

CONSUMERS AND AI

Consumers are embracing Artificial Intelligence (AI) and will reward organisations that offer more human-like AI experiences. Excerpts from a Capgemini report...

Artificial intelligence (AI) is giving customer experience a shot in the arm. Organisations are increasingly adopting conversational chatbots for providing customer service. Airports around the world are investing in mobile androids that help travellers with directions. Hotels are experimenting with voice-assisted in-room controls. Organisations are using this technology to achieve a range of business goals, such as: influencing sales, boosting operations, driving customer engagement, and generating insights.

New research from Capgemini's Digital Transformation Institute has revealed that artificial intelligence (AI) is no longer alien to consumers, with close to three-quarters (73%) indicating they have interacted via AI, and 69% of those who have used AI being satisfied with those interactions. The report reveals that 55% of consumers prefer interactions enabled by a mix of AI and humans, and 64% want AI to be more human-like. These human-like qualities can generate significant goodwill and drive a greater propensity to spend for nearly half (48%) of consumers. However, many organizations are failing to take consumer pain points and preferences into account when

applying AI technology to their customer experience (CX), focusing more on traditional metrics such as the cost of implementation and expected return on investment (RoI).

The report, which surveyed 10,000 consumers and over 500 companies across 10 countries, found that 63% of AI-aware consumers like AI because of its 24/7 availability and how it provides greater control over their interactions. Con-

sumers are also opening up to the possibility of digital alter egos - 48% say that the opportunity to be able to delegate tasks to an electronic personal assistant is exciting, with another 46% believing it will enhance their quality of life.

CONSUMERS WANT HUMAN-LIKE, NOT HUMAN-LOOKING AI

Consumers' growing comfort in using AI is also increasing their reassurance in AI having human-like



attributes. More than three in five consumers (62%) are comfortable with human-like intellect. Nearly half (49%) say they would have a higher affiliation to a company if their interactions enabled by AI were more human-like. Surprisingly, this preference transcends generations. Across all age groups between 18 and 55+ years, consumers prefer interactions to be enabled by a mixture of human and AI.

However, customers want their AI to be heard, and experienced, but not seen. While they are keen for AI to have a human-like voice (62%) and the ability to understand human emotions (57%), physical features are deemed 'creepy'. Over half (52%) of customers are not comfortable when AI is set up to look like a per-

Did you know?

55% of consumers prefer interactions enabled by a mix of AI and humans, and 64% want AI to be more human-like. These human-like qualities can generate significant goodwill

RECOMMENDATIONS

How should organizations augment their customer experience processes for an AI world?

Ensure that consumer concerns form the basis for AI initiatives: *Front-Runners keep their consumers at the center of their AI initiatives, as opposed to the other organizations that are more focused on factors such as cost and RoI.*

Make AI-first a strategic priority: *An AI-first approach makes AI a core part of a service, and not an afterthought. Or as technology giant Google sees it, it takes the organization's role beyond informing and into executing and assisting.*

Scale up AI-enabled interactions globally: *Air France-KLM's Claire Charbit. "And, in AI, scale will matter. It is fine to start small, but if we really want to make it a part of our process and really a part of our industrial model, it needs to be scalable."*

Keep the customer informed: *In AI interactions, consumers want to be aware when they are being targeted with products or services. They want know during customer targeting, during product/service recommendations from companies, while engaging with companies: pre-purchase, during purchase, and post-purchase and while being protected and authenticated by companies.*

Align incentives to encourage greater use of AI-enabled interactions: *On an average, more than seven out of ten consumers expect incentives in the form of better deals/offers and priority services.*

son. The report also finds that two-thirds of consumers (66%) would like to be made aware when companies are enabling interactions via AI.

BUSINESSES FAIL TO PRIORITISE CUSTOMER EXPERIENCE WHEN IMPLEMENTING AI

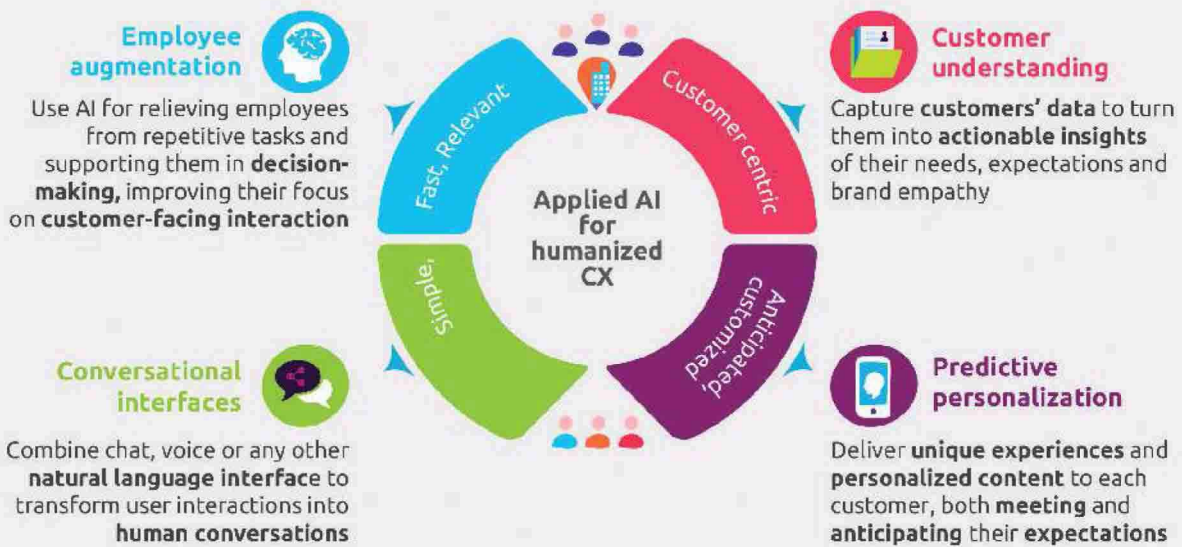
Despite consumer appetite for AI-powered customer experiences, businesses are prioritising traditional metrics over customer preferences. The report found that 62% of organizations are prioritizing cost and

59% of organizations are prioritizing RoI as the most important factors when implementing AI technology. Just 7% of organizations rank solving known consumer pain points, and 10% rank impact on customer experience as important factors in implementing AI-enabled use cases. That is a clear oversight, details the report, given that consumers are willing to spend more when the experience is positive. The report found that 38% of shoppers have purchased more following a good

Five angles to deploy AI in customer experience

Based on our extensive experience with clients, we have developed a framework for how organizations should build out their AI in CX initiatives (see Figure 18).

Figure 18 Enable a personalized, predictive, real-time and frictionless customer experience



Source: Capgemini Applying AI to CX framework.

AI-enabled experience, with a quarter increasing their spend by up to 10%. In addition, AI-enabled interactions also foster more loyalty to and higher trust in the company.

Mark Taylor, Chief Experience Officer, Digital Customer Experience Practice, at Capgemini said, “It is somewhat ironic that natural language processing and machine learning provides organizations with the opportunity to build deeper, more human relationships with their customers. By focusing their AI implementations to reimagine, streamline and simplify customer in-

teractions, organizations can boost customer spend and loyalty. To see the biggest bottom-line boost, firms need to make both artificial intelligence and customer experience a strategic priority.”

CONSUMERS WANT TRANSPARENCY IN AI BY DESIGN

While consumers want AI to be human-like in terms of interaction, they want to know when they are talking to an AI-enabled system and not a human. The report found that two-thirds of consumers (66%) would like to be made aware when companies are enabling interac-

tions via AI. Of all the countries surveyed, this need for transparency was felt most acutely by consumers of India and Spain with more than three in four expecting to be made aware of AI-enabled interactions.

Furthermore, an overwhelming 80% consumers expect companies to ensure transparency in treatment and use of data collected, in order for them to prioritize interactions enabled by artificial intelligence. 🤖

Excerpted from The Secret to Winning Customers' Hearts with Artificial Intelligence: Add Human Intelligence by Capgemini.