Role of Artificial Intelligence (AI) and Cognitive Solutions in Delivering Customer Experience of the Future

Customer Experience Management (CXM) Services
Market Report – March 2018: Complimentary Abstract / Table of Contents

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Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Subscription information

- This report is included in the following subscription(s)
  - **Customer Experience Management (CXM) Services, Service Optimization Technologies (SOT)**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
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Background and methodology of the research

Background of the research

Artificial Intelligence (AI) is gaining significant importance in driving end-to-end process automation in Customer Experience Management (CXM). While RPA helped firms drive automation of transactional and repetitive tasks, AI focuses on driving automation of tasks that require human intelligence driven by different technologies and capabilities, such as Machine Learning (ML), Natural Language Processing (NLP), computer vision, or cognitive computing.

AI presents unique opportunities for firms – enabling them to enhance customer experience, develop highly-skilled agents, drive process efficiency, and enhance business outcome. Since it is a relatively nascent area in CXM, firms need to factor in some key considerations to drive AI adoption in CXM. A planned approach, future-ready talent, and a strong data management strategy will ease AI adoption. In addition, firms need to be aware of the different approaches to implement AI in CXM and the key offerings available in the market.

In this study, we analyze the role of AI and cognitive solutions in delivering customer experience of the future, we focus on:

● Overview and applicability of AI in delivering customer experience of the future

● Case studies elucidating scenarios of AI implementation in CXM

● Key considerations to operationalize AI in CXM

● AI supplier ecosystem and key offerings available

● Future-oriented outlook for AI in CXM

The scope of this report includes:

AI solutions that can be deployed for CXM in-house or outsourced to a third-party service provider.

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Overview and abbreviated summary of key messages

This report aims to provide detailed insights into the role of Artificial Intelligence (AI) and cognitive solutions in delivering customer experience of the future. It covers use cases where firms can leverage AI to drive automation in Customer Experience Management (CXM). It also includes case studies elucidating scenarios of AI implementation in CXM. In addition, it highlights the key considerations to operationalize AI in CXM as well the different AI-based offerings available in the market. It concludes by providing a future-oriented outlook of AI in the CXM space.

Some of the findings in this report, among others, are:

Applicability of AI in CXM

- All existing AI systems are "narrow" systems or expert systems that work well only within the specific domain that they are built for
- AI applicability spans multiple use cases, which tap into different capabilities/technologies to achieve the desired outcome/benefit
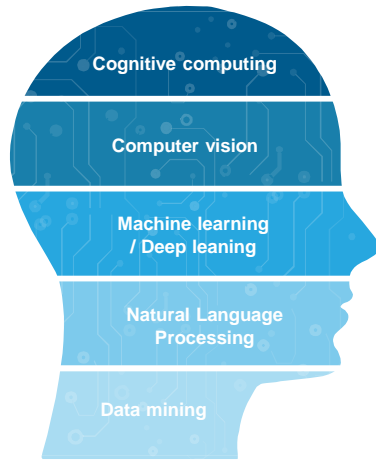
Operationalizing AI in CXM

- Consider a roadmap that will start small and focused, and then move on to transform complex business processes which have a wide variance in data formats
- Evolve recruitment and training strategies to enable a future-ready workforce
- Strengthen data management strategy to achieve the desired accuracy levels for an enhanced customer experience

Supplier ecosystem

- The supplier landscape in the AI space comprises multiple players – CXM service providers, AI technology vendors, specialist system integrators, and Global In-house Centers (GICs)
- Suppliers can go forward with multiple approaches (direct, joint, or licensing) to drive AI implementation for enterprises

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This study offers 3 distinct chapters providing a deep dive into key aspects of the AI market in CXM; below are four graphics to illustrate the depth of the report
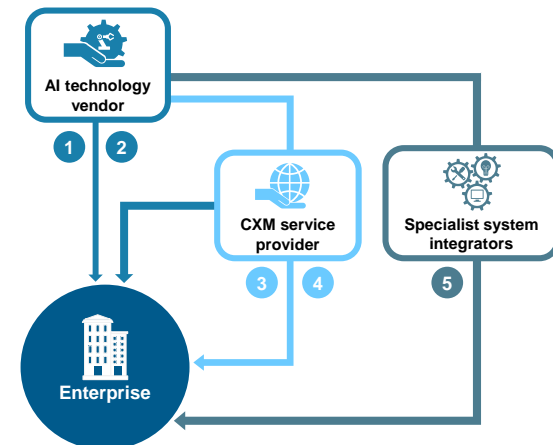
Key AI technologies and capabilities

- Cognitive computing
- Computer vision
- Machine learning / Deep leaning
- Natural Language Processing
- Data mining

Use cases of AI in CXM

Use cases	Brief description	Key capabilities required
Drive conversations in natural language	Leverage customer-facing robots to understand the message and context, and select the best response from a pre-defined list of robot messages	NLP
Generate suitable response to queries in natural language	• Leverage customer-facing robots to understand the message and context and generate suitable response • Involves monitoring of agent and customer behavior to update responses for future and spot opportunities for cross sell and upsell	• NLP • Machine learning
Comprehend customer sentiments	Determine mood of the customer and know when an escalation is required	• NLP • Cognitive computing

Enabling future-ready workforce

- Revise recruitment strategies
- Strengthen training programs

Evolving agent skillset requirements
- Strong problem-solving skills
- Tech-savvy
- Communication skills

AI implementation approaches

- AI technology vendor
  - 1
  - 2
- CXM service provider
  - 3
  - 4
- Specialist system integrators
  - 5
- Enterprise

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Research calendar – CXM Services

Flagship CXM Services reports	Release date
Contact Center Outsourcing (CCO) Market for the Healthcare Industry – SPL with PEAK Matrix™ Assessment 2017	January 2017
Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2017	June 2017
Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2017	July 2017
Contact Center Outsourcing (CCO) – Annual Report 2017	August 2017

Thematic CXM Services reports	
Impact of Brexit on the UK Contact Center Market – The Only Thing Certain is Uncertainty	July 2017
Delivering Omni-channel Customer Experience	September 2017
How Good are CCO Providers in Providing Digital Customer Experience – Buyers' Perspective	September 2017
Philippines Pivoting to Deliver Customer Experience of the Future	October 2017
Chatbots Delivering Enhanced Customer Experience: It is Easy to Get it Wrong	October 2017
The Business Case for RPA and Chatbots in Contact Centers	December 2017
Evolving talent model in CXM	March 2018
Role of AI and Cognitive Solutions in Delivering Customer Experience of the Future	**March 2018**
Digital contact center overview	Q2 2018
PEAK Matrix for Chatbots / Virtual Agents	Q2 2018

Note: For a list of all CXM reports published by us, please refer to website page

Additional CXM Services research references

The following documents are recommended for additional insight into the topic covered in this report. These documents either provide additional details or complementary content that may be of interest

1. **The Business Case for RPA and Chatbots in Contact Centers** (EGR-2017-1-R-2462); 2017. This report provides an introduction to SDA and evolution of SDA solutions in CCO. Its major focus is on the business case for adoption of RDA, RPA, and chatbots in contact centers and the typical SDA adoption journey for enterprises. It also includes a set of case studies of enterprises currently using SDA to improve customer experience, along with key learnings

2. **Chatbots Delivering Enhanced Customer Experience: It is Easy to Get it Wrong** (EGR-2017-1-V-2373); 2017. This viewpoint answers some key questions which enterprises face regarding chatbots adoption. It analyzes the drivers for increasing the demand for chatbots in the market and the key challenges to wider enterprise adoption. It also provides insights on best strategies that enterprises can adopt to develop and deploy chatbots

3. **Contact Center Outsourcing Annual Report 2017 – Disruption is Here: The End of Contact Centers as We Know Them** (EGR-2017-1-R-2297); 2017. The CCO industry grew at a rate of ~3% in 2016 to reach US$78-80 billion. This report will assist key stakeholders (buyers, service providers, and technology vendors) to understand the changing dynamics of the CCO market and help them identify the trends and outlook for 2017-2018. In this backdrop, the report provides comprehensive coverage of the global CCO market including detailed analysis of the market size and growth, buyer adoption trends, CCO value proposition & solution characteristics, and the service provider landscape

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