



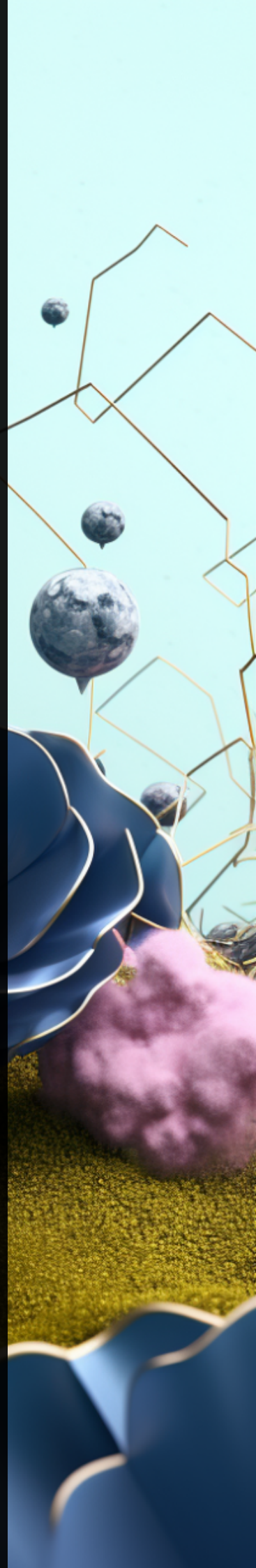
Deloitte.



How Generative AI Will Change the Way We Do Customer Service

Are you ready to unlock the transformative potential of Generative AI in customer service and make critical strategic choices? **The moment to act is now.**

Dive into the revolutionary world of Generative AI and its transformative impact on customer service. We unravel its potential across customer engagement, service delivery, and customer retention & advocacy. Learn about the critical choices necessary for harnessing this emerging technological wave.



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Imagine a world where customer service transcends boundaries and enters a new realm of efficiency, personalisation, and entertainment. Meet AI-powered 3D avatars who hold the power to flawlessly answer all product questions from customers and even achieve remarkable sales figures in live streaming rooms. Generative AI provides us with the opportunity to engage with customers in a live (automated) conversation while adding relevant functionalities such as seamlessly integrated 3D rendering and virtual reality (VR) to the conversation while analysing data from the Internet of Things (IoT). Organisations are now presented with unprecedented ways to elevate the human experience and their level of customer service while orchestrating seamless and relevant interactions across every touchpoint in the customer journey.

Balancing Generative and Conversational AI for Effective Customer Service Solutions

In this evolving landscape, Generative AI takes a centre stage. A branch of artificial intelligence powered by foundation models such as GPT-4, PaLM or Gemini focused on creating new and original content is transforming customer service by empowering a myriad of innovative applications. Coupled with the generation and creation of branded 3D avatars, it can greatly enhance the human experience.

AI is certainly not a new technology to customer service, with chatbots powered by Conversational AI making their presence known for some time now. Conversational AI, focusing on natural language processing and dialogue management, enables chatbots to offer specific and factual responses based on pre-set conditions. This technology presents a lower risk due to its controllable nature. In contrast, Generative AI generates unique responses that consider contextual information, engaging customers in a manner remarkably similar to human interaction. However, it's crucial to note the potential downsides. Generative AI may occasionally drift from accurate information, and without proper guardrails, it could risk producing inappropriate or unethical content. There are also

considerations around intellectual property rights, as Generative AI could unintentionally create content that infringes upon existing copyrights.

Striking the correct balance in the application of Generative AI and Conversational AI is essential to deliver a customer support solution that is both accurate and engaging. Measures need to be put in place to manage the risks of Generative AI, all while harnessing its unique capabilities.

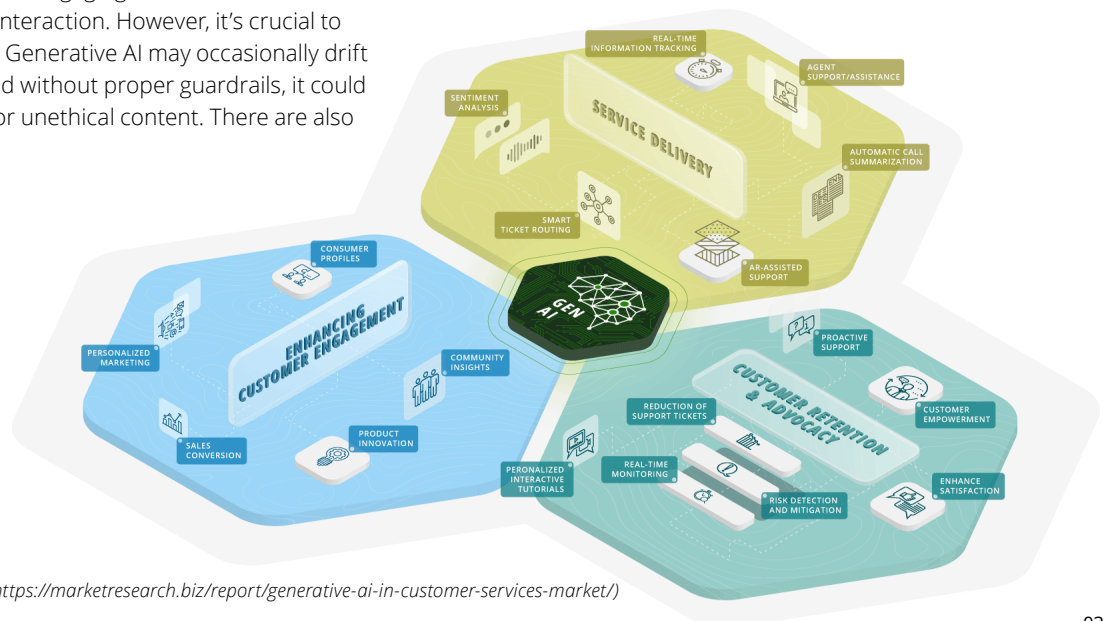
For instance, **Deloitte's Simone**, an AI based solution that can be used to reduce the complexity of text to a level that is appropriate for everyone. Chose to leverage the potential of Generative AI to enhance customer communication effectiveness. Simone inputs complex Dutch text and generates simplified versions that maintain the original message's essence. This facilitates effective and genuine communication between customers and organisations, demonstrating the potential of Generative AI when used responsibly and effectively.

Exploring the Enormous Potential of Generative AI in Customer Service

Generative AI holds immense potential across all business models - be it B2B, B2C, or even B2E - yet its applications in customer service remain a relatively unexplored territory. With a projected market size (by MarketResearch) of USD 2,103.0 Mn by 2032 in the customer service sector, growing at a CAGR of 24.20% since 2023¹.

Generative AI transformative potential spans customer engagement, service delivery, and customer retention & advocacy, positioning it as a significant catalyst in the customer service value chain.

Some of the remarkable ways Generative AI can revolutionise these critical areas include:



1. MarketResearch.biz, May 2023 (<https://marketresearch.biz/report/generative-ai-in-customer-services-market/>)

1. Customer engagement: Generative AI is already transforming the pre-service stage, where it has been used to drive personalised marketing, sales conversion, and product innovation by utilising diverse consumer data formats, such as texts, pictures, audios, and videos. With the help of advanced sentiment analysis, it extracts valuable insights, uncovers opportunities, and enhances personalised marketing content based on consumer profiles and community insights.

A grocery delivery startup named Instacart utilised Generative AI to develop a personalised search tool. The tool offers customers personalised suggestions and responses to open-ended inquiries, like “What should I pack in my child’s lunch box?” and “Are there any gluten-free snacks?” These responses incorporate food preparation, product features, and dietary considerations, making the customer interaction more natural and inspiring, and encouraging people to discover new products and access the products they already know and love.

2. Service delivery: During the in-service stage, Generative AI-powered solutions have the potential to transform the customer journey by offering personalised interactions beyond text. By incorporating visuals and voice messages, businesses can achieve clearer communication, even when customers struggle to describe their issues. Advanced capabilities like automated call summarisation (see image below ‘Automated call summarisation in the public sector’), sentiment analysis, and smart ticket routing empower call center agents to handle customer inquiries more precisely and effectively, thereby enhancing overall customer satisfaction and agent efficiency in the service process. Additionally, up-to-date delivery tracking and updates cater to customers’ schedules, ensuring convenience and trust. AR-assisted support enhances in-store experiences, equipping employees with real-time product information.

A prime example of Generative AI in action is Wendy’s partnership with Google Cloud², introducing their Generative AI tool for fully automated drive-thru orders. This American fast-food chain showcases a future where seamless service is delivered via conversations powered by Generative AI, even addressing special requests like no cheese or extra sauce.

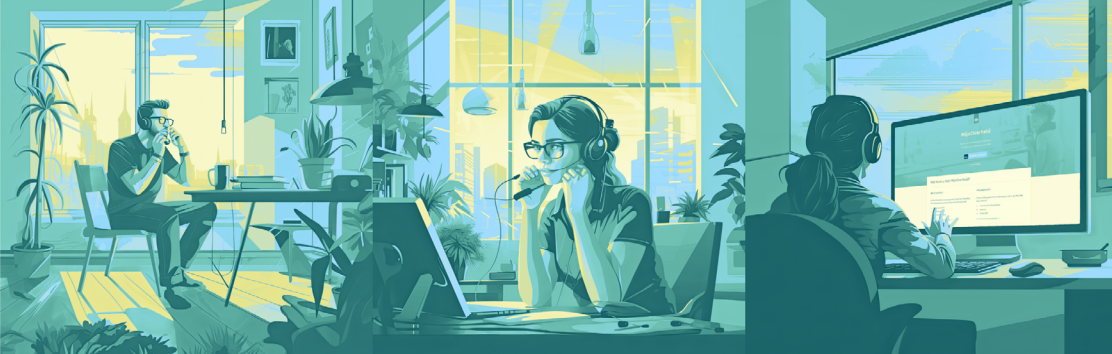
Generative AI Automated Call Summarisation in the

“
Calling with a government agency is always stressful
After the conversation I often forget most of it

Citizen Brian

Employee Michelle

I would like to help citizens properly on the phone, but I notice that these are often complex matters for them



Interaction

Contacting a government agency can be stressful due to complex issues and the fear of making mistakes, often leading to citizens remembering only a small part of the conversation. Let's see how Brian and Michelle handle this scenario.

AI

Michelle verifies the identity of Brian on the phone and explicitly requests if the conversation may be recorded for quality purposes and to make a report.

The AI model is called and started based on the consent of the client.

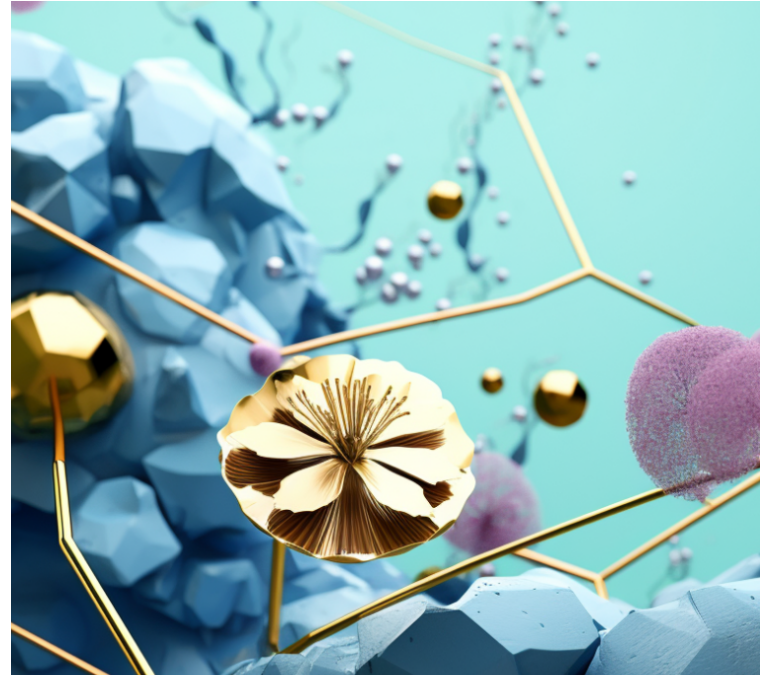
Because Brian agrees to make a conversation report, Michelle asks how he wants to receive it. In any case, the report will be shared via Mijn Overheid.nl. Brian however indicates that he would also like to receive it by mail.

Audio data is translated to text using speech to text.

2. Google Cloud, September 2023 (<https://cloud.google.com/blog/transform/wendys-generative-ai-drive-thru-reinvention-worker-freedom>)

3. Customer retention & advocacy: Generative AI revolutionises the post-service stage by providing businesses intelligent proactive support, pre-emptively identifying customer concerns to enhance satisfaction. This can be achieved through personalised interactive tutorials, which empower customers with comprehensive product understanding, resulting in a reduction of support tickets. Furthermore, when combined with IoT, Generative AI can enable real-time monitoring, risk detection, and a customised remediation plan for proactive customer management.

For instance, Biofourmis uses Generative AI in remote patient monitoring, collecting real-time physiological data from wearables to provide healthcare providers with alerts and insights for abnormal patterns and potential health risks.



Public Sector



Brian indicates that he was previously referred to the wrong department and now has to tell his story for the second time.

Michelle leads the conversation with Brian and provides action points in a summary at the end.

Optional
Another employee conducts a quality check on the report using

Brian gets a user-friendly report with clear explanations for complex terms, a QR code linking to an explanatory video, and a visual timeline of action points for both him and the government agency.

Text is generated and agent assist displays "next best actions" based on this text. Irritation and error signals are used in real-time for customer signal management.

The text is formatted into a final generated summary by a best-in-class large language model.

The letter is generated in the style of the government agency by an AI model.

A visual created utilising Generative AI depicting the future Journey for 'Automated call summarisation and customer signal management'

The 4 Critical Choices Organisations Need to Make:

When exploring the potential of Generative AI to enhance customer service, business leads may be eager to envision how these applications can benefit their own business. To turn that vision into reality, addressing the unique needs of the customer or organisation, and driving growth and success, the organisation should focus on four key questions that will guide the integration and implementation of Generative AI:

1. What customer service opportunities do we prioritise?

Identify and select the most valuable use cases that align with the business objectives. To prioritise use cases effectively, a three-lens assessment based on the following questions should be considered:

- Does the solution meet user needs (Desirability)?
- What's our ability to deliver the solution (Feasibility)?
- Will the solution generate lasting business value (Viability)?

By evaluating and scoring all potential use cases through these 3 lenses, the organisation can focus on areas that offer the greatest value and immediate impact.

2. What platform(s) will we choose?

Selecting the appropriate platform is crucial for the successful integration and implementation of Generative AI. Evaluating different platforms based on their features, capabilities, and compatibility with the existing systems will ensure that the organisation has the right technology foundation to support selected customer service initiatives. For example, some renowned platforms, like Salesforce and Google, are already employing Generative AI-powered features, such as automatic case summarisation, to enhance their offerings.

3. How are we going to develop our capabilities for customer service improvement? What Target Operating Model do we envision?

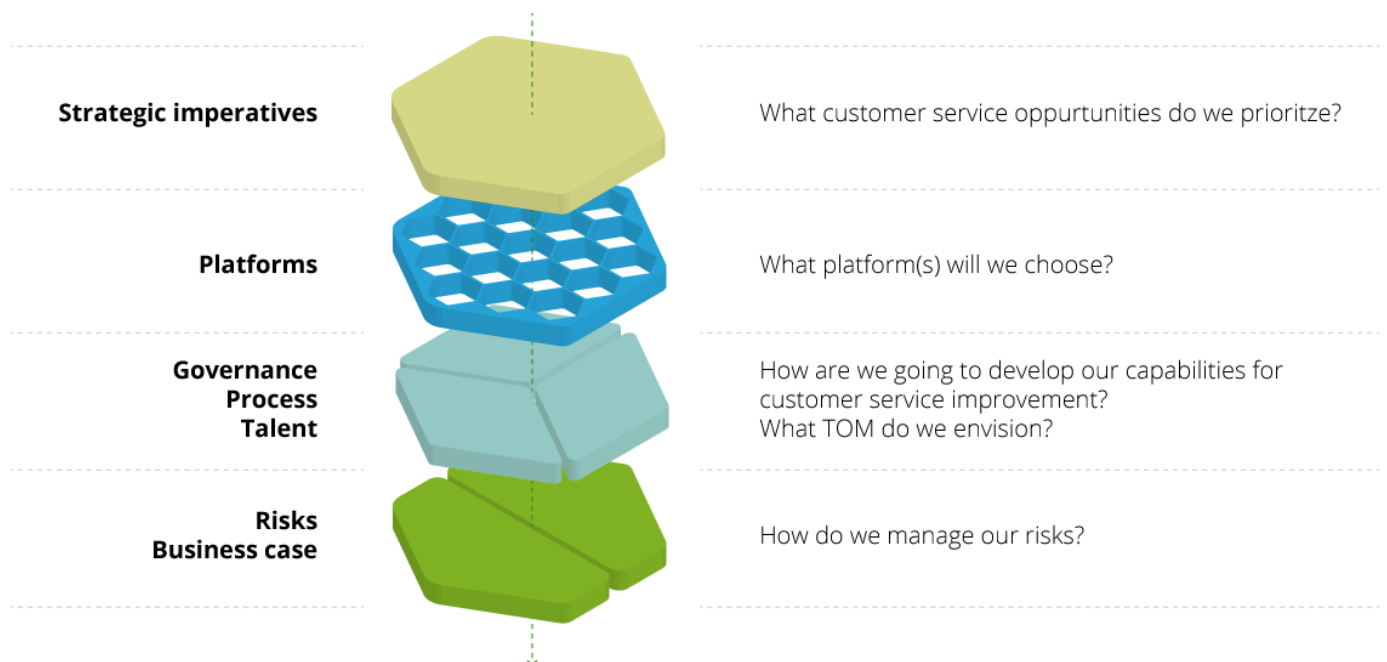
Tailor the implementation of Generative AI to meet the unique needs of the business. Consider how it can improve the current customer service processes & workflows, and develop the necessary capabilities to fully leverage its potential. This may involve training the team, adapting the organisational structure, or implementing new strategies.

4. How do we manage our risks?

Like any new technology, Generative AI comes with inherent risks. It's important to address these risks and establish robust safeguards to protect customer data, ensure ethical use of AI, and maintain compliance with regulations. Implementing a comprehensive risk management strategy will offer the organisation peace of mind and build trust with its customers.

Deloitte's Trustworthy AI Framework provides a comprehensive approach to managing risks associated with AI by incorporating principles of fairness, transparency, accountability, robustness, privacy, and security.

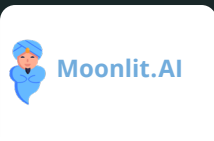
After exploring these four questions, the organisation should have a deeper understanding of how Generative AI can truly transform customer service. At Deloitte, we are committed to helping our clients navigate the challenges of discovering, strategising and implementing AI solutions and leveraging our expertise and experience to provide guidance every step of the way.



Deloitte has also collected 43 Generative AI use cases that hold significant potential to affect the customer service journey under three critical areas mentioned in the article (Enhancing customer engagement, Service delivery and Customer retention & advocacy)

Retrieval Augmented Generation

Enable legal research in the EU through information retrieval, translation, keyword highlighting, and argumentation mining.



Transcription assistant

Automatically transcribe and summarize doctor-patient conversations and populate EHR systems.



Automatic call summarization

The audio stream from telephone calls are streamed to a speech-to-text engine to form a transcript. An AI-model uses the transcript to summarize the call. The resulting summary is saved in the CRM system.



Synthetic data generation

Create artificial data that mimics real-world data for various purposes such as testing, simulation and research, while preserving privacy of the real-world information.



Content generation

Support content development to generate images based on website text and choose the best picture.



Public information discovery

An Interactive Digital Assistant provides an accessible solution for Dutch farmers to find relevant subsidies to apply for more easily.



Deloitte's Customer Service Strategy & Design Team

With our dedicated Customer Service Strategy & Design Team, we have a wealth of knowledge in developing and executing tailored strategies that drive success. The Deloitte AI Institute helps organizations transform with cutting-edge research and innovation by bringing together the brightest minds in AI to advance human machine collaboration. Let's embark on a journey towards revolutionizing your organization's approach to customer service together.

We invite you to reach out to speak about your challenges and ambitions. Robert Collignon, Franklin Heijnen and Sjors Broerson are ready to team up with you to deliver the impact your organization and customer deserves.



This content of this article is completely generated by humans.

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Recognition and Appreciation

This report would not be possible without the collaboration that results from working alongside colleagues on the front lines to understand the impact of these trends in the marketplace and how to embrace them to drive growth for the coming year.

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