list.

"Where human interactions are concerned, it's quality, not quantity that ultimately matters most. Quality customer service interactions are essential and what ultimately impact a customer relationship most, regardless of how many tickets you process in a given day."

ADRIAN MCDERMOTT,
CHIEF TECHNOLOGY OFFICER, ZENDESK

Retailers are feeling the pressure to act quickly to deliver the quality experiences that customers want and expect. Why? Research shows you may only have a few chances to impress customers before they're gone, perhaps for good. Impressing customers has never been more of a challenge. From supply chain disruptions to drastic changes in buyer behavior, the retail landscape continues to evolve:

- ◆ **68%** of customers now expect all interactions to be personalized; and
- ◆ **70%** make their purchasing decisions based on the quality of customer service.
- ◆ Yet, **less than 50%** of organizations feel they have the ability to adapt their customer service technology solution to change.

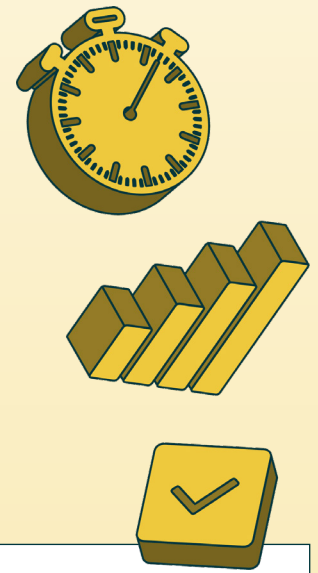
In a world where continuous connectivity, immediate gratification, and public reviews are the norm, retailers must provide an exceptional shopping experience that crosses channels, anticipates customer needs, and ensures a smooth journey to drive sales and develop lasting customer loyalty. So, where to start and what to prioritize?

Here's how to create quality customer experiences, every time:



Get senior leadership on board, immediately

For too long, customer service initiatives have remained siloed within retail organizations and behind the scenes instead of front and center with leadership teams. This, stresses McDermott, is a major problem. “Customer service should live in every nook and cranny of your company, your product, and the experience you provide to your customers,” he says.



To elevate the role of customer service within their company, retailers must:

Lead with a customer-first mindset: Develop a core team to bridge gaps between the customer service and leadership teams to ensure that customer service data and insights are woven into the company's strategic roadmap and tied to business objectives.

Incentivize quality improvements: Advocate that compensation of senior leaders be directly tied to customer service performance to ensure buy-in at the highest levels.

Benchmark performance: Track the service indicators most important to customers and compare your performance relative to other retailers to get a baseline (which can easily be done by using the Zendesk Benchmark), stay on top of changes to customer preferences, define goals for improving service quality, and make adjustments, as needed, in real time.

Keep leadership in the loop: Ensure the core team provides regular updates to leadership so they're aware of evolving customer service plans and metrics. Create opportunities for customer service insights to play a greater role in larger company policy and strategy.

2

Make the business case for quality customer service

When measuring customer service performance, retailers often take a narrow view by focusing solely on metrics like customer satisfaction (CSAT). By widening the scope to focus on bigger-picture indicators like customer retention and loyalty, they can better understand the impact of customer service on the bottom line. “Being able to tie customer service to business growth is incredibly valuable and often what is needed to get leadership backing and the investment in customer service that they don’t have today,” says McDermott.

To make the business case for quality service, retailers should:

Monitor customer relationships: Identify and track key metrics associated with quality customer service. Most organizations start with CSAT, but fostering an organization-wide understanding of the importance of indicators like first response time, average handle time, Net Promoter Score (NPS), and Customer Effort Score (CES) creates multiple lenses for viewing the quality and progress of your relationship with customers.

Focus on business impact: Create opportunities for agents to drive profits through upselling and cross-selling, informed by a deep understanding of the customer’s immediate needs. In addition to integrating customer service and sales data, retailers should establish a separate profit and loss statement that captures revenue generated by agents so the link between customer service and business growth is more tangible.

Review performance frequently: Conduct weekly reviews of key performance metrics and corresponding revenue projections that reveal low-hanging fruit and other opportunities to iterate on ways to improve customer service quality.



Take actions that will directly boost quality and business results

It's impossible for retailers to offer high-quality customer experiences if their agents are bogged down by cumbersome workflows or inefficient processes. What's more, they can't deliver on promises of personalized, tailored service if they have to spend valuable time hunting around for data that they should already have. "To have the context they need to create a high-quality experience, agents need to know who the customer is, where they're coming from, and what their issue might be," McDermott says. "Having this information at their fingertips makes this possible."



To promote high-quality experiences for agents and customers alike, companies should focus on:

Integrating systems: Tracking orders is the most common request to retail agents, but many retailers are lagging behind on integrating the platforms needed to ensure a streamlined workflow and fast response. Start by integrating your e-commerce, inventory, and delivery platforms. Then consider further integration with your RMA (return, repair, exchange) and sales systems. This can easily be done with Agent Workspace.

Omnichannel and digital support: Omnichannel support is foundational to high customer satisfaction and digital retailers have been able to pivot much easier than their peers. Consider adding digital channels like messaging if you haven't already and actively track and benchmark performance across channels to check for continuous improvement.

Automating repetitive tasks: Customers are reaching out for support more than ever, which means that retailers need to balance increased ticket volumes without the budget for more staff. Identify and automate the most repetitive tasks to free up agents' time and improve performance.

Education and training: The majority of customers feel like businesses could do a better job of training their agents. Make agent training a priority; consider developing a tiered training plan that starts with basic technical skills, including product knowledge, and then advances agent knowledge at regular intervals.

Personalization: Give agents access to valuable customer information—beyond just the customer's name—that they can use to improve experiences. Start with providing details about their recent purchase. This can potentially increase not only customer satisfaction but also lifetime value, which is a critical metric for any company chasing growth.