



## GROWING CUSTOMER EXPECTATIONS FOR RETAIL CUSTOMER SERVICE

**C**ustomer expectations are changing for retail customer service. Self-serve tools and online chat options are making it easier for customers to address problems quickly on the website or mobile app without needing to contact customer service. And when customers do contact customer service, improved voice recognition technology, empowered professional agents, and sophisticated account systems combine to provide an effective resolution system that provides superior service to customers. Retailers must be adaptive in providing online tools to enable customers to self-serve, while also making available empowered professional agents who can effectively handle the issues that customers cannot resolve on their own.

Radial and CFI Group surveyed 500 online shoppers to understand their experiences across the customer service journey, from digital properties to the contact center. The resulting feedback underscores the need for retailers to acknowledge the growing customer expectations, and to invest in the tools, technology, and training required to deliver an excellent customer service experience.

### EXPECTATIONS FOR DIGITAL PROPERTIES

Only 5% of retail customers say that they never try to resolve their

issue online before contacting customer service. The other 95% will at least try at times to resolve the issue on a digital property, such as the website or a mobile app, before reaching out to customer service. One in four (28%) say they will always try online first, while another 42% say they will try online first most of the time. A smaller group of 24% are not as quick to go online first but say that they will some of the time.

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Much of this willingness depends on the ease and accessibility of the online options. When a retail customer is online and a self-serve option is made available to assist them, 57% say they will typically try that self-serve option before reaching out to customer service. Another 19% say they will occasionally use that self-serve option when it is made available. Unfortunately, customers are too often unable to resolve their

issue on the website. Only 29% say the retail website is “very helpful” in getting their issues resolved.

To assist customers in solving their issues online, retailers are making live chat readily available. Online chat options are well-received by retail customers. About one in six (16%) who interact with customer service do so via online chat from the website. Of those who use online chat, 39% say they use it because it conveniently pops up when they’re on the site, a figure that is up from 29% just a year ago.

The use of chatbots (automated interaction) is now common, and the technology is quickly advancing, but chatbots do not deliver customer service as well as a live chat agent. Half of all customers who use the online chat option say that at least some portion of that chat involves interaction with a chatbot, compared to just 38% last year. And 18% say their interaction is entirely handled by a chatbot, compared to 9% in 2018.

However, customers who interact with a chatbot are 8% less satisfied with the customer service experience than the overall average. And customers who chat directly with a live agent only are 17% more satisfied with the retailer's customer service than are those who interact with a chatbot either exclusively or partially.

### EXPECTATIONS FOR CONTACT CENTERS

As with chatbots, IVRs for contact centers tend to generate lower customer satisfaction with the customer service experience. For retail customers who call customer service, 40% have at least some interaction with an IVR, often causing frustration for many customers. Customers who experience at least some IVR are 16% less satisfied with the customer service experience than are those who get connected directly to a live agent.

Not only are customers unhappy with IVRs, but expectations for how well IVRs should perform continue to increase. Much of this rising expectation for IVR capabilities can be attributed to advances in voice recognition technology and artificial intelligence (AI) that have quickly reshaped the customer's understanding of the efficacy of automated voice interactions.

Our study shows that 69% of retail customers who contact customer service now use some form of virtual assistant for personal use "with some regularity." Three popular virtual assistants are used regularly by retail customers: Google Home or "OK Google" (34%),

Alexa devices (31%), and Siri (26%). When customers were asked how comfortable they would be interacting with these artificial intelligence mechanisms for their future calls to customer service, 65% of those who use a virtual assistant regularly said they would feel comfortable interacting with them for future customer service calls.

While voice recognition technology is quickly advancing, live agent interactions still currently deliver the best and most thorough customer service experience. Live agents can be costly for a contact center, but our data modeling analysis shows that effective and empowered

agents continue to have the largest impact on a customer's customer service journey experience.

But even expectations for live agents are increasing. Customers increasingly expect agents to have all contact information at their fingertips, with access to the history of all customer interactions with the brand.

For retail customers who contact customer service, 62% expect the agent to see a history of their previous interactions with the brand, and 24% say they expect the agent to see all customer interaction activity regardless of whether online or at a physical store. Retailers who do not have the systems to enable agents to view this history can lose significant revenue. Almost one in four (23%) customers said they were less likely to make a purchase when the agent did not have access to their order history.

Customer expectations will continue to rapidly change as technology develops and the general population grows more comfortable with it in daily life. Retailers must continue to actively develop, measure, and monitor the customer experience with the customer service delivery on the website and contact center experience for optimized customer satisfaction with the experience.



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#### About CFI Group (cfigroup.com)

Since 1988, CFI Group has delivered customer experience measurement and business insights from its Ann Arbor, Michigan headquarters and a network of global offices. As founding partner of the American Customer Satisfaction Index (ACSI), CFI Group is the only company within the United States licensed to apply customized ACSI methodology in both the private and public sectors. Using our patented technology and top research experts, CFI Group uncovers the business drivers and financial impact of customer experience.

#### About Radial

Radial Inc., a bpost company, is the leader in omnichannel commerce technology and operations. Premier brands around the world confidently partner with Radial to deliver their brand promises, anticipate and respond to industry disruption, and compete in a rapidly evolving market. Radial's innovative solutions connect retailers and customers through advanced omnichannel technologies, intelligent payments and fraud protection, efficient fulfillment, supply chain services, and insightful customer care services – especially where high-value customer experiences are critical. We are flexible, scalable, and focused on our clients' business objectives. Learn how we deliver today's retail for you at radial.com and follow us on Twitter @radialcorp.