

How retailers can thrive in a new era of service personalisation

Connect the customer journey



The retail sector is built to last. Against a backdrop of economic uncertainty, surging inflation and subdued consumer confidence, it has remained resilient – with total retail sales growing by nearly 4% in 2023. But spending habits are changing, and consumers are demanding new shopping experiences.

The pandemic accelerated a shift already underway in the UK and beyond, with consumers gravitating to online and mobile channels for convenience and ease of decision making. Online sales as a proportion of the total rose from less than 20% in February 2020 to over 27% as of December 2023, according to the ONS. What's more, although younger shoppers are overall more digital savvy, this trend is replicated across age groups. Google found that the biggest increase in switching to online over in-store came in the 35+ age group. Bricks and mortar stores may have to reinvent themselves as showroom destination venues to stay relevant in the future.

All of this has profound implications for the customer Contact Centre – which is an ever more critical factor in driving retail revenue, loyalty, and market differentiation. As consumers shift to digital channels, they are also demanding more personalised experiences from the brands they interact with. They want communication that is consistent, timely and relevant – no matter what channel they're using. In fact, despite the macro-shift to online, it's interesting to note ContactBabel's findings that half (50%) of all inbound interactions are telephone calls to agents, followed some way behind by web chat (23%) and email (21%).

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So why does personalisation matter?

Quite simply because it could be the difference between success and failure. Nearly three-quarters (71%) of customers expect a personalised experience from their brands, and a similar share (75%) are frustrated when this doesn't happen. Even more compelling a finding is that when customers receive personalised communication from brands, 78% are more likely to repurchase.

The trend is only going one way. The share of global consumers who expect companies to “understand my unique needs and expectations” rose from 66% to 73% between 2020 and 2022. As the primary interface between brand and customer, this places Contact Centres on the front line in the battle to enhance personalisation. More than three-quarters of consumers say they'd switch brands after five or fewer negative customer service experiences. So, what do retailers need to do to ensure they meet these rising customer expectations around personalisation? This ebook breaks down the challenge into five key components:

As the primary interface between brand and customer, Contact Centres are on the front line in the battle to enhance personalisation.



The rise of digital



Explosion of data



Understanding customers through data



The delivery of consistent CX



Overcoming red tape

The personalisation challenge

1. Omnichannel and the rise of digital

The UK's retail landscape is undergoing profound change as consumers evolve their shopping habits and immerse more fully in the digital world. The UK has the third largest e-commerce market in the world after the US and China, with over 80% of consumers making online purchases in 2023. But this is not the end of the high street. According to RetailEconomics, 61% of Brits still favour in-store shopping, rising to 63% of low-income households and 69% of Boomers (65 years+).

Brands may have to be digital-by-design today, but that doesn't mean avoiding offline channels completely. It means being able to meet the customer where they want: to offer them a seamless and consistent omnichannel experience to suit any personal taste. In fact, separate [RetailEconomics](#) research reveals that **75% of shoppers use digital and physical touchpoints on the same customer journey.**

At the epicentre of this retail transformation is the Contact Centre. According to [ContactBabel](#), **the retail sector is already more advanced than many verticals when it comes to supporting a personalised, omnichannel experience.** It notes that retailers are "consistently handling a greater proportion of interactions through email than an average UK business". And that web chat and social media interactions are also "considerably above average" when compared to other verticals.

As more shoppers spend more of their time online, this kind of digital and automated support will grow in importance, at the expense of live telephony, the report continues. That chimes with [Gartner](#) predictions that **by 2025, WhatsApp and other digital messaging tools will be the preferred way of delivering customer experience (CX).** This all has a potential impact to the bottom line. [McKinsey](#) estimates that customers will spend 20-40% more with brands that respond to requests via social media, for example.

Did you know that our [ElasticCX Contact Centre as a Service](#) solution can help you to rapidly expand into other channels, meeting the needs of the digital shopper of today? [Talk to us to find out more about how it can help you.](#)

2. The explosion of data and the importance of data silos

As Contact Centres begin to integrate more channels for interacting with customers, the volume of data they must manage will explode. It could include:

- Basic customer information such as names, contact details and purchase history;
- Details on interactions with the Contact Centre, including dates and times, reasons for the contact and products/services or issues discussed;
- Voice recordings of customer calls for quality assurance or training;
- Sentiment analysis data to understand how customers are feeling during a call.

This data is vital to deliver the kind of insight needed to personalise the Contact Centre CX. However, many retailers are unfortunately limited in how much they can achieve, due to the data silos that exist in their organisation. If they have no way to unlock and integrate this information, their insight into individual customers and their history of interactions with the company will be restricted. This in turn means personalisation will be limited.

Instead, retailers need tools firstly to collect the right kind of customer data, and second to ensure it delivers a 360-degree view of each customer. That's the way to personalise the routing and experience of customer interactions – including to self-service channels, if that is an option. Such joined-up systems also give Contact Centre staff critical context to resolve issues more efficiently.

[Read more here](#) about IPI's work with long-standing client [Hillarys](#) on a complex [Computer Telephony Integration \(CTI\)](#) project that linked together 16 separate IT systems. This enabled the retailer to gain a holistic view of customers' journeys, from initial browsing to picking up the phone, and gain crucial insight into the effectiveness of its different marketing activities in facilitating these journeys.

3. Interaction analytics for data-driven insight into customers

Once this potential treasure trove of data is organised in the right way, it's time to extract value. The challenge is the sheer volume of data collected by modern Contact Centre systems – a number increasing with each new customer, interaction and channel added. Most retailers simply don't have the time or resources to trawl through all of these conversations, flag issues to act on and adapt their operations accordingly.

This is where speech and text analytics come in. They're designed to automate analysis of speech and text-based conversations at scale. With this information, retailers can better identify underlying issues, enhance customer experience, and improve agent performance – while saving agent time and therefore improving the bottom line.

One example is automated call summarisation through the application of Speech To Text (STT) and the latest in generative AI technologies. Large Language Models (LLM's) can process even complex, non-linear sentence structures with ease and determine various aspects, including intent, topic, outcomes, next steps and more. **Speech analytics could drive cost savings of 20-30%, and 10%+ improvements in customer satisfaction scores, as well as increased sales, according to McKinsey.**

IPI offers several market leading speech and text analytics solutions designed to make customer conversations quantifiable, pinpoint areas for improvement, enhance CX and improve first-time call resolution (FCR).

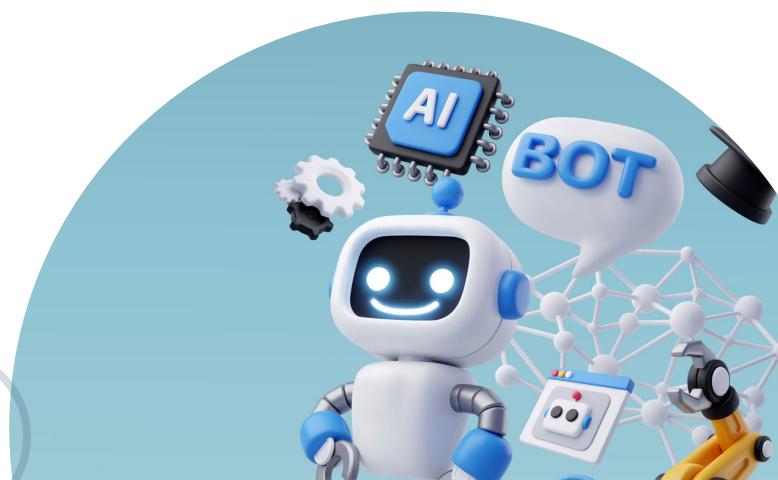
4. Supercharging CX with Automation and AI

Retailers in general and Contact Centres in particular have been struggling to recruit enough skilled professionals for some time. Yet the need to enhance CX, build loyalty and swiftly resolve customer issues has never been greater. Enter AI and automation tools, which can help to accelerate call handling, resolve queries, improve security, and simplify workflows. It's no surprise that 52% of Contact Centres now have an AI-centric strategy.

Tools and systems like chatbots/voicebots, robotic process automation (RPA), self-service and identification & verification (ID&V) can handle manual and repetitive tasks, freeing up staff to focus on more complex queries. AI-driven Agent Assist technologies and Knowledge Management systems provide agents with up-to-date information in real-time, providing a consistent source of information. Tools such as these can help retailers to nurture a new breed of "Super Agents" trained to deliver exceptional and personalised CX with speed and efficiency.

The good news is that AI-powered Contact Centre solutions no longer require lengthy integration or wholesale changes to the underlying technology platform. They can be seamlessly integrated via modular SaaS solutions.

Speak to us about introducing AI capabilities to enrich CX and support a fast, responsive service. IPI Cloud AI includes voicebot and chatbot services, voice biometrics, and multichannel call-back.



5. Staying on the right side of regulation

Personalised CX is critical to long-term profitable growth. But it must never come at the expense of security and regulatory compliance. The truth is that Call Centre operatives handle highly sensitive personal and financial information, singling them out as a target for cyber-criminals. Retailers allowing home working may be particularly exposed to cyber risk.

The risks are matched by a set of overlapping regulatory requirements: from PCI DSS for cardholder data to GDPR for personal customer/employee information and the FCA's Consumer Duty. The challenge is maintaining regulatory compliance without putting roadblocks in the way of CX improvement. Fortunately, there are plenty of options on the market including:

- Automated pause and resume which removes sensitive card data from call recordings without any input needed from the customer service agent;
- DTMF suppression, which hides the numbers callers' input onto their phone keypad when making a card payment, to minimise breach risks. It also supports digital payments, as well as speech recognition, web chat and SMS-based interactions;
- SD-WAN for secure communication with remote working staff, and automated detection and patching of system vulnerabilities.

Long-time customer Boden adopted IPI's pause and resume solution, Pauseable, to enhance PCI DSS compliance. It automatically stops and starts call and screen recordings when agents take payment or collect sensitive data, ensuring PCI compliance without impacting the customer. Even better, agents are freed up to focus on improving CX. [Read the full case study here.](#)

IPI has a host of solutions to address regulatory concerns, including capabilities to deliver a PCI-compliant Contact Centre, including automated pause & resume and DTMF masking. IPI can also help retailers on the journey to SD-WAN for secure remote working.

Conclusion: On the front foot

Some 90% of customers claim that that the experience a brand provides is as important as its products or services. Retailers therefore understand that CX is critical to driving customer loyalty and long-term growth. Increasingly, this means providing a personalised service across whatever channels their customers' favour.

The Contact Centre sits at the heart of this proposition. That's why retailers must redouble their efforts to ensure they offer support via voice, web, email, social media and beyond. They must unlock data from silos and set intelligent analytics to work extracting insight. And they must empower their staff to optimise CX by taking care of security and compliance, and hand off repetitive tasks to AI and automation.

That's a lot to think about, but the rewards are too big to ignore. By optimising service personalisation in the Contact Centre, retailers can enhance customer satisfaction, reduce churn, build their brands, and increase conversion rates. It's time to get back on the front



Next steps

IPI has more than 20 years' experience across the retail sector and beyond, working with leading retailers such as Hillarys, The Co-op Group, Boden, and DFS, to deliver exceptional results. Don't just take our word for it though, hear what our clients have said about working with us below!



Co-op Group

IPI has been more than a supplier to us – it is a valued partner that will continue to help us meet our goals over the years to come. IPI's knowledge and expertise around Contact Centres is unrivalled in the industry, and it both understands the challenges we face daily but also the solutions and services that enable companies like ours to succeed. We look forward to working in partnership with them in the years ahead.

Paul Kenyon, Connect Services Manager (Data & Voice) at Co-op Group

Hillarys

IPI is one of a small number of key suppliers that we've built a long-term partnership with – gaining its role as a trusted advisor due to its capability, innovation, openness, and value delivered. We've benefited from IPI's broad expertise across telecoms for a number of years, so when the time came for us to consider the next phase of our Contact Centre's evolution, it was only natural to continue our relationship with the team. With a solid understanding of our business and our requirements in the on-premise world, IPI was the right choice to help us take our first steps into the cloud.

Julian Bond, Head of ICT at Hillarys

To find out how IPI's Contact Centre solutions and dedicated team of expert consultants can transform your retail business, [get in touch today](#).



TAKE THE NEXT STEP



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