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DIGITAL'S LAST MILE – THE HUMAN TOUCH

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DIGITAL'S LAST MILE – THE HUMAN TOUCH

Companies threaten the success of their digital transformation initiatives if they fail to plan for the last mile – the human touch.

What is the last mile? As companies digitize business processes, human intervention is still needed to execute the process end to end. While the last mile can take many forms — an irate phone call, disconnected channels, or proactive outreach to head off a problem or change behavior — without the human touch in the last mile, adoption of the digital process is extremely challenging.

Digital processes need human intervention for several reasons, across operations, including:

- **Verification:** At Uber, after drivers have sent information about their car and driving record, the company requires an in-person inspection at an Uber Greenlight Location.
- **Inspection:** In property insurance, physical inspections are required to verify property information and protect against digital fraud.
- **Helping:** In the area of digital healthcare, people buy digital tools like Fitbit, wireless scales, wireless glucometers and other instruments. Without the last mile touch, some struggle to install them correctly or stop using them without ongoing motivation.
- **Fixing In Use:** Most digital processes work in simple cases, but complex digital processes frequently need human intervention to quickly fix things that are broken.
- **Resolving:** Customers love digital processes, whether comparing quotes, filing a claim or shopping, as long as they work. Once something goes wrong, they want

to talk to someone who can address their concerns. Without the human touch, a digital experience can become a nightmare for an organization from an overall experience perspective.

Retail is a perfect example of these factors. In eCommerce, a shopper's experience is largely digital with searching the catalog and buying items all contained inside the app. Here the human touch is needed to complement the digital experience when expectations are unmet, typically during the return process or when goods arrive damaged.

The last mile is crucial not just for customer service issues but also to complement digital interventions to drive change. This concept was popularized by behavioral expert Dr. BJ Fogg of Stanford¹ whose studies show that behavior changes through a combination of the ability to do a task, inherent motivation to change and triggers, which could be thought of as external motivational nudges. Healthcare is a great example where the combination of the digital process with the human touch improves the ability to change.

In the omnichannel digital experience, customer interactions can typically be segmented into proactive and reactive, whether to address concerns or change behavior. This paper will explore how to identify and map out those moments of truth in the last mile through a process called design thinking. Then, it will illustrate how, when properly integrated into the process, the human touch complements digital in both proactive and reactive customer interactions.

Where to Complement the Digital Process with Human Intervention

- ▮ To complete a digital process
 - Rideshare company + Digital application + Verification
 - Insurance + Inspection
- ▮ To complement the digital omnichannel experience
 - Retail + Complaint resolutions
 - Insurance service + Exception handling
- ▮ To help drive better behavior
 - Nurses + Fitbit to improve health outcomes

Design Thinking: Mapping the Last Mile

To truly capture the promise of digital processes across both proactive and reactive customer interactions, companies need to apply design thinking.

Design thinking is a creative approach to problem solving to restructure business processes with customer outcomes in mind. Design thinking requires cross-functional teams to examine the end-to-end customer journey, find the moments of truth and map out digital and human interventions.

An effective design thinking methodology includes the following five stages:

- 1. Empathy:** Teams work to truly identify “who the customer is,” empathizing with his or her experiences and drivers.
- 2. Identification:** This phase involves understanding customers’ “needs and wants,” understanding customer expectations during multiple touch points and identifying areas of improvement.
- 3. Ideation:** Here companies explore a wide variety of possible solutions, looking beyond the obvious, before prioritizing among what could be a large list.

- 4. Prototyping:** In this phase ideas are developed so users can physically interact with them, testing viability.
- 5. Testing:** In the last phase, results are gathered, validated and fed back into the process for continuous improvements

Solutions influenced by design thinking have digital at their core, but they also identify those last mile inflection points where the human touch is crucial. In applying design thinking methodology to the areas of customer care or behavior change, companies should:

- Look at opportunities for digital to solve customer problems throughout the journey map
- Design for omnichannel
- Connect the digital and human touches needed to influence behavior
- Iterate and learn from the interaction
- Build out and launch the optimum customer interaction framework

Digital transformation initiatives can miss the mark, so much so that 84% of companies fail to realize their full ROI.² Companies succeed when they build on customer relationships with digital channels that augment but not try to replace humans entirely in the last mile.

Design thinking is at the core of this balancing act. In the following sections, we can see this in action across industries.

The Last Mile in the Omnichannel Experience

Digital’s last mile can occur throughout the customer lifecycle and across proactive and reactive interactions in the omnichannel environment.

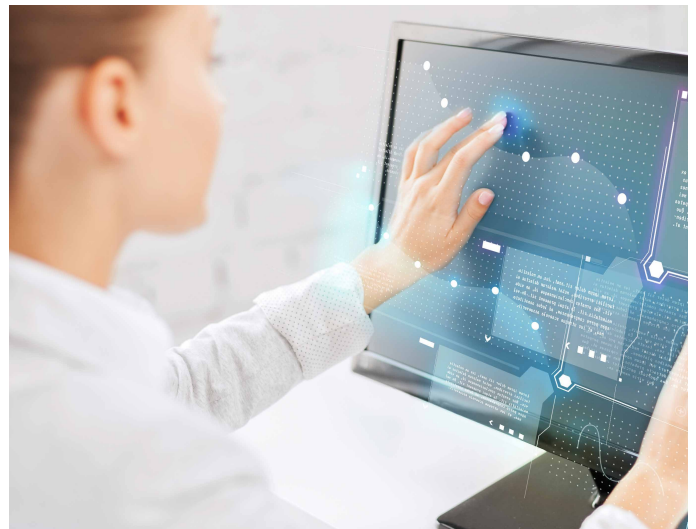
Today's consumers can transfer money or buy insurance from mobile apps and get basic questions answered by chatbots, but businesses that lose sight of consumer needs and ideal outcomes lose customers. Retail is a great example where 77% of customers say they shop more often with companies that better catered to their requirements.³

This includes how customers interact with brands. Customers expect companies to empower them to solve their own problems, including the 76% of consumers who prefer Web self-service options when available.⁴ Further, McKinsey predicts nearly half of all customer-care interactions will take place over web, social and mobile channels in three years.⁵ But even digital natives such as Millennials prefer to resolve customer service issues in person or over the phone, according to a recent study, and only 1% of them want to address issues over social media.⁶

However omnichannel requires more than just multiple disconnected entry points to sell products or manage complaints. Omnichannel starts with the customer and their journey. The design thinking methodology described previously gives companies the best understanding of the journey, allowing them to configure the channels to interact with the customer in ways that integrate the digital channel and the human touch. Putting the customer first allows one to make the interaction process:

- Efficient
- Automated
- Predictive through the application of analytics
- Smarter from interactions on what does and does not work
- Cognitive in a process's ability to respond to customers in their preferred way

Imagine a consumer with a reoccurring problem with their utility provider. They post a complaint on Facebook that



generates a reply, apologizing and suggesting an email to the customer services department. The customer does so, restating the problem in an email. Hours later, they receive a phone call from a representative of the utility company asking them to restate the problem. At this point, the customer has had three interactions but is no closer to a solution. Here an omnichannel experience has been bolted onto a siloed back office, a recipe for frustration. Consider an alternative where the customer's social media post triggers a CRM that through a combination of analytics and automation routes the issue, the customer's account information and relevant history to a representative able to deal with the situation.

Further, analytics and machine learning can be leveraged in proactive contacts, reaching customers before potential issues, like calls from credit card companies when they detect low balances or potential fraud. Trigger alerts can be sent to customers in a variety of channels from app notifications, text messages, phone calls with automated verification, or live agent transfer options as the situation warrants.

Here proactive outreach can either protect consumers or ward off potential issues, as opposed to simply invalidating a real purchase at the cash register.

The Last Mile in Changing Behavior

Just as design thinking maps the moments of truth in the omnichannel experience, it has the ability to help change customer behavior by fully integrating digital and human channels.

Digital on its own has limitations in its ability to change behavior. Healthcare, as an example, has the potential to extract valuable data from hundreds of thousands of apps or more directly from wearables, but on their own, devices are not improving health⁷. Studies have shown however that when wearables are combined with calls from nurses, behavior can change as the live conversations complement the digital touch point. This aligns with Dr. Fogg's findings referenced earlier that $B = MAT$ (behavior = motivation x ability x trigger).

The combination of digital and the human touch can further drive health outcomes through appointment reminders, prescription reminders and the management of chronic conditions. In the U.S., 40% of people over 65 take more than 5 medications a day⁸ underscoring the challenges people might have in their ability to manage their health, even if they are motivated to do so.

While the healthcare industry is focused on improving health outcomes, other industries are actively involved in behavioral change. Companies could simply leverage the human touch to further direct customers to their digital channel, such as airline customer service reps who can be upfront about seeing only the same flight options, at the same prices, as the mobile or web users or in-store retailers providing information about online sales at check out.

Conclusion

To redesign the customer experience, digital channels need to work in concert with the human touch. The last mile is all about driving certain behaviors or ensuring outcomes. Digital processes working in combination with the human touch can break log jams and drive the right behavior.

Design thinking, a practice of reimagining business processes with customer outcomes in mind, helps identify the right frequency between digital and the human touch. When analyzing customer journeys, companies must assess digital intervention in a more holistic manner. They must ensure if processes are designed with the right human touch, that the digital process is effective, meets customer needs and delivers value.

By combining digital and humans, companies close the last mile and deliver a compelling and differentiated experience that delights the customer, changes behavior and drives better outcomes.

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