

Bot! , Let's look for ticket!

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CHAT BOT

# Chatbots Disrupt Contact Centres

## The Rise of Digital Workers

In my book *Experience My Brand I* devoted a chapter on the rise of digital workers in the workplace and the likely impact it will have on customer experience and employees. In my initial review of the impact I focused my attention primarily on back-office business processes and how repetitive low-value tasks are likely to be absorbed by robotic process automation (RPA) software. I monitor the adoption rate by companies and there is a definite surge of organizations implementing RPA solutions to replace human input in repetitive rules-based business processes. In fact RPA providers such as Automation Anywhere reported a 100% CAGR and 60% YOY Sales increase in 2016<sup>1</sup>. So there is definitely a wave of change quietly taking place in the world of business.

### Should I Be Worried?

Do you have anything to worry about? Apparently not yet. In an interview by McKinsey, Leslie Willcocks, Professor of technology, work, and globalization at the London School of Economics'

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<sup>1</sup> <http://www.marketwired.com/press-release/automation-anywhere-announces-exponential-growth-with-100-cagr-60-yoy-sales-increase-2156599.htm>

Department of Management, tells us we don't have to worry about job loss - RPA is meant to elevate roles -- and even may be a stress-reduction strategy<sup>2</sup>. "The average knowledge worker employed on a back-office process has a lot of repetitive, routine tasks that are dreary and uninteresting," says Willcocks.

I can't help but remember similar words from academics when outsourcing to offshore locations was just emerging in the Contact Centre industry. The fact is jobs WILL be lost, and displaced people are unlikely to be placed in more meaningful jobs by their employers. Why? The simple answer is related to profitability and how executives are remunerated. The cost savings made from such changes rarely get funnelled back into re-education of displaced workers. They get pocketed by organisations to reflect a healthier bottom-line. I'm not judging what occurs but simply stating that this behaviour occurs and the utopia of more meaningful work rarely transpires. The Contact Centre industry never recovered the number of jobs lost when outsourcing to low cost locations became the trend. This does not mean people in that industry are still unemployed. They simply had to retrain themselves and move into

<sup>2</sup> <http://www.zdnet.com/article/robotic-process-automation-the-latest-promise-to-liberate-back-offices/>

other industries. But what happens when all industries are impacted at the same time by digital disruption and fewer opportunities exist in general? The answer to this is a work in progress since this is the very situation we find ourselves in today.

## **Disruption is Coming for Contact Centres**

I don't want to sound alarmist but changes in many industries are occurring and will continue to displace and reduce the number of workers required. The more knowledge you have about what is occurring in different industries, the better equipped you will be to handle the disruption. The wave of disruption is coming to the Contact Centre industry and its going to impact the industry in a significant and profound way. A few facts may help those not in the industry to appreciate the magnitude of the likely impact. Based on my research from various industry reports I estimate the worldwide Contact Centre industry currently directly employs 5 million people and an additional estimated 10 million people are indirectly employed. So in total we are talking about 15 million people worldwide who are reliant on this industry for their livelihood in some fashion. In fact the contact centre is typically one of the largest employers of

people in any business that has a large consumer base. The costs to operate a large labour based operation is equally high in proportion to other departments. This has led executives to focus on the reduction of costs in contact centres over the past couple of decades. However, the offshore movement of jobs in the past

*But what happens when all industries are impacted at the same time by digital disruption and fewer opportunities exist in general?*

has benefited many countries such as the Philippines and India. The new challenge facing the industry comes in the form of chatbots. The difference with this challenge is that jobs will simply be lost and not replaced by another human.

## **What are Chatbots?**

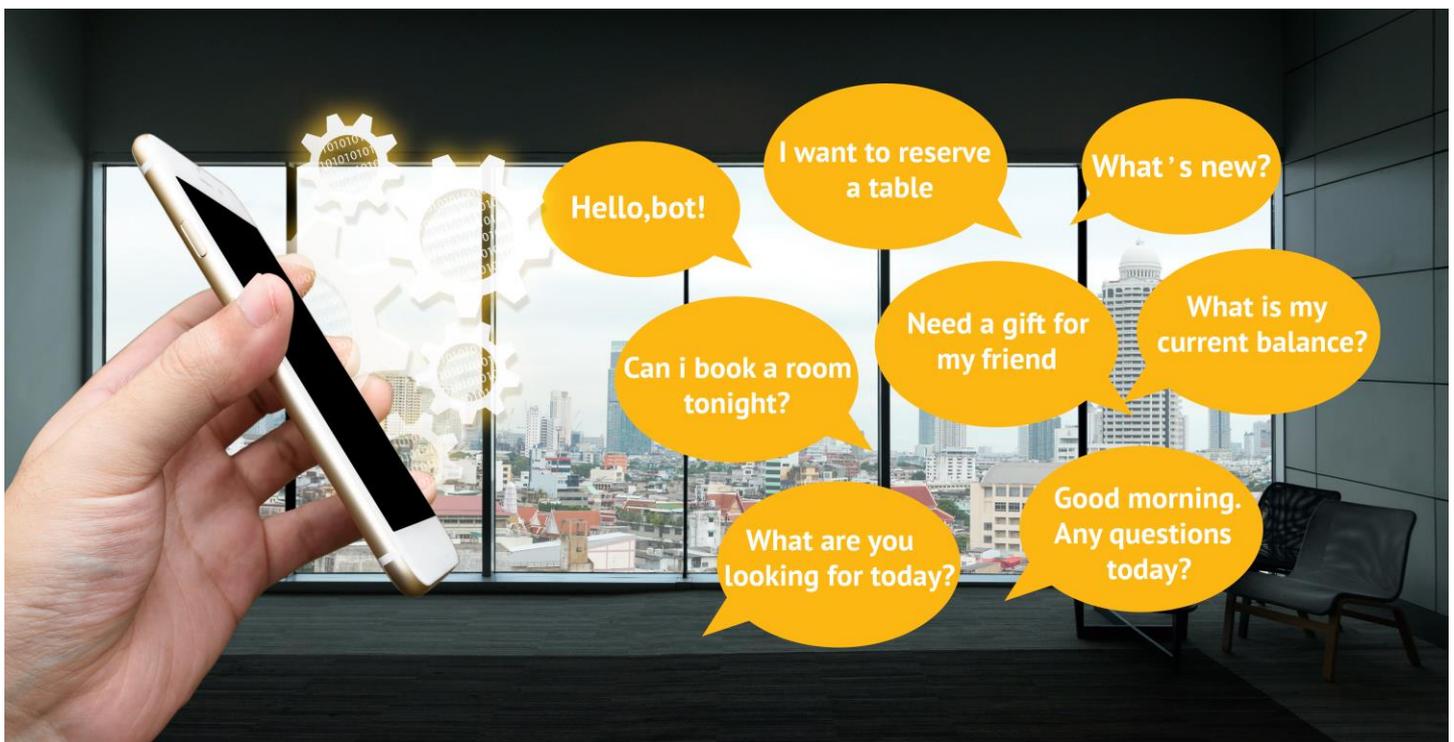
Chatbots are programs that are designed to provide an interaction which mimics a human. Programs like Siri or Cortana are the most accessible examples of chatbots for consumers. The interactions are becoming more sophisticated as cognitive computing has matured in the past couple of years. Chatbots are used by companies to provide customer service and help desk support to customers. Whilst most of the chatbots use only online messaging to communicate with customers, there is a

rise in the number of chatbots that are being deployed to provide voice interactions using natural language for any customer service interaction. Companies such as Artificial Solutions are providing a low cost platform to enable companies to design a chatbot specifically for their business using natural language. Their Teneo platform accepts spoken and textual inputs, processes this input and delivers a relevant output. The platform supports 21 languages and has been designed to provide human like interactions through sophisticated dialogue management algorithms. These chatbots don't just mimic humans but have the ability to access other systems and websites during a conversation to deliver the appropriate answer to a question. They have the ability to perform

actual transactions during a conversation as well making them more useful in a customer service or help desk interaction. At any point if the chatbot is unable to process the enquiry there is always the option to transfer the enquiry to a human counterpart to enable them to complete the interaction.

## No One Likes Talking to a Machine...Right?

Now, before you think nobody will want to talk to a machine for customer service, consider these important facts: more than 11,000 chatbots came online soon after Facebook released a bot-development platform for Messenger. Since then, bots have proliferated across other messaging media like Kik, WhatsApp, Slack, Snapchat, and Skype.<sup>3</sup>



<sup>3</sup> Why it's time your business went all in on chatbots - <http://www.businessinsider.com/sc/chatbots-future-customer-service-2016-9/?r=AU&IR=T>

Chatbots are here today and they are not going away in a hurry. They are not yet perfect but the advancements in artificial intelligence are rapidly enabling chatbots to become digital workers that can replace frontline contact centre agents. Some of the analysts such as Gartner have predicted that by 2020 more than 85% of all customer interactions will be handled without a human. An industry report by Cushman and Wakefield<sup>4</sup> estimated that approximately 500,000 jobs could be vulnerable to automation in the BPO and Shared Services industry in the next decade. If we take into account the wider contact centre industry, this figure is likely to be more like 5 times the number of vulnerable jobs in the global marketplace.

## Fuelling the Adoption of Chatbots

Predictions made on adoption rates can vary wildly. I have seen some very strange numbers from analysts when it comes to AI and market sizes. I always prefer to examine the underlying fundamentals leading to the assumptions on how the market will grow through adoption of any new technology. So let's examine some of the fundamentals. **Firstly, how will**

**consumers accept talking to a chatbot instead of a human?** Initially there will be resistance by consumers especially if they interact with a poorly designed chatbot unable to answer basic questions. However consumer adoption is likely to be rapid once they have a good experience with a chatbot because most consumers have already become comfortable interacting with the likes of Siri on their iPhones for a number of years. Taking the next step and using a chatbot to get customer service is a natural evolution for most consumers. More important is the fact that Millennials are an entire generation who have grown up accessing the web for service before they pick up and call someone. So changing habits of consumers is unlikely to be a major barrier for adoption of chatbots.

**Are they a novelty or can they really provide advanced customer service?** The commercial chatbots in the marketplace are leveraging from advancements in the area of AI to build chatbots that can access a corporate knowledgebase, open applications and process orders. Commercial applications include Taco Bell's bot that takes orders from customers, KLM airlines' bot sends passengers booking confirmations, and

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<sup>4</sup> Where in the World?: Business Process Outsourcing and Shared Services Location Index 2016

boarding passes, Ticketmaster's bot helps customers make online purchases, Telenor's bot answers customer service questions, and Shell designed a bot to answer technical questions on over 3,000 products. In the case of Shell they realised a 40% reduction in call volumes to the call centre.<sup>5</sup> The types of applications are increasing and these examples demonstrate that the application of chatbots is anything but a novelty. **The commercial applications and the potential cost savings for companies can be significant.**

#### **What about the customer experience?**

Poorly designed chatbots can have a devastating impact on the customer experience, however the technologies existing today have carefully considered the importance of giving chatbots a personality to properly reflect the brand values of the company. Many of the solutions enable you to fabricate a personality for your chatbot. If properly designed, the chatbot can provide a higher level of consistency with each interaction enabling companies to deliver a branded experience more easily than with live agents. In addition companies can control the wait times for queues and can theoretically eliminate

ALL wait times for their customers using chatbots.

**Are chatbots well supported by an ecosystem?** Fuelling the adoption of chatbots are companies that build an ecosystem to make bots widely available. Companies investing in chatbot technology include Google, Apple, Microsoft, Facebook and Amazon. All the big names are there supporting the industry and creating a healthy ecosystem. The investments pouring into the AI sector will help ensure the chatbots become more sophisticated and able to deliver more commercial benefits to business.

With strong fundamentals underpinning chatbots the adoption rate is likely to grow exponentially over the next few years. The ability for chatbots to reduce significant costs incurred in the contact centre should make it an essential software solution that needs to be seriously considered by any business.

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<sup>5</sup> Artificial Solutions: Shell Case Study