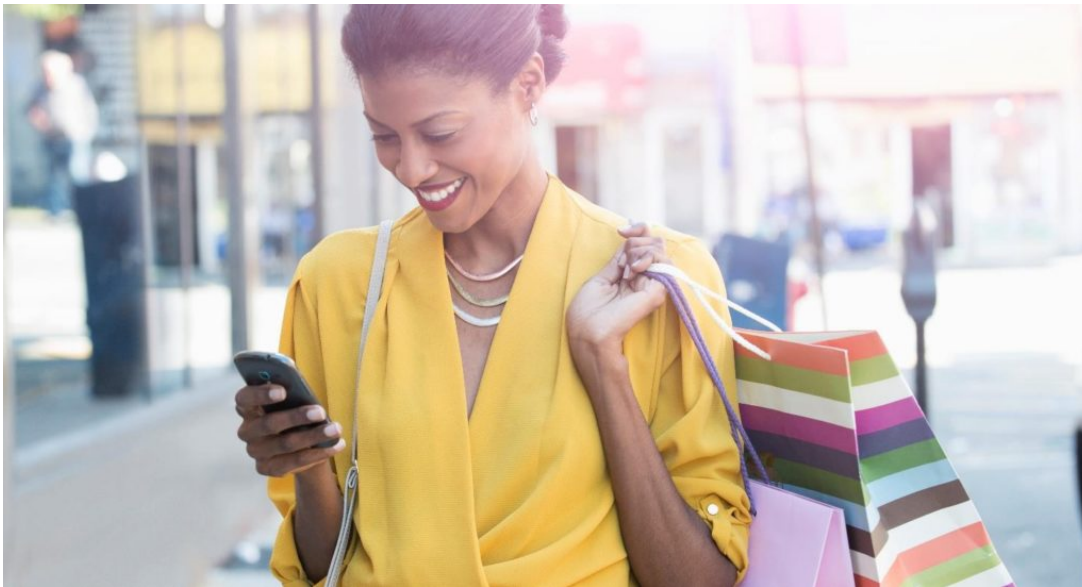**NUANCE** | **WHAT'S NEXT BLOG**

Customer engagement, Retail AI

What does a perfect retail customer experience journey look like?

Sebastian Reeve | EMEA Director of Product Management and Marketing

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What makes one customer journey stand out from all the others? We recently partnered with Incisiv to compare the digital maturity of over 120 leading US retailers' customer service offerings, benchmarking each experience using 150 key attributes. The report identifies both quick win opportunities and the potential for major customer experience improvement across three key stages of the journey.

Maintaining customer loyalty gets more challenging by the year. What your customers loved about your brand last month can be superseded by another retailer's shiny new customer experience next month. And no two customer journeys look exactly the same, so there isn't a single ready-made approach to make shoppers happy every time they buy from your brand. However, there are features and capabilities that leading retailers share, especially in the digital space—and that's why Nuance and Microsoft partnered with Incisiv for the 2023 Omnichannel Customer Service Index report.

The report benchmarks the quality of customer experience delivered by 123 leading US brands in nine retail segments, comparing 150 key attributes across three stages of the buying journey: Discovery, Purchase, and Customer Engagement and Service. It identifies the differentiators that set Leaders and Challengers apart from Followers and Laggards, pinpointing specific features of the experience that consistently delight customers and drive higher lifetime value.

Here are some key takeaways from the findings, which highlight the importance of a proactive, omnichannel approach to customer experience:

The Discovery stage: Friction-free, personalized shopping

With so much competing for a customer's attention, the early stages of the buying journey are the most precarious for retailers. To turn interest into intent to purchase, brands need to make it as easy as possible for shoppers to find their dream product, avoiding friction in those initial interactions.

The report identified plenty of quick win opportunities during the Discovery stage, where ease of access and immediate personalization are high priorities for customers. For example, 54% of retailers don't offer chat support directly from their homepage, which can slow customers down when they're looking for support. And within the chat itself, only 34% of brands refer to logged-in customers by name and offer a personalized experience, which means nearly two thirds aren't taking advantage of available customer data to make shoppers feel valued.

Home improvement brands, such as The Home Depot, perform well in this category with the highest adoption of advanced search functions, which allow customers to find products quickly and revisit their search history easily. Incisiv identified 22 leading brands in the Discovery phase, including Sally Beauty Supply, which offers a virtual dressing room, and Nordstrom, which trains agents to make recommendations based on customer profiles.

The Purchase stage: Simple order management

Once a customer has filled their cart, they're looking for a seamless experience from the second they hit "buy now" to the moment the package arrives on their doorstep or at their local store. For the Purchase stage, Incisiv explored capabilities across stock visibility, pre-orders, personalization, order status and tracking, fulfillment options, and post-purchase order management.

Just under half of brands currently offer suggested alternatives to an out-of-stock product, with 45% warning customers if there's low stock when they add a product to their cart. Both these capabilities can help reduce abandonment and encourage undecided shoppers to make the purchase.

And if they change their mind later on? Nearly 60% of brands allow customers to cancel their order before it's shipped, but only 22% offer the ability to make changes. This can result in more cancelations or returns—and adds extra friction for the customer.

The 17 Leaders in this stage were primarily recognized for their fulfillment capabilities. Grocery stores, like Albertsons and Whole Foods, perform especially well here, as they consistently offer customer-pleasing options such as two-hour store pickup, same-day delivery, and order amendments.

The Customer Engagement and Support stage: Always-on, omnichannel service

The final stage is the most important phase of the customer journey for securing loyalty and growing lifetime value. You can also argue that Customer Engagement and Support is the most complex component of a transaction; shoppers are now looking for always available, personalized, omnichannel support that can extend long after the return window closes.

Customer Engagement and Support is the broadest of Incisiv's categories, covering 105 different attributes that assess the speed and convenience of service interactions. Omnichannel has grown significantly since the 2021 report, with 85% of brands now letting customers choose which channels they would like to be contacted through, up from 66%. Many retailers are expanding their channel mix too, with 58% offering a virtual assistant to guide customers on self-service support journeys.

Incisiv chose 20 Leaders in this category, with beauty brands and home improvement retailers ticking the most boxes for customer satisfaction. For example, all the beauty retailers Incisiv assessed, such as Sephora and The Body Shop, allow customers to redeem loyalty rewards online. The report also highlighted instant customer feedback tools, such as Nike's, and brands like REI Co-op encouraging agents to promote loyalty programs as leading capabilities.

The 2023 Omnichannel Customer Service Index is

available now

Each of the 123 retailers assessed were also given an overall rating, with Incisiv identifying 20 Leaders, 40 Challengers, 40 Followers, and 13 Laggards. The most successful brands in this study prioritize customer satisfaction, removing friction wherever they can to provide a streamlined, personalized, omnichannel experience for each person that visits their site or store. They're raising the bar for customer engagement, support, and communication throughout the journey.

In the coming weeks, we'll be digging deeper into the statistics from the 2023 Omnichannel Customer Service Index. Our three in-depth guides break each stage down and examine how retailers can emulate these leading brands by outlining the opportunities for both small-yet-meaningful tweaks and major CX transformation.

Tags: Customer experience, Contact center strategy

About Sebastian Reeve

Seb Reeve is a customer experience industry leader who is always seeking to provide thought-leadership, lateral-thinking and decision-support for Fortune 1000 Enterprises who are both his customers and partners. Reeves has more than fifteen years of experience in deploying technologies to improve the user experience. In his current role at Nuance as EMEA Director of Product Management and Marketing, he is responsible for defining and evangelizing the Nuance customer care proposition across Europe, the Middle-East and Africa – sharing how companies can create extraordinary automated experiences which their customers actively choose to use rather than simply tolerate and complain about, promoting best practices in AI and Machine Learning to the world of Customer Experience.

View all posts by Sebastian Reeve