Deloitte TECHTalks | EPISODE 16 | AI in Customer Interactions
With Simon McLain, Principal, US Chief Strategy & AI Officer of Deloitte Digital, Deloitte Consulting LLP

Buscaino, Raquel: Welcome to Deloitte TECHTalks. I'm your host, Raquel Buscaino and I lead Deloitte's Novel and Exponential Technologies team or NExT team, where we sense and make sense of emerging tech.

We've done a couple episodes this season on the topics of AI and Generative AI in particular, where we've spoken about AI a bit broadly as well as how AI can be used within a company's workforce. But on this episode, we're going to be looking at the role AI increasingly plays in customer interactions. So whether you're an organization with customers or are a customer yourself, which should hopefully be most of you, there'll be a lot for us to explore together in this episode. I'm delighted to be joined by Simon McLain, US Chief Strategy and AI Officer of Deloitte Digital at Deloitte Consulting LLP who's going to be walking us through the ins and outs, as it relates to everything customer interaction here. So Simon, welcome to the podcast it's really so great to have you.

McLain, Simon: Raquel, it's fantastic to be here.

Buscaino, Raquel: Awesome. So before we even dive into those specifics about AI and customer interactions, what's the big picture opportunity here?

McLain, Simon: So for first of all, it's such an exciting time to be kind of talking about this topic in the context of customer interactions. There's been a promise of kind of personalizing customer experiences at scale for as long as I've been doing this work, which is quite a long time, and with the introduction of Generative AI and kind of evolving AI technology, we as society are suddenly at the point where that very ambitious goal seems to be within reach. And I think we'll start seeing organizations invest in the capabilities to create very bespoke very customized, very personalized interactions across the whole range of touch points that consumers or customers in the B2B context experience as they interact with organizations. And this technology is going to be at the epicenter of getting us to a point where personalization at scale is something that's actually realized.

Buscaino, Raquel: I love that picture you just painted because AI is challenging quite a few industry assumptions here. So this idea of you can't achieve content personalization at scale. Well, that is now an assumption that is rapidly being challenged by AI. So what are organizations currently doing when it comes to customer engagement, and what are some of the ways they should be thinking about leveraging AI to an even greater extent?

McLain, Simon: So if you think about the breadth of customer interactions in this day and age, there, there are plenty kind of early in the purchasing process, through advertising, through more tactical marketing campaigns, organizations interacting with customers and consumers through the buying process after sales support, on to kind of loyalty to get them back into that purchase funnel again, and a lot of what companies are thinking through is across the journey, where should they focus, right? There's broad range of interactions that could be supported by and personalized via Generative AI and

AI technology. But organizations can't do all that at once. We as Deloitte, we're seeing two big themes kind of emerge in terms of where, in that journey, organizations are focused.

First is around on marketing. If you think of all the breadth of interactions around kind of marketing campaigns, and the content that's required, organizations are seeing real potential in Generative AI helping to support those marketing campaigns and associated processes. And I think the other one is in in customer support. We've seen a tremendous amount of activity for again, customers or consumers who interact with businesses through contact centers as an example. Increasingly, that technology is either helping agents with those interactions or ultimately with interactions directly with customers and consumers. So I think across the journey there is potential for every interaction. I think a lot of the epicenter for activity has been around kind of marketing and customer support to date with the breadth of the clients we're working with.

Buscaino, Raquel: And when it comes to both of those, so the two that you just listed there were marketing campaigns and customer support as two of the big themes we're focusing on. What are some of the questions that clients have when it comes to integrating these two options. Where is the focus of conversation heading these days?

McLain, Simon: If you think about the marketing side, a lot of what marketing organizations are doing, and often with their agency partners is producing content that can be pushed out through the myriad of channels that they interact with customers with. And again, historically, it's been a pretty manual process. Large volumes of content. The need for you know, photo shoots and generating this content in lots of different angles with moods for different customer segments. And if you think about what generative AI does well, it's pretty good at synthesizing that type of content and digesting large volumes to create much more bespoke content at scale, and that muscle is now being built within organizations to be able to do that where they used to produce thousands, tens of thousands, sometimes millions of images that go out through different channels for different marketing activities. Generative AI is allowing them to do that much more efficiently. And, as I said, increasingly much more personalized. And I think those things are coming together in the marketing domain that will allow for, a lot of exciting interactions to happen in ways that were just not possible both tactically but increasingly, economically. And I think the efficiency gains that Generative AI can bring in that space to really do that content at scale is a place where organizations are seeing real benefit.

And then on the contact center side, there's kind of two pieces. One if you're interacting with the Contact Center, often you're interacting with a person. And there's a lot of Generative AI and AI technology supporting those agents, to be able to synthesize past interactions, to be able to deliver on your needs much more efficiently. And that leading organizations are starting to invest in the technology that you interact with directly. And Generative AI increasingly playing a role in terms of your non-human interactions with organizations and getting access to the information you need in real time without the need to go through an agent. I think the adoption in the Contact Center space has been interesting because many of us have interacted with bots for years. It's just the sophistication of those bots and the breadth of use cases they can support is evolving rapidly and increasingly. I think we'll see a lot of the needs that used to require human interaction or require layers of work to support will now be synthesized with this technology to deliver much more efficiently but also much more effectively.

Buscaino, Raquel: I can speak from personal experience here. Sometimes when you get a bot, your default reaction is, 'Oh, man, I got a bot. I wish I could speak to a human.' It's an interesting paradigm shift when the bots start to feel very human-like.

McLain, Simon: Yeah. And I think that promise is quickly becoming a reality. We've all kind of looked to hit 0 or # very quickly when we've gotten the bot, not by choice in the past, and I think the ability for those bots to service you much more efficiently, much more effectively and frankly become a preference over time is a real reality that we'll see playing out over the coming months and years.

Buscaino, Raquel: And I'd like to double click just a little bit more into the first example that you mentioned, which was around this idea of content supply chain. You mapped out pretty clearly all the different ways that AI can be a part of this, but I like that term content supply chain. The words I heard were: efficiency, optimization, personalization, streamlined. What's the biggest barrier towards an organization thinking about their content supply chain? If I'm listening to this, I'm like, sign me up! But what do I have to do to be able to make that come to fruition?

McLain, Simon: So the term content supply chain is a bit of an analog for a typical supply chain. Right where things get produced, they get moved around, and then they get distributed ultimately to an end customer consumer. You could think about the same analog for content. Content gets produced, it gets distributed and ultimately consumed by an end customer or consumer. Content supply chain is all about driving content creation and execution at scale without sacrificing quality. And that last piece is what's really new. And this themes of kind of personalization which I mentioned but also localization. You can envision so many global companies needing to build global campaigns, distribute content globally. Well, that gets perceived and consumed very differently in different markets. And Generative AI allows you to do what used to be very expensive and very time consuming which is localized and personalized content to different audiences around the globe. And that part has been really exciting, and I think is one of those that's really here today.

Buscaino, Raquel: Part of the challenge organizations might be facing is figuring out what they should prioritize first. If you look up AI use cases, you can probably get a list of a thousand ways that you could utilize AI. So what's the low hanging fruit here? And then what are the applications that are high effort but high reward that companies should explore in the longer run?

McLain, Simon: The theme in the shorter term is efficiency. And I think a lot of what we [as Deloitte] see organizations focused on that we're helping organizations with is creating more efficient workflows, leveraging Generative AI and AI technology. And, as I mentioned, I think elements of marketing as well as elements of customer support is where we're seeing a lot of that center of gravity. If we're talking in Olympic terms of kind of the bronze medal. Increasingly, we'll see kind of the silver medalists, if you will, focused on experience and taking not just efficiency gains, but would start to create more of bespoke experiences for customers and consumers. I think the gold medal, if you will, which is still a little while out, is, Generative AI or AI for growth, and using it to create, net new revenue streams for organizations. So if you think about a maturity curve, I think efficiency moving to experience, moving to net new revenue opportunities will be the maturity scale we see kind of play out in across industries.

Buscaino, Raquel: I love the way you mentioned that the switch from efficiency to growth. You know, when we kicked off our conversation one of the things we talked about was how AI is challenging assumptions. And so, as part of unlocking that growth opportunity, this net-new revenue streams asking yourself 'what are the assumptions we've had before, that we need to start challenging actively, because growth vehicles that we thought might have been previously elusive, are now within reach?' Is that the question to ask when we think about these net-new growth revenue streams?

McLain, Simon: Yeah, I think it's definitely one of them. A big part of why, some of these opportunities either haven't been considered or haven't been pursued, is they've been very expensive, and I think what Generative AI and AI will bring is a whole different model by which to pursue different types of growth opportunities that in the past may have been, not viable or not economical. And I know that's painting with a broad brush. And I think in in the coming years we'll see entry into a whole bunch of new markets with new supporting business models that we haven't seen that's supported by this new technology.

Buscaino, Raquel: On one of the previous podcasts, we talked about this idea of prompting and how the ability to ask good questions is important now more than ever. And so part of the reason I wanted to ask you about what questions should I be asking to unlock those growth vehicles is because I think the premium on good questions is higher than it has ever been before.

McLain, Simon: I think, premium on good questions and then premium on good data. And I think those are two of the big themes we're seeing. That the idea of prompt engineering has become a part of our common vernacular given how important it is to ask questions in the ways that are required to get the best possible answers. And I think on the flip side, a lot of what we are working with organizations on is the data side and ensure that especially for the data that's being required to support some of the models that enable customer interactions. The quality of that data, the nuance of that data, the breadth of that data is going to dictate to a large extent the quality of what comes out of these models to support those interactions. So I think promptings a really important theme. I think data as the input to these models is a really important theme, and those things coming together will help support much more tailored interactions that are commensurate with the brands that our organizations want to communicate to their own customers or consumers.

Buscaino, Raquel: Yeah. The way I'm thinking about it trying to bring it to life. When I think about maybe data as it relates to a marketing campaign. Is it safe to say that I could create, bespoke localized content, and then track that data to see what's performing higher, right? That type of data could inform the Generative AI capabilities that are then produced back to me. Is that a good way of thinking about? Or should I be thinking about the intersection a bit differently?

McLain, Simon: No, I think so. And you know there's been a lot of talk about large language models, right? Which are kind of these multi-purpose models that everyone has been interacting with. I think increasingly, we're going to see a trend towards more domain specific models. And what I mean by that is, you could imagine the marketing domain having its own specific models that's informed by and tailored to what an individual organization wants to leverage that model for. And again, if you think about customer interactions that's going to be largely in marketing and sales and in customer support.

And I think you will see models starting to rise up that are very domain specific and built for purpose for those types of customer interactions.

Buscaino, Raquel: It's funny because we're talking a lot about content personalization for the customer. And this idea of large language models and trending towards more domain specific models is personalization for the customer as the enterprise that's producing that. So it's a whole another layer of personalization.

McLain, Simon: I think that's exactly the right way to think about it.

Buscaino, Raquel: So we've talked about so many different use cases, opportunities, ways to be thinking about the future of AI. Every emerging technology has risks, considerations that should be top of mind. And I think AI in particular here. In the context of these customer interactions, what are the important risk and challenges that you think are worthwhile calling out?

McLain, Simon: Yeah, I think one is, there's the difference between enabling someone to interact with the customer and Generative AI interacting directly with the customer. You know right now a lot of the investment and a lot of the maturity is Generative AI enabling interaction, but with human intervention before that interaction…communication message is actually shared with an ewe nd consumer or customer. A lot of those risks are being mitigated by having human intervention and kind of being the filter before those contacts communications content is ultimately shared, shared externally.

Buscaino, Raquel: That's an interesting frame. It's not like AI isn't being used today or information and data aren't being used in those customer interactions. It's just that I, as the end user, might not be directly exposed to it. So the only net-delta is where AI is being used in that interface or interaction layer, not whether or not it's being used but, it's more about the curtain being lifted just a little bit more, and us as a consumer or customer being okay with that curtain being lifted too.

McLain, Simon: Yeah, I think that's right. And I've you know, talked about marketing and customer support. Another set of use cases just kind of the second tier down is around sales. And if you think about B2B sales, a B2B customer may be interacting with another organization or talking to a sales rep. Increasingly that sales rep is using Generative AI to actually prepare for those meetings and discussions; synthesizing past interactions, past sales, preparing marketing materials. And they're showing up to those interactions without the customer they're talking with acknowledging or understanding they're actually using Generative AI to prepare.

Buscaino, Raquel: And it allows those folks to do what they do best, which is interacting with humans and establishing that relation and being more human.

McLain, Simon: And the most value add, and if you're a salesperson, that the act of selling is the most important, and as you said, the most human element of what they do, and a lot of that preparation time that you don't see is actually where they spend a disproportionate amount of their time and tremendous opportunity that we're seeing with organizations we're working with on how to streamline that process and use sales time for selling, not preparing to sell.

Buscaino, Raquel: So let's say I'm putting the future hat on right now, let's say we're having this conversation in five years. We'll say 2030 just to keep it even. What do you expect will become table stakes by then? Because sometimes we'll joke on my team that today's innovation is tomorrow's legacy application. So what have we chatted about today that you think will be so normalized in five years. It'll feel almost legacy by then?

McLain, Simon: Well, I think we touched on it briefly. But you know, back to that theme of kind of automation and efficiency that that will be table stakes. That the way work gets done within large organizations, across customer facing functions will look very different and that will just be how organizations work. I think experience will also be table stakes, and to the extent that this ambition of personalization at scale or delivering personalized engagement across the breadth of channels will be something that we, as customers or consumers come to expect. And I think us having this conversation in 2030, we'll be talking about a whole bunch of new models that are not in place today, that people are just starting to consider. And we'll be looking back, saying, 'Wow, it's amazing how organizations have grown by fundamentally using this technology in new ways that we're not contemplating right now.' And I think that will be the theme five years from now.

Buscaino, Raquel: I love that. And I also love what you mentioned, too, that personalization will be the expectation, whereas I, as a consumer might say, listen, if you're not giving me hyper-localized Los Angeles content you don't care enough about me as your consumer. It's a total reframe from an advantage to an expectation that might happen really quickly.

McLain, Simon: And as I said, I think, that has been a promise for a while, and I think the technology is has arrived that will allow us to achieve that ambition, and, as you said, that will become table stakes, and the expectations for how we expect to be engaged by different types of organizations.

Buscaino, Raquel: Definitely. So Simon, like final concluding thought here. What's something that you are just actively excited about when it comes to this? I know you mentioned a lot but would love to hear just one thing.

McLain, Simon: I think that this whole theme of kind of humans with machines is what excites me most, and the way we spend our time the ambitions we have are not always aligned. And I think this technology will allow us to, as individuals, as employees, as consumers, achieve so much more than we could have without it. And our ambition, but also our potential as humans, I do feel will be fulfilled in different and unique ways because we can leverage this technology in the ways that makes us better. That allows us to fulfill our potential. And I think that will play, you know, hugely out for companies that are looking to grow their top and bottom line, but also for society at large as this technology becomes adopted and this idea of human potential becomes much more front and center in terms of how this technology is used each and every day.

Buscaino, Raquel: What a beautiful world, where we are unlocking, more potential each and every day! That's that is the world I want to live in. Awesome, Simon. Thank you so much for such a great discussion. This is really wonderful.

McLain, Simon: Great to be here, Raquel, really appreciate it.

Buscaino, Raquel: Awesome, and to all our tech savvy listeners. If you enjoyed this episode, please share and subscribe, and if you'd like to learn more about how to leverage AI in Customer Interactions you can follow myself and Simon to stay up to date. Our socials are listed in the episode description thanks for tuning in, and I'll see you on our next episode. Until then, stay savvy.

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