

# Case Study – Michaels

## Situation

Radial handles the customer contact center for Michaels, America's largest arts and crafts retail chain. The customer care team had been utilizing a traditional IVR (Interactive Voice Response) system to help handle WIZMO (Where's My Order) calls and return status calls. While traditional IVR is helpful in providing consumers with a self-service option, the adoption rate is very low and 60-70% of calls end up with an agent.

The other trend impacting customer care is the customers' desire for an option of 24/7 self-service, with most calls (up to 60%) being initiated from a mobile device. Since Michael's customer service is not open 24 hours/day, Radial suggested a self-service option that provided this benefit. Michaels also wanted a way to keep their customers informed of their order's shipping status to further mitigate WIZMO calls.

## Solution

Radial recommended two solutions that would help Michaels improve their self-service options, while lowering costs and increasing customer satisfaction rates. Michaels agreed to pilot a Visual IVR solution along with an In-Transit notification solution to assist during the peak season.

The Visual IVR concept is designed to cut down on costly live-agent transfers and greatly improve the mobile service experience. Radial developed a partnership with Zappix, a smartphone Visual IVR software development firm, to implement this solution giving mobile consumers a highly intuitive visual interface as an alternative to a traditional phone tree that still tended to end up with an agent.

With Visual IVR, Michaels customers can choose to quickly navigate a visual-based menu optimized for smartphones, and then simply select options by touch versus listening to a list of options and interacting via voice. The result is a much faster, frictionless, and satisfying support experience that gives customers exactly the information they want—using the channel and device that they prefer.

In transit notifications are a proactive way to reduce inbound calls by providing timely shipping details as a text or email. Customized alerts to shoppers keep them informed of delivery problems and in transit issues without having to visit a special tracking page for details.

Radial partnered with Convey to leverage their active delivery management platform, helping reduce costs through intelligent issue detection and preemptive communication around product shipment and delivery.

## Results

The Visual IVR solution gave Michael's customers a self-service option that mitigated low IVR adoption rates. Now, when customers on a mobile device call the contact center, they are given the option to proceed using an online interface where they can quickly and independently answer order and return tracking questions.

The pilot allowed Michaels to control and reduce costs associated with live agent interaction. Radial and Michaels experienced over 75% call containment, saved over \$47k in 3 months and prevented 13k calls from going to an agent. Customers had positive feedback and gave an NPS rating of 91 for ease of use, 83 NPS to recommend a friend, and 84 NPS for satisfaction when not needing an agent. Average Handle Time (AHT) for calls where no agent was needed was reduced from over 6 minutes per call to under 1 minute. Overall, the Visual IVR solution was a win/win for both Michaels and the customers.

In the In-transit notification pilot, nearly 50% of customers opted-in to track their shipment. With the new visibility into shipment tracking, the customer care center could correct over 1200 customer shipments due to incorrect addresses, orchestrate reship activities, and handle damaged parcels.

*"We want our customers to have seamless and frictionless interactions with us. We have a loyal customer base, so continuously improving customer satisfaction is important. Radial helped us keep our customers happy with self-service care option and delivery information, while helping keep our customer care costs down throughout the peak season."*

- Michaels

## Real Results

### **Cost Control:**

Radial and Michaels experienced over 75% call containment, saved over \$40k and prevented 13k calls from going to an agent.

### **Customer Experience:**

Customers were highly satisfied with the experience averaging an 84 NPS score in calls without the need of an agent.

### **Win/Win for costs and customers:**

Reduction of over 5 minutes in AHT (Average Handle Time) between Traditional IVR and Visual IVR

"Around the holidays, retailers need to be prepared for the inevitable influx of 'where is my order' calls, and to mitigate customer complaints around delays, missing packages and damages," said Matt Howitt, vice president of product at Convey. "This helps retailers transform problems into positive touchpoints, which creates a lasting effect on customer lifetime value."

- Convey

## About Radial

Radial is the leader in omnichannel commerce technology and operations, enabling brands and retailers to profitably exceed retail customer expectations. Radial's technical, powerful omnichannel solutions connect supply and demand through efficient fulfillment and transportation options, intelligent fraud, payments, and tax systems and personalized customer care services. Hundreds of retailers and brands confidently partner with Radial to simplify their post-click commerce and improve their customer experiences. Radial brings flexibility and scalability to their supply chains and optimizes how, when and where orders go from desire to delivery. Learn how we work with you at [www.radial.com](http://www.radial.com).

## About Michaels

Michaels is the largest American arts and crafts retail chain that currently operates more than 1,262 stores (consisting of 1,145 Michaels stores in 49 US states and Canada, 118 Aaron Brothers stores and 34 Pat Catan's stores) as of May 31, 2014. In addition, Michaels produces 10 exclusive private brands including Recollections, Studio Decor, Bead Landing, Creatology, Ashland, Celebrate It, Art Minds, Artist's Loft, Craft Smart, and Loops & Threads. The corporate headquarters are located in Irving, Texas.

The average Michaels store now contains 40,000 different products in 18,200 square feet (1,700 m<sup>2</sup>) of selling space. The stores sell a selection of arts, crafts, framing, floral, wall décor, bakeware, beads, scrapbooking and seasonal merchandise for hobbyists and do-it-yourself home decorators.

### • CUSTOMER QUOTES •



*"Super easy - thanks!!"*



*"This was fantastic! I wish all companies would use this type of technology!! I was able to use my smart phone, text message and answer questions all at the same time. Efficient and easy!"*



*"Very user friendly; Awesome-thank you!"*



*"Great concept! Unique I like it!"*



*"Great service, I did not have to call and wait on the line. Thank you"*