

Customer engagement, Retail AI

The three top priorities for retail customer engagement strategies in 2023

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As retail leaders look ahead to another year of change, we explore the critical priorities for customer engagement strategies. Plus, we look at how the Microsoft Digital Contact Center Platform can help retailers overcome near-term challenges while building a resilient foundation for outstanding customer experiences and long-term growth.

As retailers head into 2023, they're looking for new ways to meet growing customer experience expectations while increasing efficiency and boosting sales in an uncertain economic environment.

In this article, we'll look at the three biggest priorities for retail customer engagement leaders in 2023—and how a unified AI platform can help brands deliver in each area.

1: Empower staff to work more efficiently

Successful retailers always maintain a clear focus on operational efficiency, and as economic conditions continue to affect shopper behavior, this focus has never been more important. Retailers must find cost-effective ways to increase efficiency across their shopfloor teams, backroom staff, and contact center agents.

When retailers think about efficiency, they often overlook the power of employee experience, but it can be a critical factor in delivering efficiency gains. "No matter how much technology gets woven into the fabric of retail it will always remain a people-first industry. And retail frontline workers are the industry's real

superheroes. That's why leading retailers are investing in empowering, engaging, and continuously re-training frontline staff as they automate routine tasks and manual processes," says Shelley Bransten, Corporate Vice President, Retail & Consumer Goods at Microsoft. Staff who feel supported and empowered tend to develop their skills and stay longer—and the value of experienced, skilled employees can't be overstated, especially in a high-churn industry like retail.

AI has a dual role to play here. Firstly, AI-powered automation—from chatbots to shelf-scanning robots—makes light work of previously manual tasks, giving retailers an instant uptick in efficiency. And by handing over all those tedious, repetitive tasks to AI, retailers free up their employees to do more engaging work that makes use of their skills and expertise.

In the contact center, AI will also help retailers deal with the twin challenges of rising contact volumes and a shrinking agent talent pool. By empowering agents with AI-powered insights, tools, and guidance, organizations will see average handle times drop and first contact resolution rates rise. With tools like Nuance Agent Coach on the Microsoft Digital Contact Center Platform providing real-time best practice advice and tailored recommendations, agents are equipped to do their jobs efficiently and confidently, increasing satisfaction and retention while reducing contact center costs.

2: Use AI-powered personalization to drive revenue

While customer engagement strategies will double down on efficiency gains and cost savings in 2023, finding new routes to revenue generation will be just as important—even in the contact center.

In the past, the contact center was viewed as a cost of doing business; it handled routine inquiries, customer complaints, and service requests (at great expense) without generating any revenue. But many retailers are already using AI to change that perception and transform their contact centers into revenue drivers.

One of the most powerful ways to uncover new cross-sell and upsell opportunities is to use AI-driven personalization to target customers with tailored offers and product recommendations at just the right moment in their journey, whether that be browsing a web page, engaging a virtual assistant or getting expert live agent guidance.

Customers want to be presented with brands and styles they've shown an interest in, recommendations for accessories, loyalty discounts, and reminders—all the things that show retailers know and value them. On the Digital Contact Center Platform, retailers can deliver these kinds of hyper-personalized experiences through any channel, using an AI targeting engine to identify the best sales opportunities and provide insights to enable virtual assistants and live agents to sell more.

3: Make strategic investments to deliver long-term value across hybrid retail operations

Retailers are increasingly blurring the boundaries between physical and digital experiences. They're adding digital elements to in-store shopping, like interactive kiosks and touchscreen displays on shelves. Forward-thinking retailers are also introducing capabilities from the physical shopping experience into their digital channels, like enabling online shoppers to try on clothes using augmented reality.

As the shift toward hybrid retail continues, customers will expect brands to provide consistent, seamless experiences, regardless of which channel they choose. They'll expect to be recognized and understood at each touchpoint, in every channel, without losing the context of the conversation or having to re-authenticate their identity as they move between channels.

To deliver these kinds of experiences, retailers need a unified platform that supports a 360-degree view of customer data, and consistent dialog and branding whether customers are chatting with a virtual assistant, messaging a live agent, or talking with an in-store associate.

With Nuance and Microsoft solutions on the Digital Contact Center Platform, retailers can connect data, systems, and expertise from across the organization to create consistent, personalized, and secure experiences that drive sales and loyalty while unlocking greater operational efficiency and faster growth.

The coming year will no doubt bring many changes and challenges. But to survive and thrive in 2023 and beyond, retailers must determine how to maintain their competitive advantage in a way that doesn't just withstand change, but embraces it. Brands that take a strategic, end-to-end approach to customer experience will deliver powerful engagement in the moments that matter—building long-term resilience and competitive advantage.

Inspiration for your customer engagement strategy

To find out more about how the Digital Contact Center Platform can help your brand reduce costs, boost sales, and deliver long-term business value rise, explore our information hub. We've also hand-picked a collection of videos, guides, and on-demand webinars showing how retailers can embrace change and transform customer journeys with AI—you can find them all at our one-stop shop for retail CX resources.

Tags: [Customer experience](#), [Retail](#), [Personalization](#), [Microsoft + Nuance](#)



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.



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