



# Unified Communications: An Essential But Overlooked Component Of Omnichannel



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Retailers have invested seemingly endless time and money into transitioning to omnichannel, seeking to break down the silos that separate the channels they use to deliver a consistent brand message. The goal is to create a seamless, personalized shopping experience across channels, so consumers can effortlessly transition across mobile, social, store, and web.

But many have overlooked one key component of omnichannel: **communications**. Across the retail landscape, aging PBX systems languish in back rooms and utility closets, with different PBX brands and models across countries, offices, warehouses, and even store to store. This degrades the brand experience due to cumbersome, slow response times and incompatibility across systems. Many use outdated contact center solutions that are incapable of enabling the seamless movement of customer service encounters across channels, such as phone, chat, email, text, and social media.

Aging and disparate communications systems also **limit collaboration** and communication internally and with partners, drive up system management and maintenance costs, and cause downtime and scrambling whenever one system component fails.

Retailers are just beginning to awaken to the important connection between seamless communications and omnichannel. To learn more, Retail TouchPoints surveyed a cross-section of retailers on the current state of their customer experience initiatives and their approach to communications.

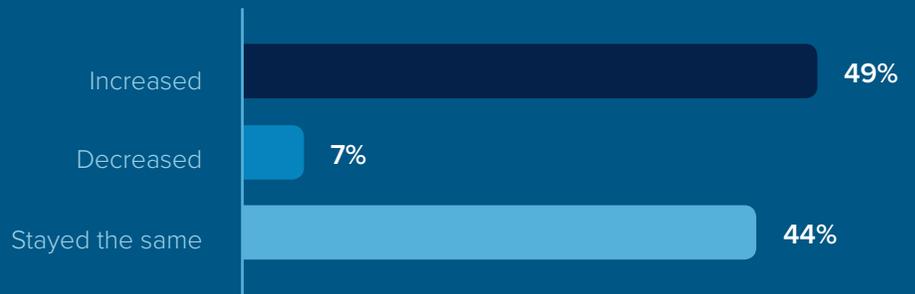
# Elevating The Customer Experience

Many retailers have a customer experience problem. As digital leaders like Amazon, Facebook, and Netflix add personalization, convenience, and elevated service levels to their value proposition, they raise the stakes for all businesses, no matter the industry. In retail, that translates into customer churn and revenue losses.

Retailers are not keeping up. Research by [Capgemini](#) found a disconnect between how consumers feel about retail brands, and how retail executives think they are seen by consumers. Retail executives guessed that consumers' Net Promoter Scores for their retail brands would average 34, while the actual average was 9; and 48% of brands were given a negative NPS. This negative consumer opinion has real bottom-line impact. [McKinsey](#) compared the total return to shareholders of companies with above- and below-average customer satisfaction scores, and found **the leaders achieve four times the growth** in value of the laggards over a 10-year period.

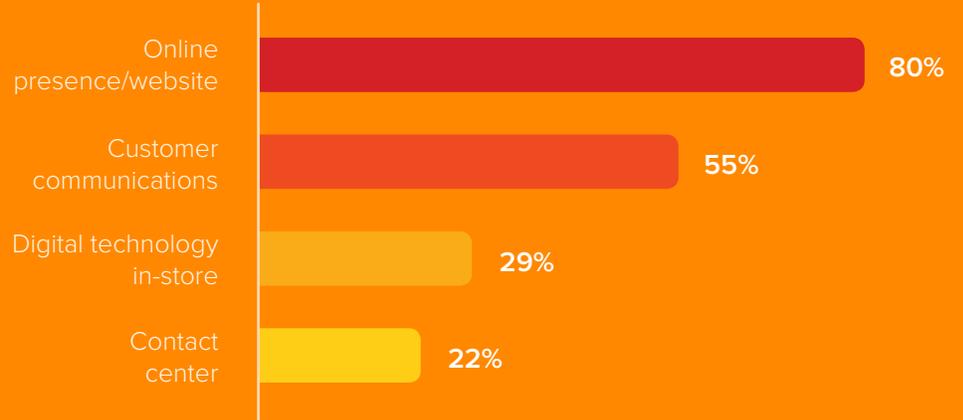
Such findings have driven many retailers to make improved customer experience a top focus of their spending. Our survey found **44% of respondents have increased their investments in customer experience** over the past year, while half have maintained their investments at the same level. Customer experience investments are wide-ranging, from a better website interface to in-store technology to increased contact center staffing. These are investments that can pay off: [Forrester](#) found that for some retailers, a one-point improvement in a CX Index score can lead to an incremental \$244 million in revenue.

## How Investments In Customer Experience Have Changed Over The Past Year



Our survey found the biggest share of customer experience investments are aimed at the online/website customer experience (80%), followed by customer communications (56%) and in-store digital technology (29%). Contact centers appear to be under-invested, with just 22% allocating budget toward enhancing the contact center customer experience.

## Where Retailers Have Increased Customer Experience Investments



# Improving Customer Communications

The rise of customer experience as a core business goal comes as the influence of digital and mobile drives the pace of retail ever faster. Customers expect near-instant, personalized responsiveness to their needs. The McKinsey study, for example, found 75% of online customers expect help within five minutes.

Retailers face widespread challenges in keeping up with these high consumer expectations. Respondents' number-one obstacle to better customer communications is the **ability to improve speed of response** to customer inquiries, but this is followed closely by the cost of improving customer communications, the ability to communicate with customers globally, and the ability to personalize 1:1 interactions with shoppers. Addressing these challenges is key to a better customer experience: 73% of consumers surveyed by [Forrester](#) say that valuing their time is the most important thing a company can do to provide them with good online customer service.

## Top Customer Communications Challenges

*(Respondents selected 1 or 2 out of 9)*



Ability to improve speed of response to customer inquiries



Ability to personalize 1:1 interactions with shoppers



Cost of improving customer communications



Ability to communicate with customers globally



Quality of call center staff



Ability to give customers choices about how they communicate with the brand via email, SMS text messaging, online chat, phone



Outdated technology



Ability to quickly add new locations to the customer communications platform



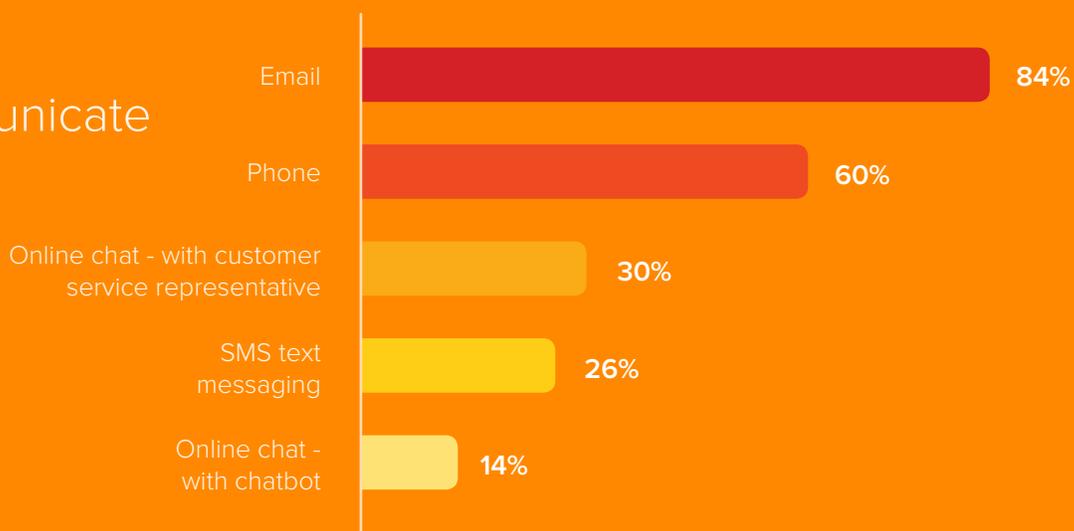
C-level buy-in for improving customer communications

Retailers also struggle to offer customers choices about how they communicate with the brand via email, SMS text messaging, online chat, phone, social media, and so on. Typically, this is because their communications and contact center systems are outdated, and telephony, chat, messaging, and other systems are all separate and poorly integrated, or not at all. So, when a customer who had called two hours before now reaches out via chat to follow up, she is forced to restate the problem because the customer service representative has no access to the call history. [Research by Accenture](#) found that 89% of customers get frustrated because they need to repeat their issues to multiple representatives.

Other communications obstacles include **outdated technology** and the **inability to add new locations** to the customer communications platform. Fortunately, the least-reported obstacle is getting C-level buy-in for improving customer communications.

Perhaps because of the challenges retailers report in taking a unified, omnichannel approach to customer communications, email remains the most commonly used method (83.5%), followed by phone (60%). Newer media are much less common, including online chat with a customer service representative (30%), SMS text messaging (26%), and online chats with a chatbot (14%).

## How Retailers Currently Communicate With Customers



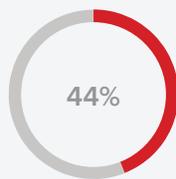
Shoppers want to communicate one-on-one with a retailer's customer service staff at multiple points across the customer journey (see Figure 5). Retailers say they need to improve communications at every stage, but no more so than in the post-purchase process. The biggest requirement comes in **confirming customer satisfaction**, but **improving the ability to solve customer issues** is also a pervasive need. Other areas ripe for improvement include service during the purchase and during the product/brand research phase.

## Where Retailers Most Need To Improve Customer Communications Across The Customer Journey

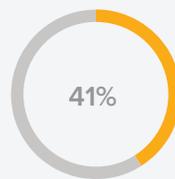
*(Respondents selected 1 or 2 out of 5)*



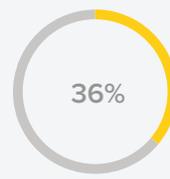
Post-purchase, to confirm customer satisfaction



At the time of purchase



During the product/brand research phase



Post-purchase, to solve customer issues



During key shopping periods throughout the year (holidays, events, birthdays, etc.)



# How To Close The Customer Communications Gap

Addressing these gaps in customer communications capabilities is critical for the same reason moving to omnichannel is critical: because consumers see one brand, not different channels, and expect to move seamlessly across them no matter whether they are browsing, buying, or requesting help. Research firm Forrester found providing communications via customers' preferred methods is a high priority for both consumers and retailers.

A well-designed unified communications platform provided via the cloud brings all forms of customer communications onto the same platform, enabling this seamless transition. This approach also addresses many of the customer communications pain points retailers cited in the survey results:

**Faster speed of service.** Antiquated PBX systems or slow or non-existent links from one system to another cause delays in getting calls to the right recipients. Unified communications removes those roadblocks, so customer and associate communications quickly reach the right places.

**Lower costs.** On-premises equipment incurs high maintenance, repair, and downtime costs—and these tend to increase with age. Cloud eliminates all those costs; the only local hardware is the handset or device.

**Global reach.** Disparate communications systems by country can make it difficult for calls to move seamlessly across borders. Cloud platforms easily cross borders with one system.

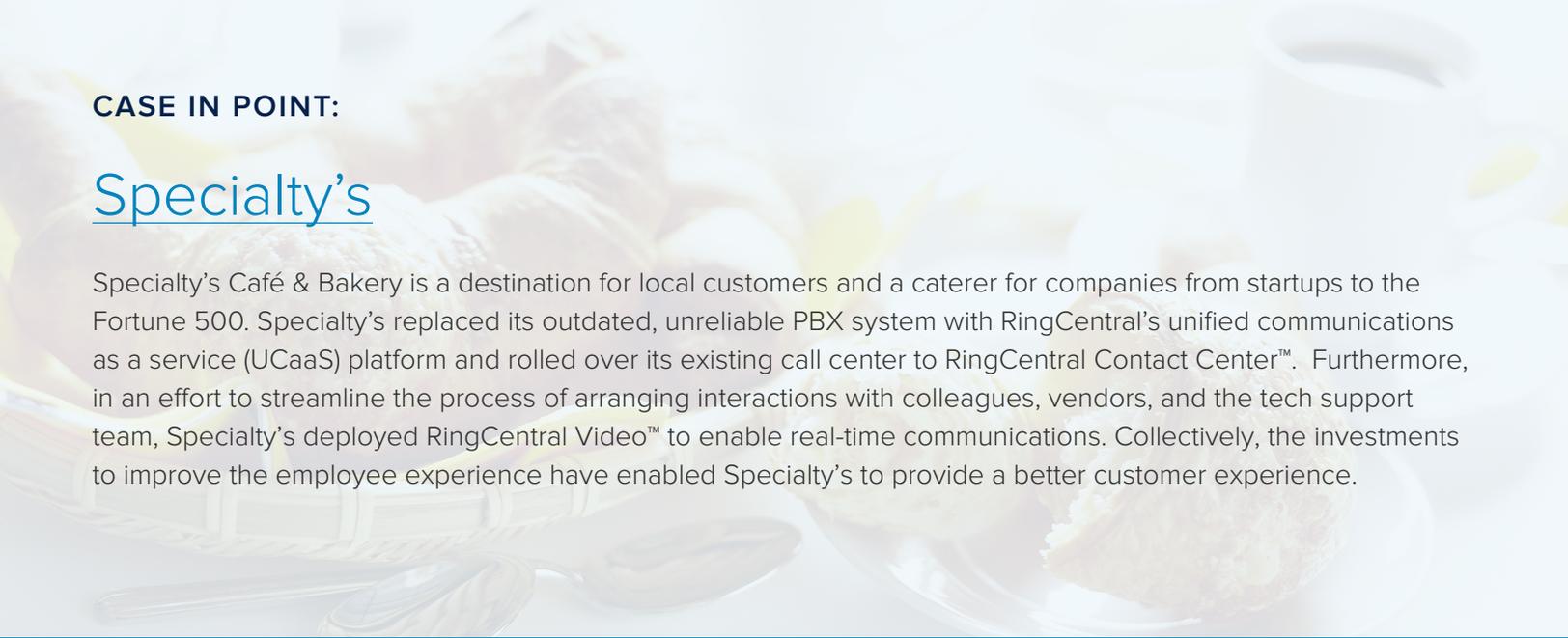
**Personalized interactions.** The personalized experience today's customers demand requires agents to access customer history and preferences. Cloud-based architecture makes it much easier to make CRM systems accessible via all forms of customer engagement.

**Seamless cross-channel communications.** Many retailers operate separate solutions for phone, text, chat, chatbots, and social media communications. But customers expect agents to be up to date on their issue even if they reach out via a different channel. A unified cloud solution means communications are integrated and readily available from the same digital contact center platform.

**Access across the customer journey.** Customers have different reasons to reach out depending on where they are in the shopping journey. It's important to be able to offer an array of choices to contact the brand at every step, with visibility into the customer's entire history, a capability enabled by cloud.

**Collaborative capabilities.** Customers are not the only ones who need help. A unified cloud-based solution also enables store staff or customer service agents to access product expertise whether it's in another store, at headquarters, or even on the go.

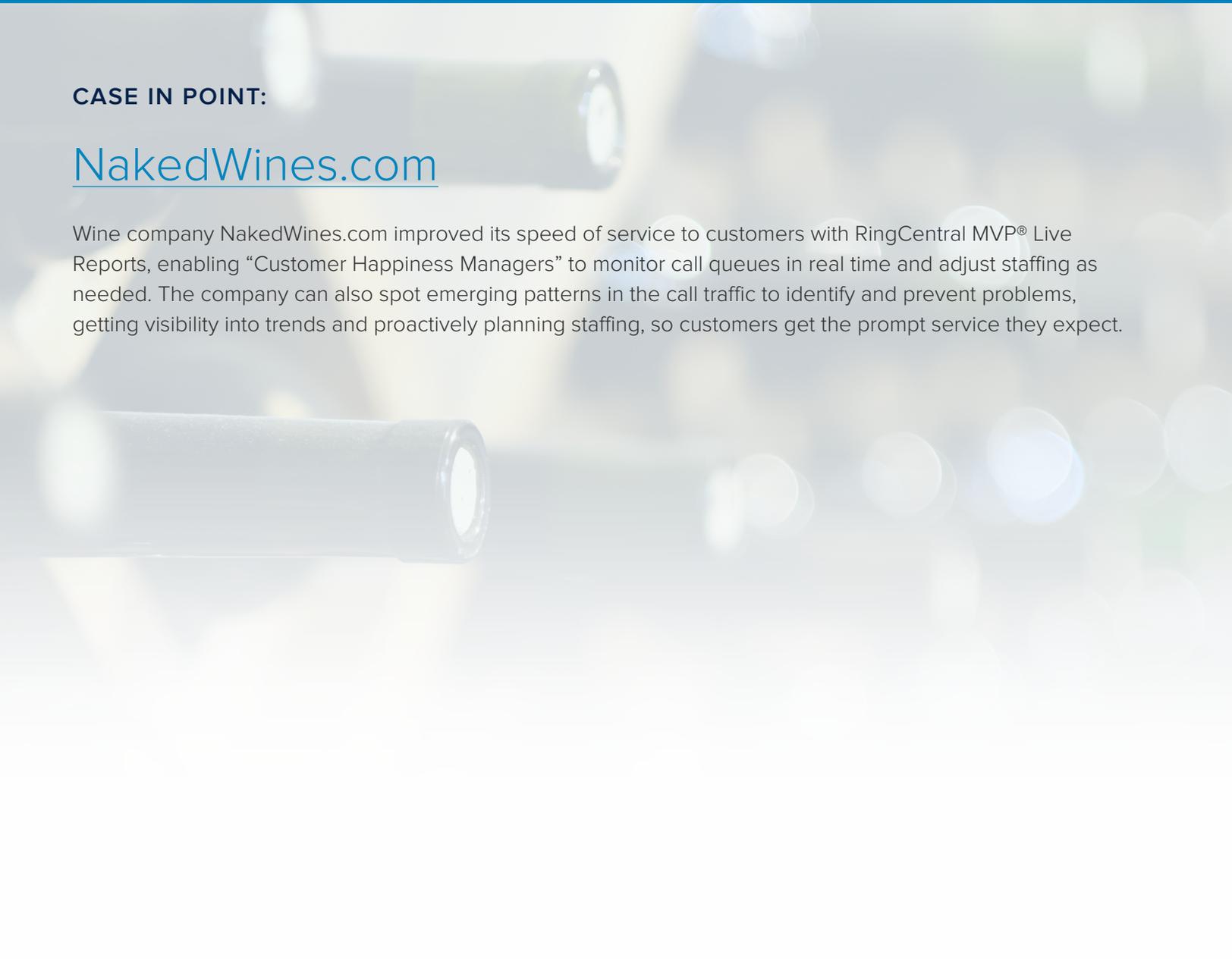
The right platform also makes it easy to integrate with key software solutions such as CRM and ERP, so customer service reps can easily access a customer's history and all its service activity, no matter the media channel, to personalize and speed the encounter. Often major packages come pre-integrated, but if not, it's important to look for cloud-based unified communications and contact center platforms with open APIs.



**CASE IN POINT:**

## Specialty's

Specialty's Café & Bakery is a destination for local customers and a caterer for companies from startups to the Fortune 500. Specialty's replaced its outdated, unreliable PBX system with RingCentral's unified communications as a service (UCaaS) platform and rolled over its existing call center to RingCentral Contact Center™. Furthermore, in an effort to streamline the process of arranging interactions with colleagues, vendors, and the tech support team, Specialty's deployed RingCentral Video™ to enable real-time communications. Collectively, the investments to improve the employee experience have enabled Specialty's to provide a better customer experience.



**CASE IN POINT:**

## NakedWines.com

Wine company NakedWines.com improved its speed of service to customers with RingCentral MVP® Live Reports, enabling "Customer Happiness Managers" to monitor call queues in real time and adjust staffing as needed. The company can also spot emerging patterns in the call traffic to identify and prevent problems, getting visibility into trends and proactively planning staffing, so customers get the prompt service they expect.

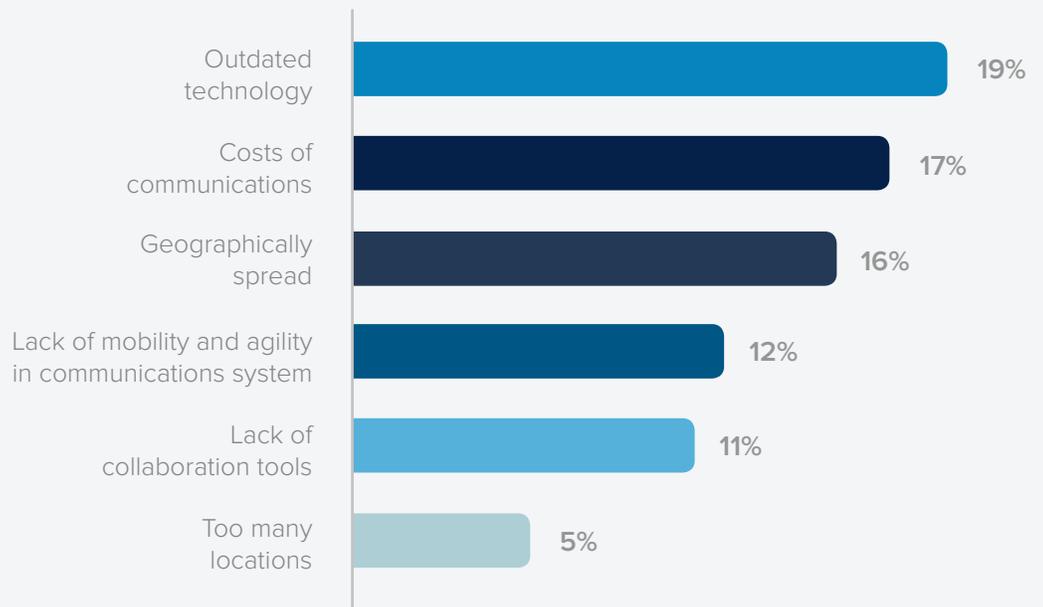
# Communicating Across Locations

Customer communication is key, but internal communication—among employees and with supplier partners—also has a significant impact on customer satisfaction. Retailers employ large workforces that span many locations—stores, regional offices, headquarters, logistics facilities, and mobile workers, such as field management. They also work with a wide base of suppliers, often spread across the globe.

To support the rapid pace of 21st-century retailing, it's critical that these workers are able to conduct the business of retail quickly, easily, and seamlessly. Antiquated, siloed systems—including PBX hardware, video conferencing systems that are separate from telecom systems, the inability to share documents or engage in internal chat, and so on—stand in the way of real-time, collaborative activities that keep businesses moving forward. Using email or a portal to communicate trading concepts, insights, specs, and other details to a supplier or colleague is slow and cumbersome, especially if it's not well integrated with retail line-of-business software. That delays collaboration and decision-making just as retailers need to take action faster than ever.

Retailers agree, citing a wide range of obstacles to communication between stores (see chart on page 5). Outdated technology is the top response, cited by 19% of respondents, followed closely by the cost of communications (17%). The geographic spread of retail business is another common problem (16%). Retailers also point to the lack of mobility and agility in their communications system (12%) and lack of collaboration tools (11%).

## Top Challenges Of Store-To-Store Communications



These communications obstacles prevent internal staff from conducting seamless communication and collaboration. If merchandisers or operations managers cannot easily video conference and share documents across country locations, they lose the immediacy and interactivity that drive good decision-making. If it's hard to enable a newly promoted regional manager to easily communicate with all the store managers in his district, it slows responsiveness to daily issues. If a traveling executive can't dial in via mobile to the teleconference with a key business partner half a continent away, strategic decision-making is delayed.

A well-designed, cloud-based unified communications platform brings agility and flexibility to a retailer's communications platform. That means any location—stores, regional offices, headquarters, distribution centers, even partners, suppliers, and mobile workers—can easily gather just as if they were in the same room. By accessing capabilities such as teleconferencing and video conferencing, along with the ability to share documents and access any data they need, a retailer's workforce is empowered to work quickly and collaboratively.

#### CASE IN POINT:

## John Varvatos

John Varvatos is an American contemporary menswear designer. With a guiding philosophy to help employees become as productive as possible and create an entirely cloud-based IT environment, John Varvatos deployed RingCentral Global Office™ and RingCentral Meetings company-wide in 2013. Between the phone service and RingCentral Meetings, employees involved in the global effort to design, manufacture, and sell clothing are now easily connected. Reaching a colleague in another country is now as simple as dialing their extension. In addition, RingCentral Meetings makes it easier to set up online meetings than the company's previous solution.

#### CASE IN POINT:

## Ladbrokes Coral

Unifying communications also was the goal for leading sports betting and gaming company Ladbrokes Coral. Maintaining a PBX in each location was growing increasingly onerous, and it was difficult to communicate between locations. Deploying RingCentral not only unified communications across its head offices and 3,500 bookmaking shops, but also streamlined back-end communications thanks to the RingCentral integration with Google. The RingCentral integration with Ladbrokes Coral's Google apps and environment allows users to click to dial any numbers through WebRTC, make and receive enterprise-quality calls on the same screen as their work apps, send messages and fax, and hold web meetings and conference calls—all via a single browser.

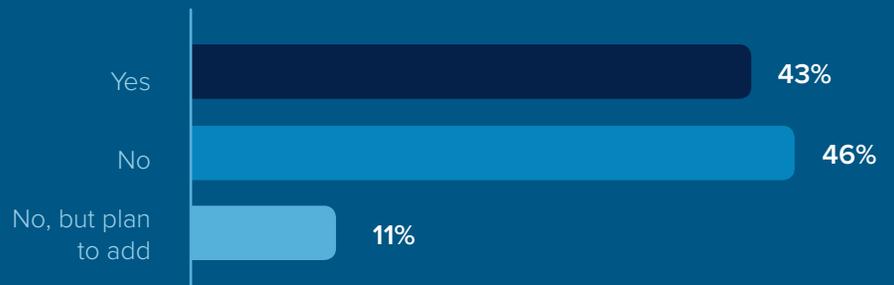
# Moving Communications To The Cloud

Nimble, secure, flexible communications are critical to conducting business at the speed of retail. Today's retailers are setting up pop-ups on the fly, identifying and bringing new fashion trends to market in just weeks, and shifting inventory in response to daily swings in demand to fulfill growing expectations for same-day delivery. Orchestrating all of this requires a highly agile approach to communications.

Antiqued infrastructure gets in the way. It's costly and time-consuming to order PBX equipment, schedule an engineer, and get telecom equipment installed to support a new pop-up store or office location. Creating a work order for every move, add, and change adds time and cost and delays what should be a fast, easy process. Aging equipment is more prone to breakdowns that hamper communications. And older equipment is incapable of the integrated, cross-media communications needed to run a business today.

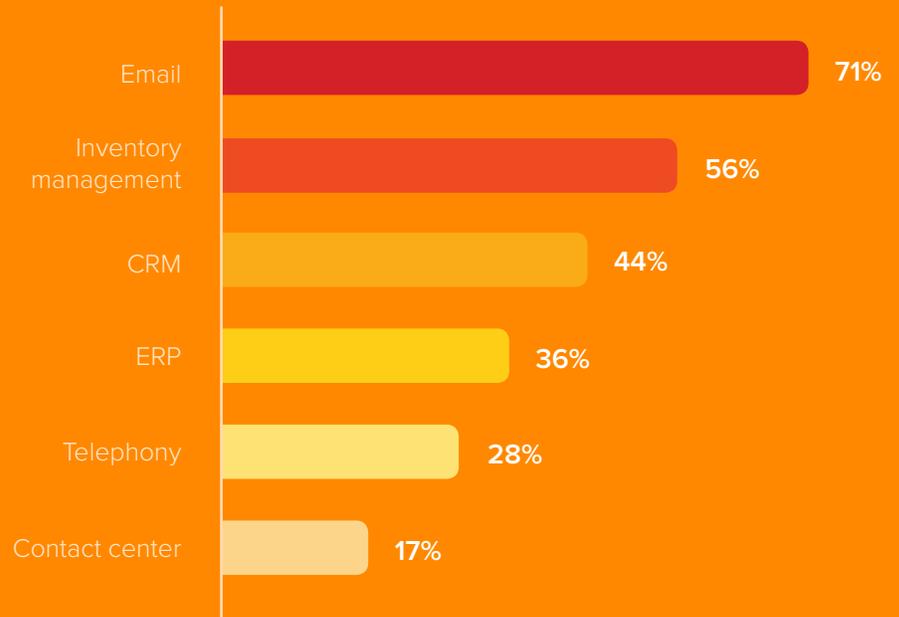
More and more retailers are finding answers to such problems in the cloud. Retailers once hesitant to adopt cloud technology have begun to do so, inspired by the success of early adopters. So far 44% of our respondents are currently using cloud, with another 10% actively planning to begin doing so.

## Retailers' Current Use Of Cloud Technology



Email (71%) and inventory management (56%) are the most popular current uses of cloud architecture, followed by CRM (44%) and ERP (36%). Retailers are most reticent to move customer-facing technology to the cloud: Just 29% are using the cloud for telephony and 18% for their contact centers.

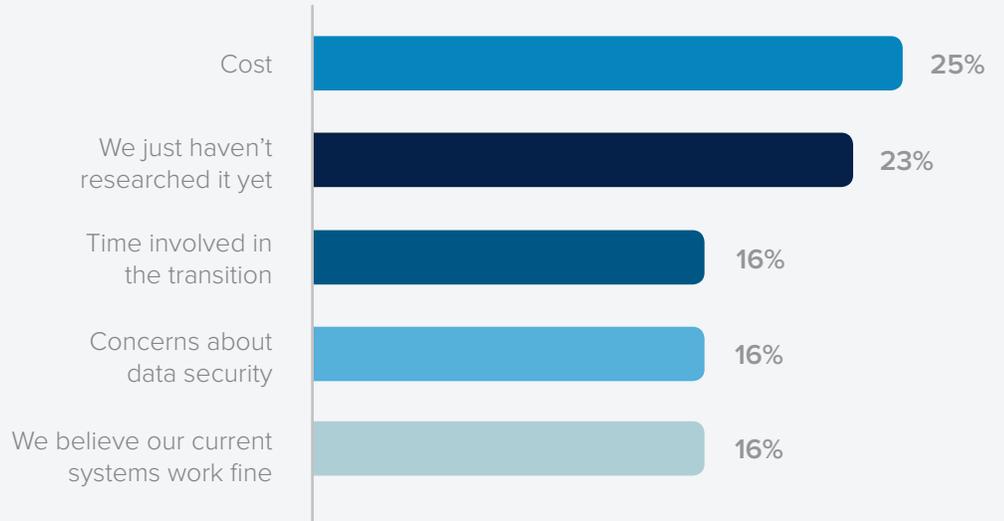
## Retailers' Business Functions Currently In The Cloud



Retailers' relative inexperience with cloud is clear in the factors they cite as issues preventing them from moving their business functions over to cloud architecture. They cite cost as the biggest reason (25%). Data security, time to transition, and confidence in current systems are also common reasons.

But 23% admit they just haven't researched cloud yet. If they did, they would learn that cloud typically delivers lower costs, better security, and the much-needed benefits of improved flexibility, agility, and speed. This solves many retailers' challenges with their current antiquated PBX and contact center solutions.

## Barriers Preventing Retail Cloud Adoption

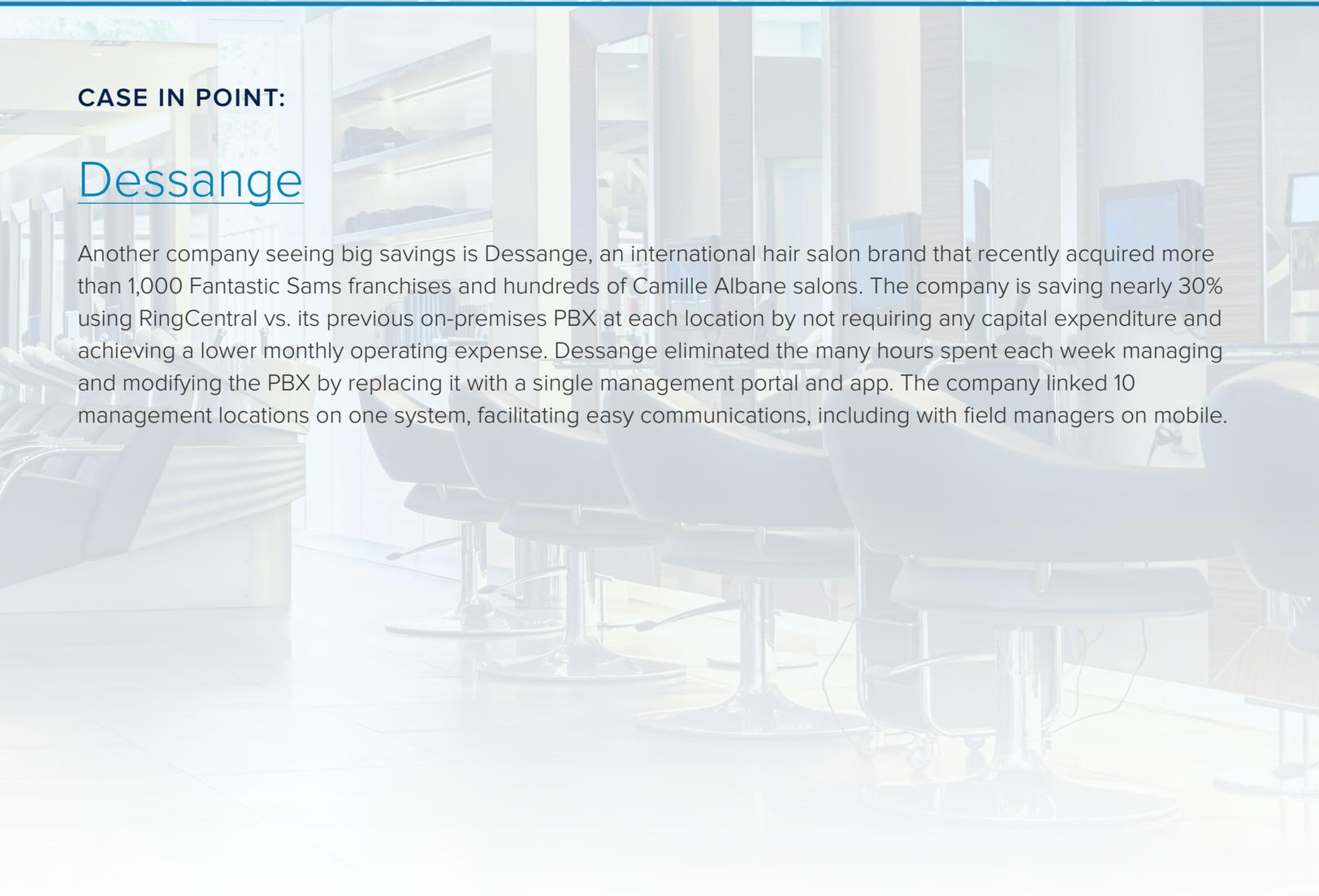




**CASE IN POINT:**

## John Varvatos

John Varvatos realized a **40%** to **50%** reduction in communications costs with RingCentral while simplifying communication and collaboration across the organization.



**CASE IN POINT:**

## Dessange

Another company seeing big savings is Dessange, an international hair salon brand that recently acquired more than 1,000 Fantastic Sams franchises and hundreds of Camille Albane salons. The company is saving nearly 30% using RingCentral vs. its previous on-premises PBX at each location by not requiring any capital expenditure and achieving a lower monthly operating expense. Dessange eliminated the many hours spent each week managing and modifying the PBX by replacing it with a single management portal and app. The company linked 10 management locations on one system, facilitating easy communications, including with field managers on mobile.

In addition to the customer experience and inter-location benefits of a cloud-based unified communications platform, retailers achieve many infrastructure benefits as well:

**One centralized anywhere/any device platform.** A unified communications platform replaces a maze of disparate, costly-to-maintain on-premises communications systems. This enabled [NakedWines.com](#) to establish a common phone system across locations, with affordable internet calling in between. Adding a new extension is as simple as plugging a new phone in to an internet socket, and it's easy to move operations and scale the solution as business dictates.

**Centralized management.** This provides visibility and control of the entire communications system from one central portal or app. Retailers can manage multiple remote locations from one central place.

**Always up to date.** Since hosted cloud architecture means the developer always keeps the platform current, retailers are no longer stuck with legacy equipment with limited capabilities. Cloud enables them to future-proof to ensure they keep up with consumer expectations.

**Enhanced security.** Experts constantly modify the solution to block current threats and ensure the platform offers the latest capabilities.

**Flexibility and agility.** This includes the ability to quickly reconfigure the network. Say one store or contact center gets flooded. Using the cloud management platform, the retailer could quickly redirect that site's communication traffic to another location, and even facilitate agents working from home.

**High rates of uptime.** Cloud solutions are tended 24/7 by highly qualified data center experts. Scalability enables retailers to easily add and remove locations without costly and time-consuming capital investment in equipment and engineering services.

**Lower costs.** A unified platform provides the assurance of a low, predictable monthly fee compared to the hardware investment, engineering costs, and regular and emergency maintenance costs associated with on-premises systems.



## Filling The Omnichannel Gap

Retailers' investments in omnichannel have been all about elevating the customer experience to one that is seamless across all touchpoints. But to be fully customer-centric across the breadth of the customer journey, communications systems must be omnichannel as well. A cloud-based, unified communications platform saves retailers money while giving them more flexibility, scalability, and control over communications within their organizations, as well as with customers and suppliers. That enables retailers to achieve the elevated, friction-free communications essential to a fully omnichannel customer experience.

Learn More...



*Retail TouchPoints* is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The *Retail TouchPoints* network is comprised of three weekly e-newsletters, special reports, web seminars, exclusive benchmark research, an insightful editorial blog, and a content-rich web site featuring daily news updates and multi-media interviews at [www.retailtouchpoints.com](http://www.retailtouchpoints.com). The *Retail TouchPoints* team also interacts with social media communities via Facebook, Twitter and LinkedIn.

[www.retailtouchpoints.com](http://www.retailtouchpoints.com)



## RingCentral

RingCentral, Inc. (NYSE: RNG) is a leading provider of global enterprise cloud communications, collaboration, and contact center solutions. More flexible and cost-effective than legacy on-premises systems, the RingCentral platform empowers employees to work better together from any location, on any device, and via any mode to serve customers, improving business efficiency and customer satisfaction. That is the promise of Work as One™. The company provides unified voice, video meetings, team messaging, digital customer engagement, and integrated contact center solutions for enterprises globally. RingCentral's open platform integrates with leading business apps and enables customers to easily customize business workflows. RingCentral is headquartered in Belmont, California, and has offices around the world.

[www.ringcentral.com](http://www.ringcentral.com)

