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# CSA

CHANNELS > COMMERCE > CUSTOMERS

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Edition



Understanding  
the  
Customer  
Conversation

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EVERY EXPERIENCE MATTERS

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A veritable tsunami of data is flooding retailers from a constantly growing pool of sources. The pervasive use of consumer touchpoints such as social and mobile, as well as the emergence of new touchpoints like wearable, is creating a rising tide of information for retailers to manage.

This includes in-store customer experience data, brand commentary on social networks, loyalty data, online behavior, customer surveys, help desk emails and chats, and numerous other sources. Although the volume and complexity of disparate data is challenging, it also presents a significant opportunity for retailers. Retailers can now analyze not only the “what” of customer behavior, but even more importantly, the underlying “why” that drives their behavior.

For example, a customer may rate their shopping experience at your store three stars out of five on a brand survey. This is the “what,” or structured information about their last visit. However, the “why,” or unstructured information about their last visit, might be a comment that states: Although the sales staff was very helpful, the dressing room was messy.

In the past, retailers collected these two streams of data individually and kept them separate, performing siloed analysis on structured and unstructured data. In addition, before the advent of social networks, blogs, review sites and other venues for public online commentary, there was a much smaller stream of unstructured data. However, research from Bain indicates that 80% of data coming into today’s businesses is unstructured.

Lurking within this trove of structured and unstructured data are impactful insights that retailers can use to improve delivery of their products and services. The potential for providing valuable information to retailers is huge. By bringing together all this varied customer data, retailers can finally obtain the single, 360-degree view of the customer, which has been a long-term industry goal.

This broad and varied view of customer wants, needs, goals, behaviors, purchases, experiences and opinions allows retailers to optimize the customer experience utilizing an omnichannel approach that tells their brand story in a new, more compelling way. Retailers can “own the moment,” meaning that whenever, wherever and however customers



choose to initiate engagement, retailers can capture their interest with a cohesive message tailored around their time-, location- and task-specific needs.

To properly achieve this goal, internal silos among different customer-facing channels must be eliminated. No single channel or employee “owns” the customer in the new customer experience model. At the local level, every employee owns the moment they engage with the customer and is responsible for ensuring the proper customer experience is delivered.

As part of delivering this omnichannel customer experience, retailers need to consider a number of different facets of how they engage with their customers and how customers interact with their brand. These include performance on core customer experience metrics, effective response to urgent customer incidents (such as out-of-stocks or product inquiries), customer commentary on social networks and other online forums, identification of customer experience trends, and formation and execution of appropriate responses to trends (when necessary).

Mindshare Technologies, which acquired Empathica in September 2013, has united the two companies under a new corporate entity known as InMoment. InMoment provides a cloud-based customer experience optimization platform, the Experience Hub. We have provided an in-depth look at the technical specifications of the Experience Hub in the next section, but it is pertinent to this discussion to point out that at the core of the Experience Hub’s IT architecture are highly tuned text analytics, which are critical to helping retailers understand the sentiment and intent hidden within unstructured data.

The Experience Hub engine uses the same natural language processing (NLP) technology that powers the IBM Watson artificial intelligence solution, which has gained notoriety for beating top human chess masters and even all-time “Jeopardy” champion Ken Jennings!

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The NLP capability underlies text analytics, which are tuned specifically to the individual retailer's customer experience data and other individualized data. A set of dashboard analytics attached to the platform can guide and direct brand- and location-level staff to quickly understand areas of operational improvement that in turn will drive enhancements to the customer experience. Thus, text analytics capabilities can be used across the business, from the brand level to the store floor. In addition, a team of in-house experts helps users delve into and analyze customer commentary and experience to obtain significantly more insight into and a deeper understanding of customer sentiment.

Armed with these analytical tools, retailers can take this stream of “Big (and small) Data” and pluck out actionable insights that will allow them to refine and redesign their customer experience strategies even further, creating a “virtuous cycle” of continual improvement in how customers are served and the retailer's brand is promoted.

Furthermore, given the substantially increased access to and importance of third-party reviews and opinions to the health and reputation of brands, providing a coherent and effective omnichannel customer experience can help retailers create “social advocates.” These are consumers who without any direct reward or prompting spread positive messages

about specific brands on social platforms and online, providing a critical marketing tool that has a high degree of trust among consumers and is also essentially free, as it is just a natural byproduct of delivering a great customer experience.

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Retailers can indirectly steer the efforts of social advocates by offering contests and rewards for positive social posts, or by determining who their most passionate and influential brand advocates are with analytical tools and providing them with targeted discounts and offers. Ultimately, providing a top-notch omnichannel customer experience that meets the needs of individual consumers at scale is what creates brand advocates. This allows retailers to “own the moment” and reap continuing benefits from their customer experience strategy long after the actual moment of customer engagement has passed. ■

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## Omnichannel Commerce — How It Really Works, Where It's Going

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While it is generally understood that omnichannel commerce is the practice of serving customers across all available physical and digital channels, the details are still vague. Lonnie Mayne, president of InMoment, shares some insights on the true meaning of omnichannel, including exactly how different channels fit in to the omnichannel paradigm and how retailers can most effectively engage with consumers using an omnichannel strategy.

### **A lot of industry experts talk about “omnichannel commerce” — what does this term actually mean?**

Our clients are experiencing and talking about “omnichannel” in two ways. The first relates to the realities of how their customers are interacting with brands. Technology allows customers to research, window shop, get coupons, make purchases, ask questions, provide feedback and refer a friend, all without stepping one foot inside a store. The second component of omnichannel is understanding and embracing all possible touchpoints as opportunities to connect with customers, and then developing comprehensive programs to ensure a positive and consistent customer experience across all channels.

### **How do the online and social channels fit into the omnichannel model?**

Online and social channels allow customers access to your brand 24/7. These interactions can be direct; for example, online shopping or browsing your Facebook page for special offers. They can also be indirect, such as customers posting about your brand on their own social media pages. These round-the-clock conversations will happen, and it's up to each brand to decide how to engage. Successful brands will create policies and dedicate well-trained and trusted personnel who can nurture these relationships in a way that is consistent with their other experiences.

### **Where do mobile devices fit in the model?**

Mobile devices provide interesting opportunities — and challenges. Consumers can be in-store and at the same time, check your competitors' pricing. Technologies like iBeacons, which use geo-location to identify and customize messages to individual consumers, are on the horizon. Smart brands will stay informed on the newest tools, and choose only the ones that best fit their individual situations. Used wisely, these technologies have the potential to deepen relationships and dramatically increase loyalty.

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However, privacy issues; poorly supported solutions; and the question of how to serve the full range of customers, from the most loyal to the potential, equally well, all deserve close attention.

### How about physical stores?

Personally, I love the convenience technology provides. But after more than 20 years of helping companies build people-centered organizations, I firmly believe that human interaction will never be replaced. Far from being diminished, the in-person experience will continue to become even more critical in both differentiating and reinforcing your brand promise.

### What types of solutions does InMoment offer to help retailers effectively perform omnichannel commerce?

InMoment specializes in collecting experience data across all channels, surfacing insights, and then getting these insights to the right people at the right time. While simple scores and transactional data can tell you the “what” — for example, if a customer rated their experience a 3 out of 10 and spent \$15.75 on their last visit — experience data tells you the “why,” such as if the clothing racks were disorganized and the dressing room was poorly lit, but the sales associate was friendly and really helpful.

These types of detailed insights gleaned from across the omnichannel environment can help you better understand the specific points at which the brand experience is consistently applied, and where you need to improve. ■



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## The Experience Hub — An In-Depth Look

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The InMoment Experience Hub centralizes experience data, regardless of source or format; connects it with technology to surface critical customer stories; and then channels timely, actionable insights to the right people and places to drive targeted decisions across the entire enterprise.

Customer data is collected and stored in a variety of ways and places, from transactional and demographic information in CRM systems, to surveys conducted by third parties, to social media comments on the Web. Once the data is centralized, the Experience Hub applies sophisticated text analytics technologies to the information to glean insights.

### Experience Data: Knowledge is Power

As these “omni-consumers” browse websites, talk to call centers, visit stores, receive SMS coupons and fill out online questionnaires, they create “experience data.” Deep within this data lie customer stories with invaluable insights that can literally make or break a company.

Unlocking the full potential of this experience data requires both a fundamental shift in perspective, as well as best-of-breed technologies. The InMoment Experience Hub centralizes experience

data — regardless of source or format — connects it with technology to surface critical customer stories, and then channels timely, actionable insights to the right people and places to drive targeted decisions across the entire enterprise.

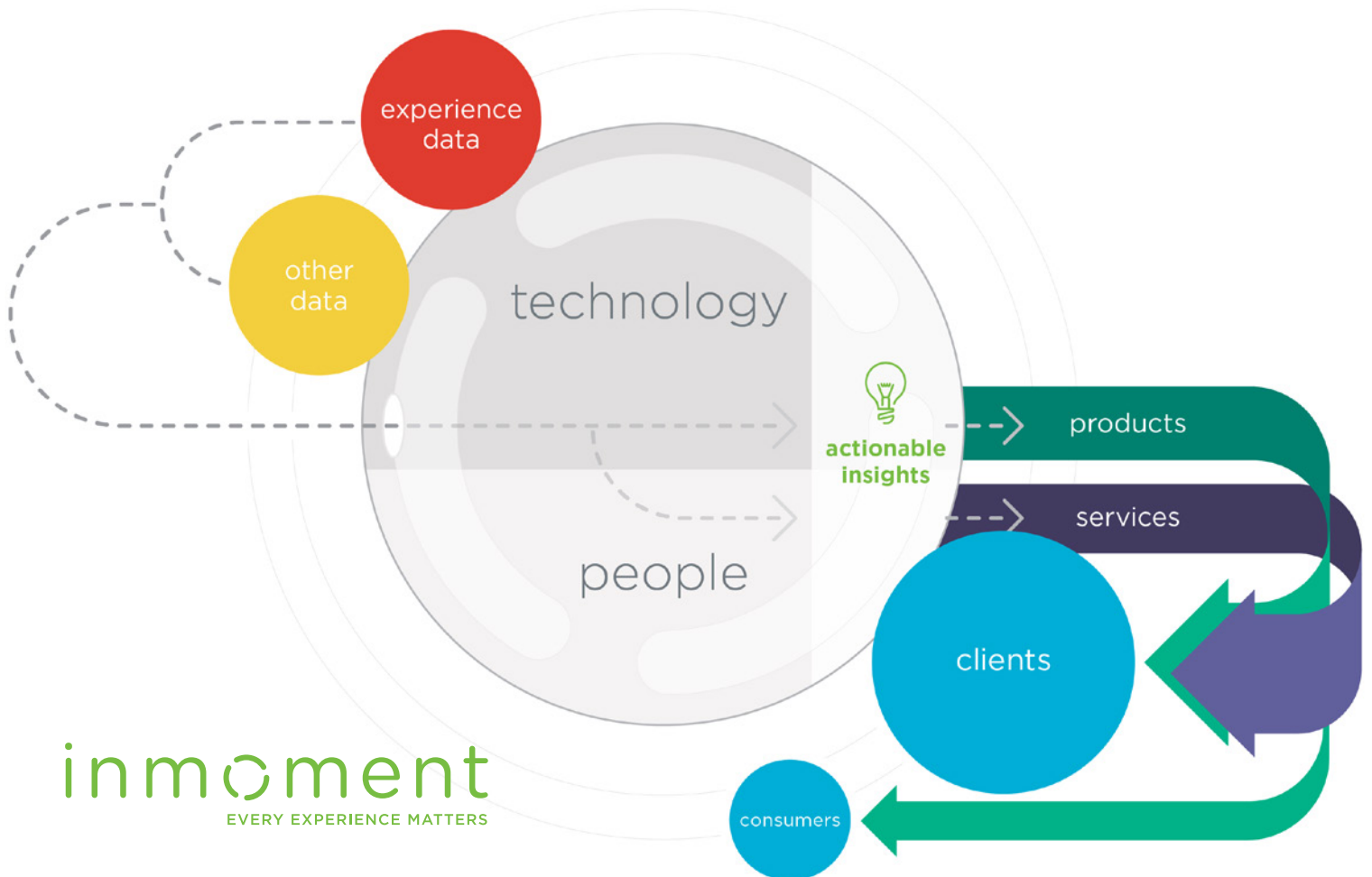
### Key features of the Experience Hub include:

**Data Agnostic:** As mentioned, experience data is collected and stored in a variety of ways and places, from transactional and demographic information in CRM systems, to surveys conducted by third parties, to social media comments on the Web. Over the years, InMoment has gathered more than 350 million customer surveys; 85 million last year alone, and even more expected in 2014. And while InMoment will continue to innovate the way it collects data for clients, the Hub will also leverage partnerships and APIs to bring in and utilize experience data from other sources.

**Highly Tuned Text Analytics:** Once the data is centralized, the Experience Hub applies sophisticated text analytics technologies to the information to glean insights. Remember, this is built on the same natural language processing (NLP) engine used by IBM’s Watson, but InMoment has spent years developing additional layers of proprietary technologies to fine-tune its text analytics capabilities to specific industries.

The company takes the additional step of calibrating the technology to individual client needs. This can include the real-time processing of single comments and alerts, in addition to cumulative insights, which are built over a longer period of time and aggregate numerous comments. Retailers can therefore become much more responsive and individually focused in how they deliver customer experience. The result: Companies receive significantly more information and insights, and a deeper understanding of true customer sentiment at both the individual and aggregate levels.

**Simple and Elegant:** Once critical customer stories are collected and surfaced, the Experience Hub harnesses InMoment's suite of products and services to channel actionable insights to the right people and places within an organization in a timely manner. Insights are packaged and presented in "simple, elegant" stories, targeted to specific roles within the organization. For example, a local manager might receive real-time alerts about cleanliness, friendliness and speed-of-service. A marketing executive might receive a monthly analysis on guests' reaction to a campaign. And a CEO might receive quarterly reviews to inform decisions about where and how to grow the company. ■



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# Customers' Wisdom Guides Growth at Total Wine & More

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Total Wine & More, “America’s Wine Superstore®,” is the nation’s largest independent retailer of fine wine. Committed to being the price leader in every market in which it operates, Total Wine & More operates over 100 stores in 16 states, has tremendous buying power, and offers its customers excellent value, unparalleled selection and outstanding service.

On pace to open 10 or more stores a year, Total Wine & More is growing quickly. With rapid expansion as a backdrop, the company’s leadership recognized the necessity to better engage their customers. To meet this challenge, they wanted access to detailed customer sentiment about the shopping experience and a sophisticated analysis of that feedback.

Total Wine & More employed a basic customer-feedback program but was looking for a more robust system that could support the new opportunities and challenges that come with growth. Management wanted greater insight into all levels of the business — from brand-level trends to comparisons between stores and, most importantly, detailed information about the performance of individual stores in their growing market area. To achieve this goal, Total Wine partnered with InMoment to create a customer experience program to gather omnichannel feedback to inform decisions across the company. The focus would be on maximizing customer satisfaction and retention. The initiative was rolled out to all Total Wine & More stores.

Customer feedback is gathered at all touchpoints: in-store, online through the company’s website (which offers both in-store pickup and shipping), and from the customer care center. The feedback tools and approach to customers ensure that Total Wine & More receives a statistically significant number of detailed responses on both per-store and per-channel bases. The quantity and quality of data is such that Total Wine & More has a much broader and more accurate view of what customers are saying about its brand and how they feel about their experiences in its bricks-and-mortar stores and Total Wine’s website.

Total Wine & More can now pinpoint the exact moments of interaction that have the greatest impact on customers’ experiences. For example, analysis of customer feedback indicated a strong connection between customers’ overall satisfaction and their encounter with a Total Wine employee at the cash register. Managers use this information in training sessions with their teams to reinforce the importance of a cashier’s role. This provides employees with a

sense of accountability and empowers them to undertake specific actions most critical to ensuring a positive customer experience. Another important element of the new feedback program is its real-time alert capability. This feature allows Total Wine & More to respond immediately to customer “rescue” opportunities. Proprietary technology automatically flags comments based on parameters set by Total Wine & More. Potential problems surface in real time, are channeled to the appropriate employees for immediate resolution and are pushed up the chain of command until the situation is resolved. Not only are customer issues addressed quickly, but as research has shown, successfully resolving complaints can transform regular customers into brand advocates.

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“Total Wine & More can now pinpoint the exact moments of interaction that have the greatest impact on customers’ experiences.”

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Less sophisticated feedback programs can magnify the negative and damage employee morale. Because Total Wine & More’s customer experience program gathers such a high volume of quality feedback, managers receive a highly accurate picture of how customers are feeling, including a significant number of positive comments. While “constructive criticism” is extremely valuable, companies also need to know what customers appreciate. InMoment reports provide managers with detailed information about employees who rise above and beyond customers’ expectations. Total Wine & More uses this information to recognize individual employees and builds real-life examples into its employee-training program. When employees hear from customers — in their own words — about their positive impact on these customers’ experiences, employees become more engaged and invested in the important role each plays in raising the level of service across the company.

“As we approach new markets and open new locations, it is more important than ever that we stay close to our customers,” said David Trone, who owns Total Wine & More with his brother Robert. “As we receive and act upon our customers’ critical feedback, we’ll create stronger bonds with customers, while at the same time empowering our employees to deliver the kind of world-class experiences that make truly great brands.” ■



Every customer  
Every interaction  
Every moment

Every Experience Matters

InMoment, the cloud-based customer experience (CX) optimization platform of choice by the world's leading multi-unit brands.

Learn why at: [inmoment.com](https://inmoment.com)

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