Customer Conversations Driven by AI
The Impact on CX and the Contact Center

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CUSTOMER EXPERIENCE (CX)
95% of organizations today don’t have the technologies and processes in place to provide a consistent customer experience across departments and channels.

Source: 2015 Gartner
Customer Expectations
Missed
30% of the Time

2014 AMEX Global Customer Service Barometer
Customer Trends

72% of customers are frustrated with inconsistent service across interaction channels within same company

Source: 2013 Accenture’s annual CX research
The Experience We All Want

Don’t make me wait

Don’t make me start over, repeat myself

Let me channel hop, yet you ACT AS ONE

Know Me & Value Me

I drive, but please help navigate toward desired outcomes
“The most important industry change in the last 30 years ...
is the growing irrelevance of the telephone-centric model.”
78% of customers say a nonvoice channel would be their first choice
### Figure 1: Which channel would you prefer to use if you knew you could get a resolution on the first attempt?

<table>
<thead>
<tr>
<th></th>
<th>Phone call</th>
<th>Email</th>
<th>SMS</th>
<th>Mail</th>
<th>Website</th>
<th>Mobile app</th>
<th>Live chat</th>
<th>Communities</th>
<th>Social media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical issue with product or device</td>
<td>51%</td>
<td>22%</td>
<td>6%</td>
<td>4%</td>
<td>6%</td>
<td>4%</td>
<td>7%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>When purchasing items on the web</td>
<td>16%</td>
<td>27%</td>
<td>4%</td>
<td>4%</td>
<td>22%</td>
<td>13%</td>
<td>9%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Service outage &amp; restoration</td>
<td>26%</td>
<td>19%</td>
<td>7%</td>
<td>8%</td>
<td>14%</td>
<td>9%</td>
<td>8%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Billing question</td>
<td>38%</td>
<td>18%</td>
<td>8%</td>
<td>6%</td>
<td>8%</td>
<td>5%</td>
<td>13%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Suspected fraud</td>
<td>26%</td>
<td>19%</td>
<td>5%</td>
<td>14%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Cancellation</td>
<td>14%</td>
<td>27%</td>
<td>20%</td>
<td>15%</td>
<td>10%</td>
<td>6%</td>
<td>3%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Change a reservation</td>
<td>12%</td>
<td>21%</td>
<td>17%</td>
<td>9%</td>
<td>8%</td>
<td>16%</td>
<td>11%</td>
<td>1%</td>
<td>7%</td>
</tr>
<tr>
<td>Make account modifications</td>
<td>8%</td>
<td>24%</td>
<td>6%</td>
<td>18%</td>
<td>18%</td>
<td>12%</td>
<td>6%</td>
<td>0%</td>
<td>9%</td>
</tr>
<tr>
<td>General support questions</td>
<td>6%</td>
<td>8%</td>
<td>1%</td>
<td>0%</td>
<td>19%</td>
<td>22%</td>
<td>33%</td>
<td>4%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Total respondents = 400

Source: Ovum

2017 Enterprise Insights on Customer Engagement
## Popularity of channels by age profile | 2015 Report sample question

Which channels are most popular with your age-profiled customers? Percentage of contact centres | n = 717

<table>
<thead>
<tr>
<th>% of n</th>
<th>Internet/web chat</th>
<th>Social media</th>
<th>Electronic messaging (e.g. email, SMS)</th>
<th>Smartphone application</th>
<th>Telephone</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation Y (born 1981–1999)</td>
<td>23.9 (1st choice)</td>
<td>23.9 (1st choice)</td>
<td>20.9 (3rd choice)</td>
<td>19.1 (4th choice)</td>
<td>12.3 (5th choice)</td>
<td>43.5</td>
</tr>
<tr>
<td>Generation X (born 1961–1980)</td>
<td>20.6 (3rd choice)</td>
<td>11.6 (4th choice)</td>
<td>28.3 (2nd choice)</td>
<td>11.0 (5th choice)</td>
<td>28.5 (1st choice)</td>
<td>41.8</td>
</tr>
<tr>
<td>Baby boomers (born 1945–1960)</td>
<td>7.4 (3rd choice)</td>
<td>2.1 (5th choice)</td>
<td>24.4 (2nd choice)</td>
<td>2.6 (4th choice)</td>
<td>63.5 (1st choice)</td>
<td>41.8</td>
</tr>
<tr>
<td>Silent generation (born 1944)</td>
<td>1.8 (3rd choice)</td>
<td>1.0 (4th choice)</td>
<td>6.2 (2nd choice)</td>
<td>0.6 (5th choice)</td>
<td>90.4 (1st choice)</td>
<td>43.4</td>
</tr>
</tbody>
</table>
Customer enablement
(read self-service)
is becoming a priority.

Ovum Research: 2017 Trends to Watch: Customer Engagement
CONTACT CENTER
Ongoing Challenge of CX vs. Cost
The average number of channels handled by contact centers today is 8.
Key Service/Sales Delivery Challenges

- Overwhelmed with digital channels
- Increased flows of data
- Embryonic IoT platforms
- Integration of system, data silos, silos, and more silos
- Agent cost/turnover
Users Grapple With Confusing Landscape
Gartner opts for Smart Machines rather than AI

“...There is no need to complete the Human Brain Project or pass the Turing Test for a smart machine to deliver business value.”

Gartner July 2016
Virtual Customer Assistants

- Biz app
- Simulates conversation
- Simple: Delivers info
- Advanced: Takes action

Gartner Defined …
By 2020, 25% of customer service and support operations will integrate virtual customer assistant technology across engagement channels, up from less than 2% in 2015.

Source: Gartner November 2016
Virtual Customer Assistant Technology Integration in Service/Support Operations Across Channels

Source: Gartner November 2016
CVA Drivers / Impact

- 70% reduction in call, chat and/or email
- Increase in Customer SAT
- 33% saving per voice engagement

Industry Challenges

- Standardization of Terms
- Vendors Finding Your WHY
- Finding Use Cases – Problems
- Data, Data, Data (labeled, unlabeled, security)
- Focus on Smaller Footprint/Employee? Or Internal uses cases first
- Quick Productivity/Cost Savings Gains
Where we are headed?

- Voice and Text-based Input
- Machine and Man (self and assisted blend)
- We’ll see a combination of rules-based combined with real Machine Learning
  - Today, most solutions offered are PS-heavy, rules-based and aren’t using ML
Not either /or but BOTH depending on customer choice, environment, use case

Voice + Text
Greater Human Productivity vs. Human Redundancy

Machine (SELF Service)

+ Human (ASSISTED Service)
The Age of the Highly Paid “Super Agent?”

- We’ve been talking about it for years
  - Agents no longer will be part timers/college students/offshore

- Conversational AI interfaces (text and voice) means ...

- We will do more in self service and when need be, will escalate, with context, personalization to expert live support combing self and assisted service to reach outcomes
Seamless Embed Humans/AI

“It has been widely observed that attempts to circumvent rather than enhance human input typically constitute the key failure points.”

World Economic Forum 2016
Look for Solutions That Are …

Rule-Based + Deep Learning
Good intelligent virtual assistants have yet to be developed, deployed.

We are in the early days.
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