

NEW TECHNOLOGIES AS A VEHICLE FOR THE CUSTOMER SERVICE OF THE FUTURE

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(Quelle: Swiss Post Solutions)

The customer service department is a key interface between companies and their customers, and has been dominated by digital technologies for quite some time now. Nowadays, thanks to the Internet, customers can contact companies by email, via live chat or through social media. The arrival of new channels of communication and digital technologies does, however, also throw up new challenges for companies. How should the new contact channels be linked with the existing ones and how can companies cope with the new formats in which they receive data and ensure that customers experience a seamless flow of communication?

Operational business versus digital contact channels

Everyone is talking about digitization. In the course of the digital transformation, many companies are targeting investment at innovative technologies. High priority is given to digital contact channels, such as apps, responsive websites and chatbots, which are designed to improve the end-user experience on the one hand and to present companies as digital and innovative enterprises on the other hand. While firms are concentrating their investment on digital touch

points, the potential for digitization in the back office is often ignored. Little wonder then that the Ernst & Young Bank Barometer 2017¹ found that a clear majority of bank managers still take the view that their core business will not change and that digitization will primarily constitute an additional sales channel.

The core systems of companies like banks or insurance firms, which are still based on old architectures of the 1970s or 1980s, act as an antidote to the rising number of new and digital sales channels. Measures taken to rein in investment in legacy systems include developing applications, customer interfaces or databases which carry out functions which are absent in legacy systems and which meet stricter compliance requirements or comply with new product regulations.

Not only is it expensive to maintain these legacy systems but the money spent on maintenance can prevent a company from sustaining growth in today's dynamic world and from setting itself apart from its competitors. The introduction of a new product, for example, or a 360-degree customer view can soon put a company to the test because, as systems are added, so the complexity of the processes increases. The gap between the applications surrounding the core systems is closed by manual processes which make it very difficult to keep up with the digital continuum of players like Google or Amazon.

Back office: behind-the-scenes paperwork and manual processes at companies

But what distinguishes these Internet giants or digital enterprises from traditional firms? One of the advantages of digital enterprises is that their operational business is assisted by new technologies. Facebook, for example, uses artificial intelligence to link and analyze data correctly and can then deduce facts about the likes and preferences of its users. Facebook is able in this way to monetize its users to great effect.² Netflix also uses artificial intelligence. By using "Meson", Netflix is able to predict what its subscribers will watch before they actually do.³

Day-to-day operations at banks or insurance companies are often still affected by discontinuity in media use. These days it is the norm to find customers who use an app to open a bank account, write an email to complain or go online to arrange a mortgage, but many services offered online are still available offline.

A survey conducted by Namics⁴ found that the online account opening process is still mainly carried out offline at traditional institutions and therefore requires X manual procedures. Having started online, the customer journey consequently ends in a back office of the company as a physical process. The manual administration process gives rise to considerable waiting times as documents are forwarded to the correct staff and information is processed. Manual processes are also prone to errors due to incorrectly filled out forms or missing documents. Inefficient processes are therefore reflected in inadequate services, negative customer experiences and, in the worst case, the cessation of business relations.

¹ [http://www.ey.com/Publication/vwLUAssets/EY-bankenbarometer-2017-studie/\\$FILE/EY-bankenbarometer-2017-studie.pdf](http://www.ey.com/Publication/vwLUAssets/EY-bankenbarometer-2017-studie/$FILE/EY-bankenbarometer-2017-studie.pdf)

² <http://www.targetmarketingmag.com/article/3-ways-artificial-intelligence-will-impact-marketing/all/>

³ http://techblog.netflix.com/2016/05/meson_31.html

⁴ <https://www.namics.com/wp-content/uploads/2016/06/Namics-Bankkunde-werden.pdf>

This operational inefficiency is crying out for digitized business processes. But which technologies should be used? And which processes should be digitized to start with?

Digital transformation of business processes

Customers expect to experience a continuous flow of communication, regardless of which channel they use to make contact. Their expectations include prompt, personal answers and excellent value for money. This requires the unbroken flow of business processes, full transparency about interactions at the various points of contact, and the selection of the right technologies.

Artificial intelligence and robotics fall into this category. The use of these new technologies is indispensable, especially in customer service where staff process freely formulated texts written by customers and sent in through various channels like email or messages on social networks or in live chats.

Companies which are committed to pressing ahead with the digital transformation are successfully applying automation solutions alongside the digital contact channels. Freely formulated letters of complaint or inquiries via messenger applications, referred to as unstructured data in computer terminology, are being understood and categorized by artificial intelligence. It works by recognizing patterns instead of keywords, therefore meaning, intention and sentiment can be deduced in context and consequently complex issues can be understood. Unstructured data are therefore made into structured data which can now be identified.

The structured data are sent to software robots (also called robotic process automation tools) which function on the basis of "if-then statements". They work on the user interface in a similar way to which a person would and are able to copy information from a form, for example, and transfer it to an SAP mask on the screen.

In addition to increasing customer satisfaction levels, the use of digital technologies in back office is opening up entirely new possibilities for companies. Technologies like robotic process automation and artificial intelligence are capable of screening and investigating processes, and they offer transparency and a solid basis for productive data analysis. More efficient processes and therefore improved market positioning are further potential advantages of AI and RPA.

So why not improve the internal business processes first before investing in the digital contact channels? Transforming the customer experience by applying digital technologies may seem more exciting than dealing with back office. Companies miss out all too easily on the potentially greater opportunity to automate their back office processes.