LOOK AGAIN

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The Evolution of Customer Experience

These days, almost all companies claim that they are customer-centric. What this means in practice, though, varies. Very few companies truly put the customer — rather than their products and channels — at the center of their business. In our industry, regulation, legacy systems, distribution needs, and entrenched processes all pose challenges for companies seeking a customer journey that brings satisfaction, loyalty, and sales.

The customer journey is the path potential customers follow as they evaluate, purchase, and use your products and services. It equates to the sum of all consumer experiences with your company, and includes products, services, people, channels, and brand. Creating a great customer experience is not optional anymore; it is table stakes.

Changes in consumer demographics, expectations, and technology drive new types of customer interactions and experiences. As technology evolves, consumers experience brands in new ways and on new platforms. In some cases, companies will have more control over the experience; and in some cases, they will have less. In all cases, companies must adapt as the consumer experience evolves.

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Customer expectations are being driven in large part by Millennial and Gen Z consumers. Millennials make up about a quarter of the world's population, have access to unprecedented amounts of information, and expect personalized service and recommendations. They are digital natives whose customer journey is self-directed and peer-influenced.

Technology also drives customer experience. By 2020, IBM estimates 85 percent of customer interactions will occur without human interaction.[1] Artificial intelligence (AI) is quickly becoming a big part of customer service, largely because it provides additional resources and valuable efficiencies. In the retail space, people can order a cappuccino via Facebook Messenger or tell Amazon's Alexa to order pizza. In financial services, Capital One and Bank of America are rolling out natural language assistants and AI banking assistants that are available 24/7.

A Tata Consultancy Services survey of executives around the world found that about 32 percent of major companies currently use AI in customer service.[2] Cognito has developed a real-time conversation-analysis tool based on behavioral science and deep learning. The tool analyzes conversations for content and tone, offers data on customer emotions, and provides real-time suggestions for customer service representatives to improve the call and evaluate performance. The company claims a 10 percent increase in customer satisfaction and a 10 percent decrease in callbacks.

Voice-enabled, individual AI platforms like Alexa, Google, and Siri are changing the way we interact with companies. ComScore believes that half of all searches in 2020 will be by voice. This provides a great opportunity for financial services companies that have agreements with those platforms to showcase their products and services. An interesting development that may signal future change — the U.S.-based retail giant Amazon invested millions into the Indian InsurTech Acko, which provides online-only

insurance products. Amazon's knowledge of its customers will help Acko develop and sell more attractive, tailored products, while also providing access to the huge market in India.

Companies also use AI services to "outsource" customer service complaints and issues. Companies like Service and AirHelp are leading this charge in the hotel and airfare businesses. They monitor airline and hotel bookings for price changes, cancellations, or delays. They identify potential refunds, contact the airline, and keep a percentage of the refund for their fee. The consumer does not have to do anything.

As more consumers become aware of and start using these services, contact centers are going to get more traffic. These third-party representatives will offer a different customer service experience, and will generate more consumer expectations. Henrik Zillmer, Founder and CEO of AirHelp, characterizes his service as giving "travelers a consumer rights lawyer in their pocket, which provides them with instant legal advice on their case."[3] Contact centers and customer service processes will need to have the right resources to address this changing service environment.

LIMRA research finds that customer satisfaction with buying insurance is a function of a few things: the ease of doing business, belief that the product meets their needs, and knowledge that the product provides value and peace of mind. These characteristics will always be important; but how companies ease the way for consumers to do business will continue to evolve. Companies that provide peace of mind — through exceptional customer experience — are the companies that will lead the industry into the future. ⊕

1   https://www.ibm.com/blogs/watson/2017/10/10-reasons-ai-powered-automated-customer-service-future

2   https://www.tcs.com/artificial-intelligence-to-have-dramatic-impact-on-business-by-2020

3   https://www.forbes.com/sites/mikhailnaumov/2018/07/11/welcome-to-the-era-of-customer-powered-customer-service-outsourcing/#7725c23b76f1