Driving Next-Gen

Customer Experience for Retailers

OVERVIEW

Across industries, Next-Generation Customer Experience is fast becoming the mantra of all B2C enterprises. Considerable changes in all pervasive technologies coupled with growing and evolving customer expectations is driving new challenges and possibilities at almost every level of customer engagement.

Over the last few years, the nature of consumer communication, product awareness, and driving purchasing decisions have fundamentally changed. Next-Generation of customers are more connected and informed than ever before, which helps them with their purchasing decisions and therefore they expect more personalization in a company's customer engagement services. Meeting their expectations require an enterprise wide understanding and commitment, and not just simply isolated departmental growth.

Companies need to start understanding the changes in customer behaviour and adapt to them accordingly, e.g. by changing their marketing mix and developing new levels of Customer Experience in their interactions. Customer interaction services are increasingly seen as opportunities to drive customer recognition across channels and develop high degree of customer engagement, while gaining better customer insights and leveraging personalized service propositions for revenue growth.

At ITC Infotech, we have understood the challenges in customer services for next-gen customers and harnessed technology and business expertise to develop an approach for a new face of customer services especially in the context of industries like Retail, Airlines and Hospitality. We believe there are fundamental shifts in consumer businesses that are driving the Next Gen CX business strategies today.

SHIFT #1: USABILITY TO USER EXPERIENCE

- A behavioural shift

A positive and uniform User Experience is critical to the selling process in the short-term, and for branding and loyalty building in the long-term. This has led to a focus shift from Usability Engineering to the much more complex field of User Experience. Understanding the consumer's practical, experiential and affective behaviour as he goes about making a purchase has now become a determining growth factor for all types of consumer businesses.

The importance of User Experience became far more observable after the advent of new phases of customer interaction interfaces namely e-commerce sites, where consumers began purchasing online rather than physically accessing stores. With such new customer interaction interfaces some of the distinct changes in shopping behaviour started getting noticeable in how consumers actively seek product information long before buying. This enables price comparison and identifying the exact product desired. Informed purchasing is followed by buying with a few clicks of the mouse; this shopping experience is then shared on social networks.

SHIFT #2: THE SMARTPHONE PHENOMENON

- Creating New Possibilities

The advent of Smartphone further brought a disruptive change in customer interaction interface and has surged the progress towards the User Experience way of transacting. The access and convenience of Smartphones has become a key tool in hands of customers for seamless, connected and unified 'engagement' and enables them to stay updated on desired information and connected through community networks.

This change in customer behaviour moved the goal post for companies who are now pushed to invest in understanding and implementing the new approaches to build next-gen customer engagement.

SHIFT #3: HIGHLY ENGAGED CUSTOMER EXPERIENCE

- New Consumer Needs

With the customer behaviour shift, companies are struggling with a serious disconnect between their existing customer engagement service vision and their actions, which remain largely focused on incremental enhancements aimed at reducing cost and addressing day-to-day performance issues. Customer Service departments in organizations are at critical crossroads that will determine whether customer engagement service remains merely a "customarily affair" or produces a step change toward a truly customer-centric organization aimed at building intense customer engagement. Customer service departments are already equipped with technical business solutions to ascertain efforts towards customer engagement objectives. For instance, Customer Loyalty Systems, Market campaign Systems, e-commerce channel etc. are some 'off the shelf products' which companies already use to engage with customers. However, these solutions are not apt for building highly engaged customer experience for next-gen customers since these are developed and implemented as isolated departmental upgrades.

For a highly engaged customer experience, companies need to create a new customer service vision that fundamentally redefines customer services both as a key tool to grow the value of the customer base and as an important strategic business differentiator in next-gen consumer markets.

Key values that companies need to account to redefine their customer service strategies for next-gen customers will include:

- Engaging with customers on different customer interaction interfaces,
- Sustaining customer-loyalty via managing the relationship proactively, cross-sell and up-sell to different audience segments and, in mature markets,
- Emphasizing on targeted, personalized and convenient services as a brand differentiator.

OUR PERSPECTIVE - LEVERAGE EXISTING SOLUTIONS AND TECHNOLOGY ADVANCEMENTS WHILE DESIGNING IN CX

Companies need to leverage IT, new technical advancements and existing customer engagement solutions to rightly strategize new vision of customer service model. We believe there are boundaries to be expanded as companies design true customer experience strategies that drive not only loyalty but also high degree of customer advocacy.

Loyalty solutions need to drive personalized and targeted CX

A loyalty solution needs to go beyond registering conventional data of customers to recordings that are drilled down to customer preferences. For example, consumers no longer respond to generic mailers and prefer to receive information and offers based on their stated preferences.

Companies are already accepting the gap in existing strategy. A survey by Motorola Solutions' named "Retail Vision Survey," May 2012 shows they are willing to transition to changing consumer needs.

- 41% retailers will provide personalized product details, based on previous behaviour to a shopper's Smartphone
- 35% retailers expect to recognize their customers in the store
- 42% retailers expect to offer coupons based on customer's location in the store
- More than 50% retailers will provide guest Wi-Fi access in next five years

Ensuring Omni-channel Marketing is delivering consistent user experience across purchasing channels

The increase in sales channels is a major advantage. However, companies need to adequately understand the differentiators in selling through in-store, online and mobile devices and bridge the gap to provide a consistent purchase experience across these interfaces. This will be a key point for branding and building customer loyalty as well.

Technology can play an active role here as it can be used in increasingly sophisticated and complex ways to personalize and simplify the online purchase experience and proactively guide the customers who desire to make an informed choice.

Leveraging the tremendous benefits of in-store Wi-Fi & Shopper Recognition

While online purchasing continues to grow, brick and mortar stores will be the source for higher sales for some time yet. It is incumbent on the store to leverage the right technology and give customers the same kind of information and experience they get online. To their advantage, brick and mortar stores can also benefit from the added personalization, familiarity and immediacy of the in-person visit. Shopper recognition and design of in-store shopper assistance is key to managing the in-store shopping experience – pre-purchase, in-purchase and post purchase.

In this quest to build consumer outlets of the future, guest Wi-Fi is a critical piece to consider. Shoppers are coming to expect it in stores and it could be a powerful tool in the overall strategy to deliver next generation user experiences to consumers.

"In a recent survey by SapientNitro and GfK Roper, 63% of respondents said free Wi-Fi would enhance their shopping experience. And even though some shoppers will use the service to compare prices online, more and more retailers are offering Wi-Fi service to customers."

DEVELOPING NEXT-GEN CUSTOMER EXPERIENCE: A HOLISTIC APPROACH FROM ITC INFOTECH

At ITC Infotech, we have capitalized on our extensive domain expertise in developing world-class IT solutions, and pioneered the field of consumer solution capabilities. We have harnessed mobility technology, expertise in customer engagement solutions and scientific analysis of customer data to adopt a holistic approach to build Next-Gen Customer Engagement capabilities.

Building Blocks for Next-Gen customer engagement capabilities offered by ITC Infotech include:

- Customer Recognition
- Customer Insight Management
- Customer Advocacy (Personalized and Convenience Services)
- Closed loop process for Critical Decision Making
- Customer Engagement Platform (AtiBodh)

These capabilities are the result of a combination of technology, business domain expertise, and sensitivity towards customer service, and are crafted to work in tandem with existing customer management solutions.

CUSTOMER RECOGNITION

Customer communication preferences are diversified across multiple channels to interact with companies. E-commerce has been effective in offering series of self-service options for customers. But this option will be incomplete without considering mobile interface as another channel of interaction. It is a very critical consideration to deliver a highly engaged user experience.

Recognizing the needs of customers on this new channel is the first step in provisioning a platform for delivering personalized user-experience services. But there is a technology gap to provide a highly engaged user experience on this channel. Currently, customers are recognized based on their loyalty membership identity. Here customers need to declare their identity explicitly by logging in, launching an application or browser, or manually swiping an identity card. This explicit approach of identity declaration is a limiting factor in user-experience in today's scenario.

At ITC Infotech we have developed a unique and independent capability to recognize a customer implicitly in a company's premise on a mobile interface channel. This works within a premise's existing Wi-Fi network and uses customer's Smartphone as a unique identifier of his/her loyalty relationship with the vendor.

Customer recognition provisions a customer engagement platform on which different business solutions and personalized services can be enabled using mobile applications which facilitates a long lasting customer experience. Customer recognition is integrated with the organization's CRM solutions and offers up a host of information on customer data transactions on the event of recognition.

Note: *Customer recognition using implicit approach in a closed premise is a technological gap. Although Telcos/Data Network providers can detect the users on a network but ITC INFOTECH fulfils this gap as an independent vendor by providing this capability uniquely for a closed premise situation.*

CUSTOMER INSIGHT MANAGEMENT

Marketers are abandoning "Push Marketing" paradigms and adopting "Interactive Marketing" strategies instead, which means marketing campaigns must now integrate online and offline data as well as in-bound and out-bound channels. Marketers need to be more aware of individual customers, target, and time messages more accurately and deliver a consistent brand message across all channels. Regardless of how a company is organized internally (using different type of systems, process etc), a customer expects the company to be fully aware of their interactions and incorporate this awareness in all marketing communication from them. Therefore integrating relevant customer data and insights and use this to drive a coordinated and targeted marketing strategy across all channels is of utmost importance.

ITC Infotech's "Customer Insight Management" is a scientific approach which offers high level customer insight management and campaign strategy which can be used to develop customer insight generation models, carve customer targeting strategies and measure campaign and customer performance. It is implemented along with a CRM solution and provides intelligence for targeted marketing.

CUSTOMER ADVOCACY (PERSONALIZED & CONVENIENCE SERVICES)

Next-Gen customers have a behaviour change which inclines towards more connectedness and personalization services. This behaviour is different across different segments of customers and challenging to predict. Therefore Customer Advocacy has been identified as a specialized and critical aspect to consider when connecting with next-gen customers. It enables to understand and assess customer behaviour and uses this information to develop personalized services. For instance identifying personalized and convenience services like enabling a customer to identify and locate a retail store, helping a customer locate an item of his interest in the store, personalizing communication so more customers read content mailed to them, and much more. It is important to note that customer recognition and customer insight management compliment the customer advocacy capability, and enable organizations to deliver content to the right customer in a strategic manner for maximum positive results.

CLOSE LOOP PROCESS FOR RETAILER DECISION-MAKING

We believe that delivering a consistent and seamless customer experience is a continuous process and therefore incorporates customer feedback and sentiment to close the loop of customer engagement process. It enables organizations to continuously evolve their strategic business decisions mapped to the needs of customers and build loyalty. Feedback is a critical ingredient to measure and enhance an organization's customer engagement program. It helps retailers take critical decisions in their workflow at various levels. For instance, feedback loops can help determine store health or how a product is being received by customers, new interests of customers which can be tapped into, etc. Provisioning a feedback mechanism in the solution is imperative and categorizing it at different atomized business process levels enables retailers to engage in more accurate and detail decision-making actions.

CUSTOMER ENGAGEMENT PLATFORM FOR RETAIL

Sitting on top of the other building blocks, it is important to have a consumer engagement platform that allows customers to engage with the retail enterprise across its network both in-store and out-of-store. The ITC Infotech "Customer Experience" solution ATIBODH which is built upon mobility technology provides a unique interface to engage with customers while delivering all aspects of a new vision retail customer service. With AtiBodh, companies can develop a robust platform of customer interaction management while working off the complementary capabilities that help generate powerful customer insights, provisioning of personalized service and finally helping make those expensive customer relationship management investments pay-off.

Authors

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Yathiender comes with 25+ years of experience spanning across manufacturing and IT industries. Passionate about solving problems and driving innovations for various business solutions. He has been instrumental to incubate Business Innovation Centre at ITC Infotech and has kicked off couple of innovative solutions in RFID, GPS and Mobility Auto-Id technologies for manufacturing, transportation, retail and hospitality industries.

Vaibhav has 12+ years of experience in IT industry, primarily into product development engineering including data networks, security and mobility domain. He is passionate about developing mobile solutions as a new system of engagement for business strategies which are built around CX.

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About ITC Infotech

ITC Infotech is a fully owned subsidiary of ITC Ltd, a diversified business conglomerate. ITC is one of India's foremost private sector companies, and runs market-leading businesses in multiple segments. ITC completed 100 years of leadership in 2010.

ITC Infotech is a global IT services and solutions company. The company focuses on developing industry specific solutions aimed at the client's unique business requirements, challenges in critical performance areas, and regulatory compliance. ITC Infotech has also established technology Centers of Excellence (CoEs) to deepen capabilities and incubate cutting-edge technical competencies.

A robust outsourcing model, comprehensive suite of differentiated solutions, and focus on excellence in execution, have provided ITC Infotech a leadership position in its chosen domains. The company is working with a bevy of Fortune listed global customers, and its service delivery footprint spans five continents, spread across 140 countries..

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