

EBOOK

# TRANSFORMING THE DIGITAL CUSTOMER EXPERIENCE

How to Achieve Rapid and Measurable Success



# TABLE OF CONTENTS

<b>2</b>	Introduction	<b>17</b>	Chapter 5 Understand Digital Technologies That Transform the Customer Experience
<b>3</b>	Chapter 1 Define the Vision	<b>22</b>	Chapter 6 Align Your Strategy with the Business
<b>5</b>	Chapter 2 Know Why You Should Care	<b>24</b>	Chapter 7 Use Best Practices for Best Outcomes
<b>7</b>	Chapter 3 Take a Practical, Iterative Approach	<b>26</b>	Chapter 8 Learn How [24]7 Can Help
<b>14</b>	Chapter 4 Map Your Transformation		



## INTRODUCTION

Digital transformation. It's disrupting nearly every industry and impacting what it means to deliver a great customer experience. Companies that ignore it risk their very survival; but those that embrace it can dramatically improve customer satisfaction and drive greater value—without driving additional costs.

What is digital transformation? It's about connecting all existing customer touchpoints to your data, to create personalized, predictive, and effortless customer experiences across devices and channels. From artificially intelligent chatbots (sometimes also referred to as Virtual Agents) that emulate your top agents to predictive insights that anticipate customer needs, a digitally transformed organization makes it simple for customers to do business with them now and in the future.

Sound impossible? Not at all, particularly if you cut through the hype—separate fact from fiction—and stick to proven strategies that work because they are based on many other enterprise deployments.

This guide will show you how to rapidly deliver better, more sustainable, and measurable customer experiences and improve your overall business.



Digitally transformed organizations (“digital leaders”) performed much better than organizations that lagged behind (“digital laggards”), effectively creating a “digital divide” across companies.”

- Robert Bock, Marco Iansiti, and Karim R. Lakhani, “What Companies on the Right Side of the Digital Divide Have in Common,” Harvard Business Review, January 31, 2017



## CHAPTER 1

# DEFINE THE VISION

### Fiction:

Digitally transforming the customer experience is all about building it once and leaving it alone.

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### Fact:

Digital transformation is ongoing, with continual opportunities to further optimize and improve the customer experience.

A digitally transformed customer experience delivers the best possible encounter for any given customer journey or task.

Customers pick their preferred channels and the experience is seamless, easy, personalized, and convenient.

Technologies that use artificial intelligence and machine learning to provide customer self-service, maintain the context of the conversation across channels, and understand what the customer is talking about to deliver the best possible experience, enabling customer success without requiring extra customer effort. In short, it's the experience that your customers expect:



Use consumer-driven analytical insights to continually improve the customer experience.



Empower customers to choose their channel for interaction and self-service.



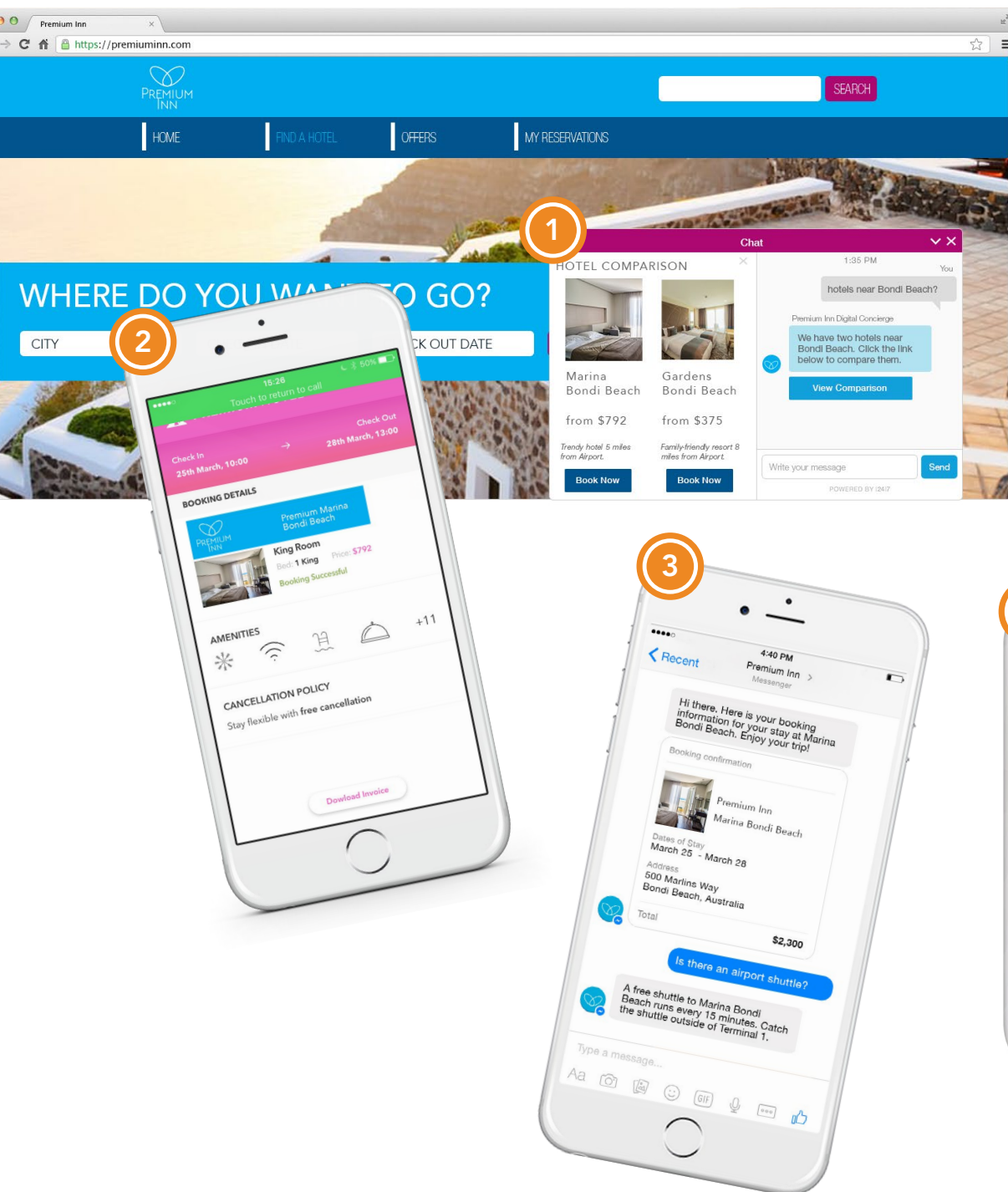
Automate as much of the customer journey as possible.



Connect the conversation across devices, time, and channels.



Reduce the number of customers calling, and increase the number of customers interacting via digital channels.



*Fig. 1 A unified, digitally transformed customer journey. Customers interact with businesses across channels. Create seamless customer experiences by connecting web, phone, messaging, and mobile, and never making a customer repeat information.*

*Here, a customer views curated hotel options on the web, continues booking a room with reward points through the toll-free line, get alerts on their preferred messaging platform, and requests late checkout through the company's native app chat.*



## CHAPTER 2

# KNOW WHY YOU SHOULD CARE

### Fiction:

Improving digital customer experiences is an added cost of doing business.

---

### Fact:

Done correctly, digital customer experiences can decrease costs by moving interactions to lower cost channels. Plus, a good experience can attract more customers and increase revenue. Consider this: In 2016, 82 percent of customers stopped doing business with a company after a bad experience versus 75 percent in 2014.<sup>1</sup>

<sup>1</sup>Mary Meeker, Internet Trends 2017, Code Conference, May 31, 2017

Designing and delivering digitally innovative (and satisfying) customer experiences can pay enormous dividends:



Attract more customers and grow your market share when your digital customer experience is easy, convenient, and satisfying.



Drive higher revenue and shareholder value by satisfying customers.



Improve or maintain your margins with happy customers who are less likely to churn and go to a competitor strictly based on cost.



Integrate the customer life cycle from pre-purchase research through post-purchase service engagements to help increase brand and customer lifetime value.





Digital transformation can help move the needle on stagnant contact-center metrics:

- 1 Cut operating costs by reducing the number and length of interactions requiring human assistance and improve average handle times (AHT) and containment rates.
- 2 Improve Net Promoter Score (NPS) and customer satisfaction (CSAT) scores.
- 3 Support product, service, customer, or geographic expansion without increasing costs.
- 4 Increase revenue as you free up agents for higher-value interactions.

## RAPID DIGITAL TRANSFORMATION SUCCESS

Within one year of re-architecting its customer journey and deploying an intelligent chatbot, a leading global communications service provider experienced a

**60%**

Reduction in phone/email support requests and an

**11%**

Increase in its Net Promoter Score



## CHAPTER 3

# TAKE A PRACTICAL ITERATIVE APPROACH

### Fiction:

Digital transformation takes years to implement.

### Fact:

You can see real progress in just a few months.

By breaking up transformation into small, digestible initiatives, success comes early and helps build momentum, generate enthusiasm, and gain buy-in for further transformation initiatives.

Take the following steps to segment and prioritize areas of the customer experience for your digital transformation.

- 1 Identify your customer journeys.
- 2 Analyze the journeys.
- 3 Select a channel strategy for the journey.
- 4 Assess the current technology environment.
- 5 Automate the journey.
- 6 Measure, analyze, and optimize the journey.



# 1

## IDENTIFY YOUR CUSTOMER JOURNEYS

Start with defining each customer journey. You'll need to collect and collate data within each journey and identify where customers become frustrated. There are tools that can help you do this.

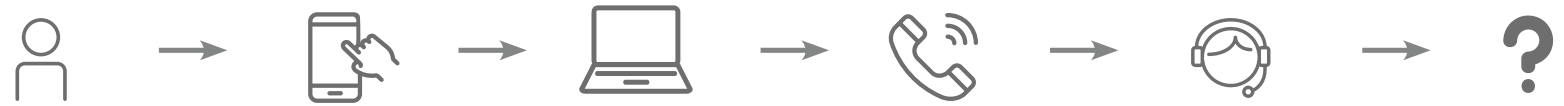
If data is missing, you can introduce technology that helps you automate parts of your journeys as well as collect data you can use to understand exactly what's happening. For instance, the chat system on your website can be used to capture and learn about the issues for particular journeys.

For example, a telecom company many determine its most common customer journeys include:

- Billing Questions
- Product Questions
- Plan Upgrades
- Password Resets

They take one of these journeys, plan upgrades, and map out what the experience is like for customers.

### JOURNEY PROGRESSION



The customer wants to upgrade their phone plan.

While on the train to work, the customer goes to their provider's app to see if there are upgrade options available. The app says to visit the website for more information.

Customer visits the website and types "plan upgrades" into search. After visiting multiple pages, customer is told they need to reach an agent to determine which plans they are eligible for.

The customer dials toll-free number. When calling, the customer must reauthenticate and explain their question all over again.

The customer is on a corporate plan so they are redirected to a different agent to handle the request.

The customer is informed of the possible plan upgrades they are eligible for. Due to overwhelming options, they decide to think about it and decide later.

### CUSTOMER MOOD



Pleased at the prospect of getting a great phone plan.



Confused. They were hoping they could make the change now and are a bit irritated they have to wait.



Irritated. The excitement has faded and they're starting to feel like they're on a wild goose chase.



Annoyed. They feel like they're starting the journey from the beginning.



Frustrated. They feel like it shouldn't be this complicated.



Exasperated. They aren't even sure they want to upgrade anymore.

Fig. 2 Customer journey for phone upgrade

## 2

### ANALYZE THE JOURNEY

Once you have defined your customer journeys and have data about them, you can determine which ones to automate first. To do this, analyze the frequency and complexity of each journey and identify the high-frequency/low-complexity journeys that are candidates for automation. For example, resetting a password shouldn't require human assistance. You can also organize and prioritize journeys based on their value to your customers and your brand.

The telecom provider creates a graph that segments its customer journeys by value to the customer and value to the company.

The company then visualizes and prioritizes which journeys to automate.

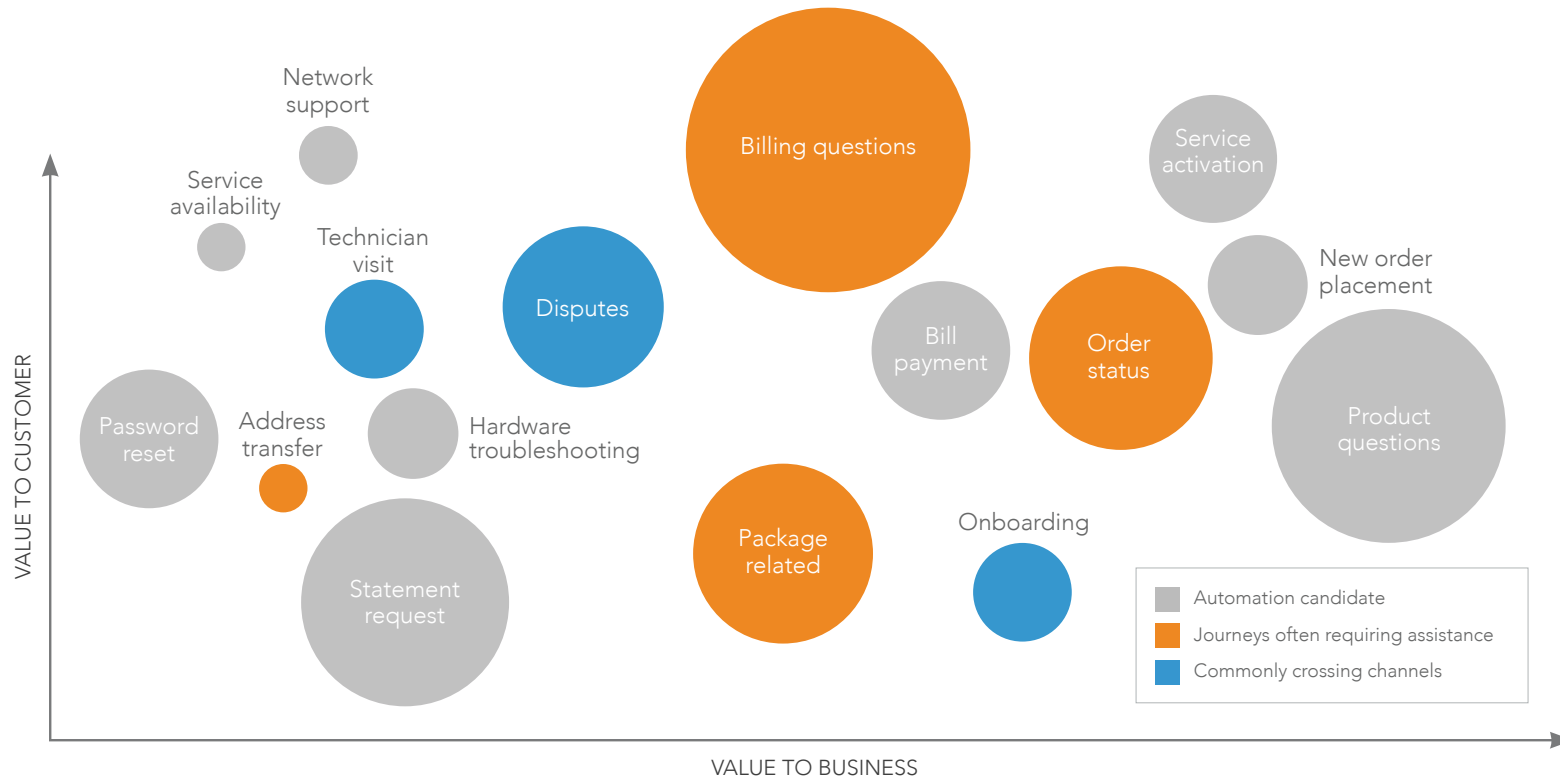


Fig. 3 High-value banking journeys visualization

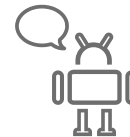
### 3

## SELECT A CHANNEL STRATEGY FOR THE JOURNEY

Choose the best way to craft the journey's customer experience. Is the journey a candidate for self-service? Would chat or a chatbot be the most appropriate channel? Once you've selected the appropriate channel strategy, create a storyboard design of the experience.

The telecom provider decides to focus on plan upgrades as the first journey to re-architect because it is high value to customers and often requires assistance. The telecom provider deploys a chatbot to handle the journey and help customers achieve their desired outcome faster and more effectively.

#### NEW JOURNEY PROGRESSION



The customer wants to upgrade their phone plan.

While on the train to work, the customer goes to their provider's app to see if there are upgrade options available. The app identifies their corporate plan and offers them the option to chat for more information.

The chat conversation begins with a chatbot, and the customer is able to see all the options available to them and ask questions about each plan.

When the customer has selected their plan, the chatbot seamlessly switches with a live agent, required for their specific corporate plan, right in the same conversation, to facilitate the purchase.

#### CUSTOMER MOOD



Pleased at the prospect of getting a great phone plan.



Happy. Their journey is moving along smoothly.



Excited. The customer is getting immediate answers to their questions.



Ecstatic. They have a new phone plan and it was an easy, fast experience.

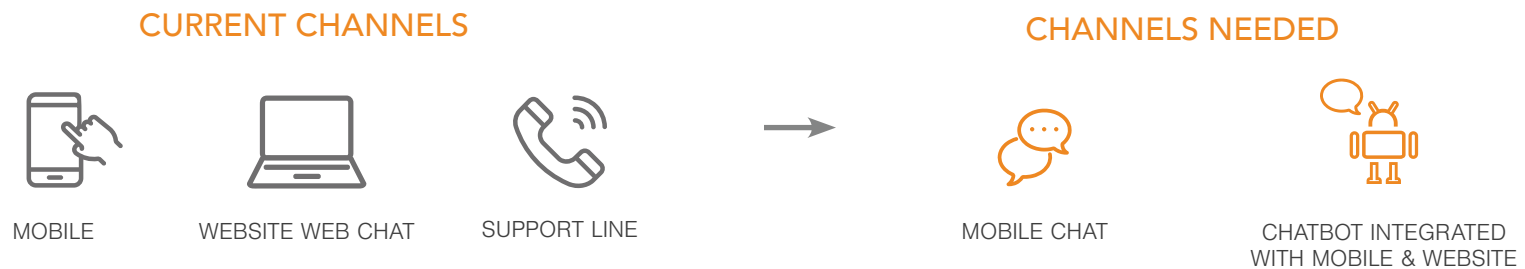
Fig. 4 Ideal customer journey for phone upgrade

## 4

### ASSESS THE CURRENT TECHNOLOGY ENVIRONMENT

Based on the channel strategy, determine the technologies you'll need to deliver the experience. Which technologies are currently in place at your organization? Which capabilities do you need to automate the journey or achieve the desired experience? Determine how the new technology would inter-operate with your existing technology to seamlessly deliver the experience.

Keep in mind that the technology you choose is critical for enabling scalability and re-use without creating new silos. Look for a technology platform you can deploy across multiple channels with minimal incremental investment.



*Fig. 5 Example mapping of existing channels & needed channels*





## AUTOMATE THE JOURNEY

To reduce risk and get valuable feedback, test the capabilities you designed in a sandbox or proof of concept to help improve your implementation before making it available to the broader customer base.



### A MAJOR CANADIAN BANK

One of Canada's largest banks introduced an intelligent chatbot to provide self-service to its customers. The chatbot reduced the number of calls and emails that go to human agents for routine questions by 25 percent and 23 percent, respectively. It also increased click-through rates to targeted product offers by twenty-fold compared to ads on the home page.





## MEASURE, ANALYZE, AND OPTIMIZE THE JOURNEY

Once you deploy the capabilities, continue to collect data to measure success, and tweak the design as necessary to improve the experience. This data will also provide insight into ways to automate additional journeys.



## A LEADING ENERGY PROVIDER

By deploying a smart chatbot as part of its digital self-service strategy, a multinational energy provider—and one of the largest electric power companies in the United States—improved customer satisfaction by more than 30 percent, while saving \$1 million the first year by reducing the number of calls and email going to human agents.



## CHAPTER 4

# MAP YOUR TRANSFORMATION

### Fiction:

An iterative approach means you don't need to worry about digital transformation maturity.

---

### Fact:

It pays to keep an eye on the overall vision.

A maturity model for transforming the customer experience can help you track where you are on the digital transformation path.

The following maturity model shows how you can implement digital transformation incrementally, with Level 1 representing a starting point, and Level 4 being the end state after transformation:

**Level 1** Engagement is focused on one-off transactions with customers, and channels are siloed, with no integration between the channels. The customer conversation is not maintained across channels, forcing the customer to repeat the question.

**Level 2** In this early stage of digital transformation, silos are beginning to be broken down by integrating specific channels, such as chatbots and chat. At this point, the conversation with the customer can flow uninterrupted across two different channels.

**Level 3** The enterprise can begin anticipating the needs of the customer and continue a conversation across all channels, such as from the website, chat, and the IVR.

**Level 4** All customer journeys are now transformed and optimized. Artificial intelligence and machine learning are used to continuously learn about customer needs and preferences to deliver a convenient, easy, and satisfying experience.

		LEVEL 1 Multichannel	LEVEL 2 Cross-channel	LEVEL 3 Omnichannel	LEVEL 4 One Digital Channel
CUSTOMER	Engagement	Transactional	Conversational	Predictive	Transformational
	Context	Little or no context	Transfer context across channel pairs	Leverage data and context to predict intent and transfer seamlessly across channels	Customer service is convenient and customized to individual needs with embedded self-service assistance
TECHNOLOGY	Agent Assistance	Voice assistance for phone interactions and chat for digital interactions	Voice and chat assistance across all voice and digital channels	Agent drives one way digital interactions across channel of choice	Two way digitals interaction between agents and users across any channel
	Self-Service	IVR and digital self-service (web & mobile)	Web to IVR pairing Mobile to IVR pairing VA to chat pairing	All channels are integrated	Complete integration of channels, processes, and back office
	Analytics	Team-based; fragmented; minimal insight	Shared info for two channels; insight developing	Shared info and insight across company	Shared info and insight beyond company and machine learning; customer journey analytics
	Action	Business rules based with no real-time decisioning	Business rules primary; Real-time decisioning	Real-time decisioning primary, followed by business rules based	Artificial intelligence and machine learning
BUSINESS	Strategy	Customer satisfaction	Customer retention	Customer loyalty	Customer advocacy
	Journey Mapping	Single channel	Define joint customer journey, prioritize cross-channel integration	Define joint customer journey, prioritize multi-channel, data, and device integration	Define joint customer journey, prioritize customer experience management (CEM) infrastructure integration

Fig. 6 Digital transformation maturity model





## A TOP TELECOMMUNICATIONS PROVIDER

A leading telecom company created an award-winning chatbot.

The intelligent chatbot answers

# 80,000

Questions per month to eliminate calls to the contact center to resolve issues for

# 75%

Of the customers it assists.

The contact-center staff of this telecommunications company also uses the same technology to access accurate, up-to-date information on their products and services.

Complementing its chatbot technology, the company uses live chat with predictive analytics to achieve a

# 30%

Increase in new customer acquisitions online and

# 15%

Higher incremental sales over self-service alone.





## CHAPTER 5

# UNDERSTAND DIGITAL TECHNOLOGIES THAT TRANSFORM THE CUSTOMER EXPERIENCE

### Fiction:

Digital transformation is about adding more digital channels to the customer experience.

---

### Fact:

It's not about delivering more channels but optimizing the channels you already have, while you selectively add new channels at minimal cost as your business strategy evolves. A channel-agnostic, customer-centric approach optimizes the customer journey with automation and self-service, as well as context across channels, so you understand customer intent.

Although your customer journeys, not the latest technology advances, dictate your digital transformation efforts, you should be aware of fundamental technologies that are making today's best digital customer experiences possible.





## CUSTOMER ENGAGEMENT PLATFORM BASED ON AI

Many enterprises are embracing AI-powered systems to improve customer satisfaction. These platforms:

- Give you a common system to coordinate the customer journey across digital and voice channels for a consistent, unbroken experience.
- Use artificial intelligence and machine learning to understand customer intent and to personalize and improve the experience across channels, journeys, and devices.
- Let you build business rules and application logic that you can deploy everywhere.
- Understand customer intent and match it to the next-best action.



## AI-BASED CHATBOTS

The best chatbots have the traits of your best human agents:

- Natural language comprehension to make it easy for customers to communicate with your business.
- The ability to determine the meaning of words (disambiguation) to enable clear, two-way conversation and reduce customer frustration.
- Utilize AI to identify or predict the intent or purpose of the customer's question to anticipate needs and reduce customer effort. For example, a chatbot could use a bank customer's question and the knowledge that the customer was sent a new credit card bill the day before to determine that the customer would like to pay the bill.
- Conversation automation for interacting with customers in an engaging, human-like way.



# 40%

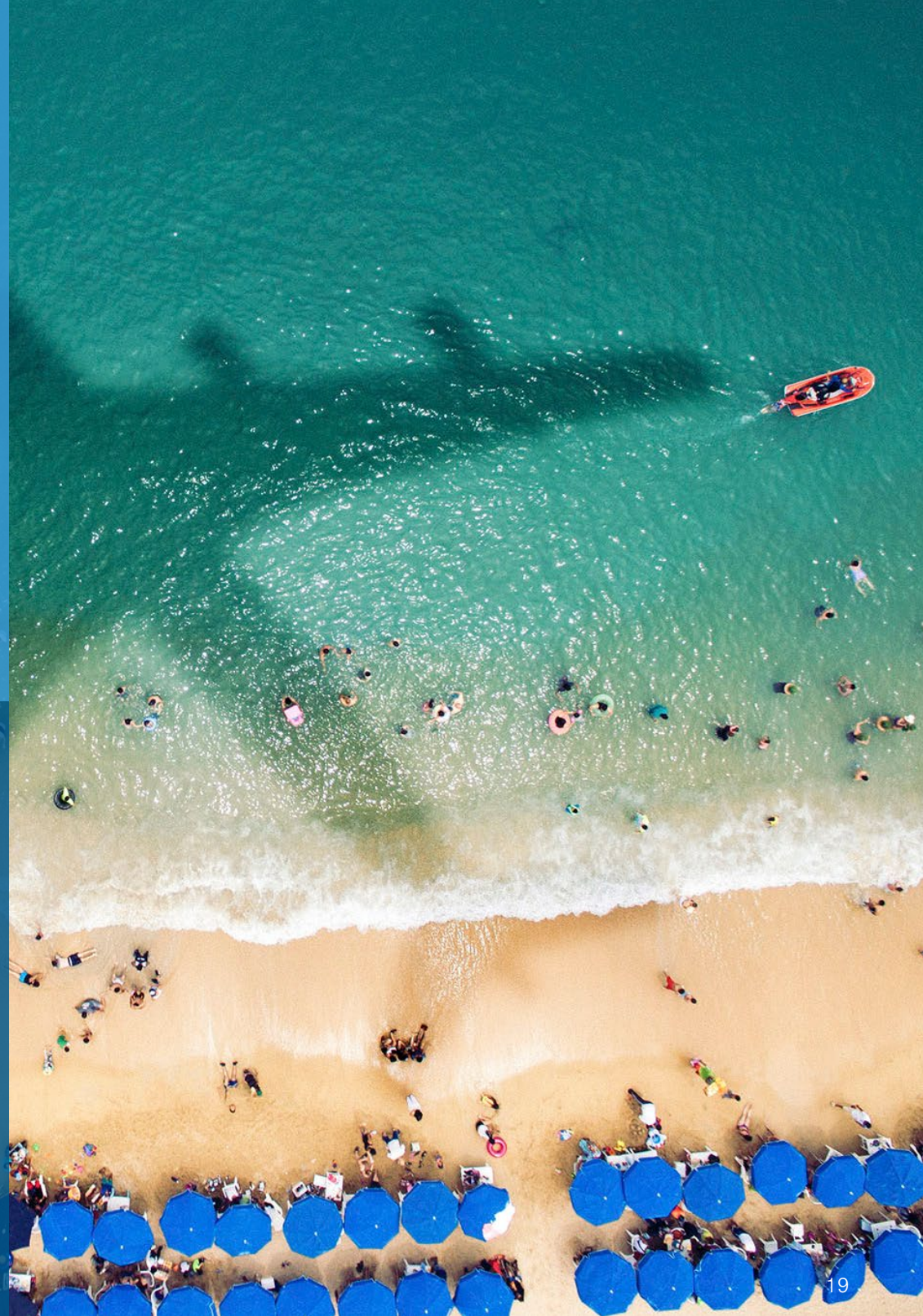
## DECREASE IN CALL AND CHAT VOLUME

To provide superior customer service while maintaining competitive prices, a leading Latin American airline introduced a chatbot on its website. The chatbot has decreased the airline's call and chat volume by 40 percent, improved the customer experience, and lowered operating costs.

“

The use of virtual customer assistants will triple through 2019 as enterprises seek to increase customer satisfaction and reduce operating costs.”

-Seven Decision Points for Success with  
Virtual Customer Assistants  
*Gartner, July 26, 2016*







### INTEGRATED CHAT AND CHATBOT

Integrating a chatbot into your chat system delivers a better customer experience and saves costs:

- Reduces support costs by deflecting contacts from phone and email.
- Start in self-service and escalate—with context—to chat when needed for assisted service.
- Uses predictive modeling and analytics to enhance the customer experience and improve agent effectiveness.
- Uses agent input to train the chatbot in the moment.



### CONNECTED, MODERN IVR







When your speech and digital channels use the same underlying customer engagement platform, you can optimize the customer journey:

- Make phone interactions web-aware and digital, using visual interactive voice response (IVR) technology, with web journey data and channel presence detection for greater caller personalization in real time.
- Enable speech-driven chatbot technology to empower customer self-service.
- Shift interactions from IVR to chat for more efficient resolution of certain issues.

## HUMANS HELP CHATBOTS BECOME SMARTER

Machine-learning algorithms for chatbots make educated guesses at what the best answer could be for a customer's question. When a customer or human agent gives the chatbot's guess a thumbs up or down, it learns the correct answer to the question and uses it for all subsequent instances of the same question.

## What to look for in a digital customer experience technology partner:

-  Do they focus on understanding and automating customer journeys to achieve desired business outcomes?
-  Do they use AI and machine learning to create intent-driven experiences in any channel and on any device?
-  Do they take advantage of operational insights it gains from other clients?
-  Does their industry experience enable it to build an intent model for anticipating customer needs that is specific to your enterprise, and can it create it faster and for less cost than doing it yourself?
-  Does their technology work across all the devices your customers use, including desktop computers, phones, tablets, and mobile applications?
-  Does their technology allow customers to stop a conversation or transaction on one channel or device, and pick it up at a later time, using another channel or device, without having to repeat themselves?





## CHAPTER 6

# ALIGN YOUR STRATEGY WITH THE BUSINESS

### Fiction:

If you have the right technologies and approach, your transformation will be successful.

---

### Fact:

When digital transformation initiatives fail, it's often because of underlying cross-departmental hurdles and lack of alignment across the business.

Unlike other types of technology initiatives, digital transformation of the customer experience requires cooperation and collaboration beyond the customer service and IT organizations.

It's important that your digital transformation strategy is in lockstep with the business strategy, with all levels of executive leadership committed.

You can align teams with your transformation strategy and agree on a simple set of metrics to measure success. Here are some ideas about how to do that.

1. Linking organizational teams
2. Seeking executive sponsorship
3. Changing mindsets
4. Connecting technology silos
5. Getting access to data
6. Creating a low-risk sandbox environment

## Success Factors

## How to Achieve Alignment

## Why It Matters

### 1 Linking organizational teams

Internal organizational structures are often the biggest hurdles to customer experience transformation. For example, marketing and customer support may not be working together. To break down the silos, get help from executive leadership to align everyone's objectives to a shared vision of the best possible customer experience.

When departments, such as marketing, understand that digitally transforming the customer experience can help them achieve some of their most important metrics (such as improving retention and increasing revenue), it's easier to build cooperation and communication channels.

### 2 Seeking executive sponsorship

Seek out executive-level sponsorship early on to make sure your transformation of the customer experience doesn't get derailed or defunded halfway through.

Executives are focused on what it takes to achieve and sustain market leadership. Digital transformation of the customer experience is a way to catapult your company to the top of your industry.

### 3 Changing mindsets

Some executives and managers may not believe that the company needs to transform the customer experience digitally. Use customer feedback, demographic data, and industry trends to show that customers want to engage with your brand through digital channels when the experience meets their needs and not resort to calling the contact center.

Many areas of the business are under pressure to control costs. Leaders in these areas may view adding digital capabilities as an additional cost. Showing that digital technologies such as virtual assistants can reduce costs helps them see the benefits of transformation.

### 4 Connecting technology silos

The way large enterprises consume services and technology can be a barrier to agility and innovation. Because disparate point solutions aren't integrated and lack a customer-journey approach, they often fail to deliver measurable improvements. By viewing technology deployments in the context of customer journeys and the desired digital experience, you avoid adding yet another siloed technology.

The IT group worries about integrating systems, providing security, reducing operating costs, and more. Taking a thoughtful approach to connecting technology helps reduce IT complexity and costs.

### 5 Getting access to data

Digital transformation is first and foremost about taking advantage of data to improve the customer experience. Get access and permission to collect, aggregate, and analyze data across customer journeys, regardless of channel.

It's understandable when data "owners" show reluctance to make it available. They could be concerned about the security of the data or the potential impact on the systems that rely on it. Create a plan for collecting and using the data that addresses the concerns of the owners. Show that valuable insights from the data will be shared across the company to benefit multiple areas of the business.

### 6 Creating a low-risk sandbox environment

Digital transformation of the customer experience isn't a cookie-cutter project. Your company must be able to try, fail fast, and learn from the experience. A sandbox or proof of concept can enable that in a relatively risk-free environment.

When something goes wrong with the customer experience, it can impact multiple parts of the organization. Alleviate fear of change by proving the new or enhanced solutions will work as planned in a realistic but low-risk environment.





## CHAPTER 7

# USE BEST PRACTICES FOR BEST OUTCOMES

### Fiction:

You have to reinvent the wheel when it comes to digital transformation.

### Fact:

You can learn from the experiences of other companies about the right ways to transform the customer experience.



65% of customers say that when they are on a website and make a phone call, they want the experience to be connected.”

- [24]7 U.S. Customer Engagement Index  
2016



Following best practices, or the most effective methods and procedures, can take the digital transformation of your customer experience to the next level.

### **Be flexible**

As customer journeys, channels, technology, and the market evolve, so must your digital strategy—sometimes well before you’ve achieved your ideal end state. With an iterative transformation strategy, you’re better prepared to shift suddenly to achieve your objectives.

### **Link web to phone**

You not only need to understand what customers and prospects are doing on your website, you need to also be able to continue that conversation in another channel without making your customers start over. 64 percent of consumers begin their customer service journeys on a company’s website, and 65 percent say that when they are on a website and make a phone call, they want the experience to be connected.<sup>2</sup>

### **Use a coordinated chat and chatbot strategy**

If there are weaknesses in your web channel that cause customers to leave it or abandon shopping carts, a coordinated chat and chatbot strategy can help. With such a strategy, you can improve customer self-service engagement and hand off the interaction seamlessly—and at the right time—to a live agent while maintaining the context of the interaction.

### **Choose a partner with deep industry expertise**

To shorten your time to market and reduce project risk, look for a partner with experience automating the customer journeys in your industry. Using AI and machine learning to accelerate a smart chatbot’s knowledge helps you achieve your goals more quickly.

### **Segment customers to fine-tune the experience**

Within the customer journey, consider designing different experiences for different segments of customers. For instance, if your core customer base includes both millennials and baby boomers, you might achieve better outcomes by choosing different channels for the two different segments for the same journey.

<sup>2</sup>[24]7 2016 U.S. Customer Engagement Index

## CHAPTER 8

# LEARN HOW [24]7.ai CAN HELP

By now, you should understand how digital transformation can deliver real value to your business and your customers. Taking an incremental approach will ease the transformational burden, so too will finding the right partner. Turning to a trusted and experienced partner is one more success factor for digital transformation—one that can help you deliver the best possible customer experience as quickly, easily, and successfully as possible.

When it comes to helping industry leaders in nearly every sector transform the customer experience, no other vendor offers the experience, technology, people, processes, and innovation that [24]7.ai brings to the table. As your partner, [24]7.ai can help you achieve your digital transformation goals.

Take advantage of these capabilities from [24]7.ai:

- Unparalleled insight into discovering, designing, and automating digital customer experiences.
- Software development, delivery, and support.
- Operational integrity and insight; we use our own technology on behalf of clients.
- Proven ability to augment and extend existing technology.
- An outcomes-based pricing model demonstrating our commitment to help clients reduce costs and increase sales.

Want to learn more about the technology redefining the customer experience world? Read our executive primer “Your Best Agent Is a Chatbot” and learn everything you need to know about chatbots for customer engagement. [Download your copy here.](#)

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## About [24]7.ai

[24]7.ai is redefining the way companies interact with consumers. We help you attract and retain customers, and make it possible to create a personalized, predictive, and effortless customer experience. For more information, visit: [www.247.ai](http://www.247.ai)