

IBM: Brands' in-store and digital experiences fall flat of customers' expectations

NEW YORK, May 3, 2017 /PRNewswire/ -- Despite the growth of connected devices and the ability to leverage massive amounts of data to better understand consumers, a study from IBM (NYSE: [IBM](#)) found retailers and brands are falling short on their customer experience (CX) and there is a significant opportunity to improve CX with cognitive and cloud technologies.

According to a new IBM Institute for Business Value (IBV) study, '[IBM 2017 Customer Experience Index \(CEI\) Study](#)' which surveyed 507 brands in 25 countries, brands need to work harder to meet customers' ever-evolving expectations. On a scale of 0 to 100, the overall Customer Experience Index average was only 33. Retailers' CX capabilities were evaluated from the connected consumers' perspective in seven category areas: store experience, digital experience, physical/digital integration, mobile experience, omnichannel supply chain, personalization and social media.

The study found that the capabilities through which brands can most differentiate themselves are those that they struggle the most to deliver. This includes the store experience, personalization, and digital experience. The store experience was the lowest scoring category, where the average CEI score was only 20. Consumers are demanding the excitement and personal engagement they get on-line when they shop in stores. For example, 88 percent of brands do not have the ability to acknowledge customers as they enter the physical store. Meanwhile 79 percent of brands either do not have mobile-enabled associates or do not provide their associates with mobile access to customer information.

In terms of personalization and customization, brands are failing to meet consumers' expectations not only in the store, but also across all channels. A majority of brands in the study, 71 percent provide only generic marketing messages to their customers, and among brands that offer loyalty programs, 70 percent do not permit customers to choose their preferred form of reward. And for shoppers who want to get online and compare products side-by-side, 88 percent of brands do not provide that kind of functionality, forcing customers to toggle between screens. Similar challenges exist online in terms of customer service; customers expect issues to be resolved quickly and efficiently, however 61 percent of brands do not provide online chat options, which can both frustrate customers and increase operating costs, as inquiries must then be routed through telephone or e-mail instead.

"Each brand has a unique set of opportunities and actions to improve the shopping experience for its customers," said Laurence Haziot, IBM's Global Managing Director and General Manager, for Consumer Industry. "The common thread, though, is that they must use new tools and technologies such as cognitive analytics and cloud to capture data regarding people, products, preferences and store facilities — and then leverage that information at a hyperlocal level to provide a more expansive, personalized and effective experience wherever consumers want to shop."

To move ahead of the consumer expectations curve, to meet consumers where and how they want to engage, the IBV recommends the following

Engage with Customers

- Leverage cognitive to identify emerging shopping trends and evolving consumer wants, needs and desires. Focus the entire organization around addressing the highest priority expectations of target customers.
- Provide access to customer data across all touchpoints using cloud technology. Utilize cognitive capabilities to generate insights and provide in-context shopping experiences tuned to customers' life stages and lifestyles to better influence the paths to purchase.
- Enable consumers to share and co-create ideas for new products and services by maintaining an active social media presence, and engage consumers beyond the transaction.

Provide a consistent experience across all touch points

- Design the digital experience around the evolving expectations of the any-channel, always-on customer. Mobile is key to seamlessly integrating experiences across channels and should be a focal point of all future CX capabilities.
- In-store associates should act as brand ambassadors; provide them with mobile access to reliable customer data to improve interactions with consumers.
- Elevate the connected in-store experience through enhanced digital capabilities such as augmented reality, digital signage and in-store location-based solutions. Provide consumers with a personalized, mobile-enabled experience in the reinvented digital store environment.

Leverage value-add technologies:

- Be best at those solutions that have the greatest impact on customers and associates. Customers want more control over their shopping journey; provide easy-to-use tools and self-service customization capabilities so each can optimize his or her individual user experience.
- Redesign the supply chain to be agile, responsive and transparent to better anticipate and react to changing customer and market dynamics. Leverage weather and location data to optimize fulfillment. Enhance sell-through and margins by applying advanced analytics to reduce inventory redundancy.
- Adopt cognitive computing to provide one-to-one experiences at scale across the organization. Explore emerging technologies such as robotics and wearables to stay ahead of both competition and customer expectations.

About IBM's Institute for Business Value

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About IBM Watson: Pioneering a New Era of Computing

Watson represents a new era in computing called cognitive computing, where systems understand the world the way humans do: through senses, learning, and experience. Watson continuously learns from previous interactions, gaining in value and knowledge over time. With Watson, organizations are harnessing the power of cognitive computing to transform industries, help professionals do their jobs better, and solve important challenges.

Watson solutions are being built, used and deployed in more than 45 countries and across 20 different industries. Watson is open to the world, allowing a growing community of developers, students, entrepreneurs and tech enthusiasts to easily tap into the most advanced and diverse cognitive computing platform available today.

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