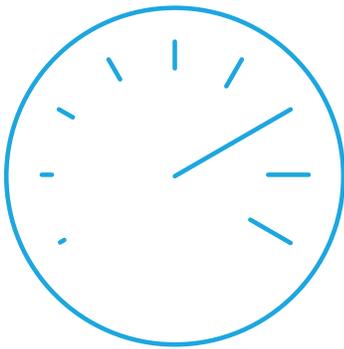# Watson
Virtual Agent

IBM

Watson

- 33% of Millennials are only willing to wait 1 to 3 minutes to get a response
- 52% have hung up on a customer service call
- 56% of Millennials have switched from one company to another because of underwhelming customer service
- 270 billion service calls are made annually

Watson Virtual Agent

As customers change, so must industry. Delivering efficient yet cost-effective customer service has always been challenging, but customers are now more demanding than they ever have been.

Customers today want information fast. They have little patience for a sub-par experience and they expect answers on their terms and their schedule. This is true across all demographics, but particularly acute amongst younger consumers. 33% of Millennials are only willing to wait 1 to 3 minutes to get a response to a customer inquiry before they drop.[1] 56% of Millennials have switched from one company to another because of underwhelming customer service.[2] Fundamentally, if consumers are not given immediate, accurate answers they are more likely to leave for a competitor.

Organizations today are looking to solve these problems by digitalizing the customer's experience through self-help customer service solutions. Enabling customers to get the support they need themselves is highly desirable to most firms. Done well, self-service is not only a lower cost channel, it also has the potential to be the fastest way of resolving an issue. Early approaches to self-service technology have not always been successful. IVR (Interactive Voice Response) systems in particular have been contentious as, while cost-effective, they often have a negative effect on customer satisfaction.

Reducing operational support costs

The cost of providing round the clock support is traditionally high. In the current model, where the call center plays such a dominant support role, customers frequently experience problems resolving their issues, often being passed from agent to agent. Yet it is three times more expensive to handle and escalate a call than to resolve the query on the first point of contact.[3] Put in perspective, there are 270 billion service calls annually, and roughly 50% of first calls go unresolved.[3] Not only are customers unsatisfied, but companies also lose money trying to figure out how to help.

Organizations also struggle to reduce the average handling time of each call or chat. Many firms find it challenging to get the right information to the customer as quickly as possible, greatly increasing the cost per call. Furthermore, when customers cannot quickly get what they need, they are likely to defect to a rival. According to RCR Wireless News, for example, a study released by the WDS found that "Only 13% of customers show the level of loyalty that would prevent them from leaving for other competitive offers or because of service disruptions."

Even if an end product works well, customers may leave solely based on customer care. RCR Wireless News also reports that a customer is "2.5 times more likely to be a switch-risk if they don't feel valued or trust their operator" and "1.6 times more likely to become a switch-risk if they contact customer support."[5] Retaining customers becomes nearly impossible when users are not willing to wait for their answers. Customers want to feel valued and that their experience is tailored to their needs.

94% of marketers believe that "personalization of the digital experience is critical to current and future success."
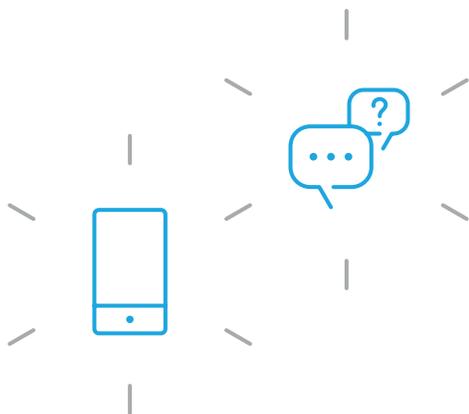
Self-service. Delivered by Bots.

In many industries now, customer experience is perhaps the single most important differentiator, and it is clear that something must change to keep pace with the changing demands of customers.

Conversational bots, virtual agents that users can chat with, offer significant promise. They allow users to converse with them in English—or other languages—removing traditional barriers and allowing a natural, frictionless interaction. They can play a role on the front-line of customer service to help satisfy the needs of consumers without having to resort to a live agent, improving first contact resolution and deflecting calls from higher cost channels.

Segments of One

Virtual Agents can also help personalize the experience. 94% of marketers believe that "personalization of the digital experience is critical to current and future success."[6] The difficulty that customer service managers face is not only automating and streamlining customer engagement, but building out personalized systems that keep customers feeling that they are known and heard. Personalization is set to move beyond basic recommendation engines to creating individually tailored experiences. Customers want to work with companies that understand their needs and can respond appropriately and quickly. Therefore, companies are trying not only to streamline but also to personalize the customer experience through assistants and concierge apps that truly understand the needs of the customer.

Not all Bots are Equal

The idea of bots and virtual agents (sometimes defined as more sophisticated bots with a greater or deeper scope of expertise) handling common customer questions is not new. However, many early bot solutions had limitations. They were difficult and slow to train, implement and maintain, leading to a poor customer experience. Early bots in particular required deep technical skills and a background in machine learning to successfully deploy.

Organizations need a better solution. Deploying a virtual agent to handle level one customer support to handle frequently asked questions, freeing up live agents for more important tasks, is logical. Dealing with slow, complex and inflexible solutions is no longer acceptable.

Watson Virtual Agent

Watson Virtual Agent has the ability to answer commonly asked questions, based on domain and industry specific information, to give customers what they want, when they need it, as quickly as possible. Watson Virtual Agent offers customers the seamless, frictionless self-service experience that they expect from their very first point of contact with an organization.

Watson Virtual Agent is a customer engagement platform that allows business users to quickly configure a customer service virtual agent to the requirements
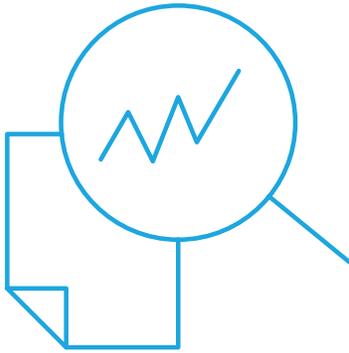
of their business without needing specific technical skills. This new platform is pre-trained with industry and domain knowledge, so putting Watson to work is quick and efficient. Tooling designed and built with the business user in mind helps to accelerate this process for non-technical users and lets them optimize the solution with ease. Watson Virtual Agent is able to provide a fast, easy, and personal customer experience.

Key Features

Pre-trained
Watson Virtual Agent comes pre-trained with industry and domain content, on some of the most common questions your customers are likely to ask. Organizations just need to configure Watson with their specific company information and it will be ready to answer questions like "What time do you close?" or "Where's my nearest store?"

Much of the pre-trained content within Watson is cross-industry in nature, but industry-specific content is also being incorporated. Watson Virtual Agent already has an understanding of core Telco industry processes, specifically in the post-paid wireless sector, and is able to field questions such as "am I eligible for a device upgrade?"

Configured not coded
Because Watson Virtual Agent is pre-trained with core content, there is no need for a technical or machine learning background to get Watson up and running quickly. This core content is configured, not coded, through an intuitive user interface making it simple to tailor Watson's answers to the unique specifics of your organization.

Publishing
Once your virtual agent is trained and ready to go, the tool provides a snippet of code that can be easily lifted and embedded within your website or mobile app. Once done, your virtual agent will begin work immediately.

Engagement Metrics Dashboard
The Engagement Metrics Dashboard is a graphical interface that allows access to rich analytics about the conversations that your customers are having with Watson. You can analyze trends in the conversations customers are having, understand how many users are engaging with Watson and when, and find out what their most pressing needs are, all in real-time. If organizations are curious to drill down further into their data, it is possible to export the findings in order to combine it with an organization's own analytics tools, or to share it with colleagues.

Customization

While the Watson Virtual Agent solution comes pre-trained with content that provides a fast start, there will be occasions when you want to adjust Watson further. There are a number of options to do so:

- You can define a custom text response to be returned for commonly asked questions
- Sometimes a text response is not the answer you need; Watson Virtual Agent can be integrated with other applications in order to provide richer responses. For example, by integrating to a billing system, a CRM system or a mapping application
- You can turn the pre-trained content on or off based on their applicability to your customer environment
- Periodically, you will want your virtual agent to be able to respond to questions that it has not been pre-trained on. In this instance, you have access to the powerful Watson Conversation Service, which allows you to define a custom dialog flow through an intuitive graphical interface.
- Additionally, if you would prefer that a live agent handle certain types of questions, perhaps for regulatory reasons, Watson Virtual Agent can be configured to perform that hand-off.

Software as a Service

Watson Virtual Agent is a Software-as-a-Service (SaaS) offering. No implementation services or build is necessary to get started as the solution is entirely delivered from the cloud. It is accessed through a web browser, with new content and features seamlessly delivered on a frequent basis, meaning that there is no concern about being on the current version.

Putting Watson Virtual Agent to work

Watson Virtual Agent allows companies to implement and integrate an effective customer self-service solution quickly and easily, greatly improving first contact resolution and reducing support costs. It helps minimize the dependency on higher cost channels by letting Watson handle initial customer interactions. Live agents can therefore pay more attention to higher-impact issues and resolutions.

Simply put, the Watson Virtual Agent platform meets your customers' high expectations for self-service, without the difficult and time-consuming implementation and training process typically associated with this sort of technology.

For further information, visit us at ibm.biz/watsonvirtualagent
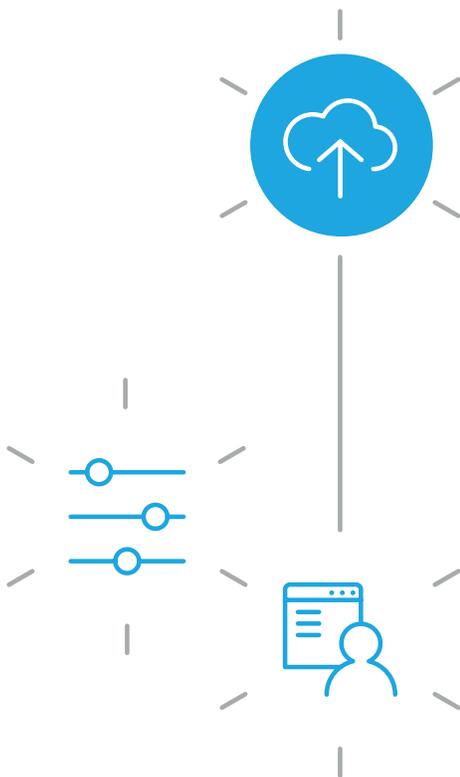
Footnotes

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5. RCR Wireless News: Telecom Analytics: The
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6. Perficient Digital Transformation Series:
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