



How AI can help your employees not just to cope, but to thrive this peak season

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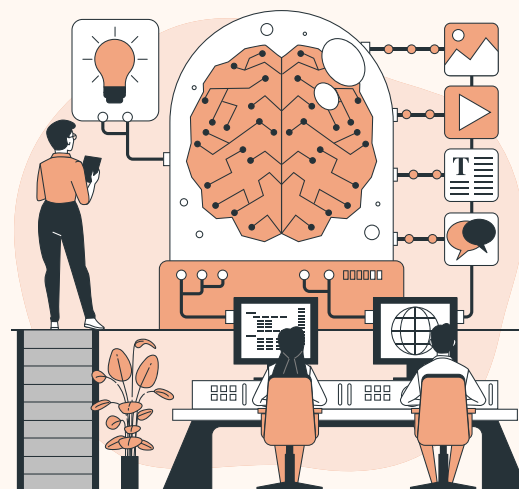
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Introduction



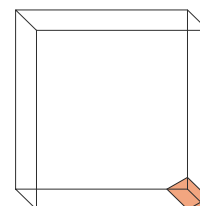
Peak season is upon the retail industry once again. It's the time of year when businesses face both a surge in demand and increased pressure to deliver seamless experiences for their consumers. It's a challenge that stress-tests even the most robust retailers, from those ever-important supply chain logistics to how your frontline handles the stresses of heightened demand.

If it feels like the stakes of peak season get higher each year, this is because it's true – at least, financially. Last year's peak season witnessed a 3.8% increase in spending over 2022, totalling a record £725.95 billion in sales. And whilst the potential profitability of peak season rises, so do the expectations of customers. According to Zendesk's research, 52% of customers will switch to a competitor if they have a single negative experience with your brand. Forty nine per cent of customers who left a brand to which they'd been loyal in the past 12 months said that it was due to poor CX.

The bottom line is that, whilst overall profitability relies on the boost to sales that peak season delivers, it's also the time when customers are ironically least likely to get the kind of premium service that they've come to expect from their preferred retailers. Resources are stretched, frontline workers are likely dealing with a barrage of demands on their time, and many businesses rely on seasonal workers, who lack both the internal knowledge and experience to thrive through the quarter.

3.8%

Last year's peak season spending rose by this amount over 2022.



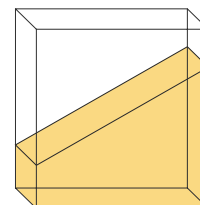
£725.95B

Record sales total during last year's peak season.



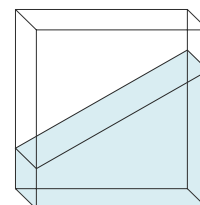
52%

Of customers: will switch to a competitor after a single negative experience.



49%

Of customers: left a brand in the past year due to poor customer experience (CX).



Is AI the answer to your peak woes?

With pressure mounting, how can retailers counter the mounting expectations of the modern retail environment in peak, with modern solutions? The answer is through the intelligent integration of AI.

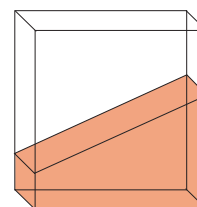
As we all know, AI is a tool that has firmly integrated itself into nearly every facet of modern business. Whether it's in finance, retail, customer service, or healthcare, AI is shaping how companies engage with customers and streamline internal operations.

Whilst AI integration isn't the last word in ensuring that peak customer service is up to snuff, it can transform your proposition through some intelligent applications. For example, it can be used for streamlining operations and handling increased volumes of inquiries. Automated chatbots can address routine questions instantly, freeing up human agents to focus on more complex issues. It can also provide real-time assistance, ensuring customers receive timely responses even during high-traffic periods like peak, as hypergrowth fashion brand, Motel has discovered.

On a more advanced level, AI can analyse incoming customer queries to prioritise urgent matters and suggest solutions, further reducing wait times and making the human element of the process simple and targeted. In practice, there's little that can't be optimised or augmented positively by the possibilities of AI. To stay ahead of the curve, cosmetics retailer Charlotte Tilbury automates their CX to provide higher-touch care where it's needed.

40%

of customer contacts are deflected through AI automation at Charlotte Tilbury.



"AI is so beneficial because in other years, we've hit peak and it's immediately gone wild and the team ends up doing so much overtime. But the combination of macros, bots and AI showing customer intent and sentiment, just means you can assign tickets to the right agent, pinpoint the problem, prioritise and answer the customer quickly. I don't think we could run without Zendesk,"

Lucy Hussey, customer service manager at Motel Rocks.

"At Charlotte Tilbury, we leverage AI in Zendesk by utilising intents to send automated resolutions to our customers. This approach has allowed us to deflect on average 40% of our contacts, enabling the Customer Care Advisors to focus on more complex issues that require human problem-solving and empathy,"

Jennifer Maxwell, customer care operations manager at Charlotte Tilbury

The AI adoption challenge - leaders versus frontline workers

The adoption of AI to improve CX in peak season seems like a no brainer. In fact, according to Zendesk's 'The Future of AI powered CX' report, a massive 86% of CX leaders believe CX will be utterly transformed over the next three years by the possibilities of AI, and a whopping 81% say that AI will change CX for the better. However, it's not all good news. If recent research from Boston Consulting is right, there's currently a huge gap in adoption rates between those in senior positions, and those on the frontline.

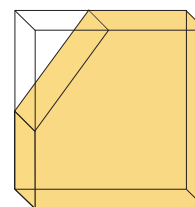
The research found that, whilst 80% of leaders report regularly using AI to help them do their job, only a comparatively small 20% of frontline workers say the same. In short, whilst leaders see the benefits of AI, they aren't applying these benefits to frontline processes and workflows.

"In our experience, leaders often have a broader perspective on how AI can be implemented to improve overall performance. They may more readily see opportunities to integrate tools like co-pilot to enhance productivity. On the other hand, frontline staff frequently work with structured procedures, and deviating from these can seem risky in terms of maintaining performance metrics. The challenge lies in bridging this gap by demonstrating how AI can support and empower frontline workers within their existing frameworks,"

Giulio Castiglioni, customer care director at Playtomic.

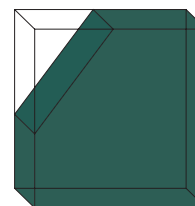
86%

of CX leaders believe AI will transform customer experience within three years.



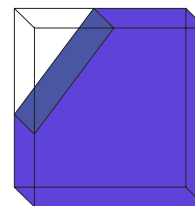
81%

of CX leaders expect AI to improve customer experience overall.



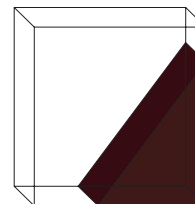
80%

of leaders report regularly using AI to assist in their roles.



20%

of frontline workers say they use AI regularly in their work.

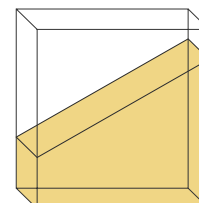


HOW AI CAN HELP YOUR EMPLOYEES NOT JUST TO COPE, BUT TO THRIVE THIS PEAK SEASON

For those who are lagging in applying AI on the frontline be warned, the next wave of CX is near. With 56% of organisations planning to integrate conversational commerce within the next year and 64% of CX leaders increasing their investments in evolving chatbots, those who don't extend the use of technology below management and realise the benefits AI could bring to CX will lose custom to those who do.

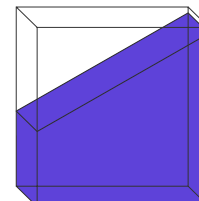
56%

of organizations plan to integrate conversational commerce within the next year.



64%

of CX leaders are increasing investments in advanced chatbots.



How genAI can help with customer feedback

We've discussed the broad strokes of AI-augmented customer experience, but let's dig a little deeper into a critical component of any business' frontline operations – customer feedback. AI can be instrumental in gathering, analysing, and acting on this feedback. However, while generative AI has developed fast, its application in real-time customer feedback, such as conversational surveys, still presents certain challenges.

Using genAI to create survey questions on the fly can sometimes result in incoherent, random, or inappropriate content. Despite these limitations, there's several promising ways that genAI can help businesses improve their customer feedback processes:

1. Build surveys more quickly

AI-powered survey tools are starting to incorporate genAI to assist in creating surveys based on simple prompts. These tools allow businesses to generate surveys more quickly, streamlining the process of gathering customer feedback. However, these AI-generated surveys should be carefully monitored by human experts to ensure they avoid the pitfalls of “coherent nonsense”—where the surveys seem logically structured but may lack relevance or appropriateness for the target audience.

Organisations that plan to leverage AI-generated surveys must invest in human oversight and thorough quality assurance processes. Pretesting surveys before launching them to a broader audience can help avoid these issues and ensure the data collected is meaningful and actionable.

2. Get insights from feedback faster

AI's ability to process vast amounts of data quickly and efficiently is one of its most impressive and useful attributes. By leveraging generative AI, businesses can

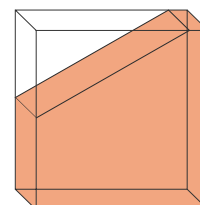
automatically summarise customer feedback across multiple sources, drawing out key themes, trends, and insights that would otherwise take human analysts countless hours to compile. This rapid analysis allows retailers to act on feedback much more quickly, ensuring that customer concerns are addressed in real-time, which in peak is vital.

However, businesses should be cautious when using third-party large language models for customer feedback analysis. While these tools can provide excellent summarisation capabilities, it's important to ensure that proprietary data remains secure, and isn't rendered vulnerable by being publicly-available. For this reason, retailers should avoid using public applications like ChatGPT for sensitive feedback analysis and any customer data. Specific secure made-to-measure tools exist to counter this concern.

3. Respond to customer feedback

Responding to customer feedback, particularly through public reviews and ratings, is another area where genAI can make a huge impact. Current customer feedback management tools are experimenting with AI to automate responses to customer reviews, helping businesses close the loop more efficiently. Given that, according to Zendesk's 'CX Trends Report 2023' 72% of customers want and expect immediate attention from their chosen brands, being able to interact in real-time is a huge benefit.

72%
of customers expect
immediate brand
responses.



Yet, this process is still nuanced. For example, while AI can certainly draft responses more quickly than a human, it's important to ensure that these responses are accurate and appropriate. There is a risk of AI-generated responses being irrelevant or potentially damaging to customer relationships if not properly overseen. As such, while AI can help with response drafting, retailers shouldn't rely solely on AI for real-time, on-the-fly responses to customer feedback. Human review and oversight remain essential for maintaining high standards of customer service.

Brands leading the way in innovation understand that it's important to find a balance between man and machine.

"We've found AI to be incredibly valuable in summarising vast amounts of customer feedback quickly. Our process begins with our agents categorising conversations according to a predefined matrix. From there, AI takes over to summarise these conversations and extract meaningful insights. This approach has proven instrumental in providing our product and marketing teams with actionable intelligence. However, we maintain that human oversight is crucial to ensure the relevance and appropriateness of the insights drawn from this AI-assisted analysis."

Giulio Castiglioni, customer care director at Playtomic

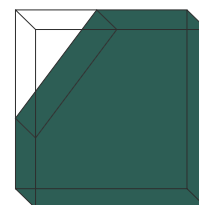


AI and the frontline: A symbiotic relationship

The relationship between AI and the frontline workforce is a nuanced one. When people hear about AI entering the frontline, the common perception is that it will result in job loss due to automation. However, the reality is quite different. Companies that use AI to support their employees - rather than replace them - are more likely to succeed in the long run. In fact, 80% of leaders plan to increase, not decrease, customer service budgets over the next year, along with their investment in AI.

80%

of leaders plan to increase customer service budgets alongside AI investment.

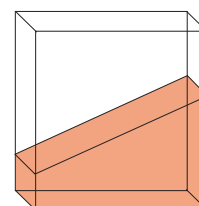


“The direction our business is moving towards is automation. It’s not about robots making us obsolete, because customer service will always need a human conversation for those tricky customer queries and complaints. But allowing customers to self-serve, such as track parcels, means Zendesk AI can help a customer before they even get to us,”

Lucy Hussey, customer service manager at Motel Rocks.

40%

increase in productivity was achieved by companies implementing AI to support employees.



“Rather than ‘replacing’ our agents, AI enhances our processes, boosting productivity and CSAT. It’s about working smarter and allowing us to provide an exceptional experience whether it be AI or our team,”

Jennifer Maxwell, customer care operations manager at Charlotte Tilbury

The key to effectively integrating AI into frontline work lies in its ability to augment human capabilities, not replace them. AI can automate mundane tasks, provide real-time data analysis, and offer personalised support, allowing human workers to focus on more meaningful and complex activities.

This relationship benefits both employees and customers, creating a more efficient and rewarding work environment – as a key result, those who implemented AI in this way actually saw a 40% increase in productivity, according to a recent study.

Elevating employee training and onboarding with AI

AI-powered tools make it possible to streamline the training and onboarding processes for new frontline employees, helping them adapt more quickly to their roles. LinkedIn's Workplace Learning Report found that, as learning and development continues to move toward having a seat at the table, so grows the adoption of AI as a key solution. Forty per cent of respondents to the survey stated that AI had helped them build 'mature' career development initiatives.

based on an employee's usage patterns, productivity levels, and engagement with company tools or continuously monitoring various data points. AI can bundle these benefits together to create a training program that's tailored to each employee's unique needs, helping them develop the skills necessary to excel in their roles. This personalised approach ensures that employees receive the support they need, leading to higher job satisfaction and better performance.

In practice, this may mean using AI to instantly translate key virtual documents and training materials into multiple languages, personalising training experiences



Automating routine tasks

As previously mentioned, one of the most valuable ways AI can support the frontline is by automating routine tasks, freeing employees to focus on more complex, customer-centric activities. A report by Thompson Reuters actually predicts that AI will free up 12 hours per week within the next five years, with four hours per week saved in the next year alone – the equivalent of adding an additional colleague for every ten team members.

Other top areas professionals expect to see concrete improvements over the next five years are “more innovation” (79%), “more time spent on engaging, judgement-based or expertise-driven work” (66%), “greater opportunity for continual skill building” (57%), and “improved work-life balance” (51%).

In practice in peak season, this may mean saving valuable time by deploying AI-powered chatbots to handle simple customer service queries, such as checking order statuses or answering frequently asked questions, without requiring human intervention. This allows frontline workers to focus on more critical issues that require human empathy and problem-solving skills.

In the retail industry, AI can also assist with inventory management and replenishment. By analysing sales data in real time, AI can predict when stock levels are low and automatically reorder products before they run out. This reduces the burden on already-fatigued employees, allowing them to focus on providing better customer service at this prime time, rather than managing stock levels manually. UK-retail giant NEXT use AI to ensure their agents have everything they need at their fingertips.

12h/week

AI is predicted to free up this amount of time within five years.



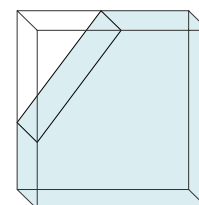
4h/week

Expected time saved by AI in the next year.



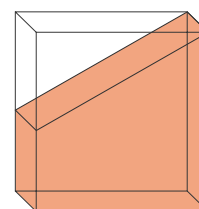
79%

Professionals expect AI to drive more innovation over the next five years.



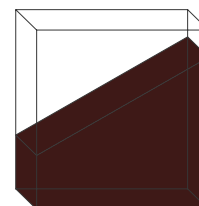
66%

Anticipate more time for engaging, judgment-based, or expertise-driven work.



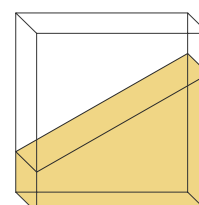
57%

Expect greater opportunities for continual skill building.



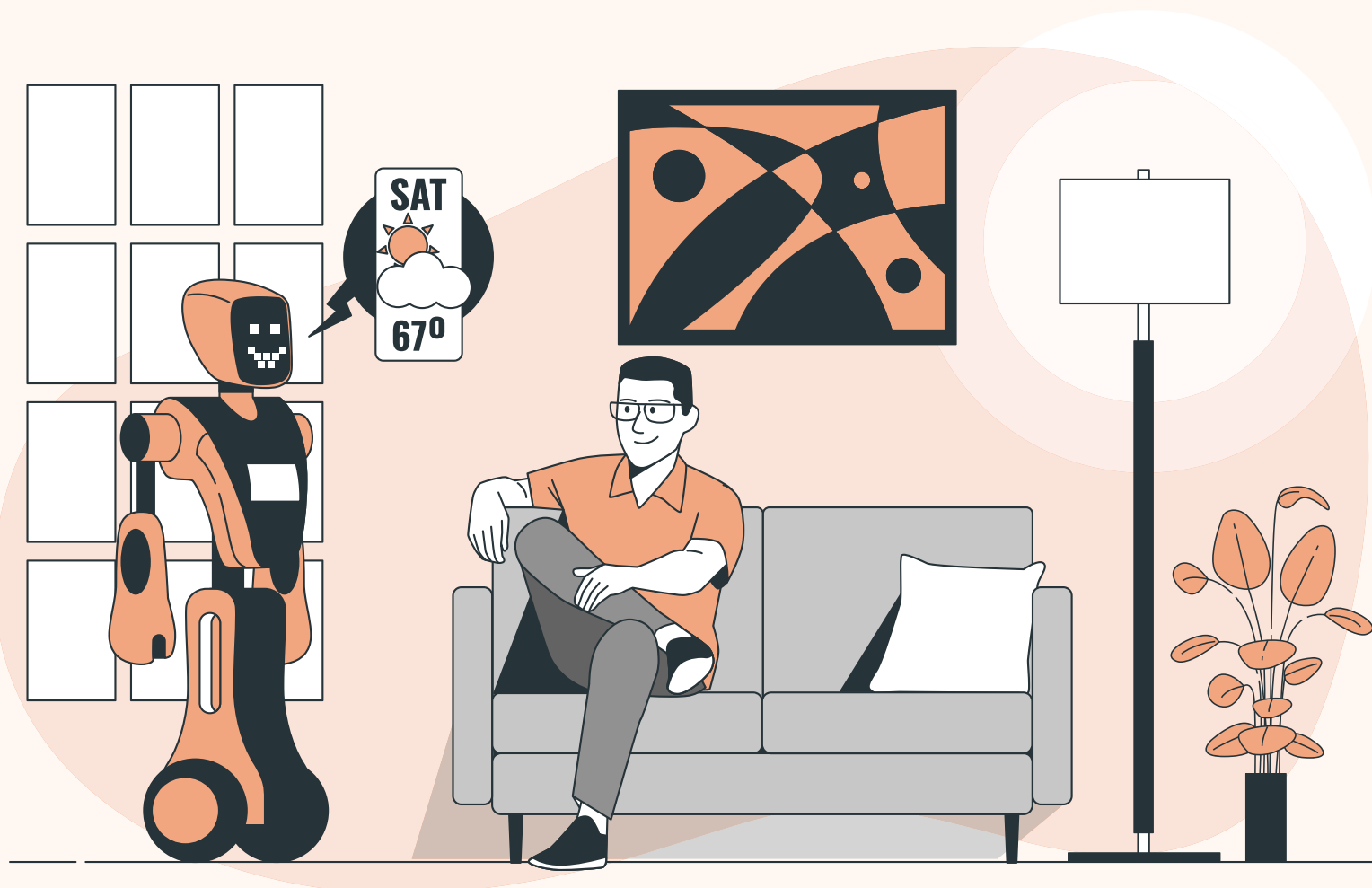
51%

Foresee improved work-life balance due to AI integration.



“One reason we selected Zendesk was the ability to effectively build on the Customer 360 app framework and design a best-in-class system for our advisers. We’ve been able to create bespoke applications, which allows us to present customised data and key business information to a team of 1,700 customer service professionals working in five centres,”

Matthew Hallam, head of customer service operations at NEXT.



AI is the future of frontline customer service

AI holds the power to transform frontline customer service by automating routine tasks, delivering personalised experiences, and allowing employees to focus on more meaningful, complex activities. During peak seasons, when demands are at their highest, AI can significantly free up time, boost productivity, and help frontline teams deliver more value to the customer experience.

However, there's an important balance to strike. AI should be seen as a tool to support, not replace, the human workforce. Businesses that integrate AI as a support mechanism for their employees are seeing the benefits. In contrast, those viewing it as a substitute for the human touch are likely missing the mark.

By complementing human capabilities with AI, retailers can build smarter, more adaptable teams better equipped to manage the pressures of modern customer service. AI is most effective when paired with skilled workers who know how to use it. Like the internet, another transformative tool, its true value comes from the people behind it. As you navigate peak season, remember that while frontline workers remain the heart of your operations, embracing AI can elevate both the employee and customer experience to new heights.





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