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4 ways to stay ahead of the Retail paradigm shifts that are here to stay

Buying trends have changed

The retail industry is no stranger to disruption, but consumer preferences and shopping patterns have shifted dramatically in 2020 due to the global pandemic. Not only have the types of goods purchased changed, but consumers have also rapidly adapted to a digital-first environment, where fast and seamless e-commerce experiences occur almost entirely online. As a result, companies who did not already have a strong e-commerce experience — or businesses that could not transition from brick-and-mortar to fully digital — suffered the most.

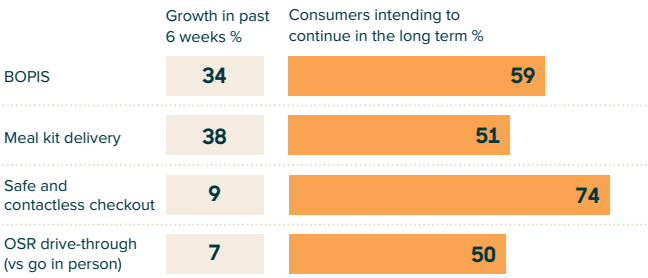
71%
are shopping less often but increasing the size of each order.

47%
increase in exercise equipment, cooking supplies, and home goods purchases.

36%
increase in games and toys purchases.

New buying models now include contactless payment, contactless delivery, buy online pick-up in store or curbside pickup and on-demand delivery, and will likely continue to evolve. Perhaps most importantly, as customer expectations are ever increasing, these trends are likely here to stay with consumers reporting high intention to continue these habits (56% for BOPIS, and 45% for grocery delivery), after the pandemic (McKinsey). As a result, it's important for companies to have both a strong physical presence as well as an agile digital offering. For SMBs, that combination can be difficult to deliver due to limited resources and/or capital.

Safe delivery modes are increasingly important to consumers–winning on 'SafeX' matters in digital and omnichannel.



Source McKinsey COVID-19 US Consumer Pulse Survey, April 20-26, 2020, n = 1,052, sampled and weighted to match US general population aged18 years and over.

Digital-first and omnichannel retailers have pivoted more easily, but retailers that prioritized physical stores and face-to-face engagement over omnichannel strategies have struggled to respond. Customers increasingly demand personalized proactive experiences, tailored from their historical marketing, purchasing and service habits and driven by future desires. Retailers can meet or even exceed these expectations by leveraging the data that is more easily collected from these online transactions. However customers continue to clamor for better alignment with their patterns and routines but are often disappointed by the still fragmented application of what a brand knows about an individual consumer. Exacerbating the retail challenge is that over 43% of customers are asking for more personalization, 41% are switching companies over poor personalization and 51% will leave a company after even one negative experience (Accenture).

160%
expected future increase in e-commerce purchases from new or low frequency users.

65%
traffic to retail sites via phones.

51%
will leave a company after even one negative experience.

41%
are switching companies over poor personalization.

For SMB, Omnichannel Retail meets Omnichannel Service

There are 4 ways small business retailers can address this paradigm shift head-on that still allows them to be agile while delivering the best customer experience.

1. Meet customers where they are

This not only means the channels of retail: Store, e-commerce, Mobile, etc. It also means the channels to support your customers. Zendesk's 2021 CX Trends Report noted an astonishing change in how customers are reaching out to businesses, with social channels seeing a 110% increase in usage. In addition to the staples of phone, email and chat, it would behoove retailers to put messaging everywhere your customers already are, including popular social and messaging channels like Facebook Messenger and Whatsapp. Regardless of where the conversation takes place, maintain a single conversational record across those channels for continuity. Enabling omnichannel brings all your digital channels into one interface, reducing effort for customers and making it easy for agents by having the full context of current and previous communications.

2. Help customers get answers faster with self-service and AI

Help customers help themselves, and deflect inquiries with self-service. Many questions can be solved with quick answers embedded in the e-commerce journey. To lend a helping hand, AI chat bots can assist in recommending relevant content, completing transactions like a return or order status, and knowing when it's time to pass a customer to an agent. AI and self-service give retailers the flexibility to scale their teams without additional resources. Teams are enabled to learn the best answers to new and/or complex questions by leveraging AI to query internal and external resources for the most relevant information, fast. AI and automation can lower customer effort and improve agent productivity by streamlining communication and surfacing needed data at the click of a button.

3. Deliver personalized experiences by bringing data together in one view for agents

As your buyer behaviors evolve, your insights will need to be redefined. Stay on the pulse of your business insights in real time by leveraging an open and flexible platform that enables you to easily sync the tools and apps you're already using with your customers' ever-changing habits. Brands like Missouri Star Quilt Company are able to maintain an authentic, but effective approach by using analytics to build on their existing knowledge of customer needs and expectations. When your agents are able to view customer conversations and data all in one place, they'll be better equipped to meet customers where they already are.

4. Orchestrate cohesive customer experiences across all touch points

Currently, most companies are organized by departments. Their retail stores, e-commerce, call centers, social media, and other channels are separately managed, resulting in misaligned objectives and a disjointed customer experience. When customers want to make a purchase, renew a service, or resolve a problem, their preferred channels now include "all of the above"—physical stores, online e-commerce, social media and all support channels.

But, as providers become more sophisticated in the products and services they offer, their front-line troops must also become more sophisticated in their knowledge in order to sell and service those products effectively. Store associates and contact center agents must evolve to deliver an ever-changing, dynamic customer experience. The technology stacks that support the new organizational structure will enable all customer interactions to be handled across every channel, easily sharing customer data and efficiently providing integrated customer support.

Stay ahead of the retail curve. Learn more about how Zendesk helps small retailers win repeat customers.