

**Transcom**

# **Virtual agents in customer service**



# Customer service is changing

**Virtual agents are becoming increasingly relevant in the customer interaction space**

Rapid advances in artificial intelligence (AI) are set to revolutionize business, as we know it today. It is merely a question of time before allocation of human resources, communication, decision-making, and business outcomes will be supported by, or even displaced by cognitive technology. As part of this, virtual agents are becoming increasingly relevant in the customer interaction space. In Transcom, we see this as an exciting opportunity to take customer service and experience to the next level.

Increasing reliance on digital channels, hyper-connectivity and mobile devices is also driving the adoption of virtual agents. By 2020, we expect 30% of customer interactions to be digital<sup>1</sup>, with live chat and messaging gaining relevance as important service platforms. Convenience becomes

a hygiene factor, especially for Millennials, who expect multi-channel options, seamless experience, and flexible service hours. More than three quarters (77%) of consumers say that valuing their time is the most important dimension for companies aiming to provide good customer service, according to Forrester Research<sup>2</sup>. In parallel, booming cross-border e-commerce (30% CAGR towards 2020) is increasing service complexity with the emergence of geographically dispersed and multi-lingual customer bases<sup>3</sup>. Without support from virtual agents, customer service will become more demanding, more resource intensive and certainly much more expensive.

In CRM, a virtual agent is a computer software providing customer service to resemble human behavior utilizing artificial

intelligence. Virtual agents are already working side-by-side with human agents, introducing new possibilities, increased flexibility, and more efficient contact handling.

Transcom's virtual agent offering can support customer service providers on their digital transformation journey; quickly realizing the benefits of new disruptive technologies. Whether you are looking for cost improvements from virtualization of simple high frequency interactions or quality improvement from augmenting human agent performance, Transcom will provide a solution for you. By leveraging our extensive customer service experience, customized solution advice and dedicated implementation support, we can play a fundamental role in securing your success with virtual agents.

<sup>1</sup> A.T. Kearney, 2016.

<sup>2</sup> Trends 2016: The Future Of Customer Service, Forrester Research, 2016.

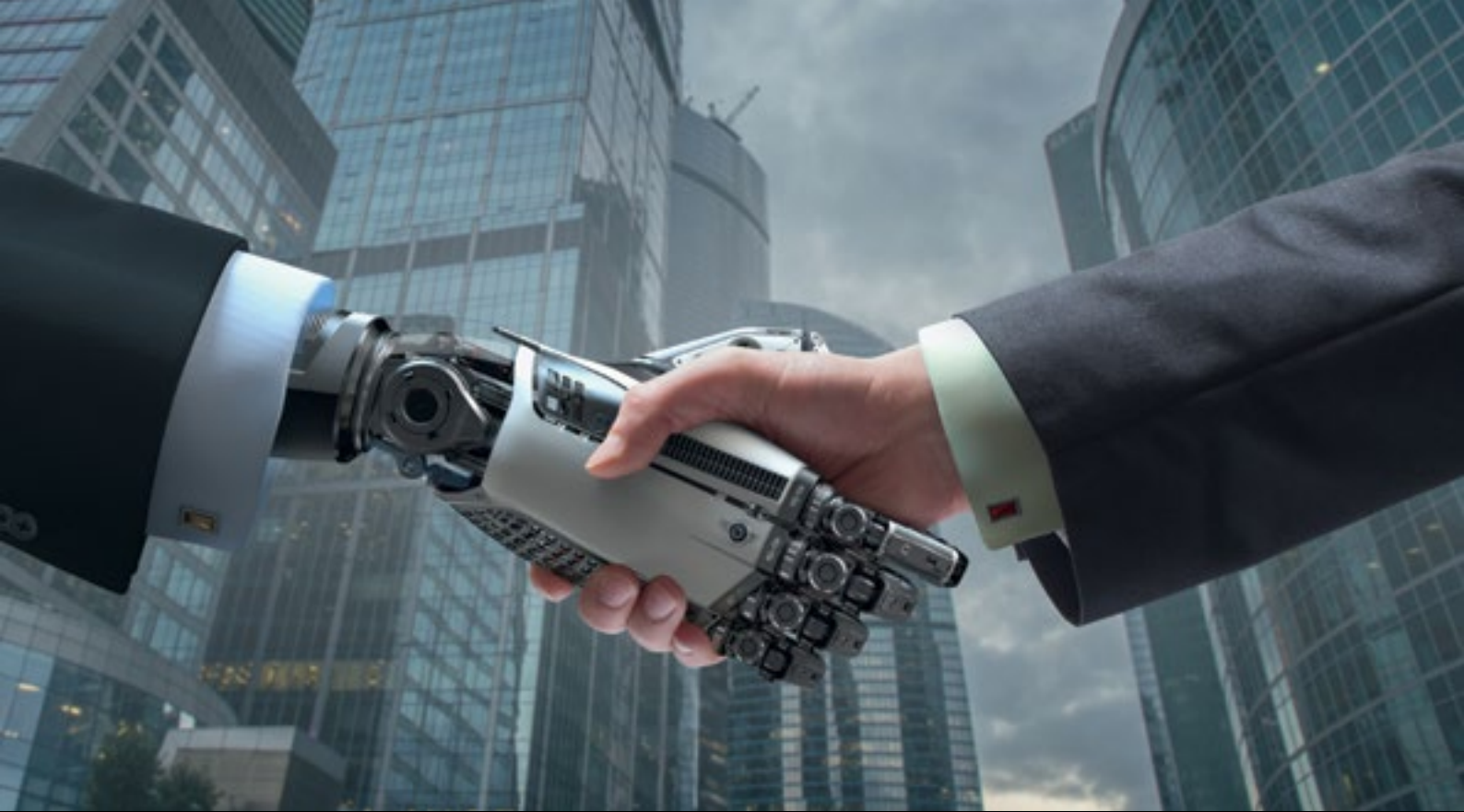
<sup>3</sup> Cross-border eCommerce Analysis, Accenture, 2014.





# What are the main challenges?

Customers are posing new requirements on customer service, lack of clarity and direction in the digital transformation agenda, uncertainty as to where and how to deploy, and concerns about the impact on brand reputation can potentially delay implementation and limit the benefits from virtual agents. Transcom can help you overcome these challenges and ensure a successful outcome.



#### **New customer requirements**

Customer requirements are changing faster than ever. It is easy to get stuck in discussions on how to meet growing demand for multichannel options, seamless customer experience, flexible opening hours etc. Lack of a broad set of experience across industries and geographies makes optimal decision-making difficult and delays implementation of virtual agents in companies today.



#### **Defining how virtual agents fits into digital transformation**

Artificial intelligence is a “trending topic” and offerings are often vague and without any real differentiation, according to the research firm Gartner. It can be hard to understand how virtual agents are best integrated with current channels, customer journeys, CRM, and other legacy systems. Furthermore, the vendor landscape is quite diverse with both well-established and emerging vendors offering solutions. Selecting the right technology platform aligned with functional and technical requirements is key.



#### **Uncertainty to where and how to deploy virtual agents**

There are many possible application areas for virtual agents, which often come with bold promises on how they will revolutionize your customer service. When taking the first steps, you need to consider solution maturity, what interactions to focus on initially, and how to ensure a quick, sustainable and financially-viable transition. A vital prerequisite is the creation of a solid operating structure where virtual and human agents are effectively managed and can constantly improve through cooperation. Deployment uncertainty needs to be minimized through a structured plan and approach.



#### **Brand reputation concerns from unexpected virtual agent behavior**

News of a mismanaged customer interaction in the digital space will spread much faster than in traditional voice channels, as the customer can share screenshots with friends and contacts. This can cause significant damage to the brand reputation, which often leads to curbs in the use of virtual agents for direct engagement with customers. Furthermore, developing a virtual agent personality and communication style consistent with your brand image can be challenging, if you lack the right experience.

Any company that doesn't address these challenges risks running into more serious consequences going forward. As the market rapidly deploys and develops virtual agent capabilities, the traditional human based proposition will gradually fall behind, both in terms of cost, quality and customer satisfaction.

# Transcom's solution

Every company is unique. There are different requirements from the industry they are operating in and from the customers they serve. Companies have individual and distinct business objectives and different levels of experience from working with virtual agents. Finally, the ambition levels of deploying virtual agents differ significantly across companies. We have realized that there is no one-size-fits-all virtual agent solution. We invest sufficient time in a pre-phase to understand our clients' needs and ambition levels before deciding on the optimal virtual agent solution.

Our virtual agent offering is split into two different solutions:

## Virtual Agent Assistant (VAA),

which helps human agents extract the most relevant information from the knowledge base and proposes answers leading to an optimal outcome.

### Augmenting agent performance (Transcom's Virtual Agent Assistants)

- **Capture relevant data and prepare agent before human interaction starts**  
To provide a better understanding of the situation e.g. customer ID, call reason, sentiment etc.
- **Provide contextual information and simple response templates from internal databases**  
E.g. data on previous interactions and outcomes, products/subscriptions or eligibility for new services.
- **Suggest optimal response patterns to help agents drive preferred outcomes**  
Either from scripts or built on statistical data suggesting correlations between response & outcome.
- **Feed value-adding recommendations based on customer foresight**  
E.g. "next best option/activity" to proactively prevent future interactions or increase sales conversion. Not related to the initial call reason.

## Virtual Customer Assistant (VCA),

which provides autonomous support to your customers in selected channels across selected topics. Typically VCA is implemented as chat bots, but will most likely migrate into voice channels, as the technology matures.

### Automating interactions (Transcom's Virtual Customer Assistants)

- **Automate frequently asked questions**  
Virtual agents can interpret a request, scan for the relevant information and generate well-articulated answers.
- **Automate extraction of customers' account information**  
Virtual agents can autonomously support customers in obtaining account information, purchase orders status, available product upgrades etc.
- **Guide customers through business processes**  
Help customers navigate on screen for shopping check out, password reset, filling out forms, etc.

The two solutions can be implemented either separately or in combination. A common sequence is to start with a VAA to test and refine the solution before moving into a customer-facing environment. We also provide human-based support in combination with virtual agents. This will enable you to offer a seamless handover between virtual and human agents across channels.

# Our approach

Transcom follows five principles to make sure that implementation maximizes the benefits.

- **Business case driven**

A strong business case model will help to secure benefit realization. Stakeholders should be able to monitor investments, running costs and the benefits realized over time (quantitative and qualitative).

- **Vendor neutral**

Navigating the technology vendor landscape requires both market insight and understanding of the objectives at hand. Our experience of working with different vendors helps you take the right decision in line with your specific needs and objectives.

- **Focused on speed and impact**

We conduct careful analysis of the opportunity space and focus efforts on where you can maximize benefits with a balanced resource allocation. We aim for a minimum viable product in high priority areas, before scaling up to realize benefits across your customer service organization.

- **Doing it properly**

We invest time up-front in process redesign to enable optimal performance of the virtual agent. We believe in getting the basics done correctly to create a foundation from which virtual agent deployment can be scaled. Doing the implementation correct the first time will save significant amount of time for future implementations.

- **Dedicated to knowledge sharing**

Working side-by-side with client resources is a requirement in our delivery model. This approach helps us to employ internal perspectives and guidance in the process, while enabling your employees to drive further development without being fully dependent on support from Transcom.

As the solution becomes operational, Transcom will ensure the right operational structure is in place to monitor and improve your deployed virtual agent solution.

## **Business managers and team leaders**

A virtual agent should be managed as any other agent. In a given set-up, this means business managers and team leaders will be responsible for both human and virtual agents. Typically the same operational KPIs are applied, quality is monitored and improvement areas are identified and implemented. Achieving this mode of operation requires business managers and team leaders to be trained and to adapt to new ways of working.

## **Virtual agent support team and IT**

A centralized virtual agent support team is required to assess the virtual agent performance and conduct quality meetings with service managers and team leaders, especially in the transition phase. This supports broader capability building, ensures improvement opportunities are shared, service levels are monitored and that actions are made to secure operational improvements. The virtual agent support team has close collaboration with the IT organization and conducts day-to-day updates and issue resolution.

# Benefits of implementing virtual agent solution

In our experience, virtual agents can reduce overall customer service costs by up to 20%\*

Deployment of virtual agents in contact centers will undoubtedly bring significant benefits. Most evidently, costs can be reduced, either by improving human agent efficiency or by replacing humans in certain functions. Virtual agents also allow human agents to focus on quality in high value interactions and eliminate human errors in more transactional requests. Clever deployment of virtual agents can also improve customer experience. Positive effects range from more flexible opening hours and lower response times, to more customized responses based on better leveraging of customer data and contextual information.

**In our experience, virtual agents can reduce overall customer service costs by up to 20%\***, primarily through reduced call volumes, improved call duration, and reallocation of human resources. These savings are typically achieved by:

- Fully automating select interactions.
- Applying virtual agent analytics capabilities in performance management.
- Accelerating capability development for improved agent efficiency.
- Limiting the need for multilingual capabilities (when virtual agents handle first line).
- Reducing average handling time.

**Virtual agents will improve your customer experience** through:

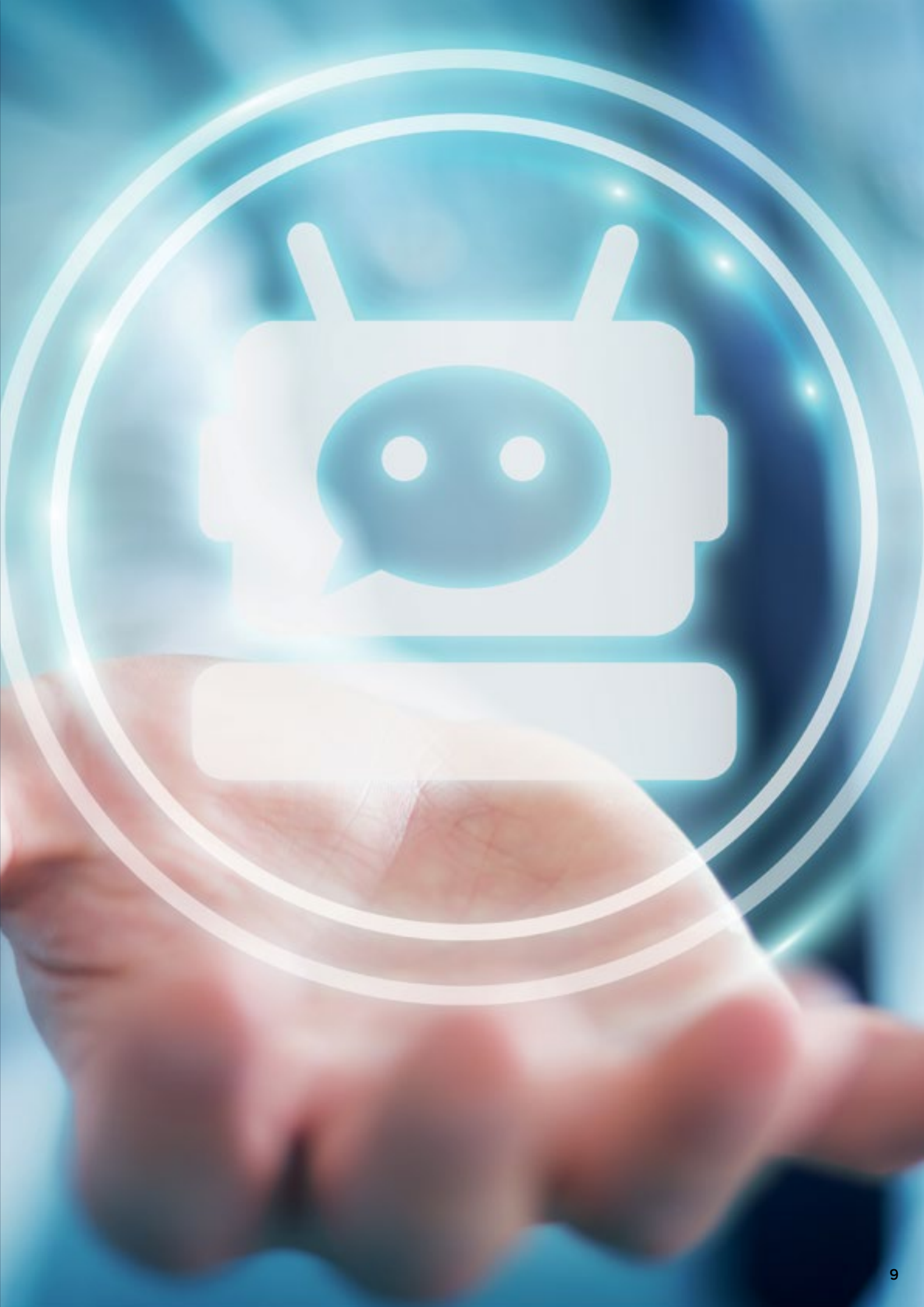
- Increasing utilization of real-time data and analytics to enhance response quality.
- Freeing up time for human agents to focus on more complex, value-adding requests.
- Ensuring more consistent service levels.
- Enabling seamless handover across channels.
- Avoiding hold times (automation of information lookup).
- Eliminating human errors.
- Offering 24/7 service availability.

Finally, virtual agents can help increase revenues by supporting customers live in the purchasing process. As this is typically seen as a more complex and high value task, this application is still not widespread. But having virtual agent support in customer acquisition and up/cross selling opportunities through real-time recommendations on next best activity/offering can be highly effective.

Considering the broad application areas and their related benefits, implementation of virtual agents can potentially become a source of competitive advantage. On the other hand, neglecting these opportunities will most likely leave you lagging behind your competitors. As virtual agents play a key role in the digital transformation agenda, the technology is essential for forward-looking customer service providers.

\* For companies making extensive use of chat and messaging for customer service, which have implemented the full set of virtual agent capabilities in a multilingual environment.





A man with a beard and glasses, wearing a grey knit hat and a blue denim shirt, is looking down at his smartphone. He is holding a white coffee cup in his left hand. The background is a blurred outdoor setting with trees and a building.

What makes  
the Transcom  
solution unique?



Selecting Transcom as your virtual agent partner brings access to our unique expertise and capabilities, as well as a dedicated team that can ensure your objectives are met and, hopefully, exceeded. There are five main ways in which our proposition is unique:

**We live and breathe customer service**

For more than 20 years, Transcom has supported clients across industries and geographies to design and deliver best-in-class customer experience. We understand market and technology trends from the inside, enabling us to provide clear direction from project initiation to full implementation. Our multi-lingual capabilities also benefit clients looking to implement our solutions across several geographies and languages.

**We customize solutions to fit your needs**

We recognize the uniqueness of our clients. Our success depends on our ability to understand client-specific needs and requirements, and the ability to develop customized solutions accommodating these differences. We will support you in making the right decisions based on your objectives, starting-point, resources and capabilities. We invest time up-front to define the right use-cases and provide a fully objective approach to technology selection.

**We deliver end-to-end solutions**

Transcom provides a full-fledged support model for virtual agents and takes full responsibility for coordination and management of the process. We provide a dedicated account manager with overall engagement responsibility and project managers to ensure the day-to-day execution is carried out according to the project plan.

**We commit to your long-term success**

The value of our business depends on the success of our clients. Independent of the task at hand, we wish to play a part in your long-term value creation, as a trusted advisor and partner. We always strive to be one step ahead and to proactively propose how to further improve your business. To deliver on this promise, we put significant effort into quick proof of concept and rapid benefit realization.

**We are prepared for digital transformation**

For most of our clients, the digital transformation journey goes beyond implementation of virtual agents. Recognizing the importance of the overall transformation agenda, we have created a portfolio of propositions that positions your digital customer service at the leading edge. Besides virtual agents, we design and operate your digital channels, provide conversational analytics support, as well as robotic process automation (RPA). Our propositions are designed to be complementary, so that combining them in your operations increases the value potential.



## About Transcom

Transcom is a global customer experience specialist, providing customer care, sales, technical support and credit management services through our extensive network of contact centers and work-at-home agents. We are 29,000 customer experience specialists at 50 contact centers across 20 countries, delivering services in 33 languages to international brands in various industry verticals.

### Contact

[virtualagent@transcom.com](mailto:virtualagent@transcom.com)  
[www.transcom.com](http://www.transcom.com)