Building a Customer-Centric

Communications
Strategy

A RETAIL DIVE PLAYBOOK

DIVE BRANDSTUDIO

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SCENARIO ONE:

A woman is on a quest to find the exact pair of black suede boots that her friend wore to the company holiday party last night. She pops open her laptop and clicks onto the brand's website. She can't find the boots, so she spends ten minutes trying to get on a live chat with a retail specialist for the brand. Next, she follows a prompt to dial the national service call center. Finally, she is forwarded to a local store, where a salesperson informs her that those particular boots are out of stock and recommends that she check out the very same website where she started her search to see if she can find them there.

SCENARIO TWO:

It's lunchtime on a Wednesday, and the local sandwich shop is bustling. A businessman picks up the phone to place a large lunch order in preparation for the following day's important meeting. In the sandwich shop, a long line of hungry customers weaves through the store as orders are placed and credit cards are swiped. Behind the register, a young employee hears the phone ring, and stops his transaction to answer the call from the businessman. Who does the sandwich shop employee choose to help? The person at the front of the long line of customers standing before him, or the businessman on the phone who needs to place a large, complex order for the following day?

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These scenarios illustrate what plays out when retailers fail to enable their employees with the rich communication, collaboration and analytics tools they need to properly serve the customer. Because retailers often rush to retrofit traditional communications -- including phones, instant messaging, and video conferencing -- with new investments in chat or video, the systems, and the experiences they provide, are disconnected. **Silo'd, often on-premise based technologies create unnecessary hurdles for their customers, instead of providing outstanding service that retailers compete on.**

In order to be truly customer centric – every touchpoint between a brand and its customer needs to be connected to a central strategy, which requires a truly unified communications system. Moving disconnected customer engagement channels to a customer-centric communications strategy in the Cloud streamlines customer service, improves internal communication and collaboration, enables greater insight for faster decision-making, and reduces administration and maintenance costs across multiple locations and an increasingly mobile workforce.

These improvements benefit retailers in particular, given that they tend to have not only a corporate headquarters and an online presence, but also a network of hundreds, sometimes thousands of locations. They can thus build an elevated and unified communications system that greatly enhances both the customer experience and the employee experience, literally connecting the dots between contact center systems and employee communications to build collaborative solutions that keep customers coming back time and again.

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CLOUD PUTS CUSTOMERS AT THE CORE

"Faster information pushes and a centralized source of information can help augment retailer IT," says David Bourne, High Volume Retail Sales SME. "The speed of information and accuracy increases, allowing businesses to change direction at a more rapid pace because their data and analytics are aligned and better connected. This allows multiple retail spaces to be in sync and move cohesively. Companies can directly push out marketing changes, more targeted sales promotion, faster flash sales, and a ton of other information."

Imagine the impact that this would have on our two scenarios. The woman wanting to purchase shoes would be able to do so in one step rather than being bounced among multiple modes of communications and ending up frustrated and potentially shopping elsewhere. The customer placing the lunch order would be immediately routed to a call center specialist who is equipped to handle large catering orders, rather than disrupting the person who is busy preparing sandwiches in the local shop.

But first, retail information technology leaders, who are unfamiliar with the benefits of a truly unified communications strategy, need to overcome their fears and get a real understanding of the cloud.

VOIP Review cites five primary benefits of unified communications systems in the Cloud:

1 **MOBILITY**, given the ability to work remotely from any device

2 **SCALABILITY**, since a company can add or subtract users, lines, extensions and features

3 **SECURITY**, through encryption, protected file transfer and more

4 **RELIABILITY,** thanks to fail-safe methods like disaster recovery through multi-site data centers

5 **COST EFFECTIVENESS**, by having a provider manage and maintain your communications

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— David Bourne, High Volume Retail Sales SME

SALE 50% OFF

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THE LIMITS OF LEGACY SYSTEMS

Although it's by no means isolated to those in the retail industry, IT leaders tend to stick with the systems they know in spite of their imperfections. This paradox may be due to the fact that, though a system may present challenges, IT leaders know how to fix any problems that arise because the system has been in existence for a long time. IT simply accepts these technical hurdles and shortcomings as the status quo rather than searching for alternatives.

Among the unnecessary challenges that retailers and other businesses face if they persist with on-premise communications are the hassles and complexity of managing multiple vendors, carriers and service agreements, as well as administering disparate systems across all their sites, says Robin Alkein, senior manager, sales engineering at 8x8.

"You could have hundreds of thousands of sites, a variety of carriers based in the region, and you're not able to have central visibility and management of all those systems," he says. "Those are big challenges, having to manage a distributed, disparate system in a large retail environment."

For those using legacy communications systems, each retail store, management office, customer service center or other facility exists as its own island, says Ciaran Doyle, senior manager of segment marketing for 8x8. "Are they connected? Maybe the voice part – using a fairly costly MPLS network," he says. "But, if something needs to be changed, you still need to have a person physically there to make the change, whether a staffer or a local vendor. The combination of those two factors creates a massive expense across thousands of locations and doesn't provide the kind of insight retailers need to understand their business and their customers."

Bourne sees three major challenges caused by continued use of legacy systems in retail spaces: delayed reporting, information blockage, and out-of-sync data analytics. Delayed reporting, which happens because data must be collected centrally and then disseminated, means a company can't have real-time tracking of a sales promotion, for example.

"Consider a district sales manager who is running a door buster promotion on Black Friday," he says. "With legacy communication systems, the individual stores must report up their numbers, the district manager must then collect them all and then send back communications to the team. This leads to a lot of manual tracking and could cause the threshold levels [for the end of the promotion] to be missed."

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INTERCONNECTED DATA ACCESS POWERS SERVICE

Information blockage refers to company data stored on a device in the retail store that can't be accessed off-site, Bourne says. And then data analytics get out of sync because the multiple tracking systems do not talk to one another, and can even have conflicting information, he says.

Compare this to the ability of the Tesla auto company to remotely beam in software updates to its drivers, while other automobile manufacturers need them to visit a dealership to have it done manually. For example, a national office supply retailer with locations in and around Houston was able to use 8x8 cloud resources to update their phone systems for stores that were closed after Hurricane Harvey, seamlessly connecting customers to an available store location and with a new greeting. "They were able to route those calls to a person, even though certain stores were out of commission," Doyle says.

Harvey and other recent natural disasters have served as reminders of the limits of legacy communications in a crisis, notes Kymeta Corporation. **"Despite having dedicated bandwidth and infrastructure, current land-based communications systems continue to fail first responders and mobile emergency response teams," the company says.**

"The people they are charged with protecting and rescuing are also in danger as fixed, land-based communications systems are often damaged, destroyed, or become unreliable during and after the event."

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BUSTING THE MYTHS ABOUT CLOUD

IT leaders in retail and elsewhere are often hesitant to move to the cloud, for reasons that include concerns about reliability, security and the potential impact on customers, as well as plain old inertia. They have understandable reasons to be conservative: "Retailers are especially hesitant to do anything that will have even the slightest hiccup on the customer experience," Doyle says.

Alkein says some retailers become concerned about "putting their eggs in one basket" with a single vendor managing thousands of sites instead of a more disparate architecture, due to fears of an outage. But he points out that cloud providers like 8x8 build in geo-redundancy to guard against the loss of communications. "If 8x8 experienced a catastrophic event that knocked out the west coast, we would automatically roll over to the east coast [servers], and then to the U.K., and then to Australia," he says.

Other IT people fear the loss of control due to their physical hardware no longer being on site, but that's also a misconception, Alkein says. **"Yes, you are not physically touching the cloud," he says.**

"But you have 100 percent visibility and access to make changes, with the added benefit that you can now manage all sites from a central point."

Still, others believe cloud will cost more and say they don't need it for an enterprise-level business, viewing telecommunications as separate from the rest of their business, Doyle says. "But cloud communications are omnichannel, just as the expectation for the retail experience is omnichannel," he says. "All of those channels should be speaking to each other and the Cloud makes that possible."

Lastly, IT leaders in retail and elsewhere fear that no cloud provider could possibly match the security that they can provide themselves. But since most cloud providers have customers in industries that include healthcare, financial services and government, they already provide a higher level of security than most retailers could afford themselves due to the stringent nature of the compliance regulations in those industries, Doyle says.

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need, or could financially justify," he says. "It's step one for us. In order to get any customers to trust us, we have to meet their compliance and security needs."

IT staff often default to remaining with the systems already in place, especially if they can't quantify the investment in new cloud-based systems, and they might simply be reluctant to outsource, Bourne says. "Often, in-house IT staffs are not equipped or well-versed in this particular technology enough to transition the business to cloud services," he says. "It can become unfamiliar territory for the business."

Employment service company Robert Half notes that cloud must follow International Organization for Standardization (ISO) standards, which reduces the incidence of human error, and better protects data by providing a "layered approach" with en-cryption, key management, strong access controls and security intelligence. **"While there were early concerns about the potential security risks of cloud-based computing, it's becoming increasing-ly difficult for businesses to ignore the potential benefits of cloud computing," Half writes.**

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THE BENEFITS OF THE CLOUD

Broadly speaking, the cloud helps retail information technology leaders better manage their wide-ranging realm, which also includes point-of-sale systems, back-end inventory, scanners, overhead paging and two-way radios, Alkein says. "Moving communications to the cloud allows you to concentrate on those other aspects," he says.

IT people seldom relish dealing with communications. "Phone systems are relatively low-tech and don't add value," Doyle says. "We take that part off their plates. **It frees up their time to do tasks that do add value, while helping them understand what's happening with the customer experience in those communication channels."**

Cloud providers can monitor and report issues like how many calls one store is receiving vis-a-vis another, whether the retailer might need to consider opening a new location, and even granular details like whether customers are calling fifteen minutes after the store closes--indicating the need for extended hours, Doyle says.

"We're taking that basic communication utility they have today and adding a layer of intelligence," he says. "That allows them to be a hero to all departments. **Finance is going to be happy because we're cutting costs. Marketing will think they're fantastic because of the personalization. Store operations are going to be affected positively."**

Cloud providers ensure that security protocols meet or exceed "every compliance guideline you can imagine," Alkein says. "We offer security components like encrypting your call, encrypting your signaling. We challenge every single endpoint." Hacking into a call is "a lot more challenging" over an IP line than a regular phone line, he says.

Cloud-based systems enhance security when an employee is terminated due to the speed of communication, Bourne says. With a legacy phone system, he says, "If there is a delay in

that process because communications are moving from department to department, and they need someone to process it, it could leave the company exposed for a window of time. In cloud-based systems, as soon as HR or field leadership process the separation, the system would lock the individual out instantly, closing the window of vulnerability."

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SERVICE AROUND THE CLOCK— AND AROUND THE WORLD

The cloud boosts a retailer's reliability because they can handle customer requests no matter where the customer is located, and no matter how swamped a store might be--figuratively or literally, Doyle says. "It enables you to load-balance your workforce in addition to administering things and handling customer requests, making you more flexible," he says.

Cloud systems enable retailers to front-end their calling systems with messages that say "thank you for calling, our business hours are X," Alkein adds. "Maybe that's all you needed to know. You can start deflecting some calls to a corporate or centralized call center when no one is available at the physical store location."

Bourne says greater reliability comes from systems that are always on, leading to more accurate information and analytics. **"When the results are aligned in an organization, and the data that field teams use is accurate, it builds trust and transparency with field teams," he says.** Enhanced cloud service ensures everyone is looking at the same data, he adds.

The cloud makes retail IT more productive and efficient by rerouting those conversations and enabling in-store employees to engage customers in the store, Alkein says. "How often do you call a store and ask a person, do you have this in blue and size medium?" he says. The cloud platform might say, "If you'd like to check for inventory, press 7," and then check for that inventory in the database.

"You start enhancing the customer experience, and then you really start looking at analytics: How often are we getting calls, and what are those calls about? How are you deflecting those calls? How many people just want to know your business hours?" he adds.

The cloud enables retailers to spend less time pulling data and more time pushing out information, Bourne says. "In many companies, this data comes from multiple locations and sources," he says. "The cloud makes retail IT more productive by helping field teams get the data they need more succinctly, so that they can reallocate that time to pushing the info to their teams."

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The cloud also allows teams to react faster to market conditions, Bourne says. "If XYZ company notices that their competitors have launched an offer on a Wednesday, cloud-based IT would allow them to react to that promotion in real-time," he says. "Cloud-based systems also allow for enhanced collaboration on projects between teams. Let's say you want to reorganize business channels, retail locations or headcount. These systems can help a company do that without having to reconfigure and recode data."

Research conducted for Cisco by Chadwick Martin Bailey, reported in Inc. Magazine, found that among companies using unified communications:

49 PERCENT saved up to 20 minutes per employee daily by reaching workers on the first try

50 PERCENT saved up to 20 minutes per employee daily by more efficiently managing messages

67 PERCENT reported increased mobile worker productivity

68 PERCENT reported productivity improvements among geographically disparate functional groups

MORE THAN 75 PERCENT said employee productivity had increased due to use of voice and video conferencing.

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Given these many varied benefits, a local catering service with a national presence might deflect calls to a centralized contact center, where trained personnel can tell them what promotions are running and how to otherwise meet customers' needs, Doyle says. "That's what they do all day," he says. "It's easier to deflect things that take longer and are more complex to somebody who's trained to do it."

Cloud improves the customer experience through this routing process as well as by capturing metrics that lead to conclusions about how to improve processes going forward, Alkein says. "You know who's calling, when was the last time they called, what they called about," he says. "You're making agents as efficient as you possibly can." And given that they are on the front lines of your customer experience, enabling them to provide topline service is critical to making that experience memorably satisfying.

A consumer electronic retailer that focuses mostly on video games can push out interesting product information when someone calls in to a location, Doyle says. "If you're a gamer, and you wanted to see if they have this game in stock, that's the first message you get," he says. **"It's similar to what a retailer would do to optimize their website. If everyone is leaving the home page to go to shoes, you put the shoes on the front. It's the same kind of intelligence, it's just been lacking on phone systems."**

Customers will benefit from better deals being offered more aggressively due to increased reaction speeds to the competition, Bourne says. "More targeted promotions also become possible through more real-time marketing," he says. "Cloud-based systems offer a much larger variety of ways in which businesses can target their customers. They can target ZIP codes, stores, specific customer accounts, or time periods." And they can push out consistent messaging across the omnichannel universe, he adds.

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IMPACT OF VIRTUAL OFFICE AND VIRTUAL CONTACT CENTERS

Virtual Office and Virtual Contact Centers from 8x8 help retail companies break down the fiefdoms between departments and enable companies to operate as customers see them--as one brand, Doyle says.

"Every employee has a stake in the retail customer experience," he says. "Whether they deal with the customer directly at the contact center or in-store, or they're in finance, product development or purchasing--by putting all those people on one platform, it helps you get to the right person who can solve the customer issue in the shortest time possible."

8x8's platform replaces disparate carrier and technology relationships with a single, streamlined vendor, Alkein says. This means stores potentially can contact one another using a four-digit extension number and transfer customers to a central call center if they can see another local store is already on the phone, he says. They can place the customer in a call-back queue so they don't have to wait on the line. Instead of being hamstrung with a limited set of unsatisfying options, they can ask the customer: "What do you want me to do?"

Moving to the cloud not only provides a bevy of benefits for retailers and their customers alike, but it can be done much more quickly than a legacy rollout, Doyle says. A retailer with thousands of stores can bring as many as 100 per day on board, completing the changeover within weeks instead of years.

"Retailers could see this as, 'My phone systems are 20 years old, but there's no way I could send some-one to every store and do this,' " he says. "We can help them make that transition at scale without the typical upgrade pains. **Everyone thinks they have to choose -- either invest in technology and it will be painful, or stick with what you have and wait until it breaks. We help them find another way to meet those goals."**

But cloud systems can be rolled out that much more quickly because they're centrally managed and centrally deployed--

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and 8x8 provides the additional advantage that its systems all work a proprietary platform rather than aggregating through partnerships. "That allows us to be nimble and adjust our functionality based on customer feedback," Doyle says. "At the end of the day, that's what retailers want. They live and die by their customer experience."

For retailers to succeed in today's hyper-competitive, digital-first marketplace, they must be obsessed with providing great customer experiences (CX) at every touchpoint. In order to provide that great CX, every organization must give their employees -- those who serve customers and the experts in the broader organization -- the communication, collaboration tools and actionable data that enable them to work together more efficiently, innovate more regularly and solve problems more elegantly.

Using cloud technology for unified communications and the contact center achieves greater customer and employee experiences and much more: cost savings, added security, reliability and smoother internal collaboration. Retailers can avail themselves of 8x8's cloud solutions as soon as they're ready to jettison their legacy, on-premise systems and point themselves skyward.

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8x8, Inc. (NYSE:EGHT) is a leading provider of global cloud communications and customer engagement solutions to over a million business users worldwide, empowering them to deliver exceptional customer experiences. For additional information, **visit www.8x8.com**, or follow 8x8 on **LinkedIn**, **Twitter**, and **Facebook**.

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