



The Retail Experience

Customers First. Employee Collaboration.
Actionable Insights.

Industry Trends

Top Trends Driving the
New Retail Experience

Success Stories

5 Brands Creating
Win-Wins by Rethinking
the Retail Experience

Checklist

5 Best Practices for
Modernizing Your
Retail Experience

Top Trends Driving the New Retail Experience



Consumers aren't just savvy, they're practically experts

88% of consumers pre-research their buys online before making a purchase, either online or in-store.¹

80% of purchases are influenced by mobile.²

Consumers know what they want, and control when they buy

60% of shoppers go directly to the product they're looking for when visiting a brand's website or browsing on a mobile app.³

92% of first-time visitors to a website do not intend to make a purchase.⁴

Retailers either get the experience right or lose the customer forever

82% of customers stop doing business with a company after a single bad experience.⁵

96% of consumers feel valued by a company when their query is dealt with properly on the very first call.⁶

While brick and mortar is still king, blending "phygital" is working

91% of retail sales still occur at physical locations.⁷

68% of consumers are satisfied with their experience when they order what they need online and then pick up those purchases in-store.¹

Updating your technology simultaneously increases efficiency and grows your customer base

67% of retailers believe an outdated technology system is one of the biggest factors crippling their ability to compete.⁸

3X is the level of improvement that firms who combine contact center and business communications see in customer satisfaction scores. 2.4X is the average growth in company revenue.⁹

¹PYMTS.com, "Consumers Are Increasingly Researching Purchases Online," January 2018. ²Digitas LBI, Connected Commerce, August 2016. ³Episerver, Reimagining Commerce report, 2016. ⁴Episerver, Reimagining Commerce report, 2016. ⁵Mary Meeker, Internet Trends Report 2017. ⁶8x8 UK Customer Survey, 2016. ⁷US Dept of Commerce, February 2018. ⁸Daisygroup.com, IT Pain Points In Retail, 2016. ⁹Aberdeen, 2017.



Reports of the “end of Retail” have been greatly exaggerated

While the closing of thousands of stores and the decline of well-known brands cannot be ignored, the retail segment continues to rapidly grow in two key areas: cost-focused retailers and customer experience-focused retailers.

This has created an increase in revenue at opposite ends of the market where retailers in the middle ground — with neither the lowest costs nor differentiated experiences — are being squeezed out.

The decline of certain brands can also be attributed to a failure to invest in digital tools that would have empowered them to more easily adjust to consumer preferences and remain competitive. Whether to enable internal efficiency or improve the shopper experience, the ability to react to changing consumer needs is one key advantage that online retailers have over brick-and-mortar shops, because they are unconstrained by the OpEx of existing physical infrastructures.

The overwhelming growth in “price-based” and “premier” retailers can be attributed to macro factors like changing consumer demographics and more disposable income at the lower and higher ends of the socio-economic scale.¹⁰

The threat of e-commerce seems greatly exaggerated when you consider 91% of US retail sales occur at physical locations, which amounts to nearly \$4 trillion and 11X the revenue of online retail.



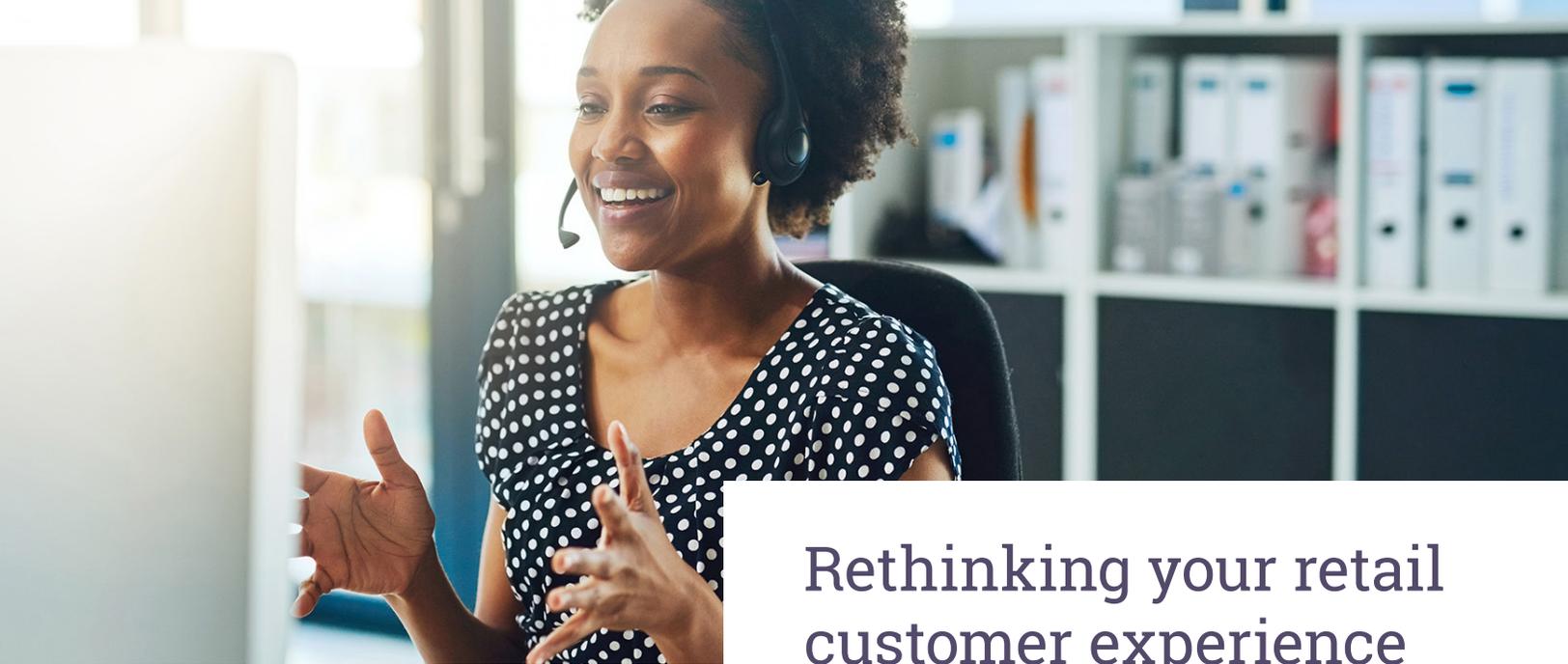
A 2017¹¹ Gartner survey shows 54% of retailers already delivering on digital initiatives, versus just 43% of all other businesses.

Despite the disparity, the percentage of online sales has been steadily increasing and is up almost a full percentage point from 2016 Q4 to 2017 Q4. There is a widening gap between those who have already started their digital transformation journeys and those who persist with the status quo. This puts retailers who have not invested in the right digital tools at a huge risk of being replaced by their savvy digital-first competitors.¹²

An essential tactic to prevent being overtaken by competitors is expediting processes by aligning the business as a single entity. However, while that news bodes well for the retail category, there will definitely be varied levels of progress in putting this into practice and making the transition. Instead of reacting to a competitor who has already made those investments, forward-thinking retailers will capitalize on the untapped opportunity to leapfrog competitors by proactively planning their company's digital transformation.

¹⁰Deloitte, “The great retail bifurcation: Why the retail ‘apocalypse’ is really a renaissance,” 2018. ¹¹Gartner, “2018 CIO Agenda: Retail Industry Insights,” October 2017.

¹²U.S. Department of Commerce, “Quarterly Retail E-commerce Sales, 4th Quarter 2017,” February 16, 2018.



Rethinking your retail customer experience

Understanding where you stand on the spectrum of low-cost to high-end will be helpful in prioritizing your investment in digital transformation. Will you get more value from increasing in-store efficiency, or by personalizing the customer or consumer experience across your available channels? Looking at brands that have already made significant headway in transforming their businesses can be a smart starting point.¹³ A few common themes that emerge might be: an emphasis on understanding all aspects of customer interactions, removing obstacles in both employee and customer experiences, and making investments that allow the brand to quickly tweak key messages, whether for predictable holiday seasons or in reaction to a new trend or hot product.

82% of customers stop doing business with a company after a single bad experience¹⁴ and delivering an omni-channel customer experience in retail has never been more important than it is today.

It should be a top priority for all retailers to understand their target customers well enough to make the right channel decisions; but instead, many often fail to consider how that communication stream will actually

integrate with the big picture. This makes it difficult to get accurate, complete data to personalize each moment of engagement.

Using a common communications and interaction platform can supercharge issue resolution cycles, increase customer satisfaction and simplify employee workflows during every interaction. It also provides managers and executives with valuable insights that highlight everything from peaks in store activity to help better plan for staffing as well as extend an organization's marketing activities into the voice channel.

The physical limitations posed by a network of retail locations is another aspect that can be circumvented by cloud services, allowing IT and store operations to enact changes en masse, and even balance demand across multiple stores. In addition, the lack of bulky hardware to install, update and maintain enables retailers to get new locations up and running quickly. This speeds up the return on investment, as well as reduces costs for traditional telephony, local carriers and both the time and expense of managing local vendors.

While technology may represent a threat to some retail businesses, the majority realize its value in gaining much-needed efficiency and insights into customer interactions. The key is to see these investments as the way to complete the customer experience, and differentiate your brand now and for the future.

¹³Forbes, "Physical Retail: Definitely Different, Far from Dead," July 6, 2017. ¹⁴Mary Meeker, "Internet Trends Report 2017," May 2017.

Success Stories: 5 Brands Creating Win-Wins by Rethinking the Retail Experience

From increasing operational efficiencies to enhancing their customer experiences, thousands of retailers have partnered with 8x8 to achieve their goals.



Largest mattress retailer in the US with 3,500+ stores

Challenges: Disparate communications systems hindering store trends and performance insights.

Solution: Deployed 10,000 extensions across locations at the rate of 100 per week, connecting every store with the main contact center.

Results: Mattress Firm lowered company-wide communications costs and complexity by increasing efficiency.



US-based video game and consumer electronics retailer with 4,000+ stores

Challenges: High costs due to a complex communications system, compounded by an inability to fully leverage existing technology investments as the business expanded.

Solution: Rapidly transitioned more than 4,000 stores, at 100 per day, as well as 100+ contact center agents, empowering the brand with complete visibility on a single platform.

Results: GameStop benefited from greater insights into current store trends and the ability to adapt to fast-changing customer needs.



Italian American restaurant chain with 90+ restaurants & catering services

Challenges: Increasing overall costs and complexity because of too many vendors and systems across restaurants, offices and catering operations.

Solution: Deployed to 20 stores weekly across one quarter, immediately providing customers with smarter call routing based on specific need.

Results: Romano's Macaroni Grill gained key customer insights, reduced costs, and increased IT security, plus saw a 100% ROI within 3 months.



Regional automotive retailer with 90+ stores across 6 US states

Challenges: Poor user experience and support with their newly acquired communications vendor, combined with increasing costs when opening new locations.

Solution: Connected 700+ in-store extensions and 60 contact center agents on a single common platform.

Results: Town Fair Tire saved 35% on recurring monthly costs, gained valuable insights into product trends, and more time to deliver better in-store customer experiences.



Regional franchisee of major global fast-food brand

Challenges: Frequent downtime and high VoIP provider costs without the benefits of centralized administration.

Solution: Consolidated multiple systems and phone numbers across 24 locations into a single, easy-to-manage communications service across all franchise locations.

Results: The franchise lowered communications costs by 35%, while increasing reliability, voice quality and new store ramp-up time.



Checklist: 5 Best Practices for Modernizing Your Retail Experience

The retail industry is going through a massive transformation, driven by changes in the way consumers want to interact with brands and purchase products. These are 5 key areas where brands can make progress toward longer-term digital transformation while improving the customer experience today.

1 Lower operational costs, improved quality

Focus on removing unnecessary costs and inefficient processes that might hinder the customer experience or be an obstacle for associates. This is an essential step that allows organizations to better utilize resources to build toward the vision of an ideal customer experience.

2 Increase associate productivity

Staffing is a big expense, so ensure your associates are doing high-value tasks like directly interacting with customers and automating certain manual tasks where the human touch isn't needed and doesn't serve the brand. This provides customers with more attentive, knowledgeable experts and removes unnecessary friction points in their experiences.

3 Find data that provides hard-hitting customer insights

Look across all touchpoints of your business to capture all the valuable moments of customer engagement and assess whether or not those are being aggregated in a way that improves business decisions and informs your customer experience strategy.

4 Use communications to create an omnichannel experience

Connect the digital interaction technologies at your contact centers or customer service groups with your in-store communications systems. This will enable more agility to harness the collective intelligence of your entire business, with instant collaboration and access to experts.

5 Stay aligned with customer expectations by building for speed and agility

Integrate new interactions and e-commerce channels, opening new locations and providing customers with timely responses. Invest in technology that can move at a digital pace and adjust to evolving customer and business needs.

While there's no way to predict the next wave of consumer preferences, investing in technologies that provide flexibility and agility today will empower your organization to innovate, respond and quickly serve changing customer needs. The key is to understand which processes and systems are holding back your business, and where you can enable greater collaboration to create meaningful, frictionless experiences for your staff and your customers.



Ready to take the next step?

Contact a Solutions Expert to learn why 8x8 is the only complete communications platform that uses the collective power of your business to improve the customer experience across all interaction channels.

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8x8

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