InMoment

4 CX Strategies That Turn Modern Retail Challenges Into Growth Opportunities

For years, retailers have talked about improving customer service, enhancing personalization and creating more convenient shopping experiences. But most still struggle with providing a customer experience (CX) that truly differentiates them.

What separates the leaders from the laggards? One essential element is adaptability. While laggards tend to follow the pack, leaders dive into their data to create the next trends that will drive brand loyalty and appeal to their target customers.

But doing so is easier said than done. Today's customer journeys and expectations change almost monthly. To keep pace, leading brands constantly test new ideas and innovations, but that process can get costly and cumbersome if not done properly.

The secrets to becoming a CX leader lie in a retailer's ability to collect various forms of customer data, including the vital sentiment data revealed in surveys, quizzes, online reviews and social media posts. This data "lives" in multiple locations and uses various formats. To get a complete picture of the modern shopper journey — and customer's attitudes throughout that journey — retailers must break down data silos. They also must unlock the value in both external and internal data.

In this white paper, we'll explore four common CX challenges retailers face today and how the right CX management solution can help them set the pace:

Creating Seamless, Personalized Experiences

Offering Convenience-Oriented Functionalities

Giving Customers a Range of Feedback Methods

Adapting to the Rise of Influencers

CHALLENGE #1

Creating Seamless, Personalized Experiences

Personalization is far from new, but the way retailers embrace it today has evolved greatly. This evolution is driven by Generation Z consumers, who are emerging as a truly omnichannel generation. They still enjoy shopping in-store, yet they also expect a seamless experience that blends the best of both online and offline experiences.

Gen Z shoppers are 56% more likely to have shopped for fashion in-store over the past three months.

SOURCE: VOGUE/GQ GEN Z CONSUMER TRENDS SURVEY 2021

Enhanced search capabilities, smoother checkouts and digital intercept triggers that will identify and respond to shoppers' concerns throughout their journey can all help brands deliver more bespoke customer experiences.

Getting there will require retailers to constantly test new ideas, yet they must do so cost-effectively. A best practice is to gather data and input from all stakeholders — customers, non-customers and, most importantly, employees. This last group will play a make-or-break role in a brand's personalization efforts, by understanding the benefits of a new idea and fully articulating them to others in the organization.

CHALLENGE #2

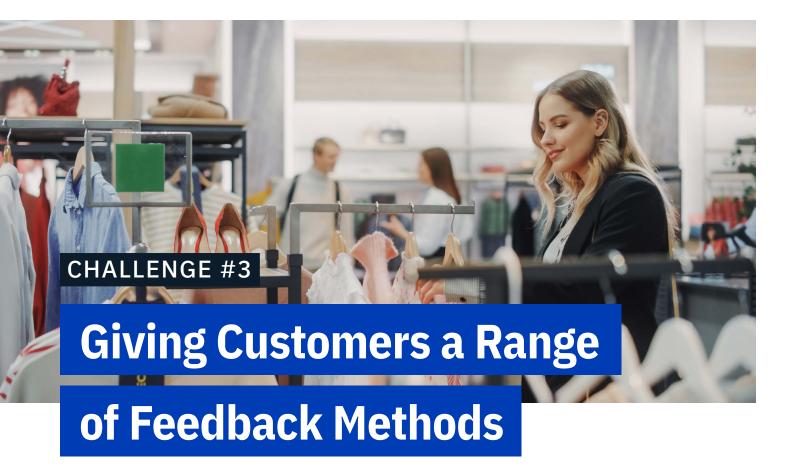# Offering Convenience-Oriented Functionalities

The meteoric rise of buy online, pick up in-store (BOPIS) during the COVID-19 pandemic shows that consumers' desire for convenience won't end anytime soon. As brands scramble to find the newest convenience-oriented game-changers — including cashierless checkout options — they must ensure they're meeting the right needs of the right customers.

U.S. shoppers will spend $95.87 million on BOPIS in 2022.

SOURCE: INSIDER INTELLIGENCE

The challenge is rolling out these types of new features without alienating customers who may prefer traditional buying or checkout methods.

For example, Gen Z and millennial shoppers may love cashierless checkouts because they're a time-saver. But Baby Boomer or Gen X shoppers may resist adoption because they don't want to carry their phones with them everywhere. If older generations make up more of your current customer base than younger generations, your new innovation may backfire.

Meeting this challenge means knowing more about your customers' needs and preferences. A best practice: Look at the demographics across your brand's designated market areas, then develop convenience-oriented solutions based on their habits, needs and expectations. This type of deep dive could show you, for example, that tech-savvy shoppers will embrace AR virtual try-ons on your ecommerce or social channels, but less-tech-engaged consumers will not.

Giving Customers a Range of Feedback Methods

Historically, retailers looking to better understand their customers created surveys to measure their wants and needs. They also used customer service surveys to zero in on Net Promoter Score (NPS) metrics. But surveys alone won't be enough to ensure ongoing CX improvement for retailers going forward.

Less than 20% of U.S. Gen Z consumers are willing to take a traditional survey.

SOURCE: INMOMENT 2022 EXPERIENCE TRENDS REPORT

The long-form survey is quickly being replaced by brief, online microsurveys that meet customers where they are in their shopping journey. These microsurveys often include just one or two pertinent questions and ask customers to provide a score on a scale of 1 to 10 to gauge their satisfaction.

Your microsurvey results are just one part of the data puzzle. To drive CX forward, you must also know your social signals, the accumulative insights, views and reviews from social channels, online review sites and even chat transcriptions. By collecting data from all customer feedback channels, retailers will get a 360-degree view of the shoppers' journey through the eyes of their consumers.

CHALLENGE #4

Adapting to the Rise of Influencers

Top brands are investing heavily in influencer marketing, and the expanding role influencers play in retail today can't be ignored.

According to the InMoment 2022 Experience Trends Report:

- **1 in 3 emerging Gen Z customers** used a social media influencer code in 2021
- **1 in 3 emerging Gen Z customers** planned to use a social media influencer code in 2022
- **1 in 5 millennial customers** planned to use a social media influencer code in 2022

Yet it's not just younger generations who consider themselves influencer-obsessed. Nearly one-quarter (24%) of consumers of all ages said they had used an influencer code in the last 30 days, and another 26% said they had used one in the last six months.

Embracing influencer marketing isn't always easy. For one, it requires retailers to give up a certain level of control to influencers in regard to brand messaging. It also can get costly. A cost-effective approach is for retailers to use their data to create buyer personas, and then reach out to influencers who will most likely appeal to those specific personas. Retailers should also give their influencers broad brand guidelines to help them stay on message without being too controlling over the final product.

Step Up to Meet Today's CX Challenges

Data maturity stands as one of the biggest potential benefits — and largest pain points — that major retailers face when trying to sustain CX improvement. As a rule, the larger the retailer, the more siloed the data, and each data silo makes it more difficult to get a true understanding of your customers.

Modern CX management solutions break down data silos, giving internal stakeholders accessible information and real-time insights they can use to test and launch successful customer-facing initiatives. The best solutions on the market today can help retailers manage and scale their data and reduce the number of people needed to manage the data.

Leading CX management platforms like InMoment not only increase data visibility, they also perform a deep drill-down of data and produce actionable insights that can be used by various departments within a brand to drive across-the-board improvements. This takes you beyond traditional measures like NPS and shows you exactly how you can achieve the four pillars of ROI for CX:

- Customer acquisition
- Customer retention
- Cross-selling and upselling
- Cost reduction and elimination

80% of CX leaders outperform laggards on the S&P 500 index, yet... Only 14% Of companies measure ROI for CX

SOURCE: INMOMENT

When searching out a third-party CX solution provider, ask your chosen vendor if they can meet these requirements. Then review your CX program regularly to make sure your brand is getting the desired results.

Case in Point:

Foot Locker

The Company: Foot Locker, a global footwear brand with 3,175 stores in 27 countries.

The Challenge: The brand had tons of data with important insights into customer behavior, but it was coming in from so many different sources that it was difficult to personalize and optimize the shoe-buying experience for the brand's loyal sneaker-heads.

The Solution: InMoment XI Platform

Benefits:
- All CX data consolidated in one place
- More seamless issue resolution
- Cut customer listening costs
- Curation of a personalized in-store, online and feedback experience for every guest

Wins:
- Created personalized in-store experiences with spaces showcasing local artists and apparel
- Used online lockers and other technologies to merge the online and in-store experience
- Ranked #4 on Forbes' Most Engaged Companies list
- OSAT up six points since Sept. 2018 (84.4%)

What They Say: "Chasing survey scores and lagging indicators is not an idea of a modern approach to improving experiences. Instead, we partner with InMoment to identify key moments that matter in our customers' journeys and drive change in those areas. This approach gives our executives better metrics to run the business and elevates our results." — Tyler Saxey, Director, Customer Experience, Foot Locker

InMoment

Improving experiences is why InMoment exists. Our mission is to help our clients improve experiences at the intersection of value—where customer, employee, and business needs come together. The heart of what we do is connect our clients with what matters most through a unique combination of data, technology, and human expertise. With our hyper-modern technology platform, decades of domain authority, and global teams of experts, we uniquely deliver a focus on Experience Improvement (XI) to help our clients own the moments that matter. Take a moment and learn more at inmoment.com.

1.800.530.4251
info@inmoment.com

---

retail TouchPoints®

Retail TouchPoints and design:retail give all members of the retail world access to a vibrant community that combines insights, inspiration and opportunities to interact with their peers. We sit at the intersection of the art and science of retail strategy, providing granular data, high-value commentary, and aspirational success stories to help readers optimize customer experiences across all channels. Touching all facets of the retail ecosystem, including store experience and design, workforce management, digital marketing and engagement, and omnichannel optimization, our editorial content, multi-media resources and events take timely news and trends and transform them into tactical takeaways that meet the unique needs and priorities of our executive readers.

201.257.8528
info@retailtouchpoints.com