OpenMarket

An infobip company

Empathy in the Age of AI – a strategy guide

How CX and mobile messaging can help you connect with your customers

Preface

Guess what? You're going to have to be there all the time for your customers in the not-too-distant future. It doesn't matter how kick-ass your brand might be.

Customers want to be dealt with on their terms and timescale. If you can't meet their needs in an instant, they'll find others that can. If you won't interact with them on channels they prefer, they'll go to competitors that will. This stands true for every business that doesn't compete on price alone.

The multi-million dollar question is: What are you going do about it? That's what this strategy guide is for.
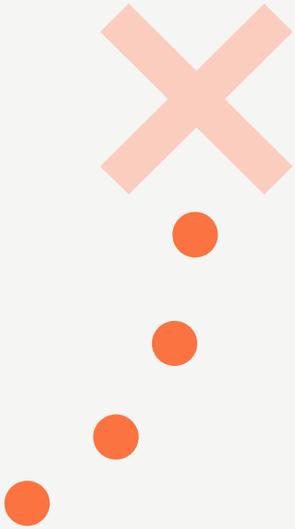
The who, what and why

We're OpenMarket – we help businesses use mobile messaging to connect with the people who matter most, in the moments that matter most. Seven of the world's ten biggest brands rely on us to interact with their global audiences.

The world of mobile messaging and CX is changing fast. So we commissioned an independent research company to help brands and interaction providers better understand how to help their customers. Our guide to the research can be found [here](#).

Its findings suggest that brands need to embrace AI and automation more wholeheartedly if they want to intensify customer relationships, and become more empathetic.

This strategy guide digs deeper. It investigates the implications of the research and helps you work out what to do next.

Where loyalties lie

As we're a mobile messaging solutions provider, it would be natural for you to assume the strategies we recommend center around this channel. You wouldn't be wrong.

But we're big advocates of face-to-face conversations, phone chats, apps and emails when circumstances demand. We believe all can work together in a multi-channel strategy. That's where our research helps us.

It sheds some light on what consumers want and expect in different situations. And it unveils invaluable best-practice insights from CX leaders. All in all, the findings map out a new route for any brand that wants to improve its CX – and develop empathetic bonds with its customers. And a new messaging platform to get you there.


Download the guide

Research overview

The data cited in this strategy paper is gathered from interviews with 4082 consumers (50% from the UK, and 50% from the US). We also cross-questioned 611 business respondents (again, with a 50-50 UK-US split).

The business respondents were senior professionals in large companies from five different verticals – retail, travel, finance, media and hi-tech.

All had responsibility for how technology is used to enhance and support customer interactions. In other words they were customer experience leaders.

Seniority of business respondents

36%	32%	32%

- 🟠 VP / Director level
- 🟣 Senior Manager level
- ⚫ C-level

The business areas they worked in

25%	25%	15%	14%	11%	10%

- ● Operations
- ● Marketing
- ● Sales
- ● Customer Experience
- ● Strategy
- ● Customer Support

The size of their companies

45%	39%	16%

- ● 1000 – 4999 employees
- ● 500 – 999 employees
- ● 5000+ employees

Contents

Good news

Two bits of good news to kick off with. Firstly, you're not as far behind with your CX as you might imagine. Our teams speak to global brands on a day-to-day basis. Many of them want to overhaul the experience they give customers but don't know how or where to start.

Similarly, our research finds that brands everywhere know their CX needs to evolve fast. Nine out of ten (90%) CX leaders want to overhaul their customer interactions in the next three years. And nearly eight of ten (77%) want to do it within two years. Feel better yet? You should. You're in the same boat as most brands.

A simple approach
Here's the second bit of good news. 'Overhaul' might be a less scary word than your instincts suggest. In reality, you don't have to totally restructure departments and ways of working to catch up with the CX leaders. Nor do you have to make huge cultural changes.

Our research findings paint a clear picture of what you can do to serve customers better over the next decade. And it turns out you could transform your CX, while simplifying processes AND cutting back your CX budget. Sound too good to be true? You'll find it isn't. Read on.

Empathy
What's at stake for your brand

Brands have a two-part problem. It can be summarized like this: Delivering an empathetic experience to customers is becoming more important than ever. But so far, neither consumers nor CX leaders think brands are anywhere near empathetic enough.

Empathy
What does empathy really mean in the business sense? We investigate on page 13.

The empathy stats

If you've already read our research report, you'll know this stat already: an almost unanimous 98% of CX leaders say an empathetic approach to customer interactions is important across all channels. A similarly convincing 87% of consumers agree. And 80% of them call on brands to offer a more empathetic and efficient experience. Now look at the effect being treated empathetically has on consumers.

## Empathetic experience

Consumers receiving an empathetic experience are more likely to:

90%
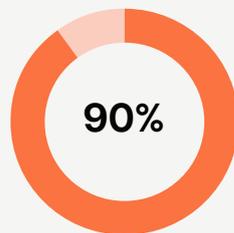
Feel they're
receiving value

90%
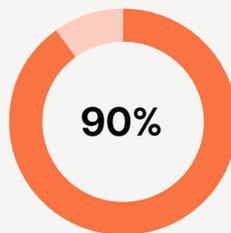
Continue using
brand over others

90%

Recommend
a brand

86%
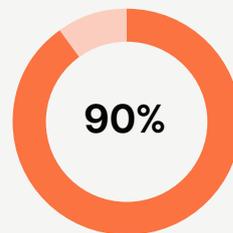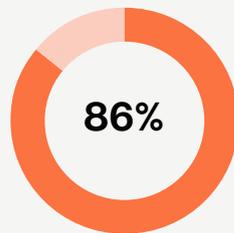
Spend more
with a brand

89%
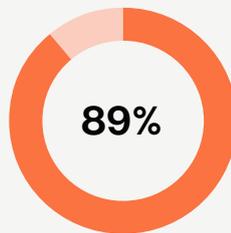
Trust a brand

Consumer desires and CX best practice

The types of experiences consumers expect from brands are set out in our research report. This table offers a great summary. It highlights the areas both consumers and CX leaders feel brands should focus on in order to be considered more empathetic.

What consumers and CX leaders feel brands should focus on to be more empathetic

Usefulness
| 86% |
| 94% |

Speed
| 85% |
| 93% |

Seamless / easy
| 84% |
| 97% |

Personalized
| 80% |
| 87% |

Empowering
| 80% |
| 87% |

Timelines
| 79% |
| 90% |

Engaging
| 73% |
| 90% |
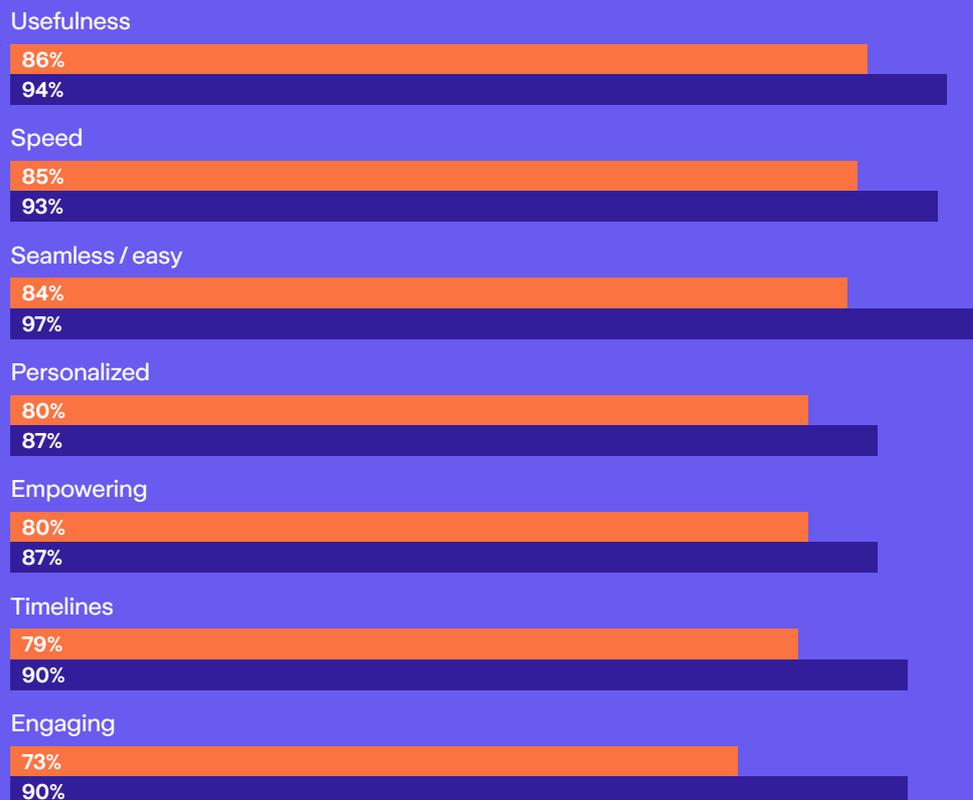
● Percentage of consumers that agree
● Percentage of CX leaders that agree

Note the high scores of usefulness, speed, seamlessness, personalization and timeliness – customer service qualities that feature a lot in this guide. For a brand to pull this kind of CX off, a deep knowledge of customers and their needs is required. Empowerment is another important area of focus for brands. This is about customers being able to:

- Ask for help

- Search for answers

- Remain updated

- Feel in control

The need for two-way communication is implicit in these findings. But how many brands do you know that are always there to answer their customers' questions – at any time of day or night? We'd bet not many.
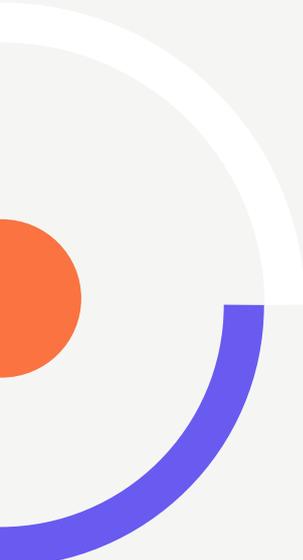
Interaction context

Let's examine some more insights from consumers on their CX desires. We asked them what brands can do to be considered empathetic. The top five answers were:

1. Deliver the right amount of communication (enough to help me, but not to waste my time)

2. Understand channels I want to use in different situations

3. Be more proactive in communications, anticipate my problems and offer support

4. Use technology to make my experience simple, engaging and interactive

5. Ensure my experience is integrated across channels

Now compare and contrast these answers with concerns voiced by CX leaders about their current customer interactions. The top five are:

1. Communications are too generic / not personalized

2. Not knowing which channels to use and when

3. The complexity of customer experience

4. Too much communication

5. Low levels of engagement

A picture begins to emerge about the type of customer experience brands should be offering. And it clearly requires good data collection and analysis, personalization, automation, and multi-channel technology.

And let's not forget about the need for secure, global and always-on communication networks that allow conversations to take place reliably and safely.

Evolving experiences

The central role of data-driven automated technology for empathetic brands is underlined by further findings: 78% of CX leaders say good automated experiences are just as important as human interactions. 97% say an empathetic approach will become more important as customer interactions become more automated. Meanwhile, 63% of consumers say tech, automation and AI can help brands deliver more empathetic experiences. This rises to 73% for under 35s.

Consider all these findings alongside this eye-opening stat: a clear majority of CX leaders (63%) say CX demands are outpacing CX budgets. This raises the question: How do brands improve interactions and become more empathetic, while saving money?

Only the technology we've described can provide the answer. We call it indigo. But more on that in a few pages.

How ready are you to be empathetic?

Here's an interesting finding from the research report. The majority of CX leaders say designing empathetic interactions is not a difficult prospect.

How difficult is designing empathetic interactions for CX leaders?

13%

● Not at all difficult
● Not particularly difficult
● Yes difficult

47%

39%
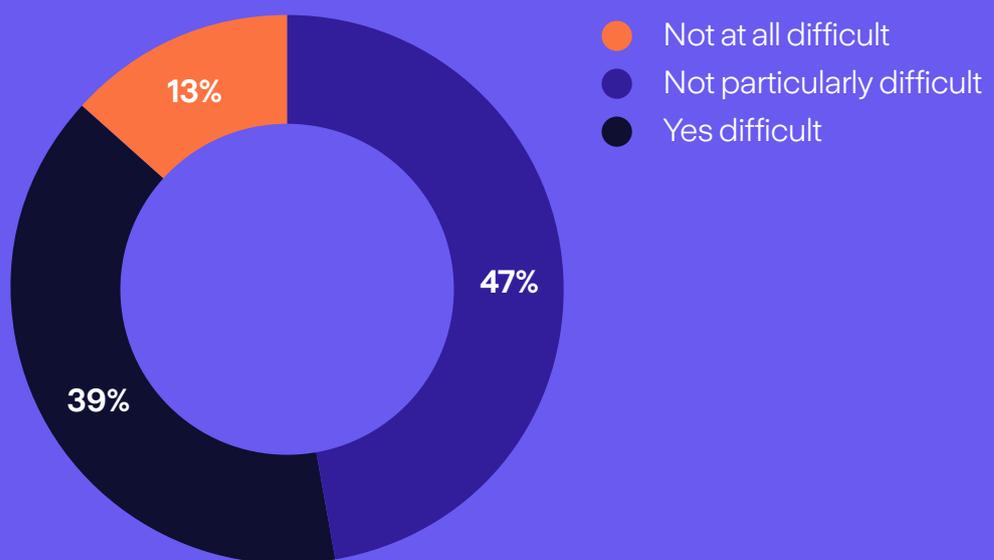
But drill down and we discover that, in reality, CX leaders find that designing good, empathetic CX might be more difficult than they let on. Nearly all of them (96%) have concerns about their current customer interactions. If it was so easy, you'd imagine their businesses would already be nailing it.

We also asked CX leaders to list out their biggest challenges in delivering excellent customer experience. They said:

1. Security and privacy issues   **47%**

2. CX is fragmented and siloed across channels   **45%**

3. Time/other priorities   **34%**

4. Channels change too quickly   **30%**

5. Legacy systems and a lack of new technology   **27%**

6. Lack of customer insight and data   **25%**

7. No consistent CX strategy across business   **25%**

8. Lack of buy-in of CX strategy   **24%**
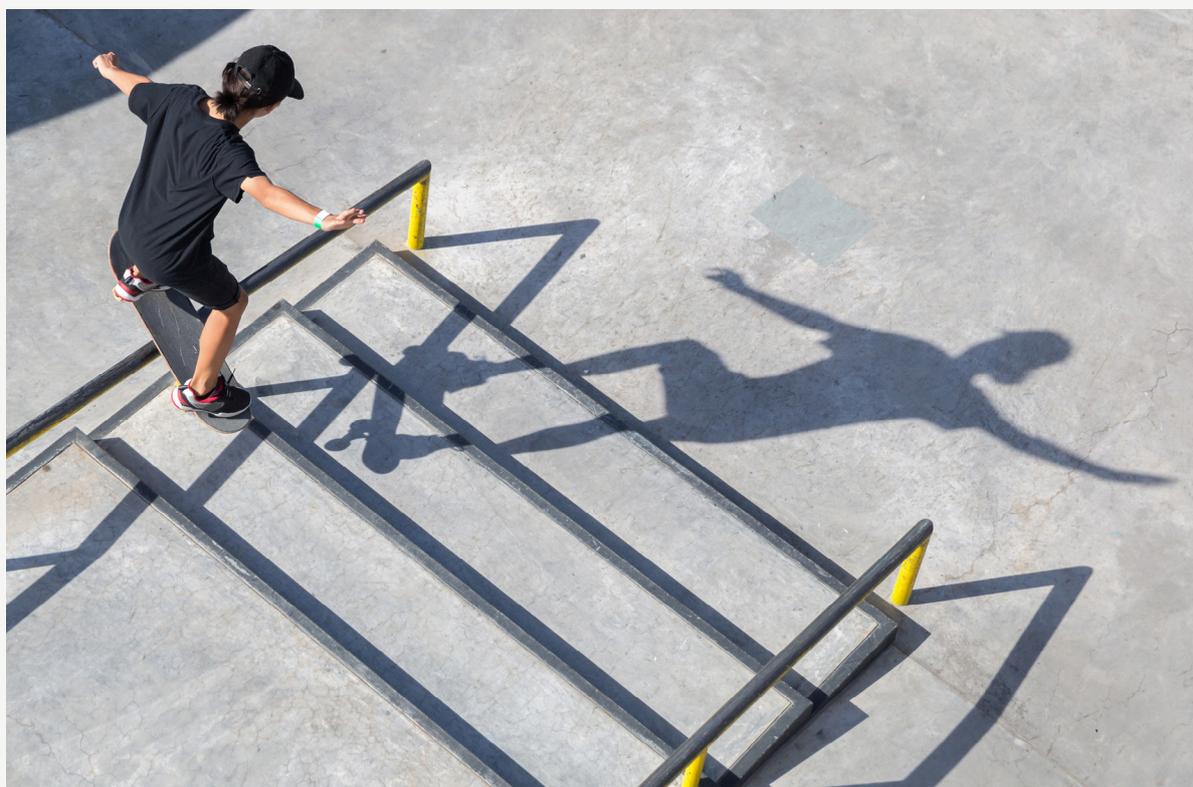
Some other stats from across the research also suggest that many brands struggle to deliver good CX.

- 63% of CX leaders say CX demands are outpacing CX budgets.

- 54% say they don't have the technical resources for great CX.

- And 56% admit not maximizing the potential of their CRM systems and customer data.

It's likely that you are part of the 77% of businesses that want to overhaul their interaction strategy in the next two years. So it might be an idea to note the challenges brands are facing right now, and keep them in mind when considering your next CX steps.

Overcoming them one by one might seem daunting. But keep reading, because you'll discover there's a new type of multi-channel messaging platform that helps you overcome these challenges in one swoop.

54%

Of CX leaders say they don't have the technical resources for great CX

A channel strategy

Let's work on the assumption that a single platform can help you overcome many of your CX challenges.

But to choose the right platform, it helps to think about the service you want to offer consumers, the problems you want to solve for them, and the type of channels you should be using.

Which channels do consumers prefer?

So let's investigate the channel preferences of both consumers and CX leaders. We asked consumers to pick up to three of their ideal channels for brand interactions. CX leaders, meanwhile, received a similar question, focusing more on the empathetic qualities of interactions. Let's compare and contrast the findings.

Ideal channels for interactions

Email
54%

Mobile / SMS messaging
41%

Store / face-to-face
35%

Social media
24%

Call center
16%

Branded mobile app
16%

Messaging app
16%

Chatbots
8%

Other
2%
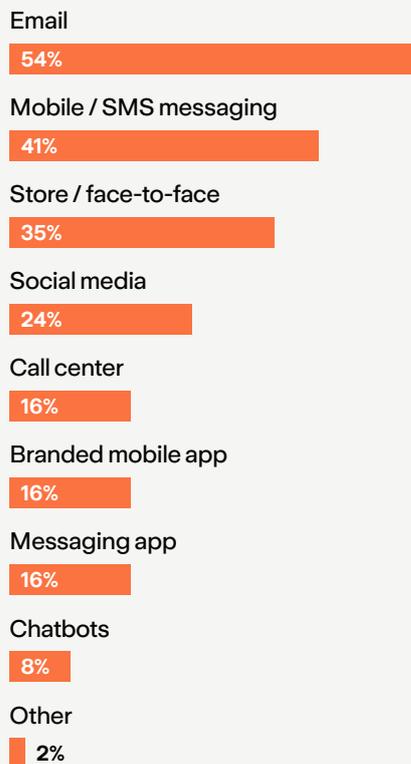
The most empathetic channels

Social media
57%

Mobile / SMS messaging
46%

Store / face-to-face
40%

Email
34%

Messaging app
34%

Branded mobile app
28%

Call center
18%

Other
1%
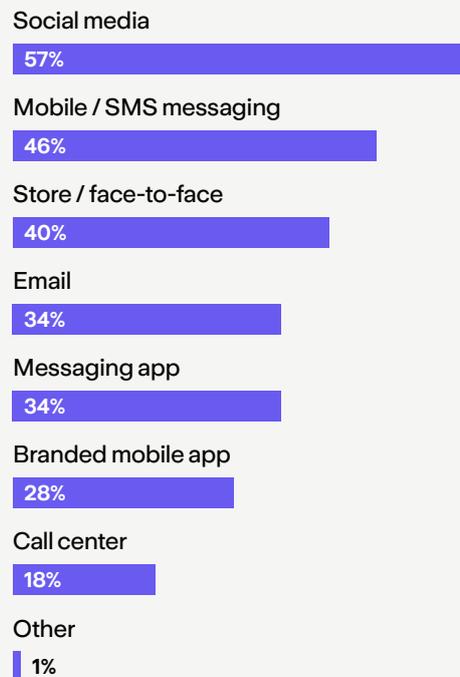
● According to consumers
● According to CX leaders

Email

According to consumers, email is the most ideal brand interaction channel. But if falls to fourth place in the CX leaders' chart. Why is this? Perhaps CX leaders are more acutely aware of email's strengths and weaknesses.

Email is great when you're sending long documents a customer needs to save, but doesn't need to read right now. Or for when you're sending big content pieces like newsletters, brochures or product guarantees. But it doesn't enjoy the sky-high open rates of a medium like mobile messaging. More importantly, it doesn't give us the timeliness both CX leaders and consumers call for on page 11.

Human contact

It's interesting that both CX leaders and consumers rank face-to-face human contact in third place. Meanwhile, the call center experience gets a low score on both charts. This is arguably not so much an indictment of customer service teams – but of the limited time and resources they have to help large customer audiences. Perhaps human contact can also require an element of unwelcome emotional effort from some consumers. After all, more than four-fifths (83%) of consumers told us they liked communicating with brands via mobile messaging because it meant they didn't have to speak to anyone.

This isn't to say brands should avoid human-to-human contact, though. It will be needed for many years to come for more complex customer service interactions. For example, when an empathetic brand representative needs to react to a customer's responses in real time.

Social media
Social media tops the table of empathetic interaction channels, according to CX leaders. But it comes fourth in the consumer table. Social media's ability to keep large audience numbers engaged and informed no doubt keeps it high on the lists. Perhaps the power social media gives consumers to engage with brands in the glare of others – when reputations are at stake – boosts its scores.

There's an argument for ensuring your brand is available on channels like Facebook and Twitter to answer customer questions. But there's an even stronger argument to make sure you're always available to answer questions on private channels too.

Brand apps

Mobile apps are crucial for some brands but not for others. In general, consumers don't want to have to download an app when they only have a few interactions with a brand a year. That's perhaps one of the reasons why only 16% of consumers deem brand apps to be ideal interaction channels. Here's another interesting app-related stat from the research: 51% of consumers say they have deleted more apps than they have downloaded in the last year.

51%

Of consumers have deleted more apps than they've downloaded this year

Chatbots

Chatbots don't score well among consumers or CX leaders. But the AI behind them is improving fast. And remember, consumers have become used to stunted voice conversations with chatbots. Text conversations are a different ball game. Just think how natural it is to type questions into Google nowadays when you want to find out something. We talk more about the exciting integration of AI-powered conversations and mobile messaging later in this guide.

Mobile messaging

It's interesting to compare the attitudes to the various interaction channels with mobile messaging – which hits second place in both the tables on page 20.

OpenMarket is a mobile messaging solutions provider. So we naturally think mobile should be central to any multi-channel interaction strategy. But don't take our word for it, weigh up the research findings that follow on the next few pages. And bear in mind, many of the opinions voiced about the traditional mobile messaging inbox can be applied to OTT mobile messaging apps like WhatsApp too.

OTT mobile messaging apps

The chart below compares the messaging channels consumers want to use when communicating with friends versus with brands.

The traditional messaging inbox – which receives SMS, MMS, RCS and Apple iMessage – is the clear winner. But, remember, brand interactions are relatively new to OTT channels. So consumers' appetite for using them to communicate with brands could change fast.

It's time to prepare for an era in which brands use different mobile messaging and OTT channels for different customers – depending on their preferences and the situation in question.

Consumers' preferred messaging platforms

Mobile inbox

51%
61%

Facebook Messenger

19%
44%

WhatsApp

16%
34%

Snapchat

5%
15%

Other

10%
4%

None of the above

20%
7%
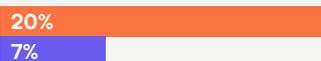
● From trusted businesses
● From friends

Few brands need convincing about the merits of mobile messaging nowadays. But take a moment anyway to look at how consumers rate the usefulness of mobile messaging in different situations. Then look at the benefits of mobile messaging in the eyes of consumers.

Usefulness of mobile messaging in different situations

Notification & alerts / delivering critical information in real time
`88%`

Scheduling or appointment setting and confirming
`87%`

Billing and payments
`83%`

Authentication, security, passwords
`83%`

Customer service and support
`80%`

Customer feedback and surveys
`74%`

Marketing, special offers
`74%`

Sales, new business, customer acquisition
`68%`

Benefits of mobile messaging to consumers

My mobile inbox is best channel for getting things done
`74%`

I interact with messages more quickly than other communications
`83%`

I don't have to speak to anyone / deal with a call center
`83%`

I don't have to download an app to communicate with a brand
`85%`

Messages are concise so save me time
`86%`

Messages are easier for me to find / track than emails
`78%`

I don't have to search for an app on my phone
`82%`

Don't need WiFi / to be online
`79%`

Empathy in the Age of AI – a strategy guide

A picture emerges of a channel that can handle crucial day-to-day interactions between brands and consumers. Compare those consumer attitudes to mobile messaging with how CX leaders:

1. Easy to use and convenient

2. Low cost

3. Opportunity for two-way conversation with customers

4. Conversational nature that customers like

5. Opportunity to deliver personal interactions at scale

The rich messaging era
For years now, brands have been cottoning on to the ease and speed of SMS, and the power it gives them to help customers in precise moments and in exact places. But now the messaging horizon is broadening way beyond text. There's the OTT messaging apps. The MMS format (still rarely used outside the US) which allows images and video.

Then there's RCS for Android, and Apple Business Messaging for iOS. Both take messaging to the next level. They use the familiar default SMS inbox – but bring the power of video-rich, app-like interaction possibilities.

The research unsurprisingly reveals a big appetite for this richer type of messaging. Nearly three-quarters (73%) of consumers say engaging, interactive communications are important for empathetic interactions. And nearly two-thirds (63%) say they are likely to use business mobile messaging more when they feature images, videos and app-like interactivity.

73%

Of consumers say engaging, interactive communications are important for empathetic interactions

A multi-channel opportunity

Call centers, social media and email will probably remain important communication channels for almost every large brand in the coming years. But the findings suggest that putting mobile messaging at the center of a multi-channel strategy can go a long way to closing the gap between CX expectations and the CX reality.

That's not to suggest that mobile messaging should be viewed as a CX panacea. Your focus should be on setting up an ecosystem in which a variety of mobile messaging types can seamlessly operate alongside other channels. More on that in section six.

AI, sentiment analysis and NLP

Ask yourself a question: How can you be there for your customers 24/7? If you're a large global brand this is a difficult one. Setting up enough call centers would be prohibitively expensive. As would having representatives on standby to answer every email or text.

That's why so many brands work so hard to avoid unsolicited communications from customers. They hide contact numbers on websites. They point customers to help pages. Or they tell them to email and wait up to five days for a response. Natural language processing (NLP) combined with mobile messaging can go some way to changing this sad state of affairs.

What is NLP?

NLP is a technique that uses AI and linguistics to help computers communicate with people using their own language. It works by extracting meaningful data from text or speech. The combination of mobile messaging and NLP is an exciting new development in the world of CX. And it will be enjoyed by brands everywhere because NLP can be easily folded into existing messaging platforms and workflows.

Why change a winning SMS formula?
Automated business-to-consumer messaging has always worked well without NLP. But relying solely on pre-programmed, automated messaging means customers have to stay within established conversation boundaries. They can't just get in touch with random questions.

That's when NLP delivers true value. When it's plugged into your messaging platform, you and your customers have far more freedom to communicate. Think about what the research has shown consumers want from interactions: to save time, to not have to speak to humans, to have speedy interactions, to be empowered, to have problems solved, to avoid complexity, to be dealt with in the fewest steps possible.

NLP is one of the interaction pillars brands will need in place to satisfy these customer desires. The exciting news for brands is not just the intelligence at the heart of NLP (which is becoming smarter and more intuitive at breakneck speed). It's the opportunity to insert this intelligence into everyday brand interactions – on the most important and accessible channel known to mankind.

What's more, consumers are totally ready for this. As alluded to earlier in this guide, talking with a bot can be a frustrating experience. But asking a bot quick questions on a keyboard – Google or Bing style? It's second nature. The friction-free, always-there messaging inbox looks set to become the go-to place for anytime brand interactions.

Now you have a chance to create a bot or Q&A service that serves as many of your customers' needs as possible – delivering empathetic interactions along the way.

Read our guide to AI-powered mobile messaging
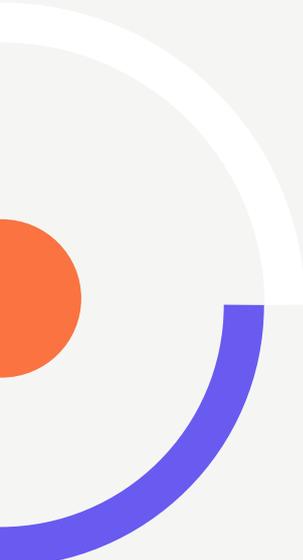
Sentiment analysis

According to the research, 64% of consumers say brands don't do well at understanding their needs at different times of the purchase process. And 67% of consumers say brands don't do well at understanding when they need human assistance versus when they can complete things online.

Add sentiment analysis into the mix with NLP and mobile messaging, and you have a chance to understand what customers want – then act. Like NLP, sentiment analysis is powered by AI. Models are trained to recognize different types of sentiment when they encounter customer conversations.

Imagine the advantage this gives a customer-focused brand. If someone is becoming frustrated during a messaging interaction, they can be rerouted to a human via web chat, or to a phone conversation with a customer representative. Sentiment analysis could also help you work out which types of interactions tend to raise frustration levels, and which don't.

This type of data can be hugely powerful for brands who want to continually improve experiences. Let's take a look at consumers' general attitude to AI-powered interactions in 2019.

Nearly two-thirds (63%) say automation and AI can help brands enjoy more empathetic interactions with businesses. This figure rises to 73% for over 35s. Meanwhile, 67% of consumers believe good automated experiences are just as important as human interactions.

Positive attitudes. But bear in mind, AI is in its infancy – and developing fast. As it improves interactions, enthusiasm for it will rise fast. It's also worth noting that these findings are from consumers who haven't yet enjoyed the power of anytime, AI-powered interactions in their favorite channel.

67%

Of consumers believe good automated experiences are just as important as human interactions

Integrating solutions

NLP and sentiment analysis go some way to helping you say the right thing in the right way to customers. But there are many more pieces to the interaction puzzle.

Data analysis
Data is arguably the most critical puzzle piece. We know raw data is a headache-inducing turn off. But accessible reports and clever visualizations of CX insights can help you identify trends and patterns at a glance. CX leaders say some of their biggest challenges in designing and delivering efficient and empathetic interactions include:

- Leveraging data and insights   **79%**
  to optimize interactions

- Integrating with existing systems   **81%**
  and processes

- Silos and lack of data sharing   **77%**
  across the business

The right messaging platform should help you bring your own data together with third-party information – like demographic details and data from marketing plug-ins. Every interaction should ultimately become useful data too. This can be fed back to inform and improve future interactions.

A platform that helps you extract maximum value from data should make personalizing your customer experiences a joy – even for data novices. You should be able to simply watch, learn, test and optimize.

Intelligent routing
We've seen that 84% of consumers want smooth interactions on channels that suit them. And we know 88% of CX leaders want to understand which messaging channels customers prefer.

Communicating on the right channel for the right customer in the right situation sounds tricky in theory. But if you know your customers' preferences, and you have best-practice data at your disposal, AI-powered orchestration can help you route interactions appropriately – millions at a time.

The right messaging platform should take your message, pick the most appropriate channel to send it through, then auto format accordingly. In other words, it should adapt the richness and content of messages to suit whichever channel is right for the customer. If they only have an SMS-compatible phone, the message will be text based. If they have an RCS-compatible phone, the message might contain images and be more interactive. And all this should happen automatically – without you having to do any thinking or legwork.

Crucially, your platform should also link up to your email and voice communications via a simple API.

Connecting technologies

Your imagination should be the only limiting factor to the customer experience you can deliver. Not your technical capability or system silos.

That means the right platform should manage the heavy lifting of multi-channel, empathetic communication – including service flow logic, interactions with your CRMs and tech stacks, and message personalization.

Interaction ease

CX leaders have told us they want a communications ecosystem that is usable by people who don't necessarily have tech knowledge:

93% call for ease of use, with only little training necessary

91% call for ease of integration into existing workflows

92% call for easy-to-use templated workflows

In recent years, it's been an unmeetable challenge for brands to connect communication channels like messaging with every new channel or chat app. Development and IT teams haven't been able to keep up.

The right messaging platform should make set-up so much easier. Teams should be able to develop customer journeys and workflows in minutes and hours, not weeks and months.

A single, intuitive workflow designer should be a piece of the puzzle. So should interaction 'templates' to help you create useful, personalized two-way customer interactions – from technology repair processes, to identity authentication, to deliveries. And you should be able to use these templates right out of the box. Or adapt them to suit your needs.

This all sounds simple in theory, right? But how simple can it really be? The answer is: *very*. Let's look at how the pieces come together with the help of indigo.
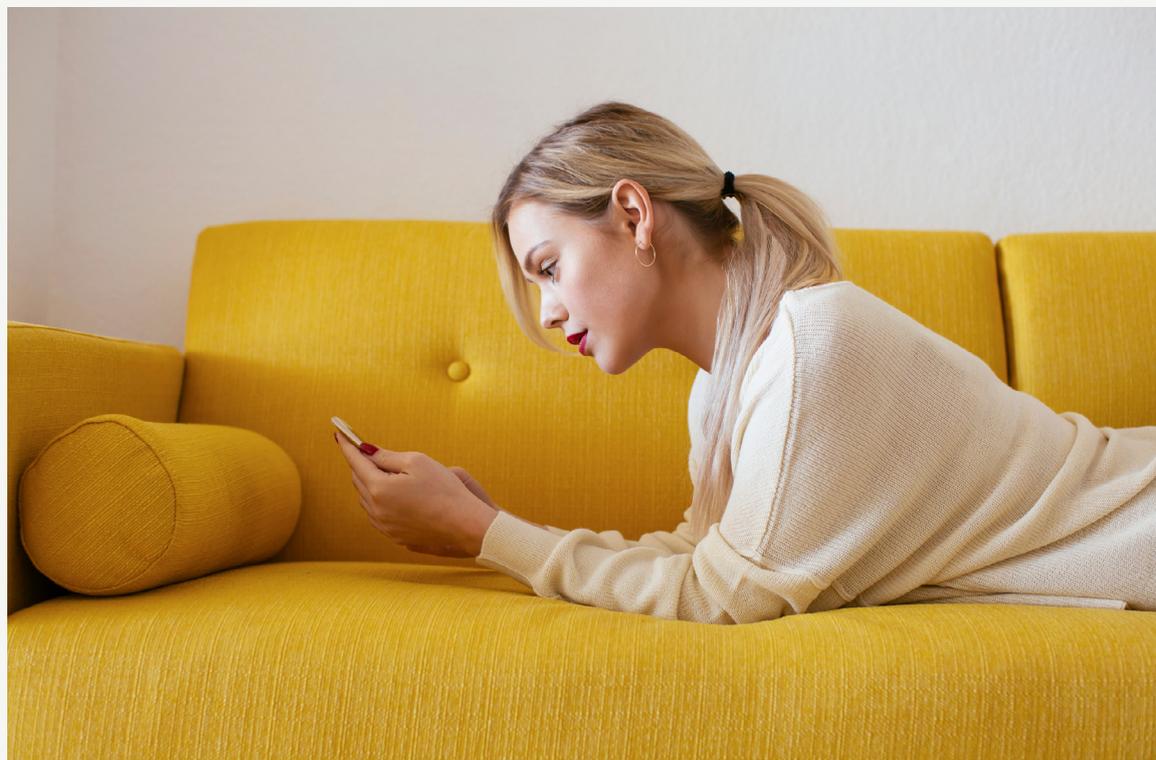
indigo by OpenMarket

indigo by OpenMarket is a new type of mobile messaging platform that empowers non-technical people to create best-practice automated customer interactions, across multiple channels.

indigo combines templated campaigns encoded with best-practice insights (gained from billions of messages delivered over 20 years), smart APIs, robust data analysis with the power of the world's best global messaging network. To make designing and delivering empathetic customer experiences effortless.

Learn more

Multi-channel messaging

Discover how the indigo multi-channel messaging platform works.

Download the eBook
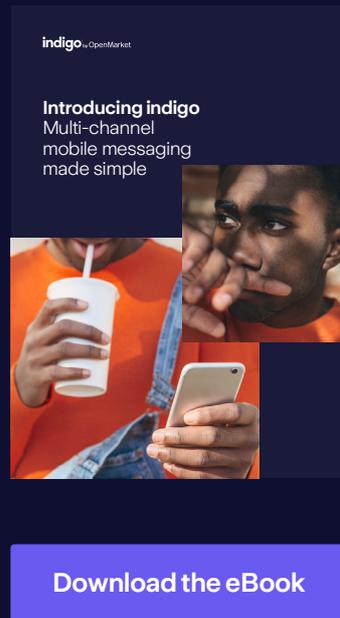
We are OpenMarket
As an Infobip company, we help the biggest brands in the world use mobile messaging to connect with people in the moments that count. When they need to be helpful and responsive in real time. When customer experience isn't just a buzzword, it's an obsession. We'd love to do the same for you.