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Real Estate Predictions 2020 | Article 3
Conversational AI: A potential game
changer for real estate customer service

The entire real estate industry is facing significant disruption as new technology and various digital offerings change the way people live and work. Enhanced customer expectations for more and more real-time and high quality services are a major challenge.
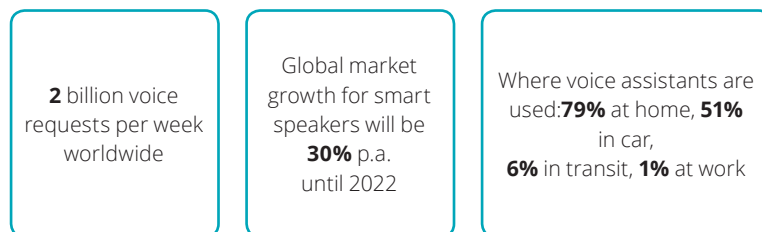
What is needed is more than a chatbot but rather a so-called "intelligent virtual assistant." Enabled by conversational AI, these assistants would be built for purpose, have a rich set of capabilities, and be integrated into the end-to-end process landscape of the enterprise. They can also simultaneously act as an important interface within the entire real estate ecosystem.
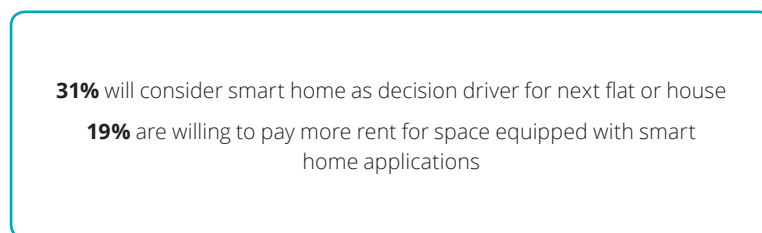
Real estate and the digital customer experience

Today, expectations regarding customer service experience are mainly driven by the standards of the big technology firms. Personal contact is no longer the major relevant success factor in many processes. Rather, it's easy and simple contact channels, 24/7 availability, fast response times, and a low error rate. Service desk automation and conversational AI can enable companies to design and deliver an experience that provides this value to the customer.

But to do this AI offerings need to move beyond static Q&A chatbots to a "personalized" agent with the ability to trigger or perform relevant tasks and events. For some selected use cases (e.g., targeting group-specific rental offerings or cross-selling services) additional capabilities will evolve, allowing the assistant to act as an intelligent advisor capable of making suggestions based on its integrated AI driven recommender engine. In the future add-on services like these could make the difference in real estate just like they do in modern online retailing.
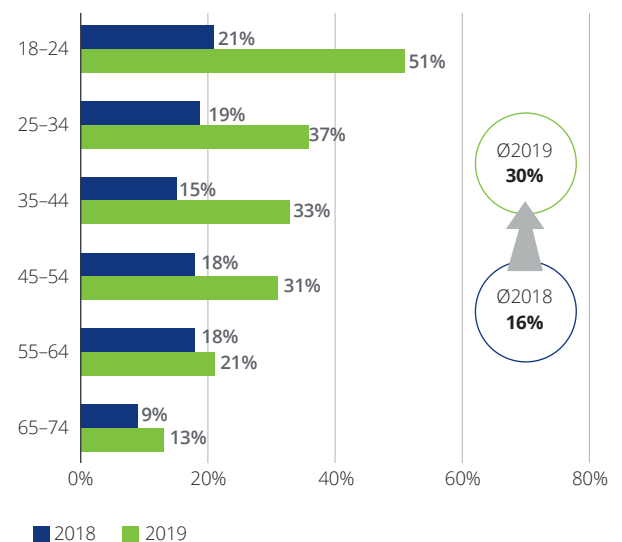
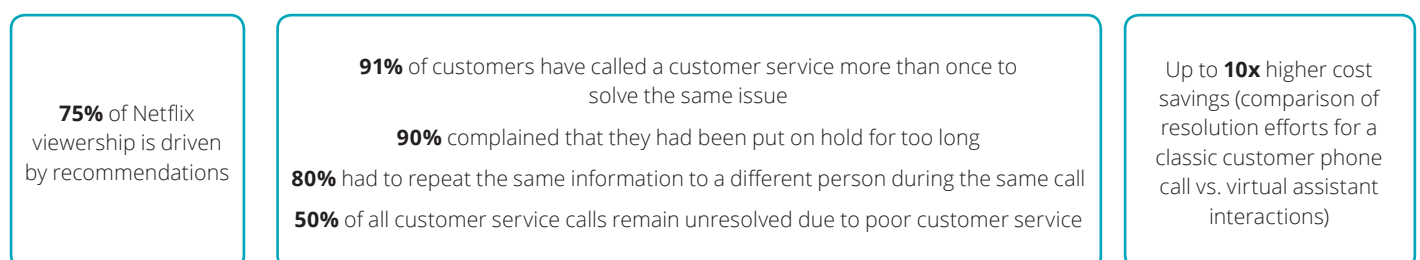Facts and figures on market insights for AI based smart assistants

2 billion voice requests per week worldwide

Global market growth for smart speakers will be **30%** p.a. until 2022

Where voice assistants are used:**79%** at home, **51%** in car, **6%** in transit, **1%** at work

Deloitte, "Beyond Touch – Voice Commerce 2030"

31% will consider smart home as decision driver for next flat or house

19% are willing to pay more rent for space equipped with smart home applications

Bitcom Digitalverband, Bitcom Research

Deloitte, "Voice assistant usage per smartphone" - Global Mobile Consumer Surveys 2018-2019

75% of Netflix viewership is driven by recommendations

91% of customers have called a customer service more than once to solve the same issue

90% complained that they had been put on hold for too long

80% had to repeat the same information to a different person during the same call

50% of all customer service calls remain unresolved due to poor customer service

Up to **10x** higher cost savings (comparison of resolution efforts for a classic customer phone call vs. virtual assistant interactions)

Deloitte, "Beyond Touch – Voice Commerce 2030"

Deloitte, Real Estate housing analysis

A virtual assistant in practice

To be able to address all real estate related requirements, it is essential that a virtual assistant and the underlying digital service platform are integrated with as much of the real estate ecosystem as possible. The more relevant the stakeholders within the process cycle are, the better. This of course becomes much easier if your virtual assistant covers real estate processes from end-to-end (which needs a deep and comprehensive understanding of all underlying real estate specific workflows and tasks) and provides open interfaces for connectivity to such systems as ERP, individual databases, CRM/ticketing, apps, smart devices, or external service providers. It's also important that the virtual assistant is flexible enough to stretch its scope or to integrate services from an ever-growing universe of micro services, the relevance of which will increase even more in the digital future.

With applied conversational AI and intelligent automation a wide range of suitable and easy-accessible communication channels becomes available (e.g., web, app, voice, smart speaker, smart watches, etc.). They all provide a much lower barrier to customer connection. Thus, the amount of reported incidents to be processed and managed will increase, particularly in a company that in the past avoided contact with customers due to poor service. Also, as digitalization allows you to better utilize and leverage your customer service resources, subject matter experts can take care of more extensive and value-added tasks while virtual assistants work on simpler client incidents.

There are opportunities for quick wins in this sphere, especially where there is little diversity, no sensitive client data to manage (e.g., residential marketing or letting research), and no demand for sophisticated interface models. But more attention and consideration is required.

For example, in a CREM (corporate real estate management) case, a virtual assistant has to tackle the individual responsibilities and requirements of all involved players (owner, tenant, and service provider), needs to cope with the diverse interface landscape, and requires a clear data governance definition (e.g., ownership/usage of gathered data).

Don't get left behind

Remember, virtual assistants will impact your customer service no matter if you or your competition apply them. And even though conversational AI has already entered the market, implementation has typically not been treated as a multi-domain exercise across the entire real estate industry. Use cases differ across domains (e.g. housing associations, corporate real estate and facility service departments, RE service providers, nursing home operators, concierges, hospitality, etc.) and, as such, need to be adapted accordingly.

Within the real estate industry only a few companies, especially in housing, have started to realize the benefits of conversational AI. As of now most of the existing conversational AI services lack maturity and/or scalability, a reason being the functional depth of the real estate ecosystem, the diversity of requirements, and a weak process alignment. This often leads to bad user experiences, forcing businesses to rebuild their solution on a better suited technology platform and with a heightened focus on business requirements.

The future of customer service is AI

Having a suitable conversational AI platform and intelligent service offerings in place is the only way to foster sustainable and successful digitized customer service. Of course, solution implementation is only the first step. Providing conversational AI and virtual assistants to your customers is not a one-off task but an ongoing activity.

It requires robust monitoring and analysis of all interactions in a professional digital operations setting that is optimized for the world of AI. This way continuous improvement becomes possible, which will ensure continuous service excellence and the overall success of your initiative.

For an in-dept analysis on conversational AI, please contact the authors below.

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