

How will AI and data analytics shape tomorrow's CX?





Table of contents

Glossary.....	4
Introduction: Data is the present and future of CX.....	7
Chapter 1: An honest look at the current state of data.....	8
Data – positive trends we can observe.....	8
Data – areas to improve on.....	12
Chapter 2: Challenges to a data-driven approach.....	15
Storing data.....	16
Transitioning to cloud.....	16
Handling personal data.....	18
Choosing what data to focus on.....	19
Linking all channels.....	19
Saying so long to silos.....	20

Chapter 3: Becoming data-driven.....	21
Getting data to work for you.....	21
Investment + governance + alignment = data success.....	22
Recognising the data forest from the data trees.....	23
Combining data with expertise	24
Practising what you preach.....	25
Testimonials.....	28
The importance of data in the insurance industry.....	28
Customer relations and data protection laws.....	32
Chapter 4: Harnessing the power of data to redefine CX – our vision.....	34
The pace of automation will accelerate.....	34
Data will shift the focus to journeys, not channels.....	34
The rise of augmented agents.....	36
The road to personalisation runs through data.....	37
Conclusion:.....	38
About the authors.....	38

Glossary

AI: Artificial intelligence; the ability of a computer program or machine to think, learn and communicate like a human.

Algorithm: A set of instructions entered into a program to enable the completion of a specific task.

Ambassador: any agent who interacts with clients remotely or in the field, including people who work on the move, and who embody the values of the brand they represent. Ambassadors ensure that each customer is provided a unique experience.

Analytics: The systematic analysis of data or statistics.

API: Application Program Interface; a set of rules, procedures and tools for building and managing software applications.

Augmented agent: An agent with heightened capacity to see, understand and react to customers and deliver enhanced customer experience thanks to cutting-edge tools and advanced technology.

Augmented reality: Technology that presents computer-generated, virtual images to a user in the real world.

Automation: The process of controlling a process without human intervention.

Bot: A computer program that can interact with systems and users.

Callbot: A computer program that can understand words and language over the phone.

CCaaS: Contact Centre as a Service is software that enables communication while reducing IT and infrastructure costs.

Chatbot: A computer program that understands and communicates with people through written messages.

Channel: A means of communicating; by phone, email, text, social messaging.

Channel-less: Connecting interactions from different channels into one conversation.

Cloud: A network of Internet-based servers that store and manage data.

Cloud computing: Storing and accessing data and programs via the Internet.

Compliance: Following a rule or order.



CS: Customer service; the assistance and support provided by a company to people who buy their products or use their services.

Customer journey: The path of sequential steps a customer experiences in dealing with a company.

CX: Customer experience; the sum of interactions between a customer and an organisation encompassing all interactions.

Extract, Transform, Load (ETL): the process of reading data from a source, converting it to a digestible form and entering it into the target database.

Data: Facts and statistics obtained for reference or analysis.

Data centre: A dedicated space to house IT and networking equipment for collecting, storing and managing data.

Data lake: A repository that loosely stores all structured and unstructured data.

Data mining: The process of analysing pre-existing databases in order to generate new information.

Data tagging: organising information by associating data with tags, or keywords.

Data Warehouse: A repository that stores a wide-range of data in a more systematic manner than a data lake.

GDPR: General Data Protection Regulation; A European legislation that covers data and privacy rights.

Information Commissioner's Office: The UK's independent authority on data privacy laws.

IoT: Internet of Things; the network of interconnected devices embedded with software and technology that collects and exchanges data.

IVR: Interactive voice response; technology that enables computers to communicate with people via voice.

Machine learning: Applying AI to systems that empowers self-learning without human assistance.

MVP: Minimum viable product (MVP) is a development technique which introduces a new product with enough features to satisfy early investors.

Omnichannel: Integrating different means of communication (face to face, email, phone, text, social messaging).

Privacy: The right to keep personal information secret.

POC: Proof of Concept; the demonstration phase of a project that verifies concepts/products have real-world applicability.

Routing: 1. Moving data from a source to a destination 2. Connecting a customer to an agent.

Security: Free from danger or threat; safe.

Sentiment analysis: The ability of computer programs to identify and understand human emotion based on language used.

Silo: In IT, a management system that does not operate with other systems.

Storage: In IT, the place and ability to keep data.

Voicebot: A computer program that understands and communicates with people vocally.



Introduction: Data is the present and future of CX

Technological advancements currently underway are transforming society as we know it. One of the most talked-about is artificial intelligence (AI), which refers to the ability of a computer program or machine to think, learn and communicate like a human. Breakthroughs in AI are changing the way people work, play and live, all while triggering a reappraisal of needs, expectations and aspirations. A recent [report](#) commissioned by the Business Secretary highlights the leading role of the UK in AI development and the essential role of AI in British daily life.

The catalysts for AI development are growing demands for increased accessibility, faster service and enhanced personalisation, together with operational efficiency and the cost-savings that AI provides. Interestingly, what drives AI is also the most valuable asset it delivers: data. The engine of AI is information; the more data it has, the better it can understand and the higher its level of communication. AI and data – whether hot (real-time monitoring and supervision) or cold (statistics, figures, etc.) – are part of a symbiotic relationship. Where one develops, so does the other. A recent [Gartner](#) survey found that companies that collect customer experience (CX) data are more likely to experience positive revenue growth. Their research reveals that “nearly 80% of growth organisations use customer surveys to collect CX data, compared with just 58% of non-growth organisations.”

AI and data are cementing their roles in forward-thinking organisations, especially given how **AI-based analytics enable using a data-driven approach to guide the decision-making process**. A report by UK-based research firm [Davies-Hickman](#) confirmed the importance of AI

in business executives' plans, as 9 out of 10 want to invest in AI. Moreover, “9 in 10 see value in smart data management to optimise the analysis of big data for forward intelligence, customer insights and proactive actions”.

Additionally, AI-powered conversational agents or bots (chatbots and voicebots) are at the forefront of automation and, as capabilities increase, so to will AI's role in tasks previously reserved for live agents. Deploying data to train bots empowers them to complete increasingly complex operations and thus the ability to collect, store and use unprecedented levels of data. In fact, it is not just that there is a link between AI and data, but that **AI is driven by data and the more data it has, the better it performs**.

Chapter 1:

An honest look at the current state of data

Data – positive trends we can observe

Organisations across all sectors understand the invaluable role data plays in their customer service strategies. Throughout the last ten years, as technology advancements have reshaped organisational structures and operations, data's importance has become paramount. New technologies, software, applications and channels of communication have resulted in unprecedented amounts of data being produced at every stage of a customer's journey, from first contact to final resolution. Observing practices in today's world reveals positive trends, foremost being:

- A growing awareness of data and a sense of urgency to address this issue,
- The fact that most companies, if not all, collect data,
- A transition is underway to link different data channels,
- The eager embracing of new technology to meet data needs.

Organisations understand the value of data

Companies, large and small, now understand the value of applying the power of data, not only to enhance their customer service (CS), but to improve their internal efficiency. This growing awareness will continue to advance data collection techniques and data processing strategies, putting data at the heart of the organisation and at the forefront of cutting-edge innovations. The understanding that **data is a multi-faceted tool for solving problems, building a loyal customer base and driving growth** is one of the catalysts that is leading to solutions that are re-imagining customer service as we know it. [TTI Global's research](#) on the British market confirms that all sectors appreciate the impact of data analytics on delivering better CX.

A changing mentality to data is now being seen in the growing demand for qualified personnel to manage and analyse it. Data analysts, data scientists and data engineers now occupy starring roles in the organisational hierarchy as custodians of a firm's most valuable resource. No proper integration of a data-driven approach, that is, using data to inform decisions, is complete without expertise in gathering and evaluating data, as this is the only way to derive any meaningful value from it.

However, even if companies understand data's worth, its real, intrinsic value remains a complex topic too often underrepresented in companies' financial statements.




Organisations are effectively collecting data

Every company on the planet collects some form of data. Some of it is personal contact information: email addresses, phone numbers and places of work; some of it is more sensitive: banking details, spending habits, shopping preferences; and some of it is anecdotal: surveys, feedback, recorded interactions via oral or written communication. **Data is key because data is everywhere.** Its wide-ranging applicability means data influences all aspects of a business, impacting the KPIs of every department. This vast source of data presents truly limitless possibilities.

Data is not just a reflection of current operational quality, though it presents crucial measurements as to effectiveness and satisfaction. Data provides insight into strengths, weaknesses and trends that will determine a company's future. Being a data-driven company involves critical analysis of real-time data and extrapolation in a timely manner.

Data, like an asset, can appreciate and depreciate, so waiting to act on data may not only be a wasted endeavour, but a harmful one. As [Forrester](#) argues in *The Data Management Playbook for 2020*, "Your business is only as fast as your data. What you know – and how well you use that knowledge – fuels your competitiveness and growth."



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Source: Forrester – [The Data Management Playbook For 2020](#)

Organisations are optimising data to bridge channels

Just as linking channels is designed to provide a seamless customer experience, connecting channels can support a smoother and comprehensive data collection strategy.

Interactions must be viewed as part of a broader journey, thus data from one channel could have a consequence on data from another. It is vital to understand the behaviour behind the raw data obtained and, to grasp this, having the context is essential.

Data is key to understanding and improving customer experience (CX), along with the business operations that aim to deliver optimal customer journeys. Firms that synchronise business operations and CX, while adopting a data-driven approach, will enjoy greater benefits, according to an informative study produced by [Capgemini](#).



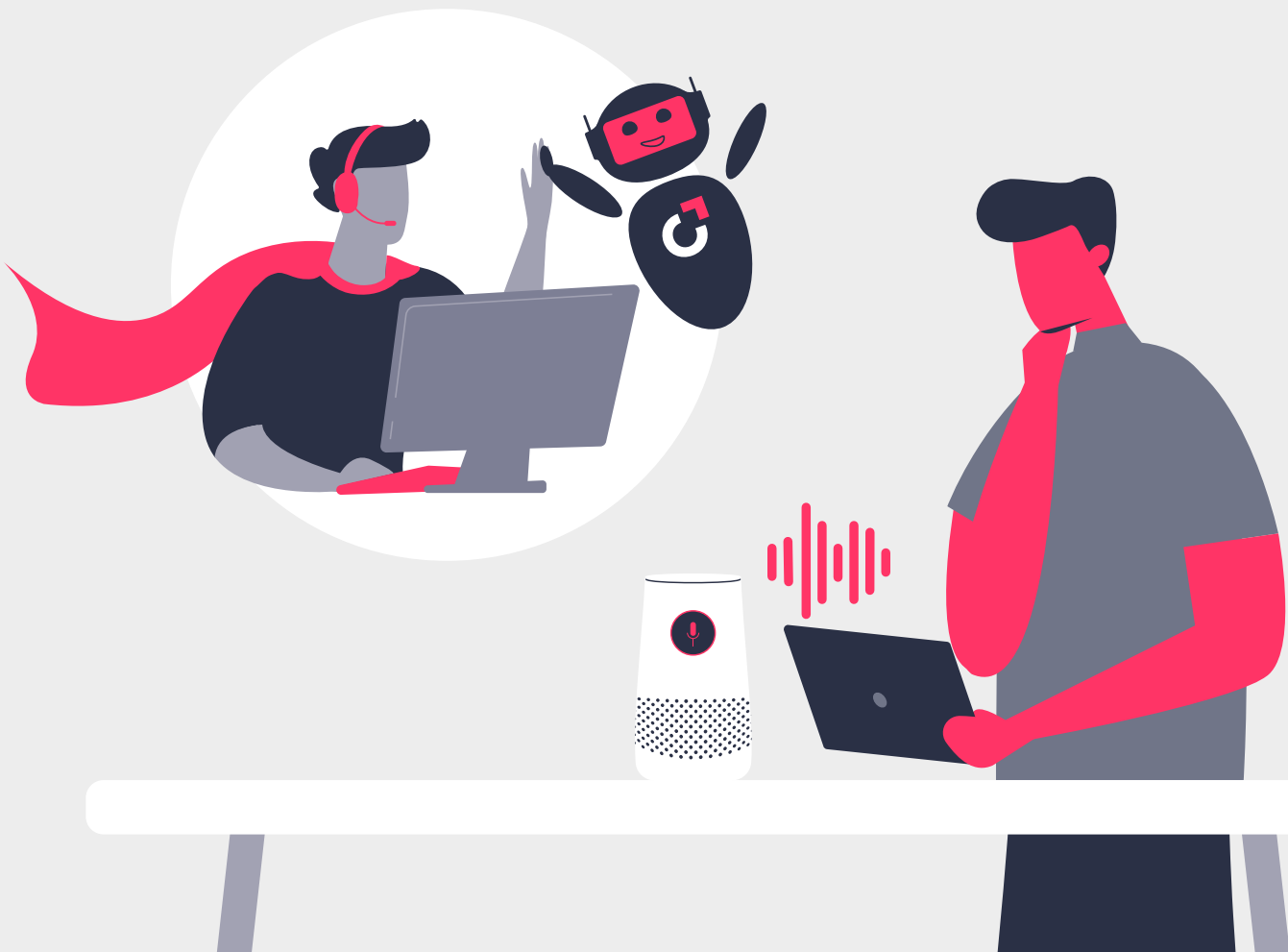
The emergence of bots and augmented agents

One of the most visible trends today is the proliferation of bots, or conversational agents, as increasing numbers of companies launch minimum viable products (MVPs) and proofs of concept (POCs) to introduce their customers to AI-driven solutions to respond to their needs. Gartner predicts that “by 2022, 70% of customer interaction will involve emerging technologies, such as machine learning (ML) applications, chatbots and mobile messaging, up from 15% in 2018.”

So far, bots have met with varying degrees of success, with only a few demonstrating high levels of comprehension and communicative ability. Rich in diversity, most conversational agents are voice-based (voicebots) or text-based (chatbots). Programmed with algorithms, and

trained to recognise language and respond accordingly, bots' flexibility means companies can endow them with as much or as little responsibility as required.

The fast-paced and dynamic nature of bot development means exciting possibilities on the horizon, especially as regards ML. Indeed, through ML conversational agents are able to learn independently, meaning that current manpower will give way to more automated processes. This drive to achieve fully-functioning bots with advanced machine learning functions dominates the world of chatbot development. In retail alone, Juniper Research Institute forecasts that there will be \$12 billion of machine learning spend in 2023! As capabilities increase, additional levels of trust are being given to conversational agents, from both business and customer sides.



Data – areas to improve on

Despite the widespread belief in the importance of data and its effective gathering, many organisations are struggling to make the most of it. Shortcomings can fall into two categories – operational and human. Though these can occur at any organisation, larger companies, supported by bigger budgets, usually have the financial means to invest in data, whereas smaller firms need to make tough choices as to where to devote resources. But **as data impacts every decision, product and process in an organisation, not investing in it means not investing in sales, marketing and development.**

Organisations do not operationalise data

Operationally, the majority of companies collect, store and classify data. However, the next step, operationalising this data, does not always occur. This could be a result of not fully understanding the data or simply not knowing what to do with it. Regardless of why, it means that **companies trying to build customer journeys are doomed to fail if they do not use the available data to understand them properly.**

This could be a reflection of inadequate capabilities in both hot supervision (real-time data) and cold statistics. Converting real-time feedback (written or oral) into usable data requires tools that can monitor in the moment. Deploying the right algorithms and utilising ML capabilities in emerging tech have led to some success, but are still in developmental phases. Simply relying on software for your data is not yet possible, so the human component of analysing cold statistics remains vitally important. Unfortunately, many companies do not have



modern KPIs that draw on new indicators, with the end result being data that does not accurately present reality. Data gathered is, at best, incomplete and, at worst, wrong.

Experts do not communicate

Connected to the idea of 'right data' is the failure to link data with expertise. This requires communication and coordination between data scientists and business analysts. Data scientists can analyse data, but may fail to understand its meaning, while business analysts understand the context, but do not know how to obtain it. For the data side to build relevant models to obtain data, the business side must first explain what data they want.

Additionally, organisational structures may not have been updated to reflect the growing importance of data, meaning there is no dedicated person in charge of a company's data. **If there is no governance of data, i.e. conscientious management and curation, then the inherent value of data becomes null and void.** Tracking down data costs time and effort and is often unsuccessful, as specific data is hard to find or, worse, missing.

A tendency to compartmentalise leads to data not being shared, as one department thinks certain data is applicable only to its own projects. Not only is this false, it is fatal to a data-driven approach. The consequence of this is data silos, with isolated data not viewed as part of a bigger picture, hindering the data's ability to effect positive change.



Companies need a new way of thinking

The old adage ‘attitude is everything’ certainly applies to the inability of companies to transform their data operations, with some C-Suite executives still harbouring outdated mentalities.

Beyond being an asset, data must be a company value. Awareness of data's power is crucial, but it needs to be followed by a shift in outlook. As mentioned earlier, breaking down internal barriers and opening up communication channels within organisations is key, as is having the foresight to invest in the technology and people required for effective, reactive and supportive data management.

Examining these two steps, communication and investment, it is clear the former is more important than the latter. Companies can invest unlimited resources in upgrading their technology to very limited effect. However, communication remains pivotal. This means enhancing internal communication between different roles and departments, along with company-wide communication of a new, data-driven approach.

Concentrating on data and putting it at the centre of the business model requires a paradigm shift. We can see many companies taking this step by implementing cutting-edge solutions and transitioning to advanced technology, such as bots and automation. However, fears about handling personal data and compliance with data privacy laws, such as GDPR, limit the scope of these advancements in transforming customer service operations. These security worries are ungrounded and, in fact, data management is the real issue. Indeed, [Forrester](#) reveals that **most fines and penalties are a result of poor governance, not security failures.**

In any event, worrying about taking care of data is unwarranted. Aligning data visions with legal expectations is not the problem, as data can be anonymised to protect identities while still providing insightful information on customer service strengths and weaknesses. But the transition to entrusting data to conversational agents and automation is not as enthusiastic as it could be. While increasing numbers of companies are initiating MVPs and POCs for AI-powered solutions, the move to production is still slow.



Chapter 2: Challenges to a data-driven approach

Nowadays, fierce competition and ever-increasing customer expectations present serious challenges to companies... but also tremendous opportunities. Accomplishing **higher levels of customer satisfaction, building a loyal customer base and driving growth are all goals achieved through data**. This is because, despite the myriad advances in customer service, the x factor impacting a company's ability to attract and keep customers is personalisation.

To strengthen personal bonds with customers, companies have to make use of data. Improving CS means understanding your customers – who they are, what they expect, what they need,

what they buy, which channels they prefer and how they behave. Not only can data answer all of these important issues, it provides insight into customers' behaviours and perspectives, shedding light on successes and mistakes in a brand's customer outreach.

Personalisation is the dominant factor in attracting customers and building loyalty, yet not all brands are delivering. Gartner research indicates that “only 12% of consumers say they get customised assistance from brands.” Personalisation through data is the path forward, though not necessarily one without hurdles. The biggest challenges organisations face involve data storage, handling personal data, determining which data is needed and designing an appropriate strategy, linking all channels and eliminating data silos.



Storing data

The key to successful data storage lies in establishing coherent governance and dedicating qualified staff to assume full responsibility over data. Having in place the right leadership enables the formulation of a credible data strategy to go hand-in-hand with accountability.

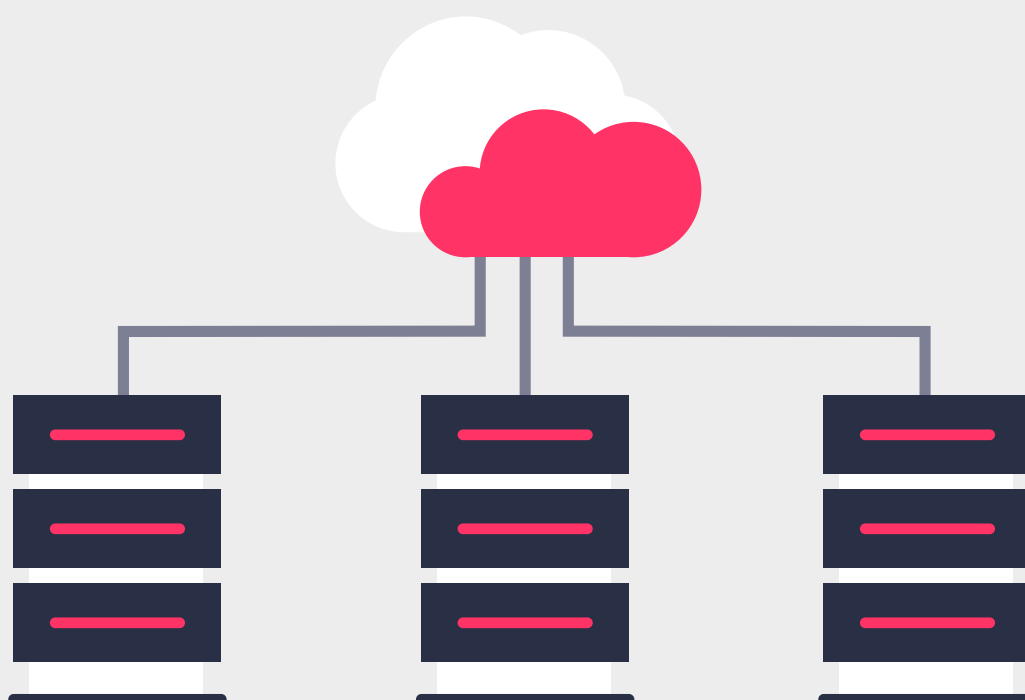
In the past, companies relied on data warehouses as repositories of the vast amounts of data gathered. Comprehensive in scope, data warehouses are labour intensive as the highly structured nature of their organisation requires time-consuming classification of data. The sheer volume of data collected from multiple channels makes this a herculean task. The biggest problem with this method is that, as time passes, data's value decreases.

This is why increasing numbers of organisations are turning to data lakes for data storage, as their accessibility and unstructured layout save time and energy. However, given that there are

hundreds of data sources, there must obviously be some form of management. This brings us back to data governance and accountability – **there must be a chain of command that assumes ownership of data, not only to ensure that companies get the most out of high quality data, but that compliance with existing company rules and legal regulations is enforced.**

Transitioning to cloud

The COVID-19 pandemic has accelerated the shift to cloud infrastructure as, faced with a new reality, more and more companies are in the process of implementing cloud computing, according to a report by [Flexera](#). Effectively supporting remote work, cloud solutions also offer adaptability and dependability in data storage. Traditionally data was stored in on-site servers, or outsourced to external providers if companies struggled with space. However, the advent of cloud technology has revolutionised how companies store



data. Linking networks through cloud-based application programming interfaces (APIs) gives increased scalability, flexibility and storage capacity, while reducing operating costs that accompany bulky, physical storage tools.

While initially companies expressed concern vis-a-vis cloud security, these fears have turned out to be baseless. McKinsey & Company, a leading global management consulting firm, conducted research with chief information security officers (CISOs) who, in many cases, “acknowledge that cloud-service providers’ (CSPs’) security resources dwarf their own and are now asking how they can consume cloud services in a secure way, given that many of their existing security practices and architectures may be less effective in the cloud.” Implementing new technologies requires updating existing infrastructure, but this is not deterring companies’ embracing the cloud storage option. In fact, there is a surge in demand for cloud-based applications and movement of digital assets to the cloud.

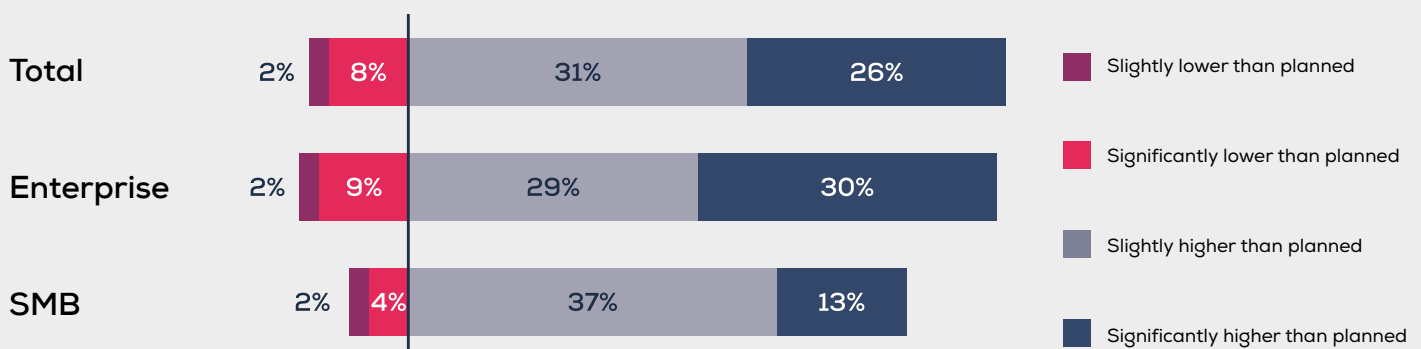
Gartner points out that, “[t]he cloud managed service landscape is becoming increasingly sophisticated and competitive. In fact, by 2022, up to 60% of organisations will use an external service provider’s cloud managed service

offering, which is double the percentage of organisations from 2018.” In terms of investment, “[t]he worldwide public cloud services market is forecast to grow 17% in 2020 to total \$266.4 billion, up from \$227.8 billion in 2019,” according to Gartner research. So while some reservations still persist, it is clear that interest in cloud storage is growing. Moreover, the increasing number of cloud solutions on the market offers companies a wide selection to choose from, whether it be public, private or hybrid.

“[B]y 2022, up to **60%** of organisations will use an external service provider’s cloud managed service offering.”

Source: Gartner – [IaaS Secures Highest Growth in 2020 Due to Data Centre Consolidation](#)

Change from planned cloud usage due to COVID
% of respondents



N=187, asked only of later respondents

Flexera – [2020 State of the Cloud Report](#)

Handling personal data

Countries around the world face new risks and threats associated with technological breakthroughs, especially from cybercrime. This has seen the creation of data privacy laws, such as the EU's GDPR, and entities, such as the UK's Information Commissioner's Office, to protect people and organisations from harm. In the words of the [European Commission](#), "[s]tronger rules on data protection mean people have more control over their personal data and businesses benefit from a level playing field." Moreover, raising security standards protects brands from reputational damage, were there to be a breach, or lapse, in their data security.

Understandably, organisations are cautious about mishandling their customers' data, but even anonymised data can still prove incredibly insightful. One way to gain value from it is to take advantage of techniques like anonymising or hashing data. This means that data that refers to a specific individual (name, email address or phone number) is hashed so that while data scientists do not know who the person is exactly, they can still see that this user sent x emails, called y times and spoke about z.

Transitioning to cloud delivers increased flexibility to meeting not only internal needs, but external legislative requirements. How? Customised software applications are easily implemented, giving organisations the power to decide which features and functionalities will optimise their digital strategy. In addition, the innate scalability of cloud software enables designing storage to meet real-time needs, guaranteeing sufficient room for data without worrying about space.



Saying so long to silos

When companies inadvertently construct barriers between departments, they hinder open communication and the exchange of data, creating silos. **Restricting access to data limits the impact it can have and greatly decreases its value.** Organisations need to cooperate fully if they want to align strategies and meet their goals. Data from specific customer service interactions could help formulate a targeted sales strategy or alter an upcoming marketing campaign. Granting open access to data gives all staff the opportunity to use data to improve their performance, based on pertinent information.

An open, coherent, data-driven strategy must be conveyed to all staff, so that ideals match reality.

Gartner explains that “[e]nabling employees to understand how strategic goals relate to their own work is the most important driver of employee performance.” However, Gartner research reveals that this is a challenge yet to be overcome, as “61% of senior executives believe that their company struggles to bridge the gap between strategy and day-to-day implementation.”

Sharing skills, processes, tools and, above all, data not only facilitates support, but maximises operational efficiency. All a company’s staff need to be aware of different data sources, uses and goals. **Data should be at the centre of an organisation’s strategy and while it must be governed, it cannot be monopolised.** The key to breaking down silos is communication.



Chapter 3: Becoming data-driven

Getting data to work for you

The only way to satisfy customers is to understand them. What are their expectations, hopes and frustrations? What issues do they face and how do they behave? How do they use your service? Data provides clear answers to all these questions and links customer journeys to customer satisfaction, highlighting a brand's strengths and weaknesses. Therefore, developing strategies based on data presents the greatest opportunity to enhance CX. To extract the most value from data, organisations need to:

- Eliminate silos,
- Learn how to value data,
- Connect data with expertise,
- Apply to themselves what they recommend to their customers.



Investment + governance + alignment = data success

Eliminating silos refers to breaking down the barriers that prevent the flow of information and data. **This can be achieved through the right combination of investment, governance and alignment.** Companies must devote financial resources to technology that is capable of collecting, processing and storing data in a convenient and accessible way. Moreover, companies need to invest in people and create positions for data scientists, analysts and engineers, and provide them with the training to evaluate, monitor and safeguard data. Investing in data does not detract from other departments; rather it enhances performance across the board, particularly in sales, marketing and customer service.

Governance relates to rules and processes, which are essential given that the volume of data can be overwhelming. There must be a clear system in place to manage this influx, as poorly organised data is almost as useless as no data. What data is being collected, why, and for whom? Having in place a methodology demands assigning roles of responsibility, which will bring order to chaos and facilitate proper sharing and reaction to data. Additionally, installing hierarchy makes it more likely that unified tagging of data occurs, as there is accountability.

But aligning operations to foster a data-driven approach is more than just coordinating processes; it is about unifying values. The key to success? **Establishing a work environment that places data at the heart of business and getting all employees to appreciate the role of data in day-to-day work.** Empowered by a data-centric approach, staff will be guided in treating data as it should be, as a company's most formidable asset.





Recognising the data forest from the data trees

Appreciating data means learning how to value it, which is easier said than done. At a basic level, one could argue data is about generating revenue, since it indicates customer satisfaction – and the higher the satisfaction, the more profitable the business. But this ignores the real value of data, which is insight. **All present and future challenges, whether reducing costs, increasing personalisation, automation and AI implementation are all connected to data.** Making informed decisions and devising forward-thinking strategies depends on analysing data.

One important step, advocated by Gartner, is to “[c]reate value propositions by mapping data and analytics initiatives to business priorities and strategic focus.” This will help to instil a common sense of purpose regarding data and establish clear targets, i.e. what data is needed and what can be discarded. For example, a typical email, after discounting common words and sentences, probably contains 10% of relevant data. However, 10% of data could well mean 100% of useful insight. Identifying data goals and designing algorithms that search for keywords maximises efficiency in obtaining desired data, saving time and storage space.



Combining data with expertise

Coordinating this strategy requires close collaboration between data and business professionals. Capgemini calls this the 'art of the possible', which refers to the process of aligning business analysts' needs with data scientists' capabilities. Ultimately, these two roles will likely merge into one, as increasing numbers of data specialists are also being trained in business operations. However, at the moment, what organisations really need to ensure is close communication between all departments, so that all staff possess data and the insights derived from it.

Critically, this means that CS experts are also kept up-to-date, as they are the brand ambassadors with the most customer contact. As well as benefiting from data-based recommendations and conclusions, they have a unique ability to evaluate results based on real-world experience. Does the data give a complete portrayal? What mitigating factors affect the data and are there outliers not factored in? Are there extenuating circumstances involved that neither business analysts nor data scientists are aware of?

CS experts are able to provide the broader context that helps to explain what the data means and whether it can be trusted. To give a brief example: let's say business analysts want information about the number, length and subject of calls for a given time period. Data analysts easily obtain this information and deliver it to their business colleagues. Analysing the data reveals that throughout the period, the number of calls was steady except for a discernible spike for a number of days. Calls averaged x amount of time and concerned y subject. Were these questions, complaints,

orders, upgrades? Data presents a picture, but it is incomplete without the context, which customer service experts can provide.

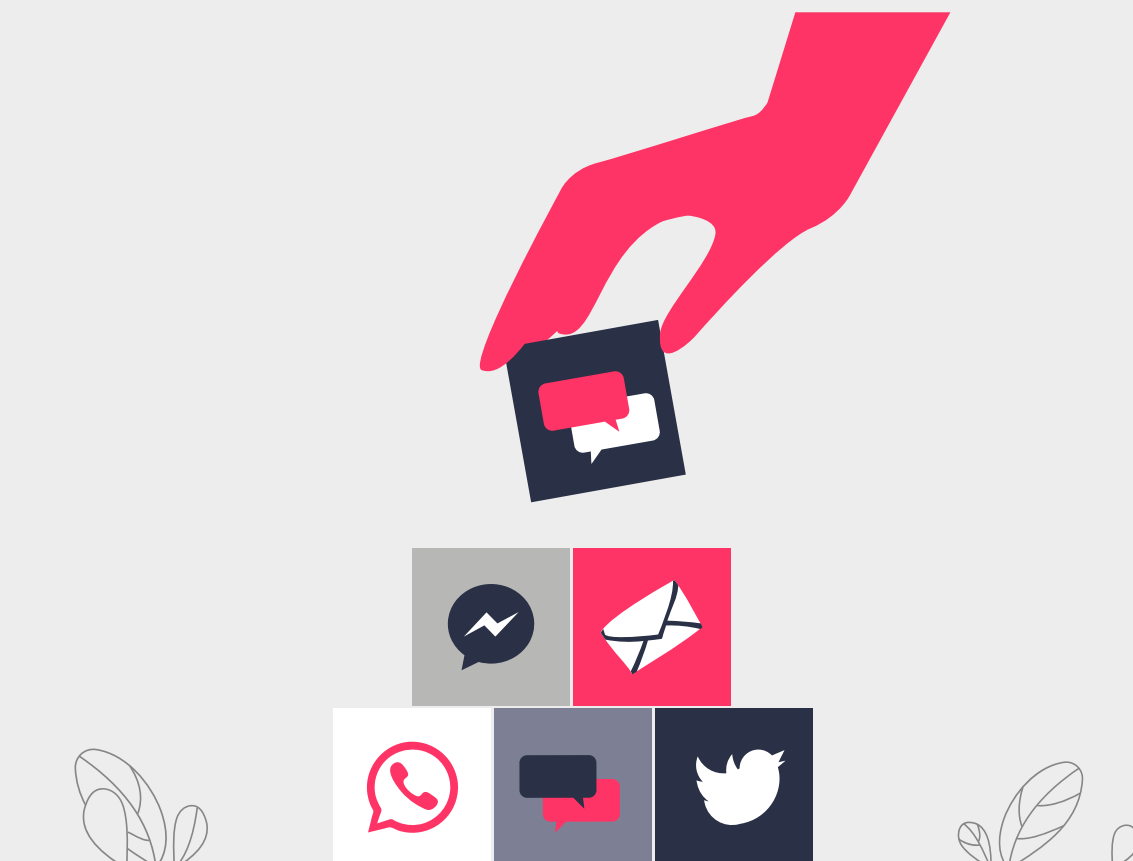
An additional question is which data to which experts? This is why **codifying data into streams is invaluable and must accurately reflect the issues individual companies face**. The four data streams are governance, management, science & development and culture, all supported by a data platform. Determining the questions to which you want answers clarifies the types of data you need and makes organising it in a coherent, accessible manner easier. In turn, this allows for convenient sharing of data with those who need it, enabling rapid action. Time-saving measures are also achieved through extract, transform, load (ETL) procedures, which structure data, making it more digestible in reports, analyses and presentations.

Practising what you preach

All too often organisations fail to apply to themselves what they recommend to their customers. The key policies that should 'start at home' are: **adopting a data-driven approach, transitioning from a data warehouse to a data lake and establishing a data factory**.

First and foremost, let your actions speak louder than your words. Advocating for the prioritisation of data in a customer strategy should come from experience and customers will know whether you live up to your own standards. Insufficiently investing in data and failing to create data-based positions will not inspire confidence in a data-centred approach .

Moving from data warehouses to data lakes is becoming the norm, as increasingly companies, availing themselves of ETL techniques, find it easier and more cost-efficient to store and



access unstructured data. With the ability to redirect staff's efforts elsewhere and still reliably obtain quality data, it is easy to see why companies are turning to data lakes. The financial and time savings provide another strong motivation. The last Gartner Data Quality Market Survey points out that, "[p]oor data quality is also hitting organisations where it hurts – to the tune of \$15 million as the average annual financial cost in 2017".

Finally, **firms should establish an internal data factory, a place that combines the IT tools, processes, methodologies and people to produce the best data and analytical outcomes.** The objective of a data factory? To put together all the key elements to maximise data to its fullest extent. There is a growing realisation of the need to institutionalise a data-driven approach, so having the facilities in place is essential. A data factory brings data to life and is dedicated to making data work for the company.

A data factory brings data to life and is dedicated to **making data work** for the company.







Michael de Toldi, Chief Analytics Officer
at BNP Paribas Cardif

“We invest in positive AI,
with high added value
for our customers and agents.”

The importance of data in the insurance industry

What role does data play in the insurance industry?

Data processing is embedded in the DNA of an insurance company. The business of insurers is to offer services and products based on experience gained, translated into data.

Today, the digitisation of activities is leading to the systematic creation of a gigantic amount of data. We are capable of gathering, measuring and transforming this colossal mass, because computing power has also increased.

A genuine desire for openness has led to major players, most notably American, supporting the global community of data scientists by sharing some of their algorithms so that the entire world can participate in their improvement. The challenge for an insurer like BNP Paribas Cardif is to integrate this know-how within the company in order to create value for its clients and partners.

Why is this data so important?

Our customers expect us to be ultra-efficient. As an insurer present in 33 countries, we manage hundreds of millions of documents. When managing such a vast amount of information, the challenge is to be as responsive as possible by requesting as little information as possible from clients in order to streamline the process.

AI solutions allow us to be more efficient and to respond as quickly as possible to our customers.

Tomorrow, the challenge will be to automatically process 60 to 80% of customer requests, queries or interactions, including certain claims. Customers who wish to do so will be able, for example, to benefit from automation for common formalities such as a change of address, a procedure that should be quick and simple.

The idea is to use AI to free up as much time as possible for our agents, so that they can deal with the interactions where they have a major role to play. In times of distress, the intervention of agents and human contact are essential in providing the empathy our clients need.

Can you provide any examples of how you use AI?

1. We use algorithms that analyse our clients' e-mails to direct them immediately to the appropriate department, thus saving 24 to 48 hours in the processing of files.
2. We have deployed algorithms to identify, based on the history of the relationship, clients whose files require fewer supporting documents. This example is important because it illustrates our ability to take

a certain level of risk in order to create customer value and improve the experience by trusting our policyholders.

3. We are developing algorithms to confirm the right kind of document has been sent and also to extract the information inside the text to verify it (date of birth, etc.).
4. We are also working on detecting disgruntled emails. The goal is to quickly process messages that could turn into a claim.
5. Finally, we are working on algorithms capable of replaying conversations with clients, analysing them and identifying those that require special attention.

Often, people tend to focus on the model. The real question is, what do we do with it? What action can we take based on a piece of information? **At BNP Paribas Cardif, we invest in positive AI, with high added value for our customers, but also our agents. We want to put agents and people back at the centre of our business and the insurer at the service of its clients.**



Today, how do you use data in your customer relationships?

Contact with our policyholders is vital and customer relationships, which create data, are key. We are constantly seeking to improve and facilitate customer relationships. For example, we are thinking about implementing automatic recordings of customer interactions – which they could subsequently validate.

When it comes to chatbots, the idea is to deploy them gradually. We are looking for ways to build up expertise on the subject. In this respect, we rely, among other things, on the experience we have acquired working on email analysis.

However, it is crucial to always be able to offer customers alternatives: we don't want to force a policyholder to stay on an automated journey if

they don't want to. Automation only makes sense if it brings value and if it is possible to talk to a human being at any time who is able to continue the conversation without the customer having to repeat himself.

What do you think the insurer of 2025 will look like?

I am firmly convinced that customers will want automatic handling and rapid responses for a large part of their interactions with an insurer. In five years, I would like to have transactional bots capable of handling close to a third of simple customer requests. However, uncertainties remain as to which channel will reflect customer preferences. Voice? Video? You have to be prepared for all eventualities and adapt as customer expectations change.







Eric Barbry - Partner in Charge of IP, IT & Data Protection Team - Cabinet Racine

Customer relations and data protection laws

What has been the impact of data protection regulations on customer relations?

Customers are more aware of their rights with regard to the control of personal data and are much more likely to seek enforcement of them. Companies have become aware that they must be careful with customer data and no longer manage projects in the same way. This change often stems from a fear of legal consequences, i.e. fines and lawsuits.

Can you explain why effective data governance is critical to regulatory compliance?

Many companies became compliant in 2018. However, in the absence of data governance that allows for regular updating of documents, processes and a virtuous application of the GDPR, they are no longer in compliance today.

The most virtuous companies have appointed a Data Protection Officer (DPO), even if they were not obliged to do so, who is, in a way, the guardian of proper application of the regulations. This person must bring together the marketing, sales, IS and legal departments, all of which have a role in the management of personal data. These companies see the GDPR as an opportunity to legitimise good practices: mapping their processing, their data, optimising and securing the whole data operation. This dynamic makes it

possible to turn a constraint into a strength and GDPR into a tool to better optimise a company's data. It is then possible to define a real ROI of data.

How can businesses reconcile data collection and storage with regulations?

Any collection is legal as long as it is based on one of the 6 grounds defined by the DPMR (e.g. performance of a contract, consent, legitimate interest, etc.) and for defined purposes. There is often a misconception that collection requires the "consent" of individuals. This is completely false in many cases, as the basis of the processing may simply be the legitimate business interest of the company to have customers and prospects.

In terms of storage, there are two constraints:

- The location of data, which must be hosted within the EU or in a country outside the EU which adheres to strict conditions,
- Data security, in that the company/host is responsible for the level of data protection.

What is the impact of these regulations on the IoT?

There is no consensus on the subject. One thing is certain: if a company develops connected objects, it is critical to ensure that it has adequately and correctly informed users that data will be collected and processed while using these objects. This information must be transparent and as detailed as possible.

Data is used to train AI in automating processes. What could be the impact on legislation?

Again, there is no conclusive text on the subject. In France, there is only the position of the CNIL, which considers two risks:

- That the AI goes "out of control" or that some unmanageable bias is present,
- That it could result in automated processing that would prevent people from accessing their data.

The European authorities are extremely vigilant and regard the issue as sensitive enough to be the subject of a quasi-systematic impact assessment, which consists of ensuring that the entire GDPR is applied in the context of a particular use of AI.

Chapter 4: Harnessing the power of data to redefine CX – our vision

The fast-paced nature of technological developments ensures exciting advances are on the horizon. However, evaluating current conditions, a few signs give us a credible insight into future trends:

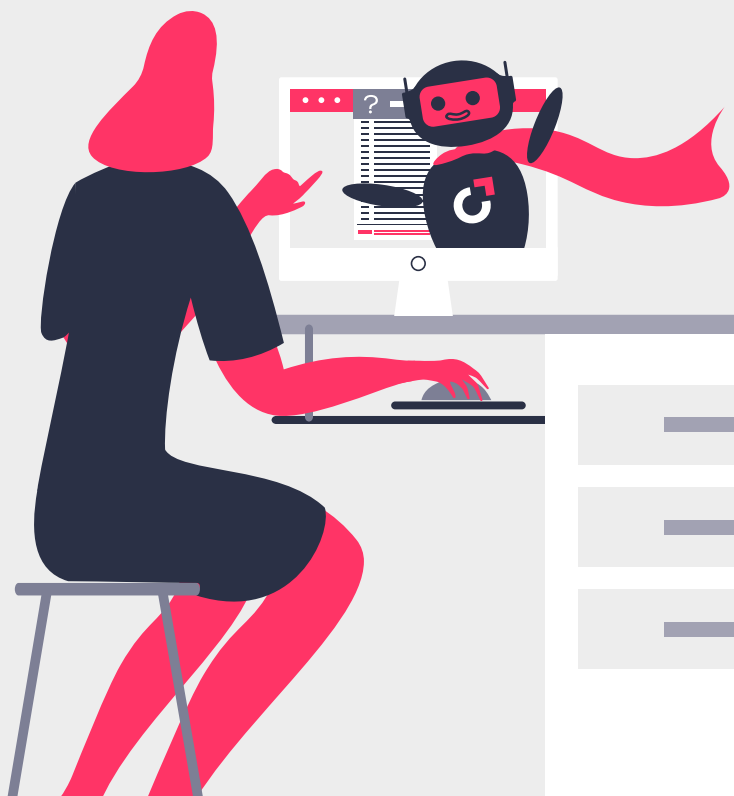
- Customer service will be increasingly automated,
- Companies will focus on channel-less experiences,
- Agents will become augmented agents,
- Relationships will be highly personalised.

The pace of automation will accelerate

The next five to ten years will see increasing automation of processes, tasks and conversations. The advantages of automation and the increasing capacity to automate complex processes can be applied to any sector. The motivation could be safety (policing), health (hospitals), more efficient production (manufacturing) or personalised, convenient customer service (every industry). Regardless of the reason, automating conversations will make them more economical, productive and customised.

Self-service, whether through conversational agents (chatbots or voicebots) or FAQs, will continue to assume a more pronounced role in CS. The cost of providing around-the-clock access and rapid response is too high when using human agents and the competence levels displayed, coupled with the security guaranteed, mean that AI-driven bots are the only viable option.

In the banking industry alone, [Juniper research](#) reports that digital banking is expected to see a 54% increase between now and 2024, mostly due to millennials and other younger consumers abandoning traditional banking. Such growth will be driven “by the increasing appeal of digital-only banks as well as efforts by the incumbent banking industry to move their customer base onto digital banking apps, which provide a more cost-effective way to conduct business than branches and live tellers.” Driving much of this is the rising dependability of bots that are fed and trained with data, including customer needs, requests and behaviours. The more data they have, the better they can perform their jobs.



Data will shift the focus to journeys, not channels

The world is moving away from an omnichannel approach to a channel-less one, as consumers expect heightened inter-connectivity, along with speed and personalisation. Customer interactions must be shared, so that all agents are aware of a customer's previous emails or messages, eliminating the need for the customer to explain the situation again.

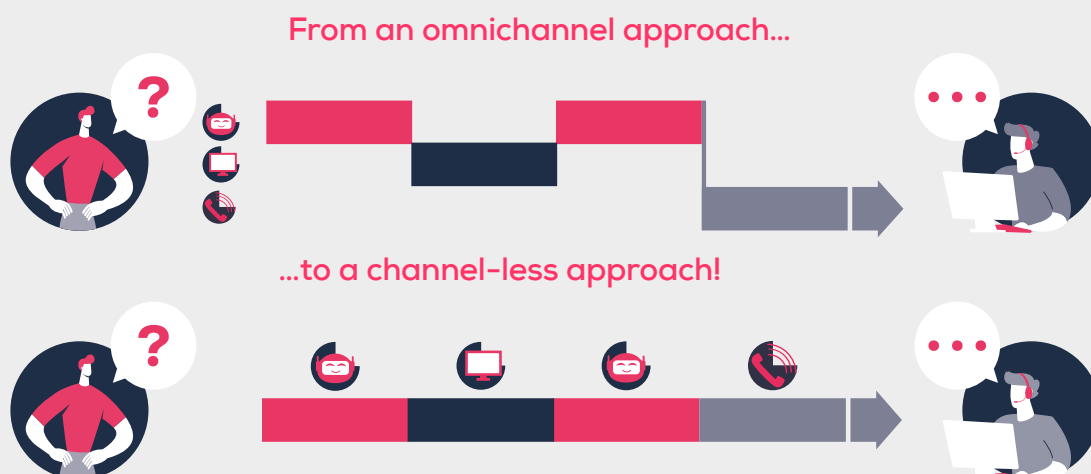
Linking channels means each individual channel loses significance; it should not matter whether the point of contact was through a website, in a branch or over the phone. **Connecting all channels into one, friction-less experience should be the benchmark for modern, personalised customer service.** According to [Salesforce](#), 70% of customers say "connected processes are very important to win their business (such as seamless handoffs between departments and channels, or contextualised engagement based on earlier interactions)." Moreover, "over 80% of customers are willing to give a company relevant personal information in order to bridge the connection between their online and in-person experiences."

Today's standard is to show that switching channels does not end the engagement.

A smooth, channel-less relationship means the same conversation continues and develops across multiple channels and over an extended period of time. Aware of previous interactions, agents can personalise experiences in a timely, convenient and natural manner. Communicating with brands becomes no different from conversing with friends; the conversation picks up where it left off.

“[O]ver **80%** of customers are willing to give a company relevant personal information in order to bridge the connection between their online and in-person experiences.”

Source: Salesforce – [What You Need to Know About Omni-Channel Customer Experiences](#)



The rise of augmented agents

Human agents will still be an integral part of CS, but their roles will evolve in new ways. Firstly, basic, repetitive tasks will be taken over by bots, thereby allowing human agents to redirect their efforts elsewhere. Conversational agent development and implementation are growing at impressive rates. [Business Insider](#) explains that the “chatbot market size is projected to grow from \$2.6 billion in 2019 to \$9.4 billion by 2024 at a compound annual growth rate of 29.7%.”

Emerging technologies will also augment agents' abilities to enhance personalisation. This will require mastering new technology and adjusting organisational frameworks (removing silos), all while demonstrating to customers that they can trust companies with data. The technology required already exists. [McKinsey](#)'s advice is clear:

“Integrate a customer-data platform and data-management platform, augmented with identity-resolution platforms to unify data and make it available across channels for activation.”

Agent consoles that provide a 360 degree customer view and intelligent routing are no longer the exception, but becoming the rule. The next advancement will be AI's role in hot channels, analysing customers' emotions and instantaneously providing agents with tips on how to manage the conversation. Assisting agents simply means equipping them with AI tools that help them to elevate their performance and engagement, enabling them to evolve into brand ambassadors who deliver exceptional customer service. And **improved CS, moving forward, means increased personalisation, based on the right data.**



The road to personalisation runs through data

All indicators point to personalisation as the primary factor in CS. Beyond saving time and showing customers the professionalism and care they expect, it inspires loyalty. Happy customers not only remain faithful to organisations that understand and provide personalised answers, they are the best endorsers a company can have. **Offering customers what they want and meeting their expectations comes down to possessing and utilising data.**

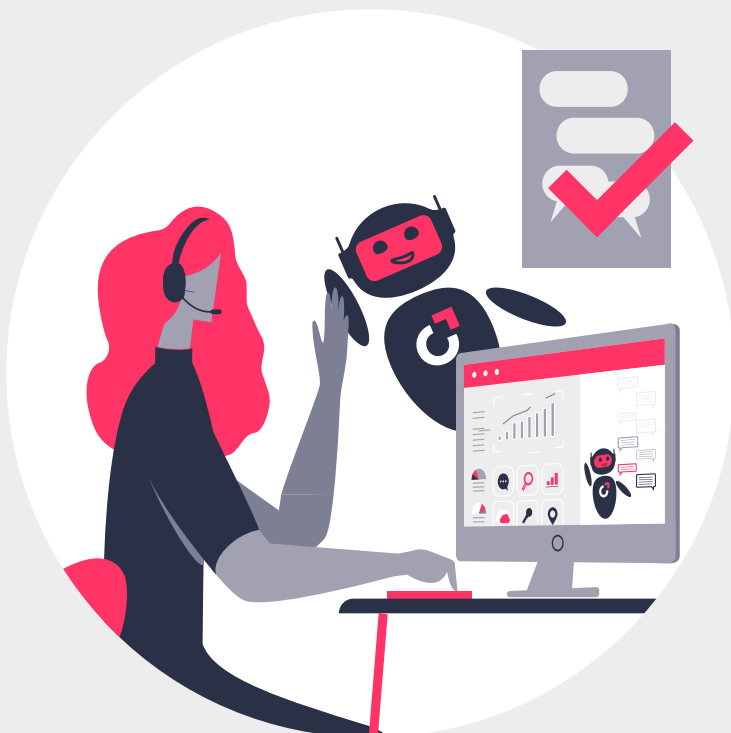
Agents will no longer need to ask 'How can I help you?' because they will have data that shows the customer emailed yesterday about a particular topic. It is an accepted rule that no two customers are alike, therefore personalised customer journeys should also reflect this individualised nature. Customer A prefers the phone channel, whereas customer B only communicates via chat. Certain customers respond to emails while others only through social messaging. Customer A works night-shifts and customer B does not have

reliable internet access. Customer A has emailed 5 times in 2 days and is frustrated and upset, but customer B just upgraded a contract and is really pleased with the service.

It seems obvious and easy, but to understand what makes a customer tick one must have the appropriate knowledge. Nowadays, most organisations have this data, but do not act on it.

It is a domino effect. Brands want to increase profits, but profits come from a loyal base. Loyalty is based on satisfaction, which is a result of good CS. Quality customer service depends on personalisation, which can only be achieved through proper data usage. Data is the cornerstone of personalisation, which is the key to customer service, the main driver of revenue.

Operationalising a customer's data to help them, i.e. provide exceptional CS, instils in them confidence that you can solve their problems and give them answers. **Used the right way, data builds trust between brands and customers, enabling the customer's story and the brand's to be one and the same.**



Conclusion: The data is clear

It is evident that data must play an instrumental role in any organisation, both internally and externally. While the opportunities that cutting-edge innovations present in terms of data are staggering, it is crucial to first consider one's own situation before determining a data strategy geared to one's individual needs. As with any great leap forward, caution should be exercised, but if sound investments are made, proper governance is established and cohesive alignment is achieved, data's short and long-term benefits are immeasurable.

Many organisations have already begun the transition to a data-driven approach, both as a cause and effect of groundbreaking progress in AI. The growing importance of automation means that old mindsets must give way to new ones, but one maxim remains true: **happy customers are loyal customers**. And we know what customers want – personalisation. Technology is a major factor, but above all, personalisation means data.

A great many of the challenges modern companies face can be overcome with data. Data is everywhere and that's a good thing, because it is the foundation on which all organisations should be built. If you are looking for a way to propel your business forward, look no further: the solutions are already in your data.

About the authors



Steven Harris

Steven Harris is the Director of Odigo eXperience. He has spent over 20 years helping B2C and B2B companies to define customer and customer experience strategies, and transform their businesses to ensure they meet the needs of their customers. He has extensive experience deploying new technologies to improve marketing, sales and customer service performance, thereby enhancing the customer experience and driving customer loyalty.

Data has always been at the heart of these programmes, never more so than now, as the world moves from a channel-based to a channel-less world, supported by AI. Steven believes strongly that achieving success requires the right combination of solution design, business change and data management.



Gilles Varoquier

Gilles Varoquier is the Chief Data Officer at Odigo. With more than 10 years' experience in data and customer service, he leads Odigo's data approach, both internally and externally. To this end, he has established Odigo's Data Factory, which is in charge of managing, analysing and operationalising data, while transforming the company into one with a data-driven approach.

Gilles also provides analytical solutions to enhance customer experience, in order to improve customer satisfaction, generate revenue and reduce costs. A key element of his work involves elevating the role of AI both internally and for Odigo clients. A data enthusiast who is excited about its uses and impact, Gilles is also fascinated with new technologies and their growing influences on customer journeys.



Paul Egret

Paul Egret is the Global Head of Odigo eXperience Services. Providing support on increasingly customer-oriented digital transformations, his role at Odigo enables him to stay up-to-date on cutting-edge breakthroughs in a wide range of areas. Paul deploys customer journey methodologies to identify how to increase the efficiency and usage of Odigo solutions, especially with regards to data strategies. With over 10 years' experience in IT and strategy consulting, Paul also earned a PhD writing about innovation theories applied to IT systems' institutionalisation.

Currently based in Paris, Paul has also worked in New York City. Though passionate about data management, he retains a keen interest in cloud development, the Internet of Things (IoT) and the impact of new technology across all sectors.





About Odigo

Odigo, a Capgemini brand formerly known as Prosodie-Capgemini, helps large organisations connect with individuals through world-class, cloud-based contact centre solutions. Its cutting-edge, proprietary technologies enable a seamless, efficient, omnichannel experience for its customers and a satisfying, engaging experience for service agents.

Odigo serves more than 400,000 agents and business users globally. With a 25-year history of industry firsts, Odigo has more than 200 clients around the world.

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Customer experience
as it was meant to be