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Customer engagement, Retail AI

Business Reporter Interview: How retailers can embrace the future of engagement

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Digital engagement picked up pace during the pandemic, as retailers scrambled to replicate the experiences their customers had to come expect from brick-and-mortar stores. But that doesn't mean digital has replaced physical—combining the best of both worlds is the most effective way to create meaningful engagement with customers. Seb Reeve, our Intelligent Engagement expert, sat down with Rachel Hicks from Business Reporter to discuss this shift in customer engagement, and how our solutions work together to create seamless, secure experiences in digital and physical retail spaces.

Can digital customer experiences truly replicate the interactions retailers deliver in brick-and-mortar stores? I recently sat down with Rachel Hicks from Business Reporter to discuss this question and more as part of its "The Future of Retail" campaign.

It was particularly interesting to talk about how the role of a brand's website has changed in recent years. Rachel asked a great question about whether some brands' websites are simply badly designed—but I think some websites' less-than-perfect experiences are actually due to their changing role. What was once essentially an online brochure for the company is now turning into a source of two-way communication, and retailers' systems are starting to catch up.

To explore our full discussion, you can watch the video interview below (we've also included the transcript).

Rachel Hicks, Business Reporter 00:00

Welcome to Business Reporter's "The Future of Retail" campaign. I'm Rachel Hicks. While the use of online retail and other digital services may have taken off in the past decade, especially as a result of the COVID-19 pandemic, it's not been without its challenges. What shoppers once got from going into bricks-and-mortar stores—instant advice, personalized experiences, and quick troubleshooting—they struggled to get online. But can the online begin to mimic the offline? Can people enjoy frictionless experiences in the digital world, secure in the knowledge that their data is safe, and their experience there be personalized in the way that physical stores allow?

That's what we're going to discuss today with Sebastian Reeves, Director of Market Strategy at Nuance Communications. Good morning, Seb.

Seb Reeve, Nuance 01:04

Good morning.

Rachel Hicks, Business Reporter 01:05

Now, digital experiences have soared since COVID-19, since the pandemic. And to some degree that many are questioning the continued relevance of bricks-and-mortar stores. Do you think that the digital has replaced the physical?

Seb Reeve, Nuance 01:22

So the pandemic certainly added a huge amount of pressure for retailers. In the last 18 months, I think stats that I've seen show that we've moved forward five to 10 years in terms of digital adoption, or digital usage. And KPMG, actually, even as last week, were reporting a 60% uptick in online sales. That said, that sort of natural competition in the digital space like Amazon, for example, are opening stores and moving into, you know, sectors like fashion and grocery. So it seems to be a real juxtaposition there.

So I think from Nuance's perspective, we spend a lot of time helping brands navigate through and understand that consumer behaviour. And our advice really, is that physical and digital are better together and to try and design those experiences in a more homogenous way.

Rachel Hicks, Business Reporter 02:10

So if we were to look at it like that, to what extent do you think people actually enjoy the self-service aspect of a digital experience?

Seb Reeve, Nuance 02:18

So people are… billions of people are using devices to have, you know, human-to-machine interactions, to talk to chatbots and personal assistants in their kitchens and with their smartphones, today already. And they value the immediacy of that kind of self-service experience getting answers straight away. That said, with brands, the frustration tends to come from not being able to get to a person when you need to.

And so the role of self-service has shifted really from being something we do to people, and enforcing that kind of automated experience, to more of a concierge. And it should be there to help understand who you are, what it is you're looking for, and then to smooth the path to get you there, whether that's a self-service experience or a person you need to talk to.

Rachel Hicks, Business Reporter 03:01

So there's also a tension between the security of shopping apps and transactions and a frictionless experience for customers. Could you tell us a bit more about that?

Seb Reeve, Nuance 03:11

Well, let's face it, PINs and passwords aren't anyone's favourite mode of authenticating themselves; they were never really designed for use in in the mass world. And they're incredibly hard to remember, we have to change them, so they're fiendishly complicated. So there's a lot of friction, really, in that process. And that opens the door as well to fraudsters, which I think is a really important point to make they're eminently guessable, because people write them down to try and make it easier for themselves.

So from our perspective, you know, we provide security solutions that try and change the equation between high security and ease. Technologies, like biometrics, for example, where you could use your voice as your password, mean you don't have to remember anything. So you can use your voice, you can get access to the products or services you need, and hopefully have an easier experience with a retailer.

Rachel Hicks, Business Reporter 04:00

Okay, so bearing that in mind, talk us through your solution. How can it enhance the customer experience?

Seb Reeve, Nuance 04:08

So our solution's really about managing the entire journey with a customer. So thinking about different stages on that journey with a retailer. So pre-sale, you're looking to understand the brand, their products and services, you're doing your research, you're discovering things. Challenges that tend to happen there is people get lost, they're not getting what they need. So for example, there we can add capabilities like targeting. So we might look for behaviours on the website that would indicate a customer's not getting what they need—they're lost, they've been to the site, same page a few times—and just give them a nudge. And what I mean by that is, you know, offer a piece of information; could be as simple as a video or a page, could be a chatbot experience. It could be a sales assistant on the chat console at that point.

As we get to point of sale, it's about stopping cart abandonment, making sure that people aren't getting disrupted, walking away, and going somewhere else because they're frustrated. So questions that predominate there around, you know, delivery times, around returns policy, these kinds of things. So a chatbot, for example, could really answer those questions and stop that abandonment at that point.

And then even post-sale, so thinking about, you know, reaching out proactively to customers, and, you know, we provide capabilities like proactive messaging, which might reach out and say, "Are you happy with your purchase? Do you need to talk to us?" And rather it being 'do not reply', you know, via an SMS, you can have a two-way conversation and say, "Well, actually, I'm not happy. I'd like some help with that," and get the help right then and there.

Rachel Hicks, Business Reporter 05:37

Some of the problems you were describing there, though, could be perhaps put down to a badly designed website, so that people weren't able to orientate their way through it as efficiently or smoothly as they should be able to. So to what degree are you a sort of sticking plaster rather than a solution?

Seb Reeve, Nuance 05:52

That's a really good question. To many extents, a lot of websites are badly designed because their purpose has shifted quite a lot. You know, websites started, really, as a brochure for a company, it was something you sort of put out as a one-way communication. But more often now, they're really the gateway to a service experience with a brand. So that's very much a two-way communication experience.

So from our perspective, it's about allowing brands to do both. So they need to put out that shiny brochure and show their products and their and their services. But also making sure that more prominently, there's this conversational capability that you can start to interact. And it's not just "click to contact us" and find the call centre number, for example.

Rachel Hicks, Business Reporter 06:33

So as it stands, at the moment, digital engagement does often lack a sort of personal element. How does your solution address that particular issue?

Seb Reeve, Nuance 06:44

Well, consumers really want to have a deeper engagement, a deeper connection with the brands that they're doing business with. And if we think about the most connected conversations we as people have, it tends to be with people we know well. And the reason for that is we don't have to ask lots of questions to each other that we already know the answer to; we can get straight to the meat of the conversation. And with brands, personalisation really fills that void.

So by understanding the identity of the person you're talking to, using the kinds of solutions that we have for security, for example, for authentication, we can get to the point where we can use lots of different data about the user. What products did you buy recently? Did you call this morning? Is this the fifth call today? All those kinds of information really should impact the conversation we're having with consumers to make it easier for them to get to where they need to get to.

Rachel Hicks, Business Reporter 07:32

But there is always a resistance to handing over volumes of data, personal data, and perhaps financial data mixed in with that as well. How can the anxiety that results from doing this be allayed?

Seb Reeve, Nuance 07:46

Well at Nuance we know very well, the important impact that trust has in this relationship, we're serving many of the largest banks and healthcare companies with security solutions today. And for retailers, it's no different, however; it's really all about trust. So ensuring that customers have the ability to opt in to providing their credentials, their information, but as important is the control to opt out and revoke that as well. So it's about changing that the nature of that relationship, so the customer feels more in control of how their data is being used, and whether they're in charge of it being used.

Rachel Hicks, Business Reporter 08:21

So how can the best features of an in-store experience be replicated for a digital one?

Seb Reeve, Nuance 08:27

So thinking about the experience, you know, from a digital perspective, first—and most of us are starting digitally first. So for example, if you wanted to visit a store, six out of 10 people would start in Google Maps, for example, you'd look up where the store is, and its location by searching. And then that would give you the way to get there. So retailers are starting to think really through that that journey.

So for example, we're working with a global fashion brand, who have invested very heavily in putting messaging in that Google ecosystem experience. So when you search for their stores, what you'll get is a pop-up, a card for the particular store, and you have a messaging button there as well. So not just the address, and you can talk to a chatbot, you can talk to a store employee, you can get answers to all the questions you might have ahead of visiting the store, which during the pandemic, a lot of which are "Do I need to wear a mask? Will I be able to try clothes on still?" for example. "Do you have stock?", before you visit the store and save yourself a wasted journey.

But also taking the best of the store environment. So thinking about the advice you get in-store and bringing that back into maybe a digital assistant. So a digital assistant that can say something like, you know, "Have you seen a product elsewhere that you like?" And you upload a photo, you can you know, of a pair of shoes for example, and have a conversation with an assistant about that item and get where you need to get to rather than searching through endless pages of products.

Rachel Hicks, Business Reporter 09:54

So what would be the three key points that you would like people watching today to take away with them?

Seb Reeve, Nuance 10:01

Well, firstly, it's really about the journey. So we've talked a little bit about the physical and digital experiences coming together. Organizations find that difficult sometimes because they're in silos, they're owned differently—the person in charge of the store is not the same person in charge of the digital experience. So coming together and actually thinking holistically about the user journey, I think is incredibly important.

We've also mentioned managing data and identity and really using identity as a way of not only understanding whether it's the customer and you have the permission to use their data, but increasingly now making sure that we can use that process to make sure it's not a fraudster who's trying to use that data for ill-gotten gains.

And thirdly, I think it's really about tone of voice and just making sure that you know, throughout the entire digital to physical experience, the brand persona is being you know, used in a really homogenous way, and it feels like you.

Rachel Hicks, Business Reporter 10:56

Seb Reeve from Nuance. Thanks so much for coming to talk to us today.

Seb Reeve, Nuance 11:00

Thank you very much.

Tags: Retail

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Explore our engagement solutions

See how our solutions collaborate to create retail experiences that satisfy customers across physical and digital.

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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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