RETAILERS
CUSTOMER SERVICE IMPERATIVES

INCREASE RETAIL PROFITS BY TRANSFORMING CUSTOMER SERVICE

EXECUTIVE SUMMARY

Streamlining and improving the customer service experience has been proven to increase profits for retailers.[1] Simply reducing first response time, however, is not enough to gain competitive advantage towards increasing profits. Customer service must be seamless across all communication vehicles where customer interactions and feedback occur. This meets the customer wherever they are and provides "one face of the brand" to customers needing support.

This "one face of the brand" approach to support enables retailers to further increase their profitability. For example, an issue that is resolved within 24 hours, at the first point of contact—something more likely to occur when all customer communication vehicles are in-sync—can be up to 170% less costly than an issue that takes 48 hours to resolve.[2]

This, then, is the new customer service imperative for retailers:
• Create a seamless customer service experience
• Meet the customer wherever they are and when they choose
• Resolve customer service issues quickly

In doing so, retailers not only can increase profits and margins, they will positively impact customer loyalty, word-of-mouth, and referral business. This "one face of the brand" approach to customer service thus increases, protects, and grows the future revenue stream.

IMPROVING THE CUSTOMER SERVICE EXPERIENCE INCREASES PROFITS

Time to resolution has been a key benchmark for retail customer service and, as we will see, the explosion of social media and online communication vehicles has complicated the delivery of fast time to resolution. This matters, because there is evidence that "best in class" resolution time across a variety of customer communication vehicles (phone, email, online forums, Twitter, Facebook, and similar) and at store sites can increase retail profits.[3]

TIME TO RESOLUTION	APPROXIMATE RESOLUTION COST
IMMEDIATELY	$4.70
WITHIN 24 HOURS	$4.70
2-3 DAYS	$7.80
4-7 DAYS	$7.80
1-2 WEEKS	$15.70
3-4 WEEKS	$15.70
OVER 1 MONTH	$23.50
STILL UNRESOLVED	$23.50

Fig. 1 Based on findings from the UK Institute of Customer Service UK Customer Satisfaction Index 2011.

Faster issue resolution reduces costs significantly. *For example, an issue that is resolved within 24 hours, at the first point of contact—something more likely to occur when all customer communication vehicles are in-sync—can be up to 170% less costly than an issue that takes 48 hours to resolve.*

FASTER ISSUE RESOLUTION IMPACTS IMPORTANT SOURCES OF FUTURE BUSINESS

If your customers experience "best in class" issue resolution time no matter what their communication vehicle may be, they feel valued by the brand. However, if your customers experience slower issue resolution time when phoning your company's e-commerce support line compared to, say, direct messaging your company's Twitter stream, this inconsistency fractures the customer experience.

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Further, it may be hard to tell where this break occurs—aggregate resolution time data may look fine relative to retail benchmarks. If even one of your customer communication vehicles' support response is noticeably slower or inconsistent in resolution time compared to others, your brand may be damaged long before your data shows there is an issue. Without a seamless "one face of the brand" experience in support, you may be losing profitable customers now and in the future and not know it. [4]

"ONE FACE OF THE BRAND" SUPPORT ENABLES COMPANIES TO ADAPT TO CHANGE

The explosive proliferation of customer communication vehicles not only poses a challenge to retailers seeking to create a seamless customer service experience, this proliferation represents potential silos within companies. If your retail organization is like many others, there may be one department responsible for monitoring Twitter and Facebook interactions with the brand, another for front-line response to inbound (email and phone) support requests, and a third that monitors online communities and forums for issues with products.[5] This means that each group is potentially unaware of recent support issues for that customer, creating a customer satisfaction risk for the retailer.

For example, even a single issue may cross multiple vehicles:
- A customer sends an email requesting support on an issue
- Retailer follow-up starts with email and continues to phone
- When the customer is online later that day, they use chat to check the progress of their issue, and tweet to their social circle about their support experience.

Streamlining retail customer service to create "one face of the brand" for customers drives collaboration across departments and divisional silos. This collaboration puts the customer at the center of shared efforts, speeding time to resolution while increasing cross-silo agility within an organization. That said, if the approaches to collaboration are not easily deployed across multiple communication vehicles, the customer experience suffers. Enabling retailers to be able to rapidly adapt to an unpredictable future is just one way in which "one face of the brand" support initiatives have positive impacts far beyond customer service.

FOOTNOTES

4 "One common element among all countries: poor customer service has a major impact on enterprises worldwide, directly resulting in lost revenue. In virtually every country, customers ended at least one relationship per year due to poor service. [Author's emphasis.] Across all countries surveyed, about 7 in 10 consumers have ended a relationship. The vast majority of lost revenue results in defections to a competitor." Genysys (with Greenfield Online and DataMonitor/Ovum Analysts), "The Cost of Poor Customer Service," http://www.mediapost.com/publications/article/122502/. **5** "[I]t has been projected that 45% of all contact companies have with their customers occur over the telephone, 45% happen via online means (Web site, e-mail, etc.), just 5% occur face-to-face, and the remaining 5% via other means. This movement away from face-to-face contact toward online and technology-mediated methods has implications both for selecting technologies and for managing personnel who provide customer service in these high-tech environments. With the introduction of new communication media and expanded customer touch-points, the characteristics of an effective customer service process/system are experiencing significant change. [Author's emphasis.]" Froehle, Craig M., "Service Personnel, Technology, and Their Interaction in Influencing Customer Satisfaction," Decision Sciences, Vol. 37, No. 1, February 2006.

"ONE FACE OF THE BRAND" EMPOWERS CUSTOMERS WHILE REDUCING SUPPORT COSTS

If we map the path of a typical retail support ticket, we see many points where "one face of the brand" support can empower customers while reducing costs.

Customers are empowered first in ways that avoid the need for a support ticket—through more access to intuitive, self-service support. Self-service tools not only empower customers, self-service tools typically reduce support costs and resolution time.[6] If the customer doesn't find what they need, 1:1 support through a preferred communication channel can then be provided.

Under the "one face of the brand" approach to support, the development and management of customer forums, FAQs, online help repositories, and online tutorials may cross internal departments and divisions. As discussed earlier, this increase in internal collaboration results in a more agile retail organization, one where the customer is the focal center of collaboration efforts.

CREATING A RETAIL CUSTOMER SERVICE SCORECARD

Your business has likely been measuring aspects of customer service. It may even have been scoring those measurements against industry standards and survey data about your peers. Despite that, your current scoring processes are likely different across departments and divisions. To start transforming disparate, disconnected support silos into "one face of the brand" for seamless support and better outcomes, you need a new, company-wide Retail Customer Cervice Scorecard.

THE FOLLOWING FIVE STEPS CAN HELP YOU DO EXACTLY THAT:

1 Benchmark time to resolution across each current customer communication vehicle, and set regular, future benchmarking efforts.

2 Benchmark current support costs and project future pipeline from loyalty/referral business to identify the financial impact of "one face of the brand" improvements.

3 Identify "communication vehicle gaps" where your customers gather but where you don't have a formal support mechanism; add these to your "one face of the brand" support plan.

4 Empower an internal "customer service excellence" team that owns cross-department and cross-division collaboration on customer service.

5 Assess current support platforms and tools and evaluate whether they are flexible enough to adapt to rapid change.

KEY PLATFORM CONSIDERATIONS FOR CUSTOMER SERVICE

The fifth action item above is key to ensuring your people have the right technology as they begin the process of creating a seamless, "one face of the brand" support experience. To reduce the impact that constraints in IT resources may have on these initiatives, look for highly adaptable support platforms that can be rapidly implemented regardless of IT resource constraints.

Some attributes to consider are:

- **SaaS and Cloud platforms,** to enable rapid deployment no matter what the legacy system environment may be.
- **Subscription-based licensing,** to reduce up-front costs and speed adoption throughout the business.
- **Scalability that enables "elastic customer service,"** adapting to spikes in peak demand seamlessly.
- **Native connectivity** across all major customer communication vehicles.
- **Ongoing research and development** to rapidly adapt to future, unforeseeable changes to customer communication vehicles.

FOOTNOTES

6 Andrews, Doreen C., and Karla N. Haworth, "Online Customer Service Chat: Usability and Sociability Issues," Journal of Internet Marketing, March 2002, Vol. 2, No. 1. http://www.arraydev.com/commerce/jim/0203-01.htm

CONCLUSION

The explosive proliferation of customer communication vehicles, and their unforeseeable future transformations, makes it ever more challenging to be wherever your customers are, ready to support them while providing a seamless brand experience. These unpredictable technological changes, however, offer rare opportunities to increase competitive advantage and profit from customer service.

By using technology to enable seamless cross-department and cross-division collaboration on customer service, retailers can transform a fragmented brand experience into "one face of the brand" for customers. This will reduce first response time, improve customer satisfaction, and increase brand loyalty/referrals—all imperatives for retail brands seeking a competitive advantage and increased revenue.

Is it important to reduce the risk that, due to support issues, your best customers may switch to a competitor this year? Is it imperative for future revenue to grow brand loyalty and referrals? If so, it's time to take action. Take steps now to ensure seamless "one face of the brand" support; those retailers who fail to act quickly will lose business to their more agile competition.

"WITH THE INTRODUCTION OF NEW COMMUNICATION MEDIA AND EXPANDED CUSTOMER TOUCH-POINTS, THE CHARACTERISTICS OF AN EFFECTIVE CUSTOMER SERVICE PROCESS/SYSTEM ARE EXPERIENCING SIGNIFICANT CHANGE."
—From Craig M. Froehle, "Service Personnel, Technology, and Their Interaction in Influencing Customer Satisfaction"

ABOUT A BEST-OF-BREED SOLUTION

zendesk

As we've seen, slow response and resolution times pose significant challenges for retail profits and growth. In fact, they are the #1 leading indicators for poor customer satisfaction. To improve profits through improved first response time, you need a cloud-based customer service platform, one that invests in continuous innovation to enable "one face of the brand" support experiences no matter what the future brings. One example of such a platform is Zendesk.

Zendesk not only provides the platform and connectivity needed to rapidly enable "one face of the brand" experiences, it offers an easy-to-use, radically fast interface. This will improve your agents' productivity, allowing them to better focus on your customers. Further, with robust reporting and analytics, Zendesk enables key metrics to bridge the gaps between departmental silos, helping your teams work together to make workflow improvements and increase efficiencies across the board.

Zendesk is a leader in cloud-based customer service software. It has a proven record of scalability and 99.9% uptime, which means companies like Groupon, Gilt Groupe, and ModCloth can rely on Zendesk as a partner through growth and change. If you're ready to increase retail profits by improving your customer service experience, consider adding Zendesk to your short-list for evaluation.

ZENDESK AT A GLANCE

- 20,000+ customers
- 68 million consumers served
- 140 countries
- 275,000+ tickets per day
- 100+ plug-and-play integrations

Pinterest · Disney · lonely planet

GROUPON · Sears · OpenTable

Adobe · box · xerox

"Zendesk gives our support team a lot of freedom to operate in a way that best serves our customers. The real benefit has been the immeasurable benefits—the improved agent experience, greater transparency of information, simpler workflow operations, and improved sense of agent ownership over customer issues."

—GILT GROUPE