

# WHAT'S YOUR COMPANY'S AI IQ?



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**AI for cost reduction?**

**Yawn.**

**AI for increased efficiencies?**

**Ho hum. Admirable pursuits but already passé.**

**AI that completely reinvents the customer experience by making customer channels irrelevant?**

**Now you're talking.**

IN A WORLD WHERE LEAPFROGGING IS THE KEY TO COMPETITIVE ADVANTAGE, LEADERS ARE THINKING BIG WITH AI.

And those leaders have an increasing number of AI-fueled platforms to help them transform customer experiences. For instance, the Sentient Aware platform uses deep learning to deliver personalized image-based, visual conversations with online customers.<sup>1</sup> Customers no longer need to rely on text search or filters to find what suits them. Rather, virtual salespersons use the platform to adapt recommendations in real time to match customers' changing preferences and needs.

Black Diamond Equipment, Ltd., an online ski equipment retailer, uses an AI platform to better personalize its customer experience. It proactively recommends products to customers based on past purchases and current weather conditions, among other items. Shoppers must appreciate this customized experience because purchases are up 10 percent, and cart abandonment rates have dropped significantly.<sup>2</sup>

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## HOW MUCH IS AI WORTH TO THE AVERAGE COMPANY?

Embracing an overall AI fabric across the business can offer a potential **30-50%** increase in enterprise profitability.<sup>3</sup>

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These are today's examples and while helpful to consumers, are not even close to what the future will bring. Leading companies are starting to move beyond conventional AI uses like chat bot issue resolution or personalized shopping. Instead, they are thinking more broadly about how AI can transform the customer experience.

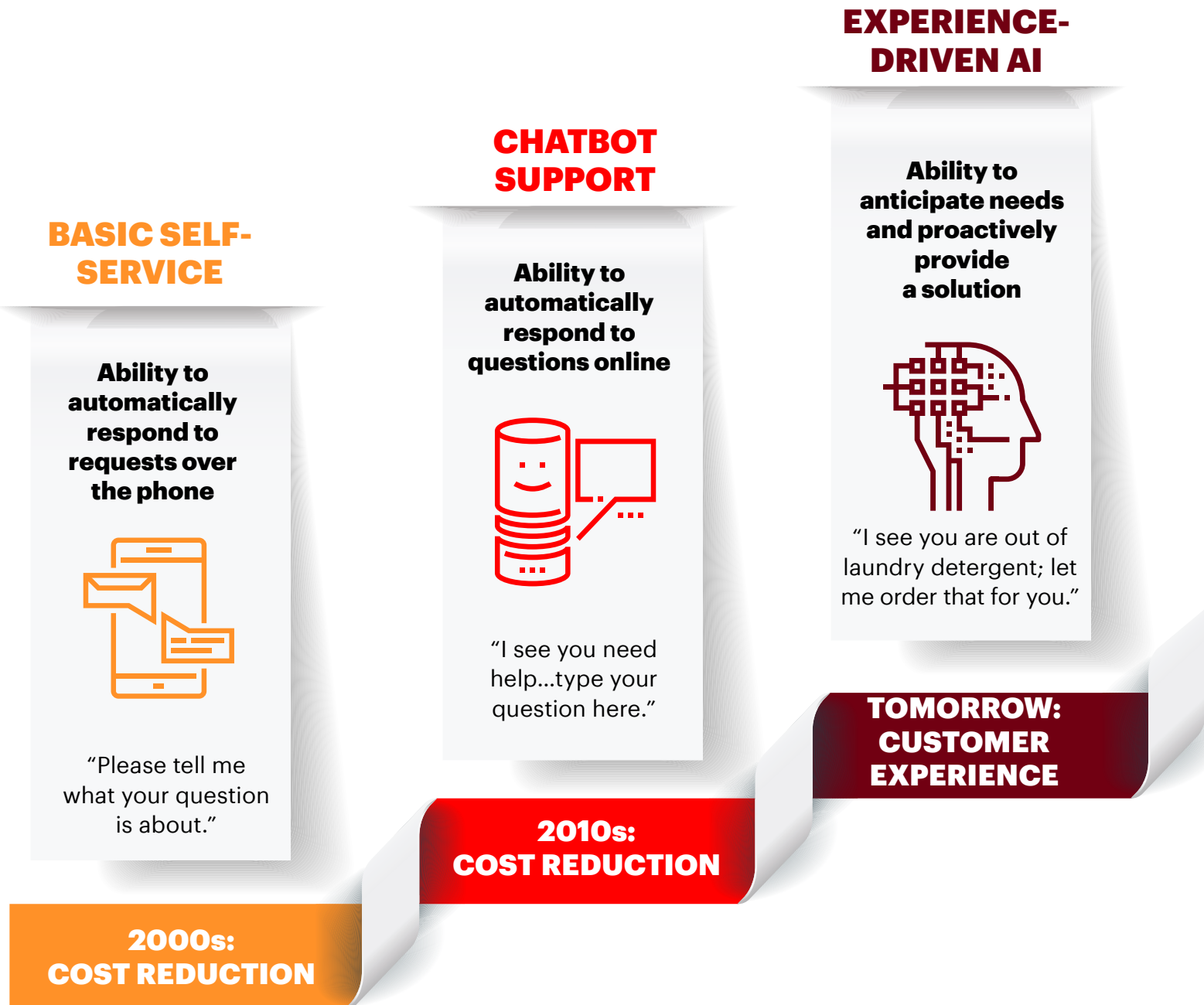
Imagine AI that reminds a consumer that tonight's dinner is not planned. It presents options based on current refrigerator ingredients and recipes that require a bit of shopping. With a simple command from the user, the AI places and pays for the grocery order, schedules delivery and alerts family members electronically about when the meal will be served—taking into account, of course, any sports practices or late meetings. **When companies can get to this higher level of AI, one where the AI proactively consults with consumers and takes the burden of decision-making off of them, this is where the real value of the technology becomes apparent.**





**FIGURE 1**

**AI Evolution—The Path to an Improved Experience**



**At more advanced levels, companies need to use AI to create a seamless customer experience that blends the best of human and artificial intelligence. They create a tailored, differentiated, AI-fueled customer experience—increasing consumer loyalty and overall company value.**

# DIY TO DO-IT-FOR-ME

As customers use AI in all aspects of their lives, they expect it to remove them from the burden of routine decision making. They desire AI to trade up from Do-It-Yourself to Do-It-For-Me.

Seven out of every 10 customers expect customer support to be faster, easier and more convenient today than ever before.<sup>4</sup> And if AI can improve their current situation, they are all for it. More consumers think that AI will have a positive impact in their personal lives than a negative one, even though many still have concerns.<sup>5</sup> But, AI is more than automation and self-service. It can simplify decisions of all types for customers.

In a Do-It-For-Me model, the beauty is that customers don't have to bother with unessential information—they just benefit from the end result: AI proactively turning that information into action. For instance, Flipper, A UK-based “personal energy shopper,” leverages the competitive retail energy market to save customers money. Flipper uses an energy algorithm called “Joules” to find the best deals based on usage, and automatically changes a customer's service to save money. By switching on a quarterly basis, Flipper saves customers up to £400 per year.<sup>9</sup>

## CUSTOMERS WELCOME AI TO MAKE LIFE EASIER

Despite AI still being an emerging technology, Accenture research shows:

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### SIX OUT OF 10

consumers would trust intelligent technologies to keep their home secure.<sup>6</sup>

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### SEVEN OUT OF 10

trust AI to monitor and adjust energy use in their home.<sup>7</sup>

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### FIVE OUT OF 10

trust AI to shop for their food.<sup>8</sup>

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### NINE OUT OF 10

consumers are satisfied with their digital assistant

# FROM OMNICHANNEL TO CHANNEL-LESS EXPERIENCES

Today's customers want simple interactions, but instead are offered a clumsy combination of digital and analog channels. That is about to change.

While companies have focused over the last several years to drive omnichannel solutions, their touchpoints continue to be disjointed. Customers who just want their issue or inquiry resolved quickly and easily don't want to worry about channels of engagement. AI will serve these customers by making channels irrelevant.

Customers don't care which channels a company processes through as long as they get a personalized, intelligent experience.

Consumer frustration with channel noise and inconsistency has led to the willingness to accept AI as their gateway to customer interaction. Three in four customers expect to pick up where they left off when moving from one channel to the next; they do not want to repeat themselves.<sup>10</sup> And roughly half of customers (47 percent) rate inconsistent experiences or treatments when using different channels as frustrating or extremely frustrating.<sup>11</sup>

**Customers DON'T CARE which channels a company processes through as long as they get a personalized, intelligent experience.**

As AI personal assistants (PAs) gain popularity, a customer interaction becomes a PA-based interaction. Instead of having to deal with travel sites, airline call centers and multiple texts regarding flight status and pricing, a traveler will simply tell her AI assistant where she wants to go, for how long and for what purpose. The assistant handles the myriad interactions in the background, presenting the traveler with a simple itinerary. Booking a trip becomes a one-and-done endeavor, without having to restate preferences. In the future, the channels used are invisible and immaterial to the customer, who will use voice as the sole gateway to a hassle-free customer experience.

Sears, in recognition of the AI conundrum, recently inked a deal with Amazon to sell smart Kenmore appliances that connect with Alexa on Amazon.<sup>12</sup> Sears Holding shares rose 17 percent upon the announcement.<sup>13</sup> If companies do not look for ways to engage and integrate with the larger AI landscape that is emerging, they may be left behind.

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# HELPING YOUR WORKFORCE FIND THEIR **SWEET SPOT**

Customers interactions with companies are increasing exponentially. Given the amount of data, the complexity of it, and customers' need for immediacy, humans are less able to rapidly and efficiently handle the deluge. Companies must consider how to orchestrate the best human and AI skillsets for a pleasant customer experience.

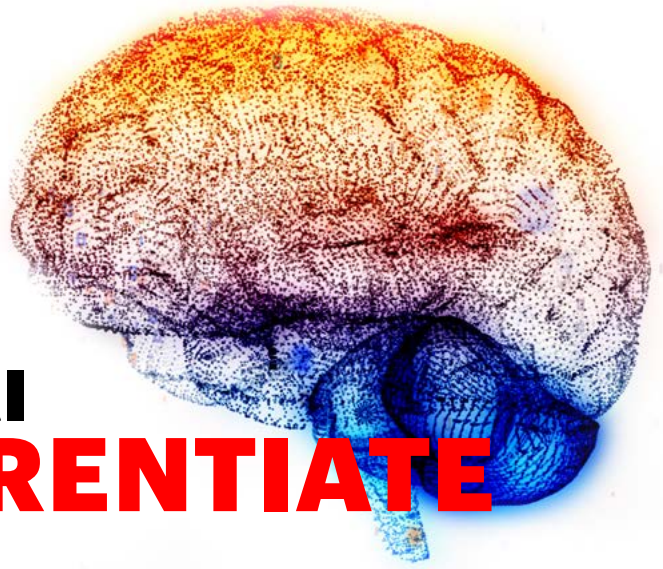
Because AI takes the routine and analytics workload off human customer service reps, it allows humans to focus on what we do better than AI: creativity, intuition, empathy and choice. Customers get the best of both worlds: the analytical firepower of AI and the more nuanced intelligence of the human workforce. And many consumers still want to deal with another human, at least in part. A recent Pegasystems survey of 6,000 consumers worldwide showed 80 percent prefer to chat with a human when getting service.<sup>14</sup> While AI continues to improve in emotion and speech recognition, a skilled human still handles complex situations with the most savvy.

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# STRIKE NOW WITH AI TO DIFFERENTIATE



Using AI for innovation is still a point of differentiation, given where the market is. Accenture research finds that only 17 percent of companies fall into the high-performing “Collaborative Inventor” quadrant, while most (57 percent) are still seen as “Observers,” with relatively low levels of either in-house innovation or external collaboration on AI.<sup>15</sup> Given that the Collaborative Inventors are the ones who have been shown to increase enterprise value, C-suite leaders who want to differentiate should move to broaden AI applications across their companies—before doing so becomes table stakes.

We suggest three first moves to reinvent your customers’ experience with AI, getting closer to Collaborative Inventor status:



## **IDENTIFY WHERE YOU CAN INNOVATE FOR YOUR CUSTOMER AND INVEST ACCORDINGLY**

Because your company has probably looked at AI only through an efficiency lens, finding ways to better serve your customers deserves its own brainstorm. The future of AI and digital technologies requires you to think differently not only about efficiency, but also the customer experience. The right mix of the two fuels accelerated growth.



## **SPEND LESS TIME MAPPING CHANNELS AND MORE TIME MAPPING YOUR AI ECOSYSTEM**

As “Do It For Me” becomes the dominant mode of customer interaction, your company’s AI will have to play nicely within and outside your industry for a seamless experience. Companies that do this successfully—even companies currently behind the AI curve—can take advantage of the leapfrog opportunity ecosystems can bring.



## **ORGANIZE A FUTURE WHERE AI, DIGITAL AND CUSTOMER EXPERIENCE MEET IN AN INTEGRATED WAY**

Governance is key to getting AI right for your customers. Unless AI becomes a true focus, innovation will elude your teams. They will reap efficiencies, but they won’t reinvent customer experience. Using a deliberate approach and starting in the C-suite, set a top-down strategy to balance these powerful capabilities in the context of efficiency, technology and customer experience.

AS COMPANIES COMPETE ON AI AS DIFFERENTIATOR, HAVING A HEAD START ON USING IT FOR MORE COMPLEX INNOVATION—VERSUS BASIC COST-EFFICIENCY—WILL PUT YOUR FIRM AHEAD OF THE GAME.

**REINVENTION, BY ITS NATURE, MEANS GETTING INTO THE GAME EARLY. OTHERWISE, IT'S CALLED FOLLOWING.**

## JOIN THE CONVERSATION



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## NOTES

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- <sup>2</sup> “Customer Data Meets AI,” MIT Technology Review, July 17, 2017.
- <sup>3</sup> Accenture IHP, AI and the future of growth.
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- <sup>5</sup> Weber Shandwick and KRC Research Customer Survey, June 2016
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- <sup>8</sup> Ibid.
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