Welcome to Our Webinar!

Customer Engagement 2019: Trends, Predictions & Priorities

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For viewing on a mobile device WebEx recommendations are here http://bit.ly/2FVZVa9
Featured Speakers

Ian Jacobs
Principal Analyst
Forrester Research

Marina Kalika
Senior Director, Marketing
Nuance Communications

@ianjacobs
@KalikaMarina
AI tech advancements raise the bar for service.
An AI adoption tsunami

What are your firm's plans to use the following analytics technologies? (Artificial Intelligence)

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don't know</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Not interested/no immediate plans</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>Planning to implement within the next 12 months</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td>Implementing, implemented or expanding</td>
<td>40%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Base: 2094 and 2106* data and analytics decision-makers
Source: Forrester Data Global Business Technographics® Data And Analytics Survey, 2016 and 2017
The tsunami has many components

- Speech-driven advancements
- NLU
- Text-to-speech
- Voice biometrics
- Machine learning
- Deep neural networks

Broader AI-driven advancements
Customer experience-focused tools are critical building blocks

Which of the following building blocks is your firm likely to use or using for AI? (only top technologies shown)

- Decision management: 26%
- Machine learning platforms: 26%
- Image and video analysis: 25%
- Deep learning platforms: 25%
- Virtual agents: 25%
- Speech recognition: 24%
- Speech analytics: 24%

Note: Not all options shown
Base: 1,476 data and analytics decision-makers at firms using or planning to use AI
Source: Forrester Data Global Business Technographics® Data And Analytics Survey, 2017
AI, for real

1. Use AI for the right business objectives
   \[ \text{25\% reduction in online support costs} \]

2. Understand how customers want to interact
   \[ \text{VA/chatbot volume increased by more than 50\%} \]

3. Differentiate your chatbot – make it yours
   \[ \text{15\% reduction in calls to contact center} \]

4. Always enable a way to continue
   \[ \text{Each $1 spent = $24 in incr. lifetime revenue} \]

5. Never stop optimizing
   \[ \text{75\% increase in automation} \]
Recommendations

› Don’t adopt AI for AI’s sake, build a compelling business case first.
› Determine which pieces of AI will actually serve those needs—you don’t need to adopt it all at once.
› Understand how customers want to interact – leverage your data!
› Never deploy automation in a silo.
› Build resources for continuous improvement into your plan from Day 1.
A chatbot backlash is coming.
Which of these statements best describes your current approach to chatbots and conversational AI?

- We’ve implemented a solution, but it isn’t really living up to expectations
- Execs are demanding we have a strategy, but we don’t know where to start
- We’re still working on the business case and/or trying to secure budget
- We’re building a solution now, and it’ll be ready in the next 6-12 months
- We’ve defined our strategy, but we haven’t built anything yet
- We’ve implemented a solution that’s delivering great results for our business
- Not sure
When was the last time you’ve had a great customer service experience with a chatbot?
Chatbots (even *good* ones) frustrate users.
We expect chatbots to disappoint

Source: Forrester Analytics Consumer Energy Index Online Survey, US Consumers 2018
The last time there was widespread dissatisfaction with customer service automation, consumers took matters into their own hands...

Screenshot of gethuman.com from April 24, 2006
gethuman redux is coming.

Source: Wikimedia Commons
Blending humans and chatbots will be key!
Leveraging AI in the contact center

- Seamlessly transfer within the same channel
  - Skill based routing
  - Customer prioritization
  - Fraud & troll detection

Virtual Assistant conversation
- Real-time course correction
- Sentiment detection
- Feedback loop

Optimization
- Initial and ongoing automated conversation training data source

Live agent conversations
- Recommendation of content, tools, & actions
- Customer authentication
- Agent training
Recommendations

› Assume that your chatbots will fail regularly.

› Avoid replicating “IVR hell.”

› Allow your customers to seamlessly get to a live agent with minimal friction.

› Pass context from the chatbot to those agents: customer’s intent, what caused the handoff, etc.
Computers are finally meeting us on our terms – through human voice.
Adoption for voice assistants (VPAs) is rising and ushering in the age of voice.

The number of US households with smart speakers will grow at a CAGR of 34% between 2017 and 2022.

21% in 2018 → 50% in 2022
4 out of 5 adults in the U.S. have engaged with an Alexa device

Amazon, 2018
More than 100 million Alexa-powered devices

Amazon, 2019
The evolution of voice engagement

Customers want

Modern Voice – NLU everywhere
- NLU extended into tasks for open dialogue
- Seamless omni-channel support
- AI-driven conversations
- Enhanced prediction and proactive engagement
- Ontology-based semantic modeling

Past

Future

Customers get

Directed dialog
- Reactive/responsive
- Deep menu trees
- Lengthy task completion due to serial nature of flow

Natural Language Understanding
- NLU streamlines call routing up-front
- Customer input-driven
- Optionally enhanced with rules-based proactive notifications

Touchtone
The Modern Voice experience

**Intuitive**
Understands what was said, by whom, and what it means

**Conversational**
Engages the user in an intelligent conversation to accomplish the task

**Personalized**
Tailors the interaction based on what is known about the user

**Predictive**
Predicts why a customer calls and offers proactive assistance, providing information and enabling action

**Consistent**
Creates a seamless experience across channels and time
Recommendations

- Digital hasn’t killed voice; it’s made it more important than ever.

- Not all voice bots are created equal—if you’re building enterprise-grade apps, use enterprise-grade speech.

- Understand the difference between telephony/IVR speech and device-based voice. Your customers do not use them in the same way.

- Voice provides the ideal environment for personalization, so plan for integrations into other systems to provide the required data.
Fraudsters become more sophisticated in targeting contact centers.
Security and CX co-exist, but not always easily

- Consumers want friction-free experiences
- Security often *demands* intentionally inserting friction into processes
- Striking the balance between these demands will take a lot of planning, creative thinking, design, and education
The mandate: **Seamless authentication and fraud prevention**

Jennifer Smith
Seamless authentication

Mark Henderson
Behind bars for attempted fraud
Customers stay constant across time –
But channels, locations, devices will not

- 20 Digital Devices
- 9 Channels
- 12 Phones
- 240 Interactions
- 3 Addresses
Nuance delivers

99% authentication success rate

Industry leading biometric authentication

90% detection of fraud attempts

Industry leading fraud prevention

85% automation of manual authentication processes

Industry leading operational savings
Recommendations

› Make biometric-based authentication AND biometric-based fraud prevention an integral part of your fraud prevention strategy.

› Don’t leave a back door open to fraudsters—protect all customer care channels with biometrics.

› Design a biometric approach to fraud prevention which allows you to identify a fraudster across time, no matter what device they use, where they are located, or what channel they use.

› The best fraud prevention approach includes both people and technology!
DIY and API-driven approaches are hot right now.
Let’s unpack that approach, however…

**Clear pluses**

- Agility
- Speed
- Lack of ongoing vendor involvement
- Potential to use one technology stack for multiple uses
- Lower costs—at least upfront, anyway

**Less clear…**

- Resources
  - Do you want to fight the talent wars for AI experts?
  - Do you have designers? Do you want to in the long term?
  - Do you have folks who understand the art of dialogue? Do you want to hire screenwriters?

- Continuous improvement
  - Ongoing maintenance of AI requires hands-on commitments. Ready for that?
AMC Theaters. Welcome back Dan! How can I help you today?

What time is Civil War playing at AMC Mercado?

The next showing of Captain America Civil War at AMC Mercado, in San Jose, California, is at 8:10pm.

Are there other shows after that?

There are two additional showings today, at 10:10pm and 11:30pm. Do you want me to look for show times at nearby AMC Theaters?

No, but I’d like to buy 4 tickets for the 10:10 show.

You’d like 4 adult tickets?

Yup

All set! I’ve booked 4 adult tickets for the 10:10 showing of Captain America Civil War at AMC Mercado. Tickets will be held for pickup at the theater. You now have a balance of 12,400 AMC Stub Reward Points. Enjoy the movie!

What’s the weather today in Boston?

It is 75 degrees and sunny today with a chance of a thunderstorm this afternoon.

Great!
A lot of people can do this but it is only 15% of the effort.
Nuance delivers the full 100%

True Enterprise Grade

Dialog Management

Optimization at Scale

Testing

Customization

the other 85% of Effort

Bot
Basic

NLU
Prebuilt Data

TTS
Prebuilt Prompts

Ontology
Intents, Concepts

ASR
Prebuilt Data

15%
Recommendations

› Ask yourself these critical questions to determine if you “have what it takes”:
  • Do you have designers who understand the art of dialogue?
  • Do you have the ability to continuously improve? Deliver ongoing maintenance?

› Avoid stranded investments and siloed applications.

› Partner with a vendor that will work with you over time to not only create the customer engagement experience but to continuously optimize it after initial deployment.

› Remember the expression “you get what you pay for” is an expression for a reason!
The Nuance difference
AI-powered omni-channel customer engagement

These, backed by cognitive engines and human assistance enable easy, effortless outcomes throughout the customer lifecycle.
Rich intelligent engagement product portfolio

Digital
- Virtual Engagement
- Live Engagement
- Proactive Notifications

Voice
- Conversational IVR
- Speech Engines
- Dialog

Security
- Identification & Verification
- Fraud Prevention
- Anti-Spoofing

Analytics
- Customer Engagement
- Application Performance
- Agent Performance Management
Powering major brands
It’s rare to go a day without using Nuance products and technologies

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<thead>
<tr>
<th>Telecommunications</th>
<th>Financial Services</th>
<th>Healthcare</th>
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<td>e*TRADE</td>
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<th>Travel</th>
<th>Government</th>
<th>Utilities &amp; Retail</th>
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<td>Duke Energy</td>
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<td>IRS</td>
<td>Coca-Cola</td>
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<td>Exelon</td>
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## Delivering tangible results …

Across all major industries

<table>
<thead>
<tr>
<th>$16 million</th>
<th>Increase in revenue with live chat for a travel &amp; hospitality company</th>
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<tbody>
<tr>
<td>$25 million</td>
<td>In annual cost savings with conversational IVR for a wireless service company</td>
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<tr>
<td>$3 million</td>
<td>In savings per year with conversational IVR for an airline company</td>
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<tr>
<th>11K</th>
<th>Live agent calls eliminated per day with IVR for a multinational courier delivery company</th>
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<tbody>
<tr>
<td>$6.6 million</td>
<td>Additional revenue per year with chat-assisted orders for an insurance company</td>
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<tr>
<td>$19.2 million</td>
<td>In net benefit per year with proactive notifications for a leading cable provider</td>
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<tr>
<th>$24 million</th>
<th>Cost savings for a global bank with Nuance Security Suite over three years</th>
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<tbody>
<tr>
<td>10 month</td>
<td>Payback period with voice and behavioral biometrics for a global bank</td>
</tr>
<tr>
<td>$1.6 million</td>
<td>Yearly savings with conversational IVR for a multinational courier delivery company</td>
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<th>191%</th>
<th>Proven ROI with voice biometrics for a global bank</th>
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<tbody>
<tr>
<td>&gt; $1 million</td>
<td>Call deflection savings with live chat in 90 days for an insurance company</td>
</tr>
<tr>
<td>$1M +</td>
<td>In annual savings with voice biometrics for a European bank</td>
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</tbody>
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Thank you!

Reach out for more information: cxexperts@nuance.com