THE CX ESSENTIALS FOR CUSTOMER DELIGHT IN E-TAIL BUSINESS

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Introduction: Covid-19's Impact on the Retail Sector

If the year 2020 was about new business practices and digitalization for survival, the year 2021 has been all about the continuation of the new practices for concrete business benefits. From the global retail industry's perspective, the total loss on account of the pandemic in 2020 was said to be about $2.1 trillion, with an average decline of about 9.6 percent, according to Forrester estimates.

In line with the changing external environment, organizations can be seen investing heavily in technologies that enable hybrid work environments— connecting remotely with consumers and employees alike with the help of digital technologies.

A global survey by McKinsey & Co. found that digital adoption has taken a quantum leap at both the organizational- and industry-level across sectors. The researchers at McKinsey & Co. discovered that the pandemic has accelerated the digitalization of consumer interactions by several years. (See graph: Digitalized Customer Interaction: Before and After Covid-19).

Research by the mobile data and analytics provider, App Annie, showed that the pandemic caused a rise in mobile apps usage in 2020. With work-from-home becoming the new, post-Covid normal, individuals are spending more time online today. Consumers spent 1.6 trillion hours on mobile in the first half of 2020 with a 220 percent increase in time spent on business apps. Meanwhile, the firm found, consumers spent more than $50 billion globally in the first half of 2020—up by 10 percent from Q2-2019.

Coinciding with WFH practices, people's choice of devices has also changed. Smartphones and tablets have emerged as the most frequently used devices for a range of activities such as work-related to occupations, financial services, social connections, entertainment, and shopping.

$2.1 trillion

The estimated loss of the global retail industry on account of the pandemic

Source: Forrester
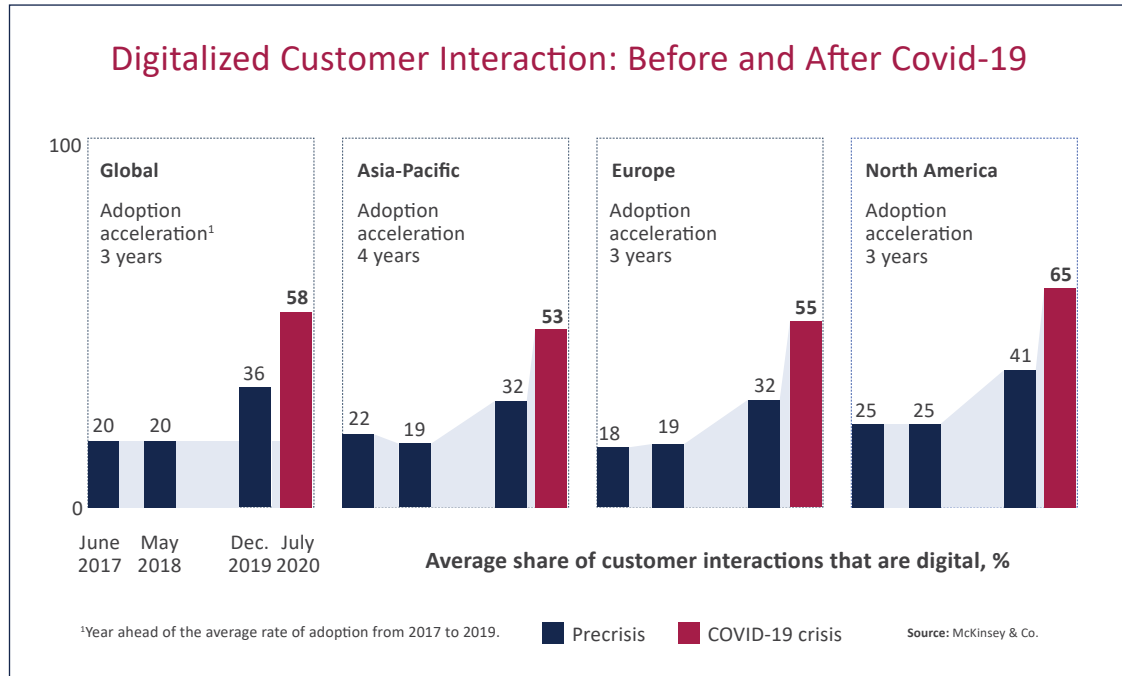
Sustaining in the new normal
As public health became the primary agenda of country-governments and society at large, consumer behavior concerning retail buying changed rapidly. Since consumers preferred staying at home for safety, their shopping visits dropped. However, this latent demand

powered by aws

shifted online. As a result, while physical retail plummeted, e-commerce grew.

According to the data released by UNCTAD, the global e-commerce industry witnessed strong growth in its share of all retail sales—from 16 percent to 19 percent—in the year 2020 as a result of the pandemic. According to a report by Digital Commerce 360, the Covid-19 crisis added $105 billion to US e-commerce in the year 2020. Citing US Commerce Department figures, online sales grew by 32.4 percent reaching $791.70 billion in 2020 from $598.02 billion in the previous year.

From the retail industry's perspective, the changing environment has had an interesting effect on the retail business. The traditional, physical-only (brick-and-mortar) retailers suffered heavily as showrooms, malls, and shops have either been shut or there have been no footfalls. However, the strong e-commerce players—old and new—have been witnessing their revenues rise exponentially. In fact, with the rise of online, the traditional, physical-

Digitalized Customer Interaction: Before and After Covid-19

Global
Adoption acceleration[1]
3 years

June 2017: 20
May 2018: 20
Dec. 2019: 36
July 2020: 58

Asia-Pacific
Adoption acceleration
4 years

22
19
32
53

Europe
Adoption acceleration
3 years

18
19
32
55

North America
Adoption acceleration
3 years

25
25
41
65

Average share of customer interactions that are digital, %

[1]Year ahead of the average rate of adoption from 2017 to 2019.   ■ Precrisis   ■ COVID-19 crisis   **Source:** McKinsey & Co.

only retailers are seen adopting a hybrid business model that combines showroom sales with an e-commerce presence. In effect, they have become what may be termed e-tailers.

Brands too witnessed marked changes in their product performances as consumers bought stuff that suited their new, WFH lifestyles. For instance, in apparel, while formal-wear sales dipped, athleisure and casual-wear sales accelerated.

In this changed scenario, even the demands of the consumer, empowered with multiple options and information, have grown exponentially. One of the key aspects driving consumer demand and shaping the success of a modern retail or 'e-tail' business has been consumer experience (CX).

Changing Facets of Customer Experience in Retail

During the past few years, with massive growth in digitalization, a newfound focus of global organizations has been on consumer experience (CX). Going well beyond the interface, CX is not confined to the tech user. CX is relevant to every consumer. Today organizations can be seen rethinking the way they engage with their consumers at various stages of the sales lifecycle. It is in this context that the modern emphasis of 'e-tail' on CX should be viewed.

The e-commerce business that traditionally was all about expensive brands is fast gaining a mass-market appeal. However, since consumers can compare multiple shopping options within minutes, their expectations concerning product quality, availability, and pricing have grown phenomenally. Moreover, when there are multiple brand options for consumers to compare, it is the overall shopping experience of consumers that has taken precedence over other attributes. With that, the

concept of brand loyalty can also be seen as being nearly marginalized. A McKinsey & Co. research that observed the shopping behavior of US consumers found that 36 percent were switching to a new product brand and 25 percent were spending on a new private-label brand.

The fact that CX is extremely important for the retail industry today is highlighted in Forrester's US Customer Experience Index for 2021 wherein the top four spots for best CX were taken

Evolution of CX

| CUI | GUI | UXD | CX |
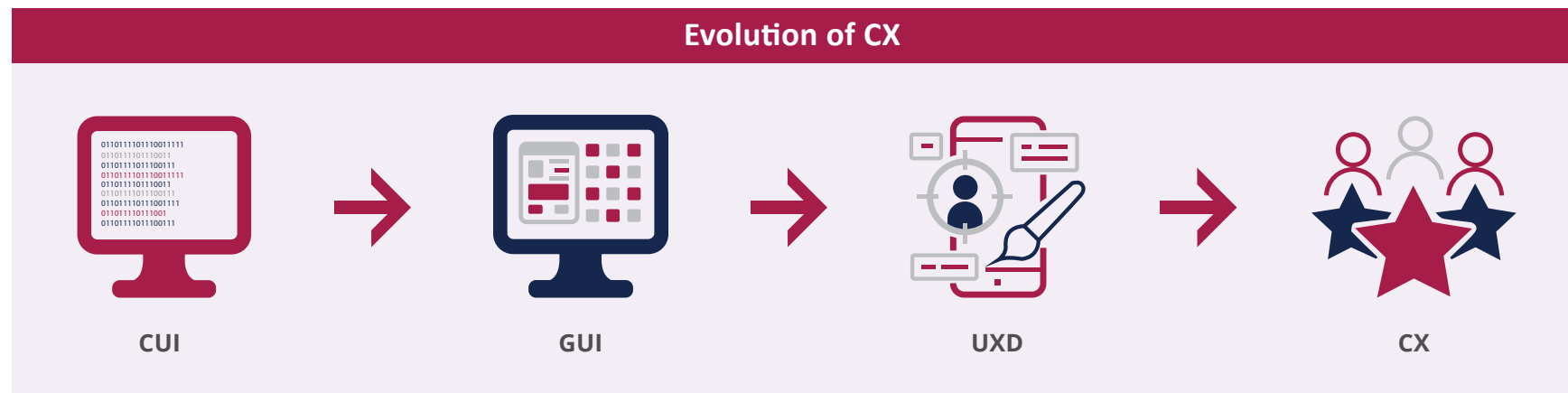
36%

Consumers found to
be switching to a new
product brand

25%

Consumers found to
be spending on a new
private-label brand

Source: McKinsey & Co.

by retailers. To achieve excellence in CX, e-tailers (besides adopting a hybrid business model) have to assure greater levels of speed, transparency, choice, personalization, responsiveness, and availability at every stage of the sales lifecycle: pre-purchase, purchase, and post-purchase.

High-impact CX

Since a great brand-engagement experience leaves consumers feeling valued, CX goes a long way in leaving lasting impressions on consumers' minds. Lasting impressions simply mean deeper brand-connect with consumers as well as improved brand recall and brand loyalty. "Give customers a great experience, and they'll buy more, be more loyal and share their experience with friends," observes PwC.

According to the Forbes Insights Report, 74 percent of consumers are at least somewhat likely to buy based on experiences alone. The research and analyst firm Gartner too maintains that there is a direct correlation between consumer experience and consumer loyalty and retention and that a high-impact and innovative CX strategy can help a brand achieve these objectives with increased surety.

Going forward, e-tailers will need to invest in technologies that help build a diverse set of capabilities for enhanced CX. Some

of these may include clean, simple, and intuitive UXD near-zero manual processes for precision and speed, automated reporting, AI-led decision making for targeted recommendations, consumer behavior analytics, omnichannel support, gamification, and so on.

74%

Consumers are at
least somewhat likely
to buy based on
experiences alone

Source: Forbes Insights Report

Riding the Fastest (and Safest) CX Lane

As seen in the previous chapter, digital transformation (DX) offers immense possibilities for making a difference in the e-tail business today. While there exist several tools and technologies in the market today, how does an e-tailer make sure that their digital CX journey is not beset with pitfalls? What are the specific methods that an e-tailer should employ to achieve success on the road to CX through digital transformation?

Like any other initiative, a digitization project should begin with a requirement analysis—assessing exactly what a consumer requires. An e-tailer needs to map out the entire CX journey for every transaction, factoring in the nuances of diverse product types being displayed.

A consumer's expectations while buying apparel may be different from those while buying home appliances or those while buying fruits and vegetables. A thorough investigation into diverse CX journeys can help an e-tailer identify the areas to improve upon. For example, an e-tailer may assist a shopper before buying any goods by providing relevant product recommendations based on the past buying patterns of the same shopper or of shoppers with a similar demographic profile.

A Four-Point CX Formula for E-tailers

McKinsey & Co. offers a four-step formula to help e-tailers deliver an engaging consumer experience in today's pandemic-impacted world. It incorporates the following four action points. Interestingly, these match with the strategies adopted by successful retailers.

Focus on care and concern – Reaching out not for marketing but support, community-building, and with a focus on value

Meet consumers where they are – Digitally connect with consumers and focus on safe, contact-free doorstep delivery options

Reimagine the post-Covid world – Focus on digital channels for consumer connect that enhances experience and satisfaction

Build agile capabilities Listen to social and act on consumer feedback

The winners' footsteps

The retailers that emerged as top rankers in this year's Forrester US Customer Experience Index, may provide certain clues on the CX methods that e-tailers can employ to be successful in today's challenging times. Forrester researchers observed that lockdowns pushed up demand for pets and pet supplies, groceries, masks, and home goods. The winners, besides ensuring 24x7 availability of these specific items, tried to make their services more shopper-friendly than before.

The handmade, vintage items, and craft supplies specialist Etsy introduced installment payments and search filtering around expected delivery dates to enrich the shopping experience. The specialist pet food and supplies player Chewy.com launched schemes such as 'Connect with a Vet', a free online vet chat and compounded pet medication to attract and retain its consumers during the pandemic.

The CX journey

Digital technology, from its traditional role of being a business enabler, has evolved to play a transformational role today. E-tailers, therefore, can be seen aggressively employing the technologies of digital transformation such as artificial intelligence (AI), machine learning (ML), augmented reality (AR), and virtual reality (VR) to deliver a high-impact consumer experience at every stage of consumer engagement: Pre-purchase, Purchase, and Post-purchase. Let's explore a few stage-wise use cases of how digital technologies can help e-tailers to assure high-impact CX.

Pre-purchase

Using AI/ML and analytics, e-tailers can understand buyer preferences and behaviors better. This will allow them to recommend more relevant products every time a shopper visits the e-commerce portal. In the case of e-tail categories such as jewelry, apparel, and footwear, e-tailers can help consumers make informed buying decisions by helping them try out their selected products using AR/VR technologies.

Purchase

Technology can help improve the purchase experience of a consumer in many ways. To illustrate, an e-tailer can accomplish a truly multi-modal purchase transaction by allowing a shopper to use multiple digital channels for the same transaction. For instance, a shopper may select her products by using the messaging platform of her choice (such as WhatsApp, Discord, or Telegram) or by speaking to a sales executive on the phone and making payment using a mobile app.

Post-purchase

Similarly, an e-tailer can deliver high-impact CX by employing technologies such as AI-powered chatbots, integrated social listening, phone support, IVR support, online support, email support, etc. to speedily address and resolve the support queries of consumers.

Selecting the right technology

Lastly, how does an e-tailer select the right technology platform or vendor brand that can help them achieve CX objectives with zero or minimal hassle? A technology solution can prove useful when it makes a positive difference to

all the three stages of the consumer engagement lifecycle: Pre-purchase, Purchase, and Post-purchase.

While there are no set rules on everything that a technology solution is expected to achieve, there may be a few guidelines. From an e-tailer's perspective, the emphasis will need to be on helping consumers with the best possible brand consumption experience across different functions, processes, and channels of engagement.

Intuitive interface: The shopping experience that an e-commerce site provides must be attractive, relevant, and comforting for a visitor. The technology should help an e-tailer to offer a clean, simple and intuitive interface to its shoppers where shopping is not only hassle-free but engaging and fun. The technology you select should be able to offer such capabilities. Some of the popular tools that help you design, collaborate, and prototype your e-commerce platform are Adobe Xd, Sketch, Balsamiq, InVision, and Figma. The popular choices for usability testing

E-tailers can make personalized recommendations to online shoppers with the help of AI-powered behavioral analytics to boost their sales revenues successfully.

and user analysis of your e-commerce platform are UsabilityHub and Hotjar, among others.

Personalized recommendations: Store sales executives are experts when it comes to understanding their walk-in consumers needs. By closely observing consumers—in-shop movements and behaviors—they make personalized recommendations to them which many a time result in sales. Today,

digital solutions such as AI-powered behavioral analytics of online shoppers can help e-tailers make the right recommendations to them, leading to higher sales for the organization.

Self-service capabilities: An e-commerce platform should enable self-service for online buyers and visitors, to help them get information and support faster and without the need for a support executive's presence. These queries may be related to products and services—such as feature inquiries, comparisons, future arrivals, payment, delivery, warranty, returns, etc.

E-tailers can employ these tools to provide basic automated support such as providing accurate information or addressing their basic issues or grievances 24x7. Only the queries that are further escalated by consumers are routed to support executives for a case-to-case basis resolution. While self-service tools empower consumers to resolve their issues on their own, thus, improving the consumer experience, they also help improve the efficiency and profitability of the e-commerce platform.

Efficient and flexible operations: Besides the interface, the e-commerce engine should be flexible enough to help an e-tailer introduce new brands, products, and schemes from time to time. Moreover, operations such as billing and payment should be speedy and error-free. The leading e-commerce system, Shopify, for example, packs ready templates, apps, themes, and SEO, allowing e-tailers to create and launch their online stores speedily. Another leading accounting software, Quickbooks, helps small and medium-sized businesses with accepting business payments, managing and paying bills, and with payroll functions. Similarly, the online accounting software Xero helps an e-commerce player to seamlessly connect with its bank, accountant, bookkeeper, and other business apps.

AI and chatbots: From personalized purchase recommendations to fraud risk mitigation to demand forecasting—artificial intelligence (AI) can help e-tailers to accomplish a range of business objectives. A few popular tool choices of AI for e-commerce platforms include

A cloud-based SaaS platform can allow an e-tailer to offer disruption-free support services even during difficult times such as a pandemic.

Granify, Namogoo, PriSync, Seventh Sense, and TUP.

A robotic chat, which also has an element of AI, on the other hand, brings tremendous efficiency and productivity to the support function by answering basic consumer queries speedily and without burdening an e-tailer's valuable human resources. A world-class tool with a proven track record in this category

is Freshdesk Messaging (formerly Freshchat). It features one inbox for messages coming from all channels—in—app chat, website chat, WhatsApp, Facebook Messenger, iMessage, and comes with a low code, easy-to-use bot builder, and 1,000+ ready integrations for marketplace apps to assure consumer support across business divisions and functions.

Omnichannel shopping experience: As seen in the earlier chapters, the technology tools implemented should allow an e-tailer to deliver a truly omnichannel shopping experience to consumers. Consumers should not only be able to engage with the organization using different channels such as e-mail, phone, chat, etc., but also be able to seamlessly carry out transactions across these channels.

Billing and payment management: Billing and payments can be a complex exercise for e-tailers given dozens of marketing schemes, tying arrangements, or bundling offers running at any point in time–across hundreds of product

categories and thousands of SKUs. Memberships, loyalty coupons, and local taxes add to the complexity further. Matters can get intriguing with B2B transactions where deals are negotiated at multiple levels before a final consignment pricing is arrived at.

To ensure that billing and payments are speedy and error-free, digital intervention is the only answer. The solution you select, should, therefore, comprehensively cover all possible scenarios for billing, taxation, and payments to ensure utmost consumer satisfaction.

Omnichannel support: The technology tools should also help an e-tailer deliver a similar omnichannel experience when it comes to post-sales support. The solution should integrate consumer queries coming in from various channels and resolve them speedily in an error-free fashion. A cloud-based SaaS platform can prove immensely useful in this regard. A SaaS platform can also allow an e-tailer to offer disruption-free support services even during the current WFH times.

> The right
> SaaS platform,
> like Freshworks
> omnichannel,
> will ensure that
> omnichannel support
> experiences are
> seamless for both
> consumers as
> well as consumer
> service agents.

Freshdesk, the class-leading SAAS platform, for instance, can help businesses leverage advanced bots, a knowledge base with integrated forums, and a web widget to help customers find answers faster. It features easy ticket creation with real-time monitoring for consumers, unified query resolution across consumer-connect channels such as email, web, phone, chat, and social, and offers out-of-the-box support via AI-powered chatbot, predictive support, and field service management.

While the list can be endless, a few other capabilities of the technology solutions to implement may include helpdesk gamification, social listening with Facebook and Twitter integration, delivery management, payment management, automated SLA-linked performance reviews, real-time reporting, and near-zero manual processes with complete automation focus.

Freshworks perspective
The right SaaS platform, like Freshdesk omnichannel, will ensure that omnichannel support experiences are seamless for both consumers as well as consumer service agents. A truly valuable service experience will require the complete context of a consumer's journey with the e-tailer. A powerful helpdesk platform will be able to unify consumer context from across all engagement channels for a 360-degree perspective that an agent can access from a single screen.

A seamless service experience across digital and traditional channels—including email, phone, chat and messaging, web and self-service, and social media is integral to consumer delight and hence loyalty. For agents, the ability to streamline tasks and replace the manual effort of repeat functions with AI automation allows them to focus on building relationships with empathy and speed.

Social media listening: A truly omnichannel experience is said to be delivered to consumers when a brand can meaningfully engage with them across different channels including social media. Given the rising popularity of social for consumers to express themselves, brands cannot afford to miss the feedback expressed by consumers on social platforms. Hearing what your consumers have to say about your brands on social channels can not only help you modify your product and service offerings but also improve the quality of your engagement with consumers. The

Hearing what your consumers have to say about your brands on social helps you not only to modify your product and service offerings but also improve your consumer engagement quality.

digital platform that you select, should, therefore, help you with enhanced social listening by delivering consumer feedback across different channels such as Facebook and Twitter in an integrated fashion.

Shipping and delivery management
If ease of buying is one critical aspect for an e-tailer, the more critical part is ensuring accurate and timely delivery. Since speed is everything in the e-commerce space, you cannot leave this part to a manual process and expect great results. Automation in all the sub-processes such as ordering, weighing, packaging, sorting, labeling, and shipment of boxes can improve efficiency and accuracy in delivery and, thus, achieve enhanced consumer experience. The platform you select should therefore help you automate these critical areas of e-commerce logistics: shipping and delivery.

An e-tailer should consider all these factors and judiciously select the technology tools and vendor partner that fits into its culture, besides solving specific business problems. In the next chapter, we will look at real business stories, exploring how some leading e-tailers have achieved a high level of consumer satisfaction by investing in the right technology solutions.

CHAPTER 4

CX Success Stories

Consumer experience (CX) is all about brand perception. In e-tailing, while perception can be spoilt within a few minutes due to a misstep or negligence at any stage of the CX journey, it may take several months or even years of work to build (or rebuild) a positive perception.

Investing in the right technology tools may help an e-tailer minimize the hassle involved in building that positive perception about its corporate brand. The following case studies capture how leading e-tailers managed to bring about strong CX improvements through the smart use of digital solutions.

Case Study 1: **Servicing the Tech-Savvy Reader**

Tree of Life Bookstores is a bookstore and coffee shop. It provides course material (digital or physical) to students before their first day of class through an innovative auto-fulfill service textbook butler.

The challenges
Tree of Life's existing CRM tool did not help it assure a short response time for student queries. Besides being digitally savvy, students wanted to be able to contact the company across various channels such as e-mail, phone, chat,

and social. To achieve these objectives, Tree of Life implemented Freshdesk, Freshdesk Messaging, and Freddy, Freshdesk's AI chatbot.

Freshdesk Impact

- Query response time reduced to **under 12 hours**

- Queries deflected by AI chatbot Freddy: **8 percent**

- Nearly **60 hours** of query response time saved during the pandemic

- Agents' time saved per support query ticket: **3 to 5 minutes**

Benefits delivered

Within a short time after the implementation, Tree of Life experienced substantial gains in terms of faster query response and speedy resolutions. Freshdesk helped streamline ticket management and facilitated collaboration amongst support executives with faster and simpler query-sorting, assignment, and review.

Following the implementation, Tree of Life could cut down its response time to under 12 hours. During the pandemic, Tree of Life had experienced a flood of student queries leading to a nearly 45 percent jump in its support volumes, with chat-based queries rising by 56 percent!

During this period, Tree of Life witnessed nearly 60 hours of time-saving in the query response. Freshdesk's AI chatbot Freddy deflected 8 percent queries related to returning books, effectively

saving more than 120 seconds per support agent conversation. By collecting all the relevant information about every student and providing it to agents in an organized manner, AI bots also helped Tree of Life to save 3 to 5 minutes of the agents' time per student request. "Bots helped us gather information about students and direct them to the right answer of how to return their books or inform them if we didn't know how to do that and were waiting on the university for the next steps," said Tree of Life Director of Support Nathan Mazellan.

Due to the flexible and easy collaboration features of the Freshdesk solution stack, Tree of Life could effortlessly onboard store managers as support agents to handle the spike in queries. The solution stack also helped Tree of Life resolve queries faster even during the high-volume seasons such as fall. The system improved reporting by making it faster and transparent.

"

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— Nathan Mazellan
Director of Support
Tree of Life

Case Study 2: **Tackling the Spike in Queries During the Pandemic**

Dune London, the UK-headquartered 125-year-old fashion footwear and accessories retailer has a huge network of 350 showrooms worldwide. Besides physical stores, the organization also provides its consumers with the convenience of shopping online wherein it delivers products globally.

The requirement

Dune received hundreds of queries from its in-store as well as online consumers regarding a current product purchase, future purchase, etc. Customers reached out to Dune for their queries using four channels: E-mail, phone help, chat support, and social media channels.

To provide a seamless, omnichannel experience to its shoppers, Dune wanted a robust automation solution to address these queries with ease and accuracy.

Dune
LONDON

The solution

After suitable due diligence, Dune selected Freshworks solutions suite comprising Freshservice, Freshcaller, Freshdesk, and Freshchat. While Freshworks suite comprehensively addressed Dune's consumer experience management needs during the current pandemic, it has also been proving extremely beneficial to the organization in multiple ways.

The advantages

As the pandemic began, Dune experienced an increase of 500 consumer calls within a week. Even as its London office adhered to work-from-home guidelines, Dune could successfully handle all the queries with the help of Freshcaller. Being a SaaS solution, Freshcaller allowed its CX team members to take calls from their homes without affecting the consumer experience.

Similarly, service executives could now simply log into Freshchat or Freshdesk to resolve every consumer query coming in from any channel—e-mail, chat, or social—without compromising on query-resolution speed or quality of service (QoS) standards.

Going forward, Dune London wants to explore the use of advanced technologies such as AI and robotic process automation to accelerate its business operations and build a competitive advantage.

Future Perfect for E-tailers

With the hybrid retail model and omnichannel consumer connect becoming the norm, the importance of digitalization is bound to grow soon. While the technologies like AI and ML will help e-tailers transform nearly every business process across pre-sales, sales, and post-sales phases, e-tailers will also explore new technologies such as digital twins, transforming various business functions.

Some forward-thinking organizations are already exploring these technologies to transform their operations. The French supermarket player Intermarché, for instance, has built a digital twin of its physical store by using feeds from the IoT-powered shelves and sales data. The technology helps its operations teams to monitor store inventory in real-time and make accurate ordering decisions faster. It also provides deep insights into the flow of sales on specific shelves, thus, helping store planning experts make relevant changes to store design and product placements from time to time.

Going forward, newer technology-powered innovations may emerge in this sector. For example, given the contact-free operations mandates, technologies such as RFID, computer vision, IoT, and facial recognition will be aggressively adopted in this sector. E-tailer associations may soon perhaps create blockchains to securely share data, helping members off-load their unsold inventories faster or to protect them from defaulters and mischief-mongers. New models such as voice commerce may be also explored by e-tailers to deliver enhanced consumer experience using technology tools.

> In the near future, e-tailer associations may perhaps create blockchains to securely share customer-data, helping their members off-load their unsold inventories faster or to protect them from defaulters and fraudsters.