



To Bot or Not to Bot

How to balance human interaction with automation as AI takes hold in business

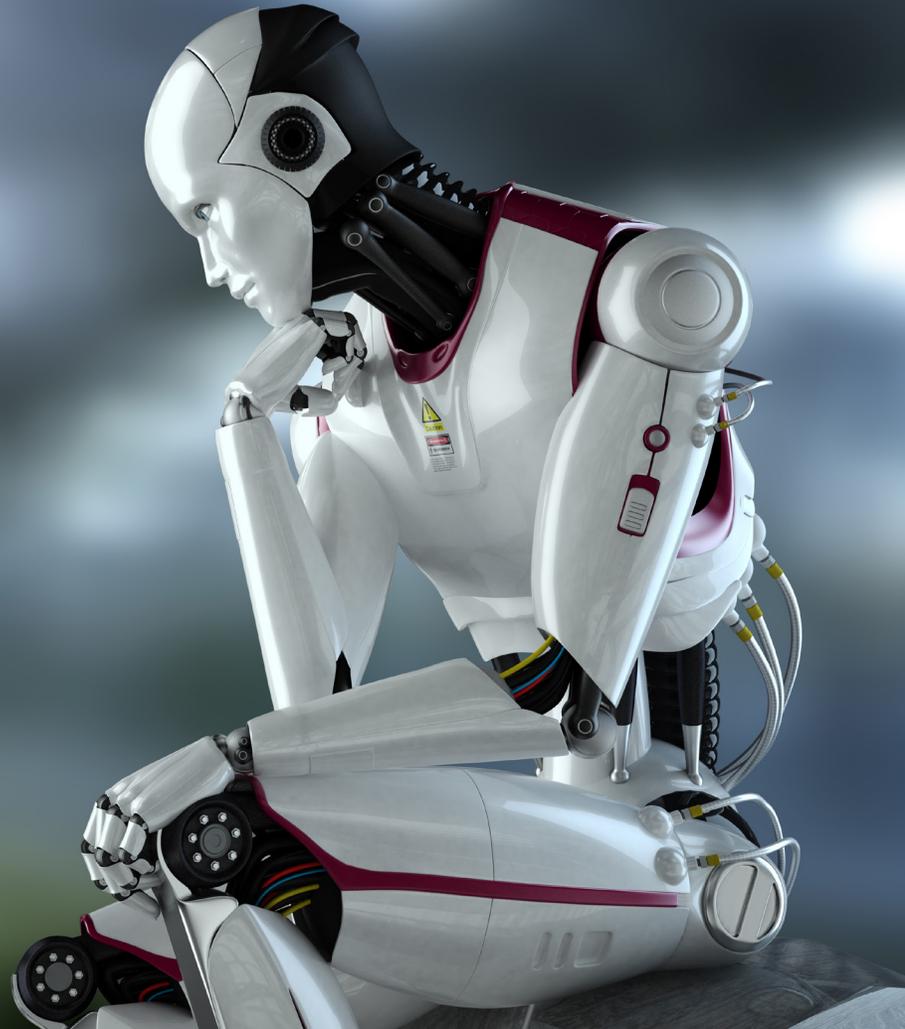


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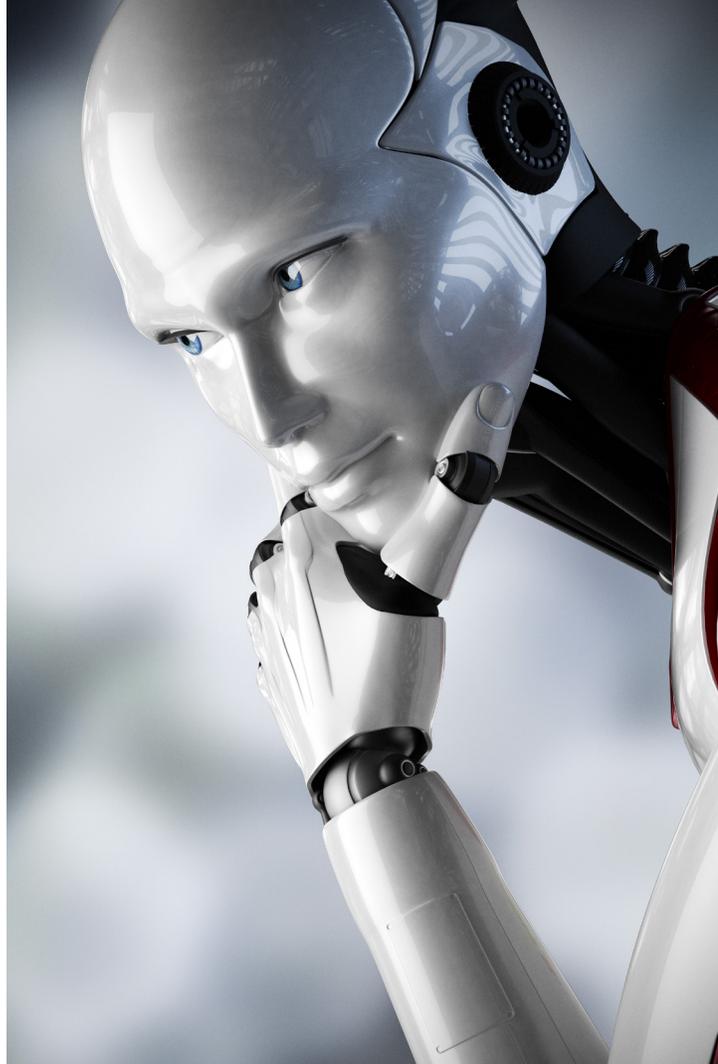
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CONTEXT

Striking a Balance

Just because you can automate something, doesn't necessarily mean you should. There are plenty of buzz-worthy discussions happening in the customer experience space around automation, artificial intelligence (AI), bots, and the like. So what should companies consider when the topic of automation comes up? This e-book offers stats, trends, and insights about how to balance automation with humans in the customer experience ecosystem.

BUSINESS IMPACT

By 2020 a customer will manage **85%** of the relationship with an enterprise without interacting with a human (Gartner).

51% of U.S. business operations have the potential to be automated, accounting for almost **\$2.7 trillion** in wages (McKinsey Global Institute).

Automation could raise productivity growth globally by **1.4%** annually (McKinsey Global Institute).



CUSTOMER EXPECTATIONS

64% of consumers expect companies to respond and interact with them in real time (Salesforce).

75% of customers believe it takes too long to reach a live agent (Harris Interactive).

97% of global consumers say customer service is important in their choice of, and loyalty to, a brand (Microsoft).

Insight

Automation can better meet customer expectations while reducing costs. Yet most conversations focus on costs only.

WHAT IS AUTOMATION?

What We Mean When We Say “Automation”

Artificial intelligence (AI) offers opportunities to automate more customer interactions in mobile and social, at scale. Automation’s success in the customer experience arena relies on two distinct attributes – a conversational user interface (UI) and understanding.

1. **Conversational UI** – A platform to understand customer questions and give an appropriate answer. The delivery of the answer isn’t the focus, it’s the knowledgebase, data integration, connections, processes, and platforms that enable a conversation (information transfer), complete the task, and provide the right answer.
2. **Understanding** – Does the computer understand what question is being asked? Systems are moving from single words to more advanced speech recognition, sentiment analysis, and Natural Language Processing (NLP) to deeper understanding of what’s being asked. Alexa and Siri are voice assistant examples of understanding in action.

Insight

Computers simplify. Humans engage and decide. Some interactions are best suited for automation, while others will always need a human touch.

TYPES OF CUSTOMER INTERACTION AUTOMATION



Chatbots



Virtual Assistants



Dynamic Knowledgebases



Predictive Analytics



Self-Service Tools



Connected Devices

BUSINESS CASE

Bots: Buzz or Good Business?

Customer interactions are becoming more digitally driven and automated to enable faster, convenient, precise interactions. People want a different way to interact with the companies they do business with, and bots are one way to achieve this. Customers don't want call centers anymore. At least not the way they exist today. And companies continue to digitize interactions to reduce costs.

Nearly half (42%) of global consumers predict that the call center will cease to exist by 2025.

36% of call center interactions are a direct result of digital channels failing to provide answers.

Cost reduction and efficiency are top priorities among contact center leaders.

44% of U.S. customers said they'd prefer AI chatbots for customer relationship management.

Source: Conduent, Call Center IQ, Aspect

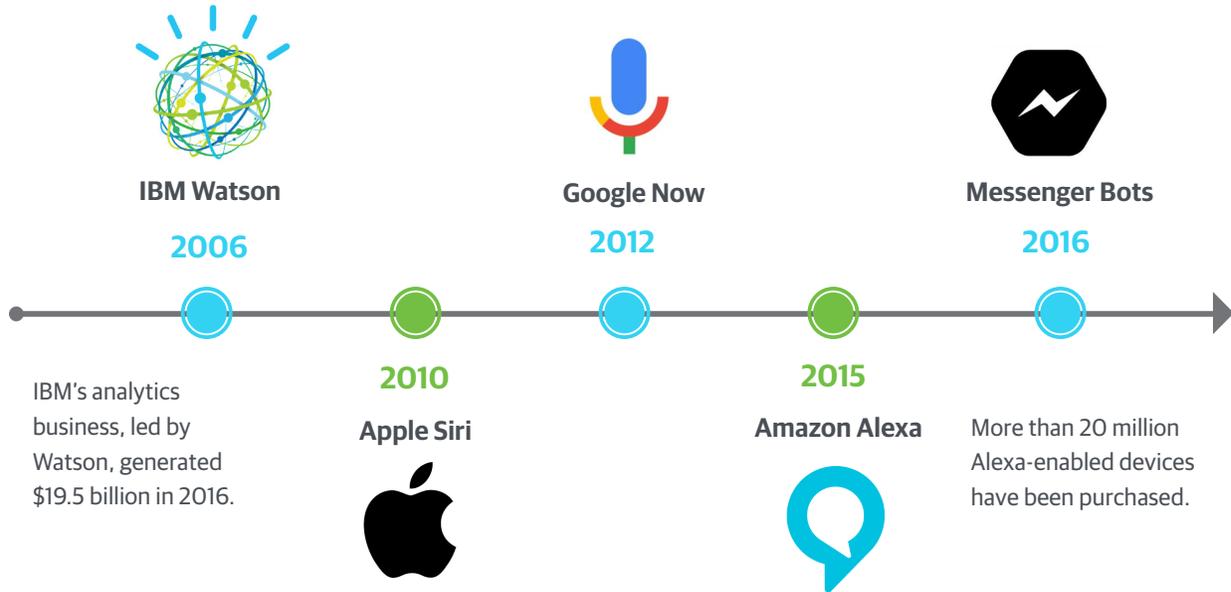
Insight

Automated services are here to stay. Instead of "if," answer "how" to use automation in your business.



Modern History of Chatbot Tools

Chatbots are quickly maturing, and providing business value.



CHATBOTS AT WORK

Chatbots: Who's Using Them?

Chatbots are still mostly in the "hype" stage, being used primarily for marketing activities that aren't integrated with full-scale enterprise operations. Customer care organizations are just beginning to experiment with bots. Here are a few examples.

Retail

SEPHORA

Sephora launched a bot on the messaging app Kik that answers questions about makeup, and a Facebook chatbot called the Sephora Virtual Artist that allows users to upload a selfie and try on different lip colors.

Results

Users average 10 messages per day
4 million chatbot interactions
90 million makeup shades tried on

Hospitality

JUST EAT

The online food delivery company's Facebook Messenger bot offers suggestions on restaurants and various cuisines in an engaging tone to combining natural conversation with customer service and value. It also employs a customer service chatbot enabled with AI for 24/7 support.

Results

UK orders were up 28% in Q4 2016
Orders reached 33.3 million globally

Chatbots: Who's Using Them?

Travel



Amtrak added a chatbot functionality to its telephone-based customer service agent, Julie. Users type in a question or phrase online for Julie to answer and navigate to the page with relevant information. With the sound on, Julie can vocalize her answers, along with her written response.

Results

25% more bookings

30% increase in revenue generated per booking

\$1 million saved in customer service email costs

Automotive



Consumers can send a message through Facebook Messenger inquiring about potential cars to buy. The bot offers search results from Edmunds' inventory and directs the consumer to nearby dealers. After the initial bot conversation, the consumer is connected to a live representative at the dealership to schedule a test drive or try to close the deal.

Results

The program launched in November 2016

BEST PRACTICES

Best Practices in Balancing Automation with Human Interactions

GUIDING PRINCIPLES

e

Automate repeatable **small “e”** experiences that reduce friction, improve convenience and speed.

E

Use humans for **big “E”** experiences that benefit from emotional, personal connections.

Tips to Get Started



OPERATIONAL BEST PRACTICES

Get your knowledgebase in order before launching bots or automated customer interactions.

Use bots for specific, repeatable tasks, like billing inquiries, appointment scheduling, or password resets.

Consider the operational costs, not just the technology costs, when creating a business case for chatbots.

Bots won't replace your entire interaction volume. Plan for only a small chunk of your operations.

Humans will never be fully replaced. Final decision-making must be done by a human.



CUSTOMER EXPERIENCE BEST PRACTICES

Be clear up front with consumers when bots are used.

Guide conversations with specific questions. Open-ended conversations will more than likely fail.

Bots can't replace the value of empathy, cross-selling, or up-selling during an interaction. And they won't know when to take the conversation in a different direction.

Know your customers. Some value the ability to talk to a person, even for mundane tasks. Depending on their value to your brand, switching to automated solutions may do more harm than good.

INDUSTRY PERSPECTIVES

The Power of People

Bots can't replace the human value of empathy, cross-selling, or up-selling during an interaction. They won't be able to read emotional signals to stave off customer defection. They don't themselves build a brand. And they won't know when to take the conversation in a different direction when things diverge from the norm or get complicated. When in doubt, people will prevail. Here are some examples by vertical of what to automate versus what to keep in human hands.

		AUTOMATE	SAVE HUMANS FOR
	AUTOMOTIVE	Service/sales appointments, individual dealer inventory search, car configuration, lease structures	Financial conversations, on-boarding with connected car features, dealer service experience introduction, resale outreach
	RETAIL	Inventory search, purchases, delivery status, reviews	Product recommendations, complaint resolution, advice
	FINANCIAL SERVICES	Balance inquiries, single account information, account openings, payments, status updates, fraud protection	Cross-sell, up-sell, comprehensive financial picture discussions, financial planning advice
	HEALTHCARE	Symptom look-up, appointment scheduling, doctor search, prescription adherence, wellness trackers, health management	Diagnosis, condition discussion, complicated plan information, health plan navigation
	TELECOM	Product/plan search and purchase, tech support	Upgrading/downgrading plans, churn prevention/win-back activities
	TRAVEL/HOSPITALITY	Booking and managing travel, destination information	Personalized trip planning, resolving issues in real time

BUSINESS REALITY

No “Terminator” Takeover

Automation tools as they exist today are designed to complete specialized tasks. Cognitive computing, or “thinking,” is not ready for enterprise activity. It’s great stuff for science fiction, but there is little science fact.

Humans will always have a place in the customer experience environment, especially because empathy and authentic conversation will always be needed. You can’t have a relationship with a computer.

Insight

Machines aren’t ready to rise up against us. As long as relationships rule, computers won’t.

33% of all customer service interactions will still need a human intermediary in 2017. (Gartner)



Things to Consider

Learn from your IVR experiences. Re-imagine customer operations using automation to match customer needs with business goals. Some things to consider include:

It's about more than call deflection. Yes, cost reduction is important, but shouldn't be the only factor affecting the decision to automate.

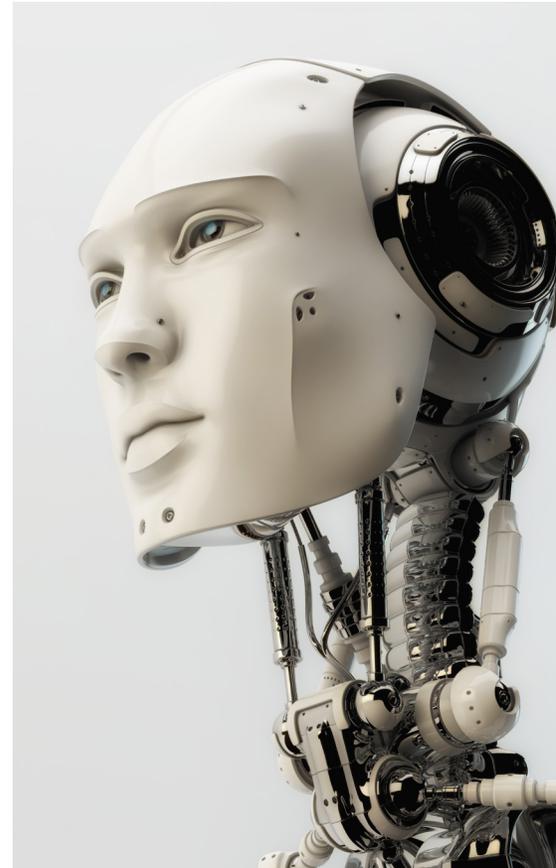
Prioritize automated interactions based on likelihood to succeed. Review your organization's activities and create a heat map of where automation potential is high, based on repeatability and answer intent confidence levels.

Think differently about interactions. Don't just add an automated component to current manual practices. Use automation to rethink and transform interactions to optimize efficiency and effectiveness. The resulting new process may look completely different than the old way.

People won't go away. Prepare and adapt human capital to work in complementary ways with technology, or be used in other capacities to advance the company. This may mean hiring and training employees differently.

Think human-to-computer-to-human. Users may start with an automated conversation, but if it is unable to fulfill the customer's request, it will pass the customer to a human agent associated with the account. A hybrid approach thereby allows agents to focus on more complicated questions instead of answering routine questions over and over.

Bad automation is worse than no automation. Customers won't put up with a bad experience, no matter how it is delivered. Using technological excuses for why an interaction is poor will not work.



Get Smarter at [TTEC.com/resources](https://www.ttec.com/resources)

Learn more about balancing humans with automation from TTEC thought leaders and journalists.



What to Expect from the Rise of Chatbots



Infographic: Meet Your AI Co-worker



Personable Robots: The (Near) Future of Customer Service



Machine Learning: The Next Generation of Insight



Where Do Humans Fit in an Increasingly Digital World?



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