AT YOUR SERVICE
EMBRACING THE DISRUPTIVE POWER OF CHATBOTS
IMPACTING HOW COMPANIES RUN, COMPETE AND THRIVE, AND ELEVATING THE CUSTOMER EXPERIENCE TO NEW HIGHS, ARTIFICIAL INTELLIGENCE (AI) WILL TRANSFORM BUSINESS ACROSS ALL INDUSTRIES TO AN EXTENT NOT SEEN SINCE THE INDUSTRIAL REVOLUTION.

The potential of these new technologies is enormous. Accenture research reveals that by 2035, AI will double economic growth rates in 12 developed countries and, and boost labor productivity by up to 40 percent.1

More and more companies are harnessing the power of these new technologies today. Take “chatbots”, for example. A wide and growing range of special-purpose intelligent bots are driving a shift in how products and services are designed, delivered and consumed.

We’re seeing companies use them to engage with both established and potential customers via messaging platforms, enabling in-message purchases and other calls to action as they do so. And within the business itself, bots are being deployed to bring unprecedented operational efficiencies by augmenting human capabilities.
MESSAGING DRIVES
THE CHATBOT CHARGE

A chatbot is a digital service that can hold natural-sounding conversations with human beings with the aim of accomplishing particular tasks, such as answering questions or enabling product purchases. Powered by a set of simple rules and varying degrees of AI, these bots converse with real people via messaging apps such as Facebook Messenger and Telegram.

And those conversations – and the platforms which support them – are now key for consumers. Not so long ago mobile applications and social media presence were the must-have capabilities for any forward-looking brand. But texting has continued to be a staple of mobile communication. And now consumers, and younger age groups in particular, are rapidly switching their attention to messaging platforms.

Messaging apps now have the largest numbers of active users, having overtaken social media apps in 2015. For example, Facebook Messenger has a one billion-strong user base, while Telegram’s is already over 100 million (worldwide, over 50 million people spend an average 50 minutes a day on messenger apps³). Able to exploit the network effects of their platforms, these apps have far better retention, too: 12 months after download, they show a retention rate almost six times higher than the average for apps³.

As fewer and fewer other types of app are downloaded – nearly three-quarters of all smartphone users download fewer than three apps each month, and almost half download nothing at all – brands are coming to realize that the app business is a tough business. The good news? The consumer shift towards messaging platforms, and the new functionality those platforms are offering, can present extraordinary new opportunities for business. And chatbots are going to be an essential component in exploiting them.
We know that nine out of 10 consumers globally want to use messaging to interact with businesses. And in customer support, as the telephone loses its primacy as the preferred channel of communication, mobile apps, social media and web chats are taking over. This shift points to an explosion in the global market for chatbots. Already estimated at over US$1 billion, the market is forecast to be worth US$1.86 billion by 2020 and is set to triple in size in a decade.

Few sectors stand to benefit so much from chatbots as the travel industry. Faced with unprecedented competition from traditional rivals and disruptive new entrants, airlines, airports and hospitality companies urgently need to grow their business across a shifting and increasingly demanding (and connected) customer base. To stand out from the crowd, they also need to provide excellent customer service.
Chatbots can bring travel companies game-changing opportunities for rethinking the passenger experience and developing new channels of customer interaction in three key areas:

**REDUCING STRESS**

The travel experience can be very stressful. Of course, parts of the journey are enjoyable, but certain stages can be the exact opposite.

Late for their flight, an airline customer needs to know how long they’ll have to queue to pass through security. Arriving at their destination, they’re unsure where to change money, pick up a taxi or meet their driver. Or at the hotel, they’re finding it hard to locate the best neighborhood restaurants, or access certain in-room services. At every point, chatbots can be used to minimize stress. Because most people already have a messaging app downloaded on their smartphone, they’re close at hand. And they’re available 24/7. There’s no need to make a call and wait in line for customer service.

**INSTANT RESPONSE**

Customers are become increasingly demanding.

They expect their travel company to be instantly available in all the micro-moments that matter throughout their journey. And if they’re not, they quickly become frustrated. If that means responding to a query at 3am, it’s obviously much more efficient for the travel company to do so via a chatbots, rather through a 24/7 call-center.

**EXTENDING THE SERVICE**

By using chatbots, companies can extend their footprint across the traveler’s journey.

With open APIs, it’s easy to create a vertical platform for linking to additional services (Airbnb or Uber, for example) from a vertical platform.

Accenture is already working with its partners in the industry to leverage the opportunities that chatbots offer. A great example is Carla, a Facebook Messenger chatbot that we developed recently for Avianca Airlines.
This technology is truly breakthrough in the range of opportunities it creates, but if chatbots aren’t providing customers with relevant conversations, their usefulness is rapidly destroyed (and customers will simply delete them).
A SIMPLE FIVE-POINT
CHATBOT STRATEGY

Chatbot services have enormous potential. But, as with any new technology, companies need to carefully consider what implementation challenges might lie ahead. Here are five proposed principles to keep in mind in getting started:

1. **Don’t get lost in the crowd.** As the number of chatbots is set to explode, how do you ensure yours stands out? What are the discoverability issues? What makes your service essential compared with your competitors?

2. **Don’t misunderstand your customers.** Ensuring simple interactions and simple tasks are completed seamlessly is critical. Customers will quickly turn away from chatbots that can’t comprehend straightforward questions. But even the most advanced chatbots will encounter some complex scenarios they won’t be able to handle. What are your fallback procedures when this happens? How quickly can you shift customers to a human interaction?

3. **Keep it simple.** Completing a task through a chatbot inevitably requires greater effort from your customers than simply clicking or tapping through a menu on a website or app. So, chatbot interactions need to be as efficient, short and painless as possible. New user experiences will be required.

4. **Keep it consistent.** Customers expect a seamless experience across all communication channels. A chatbot service needs to be fully integrated into your mobile and web services. What dependencies does your chatbot service have? What new communication paths and protocols need to be established?

5. **Keep it secure.** As with all customer-facing technologies, privacy and security are critical. Customers won’t use services they don’t trust with their data. Security issues should be front of mind from the outset.
WILL YOUR INDUSTRY BE NEXT?

Of course, the rise of chatbots isn’t limited to travel companies. Their disruptive power is set to be seen more widely across all industries. There are three areas in particular where businesses can feel the impact of chatbots:

1. **Customer interactions at twice the speed and a fraction of the cost**
   Companies are under pressure to reduce the cost of customer service. Labor currently makes up nearly two thirds of the total costs of call center operations. And with high staff turnover bringing additional expenses, enterprises are looking for solutions to increase efficiency and reduce the volume of calls handled by their staff. Chatbot-based customer support has the potential to be almost twice as fast as voice-based support over the telephone. And it will come at a lower cost.

2. **Helping your sales and marketing teams work faster and more effectively**
   Chatbots are beginning to impact sales teams and marketing campaigns. Take Kit, the business-facing virtual marketing assistant recently purchased by Shopify. It leverages messaging platforms to help companies market their online stores. It’s capable of sending email campaigns, posting updates, and running ads on platforms like Facebook and Instagram.

   GrowthBot is another example. It’s a sales and marketing chatbot that professionals can interact with on Slack and Facebook Messenger, as well as through SMS and social media. It uses Wit.ai’s natural language technology to answer general questions about people, brands and technologies, and connects to tools like HubSpot and Google Analytics to reply to web-traffic queries and other business-specific questions.
3. Automating business operations for visible efficiency gains

Business functions are also set to be disrupted in the chatbot age. Wanda is a digital assistant from enterprise software-maker Unit4 which can complete timesheets and edit other basic paperwork. It can be programmed to carry out multiple follow-on tasks triggered by any event. So, for example, a request for leave submitted by an employee can trigger a calendar invitation to a meeting with a line manager.

And Mya is an AI recruiting assistant from FirstJob which can automate up to 75 percent of a company’s screening and qualifying processes. It engages with candidates over messaging platforms, asking contextual questions relating to job requirements, and offering personalized updates, feedback and next-step suggestions. Mya is estimated to improve recruiter efficiency by 38 percent and candidate engagement by 150 percent.
Remember, chatbots are still in their infancy. New capabilities and opportunities are sure to emerge. Some messaging platforms already offer voice recognition, in-message purchases and other functionality. New chatbot marketing strategies will appear. And integration with connected home devices like Amazon Echo and Google Home, as well as other components in the IoT, won’t be far away.

Using machine learning, we’ll see more sophisticated chatbots developed that can learn about users, based on existing conversations and all the other data held on that individual within the business. An airline customer, for example, might ask about available flights to Madrid three months ahead. Nearer the likely travel date, the chatbots would use that information to initiate a relevant conversation and prompt a booking.

Exciting developments will also come from techniques enabling chatbots to “plug” augmented reality into the conversation. A traveler making a hotel booking, for instance, could use this to inspect rooms before making their selection. Or once at the hotel, they could use this application to explore the neighborhood and check out local restaurants.
GETTING STARTED WITH CHATBOTS

The Accenture Mobile Apps Studios are part of a network of design studios to help clients develop and deliver disruptive innovations, and to scale them faster.

In a co-located studio environment, clients have access to the latest technologies and can use the established processes, tools and infrastructure needed to rapidly ideate, design and prototype solutions ready for deployment.

In addition, Accenture’s XaaS framework is a set of modular and intelligent business services that can be plugged into disparate back-end services. These components can be leveraged to develop a bot controller for dispatching messages and user requests between a messaging server and back-end business applications. The controller uses artificial intelligence and natural language processing to infer the meaning of user requests.

The proposition is vendor agnostic, so leading-edge solutions can be leveraged for both front-end messaging and back-end cognitive engines. The XaaS framework enables chatbot services to be easily integrated with other business services (location, notification, access management, for example). The solution offers faster time to market and can be configured for industry-specific requirements.

In this fast-moving technology landscape, decisions will be driven by a sense of experimentation, analysis and learning. The market is forming and will continue to evolve. There are still competitive advantages for companies agile enough to move quickly and capture them.
REFERENCES


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