accenture consulting

THE ACE APPROACH: RE-INVENTING CUSTOMER CONTACT FOR THE DIGITAL ERA

APPLIED CUSTOMER ENGAGEMENT (ACE) FROM ACCENTURE

Customers of financial services firms are getting harder, not easier, to satisfy. Total contacts per product continue to increase, and customers – particularly digital customers – seek greater engagement. This engagement, however, must be on their terms and through channels of their own choosing.

Meanwhile, cost remains a paramount concern, especially as previous cost-cutting efforts have reached their limits, with service levels deteriorating in some cases.

Accenture's Applied Customer Engagement (ACE) approach presents financial services firms with a compelling value proposition, addressing not only costs but customer engagement and revenue enhancement. Our experience has shown that **ACE can reduce a financial services firm's variable servicing costs by 20 to 30 percent**, leading to direct and significant margin improvements.

But ACE delivers much more than cost savings. This new customer engagement strategy enables personalized customer conversations, informed by insight into the customer, with humans employing analytics, automation, artificial intelligence and machine learning, using data and context to exceed customer expectations. **This, in turn, can lead to increases in digital customer origination of two to five percent.**
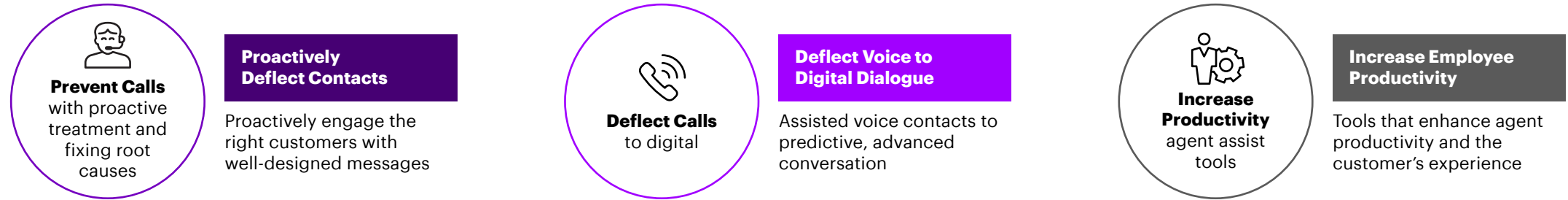
Best of all - as shown in Figure 1 on Page 3 - ACE's combination of better customer engagement, greater efficiency and new digital customers speeds the transformation to becoming a truly digital institution, offering a personalized customer experience and a range of highly relevant, individualized products.

Implementing ACE, however, calls for a vision of the desired channel experience, knowledge of the current state of financial services customer contact intents, and an architecture that keeps up with rapid changes in the underlying conversational technology market.
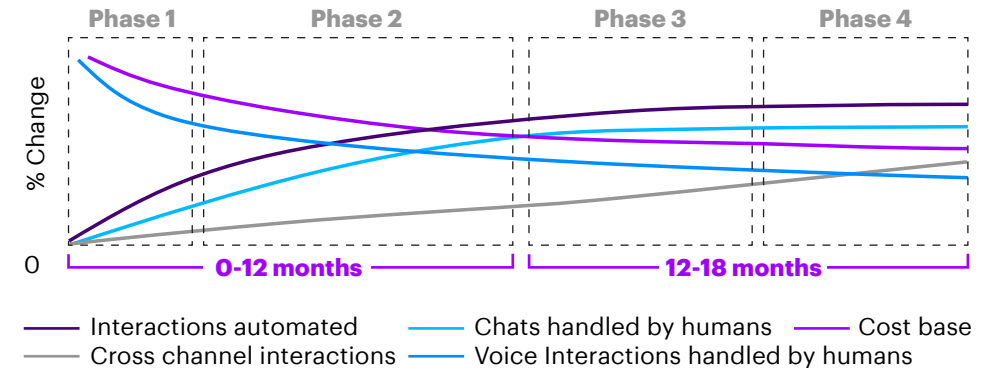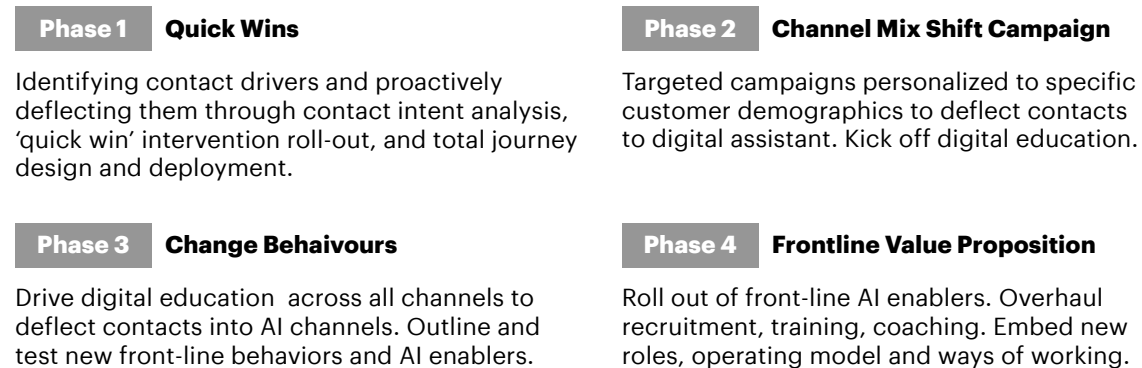
Figure 1: Applied Customer Engagement – Value Proposition

Accenture has a bold ambition to transform call centers into digital contact centers, deploying new capabilities to meet changing demands while **reducing costs and increasing sales**.

THE ACE VALUE PROPOSITION

Prevent Calls with proactive treatment and fixing root causes

Proactively Deflect Contacts
Proactively engage the right customers with well-designed messages

Deflect Calls to digital

Deflect Voice to Digital Dialogue
Assisted voice contacts to predictive, advanced conversation

Increase Productivity agent assist tools

Increase Employee Productivity
Tools that enhance agent productivity and the customer's experience

BUT HOW DO WE DO IT?

Phase 1 Quick Wins

Identifying contact drivers and proactively deflecting them through contact intent analysis, 'quick win' intervention roll-out, and total journey design and deployment.

Phase 3 Change Behaivours

Drive digital education across all channels to deflect contacts into AI channels. Outline and test new front-line behaviors and AI enablers.

Phase 2 Channel Mix Shift Campaign

Targeted campaigns personalized to specific customer demographics to deflect contacts to digital assistant. Kick off digital education.

Phase 4 Frontline Value Proposition

Roll out of front-line AI enablers. Overhaul recruitment, training, coaching. Embed new roles, operating model and ways of working.

Phase 1   Phase 2   Phase 3   Phase 4

% Change

0-12 months   12-18 months

— Interactions automated   — Chats handled by humans   — Cost base
— Cross channel interactions   — Voice Interactions handled by humans

Source: Accenture Client Experience

Everything is Changing at Once

Financial services products are inherently complex and generate a high volume of inquiries to serve customer needs. Total contacts per product continue to increase with the addition of new channels and the drive for multiple product solutions, and customers continue to initiate contact via a mix of channels. It is worth noting, however, that telephone calls still comprise about 60 percent of incoming customer contacts. The remainder is divided among interactive voice response (IVR), human chat and digital assistants.

This channel mix is shifting rapidly—or, rather, blending rapidly. We anticipate that, within the next three years, contacts initiated by digital assistants across form factors (including mobile, app, voice, teller, and ATM) will increase to 30 percent of the total, with voice calls dropping by 30 percent. This means that the contact center will see pressure to become an AI and human chat service center. An increasing number of contacts will be AI-initiated, fulfilled and routed. Facilitating the seamless pivot between phone and digital assistants will be central to ensuring customer adoption and satisfaction.

"Call deflection"—channeling calls from human recipients to artificial intelligence—and "call avoidance"—proactive messages with conversational tech embedded—are the core tactics for reducing contact center costs. Those approaches are timeless; however, the underlying digital conversation backed by analytics, robotics, and intelligent automation is what makes this a new channel transformation. The result is that human and digital contact will further intertwine, and the humans in the contact center will be one piece of overall customer engagement. This allows humans to devote more time to higher-value activities for the organization and the customer.

All this will entail new means of collaboration between people and machines, as well as a willingness to enhance existing operating models and build new ones. Another foundational element will be the ability to collect and access data, integrating internal and external data sources to build and tune the evolving customer experience. The data informing the conversational customer experience spans traditional channel silos to blend digital, app, desktop, AI, and contact center personnel.

For transactions to be consistent, stable and high-quality, the contact center will need to be both nimble and data-driven. Fortunately, new technologies and solutions foster agility and make it easier to make the kind of rapid changes necessary to keep abreast of evolving customer expectations and emerging competitive threats.

AI and Chat – the Foundation of the New Contact Center (ACE)

The two capabilities that are most important in allowing financial services organizations to manage increased volumes in a cost-effective way are AI—essentially, smart machines that extend human capabilities by sensing, comprehending, acting and learning—and virtual assistants/chat. Often, basic "live" chat underperforms digital and voice customer experience because it forces customers to leave the channel. Part of the problem is that chat, as currently employed, provides a company-focused, cost-first, frequently asked questions (FAQ) approach that is static, scripted and has limited connectivity across channels. To become more effective, we have re-thought and enhanced chat to make it conversational, transactional, personalized, and more secure—and deliberate about the human and digital flow.

A wide range of maturing solutions—turning the initial contact into a conversation, orchestrating interactions, and bringing in the "human touch" as needed—are changing the game to an interactive digital experience.

These include:

• Advancements in AI and machine learning platforms;

• Significant improvements in natural language processing;

• Better use of data and analytics—historical and in-conversation;

• Growth in customer comfort with digital interactions and advice; and

• More (and more intelligent) automation tools.

Because of these and other innovations, more and more contacts will be directed by AI. But the human element will be, if anything, even more important, as customers seek a smooth extension of their conversations, with the customer service representative benefiting from the application of all prior context. This mix of machine and human components creates what we simply call Cross-Channel Service.

Cross-Channel Service in Action

Digital channels lower organizations' cost to serve, but our experience has shown that customers want to know the "human touch" is there from the financial services firms with which they do business.

At present, most customers still want answers to simple questions with a quick phone call (with 53 percent expressing such a preference based on Celent research) while preferring to visit a branch to deal with more complicated matters (with 77 percent voicing such an opinion)[1]. We believe there is real consumer demand for good conversational experiences; for example, in a recent client experience, 39 percent of the client's eligible customers chose ACE when offered it as a channel of choice.

This does not mean that customers only want to speak to humans; rather, they seek a seamless experience, moving among digitally delivered human and robotic experiences without interruption (especially when using mobile devices). In fact, non-app mobile will continue to grow as a customer's preferred medium of contact, so financial services firms will need to sustain their investment into mobile platform enhancements.

Eliminating transfers is at the core of the ACE concept, with machines and software orchestrating interactions and escalating to the human touch as needed. And, when human intervention does take place, the agent plays new roles. He or she is not just answering questions but is responsible for solving problems, representing the brand, and delivering a key part of a blended, enjoyable and satisfying experience.

AI plays three key roles in conversations crossing traditional-channel silos:

1 **Voice deflection.**

AI leverages analytics and digital conversion capability to divert incoming voice calls to an automated channel as appropriate.

2 **Chat reduction.**

Virtual agents provide increasingly conversational and transactional experiences.

3 **CSR assist.**

Customer service representatives use intelligent automation tools to reduce handle time and/or to improve the quality and consistency of their responses.
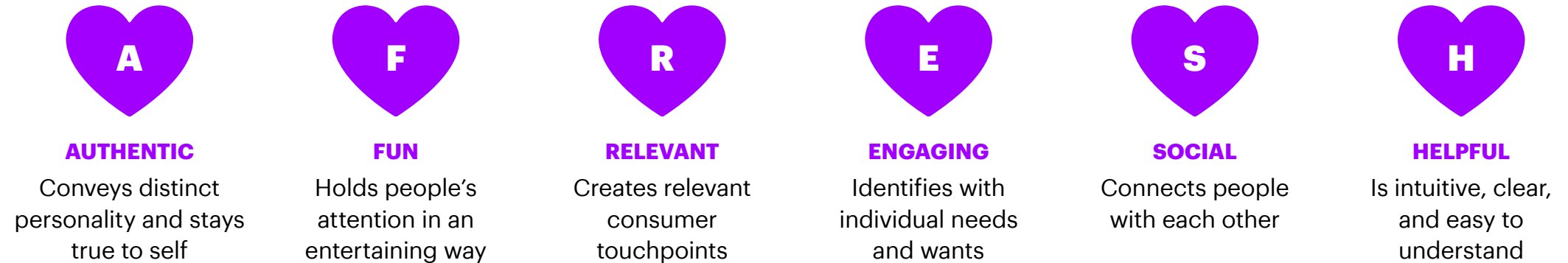
The goal for the organization should be to create an exceptional customer experience to achieve significant savings in operating expenses. Providing digital responses to a higher number of calls—while increasing the focus on problem solving, up- and cross-selling, and satisfying the customer through human-backed digital interactions—can lower costs while increasing revenue growth digitally by as much as two to five percent.
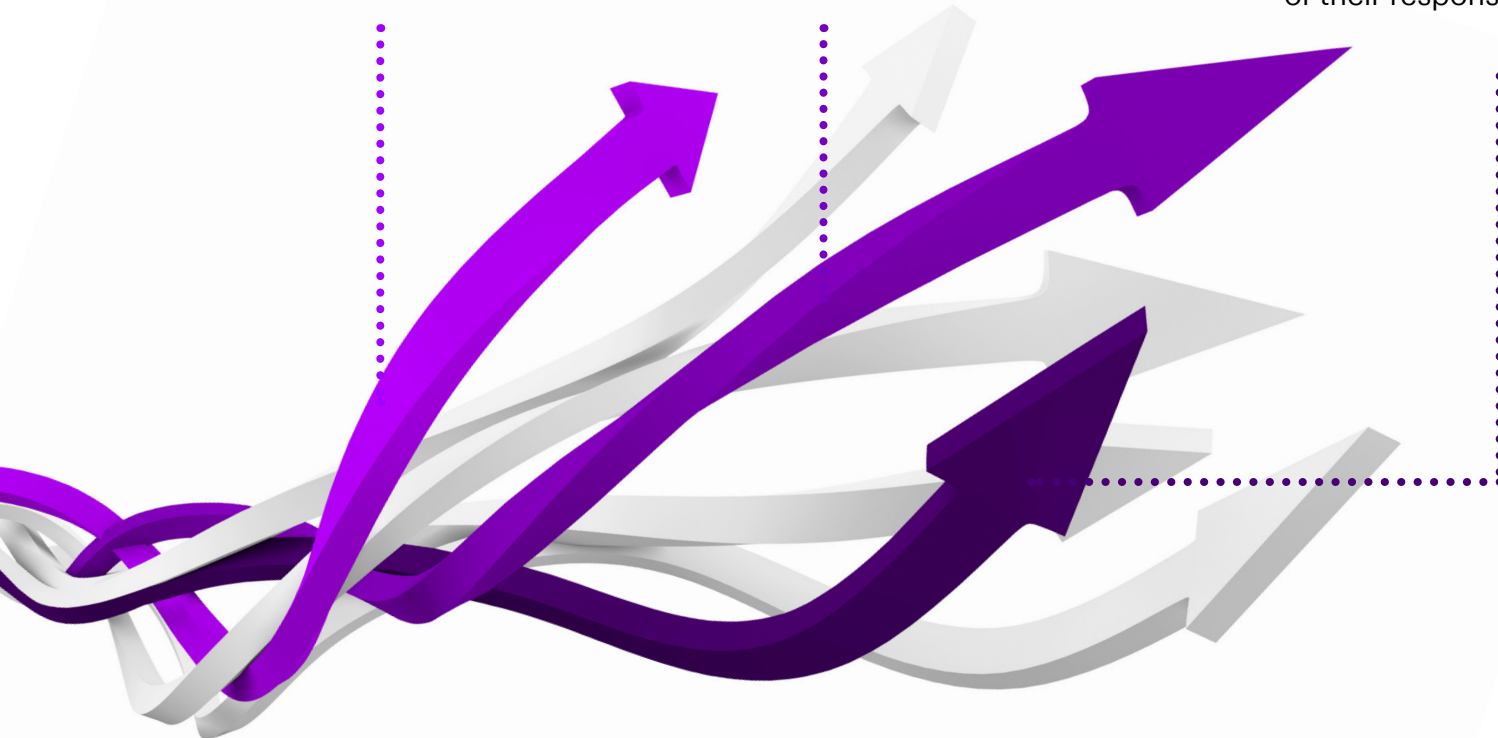
Delivering the Customer Experience

The Accenture/Fjord "Love Index" (as seen in Figure 2 below) shows the six elements of an authentic, fun, relevant, engaging, social, helpful customer experience. Companies scoring well on the Love Index bring their brands to life in a rich digital conversation, with automation and human support working together.

Figure 2: The Accenture/Fjord Love Index

AUTHENTIC	**FUN**	**RELEVANT**	**ENGAGING**	**SOCIAL**	**HELPFUL**
Conveys distinct personality and stays true to self	Holds people's attention in an entertaining way	Creates relevant consumer touchpoints	Identifies with individual needs and wants	Connects people with each other	Is intuitive, clear, and easy to understand

Each brand experience receives a score on a 10-point scale on each dimension.
The dimension scores are delivered from actual ratings across weighted attributes.

Dimensions were derived through statistical modeling.

Source: Fjord, Accenture

To make this happen, organizations need three broad sets of capabilities:

1 Scalable, digital platforms and intelligent innovations.

The basics—including flexible technology architecture and a robust contact management platform—should be in place to drive the interaction and capture journey data for the analytics and AI underpinning the experience. In addition, organizations need customer context to personalize experiences the same way a human worker would.

2 Rise of the knowledge manager.

New "knowledge manager" competencies will be required to manage a human and "digital" workforce. These new responsibilities call for new skills, to be delivered through improved hiring, onboarding and training, along with better career development and progression for contact centre front line staffers. An empowered front line with access to tools including intelligent automation, collaboration and knowledge management, and a desktop designed to support the customer experience will be a key differentiator in the war for winning and retaining customers and staff. Accenture empowers front-line personnel to educate interaction designers and continually optimize the digital experience, going so far as to create a unique certification program.

3 Customer-centric operating models.

The operating model for ACE transcends historical channel silos and includes deliberate partnerships with technology vendors. New approaches to governance and operations management place and keep the customer squarely at the center of key initiatives, while new metrics direct continuous improvement of the customer experience by enabling the contact center to deliver the way customers expect it. These new data-driven insights, supported by innovative technology, help ACE employees react quickly to changing customer expectations.

Taking the right path with ACE

We have seen a considerable number of financial services firms employing point chat solutions and fragmented approaches to contact center improvement, with mixed results. In our experience, a successful approach begins with a targeted end state, one that understands and delivers the brand promise of service which brings along greater efficiency and is continually improved by operational data.

With the desired end state in mind, the organization can then focus on design principles built upon the core principles of simplicity, security and personalization. At each phase of implementation, analytics inform design and enhance the conversation with the customer, while clear metrics help define success along the way.

ACE is more than a concept—it is a proven approach to re-thinking and revitalizing contact center operations. Financial services firms frustrated by slow growth and high costs can see significant cost reductions accompanied by stronger and more rewarding customer relationships.

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NOTES

1. Meara, Robert; Delivering Excellent Customer Service:
   When and How Customers Prefer Face-to-Face Engagement
   and What it Means for Banks, May 2018 Report
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