



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, personalised 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 Many use outdated contact centre solutions that are incapable of enabling the seamless movement of customer service encounters across channels such as phone, chat, email, text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 communication systems also **limit collaboration** and communications 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.

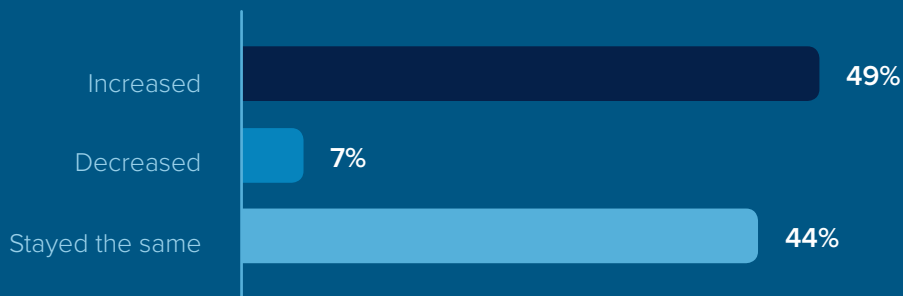
Elevating The Customer Experience

Many retailers have a customer experience problem. As digital leaders like Amazon, Facebook and Netflix add personalisation, 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 Score for their 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.

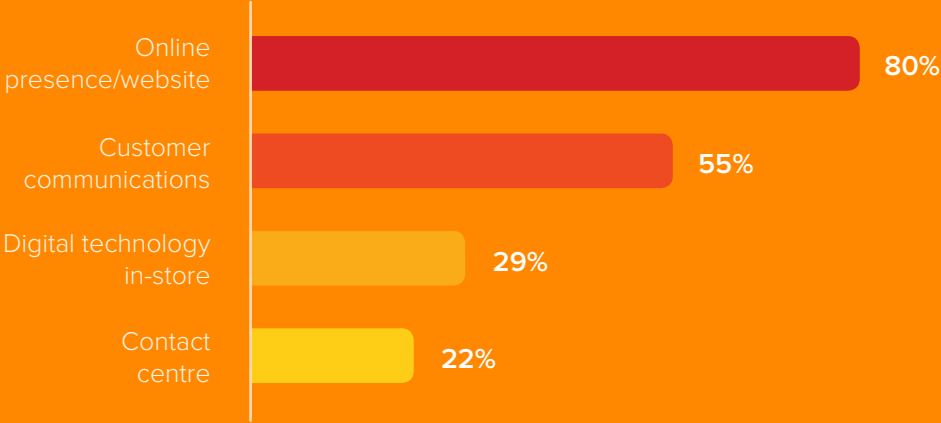
Such findings have driven many retailers to make improved customer experience a top focus of their spending. Our survey found **44% of respondents have increased their investments in customer experience** over the past year, while half have maintained their investments at the same level. Customer experience investments are wide-ranging, from a better web site interface to in-store technology to increased contact centre 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/web site customer experience (80%), followed by customer communications (56%) and in-store digital technology (29%). Contact centres appear to be under-invested, with just 22% allocating budget toward enhancing the contact centre customer experience.

Where Retailers Have Increased Customer Experience Investments



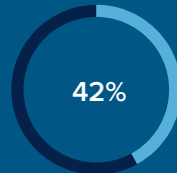
Improving Customer Communications

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, personalised responsiveness to their needs; the McKinsey study, for example, found 75% of online customers expect help within five minutes.

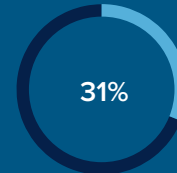
Retailers face widespread challenges in keeping up with these high consumer expectations. Respondents' number-one obstacle to better customer communications is the **ability to improve speed of response** to customer inquiries, but this is followed closely by cost of improving customer communications, the ability to communicate with customers globally and the ability to personalise 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

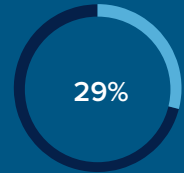
(Respondents selected 1 or 2 out of 9)



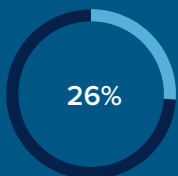
Ability to improve speed of response to customer inquiries



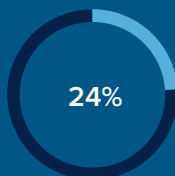
Ability to personalise 1:1 interactions with shoppers



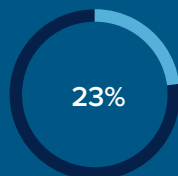
Cost of improving customer communications



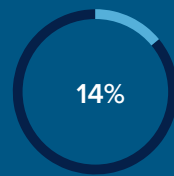
Ability to communicate with customers globally



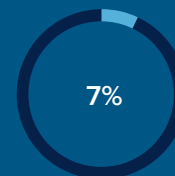
Quality of call centre staff



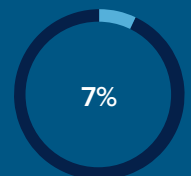
Ability to give customers choices about how they communicate with the brand: via email, SMS text messaging, online chat, phone



Outdated technology



Ability to quickly add new locations to the customer communications platform



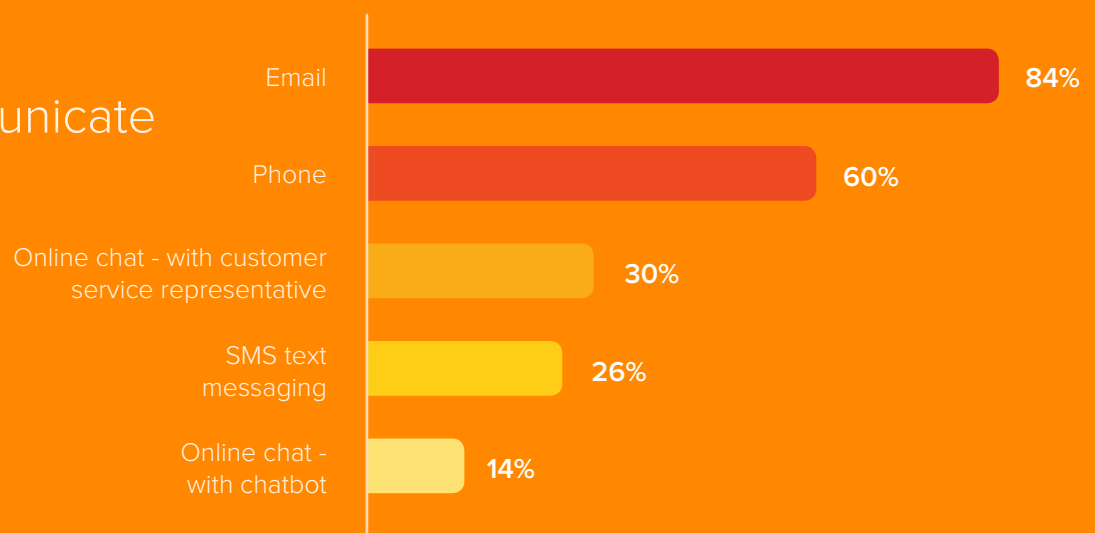
C-level buy-in for improving customer communications

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 communication and contact centre 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 communication obstacles include **outdated technology** and the **inability to add new locations** to the customer communication 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 1:1 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** also is 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)



A background image showing a person's hands holding a smartphone, with a soft blue and white gradient overlay.

How To Close The Customer Communications Gap

Addressing these gaps in customer communication 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 communication platform provided via the cloud brings all forms of customer communications onto the same platform, enabling this seamless transition. This approach also addresses many the customer communication 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 remove 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 communication systems by country can make it difficult for calls to move seamlessly across borders. Cloud platforms easily cross borders with one system.

Personalised interactions. The personalised 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 centre 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 to 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 personalise and speed the encounter. Often major packages come pre-integrated, but if not, it's important to look for cloud-based unified communication and contact centre platforms with open APIs.



CASE IN POINT:

24 HR Lockouts

By integrating the RingCentral cloud-based unified communication platform with its CRM system, emergency locksmith provider 24 HR Lockouts enabled real-time, bi-directional communications with customers and locksmiths via both phone and SMS, so agents can easily take customer and locksmith calls and keep them updated via text messages. That means customers get rapid, accurate updates regarding the status and expected arrival of a locksmith, and busy locksmiths can quickly receive and confirm jobs, boosting satisfaction and efficiency on both sides.



CASE IN POINT:

NakedWines

Wine company NakedWines improved its speed of service to customers via RingCentral Office's Live Reports, enabling Customer Happiness managers to monitor call queues in real time and adjust staffing as needed. They 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.

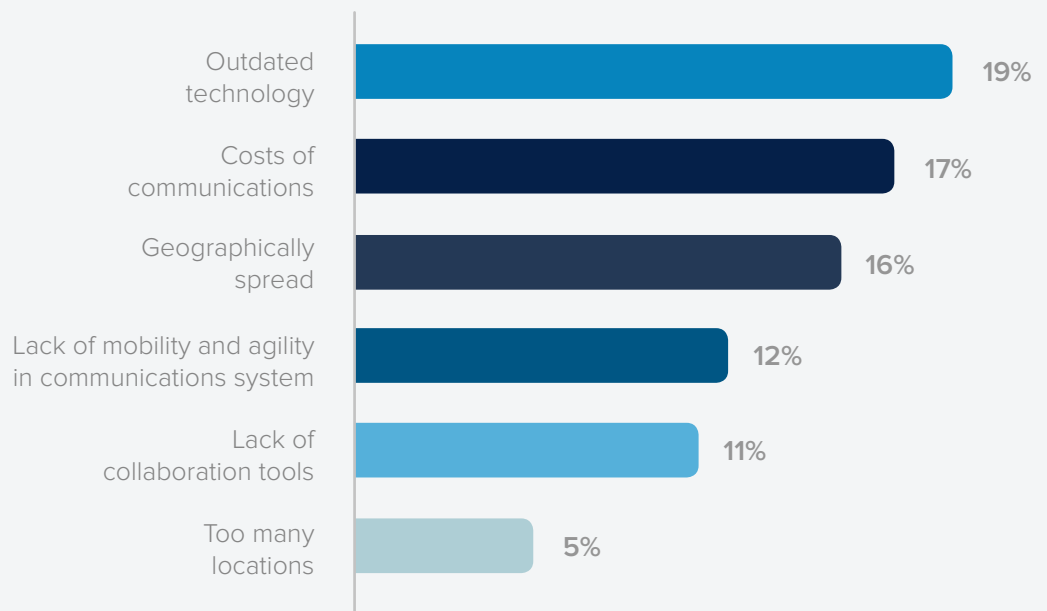
Communicating Across Locations

Customer communications are key, but internal communications — among employees and with supplier partners — also have 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, videoconferencing 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 business 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 communications 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, agility in their communication system (12%) and lack of collaboration tools (11%).

Top Challenges Of Store-To-Store Communications



These communication obstacles prevent internal staff from conducting seamless communications and collaboration. If merchandisers or operations managers cannot easily videoconference 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 communication platform brings agility and flexibility to a retailer's communication platform. That means any location — store, regional offices, headquarters, distribution centres, 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 videoconferencing, 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:

Genius Foods

Gluten-free food manufacturer Genius Foods was able to unify communications across locations via RingCentral's cloud-based communication systems, replacing a hard-to-manage PBX solution. Access to the videoconferencing solution has been a real game-changer to enable teams in different offices to work together, as well as drive more efficient engagement with external partners.

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.

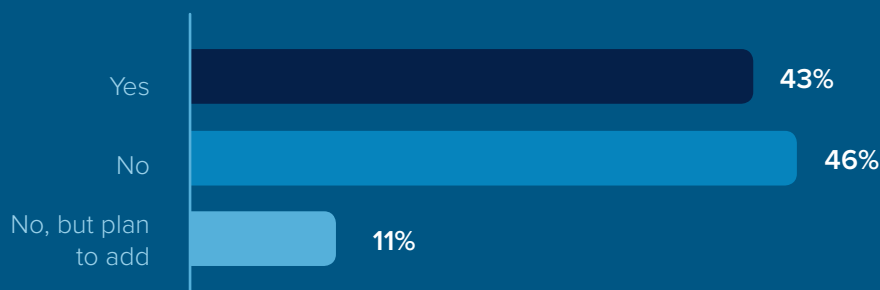
Moving Communications To The Cloud

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.

Antiquated 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, cost and delays to 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.

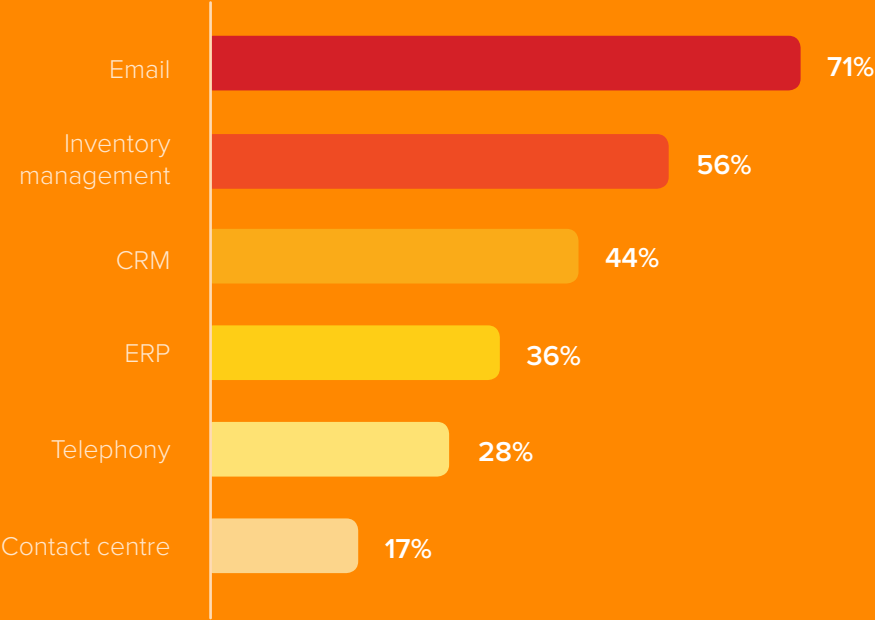
More and more retailers are finding answers to such problems in the cloud. Retailers once hesitant to adopt cloud technology have begun to do so, inspired by the success of early adopters. So far 44% of our respondents are currently using cloud, with another 10% actively planning to begin doing so.

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 centres.

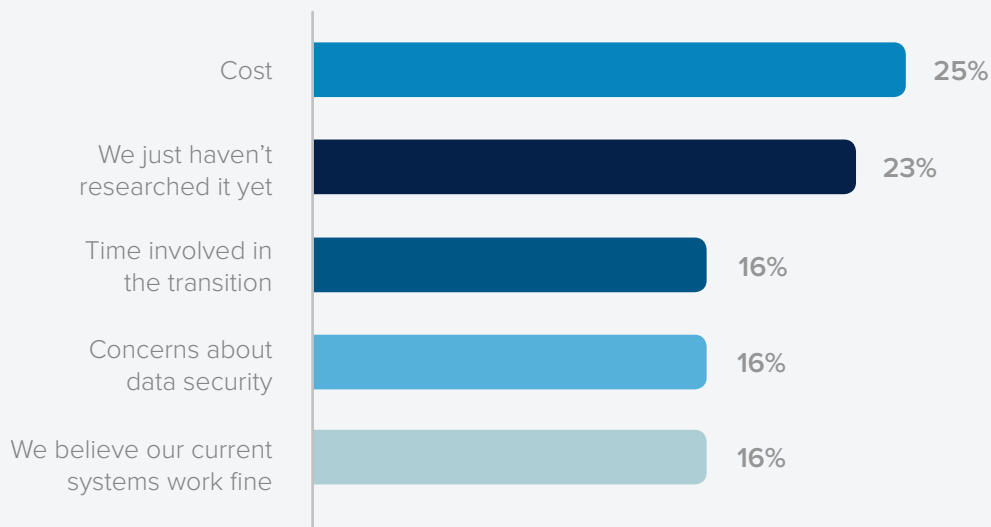
Retailers' Business Functions Currently In The Cloud



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 of retailers' challenges with their current antiquated PBX and contact centre solutions.

Barriers Preventing Retail Cloud Adoption





CASE IN POINT:

24 HR Lockouts

24 HR Lockouts realized a **60%** reduction in infrastructure costs while delivering better response times using RingCentral's cloud-based communication platform.

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 rather than 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 and replaced that 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 communication platform, retailers achieve many infrastructure benefits as well:

One centralised, anywhere/any device platform that replaces a maze of disparate, costly-to-maintain on-premises communication systems. This enabled **NakedWines** 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.

Centralised management, providing visibility and control of the entire communication 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, because experts constantly modify the solution to block current threats and ensure the platform offers the latest capabilities.

Flexibility and agility, with the ability to quickly reconfigure the network. Say one store or contact centre 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, since cloud solutions are tended 24/7 by highly qualified data centre experts.

Scalability, enabling retailers to easily add and remove locations without costly and time-consuming capital investment in equipment and engineering services.

Lower costs, with 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, communication systems must be omnichannel as well. A cloud-based, unified communication 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. The *Retail TouchPoints* team also interacts with social media communities via Facebook, Twitter and LinkedIn.

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RingCentral is a leading provider of global enterprise cloud communications and collaboration solutions. More flexible and cost-effective than legacy on-premises systems, RingCentral empowers today's mobile and distributed workforce to communicate, collaborate, and connect from anywhere, on any device. RingCentral unifies voice, video, team messaging and collaboration, conferencing, online meetings, and integrated contact centre solutions. RingCentral's open platform integrates with leading business apps and enables customers to easily customise business workflows. RingCentral is headquartered in Belmont, California, and has offices around the world.

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