

Generative AI: A (work)force multiplier for exceptional service.

Human-machine collaboration is reshaping service experiences for customers and agents alike.

April 2024

A new force in customer service excellence.

Customers have always expected empathetic, personalized service from brands. In the digital age, those expectations have grown increasingly personal, nuanced and variable.

Some customers want instant responses to questions on social media, while others prefer to visit a store. Some like the efficiency of self-serve systems while others seek answers from a real person. Many adapt their preferences from interaction to interaction, depending on their needs. And no matter when or how customers engage, they want to be seen.

According to 2023 Deloitte Digital research, 4 in 5 customers expect brands to recognize them and understand their individual needs, interests and preferences. Two in three even expect brands to *anticipate* their needs.¹

As these and other expectations have ratcheted up, so has the complexity—and cost—of meeting them consistently at scale. In recent years, many service leaders have responded by embracing everything from AI-powered chatbots to so-called right-channeling and transparent service optionality.² These moves have added improvements ... but given the scope and scale of service needs today, *addition* often isn't enough. Leaders increasingly need to *multiply* the impact of their service organizations.

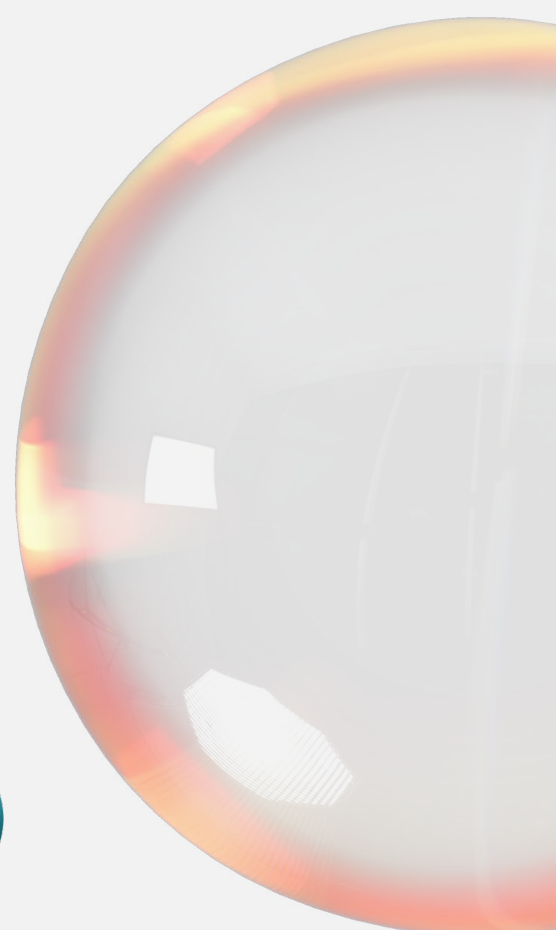
Enter Generative AI (GenAI)—a technology that has the potential to transform business operations across a range of industries and functions. Through its ability to rapidly analyze and extract insights from complex data, transform information across languages and

forms, and generate new text, audio, video and code based on plain-language requests, GenAI can serve as a superfast, always-on, data-driven assistant to help elevate customer and agent experiences *and* drive new business efficiencies.

Most service leaders recognize that potential. They sense it has the power to be a force multiplier for human expertise, operational innovation and prior investments in technology, too. The question is:

Where to start and how to apply GenAI smartly?

In this paper we explore three ways that businesses can leverage GenAI in service operations. And we map out some key principles to help shape your own strategy and grow your impact.



Establishing your GenAI game plan.

In a recent Deloitte survey,³ 79% of enterprise leaders said they expect GenAI to transform their operations within the next three years, citing efficiency and productivity (56%), and cost reduction (36%) as primary expected benefits. Customer service appeared among the top use case categories in that survey, with 41% of all respondents reporting implementations of GenAI in marketing, sales and/or customer service as of December 2023.

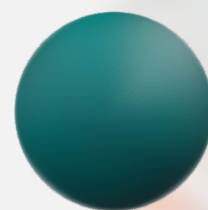
For service organizations, these expectations aren't hype. They're happening *now*. Many of the leading enterprise platforms used by companies to manage customer data and service interactions already embed low- or no-code plugins powered by GenAI to perform a range of tasks within platform workflows. These plug-ins tap the cognitive capabilities of publicly available or privately

built large language models (LLMs), while using owned customer data to enhance existing technologies and service capabilities. For example, one popular GenAI plugin can enhance service and productivity platforms by tapping customer relationship management (CRM) data to summarize customer case histories, or by automatically generating meeting notes.

These enhancements are just the tip of the iceberg for what's to come. For example, few companies today have deployed GenAI to serve customers directly without human intervention; but that usage is likely to shift over time as tools and models mature, customer trust and acceptance of AI increases, risk and governance controls are established and implemented, the regulatory environment becomes more clear, and talent expertise grows.

In the meantime, plenty of impactful use cases are being explored by companies through proof-of-concept pilots—including intelligent search, engagement summarization and language translation.

If only you could do it all right now. Since that's not realistic, it's important to set priorities as you begin your GenAI journey.



THREE DISTINCT PLAYS CAN PAY OFF IN RAPID RETURN ON INVESTMENT AND ENTERPRISE VALUE.



EFFICIENCY PLAY

Optimize performance & improve productivity by doing more with less.

- **Automate** processes
- **Expand** capacity
- **Reduce** human workloads
- **Optimize** costs
- **Improve** speed

POTENTIAL RESULT:

Profitability and margin improvement



EXPERIENCE PLAY

Grow trust & loyalty through hypercustomized, emotionally resonant experiences for customers and agents.

- **Personalize** engagement
- **Amplify** creativity
- **Differentiate** services
- **Simplify** resolution
- **Enhance** quality & outcomes
- **Orchestrate** consistency

POTENTIAL RESULT:

Engagement transformation



INNOVATION PLAY

Develop capabilities & platforms that expand revenues and markets.

- **Generate** deep insights
- **Improve** decision-making
- **Tame** complexity
- **Decipher** patterns
- **Enable** transparent service optionality
- **Evolve** rapidly

POTENTIAL RESULT:

Business disruption

THE EFFICIENCY PLAY:

Adding value while subtracting cost.

Who hasn't thought, "Imagine what I could do if I could just find another hour in the day?" In contact centers, service departments and among field teams, that thought has sparked the development and adoption of many assistive technologies. From scheduling apps to automated phone trees to conversational AI-enabled chatbots, assistive technologies have increasingly helped service professionals do more with less.

GenAI capabilities can supercharge what's possible with your existing technology systems—effectively adding hours to the day for human agents by subtracting tasks from their to-do lists. For example, adding GenAI capabilities to interactive voice response (IVR) systems can streamline and personalize information gathering and summarization—shaving time and low-value work from calls for both the customer and the agent. It can also help improve analytics and improve future service efficiency by identifying inquiry and resolution patterns and suggesting new scripts, solutions or articles that can bolster self-service resources; improve agent training; and even reduce contact volume via proactive service outreach.

GenAI can also significantly improve worker productivity. According to a 2023 study,⁴ service agents utilizing a GenAI-powered conversational assistant saw a 14% productivity boost. The largest gains were among new or low-skilled agents, who showed a 35% average improvement. Not only that, but the study found a 25% reduction in customer requests to speak to a manager.

Efficiency opportunities extend beyond contact centers and digital channels. GenAI is already assisting agents at front desks, and in the field too, by reducing request volume through guided self-service, advancing service representative preparation ahead of interactions, and completing next-step documentation.

The result? Agents are less rushed and less preoccupied with screens (in our experience it is common to see agents using 10-15 screens per interaction). This enables them to better focus on what matters most—the person on the call, in the chat or across the counter.

THE EXPERIENCE PLAY:

Changing the conversation.

Service interactions can be segmented into three stages: introduction, problem-solving and follow-up. We refer to problem-solving as the "empathetic middle." In an effective service interaction, this stage typically includes establishing rapport and empathy, pinpointing specific needs, and offering next steps.

The empathetic middle, which comprises about two-thirds of any given service interaction, is the most valued and intrinsically *human* part of a service experience. Unfortunately, plenty of customers arrive at this stage in a state of frustration due to long hold times, confusing IVR interactions, insufficient solutions from other resources and other concerns. By the time a human agent gets involved, the customer is agitated, the agent gets an earful—and satisfaction withers for both.

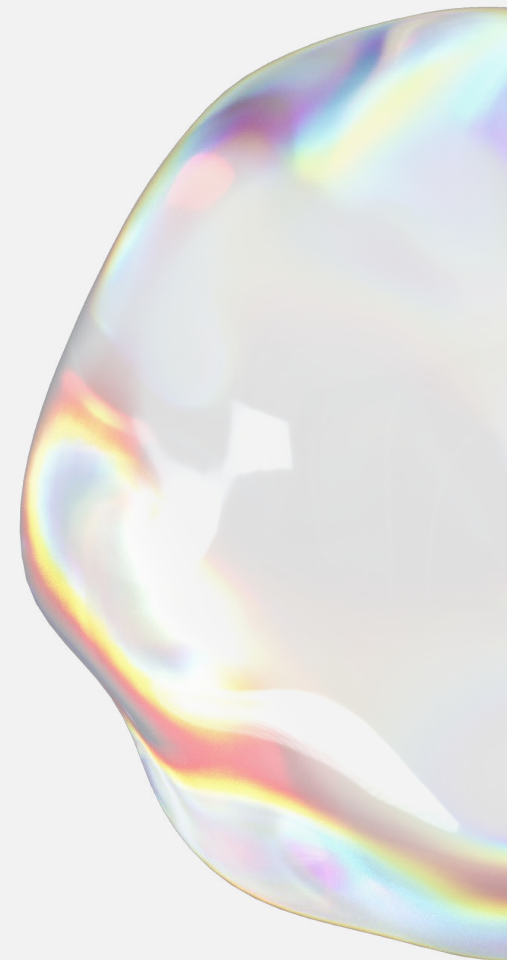
GenAI can help alleviate such pain points. For example, it can help make IVR interactions feel more intuitive and human to the customer. It can also improve automatic call distribution (ACD) systems by rapidly analyzing not only the nature of an inquiry but also the past interactions, tone, and communication style of the caller—and then match the caller with an agent who has shown success dealing with similar situations (or even with the same caller). All of this helps improve the likelihood that the caller and agent arrive in the empathetic middle feeling greater trust, understanding and satisfaction.

From there, GenAI capabilities that enhance and connect knowledge management and customer relationship management (CRM)

systems can help agents rapidly troubleshoot issues and provide solutions that are relevant to the customer's unique needs and history. (See sidebar p. 5.) Customers feel heard and cared for because agents not only have the information they need to engage, troubleshoot and promote new services, but also have the time and emotional energy to do those things well.

After the call is completed, GenAI can help summarize solutions and suggestions that were discussed in the call into a follow-up email for the agent to review and send to the customer—and also summarize key points from the interaction for internal quality reviews, reducing what team managers need to review in order to understand and elevate agent performance.

GenAI tools aren't ready to shoulder the empathetic middle of service interactions entirely. But as these examples make clear, they can be a force multiplier to help your people rapidly build rapport and elevate experiences.



THE INNOVATION PLAY:

Serving up business growth.

Elevating customer experiences and controlling costs are top priorities for every customer service leader today.⁵ But “good enough” is not enough to meaningfully separate your business from competitors in ways that spark enduring loyalty, consistent growth and meaningful advantage. This is especially true in a fast-changing environment where today’s “wow” rapidly becomes tomorrow’s “whatever.”

With every business function now expected to contribute to the bottom line, a growing number of service leaders are focused on generating revenues and growing customer lifetime value through cross-selling and upselling strategies, transparent service optionality, proactive relationship management, and more.⁶

GenAI can play a key role in these initiatives—for example, by analyzing customer interactions and providing agents with real-time cross-sell suggestions and personalized offers, or by prompting service teams with customer outreach suggestions based on emerging market trends or customer needs.

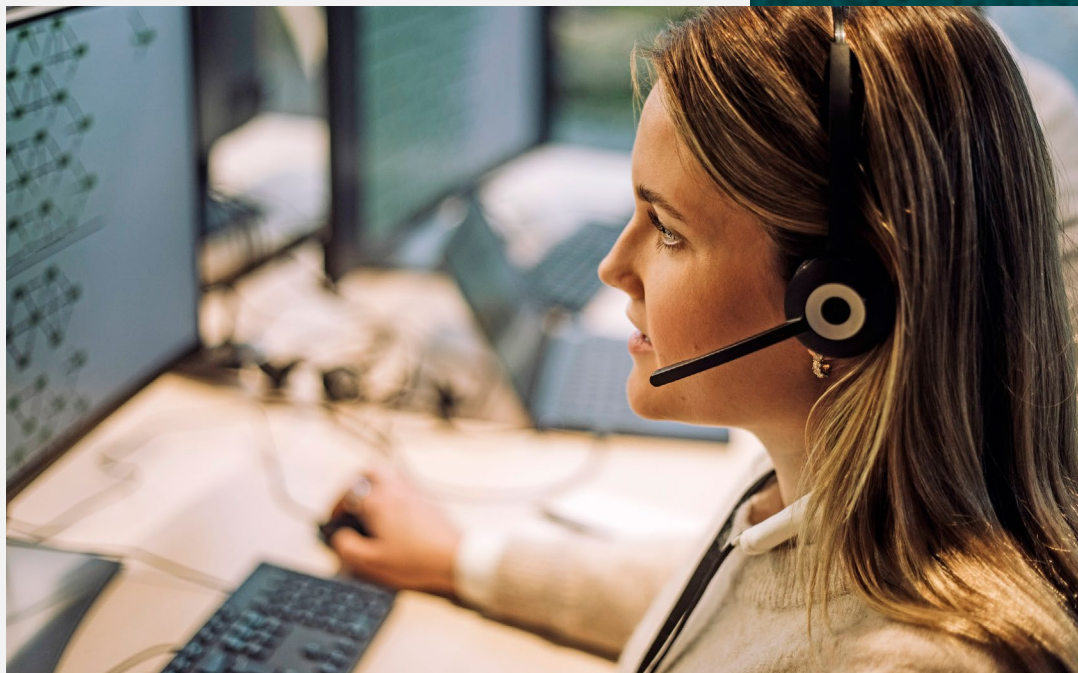
Novel insights synthesized through GenAI can go beyond tactical suggestions to strategic recommendations. By deploying virtual users (bots that mimic target audience behaviors) to perform a range of testing scenarios, GenAI can rapidly provide new ideas for service channel optimization and integration, customer journey orchestration, employee training and engagement, and more. It can even automate the design and development of bots and knowledge modules—producing new tools to improve the experiences of customers and agents in near-real time.

In other words, GenAI can serve as a force multiplier for service strategy leaders themselves—offering new ways of thinking about and solving perennial challenges.

FROM 360 TO 3.6: A NEW VIEW OF YOUR CUSTOMER IS ON THE HORIZON.

By leveraging GenAI, companies are discovering a way to better leverage their 360-degree views of customers. We call it *Customer 3.6*. The process uses GenAI to support human agents by analyzing the full customer view, culling just the necessary information from it (hence 3.6), and using that to guide the human conversation with suggested scripts generated in real time. The AI can even provide a summary of the interaction, including system notes.

With Customer 3.6, both brand and customer can win. Agents are better able to focus their attention on emotional connection and creative problem-solving, while customers get greater clarity and speed of resolution.



Advancing with intent.

The opportunities afforded by GenAI are only limited by your creativity—in theory. GenAI is a quite shiny object right now. It's easy to get caught up, even frozen, in the brilliance of that shine. And it is a remarkable advancement.

But GenAI isn't right for everything, everywhere, every time.

To be a positive force multiplier, it needs to be tailored to what's right for your customers, business and service teams. What innovation looks like for a highly regulated, risk-averse business, such as a bank, can be very different from how it manifests itself for a global video streaming service. The more governance, verification and empathy demanded by the business or situation, the greater the need to have a human in the loop. That's also true where physical interaction is needed. GenAI can alert a hotel desk agent that the platinum cardholder checking in is celebrating her birthday and suggest comping her a dinner—but AI can't make or serve the meal.

Here are some key considerations to help you map the path for your GenAI journey.

SET THE RIGHT FOUNDATION.

GenAI can seem *magical*, but it is not *magic*. It can help rapidly analyze the performance and identify failures of your contact center technology and infrastructure, but it can't fix a broken ACD system. It might identify

inconsistencies or vulnerabilities in your customer identity verification process(es)—and might even identify what's working most efficiently; but it doesn't possess the understanding of your strategy, customers, workforce, regulations and markets to improve those processes for you.

So wherever you're considering GenAI as a solution for your contact center, it's important to first assess what's working and not working, and make sure that your intended GenAI use case isn't building on a broken foundation.

Don't overlook the data involved in your GenAI use cases. The old truism of “garbage in, garbage out” is still relevant when it comes to GenAI models. Each data source you leverage for GenAI needs to be collected, cleansed, organized and monitored in ways that ensure reliability.

You may not need the foundation to be perfect as you implement GenAI capabilities. But you need to know what's imperfect—and continually work to fix any root causes that could undermine the overall trustworthiness of your solutions.

BUILD ON WHAT ALREADY WORKS.

Despite its transformative potential, GenAI should rarely be approached as a replacement for what you're already able to do. Instead, think of GenAI as an additive capability to improve and expand your existing capabilities—both human and machine.

This is especially important given GenAI's nascent development. Where GenAI is inserted into existing processes and tools, your agents and other members of the human workforce will continue to play a critical role by flagging suspect outputs, improving inputs, and layering real empathy and intuition into what GenAI recommends. People are your most critical guardians and champions of enterprise trust, loyalty and growth; they should be positioned to remain in that position no matter how widely or deeply GenAI is embedded into your operations.

Similarly, GenAI should most often be seen as a complement to your existing technology stack—an enhancement to help you get more from your past investments. Even when GenAI *could* fill gaps in your capabilities, it may not be the most cost-efficient or effective solution. Plenty of use cases will remain where approaches such as robotic process automation (RPA) or traditional AI can serve needs efficiently. For example, conversational AI tools will remain effective—and, in many cases, the most cost-efficient option—to allow customers to check their bank balances or schedule an appointment. And RPA solutions can effectively enable live and virtual agents to tap into and connect customer and product data across systems.



MANAGE THE CHANGE.

As with any transformative technology, GenAI will impact ways of working and the skills needed to adapt. But we foresee human agents becoming more valuable than ever, with companies retaining their people to collaborate with GenAI agents as customer bases grow.

What *will* likely change is who customer experience teams hire and the quality of the conversations agents have. Empathy, personality, presence and creative

problem-solving have always been parts of a service agent's job—but with GenAI doing much of the manual detail work, those attributes will *become* the job.

The sooner your service agents understand the potential impacts of this technology, the better for your whole organization. Leaders should endeavor to develop and share tangible plans for how GenAI will complement and improve existing work processes; identify the required skills, roles and responsibilities for achieving your vision;

and offer comprehensive, ongoing training resources to help drive effective adoption *and* workforce transformation. (*See below.*) Key performance indicators should also be developed that align to your long-term strategy and road map—with measurement and reporting processes implemented to monitor employee engagement, trust and satisfaction. Performance metrics, as well, should be reimagined in ways that encourage effective collaboration with GenAI tools.

GENERATING TRUST.

Fostering employee trust in GenAI can be challenging in a world where news headlines warn of entire professions being obviated by the new technology. Through extensive Deloitte Digital research we developed TrustID, a framework for measuring and improving trust based on four key factors: *humanity, transparency, capability* and *reliability*.⁷

Here are a few key actions that can help generate greater trust throughout your GenAI transformation.

TRUST FACTOR	ENHANCE LEADERSHIP TRUST BY ...	ENHANCE AI TRUST BY ...
HUMANITY	Demonstrating that leadership cares about employee well-being through empathy and kindness throughout the transformation	Revealing the tangible ways the technology can and will help improve the livelihoods and well-being of employees
TRANSPARENCY	Continually informing employees through straightforward language about the reasons for investing in GenAI, and the benefits and impacts to the workforce	Empowering workers to provide feedback on interactions with GenAI and then to witness changes and improvements being made as a result
CAPABILITY	Providing workers with the resources to shift to new responsibilities and ways of working while creating a positive environment to enable change	Deploying GenAI-powered tools and enhancements that perform intended tasks, collaborate with humans, and reduce workplace errors
RELIABILITY	Showing that leadership can be depended on to address challenges and produce intended outcomes for both the business and its employees	Extensively testing and validating GenAI capabilities prior to widespread deployment, and prioritizing continuous improvements over time

Prepare for the future today.

In the frenzy to seize GenAI's potential, many businesses are shortchanging long-term planning for near-term impact. The result? Vendor lock-in. Inconsistent experiences at different stages of the customer journey. Redundant and/or incompatible technologies. And a range of unmonitored (or unidentified) risks resulting from poor hygiene of model training data, "shadow IT" and other improper applications of GenAI capabilities. These issues can significantly curtail or delay solution scalability.

To avoid these outcomes, it's critical to balance improved agility with effective governance. Toward that end, we recommend establishing a cross-channel center of excellence (COE) responsible for all GenAI marketing, sales and service touch points (physical, digital and virtual). The COE should be responsible for the use case backlog for all the touch points, as well as for deploying all greenlit GenAI applications. This type of governance is important in order to harmonize the customer experience and prevent redundancy by identifying common solutions that have multiple channels of applicability. (See sidebar.)

In the early stages, consider focusing at least 40% of your team's attention on implementing governance standards and guardrails from both a process and code standpoint. On a related note, it's important to recognize that the software development

life cycle for GenAI is materially different from traditional IT development. Testing and certification require extra time and attention as you work to build trustworthy solutions. Once tools are released into production, it's important to keep improving them through techniques such as reinforcement learning from human feedback.

And all along the way, you should keep your options as open as possible even as you take bold strides. Composable architectures and other agility-enhancing approaches can help ensure that if a better add-on GenAI tool or platform enhancement comes along, you're ready and able to switch gears rapidly while maintaining service quality.

Last, it's important to keep an eye on the big picture of the customer, employee and business challenges you're trying to solve. An order status chatbot powered by GenAI may serve as a bandage to staunch bleeding customer trust; but if the root cause of the problem is an ineffective order status function on your website, focus there instead. If your front-line retail workers frequently can't figure out how to access or use your existing knowledge resources, the most impactful and efficient approach might be to provide better training rather than new tools. The future success of your business depends on decisions and investments you make today.

Layering GenAI excellence across the enterprise.

Clients often ask us whether GenAI strategy and governance should be centralized at the enterprise level or federated in various business units and functions. We believe both approaches can provide value. Here is an example of how a layered approach can serve the needs of specific business units while supporting enterprisewide consistency, optimizing costs and managing risks.

Enterprise-level COE for GenAI

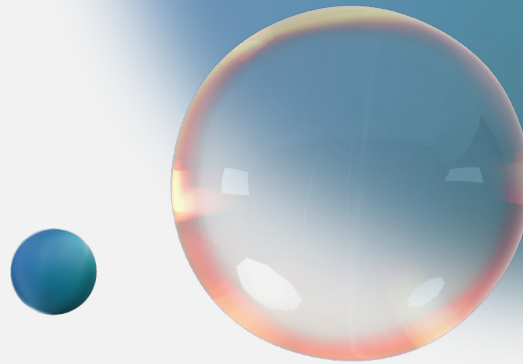
Responsible for ...

- Developing and maintaining a cohesive GenAI vision, strategy and activation road map
- Managing intellectual property, legal, ethical and regulatory risk
- Aligning enterprise technology partnerships and engagement models
- Defining a consistent approach to scale capabilities (e.g., build, buy or adopt)

Business unit / functional COE for GenAI

Responsible for ...

- Identifying and developing opportunities and use cases aligned to enterprise strategy
- Aligning stakeholders across business and technology functions based on business priorities
- Developing fit-for-purpose technology partnerships and engagement models at the business unit / function level
- Enhancing usability of data and extracting insights
- Enabling delivery



Conclusion.

The sudden emergence and rapid proliferation of GenAI has come at a time when contact center leaders face a range of pressures—including rising costs, an expanding baseline of customer and agent expectations, innovations from competitors, and an unclear but fast-changing regulatory environment. Against all that, limited budgets need to be strategically allocated and carefully managed for maximum impact.

With so many challenges and so much possibility *theoretically* unlocked by GenAI, many contact center leaders find themselves unsure what to *actually* do.

In our work we generally see that the most successful early adopters of GenAI capabilities are those that have identified the right playing field for their businesses—whether that's driving efficiency, elevating experience or accelerating innovation. They're then targeting GenAI use cases that tilt that playing field to their advantage.

They're recognizing the strengths, weaknesses and blind spots in their existing data and technology assets, building around what already works, and managing change in ways that improve employee trust and adoption.

Perhaps most important, they're stepping back from the hype and pressures of the moment to assess what makes sense into the future—and using that long view to keep their bearings, no matter what unexpected curves appear on the path.



AS YOU DEFINE YOUR STRATEGY AND APPROACH FOR AI-POWERED CONTACT CENTER TRANSFORMATION, HERE ARE SOME QUESTIONS TO ASK YOURSELF.

- | | | | |
|----|--|----|---|
| 01 | What "GenAI play" makes best sense for my business, customers, markets and budget? Should I focus primarily on efficiency, experience or innovation? | 05 | What training programs and/or knowledge resources can help amplify trust and adoption of GenAI solutions among our human workforce? |
| 02 | Have I considered the full range of potential GenAI use cases across digital, physical and virtual service experiences? | 06 | Are we leveraging talent in ways that help anticipate, identify and solve potential risks introduced by GenAI tools and models? |
| 03 | Have I assessed the readiness of existing data and technology resources to support GenAI use cases? | 07 | How can I best assess costs and impacts of GenAI use cases before deploying at scale? |
| 04 | What process changes will be necessary to ensure we get the best out of our talent and technology? | | |



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