



Virtual assistants:
the voice of the
future business?

Introduction

When Siri arrived on the scene in 2011, few could have predicted virtual assistants would rapidly become the default contact channel for millions of customers. Phone, email, social media and chat remain the most popular channels used by customers, but it's estimated that one in ten Brits now has a smart speaker¹ in their home.

For the consumer, experience is king. Brands live or die based on how accessible and responsive they are. At the same time, a new generation of digital-first customers has emerged who aren't afraid to sample the latest virtual technologies: smart TVs, smart speakers, mobile apps and even in-car voice assistants.

That's why companies are increasingly investing in new and innovative contact channels. We're witnessing the emergence of virtual assistants and AI-powered chatbots as brands race to deliver a truly omnichannel customer experience.

When deployed strategically, these new technologies can make inbound traffic and customer queries more manageable while taking the pressure off existing channels. They can reduce customer waiting times and deliver a more seamless experience.

However, have companies suitably considered where virtual assistant channels best fit into their communication strategy? Furthermore, do their plans align with consumer habits and their expectations of the customer experience?

Maintel has undertaken consumer research to understand how people view and use technologies to communicate with companies. In addition, Maintel wanted to uncover how businesses are preparing to deliver virtual

assistants within the customer experiences of the future. The findings will provide useful context and help guide organisations seeking to deliver the most competitive and consistent omnichannel experiences.

This report explores the reality of how comfortable customers are with the technology and compares this to the business perspective. Maintel surveyed 2,000 consumers and 500 business decision makers from across the UK to ensure both sides were represented.

The research revealed that British consumers are deeply divided in their opinion of virtual assistants, with a lack of trust and security fears emerging as the defining issues. To ensure the growth and success of the channel, businesses will need a deeper understanding of why this trust gap exists and what they can do to bridge the gulf. It is this effort that will likely define what innovations are made to these channels in the coming years.



1 in 10

Brits now have a smart speaker in their home

¹YouGov, Smart speaker ownership doubles in six months, 2018

Building consumer trust

Fast growth is not always an indicator of universal acclaim. Despite considerable hype and impressive growth around virtual solutions, the British public has mixed feelings towards the technology. Consumers are roughly split into two distinct camps – advocates who recognise the value of virtual channels and use them in their daily lives, and detractors who fear the security implications of the technology and currently have little or no intention of adoption. Inevitably, it is the latter group which organisations will need to reassure to make virtual assistants a success.

There is a clear appetite for virtual assistants among large sections of the population. 41 per cent already own a smart device with access to a virtual assistant – such as a smart TV, speaker, personal assistant or mobile app – or are planning to own one in the near future. Furthermore, almost one third (30 per cent) of customers currently use a smart or virtual assistant to contact a service provider.

There are several reasons for this adoption. Almost a fifth (18 per cent) of consumers believe that a virtual assistant can help them gain the information they want more quickly when contacting a company; 16 per cent find it more convenient to use than other channels; 12 per cent believe the channels will help them multitask better if they're voice activated, and a further 12 per cent think they'll be free from having to use and remember passwords.

However, this enthusiasm masks a wider reluctance to engage with virtual assistant platforms. More than half (59 per cent) don't own a smart device besides their smartphone, and 46 per cent have no intention of using virtual assistant channels to contact a service provider. Crucially, this group seems firmly set in its ways – 59 per cent have no intention of purchasing a smart device in the future.

Resistance to virtual assistants isn't a question of age. One might expect younger customers, more familiar with the latest technologies, to be the most enthusiastic, with older consumers more wary. Yet the distribution of adopters resembles

a bell curve rather than a declining slope. 35-44 year olds were the most likely to use the technology to contact a company (63 per cent), closely followed by the 25-34 age group (57 per cent) and the 45-54 year old (46 per cent) cohort. By contrast, the youngest and oldest groups were the most resistant – only 41 per cent of 18-24 year olds and 32 per cent of over 55s were willing.

Instead, reluctance to engage with virtual assistants is closely linked to security fears and data anxiety. These concerns cut across all age groups. Almost half (47 per cent) of consumers are unwilling to use a virtual assistant to contact a company out of fear their device could be hacked, giving someone access to their sensitive personal data. A similar number (46 per cent) were discouraged by the amount of data they believed these channels collected on them, and 44 per cent were worried their smart speakers and TVs were always on and listening to their conversations.

Data anxieties are also reflected in what customers are willing to use virtual assistants for. Almost half (48 per cent) would be uncomfortable using these channels to buy a product from a retailer. This is compared to 63 per cent that would be afraid to use a virtual assistant to buy from an insurer or to submit an insurance claim. Another two-thirds (66 per cent) would hesitate to use one to transfer money between bank accounts.

Customers are well aware of the value of their different data types. The more revealing and valuable that data becomes – such as insurance information or bank details – the less likely they would be to share it with a virtual assistant.

There may also be scepticism over how data collected from virtual assistants may be used. More than half (53 per cent) of respondents would be uncomfortable using a virtual assistant to lodge a complaint, indicating a suspicion that their complaint won't be properly actioned if there isn't another human on the other side. Indeed, 25 per cent of consumers said they did not trust voice verification to be accurate.

For a large cross-section of customers, trust is the major issue. They are either uncomfortable with the amount of data that service providers collect on them, or don't trust them to keep their data safe or use it properly. What's more, the majority of customers are firmly resistant to changing their views.

Over half (55 per cent) believe none of the options or advantages of virtual assistants would ever encourage them to try using one to contact a company.

Fortunately, businesses broadly understand customer concerns. The greatest share (36 per cent) think that the biggest barrier to consumer adoption is security concerns; a quarter think that consumer trust is the largest hurdle; and 22 per cent believe that privacy concerns are the most important factor.

However, insight and action are two different things. To build trust and encourage pick up, businesses need to assuage consumer fears over security as a priority. Virtual assistant technology is still in its infancy in terms of development, and attack techniques like biometric spoofing – where attackers use physical identifiers, including voice or fingerprints, to impersonate their victims – have emerged as a credible threat. It's possible when these channels aren't properly secured for a criminal to use recorded clips of a customer's voice to gain access to their accounts and personal data.

While it will take time for developers to iron out these issues, organisations shouldn't rest on their laurels. Customers can be reassured and protected in the short to medium term by implementing verification measures to confirm a customer's identity before they can use their account. For example, if a customer begins an interaction using a virtual assistant embedded in a mobile app, they could be sent a text message with a unique code to confirm their identity. Of course, one of the major benefits of virtual channels is their speed of resolution – customers

are serviced immediately without needing to wait in a queue to speak with a customer contact agent – so businesses need to carefully balance the number of authentication methods they deploy with the convenience of the customer experience.



Security fears and data anxieties are holding consumers back from turning to virtual assistants for customer service enquiries.

47% are unwilling to use a virtual assistant to get in touch for fear of being hacked.

46% worry about the amount of data being collected via virtual channels.

The future of virtual assistants in customer service

Despite initial challenges and a lack of enthusiasm from many consumers, virtual assistants are a strategic priority for businesses. Yet the road ahead is not without its obstacles. In the coming years, customer contact will be defined by the proliferation of these new channels and efforts to make them more appealing, secure and lucrative.

It's clear that virtual assistant channels are a fast-growing, key focus area for companies. The majority (61 per cent) of businesses plan to offer customer services via virtual assistants in the next three years (36 per cent in the next 12 months; 18 per cent in the next two years; 7 per cent in the next three years). A minority (37 per cent) don't currently see a need for a service of this kind.

Of those planning to roll out virtual assistants, the main applications include: answering general questions from consumers (51 per cent); access to product or service information (49 per cent); account verification (47 per cent); complaints (44 per cent); account payments (41 per cent); the buying of products/services (40 per cent); and solving specific customer queries (40 per cent).

This considerable uptake is driven by a number of key factors. Businesses strongly believe that virtual channels will deliver a better and more competitive customer experience. Half (49 per cent) see them as integral to meeting customer demands for fast responses, while 45 per cent believe they will give customers more choice and will allow them to communicate in the way they want (45 per cent).

As a result, 38 per cent of businesses expect improved customer retention and a more efficient customer service model that leads to cost savings (36 per cent). Over a third (36 per cent) also think implementing these channels will help them appear as a more innovative brand.

However, considering customer reservations over voice security and accuracy, these companies may face an uphill struggle in encouraging adoption. So long as doubts continue around the ability of virtual assistants to understand and interpret customers, many will be reluctant to use them for queries or complaints. Similarly, a large proportion of consumers will be reluctant to process payments while data security fears persist.

Deploying a new virtual assistant channel may not have the intended effect if many of your customers are reluctant to use it. Lukewarm adoption delivers neither a strong customer experience nor ROI.

Consumer reluctance also seems to be having an impact on business communication strategies. When asked what challenges were preventing organisations from being able to offer customer services over virtual assistant channels, proving consumer demand was the most common obstacle – experienced by 44 per cent of respondents.

Yet, internally, there are also other challenges. More than a third (36 per cent) stress a lack of available budget, lack of understanding of the technology requirements (33 per cent) and the absence of the skills needed (28 per cent) to successfully deploy the technology. The skills gap appeared especially prevalent in customer services teams, with 33 per cent of businesses doubting their capability to deliver over virtual channels.

While less of a challenge, it's not only consumers that businesses have to reassure. A section of respondents struggled to convince senior leadership over the benefits of the technology. More than a quarter (27 per cent) had difficulty showing the ROI of virtual and voice-assisted channels, and 21 per cent highlighted selling the need to the board as a key obstacle.

This challenge highlights the importance of building a strong business case and strategic communications plan. This shouldn't only include projections of how the customer experience will be improved – it should place virtual channels within your wider communications and business strategy. Consider how the new channels will positively impact existing ones by resolving capacity issues and show how voice assistants will generate increased revenue through better customer retention.

More importantly, however, businesses must address customer concerns around the technology if they want to boost adoption. There is clearly an issue around communication – over half (51 per cent) of customers aren't aware if their service providers even offer virtual assistant channels. Organisations need to renew efforts to promote these channels, placing security at the forefront of these conversations.



61%

Virtual channels are of growing importance to businesses. 61% plan to offer customer service via virtual assistants in the next three years.

Summary and conclusion

Virtual assistants have a promising future as customer contact channels. They're a key growth area for businesses, with 61 per cent investing in the technologies over the next three years. The market for these solutions is well established – 41 per cent of UK consumers own a smart device, in addition to their smartphone, or plan to get one and 30 per cent actively use virtual assistants to communicate with their service providers.

However, there are significant hurdles still to jump. A large proportion of the population remains deeply ambivalent towards the technology – 59 per cent don't own a smart device other than their phone and have no intention of purchasing one. For this group, any advantages derived from virtual channels are outweighed by perceived security and privacy risks.

These concerns are placing a cap on further adoption and are making it more difficult for businesses to justify their business case for the technology. Almost half (44 per cent) of businesses find it difficult to identify consumer demand for these channels, while others struggle with skills shortages and a lack of support from leadership.

To address these challenges, organisations must find ways to build trust in their new channels. This can only be done by boosting their security hardness, introducing highly visible verification techniques that prevent criminals from exploiting customer identities. Not only will this stymie criminals, it will reassure customers of the safety of virtual assistants. Once their safety is guaranteed, customer resistance will soften and greater adoption will follow in time.

Organisations also need to think strategically about where virtual assistant channels fit within their wider communications strategy. When considering a new contact channel, organisations should never invest in technology for its own sake. There must first be a clear problem to solve or opportunity to exploit, and the end result should always contribute to improving the customer experience.

There is a huge opportunity for businesses if this technology is deployed correctly and designed to work in tandem with other communication

channels - it should help alleviate pressure on call centres for example, while giving the customers the impression that they're just one "Hey Siri" away from getting their questions answered. The business use of virtual assistants may prove hard work in the current climate, but companies must prepare, as it is sure to play a big part in the unified communications ecosystem of the future.

With 28 years' experience of delivering communications solutions and services to both the private and public sectors, Maintel is ideally placed to help guide customers through their digital transformation. We achieve this by specialising in the skills and technologies that make organisations more effective, efficient, and collaborative; helping customers acquire, develop, and retain business while delivering more meaningful customer experiences.

Research methodology

This independent research was performed in two parts: an online survey of 2,000 consumers was carried out in July 2019 by Populus, and a survey of 500 business managers was undertaken by 3GEM in August 2019. Their responses were collated and tallied to provide the figures quoted throughout this report.

This report has been supported by Avaya and is building on the findings of its SuperServe research. As a global leader in contact centre, unified communications and cloud, Avaya helps companies build intelligent experiences that matter for their customers and employees. Maintel harnesses the power of Avaya technology to drive collaboration and digital transformation for businesses of all shapes and sizes. Maintel is a Diamond Avaya partner, authorised in all areas to supply, implement, maintain and support Avaya products.

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