In collaboration with:

Atento

Authors:

Isabel Tovar

Ignacio Cobisa

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EXECUTIVE SUMMARY

The rise of digital transformation has resulted in major changes to business and customer. Customer evolve and those companies that can predict their behavior will win the battle, thereby the relations of customer during their purchase process, either physical or digital, can and must be analyzed, so that information allows to determine how the different points of interaction affect customer behavior along their journey.

Therefore, the relationship between technology and customer journey where artificial intelligence is applied to know better the customer has become very important.

Digitization covers all aspects of an organization and one of the most important is, nowadays, the customer experience. The way of relating through interactive experiences between digital companies and their customers, is gaining increasing importance.

Omnichannel must allow interaction between channels, including data and customer knowledge, combined with analytical statistics to get information about their history and behavior, all accompanied by recommendations on how to manage their expectations and avoid the dreaded silos of information within organizations.

The transformation of companies to guide them to omnichannel is not a simple path. Companies are facing strategic and operational barriers to start this transformation. They do not have the right infrastructure, and the necessity of improving the communication with the client has made companies increase their number of interaction channels.

The development and configuration of an omnichannel platform allows companies to offer a valued and coherent shopping experience to their customers.

The core of omnichannel platforms is evolving progressively to cognitive abilities that allow capturing, managing and personalizing the user experience. The omnichannel platforms are responsible for great flow and management of different channels and AVI/Bot for automation.

The relationship of technology with the customer journey and artificial intelligence applied to the customer has become very important

The development and configuration of an omnichannel platform allows companies to offer a valued and coherent shopping experience to their customers

IMPACT OF DIGITAL TECHNOLOGIES IN THE CUSTOMER JOURNEY

Customer Journey in the digital era:

We understand customer journey as the path that a user follows from the moment in which the possibility of acquiring a good or service is considered to post-sale services and loyalty programs to retain the customer. This journey could be both "on-line" and "off-line". Everything related to the customer journey and its evolution on the digital ecosystem, impacted by technological disruption, has become very important. This journey includes the reception of advertising by advertisers, positioning in search engines, comparators or aggregators, navigation on the web, adaptation to mobility scenarios, positioning in social networks, etc. See figure 1.

Customer journey as the path that a user follows from the moment in which the possibility of acquiring a good or service is considered to post-sale services and loyalty programs to retain the customer

FIGURE 1 – Customer Journey in the Digital Era

Source: IDC, 2018

The brand's relation in each touchpoint should be analyzed to gather useful information to determine how the different points of interaction affect the user's behavior along their journey. We will use data to analyze this journey.

The management of this customer journey means a competitive advantage for company, in many cases

The management of this customer journey is important because, in many cases, means a competitive advantage for a company. Addressing the customer journey in a comprehensive way is a challenge as the related technologies develop very quickly while increasing their relevance in the sector. As examples, we would highlight mobility experiences through apps, the importance that virtual reality and augmented reality are enriching the customer experience, or the use of cognitive systems to personalize these experiences as a disruptive innovation.

Digital Customer Experience Definition and Contextualization:

Customer experience refers to the whole process related to the interaction between a client and an organization with which it has a relationship. In this sense, the experiences of clients can oscillate from a single transaction to a continuous relationship over a period of many years. It includes the orchestration of internal business processes to create a planned flow and designed so that the interaction with the client is as simple, fast, transparent, positive and complete as possible through any channel.

It allows companies to manage and optimize processes from the moment the customer has knowledge of the product or service offered, until the moment of the purchase decision, through the management of the different experiences in the process. The purpose is to improve the capture, retention and get a greater influence on the behavior of the client. In this context, the term liquid experience is beginning to be used, considering that the management of the client experience must be a process that flows and takes the form of each of the relationships with the different stakeholders (as clients, employees, ...).

Companies focus their strategies to differentiate themselves from other competitors in the customer experience. The problem is that provide an excellent customer experience is not a simple task, the associated technologies do not stop evolving, and day by day have more weight.

The algorithms that help in the business process are already part of the customer experience with the company, ranging from marketing through the selection and purchase of products, to subsequent customer service. However, until recently, there was always a person involved in the process, with some flexibility to adjust the needs and desires of the client, due to limited computing capabilities and systems to suit the needs of each client. For example, if the decision tree of a chatbot comes to an end, the interaction with the client can be transferred to a person.

The rise of technologies such as Big Data, analytics, and AI, including the emergence of algorithms and business process that are increasingly powerful and personalized, is changing the management and delivery of customer experiences, from management by a machine (but supervised by one person) to experiences fully managed by a machine.

By 2020, IDC estimates that at least 15% of businesses' standard customer experience decisions will be handled by algorithms as companies shift from person-to-person to machine-to-person engagement and transactions.

On the other hand, the chatbot supported by an AI engine can learn and, over time, deliver a broader range of experiences without involving a person. Initially, these are deployed in the B2C world first, primarily among industries that have a high level of distributed customer interactions.

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IDC
ANALYZE THE FUTURE

At the end of this year, IDC expects that 50% of retailers will adopt an omnichannel commerce platform. The increase in revenues, reduction of the Total Cost of Ownership (TCO), reduction of the inventory and operational costs, will increase up to 30% omnichannel profitability.

Digital Customer Experience Transformation Maturity Model:

Digitization covers all aspects of an organization and one of the most important is, nowadays, the customer experience. The way of relating through interactive experiences between digital companies and their customers, partners or employees is gaining increasing importance.

The key for organizations is to incorporate intelligence into each and every one of their interactions, thus the experience is improved, and knowledge is generated in order to further improve it in the future.

To help organizations to identify the steps necessaries to achieve success in the customer experience strategy, figure 2 shows the maturity model of the digital customer experience transformation developed by IDC:

FIGURE 2 – Digital Customer Experience Transformation Maturity Model
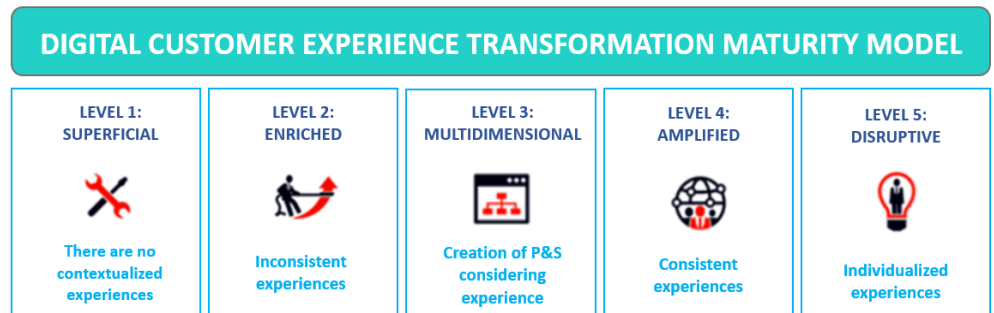
Source: IDC, 2018

In the first level, superficial level, the company has little capacity to adapt business models, products and services to create contextualized and individualized experiences in ecosystems. Pilot projects allow the company to evaluate the business case for specific scenarios.

The next stage or level "enriched", the company is inconsistent in the experiences of its customers, in other words, it does not offer the same experience in the different channels. Likewise, it has a limited focus when it comes to improving the experience in the development of products and services.

At level three or "multidimensional", participation in business experiences and high-quality ecosystems is a critical imperative in the creation of new business products and services. Important cultural, commercial and technological changes are carried out which lay the foundations for the adaptation to the customer experience transformation.

The fourth level or "amplified", the company offers consistent and high-quality products and services experiences through each interaction that involves a customer, product, market, partner or service provider. The business is based on automated analysis and the creation of ecosystems to improve the development of the commercial model and the creation, selection and execution of products and services.

The last level or "disruptive level" is reserved for those companies that exhibit the ability to disrupt and repeatedly transform market behavior through continuous innovation and the delivery of contextualized and individualized experiences in an attractive and consistent manner. These processes position the organizations included in this level as market leaders.

IDC expects that, at the end of this year, 1.682 trillion USD will be invested globally in digital transformation, and more than 23% of them will be invested in customer experience transformation.

In this sense, the focus of companies on the challenge of facing the customer experience transformation is oriented to the provision of attractive and high-quality business experiences in addition to a critical imperative in the creation of all its products and services.

Current trends in customer experience and data intelligence:

The rise of digital transformation has resulted in major changes to business buyers and consumers. The proportion of digitalized customer support channels will continue to increase and in 2020 become mainstream. However traditional channels won't be completely replaced.

One of the steps to digitalize customer support channel, that is already starting, is a self-solving customer support by FAQ automation or a dialog with AI via chat/email. In this sense, as technology improves, people are less able to discern whether the interaction is with a person or a machine. Companies using this technology improve the accuracy of answers and the quality of support.

At the end of this year, IDC expects that 35% of consumer product manufacturers will have started direct-to-consumer customer experience teams with the long-term aim of going all direct to the consumer. We have witnessed more and more consumer brands introduce e-commerce platforms that sell solutions directly to end users, thus bypassing partners and increasing margins on sales. In this sense, digital transformation is introducing new means for organizations to go to market.

The proliferation of "As a service" model is democratizing access of companies to the latest business management solutions that can help in the collection of critical market information necessary to provide a differential value.

The companies that can take advantage of technology to analyze their data and make decisions in real time, will achieve clear competitive advantages over their competitors. In fact, those companies that have managed to impose their model on the market in a fast way, are precisely those that have used the technology of

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data analysis and Artificial Intelligence as a strategic tool for the creation of value, among other things.

There is no doubt nowadays on the value of data and some companies obtain better output than others from the data they have. However, the value has many dimensions and depends, to a large extent, on the context in which the data is used or can be used. Therefore, it is necessary to think of data as an asset, as well as it is usual to consider others such as capital, human resources, or some intangibles such as patents, trademarks, etc.

The importance of omnichannel platforms for the digital customer experience:

1. Development of omnichannel in the future.

The objective of omnichannel has always been to deliver a consistent experience to the customer, regardless of the channel used (physical space, web, contact center, mobile device), but this may not adequately represent the amplitude of the mission. What it is really required is to create the best experience among existing and emerging competitors. The goal is to develop deeper, more immersive, and trusted relationships with the customer through all available points of contact, knowing the customer perfectly, and therefore, maximizing the net profit of the business.

The objective of omnichannel has always been to deliver a consistent experience to the consumer, regardless of the channel used

Omnichannel must allow interaction between channels, including data and customer knowledge, combined with analytical statistics to get information about their history and behavior, all accompanied by recommendations on how to manage their expectations.

IDC believes that the management of customer journey in real time is key for companies. It is necessary to move forward in the configuration and development of an omnichannel platform for customer experience management, as well as the definition of the associated innovation model that allows that the investment and operating expenses would be profitable.

2. Main challenges in omnichannel and relevance of avoiding silos to optimize the Customer Experience in the digital era.

Regarding the main challenges organizations face in their transition to an omnichannel and digital business model, the five most outstanding difficulties among companies consulted by IDC are: fulfilling customer orders when they want and where they want (40% of companies consulted), amount of capital investment or operating expenses required to align IT (33%), having a well-organized flow of goods internally and externally (33%), understanding and mapping the digital behaviors and expectations of customers (31%) and breaking the silos within the organization (31%),

However, the main barriers faced by companies to implement projects in which the customer experience plays a central role are safety (45% of companies) and regulation / regulatory compliance (39%).

The transformation of companies to guide them to omnichannel is not a simple path, companies are facing strategic and operational barriers to start this transformation. They do not have an adequate infrastructure, and the necessity of improving communication with the client has made companies increase their number of interaction channels.

We believe that the keys for companies to succeed in this sense, are: guarantee the security of their infrastructure; manage and analyze Big Data in real time; determination and innovation capacity; homogeneous experience in each channel, integrate online and offline infrastructure; and, of course, customer experience management.

On the other hand, we should mention the Data Privacy laws around the world as an issue/barrier and/or ethical limit of data usage.

3. Omnichannel platforms.

The core of omnichannel platforms will evolve progressively to cognitive abilities that allow capturing, managing and personalizing the user experience. The omnichannel platforms are responsible for great flow and management of different channels and AVI/Bot for automation.

AI will be included in the whole customer journey. In fact, by 2020, IDC believes that 50% of customers will have experienced a customer support interaction that is AI based. Figure 3 shows the main characteristics of the omnichannel platform of the future in which customer experience, digital transformation efforts, and supply chains are managed coherently on a single platform:

FIGURE 3 – Omnichannel Platform of Future
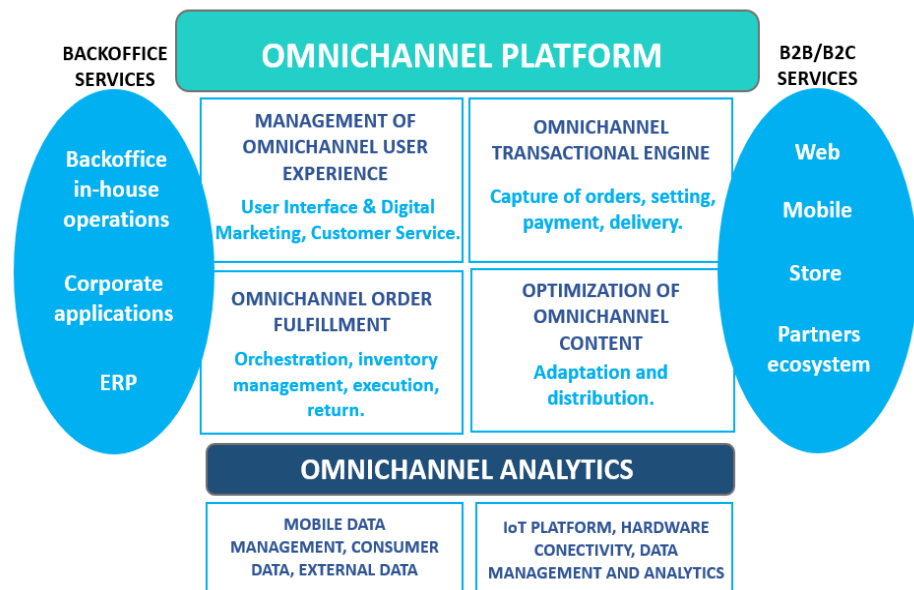
Keys to succeed: guarantee the security of their infrastructure; manage and analyze Big Data in real time; determination and innovation capacity; homogeneous experience in each channel, integrate online and offline infrastructure; and customer experience management

By 2020, 50% of customers will have experienced a customer support interaction that is AI based

Source: IDC, 2018

The omnichannel platforms offer business logic and services for four core capabilities. At the same time, it's leveraging an advanced analytics foundation. In addition to this, these platforms provide proprietary or third-party-sourced development services that allow companies to address the areas of application modernization, development paradigm, code packaging shift, and cloud deployment.

Customer experience is a key priority, customer experience-focused organizations are reinventing how commerce works, combining commerce with interactive activities to create more meaningful connections with customers and, ultimately, to boost sales.

To succeed, companies should invest in a platform that combines customer journey personalization, omni-channel commerce, and fulfilment intelligence with current and future consumer interfaces, data services, and enterprise services.

THE RELEVANCE OF ATENTO IN THIS ENVIRONMENT

Atento's value offer evolution:

Atento focuses his strategy on the customer experience trying to understand what consumers expect and creating a special bond between brands and their customers. It offers innovative and comprehensive customer experience solutions across the customer lifecycle. It contributes to the success of companies by guaranteeing an excellent customer experience by incorporating customer journey services and high-value added solutions, supported by an innovative digital platform and by an approach to transforming processes and business, driving results at companies.

Atento develops lasting relationships with customers, thanks to their in-depth knowledge of the sectors and cultural environment in which companies operate.

Atento's digital capabilities:

In the past, Customer Services companies focused on training, processes and technology for cost optimization. Today, Atento is focused on professionals with digital profiles, digital capabilities and the digital ecosystem.

Atento Digital mainstream offering encompasses a range of tools that add digital capabilities to the customer journey services, such as sales, customer care, technical support and collections. All of them delivered through Atento´s omnichannel platform integrating traditional and digital channels. Also includes consulting capabilities and the use of analytics and automation tools to enhance the effectiveness and efficiency of customer related processes.

Atento's offering of digital capabilities includes:

•   **Omnichannel platform:** For greater efficiency and improved results in acquiring, managing and retaining customers. Integrates all contact channels and every customer interaction.

•   **Digital services cell:** to carry forward the project from his initialization/planning to the end, through a continuous process of integrated management focused on analysis and learnings, conception/ evolution, MVPs construction, go live and always on, and operation and support.

•   **Semantic-technology based solutions:** manage in real time customer engagement through social media, enabling monitoring of customer sentiment, root/cause analysis and automatization of customer management.

•   **Data science & analytics:** increase business efficiency through intelligence in decision making. Integration and use of client's data & analytics to understand profiles, habits and likes, to develop models of propensity, BCC and BTC.

Atento's digital capabilities at work Digital Customer Care

Atento creates a digital solution that try to be the primary form of communication and relationship between a company and its customers.

This solution includes monitoring and interacting on social media, to map, quantify and classify relevant customer feedback on the brand, products and services. It enables a unique view of the customer, integrated with the service and CRM platforms, with problem-solving action.

It includes the use of bots and virtual assistants, providing an online, problem-solving service and, guaranteeing the best experience for the end consumer. Atento's specialized team offer consulting, design, implementation and management of the digital relationship, providing a unique vision of the client and greater customer engagement. This enables to create an effective, detailed guideline for this channel, with voice, response limits, crisis management and scheduling.

In this sense, Atento´s Digital Customer Care solution manages active calls by providing information and responding to suggestions, enquires and claims related to products/services throughout the entire customer lifecycle supported by a variety of omnichannel and multichannel strategies.

Solution differentials:

- o Consulting capacity and knowledge of the client's business as a competitive advantage.
- o In-depth listening to the voice of the customer with Analytics and Data Science.
- o Automation via bots (chatbot, AVI, voicebot) and other self-service channels.
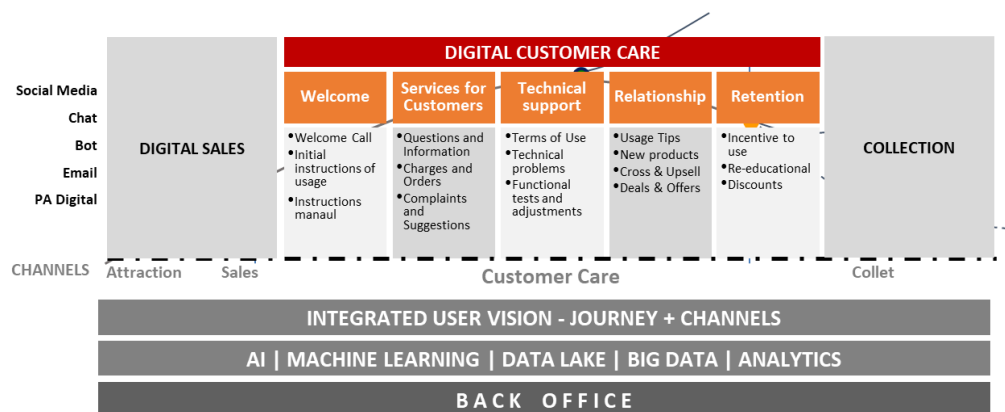
**Atento's digital capabilities at work Digital Sales**

Atento develops a complete solution that covers from capturing leads to conversion, process automation and reduced costs (COGS). Through the e-commerce platform, digital agent and social media solution that are integrated with analytics, Atento creates strategies that generate increased efficiency and boost sales conversion, offering operationalization and management of the entire sales funnel in real time – which allows for better operational control and more agility to make decisions during the sales cycle.

Based on digital marketing, this solution is focused on data and analytic capacity to generate business across processes. It can be customized to match the features of each client's business.

The 3DS solution is focused on achieving consistent growth in conversion rates. It uses the best channel to optimize sales, from 100% online to bot, with the use of analytics integrated with human sales services at a call center or on-site. To do this, it has analytic capacity to generate business, combining digital marketing with Atento's ability for execution and management, allowing sales to be made 100% digitally.

Solution differentials:

- o End-to-end management of the sales funnel: from attraction to conversion and re-targeting.
- o Integrated channels aimed at the best approach strategy.
- o Data intelligence for profiling, propensity analysis, risk analysis, etc.
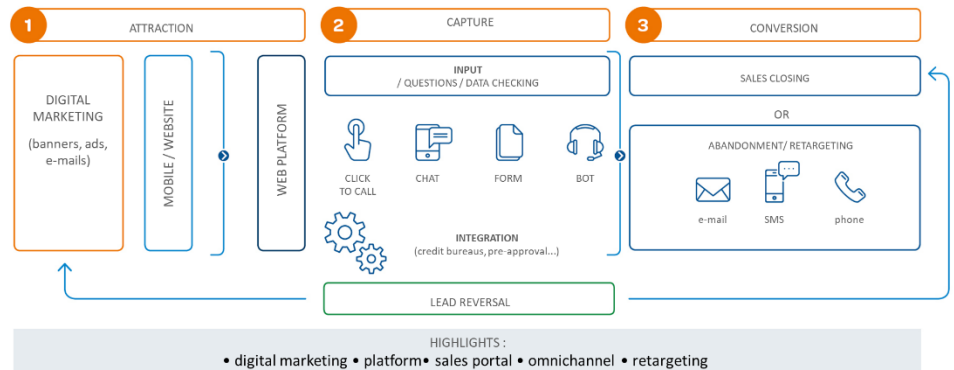
This solution is focused on data and analytic capacity to generate business across processes and on achieving consistent growth in conversion rates

IDC SPAIN

Mention of intellectual property:

About IDC

Is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,100 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries.
IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly-owned subsidiary of International Data Group (IDG), the world's leading media, data and marketing services company that activates and engages the most influential technology buyers.