# OMNICHANNEL

## EXPERTS INSIGHTS EBOOK

**Experts from Netflix, UMB and IKEA share their insights on the power of using customer empathy as a guiding light for designing loyalty-winning omnichannel experiences**

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# Foreword

Customers expect interactions that are relevant and in context to their current stage in the buying journey with a brand, regardless of the contact channel used. More than 35 per cent of customers expect to reach the same customer service agent regardless of channel, according to study from Zendesk. Gustavo Imhof, customer insights lead at Avado Learning, says: "For customers, a brand is a brand. So whether they connect with you via a phone line, your store or your website, from their perspective they are interacting with the same business and so they expect consistency."

These external expectations are, however, at conflict with the reality of internal operations at most companies. Over the years, many organizations assemble a large collection of channel and project-specific technologies that operate in silos. In many

cases this creates a tangled mess of technologies struggling to integrate and communicate with each other. Implementing omnichannel capabilities requires the integration of all channel technologies (both new and legacy systems) as well as advanced inventory management requirements. This level of interoperability commonly requires a sizable amount of budget and time to execute. This complexity on top of substandard collaboration between departments can generate fragmented experiences from a company.

This Experts Insights eBook showcases lessons from customer experience (CX) experts who featured at CXN Live: Omnichannel as they explore how customer empathy is an important guide for designing omnichannel strategies that can translate into cost savings for a brand and increased convenience for customers.

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**Gustavo Imhof**
Customer insights lead at Avado Learning

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# How IKEA is using AI to remove friction from channel experiences

In its mission to make its omnichannel vision a reality, IKEA developed a tool to empathize with customers and predict their buying behaviors across its online and in-store channels.

The 12 months leading up to September 2021 saw IKEA post a five per cent growth in total sales amounting to €41.9bn (US$48.4bn). Online sales increased by 73 per cent, with the retailer's website welcoming more than five billion visitors. The appetite for the brand's digital channels did not dampen the popularity of its stores, which hosted over 775 million visitors, with 60 new locations scheduled for launch in the following 12 months.

To safeguard the consistency of shopping experiences across its various in-store and online channels, IKEA developed an advanced AI-based tool which empathises with customer buying behaviors to optimize stock levels.

Reflecting on the past 12 months, Inter IKEA Group CEO Jon Abrahamsson says: "Keeping IKEA stores and warehouses stocked has been a challenge. During FY21 we saw a substantial drop in availability that we have

not yet recovered from and this will continue far into FY22. Across the IKEA value chain, range developers, suppliers, purchasers, logistics and of course IKEA retailers are together taking great efforts keep our most popular products ... in stock."

**Did you know?**

**46 per cent** of shoppers surveyed make sure they confirm inventory levels online before visiting a store

Google

Inaccurate forecasting can lead to extended waiting periods that can frustrate customers. Peter Grimvall, supply chain development area manager at IKEA, explains: "Without a proper and accurate forecast, we can't understand the demand... what needs to be supplied to who and when."

He adds: "If it's too much, it increases our costs and hence prices to our customers, or too little, which means we won't be able to provide the right offering to our customers. This can have a big impact on our business and the way we serve our customers."

Traditionally global statistical sales data was used to forecast the products needed by the hundreds of IKEA stores across each year. Piloted in Norway, IKEA launched an AI-empowered Demand-Sensing tool that interprets up to 200 data sources to make intelligent recommendations for each product. Conclusions on likely purchasing behaviours on a local level are influenced by various factors including:

♡  Shopping preferences during festivals

📈  In-store visit volumes

💳  When customers receive their salaries

📅  Past buying patterns in holiday seasons

🔄  Seasonal changes

☁  Weather forecasts

Demand projections are gathered across online and offline channels to optimize the availability of products digitally and in-store.

This tool builds the real-time empathy of IKEA so it can meet customer needs across touchpoints. Grimvall says: "The new tool can forecast demand from a day-to-

day basis to up to four months. With us trying out new store formats and new selling capabilities, and fast-changing customer behaviors, the tool is agile enough to capture the unique needs."

## Results

Prior to the introduction of this tool, eight per cent of IKEA's inventory forecasts needed correcting, the Demand-Sensing tool has managed to more than halve this rate to two per cent. The reduction of errors and manual overrides can help IKEA prevent additional supply chain costs from being passed on to customers, which helps keep IKEA products and services as affordable and accessible as possible.

**Lesson**

Empathize with customer-buying behaviors to ensure channel experiences are as optimized as possible.

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# How one omnichannel project saved customers several days in waiting time

Major life insurer, Lincoln Financial Group, achieved millions in cost savings after turning to Quadient for its ambitious omnichannel initiative around a process that was riddled with inefficiencies.

Pre-Quadient, when customers wanted to change their life insurance beneficiary they had to endure a process that could take weeks to complete with multiple touchpoints which were error-prone.

After downloading and printing a form from the insurer's website, customers needed to complete the fields by pen and return the document by scanning and e-mailing or sending it via the post. Lincoln Financial Group project leaders reported that the process was highly susceptible to errors from incorrect data entry, missing information and typos.

This flawed data intake process triggered a lot of back and forth around error correction via mail, e-mail and phone, which generated a poor experience for both employees and customers. For employees this error correction stage increased paperwork, case handling times and manual input, in turn driving high costs from extra hours as well as print and postage spend. For customers, the process created a frustrating, time-intensive and repetitive experience for what they regarded as a simple change to their policy.

## Crafting an internal omnichannel model to enhance customer and employee convenience

To eliminate the inefficiencies, Quadient digitalized the PDF form so it could be completed online with two in-built features to make the process more convenient.

Firstly, Quadient's expert professional services team built internal channel connections to maximize the amount of data that was automatically populated into the form from Lincoln Financial Group's system. This was managed by connecting multiple core systems that contained the data necessary to complete the transaction. This included APIs, database queries and information from flat files.

Secondly, data validation was added to verify the fields while the customer was completing the form. By proactively catching errors the accuracy of information was increased, which eliminated the need to retrospectively contact customers for error correction purposes.

## Results

After pilot tests, the full roll-out allowed customers to complete the change in beneficiary form in one interaction without contacting employees. Lincoln Financial Group project leaders reported that issues dropped down from 81 per cent to zero and processing time to execute a beneficiary change went from weeks to minutes. This also eliminated 90 per cent of the organizational effort in the original process, while saving millions in costs.

### Lesson

"If your employee's experience is disconnected and poor, then your customers' experience will be as well. Visualizing the customer journey, leveraging tools like journey management integrated with customer contact management will drive transformative efforts that reduce customer frustration. By building personalized, omnichannel experiences, you will end up doing the same for your employees (or vice versa) and literally everyone wins," says Scott Drager, VP of Customer transformation at Quadient.

# Netflix shares common mistakes to avoid with omnichannel models

Saki Takeda, director of product management at Netflix, discusses the pitfalls to avoid when designing omnichannel strategies.

Speaking on the common mistakes to avoid with omnichannel models, *CX Network* Advisory Board member Takeda reminds that clear differentiation between multichannel and omnichannel is a vital foundation block.

An omnichannel approach blends together connections between all channels, creating a seamless customer experience across every interaction. This strategy should not be confused with a multichannel approach, where brands are simply available to their customers across multiple channels that operate in silos.

### Expanding channels without a core business need

In the mission of being accessible to customers and creating a channel-rich environment for interactions, brands can fall into the trap of excessively launching new channels. Takeda labels this as one of the primary mistakes to avoid with contact channel projects.

"The top things to avoid are expanding channels blindly for the sake of 'being omnichannel' or "needing to show the brand presence", and creating unnecessary silos by segmenting or grouping support agents per channel", says Takeda.

Despite falling from second to third place, data silos were still voted as one of the top three challenges troubling CX practitioners in this year's *Global State of CX Report*. Exploring how CX practitioners combat data



silos experienced by both employees and customers when implementing an omnichannel strategy, Takeda recommends taking an inclusive and thorough approach.

"It's important to think about data more holistically and prioritize investments in building a strong data infrastructure that will surface 360° customer views and provide end-to-end visibility of customer journeys and experiences," she says.

"The top things to avoid are expanding channels blindly for the sake of 'being omnichannel' or "needing to show the brand presence", and creating unnecessary silos by segmenting or grouping support agents per channel"

**Saki Takeda**
Director of product management at Netflix

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## Overcoming data and tech silos

Techniques to mitigate silos such as investing in data integration across multiple sources and strengthening data literacy empowers brands to deliver more intuitive channel experiences to customers, which are prime for the likes of AI and automation. A single source of truth for customer data, also known as a 360° customer view, will require pulling together voice of the customer data, operational data, financial data and interactional data into one centralized location.

AI and machine learning (ML) are becoming a popular investment focus for CX practitioners, especially within customer service. *CX Network*'s *2021 Global State of CX Report* saw AI feature as the strongest investment priority by the group of 280 CX experts. To avoid mistakes when incorporating AI and machine learning into channel functionality, CX practitioners should be conscious of the benefits and limitations of the technologies.

On this subject Takeda says: "The benefits of using AI/ML are scalability and automation while the complication of using them is having to deal with less fluid and [fewer] human-led features when these systems are being used for customer-facing interactions."

She asserts that brands should look to have boundaries integrated into high-risk areas or interactions to prevent automation from generating any damage to customer experiences.

### Lesson

A clear view on the realities of omnichannel, as well as on the preferences and behaviors of your customers, are all vital for rolling out a successfully seamless channel infrastructure.

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# UMB

# UMB Bank: tapping into omnichannel to better capture and action the Voice of the Customer

Stephanie Shaffer, VP of customer experience at UMB Bank, shares how the pandemic triggered the launch of its CX Ambassadors program which is seamlessly embedded into different channels across the century-old American bank.

When lockdowns were imposed across all eight U.S. states UMB Bank had a retail presence in the early-2020, the financial firm was presented with a significant challenge to live up to its reputation of being a "relationship bank".

The closure of retail branches left a talent pool of UMB colleagues that did not have the opportunity to contribute to the business' response to the crisis. Shaffer explains that at this point UMB's leaders across the organization came together and created the CX Ambassadors program to retain its at-risk talent and also deliver on UMB's promise of being a 'relationship bank'.

The CX Ambassadors program trained and redeployed this idle workforce into a closed-loop resolution team that was integrated into the bank's various contact channels. The fleet's mission was to accelerate the pace and quality of replies to Voice of Customer (VoC) feedback as customers reached out via channels for information and assurance from the bank in the time of crisis. The ambassadors were trained to perform root-cause analysis to diagnose issues and communicate findings to relevant departments so corrections could be deployed to UMB's service, workflows and product innovation to not only address the current problem but prevent it from occurring again.

Once solutions were found and actioned, the ambassadors would notify the customer. The team managed to reduce the length of feedback response times from UMB's pre-Covid-19 levels of seven business days to less than 24 hours. Empathetic customer issue resolution from the launch of the CX Ambassadors program allowed UMB to achieve a return on investment (ROI) in a number of other areas:

> The program generated more than $580,000 in new business revenue.
> Retail NPS score increased from 51 to 59.8.
> Issue resolution was now seen as a unique selling proposition of the bank.
> Customer reported they were 67 per cent more likely to continue banking with UMB in comparison to before the CX Ambassadors program.

## Lesson

Seamlessly and intuitively integrating agents into all your contact channels to consistently acknowledge and respond to customer concerns can generate concrete business rewards.

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# Final remarks

As shown by the experts in this ebook, many strong omnichannel initiatives do not start with a channel-first mindset. IKEA, Quadient's and UMB Bank's projects all thrived due to commitments to address a well-defined customer pain point. Channels and systems that connected seamlessly were part of the solution, rather than the outcome they set out to achieve.

After reviewing the stories shared by our experts, Imhof says: "The experts teach us the power of empathy and truly living up to, and acting within, your brand promise as a way of building delightful omnichannel customer journeys."

"Likewise, they also highlight that those who plant the seeds of customer-centricity and erase barriers in between channels will reap great return on their efforts and investments," he adds.

To follow the example set by the ebook's experts in your omnichannel strategy, define the customer problems you wish to solve and identify the best tools and channels to achieve that goal to boost customer lifetime values.

"The experts teach us the power of empathy and truly living up to, and acting within, your brand promise as a way of building delightful omnichannel customer journeys."

**Gustavo Imhof**
**Customer insights lead at Avado Learning**

# Quadient CXM Suite

## Drive the world's most powerful omnichannel CX

**Inspire Flex**

### Empower Communications

The planet's most powerful end-to-end, any-premise CCM solution.

**Inspire Journey**

### Elevate Experiences

Journey management behind the world's most empathetic customer experiences.

**Inspire Evolve**

### Accelerate Connections

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# CX Network's 2022 Calendar

For more information contact the CX Network team on: **CXSponsorship@iqpc.com**

**CONTENT FORMATS**

- Online Events
- Research Report
- Expert Insights eBook
- Benchmarking Workbook
- Webinar
- Market Update
- Webinar Day

## JANUARY 2022
- Predictive CX
- Buyers Guide
- CX Automation in APAC
- Custom Slot

## FEBRUARY 2022
- Employee experience
- VOC
- Digital CX
- Buyers Guide
- Predictive CX in APAC
- Custom Slot

## MARCH 2022
- CX APAC
- Self Service
- Calculating ROI in CX
- CX Metrics Checklist in APAC
- Speech Analytics
- Custom Slot

## APRIL 2022
- Journey Management
- CX APAC Report
- VOC
- NPS and Customer Advocacy
- Custom Slot

## MAY 2022
- CCW Digital ANZ
- CX Personalization
- Global State of CX Report
- CX Data and Analytics in APAC
- Global State of CX Day
- Custom Slot

## JUNE 2022
- Automation
- CX APAC
- Rules for Self-Service
- CX in Travel and Hospitality
- Custom Slot

## JULY 2022
- Contact Centers
- Big Book of Data Insight and Analytics
- CX in Retail
- Personalizing CX in APAC
- Custom Slot

## AUGUST 2022
- Financial Services
- Omnichannel
- Digital CX
- CX Automation
- Customer Intent
- Custom Slot

## SEPTEMBER 2022
- VOC APAC
- Data and Analytics
- AI in CX
- Journey Mapping
- How to Master Chatbots
- Custom Slot

## OCTOBER 2022
- ROI in CX
- CX in Telecoms
- CX in Financial Services
- Omnichannel Models
- Custom Slot

## NOVEMBER 2022
- Future Contact Center Trends and Tech APAC
- Digital CX 2021
- Contact Centres
- Data & Analytics
- VOC APAC
- Custom Slot

## DECEMBER 2022
- CX Trends and Predictions
- Customer Experience Predictions 2022
- Custom Slot

Omnichannel Expert Insights eBook

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