

Embracing Digitalization: The Future of Customer Service is Now



When we say digitalization, to give that a clearer meaning, it is how we use digital technology to enhance every kind of experience, every kind of service, or any kind of outcome that had previously been done without the use of such tech. It's also about a mindset: To Think Digital. In any aspect of business, any interaction with a colleague or customer, you should force yourself to think one step ahead. Think, what would be the best solution had we embraced technology even more?

In our current age of continual innovation and digitalization we need to embrace all available (and conceivable) opportunities, thus this white paper is focused on increasing the awareness and accessibility of technology, all so as to improve customer experiences. Essentially, we are all change makers and all need to understand tech more than we did yesterday. Besides inspiring you, the aim of this paper is to make you feel that sensation of being pushed forward and, perhaps, a little annoyance i.e. "Ah, I wish I had thought of that before!" A good place to start is by clarifying that the technology and topics we discuss, while you might think they are something in the future, they are actually happening now. Everything I explore is happening now.

There are some interesting times ahead as there will be some organizations/individuals who conduct business as usual, improving and undertaking a degree of business development, and then there will be those taking giant leaps, e.g. Facebook and its idea of moving from text-based communication to "typing" messages to another person, straight from your mind, including feelings. Those organizations and individuals, such as Facebook, are really pushing the envelope, and that gap is the opportunity. The gap exists between existing solutions and technological possibility, which is why making the most of that gap and having the right tempo is really crucial.

Digital service v. Digitalization

To understand what is meant by going that "one step further" and how digitalization combines with this, we should take a look at how digitalization differs from digital service. As an example, if we consider being able to book a meeting room via a digital service, that is an improvement versus walking over to that room and looking at the paper calendar someone prints out every morning. It's an improvement, but it's not really enhancing the meeting itself. By contrast, thinking about how to digitalize the meeting, then you probably need to be thinking about how we now have technology that can actually understand natural language so no one would need to be taking notes because the room, or



the technology in it, would be hearing what we're talking about, probably with the use of artificial intelligence (AI), extracting the most valuable parts of that conversation. This is the kind of experience we're talking about with digitalization.

Similarly, in a meeting about a new office, we wouldn't just be discussing it but we would be in the new building itself via virtual reality (VR) technology, and the colleagues who were not currently present but joining from somewhere else wouldn't feel they were away from the meeting as we'd all virtually be in the same place due to VR tech. Technology enhances the meeting experience. That is the difference between putting a digital solution on top of some old habit, e.g. booking rooms, and extracting even more insights from the meeting by digitalizing the whole situation.

How AI can improve a customer dialogue

AI can enhance customer representatives' capabilities, giving them better ways of understanding and dealing with the questions that customers are asking. It also goes the other way, which is where the challenge lies. Customers also have access to the same type of technology. So, it's not just the agent improving their

knowledge and skills base via tech and virtual assistants but the customer is going to be equally informed, with the same kinds of tools to be ahead, pose open-ended questions and receive intelligent answers.

It is an interesting idea with AI, that the growth of intelligence and ability goes both ways, both for customers and agents. It isn't talked about so much. There are a lot of articles and discussions on how companies giving customer support and service are going to increase and widen the information gap between them and their customers. However, the great thing is that there will be a rise in the general level of customer and agent insight, giving the opportunity to have dialogues about things beyond just the basics. AI is really empowering us to improve this dialogue. (This can also apply to internal communication between colleagues, not just external communications.)

AI will be doing the groundwork, the standards, and our human colleagues/employees can focus on the relationship, on understanding emotional qualities that technology cannot perhaps yet handle and other aspects that have to be developed. Indeed, that's a big question for you: When AI does the job, what do we as humans do, and what can we do to differentiate ourselves from our competitors?





AI - Example Case

Stena Line, Sweden: "A Question of Survival"

A [great AI example](#) is Stena Line's innovative approach to the challenge of Amazon getting their first shipping license in 2016. Stena Line knows that anything Amazon does, say launching their own freight carriers, is going to be data-driven, infused with AI and much smarter than ships operating today, because Amazon has that capacity and data-processing capability. Consequently, Stena Line had to take a grip on this, and ask "What is it we need to do to speed up our development?" They have a two-year perspective that, in two years, their business will be built on AI.

Why is this so important in terms of the relationship with customers? They're saying, our customers are drowned in information and we today can only work with structured information on our own terms. Unstructured information or information from other sources cannot be compiled into our systems should we not use AI. Stena Line are now experimenting with multiple, small services, rather than just tackling one, giant solution, and this is my best advice to readers having worked with setting up different kinds of innovation

processes: Start small, begin solving that and evaluate the results. See how it could scale, allow different teams to work in different ways. In 2017, it is unnecessary to buy big proprietary systems, you can use what's on the market. Today, services developed by IBM or Microsoft can be bought at a very low price and easily integrated into your own systems in new ways.

Yet technology isn't anything if you don't know the problem you're solving. So, right now Stena Line are looking at improving customer dialogues and how technology can help do that.

“ We need to be more relevant and personal in dialogues with our customers. With AI and machine learning we can do that.

*Amer Mohammed,
Head of Digital Innovation, Stena Line*

Tech for improving this full digital experience

There are a whole range of digital solutions out there that can optimize your service offering, including translation software, image recognition, the Internet of Things and smartphone sensors, to name but a few. The two I think are particularly key to improving the contact-center customer experience, now and in the future, are chatbots and virtual reality.

Chatbots

The beauty of chatbots is that they never sleep, and the dialogue with them can become very long and deep. Each chat is completely tailored to the customer's needs because they're the one who is steering the conversation. Another interesting element that I have found in my research is that customers feel more personal and honest with a chatbot. Results showed they didn't lie as much with the chatbot as they did with the human representative, such as about their saving goals, so it was a more straightforward relationship. It also showed that the chatbots were able to build relationships and create trust as the conversation could become very relevant and tailored to the individual. This is because it's more than just a "bot" but machine-learning that is growing more intelligent, not just from that single conversation, but from all other customer dialogues that this bot is having.

It's also faster, a lot faster. My tests showed that the chat people 'experienced' (as experienced time and actual time are different) with a chatbot, had a four-times faster reply rate. Thus, chatbots are something that are exploding, and will continue to do so. Gartner, in terms of banking, predicts that 85% of all banking interactions, even on the B2B side, will be done by chatbots by 2020. Equally, as Shep Hyken said in [a recent Forbes article](#), "AI has come a long way in recognizing the content – and context – of customers' requests and questions." Stena Line's chatbot learned the context of messages from punctuation, e.g. multiple question marks marked a stressed or upset person, and to adapt its dialogue accordingly. Another stand-out factor is that it can do something humans can't, it can have individualized, relevant conversation with many, many people, as the chatbot scales infinitely. The more customers, the smarter the system gets. The success with chatbots demonstrates that technology-assisted

conversations can actually be perceived as more personal than conversing with a human.

If you haven't worked with chatbots yet, or tested them, first, go to YouTube or ask someone who is currently using them. Investigate.



Virtual Reality (VR)

VR is the most social of all the new technologies, providing the opportunity to bring people closer to each other in a shared virtual space. It will revolutionize how we collaborate and how we have a dialogue. Imagine all your emails, or all the messages you and colleagues send (e.g. over Slack or Yammer) – a lot of these short interactions will be replaced, to some degree, by these face-to-face possibilities where the person is "next" to you. Tech will make these short conversations more personal and eye-tracking technology will also help to create that sense of being seen. Customers can have in-person meetings without having to leave the comfort of their own home. Facebook recently presented [a study](#) that illustrates how VR can facilitate social interactions; participants claimed to feel more comfortable revealing personal information in this environment whilst it also reduced appearance-based judgments.

The next phase of virtual reality will no longer require goggles, instead it will be a form of hologram technology where you actually feel that the person is in the room with you; inserting another person into your physical space. Facebook Spaces, a VR hangout session that allows you to interact with friends as if you were sitting next to one another, is already ready for the public.

You should then be thinking: How could VR enhance our customers' experiences? Technology is there but what do we want to do?

It is not actually about tech. It's about what customers/users really want

All your innovation and service development has to be based on customer needs and customer pain points, along with any frictions that they are experiencing in their communications with your company today. Tech is there to solve it. If customers had a magic wand, what would they like from your company? How would they like your services to work?

“80% of corps believed they delivered a superior experience to their customers. Only 8% of customers agreed.” [Seven things you need to know about marketing in the 21st century](#), Allen and Markey.

As this quotation and figure shows, there is a gap between what companies believe and customers feel. This is again a gap that technology can help to do some of the work in filling.

Exceptional Customer Service - Example Case

[Zappos.com: Delivering the WOW through service](#)

Zappos.com's actual product is quite normal (shoes), so they want to create the WOW factor through service. The Zappos support team have rules like, the longer you speak to your customer the better, e.g. they celebrated someone who was on the phone for 17 hours. They look to understand what the customer wants and then go beyond, or outside of, those expectations.

“One single step and single focus would be understanding customers as people first and not as shoppers, website visitors, callers to the customer service.

Alexander Genov, Head of UX Research & Web Analytics, Zappos.com

Customer expectations: “How hard can it be?”

Instant, on-demand services such as DriveNow or Instacart, provide fantastic customer experiences where a person's mobile phone is the key to everything and the service happens there and then. They are the example of how customer service should be, and are setting the bar for customer expectations. Users now expect services to be:

- Easy
- Mobile
- Smart
- Connected

Your users have been seeing services like this, so they might think, how hard can it be for your company to be delivering the same. Don't fall behind. This is why so much energy and time has to be devoted to understanding customer needs and experiences.

“89% of all companies will compete on customer experience” [Loni Stark, Adobe Summit, 2016](#)

The trends for services & support are also that they are:

- **Proactive** – Foreseeing and exceeding expectations. Companies are no longer just meeting the customer when they have a problem but assisting before they arrive at it.
- **Supportive** – Providing assistance along the whole way, from tutorials to security, so that customers are always prepared and don't do the wrong thing.
- **Predictive** – This is a backend perspective, helping to understand more the intention of the customer with the data that is captured, it can show customer intention and where he/she is aiming at. Companies and contact centers can use that insight to meet the customer.
- **Cognitive** – Adding a human intelligence to AI means that machines can start understanding natural language and feelings, what people really mean when they say something. It's amazing what this could do in terms of building the opportunity to surpass expectations.

Closing questions:

- 1) When technology makes everything possible - where do you want to meet the customer?
- 2) How do your customers prefer to communicate with you?

If you know the answers, act on them. If you don't, find out. Skip 50% of the talking and start doing! For management, cut the one-hour meetings down to 30 minutes of talking then in the second half hour, actually act on those conversations – call customers, talk to employees, purchase small AI solutions to start working with. Only by doing can you get a reaction from your customers that you can iterate on.

As I said at the beginning of this paper, when we discuss digitalization and tech, we are not speaking about the future, we are talking about the here and now, so act.



About the author

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With experience from the first internet boom, Beata went on to work on digital business development projects for some of Sweden's largest companies in insurance, finance, hospitality, IT and marketing. She is a sought-after speaker on topics such as digital business strategy, digital marketing and online culture.

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