Transforming Your Retail and eCommerce CX with AI + HI

Retail eBook

Table of Contents

Consumers today are sharp, spoiled for choice, and have zero patience. They are always judging your service against their best experiences. And not just against the best in your industry, but they are stacking you up against the best experience they have ever had, anywhere. That means your competition is the entire world. How do you cope with that?

Knowing your customer deeply at this point can be really helpful. And brace yourself—what we thought we knew about shoppers is getting completely flipped. Middle-income buyers are impacted by inflation, and yet they are splurging. Not what one would expect. Retirees, who are expected to be conservative when it comes to shopping, are tossing their budgets for a bit of luxury. And that brand loyalty we expected from older customers is disappearing. Young shoppers in Asia and the Middle East are ditching the familiar patterns for premium brands. Something one would expect from their Western counterparts, who seem to have changed their mind.

The buyer's journey, which looks like a straight path from that first spark of interest to the final purchase—and even the after-sales service—is anything but. In reality, it is more like a wild scribble that leaps off the page and zips across channels before circling back later.

Clearly, keeping up with customer expectations is not a one-time job, and here are the major trends that caught our eye.

Key Trends Shaping Retail in 2025

In-store experiences are making a comeback

The blending of physical and digital—what we are calling 'phygital' retail—is transforming shopping into a seamless, integrated experience. And as we see more digital-first retailers opening physical locations and traditional stores boosting their online presence, it's clear: the classic brick-and-mortar store is evolving to meet modern demands.

It's a conversation, no matter the channel

Shoppers demand the freedom to interact with retailers on their own terms, choosing their preferred mode of interaction at any stage of their journey. Whether it's exploring products via live chat, connecting on social media, asking questions over the phone, sending an email, visiting a store in person, or texting, every interaction should feel like one continuous, uninterrupted conversation.

Make payments frictionless

In 2024, global e-commerce generated more than $7 trillion in sales—a figure expected to climb past $10.4 trillion by 2028 as digital retail continues to expand worldwide. Younger consumers, who prioritize mobile-first experiences, are influencing not just their peers but also older generations who once relied on checkbooks. Millennials, Gen Z, and now Gen Alpha have grown up with e-commerce as a norm, showing a preference for innovative payment solutions and little loyalty to traditional payment methods or card networks.

Every trend listed here points towards enhancing the overall customer experience (CX). Deliver a fantastic experience and watch your customers turn into loyal advocates, sharing their great experiences with friends. Yet, many businesses find their customers are often let down—a clear sign of an experience disconnect.

So, how to truly resonate with consumers? There are countless tactics and strategies to boost customer experience (CX). But if you are looking to make a real difference, focus on the end-to-end customer journey from initial discovery to retention.

Benefits of AI + HI in Contact Centers

Enhanced Personalization and Efficiency

AI-powered intent prediction and dynamic optimization deliver highly targeted messaging—allowing personalization at every stage of the customer journey, from hyper-relevant product recommendations, to seamless cart and checkout flows.

Additionally, AI-driven tools such as real-time sentiment analysis and natural language processing (NLP) enable retail contact centers to understand and predict customer needs better. For example, if a customer calls about a delayed order, your AI system, equipped with sentiment analysis can immediately identify the frustration in the customer's tone. The system can apologize and offer a discount on the next purchase —actions that are personalized based on the customer's emotional state and previous order history.

Operational Efficiency and Cost Reduction

Automation technologies take over routine and repetitive inquiries, like stock checks or return policies through your chatbot, freeing up human agents to handle more complex customer interactions. This could save thousands of agent hours. not only improves the efficiency of the contact center but also reduces operational costs, significantly reducing labor costs and improving efficiency.

Seamless Omnichannel Support

An AI platform ensures continuity and context are maintained across various communication channels. This capability allows customers to switch between channels without any loss of information. How does it look? A customer starts a chat on your website asking about product availability and then calls your hotline for more details. The AI system provides the phone agent with the chat history, behind the scenes. The agent immediately addresses the customer's questions without any need for repetition, creating a cohesive customer journey.

> **A venerable American** icon with 86 years under its belt, is known worldwide for top-notch outdoor gear like hiking, camping, skiing, etc. But even the most seasoned explorers need to evolve, and that's exactly what they did with their customer support strategy. By leveraging [24]7.ai's conversational AI solutions, they enhanced their intent discovery, which boosted their cross-selling efforts and ramped up conversions right within the same shopping sessions. Now, they are **saving $1.3 million annually,** improved the **containment rate to 35%,** and pushed the bot **conversion rate to 8.9%, with an 87% CSAT.**

While the benefits of AI are easy to see, implementing the technology might present several challenges. Here's a framework that will help you take forward steps no matter where you are in your journey.

Steps for Automation Success

Identify: Start with Data Analysis

Kick-off by culling and mining your customer data from chats and call recordings. Find repetitive issues and FAQs that trigger these interactions. Those are the areas ripe for automation. Use intent discovery tools to further refine and pinpoint prime spots for automation. To get a head start, check out McKinsey's chart on areas with the highest automation potential in Retail.

Build and Test

Take a moment to assess what you have already got in your tech stack. Review your business rules, knowledge bases, APIs, and any self-serve tools you already use. Develop solutions to fill the gaps and test your automation flows and prompts. Use agile sprints to develop prototypes and refine them with user testing. This step-by-step, tweak-as-you-go approach helps catch any glitches early, making sure everything runs smoothly before you go big.

Continuously Optimize

Once everything is implemented, keep a close eye on how your automated systems are performing. Track key performance indicators like containment rates, customer satisfaction, and resolution times. Use this data to keep polishing your processes. And, set up feedback loops with customers and agents—this direct line to user insights is invaluable for making smart, timely tweaks.

The journey to automation in retail isn't a one-and-done deal. Take, for example, this **American department store giant** with over 1,165 locations across every U.S. state. They are known for delivering quality at competitive prices, their customer-first approach, fantastic online shopping experience, and enticing rewards programs. For them, CX is everything and it showed in their services. And yet, they are always looking for areas to improve — like prolonged calls, extended holds, and an over-reliance on expert help—that led to longer average handling times (AHT) and reduced customer satisfaction. They wanted to equip agents with the tools needed to make every interaction smoother, simpler, and more enjoyable. They leveraged our proprietary AI-powered application to empower the agents. By giving agents instant access to a curated knowledge base and scripted responses, the tool boosted the confidence and competence of agents in no time. An iterative approach, supported by continuous feedback and monitoring, forged a resilient system adaptable to changing demands. Our targeted strategy slashed **AHT by 13%** in the first six months, with a further **14% reduction in phase 2,** and a **consistent 2% decrease thereafter.**

What It Takes: 7 Keys to Transforming Retail CX for the New Reality

Retailers have many key objectives. Boost sales while catering to a sharp, cautious consumer crowd that is harder than ever to convert. Stay agile and responsive and ready to meet shoppers wherever they are—even as the places and ways they shop keep multiplying. It feels like retailers are expected to pull off miracles daily. Here's a quick roundup of where to begin and what to do.
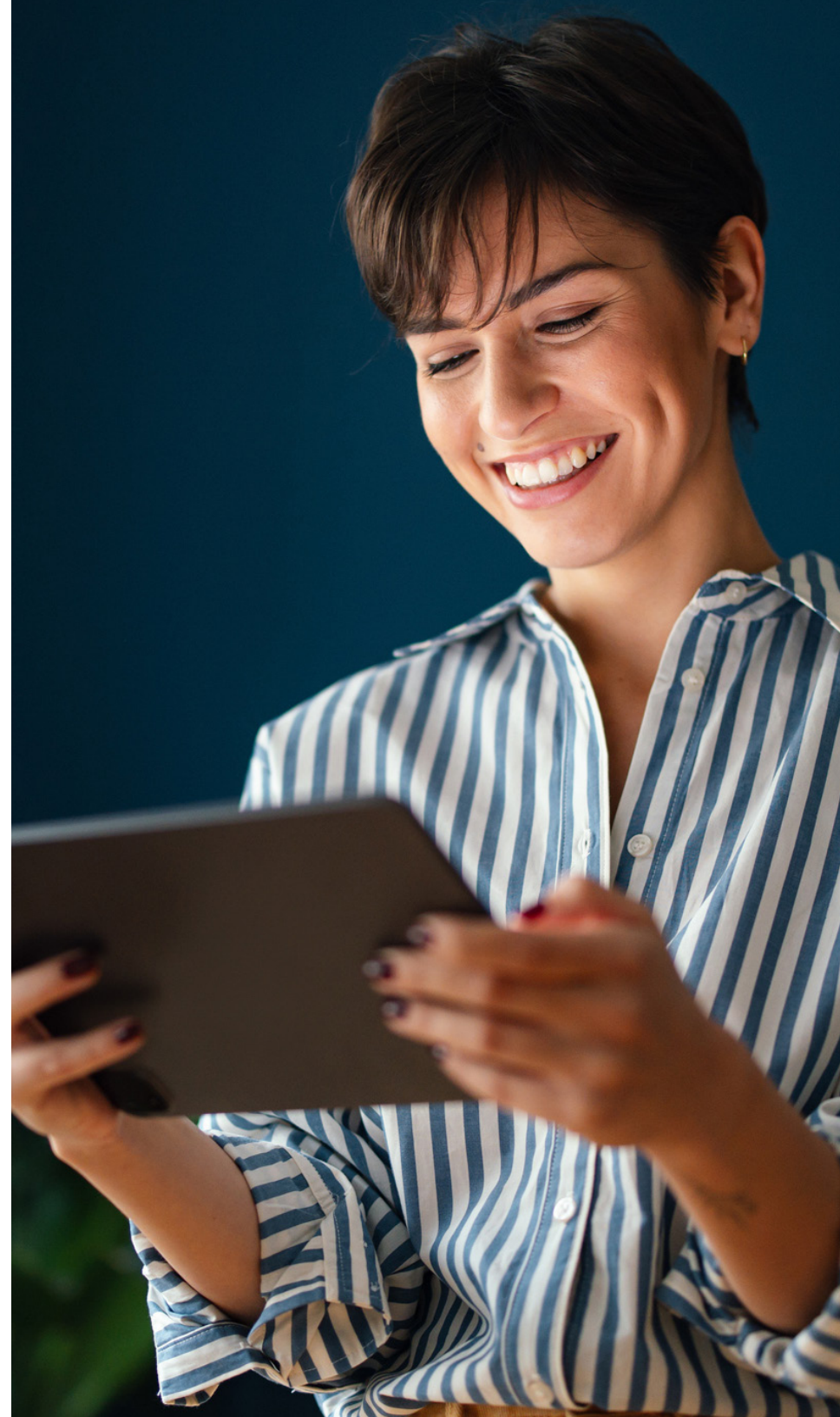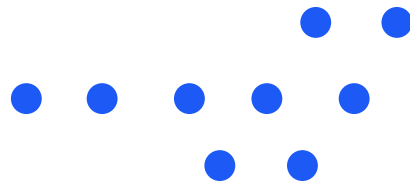
Reach the Right Audience, Every Time

What Customers Want

Shoppers expect seamless, personalized experiences that anticipate their needs, provide relevant recommendations, and engage them with timely, tailored messaging across all digital touchpoints.

How to Do It

Retailers must leverage AI-powered personalization and predictive analytics to analyze real-time shopper behavior, past purchases, and browsing intent. By using machine learning-driven insights and dynamic optimization, brands can deliver hyper-relevant ads, promotions, and product recommendations at the right moment—whether customers are actively searching, scrolling through an e-commerce site, or considering a purchase.

Shopper-First CX
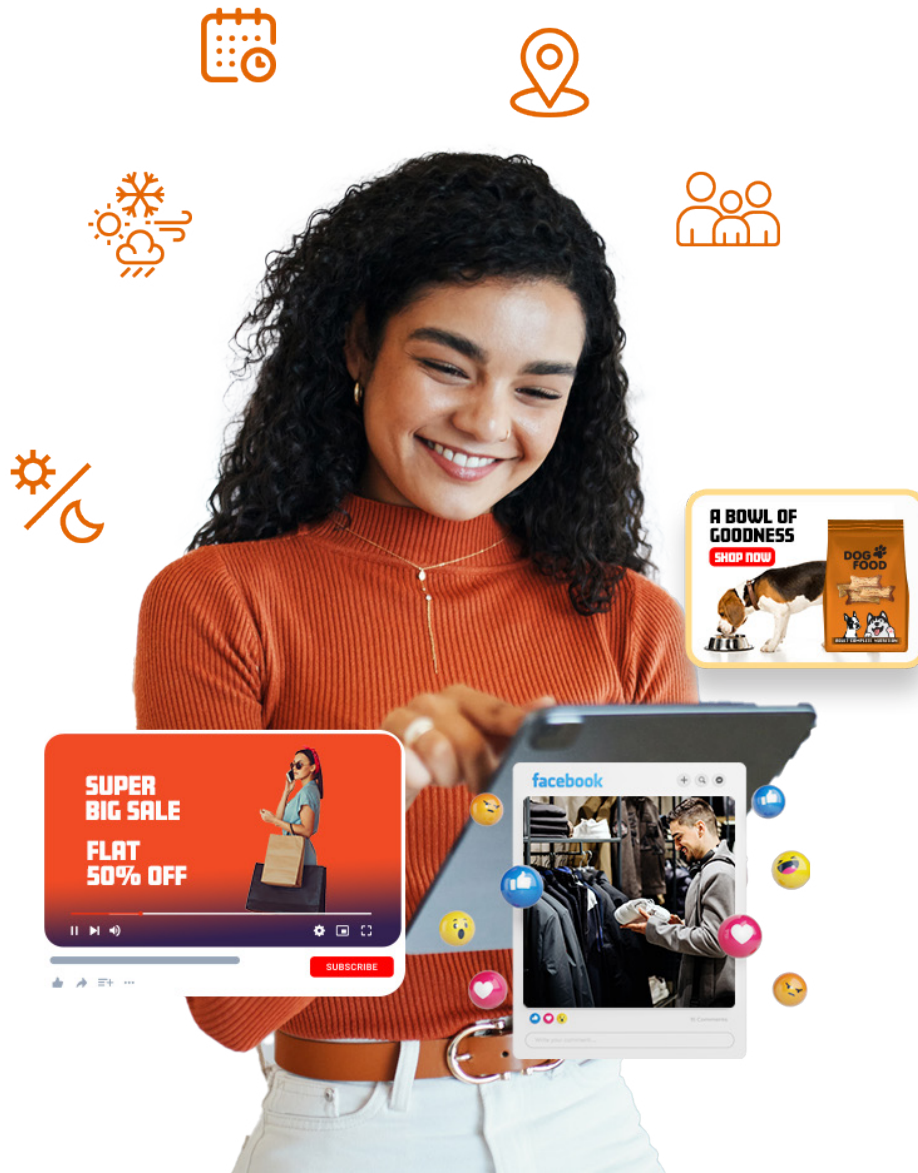
Amp Up Your Web and Digital Presence

What Customers Want

Shoppers crave a flawless, interconnected digital shopping experience. They want personalized, proactive suggestions that truly enhance their browsing and buying journey.
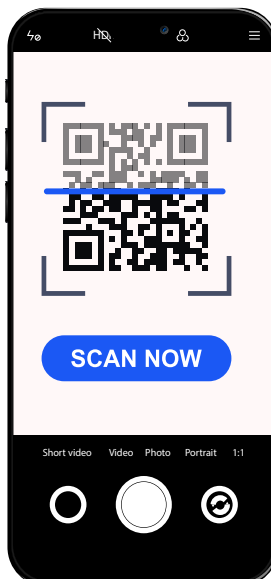
How to Do It

Retailers must tap into AI and machine learning to go through heaps of data from both digital and physical interactions. This data crunching fuels hyper-personalization, where every shopper gets a tailor-made experience. Plus, tools like virtual try-ons and augmented reality are now essentials, boosting conversion rates by letting customers see products in their space, skyrocketing their confidence to hit 'buy'.

Entry Point options to meet Customers where they are
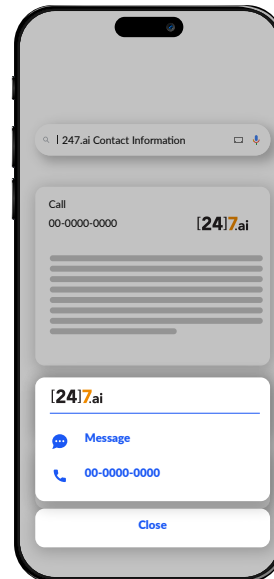
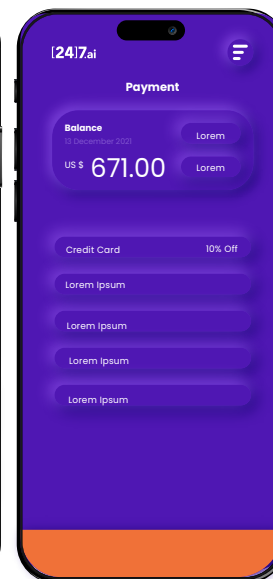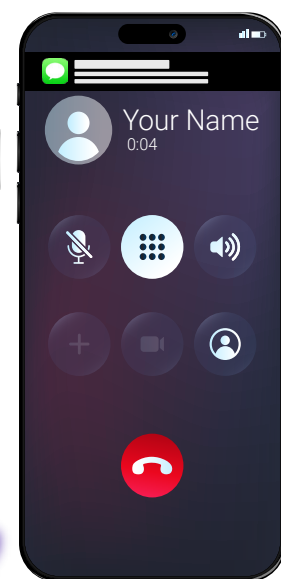| **Website** (Click to message)	**Hard Copy Communication** (Messaging QR Code)	**Digital Communication** (Click to message)	**Apple Messages for Business (AMB)** (Click to message)	**Native App** (Messaging Button)	**Outbound Dailer/ Inbound Call Volume** (Voice2Messaging)
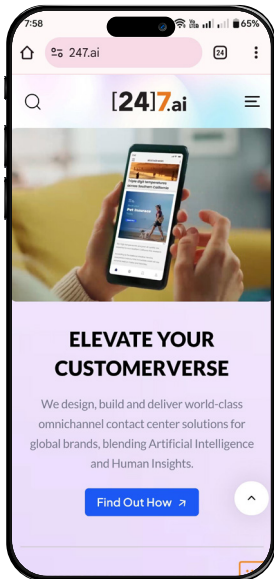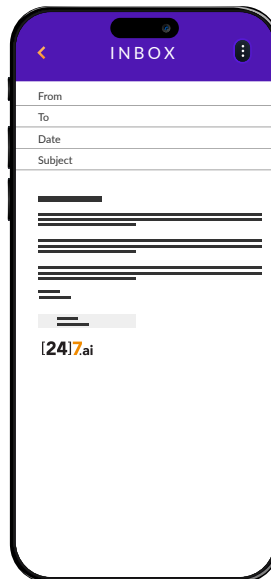
Automate Journeys and Boost Self-Service

What Customers Want

Design solutions that enable quick and hassle-free returns.

How to Do It

By deploying AI to take over routine tasks— answering FAQs or managing returns—retailers must make customer interactions frictionless. Predictive analytics can step in to anticipate needs, making every touchpoint more effective. AI-powered chatbots can be exponentially helpful, juggling multiple customer queries at once.
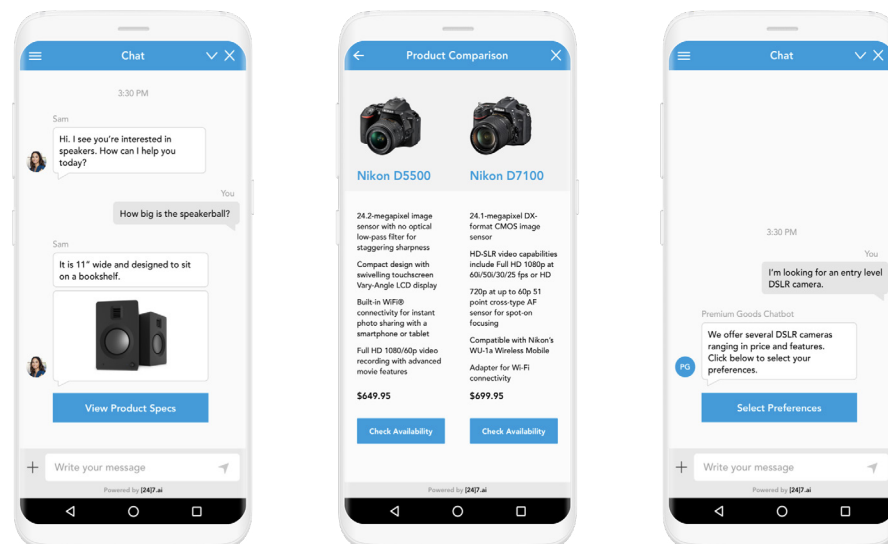
Make Life Easier for Agents

What Customers Want

AI and purpose-built tools that transform the workday for customer service agents by cutting out mundane tasks and offering up insights they need in real time.

How to Do It

Employee experience is just as vital as customer experience. With an AI-powered agent console, advanced analytics, and agile methodologies, businesses can enhance both agent efficiency and job satisfaction. Coupled with Gen AI-powered training, agents are equipped to handle complex scenarios from day one, ensuring accurate interactions.

Deliver Reliable AI + HI Support

What Customers Want

Customers seek personalized experiences tailored to their preferences, purchase history, and behavior. They value proactive, predictive, and empathetic support across channels. A seamless and humanized interaction drives long-term loyalty.

How to Do It

By leveraging AI to analyze customer data for insights, Retailers can achieve targeted marketing and predictive sales strategies. Pairing technology with expert human agents—trained in empathy, active listening, and problem-solving—ensures a balanced approach that resonates with customers. Brands can also build loyalty through rewards and by offering excellent, timely support across all channels.
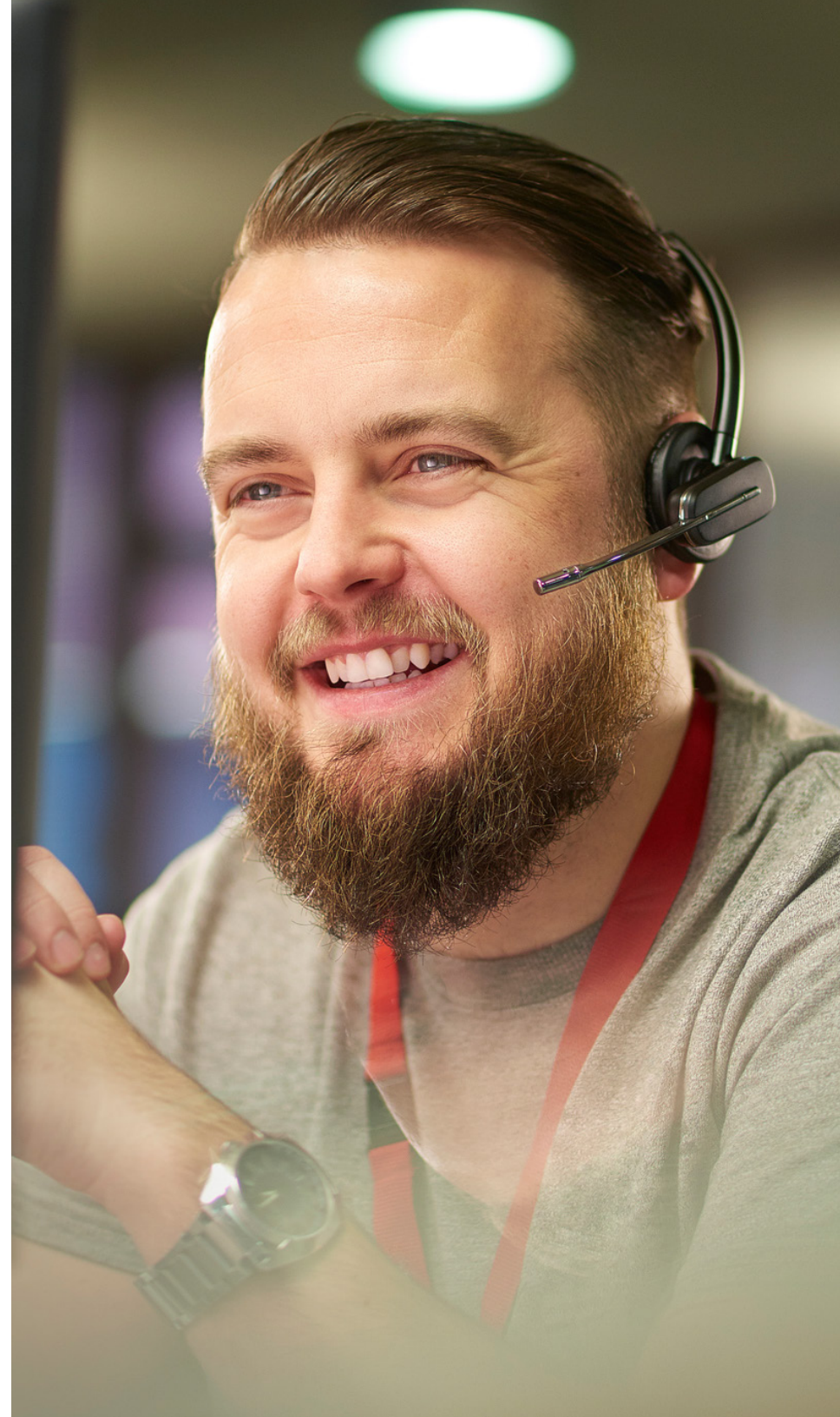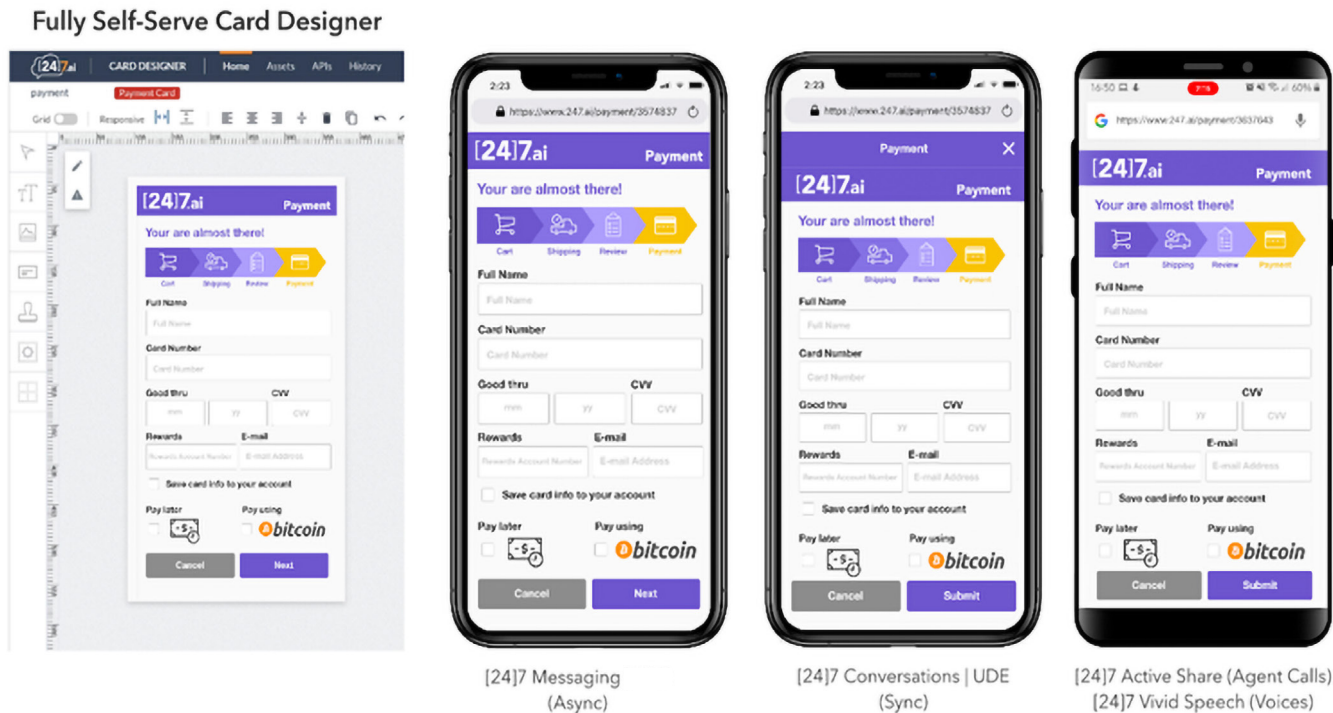
Enhance Visualization

What Customers Want

Shoppers prefer interactive ways to view products online, similar to the tactile in-store experience.

How to Do It

Retailers must integrate more interactive visuals and comparison tools into their platforms. Things like interactive product cards in chatbots let customers weigh options right in the conversation, speeding up decision-making and enriching the shopping experience.

Content Adaptation for Card Designer

Build once, deploy everywhere

Fully Self-Serve Card Designer

[24]7 Messaging (Async)

[24]7 Conversations | UDE (Sync)

[24]7 Active Share (Agent Calls)
[24]7 Vivid Speech (Voices)

Adapt Content Seamlessly

What Customers Want

Uniformity across digital and physical channels for a smooth customer journey.

How to Do It

A unified tech stack that supports omnichannel experiences is key to adapting content for various devices and platforms. This strategy ensures that whether customers are on a mobile app, website, or in the store, they receive a consistently high-quality experience.
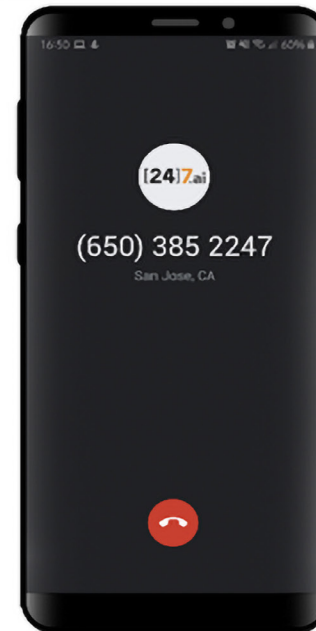

Content Adaptation for Adding Options
Build once, deploy everywhere
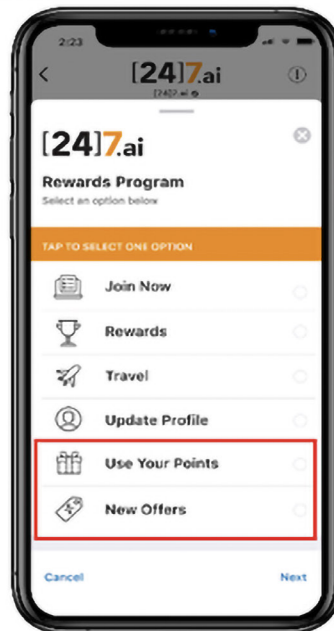
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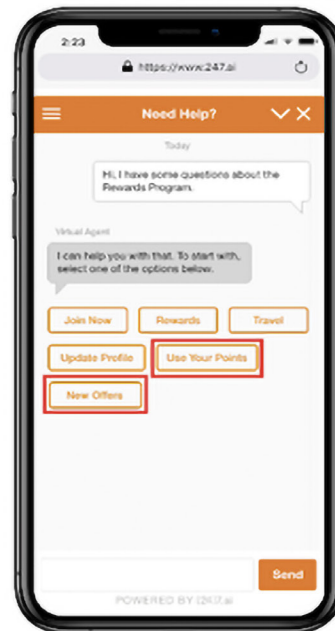
[24]7 Conversations | UDE (Sync)

[24]7 Active Share (Voice)

Be there for your customers, right where and when they are weighing their options

Retailers can really make their mark by ensuring customers feel confident about their decisions. And the right CX solutions can make that possible. It is important to understand that while AI in customer experience has all its perks, it is by no means smarter, or more empathetic than human teams. Even the most sophisticated chatbots sometimes miss the mark, leaving customers more puzzled or annoyed than assisted. And if we rush into deploying AI without thorough training, testing, and the right checks in place, we might just land in moments ranging from embarrassing to big reputational damage. A trusted CX partner partner can help you sidestep any such mistakes. Remember, the goal is to use technology not as a replacement but as a powerhouse booster for human skills and creativity.
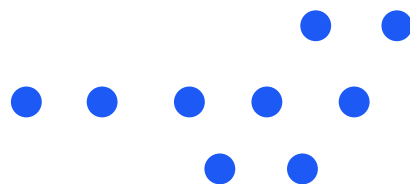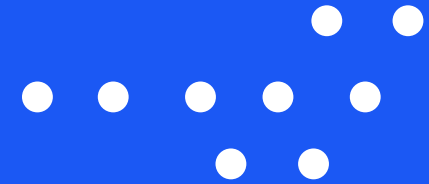
[24]7.ai

About [24]7.ai

[24]7.ai is a global leader of Customer Experience (CX) solutions and services and a trusted partner to the world's leading brands for over two decades. Always at the forefront of CX innovation, [24]7.ai transforms Customer experiences through its world-class AI-powered Contact Center products. Leveraging deep operational expertise and advanced AI capabilities, [24]7. ai bridges the CX gap, enabling businesses to deliver consistent, proactive, and hyper-personalized experiences to every customer, every time.

Contact us

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