



Human touch

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85% – customer relationships in 2020 will have no human interaction at all

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As service provision and consumption becomes ever more digital, automated and algorithmic, those brands that can offer more emotional engagement and human-to-human contact become increasingly attractive.

Since the Industrial revolution, the world has become more automated. In the 19th century, machines removed the dirty and the dangerous, from looms to the cotton gin, relieving humans of onerous manual labour. In the 20th century, machines took away the dull and the repetitive, with automated interfaces relieving humans of routine service transactions and clerical chores, from airline kiosks to call centres. Today, a world increasingly awash with connected and artificial intelligence and with virtual reality emerging quickly, machines are taking away and making better choices than humans, reliably and fast: Google Now may be a glimpse of what our tomorrow will look like.

Driven largely by the digitisation of customer service channels, digital automation and connectivity has enabled consumers to self-serve. 72% of customers prefer to self-serve when supported by an appropriate contact-centre experience. Web chat and social media interactions can often be automated so the customer is signposted to the help they need without a human being involved at all. With this trend set to continue, by 2020 over 85% of customer relationships will have no human interaction at all. Automation will be the norm, with machines responding to humans themselves responding to machines.

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Automation and intelligence can increase the functional outcome of an interaction - improving speed or accuracy. It also removes people cost, which reduces per customer cost to serve and ultimately results in a lower price point for consumption – or an opportunity for profit margin gain. From Google to Amazon and Alibaba, the leaders in automation, make it extremely difficult, if not impossible, for customers to meet or speak to an employee.

These benefits however come at a price, namely the cost to a customer's emotional experience of contact with the brand. Recent JD Power research confirmed the importance of personal service in a large study of the hospitality industry. Those customers who interact more often with service staff, and with a broader cross-section of that staff, reported greater satisfaction. A brand, so the phrase goes, is only as strong as the next engagement.

Automation can only go so far - it is hard to imagine automating the service provision of a funeral director. What is needed is an appreciation of where human interaction can be applied to make a positive difference to the overall customer experience. This might be in functionally complex problem solving or perhaps giving assistance in intuitive or more emotional situations. Or being an integral part of a competitive strategy to stand out on a differentiated level of service – consider Apple's use of in-store Genius' providing service and reassurance, something its competitors couldn't afford to match.

Beliefs and belonging



Human touch provides fertile opportunities for brands to engage with their customers and build a deeper sense of connection, relationship and affinity. In a world of digital marketing and consumption, consumers may increasingly prefer those brands that can offer more emotional engagement and human-to-human contact. The new model for organizations is to treat customers not as mere consumers but as the complex, multi-dimensional human beings that they are. Customers, in turn, have been choosing companies and products that satisfy deeper needs for participation, creativity, community, and idealism. A human touch arguably assists in delivering this, even though it comes at a cost, in recruitment, training, wages and management and compliance overhead.

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As a result, the provision of a great human service is likely to be associated with more premium or luxury offers, and made available first to those who can afford it. Premium grocery retailers like Whole Foods or Waitrose are investing in more store and checkout service staff. Great human service will also be judiciously used to differentiate brand and service experience, Webchat or Facetime augmenting a user's online service. It's true that while human touch is celebrated as warm, friendly and helpful, humans get it wrong too - it's what makes us human, after all. Mercifully, humans possess a wonderful innate, self-correction mechanism that is difficult to replicate in machines – people can apologise when it all goes horribly wrong. A core component of 'human touch' staff training is to ensure that they know how to say sorry when mistakes happen.

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Looking forward, leading organisations are seeking ways to avoid making a trade-off between automated transactions and managing proper customer relationships.

Cosmetics company Sephora uses social media and community engagement to increase human touch for customers online, but doesn't miss the opportunity to sell products at the same time. Siri, Cortana and Google Now are proactive digital personal assistants, bridging the gap between humans and automation. Apple programmers have even hidden 'easter eggs' in Siri that trigger 'her' sense of humour. While in Japan, robots are already tasked with relieving the burden on caregivers and in 2015 Hasbro introduced its 'Joy For All' line of robotic cats designed to provide companionship for the elderly.

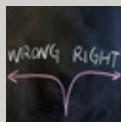
Where will it all stop? Ray Kurzweil, futurist and advocate of 'The Singularity' says that technology changes at an exponential rate. This means that we always misunderstand just how much technological change will take place over a given time span: 'we won't experience 100 years of progress in the 21st century — it will be more like 20,000 years of progress (at today's rate)'.

Intelligent self-service is likely to continue to transform customer service in the years ahead, with conversational IVR becoming the new standard for automated phone experiences, reactive virtual assistants becoming proactive virtual advisors, and self- and assisted-service converging. Indeed, if we take to heart Mr Kurzweil's point of view, intelligent automation will feature in services that we can't yet fully imagine. The human touch however, will always be valued and as machines step up to the plate, it is the human touch that will increasingly provide the differentiation.

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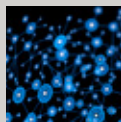
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Ethical machines



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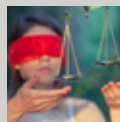
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