

ICXI -POST newsbriefing

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Introduction From The President 2024 – The Year of The Custobot?

A new year enters with best wishes and every hope for ever improving customer experiences, ever increasing customer happiness, positive organisational performance and a more settled world in which to achieve those aspirations.

Traditionally it is the time of year when the sages of the internet express their priorities of the year ahead and it is often worth investing a little time to review their often valuable insights especially to see the directions in which general trends are heading and also their forecasts on what is new in CX world.

Some key headlines appear to be

Customer experience management is still growing in importance globally

Some divergence on views regarding CX funding – Going up or down?

Investment needs to be refocussed on action and impact

Every touchpoint in the customer journey need to be seamlessly easy to use

Beyond surveys all customer data is a rich source for performance improvement

Technology and digital CX continues to create challenge and opportunity

On this I:



More on that later but first a view of the general trends

In their

Planning Guide 2024: Customer Experience Realign Spending To Drive Action And Impact

Forrester forecast the following trends in 2024

A 64% majority of US customer experience (CX) leaders expect larger budgets to help them face a turbulent economic and business environment. Regardless of their budget status, CX leaders who want to reverse declines must invest to drive customer-focused action. This means investing more in tech to create and improve experiences, critical employee skills, unstructured feedback, and predictive modelling. To free up resources for these investments, cut spending on redundant tech, superfluous surveys, and rarely used skills.

Realign Spending To Drive Action And Value

CX leaders face difficult investment decisions as they navigate an unprecedented second year of declining CX quality, disruption from generative AI, and continued economic headwinds. In this environment, CX leaders face more pressure than ever to show their value to the organization. To succeed, they must invest to drive customer-focused action that supports their organization's goals. Fortunately, CX leaders are optimistic about the budgets they'll have as they face these challenges: 64% of US CX leaders anticipate that their budgets for CX initiatives will increase into 2024. In contrast, less than one in five US CX leaders expect their budgets to decrease.

US CX Leaders Are Optimistic About Budget Increases

"Which of the following describes any planned/anticipated change in your organization's budget for CX initiatives in the next 12 months?"

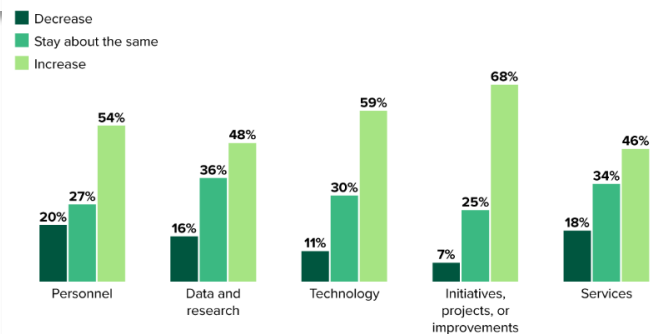


Base: 56 US business decision-makers who are CX function leaders
Source: Forrester's Budget Planning Survey, 2023

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Anticipated Budget Change For CX Initiatives In The Next 12 Months

"Which of the following describes any planned/anticipated change in your organization's budget for CX initiatives as it relates to the following areas in the next 12 months?"



Note: Percentages may not total 100 due to rounding; "don't know" responses are not shown.

Base: 56 US business decision-makers who are CX function leaders

Source: Forrester's Budget Planning Survey, 2023

This viewpoint on increased budget spend is not universally agreed as the report from CX Network later points out.

In this very good report there is some very good advice regarding the old truth that “Every organisation has to have costs, no organisation has to have waste” as they highlight the importance of regularly looking at the effectiveness of things that the organisation does now carefully to take out any dead, redundant or unproductive material, systems or processes



Cut Ineffective And Redundant Initiatives

CX leaders should find and cut the bloat in their programs. Those with tight budgets and few personnel may find it difficult to imagine that there's anything to cut. However, nearly every CX program we've studied has, over the years, accumulated unnecessary baggage that saps resources from more urgent and effective initiatives.

Reduce spending on:

Redundant and ineffectual technologies. Many CX leaders pay for similar capabilities several times over. That's because they don't realize they have multiple vendors with overlapping capabilities that the organization is unable or unwilling to act on. For example, it's common for organizations to have multiple vendors that provide surveys. Even if your budget grows next year, now's not the time to pay for tools you don't need today — especially when solutions providers make it so easy for clients to turn on new capabilities when they need them. Conduct a tech audit across CX — including customer service/contact center, digital, and experience research, regardless of where they sit in the org — to understand where capabilities overlap. Then, plan for which programs to consolidate and which to sunset entirely.

Surveys that still aren't driving action.

We've said it before: CX programs foist too many surveys on customers, then fail to act on those surveys. Audit your surveys to determine which you're actually using or are likely to use in the foreseeable future. Be realistic about your organization's ability to act on CX initiatives in the next 12 months, and pare back solicited feedback requests to areas where you have already proven that survey insights drive CX and business improvements.

Developing internal skills that are rarely used.

Don't waste precious development resources building skills that employees use once a year or less — like creating CX visions, governance structures, and, in many cases, design personas. Service providers that perform these tasks every day can take on these projects more efficiently and produce higher-quality work, so long as they receive full support from your CX team. To identify providers for these and other rare CX tasks, start with Forrester's research on CX strategy consulting firms and our deep dive into the largest firms' capabilities.

In their blog

What to Expect of the Customer Experience (CX) in 2024?

Kale identify 8 key factors that will impact the rapidly evolving CX environment as factors like social change, working patterns, technology and multi channel access and ethical and economic pressures continue to influence the customer needs and expectations

.CX leadership and management has always had to be ready to force or adapt to change but the current environment requires a higher level of strategic and tactical nimbleness than ever before.

Kale continues this observation

In recent years, the landscape of business has undergone a profound transformation, reshaping the very essence of how companies operate and thrive in the modern marketplace. One of the most significant shifts that has emerged during this transformative period is the exponential rise in the importance of customer experience. As businesses adapt to evolving consumer behaviors, preferences, and expectations, they have come to recognize that the quality of the customer experience they provide is no longer a mere differentiator – it's now a paramount determinant of success.

This newfound emphasis on customer experience has been catalyzed by several interrelated factors. Rapid advancements in technology, the proliferation of online and digital channels, and the ever-increasing connectivity of our globalized world have created a customer base that is more informed, discerning, and empowered than ever before. In this era of instant communication and information sharing, customers wield unprecedented influence over a brand's reputation and market position. Moreover, the COVID-19 pandemic accelerated the adoption of digital solutions and transformed the way businesses interact with their clients. The shift towards remote work, online shopping, and digital communication channels forced companies to reassess their customer engagement strategies, placing even greater significance on digital touchpoints and the overall virtual experience.

The confluence of these factors has prompted businesses to reevaluate and elevate their commitment to customer-centricity. Customer experience is no longer confined to a single department or a sporadic marketing campaign; it has evolved into a comprehensive ethos that permeates every facet of an organization. Today, businesses must harness the power of data analytics, artificial intelligence, and personalized interactions to create seamless, meaningful, and consistent experiences that resonate with their diverse customer base.

In this context, the rise of customer experience as a strategic imperative is not merely a trend; it is a fundamental shift that could shape the destiny of businesses. As we delve deeper into this transformative era, it becomes evident that success hinges on an unwavering dedication to understanding, anticipating, and exceeding customer expectations. As we approach 2024, the imperative of establishing truly seamless, personalized, predictive, and proactive customer experiences has never been more pronounced. Companies need to put an effort on improving the CX they offer their customers.

With these considerations in mind, let's explore the top 8 customer experience strategies that may emerge as trends in the coming year.

Top 8 customer experience trends to look for in 2024

1. Hyper-Personalization

Imagine a shopping experience where everything seamlessly aligns with your preferences and needs, as though the entire store or service was designed just for you. That's the essence of personalization. Personalization has long been a buzzworthy term in the realm of customer experience. However, as we approach 2024, it is poised to transform into an indispensable component for businesses aiming to maintain their competitive edge. Indeed, it stands out as one of the leading trends in customer experience, both today and in the foreseeable future.

As a wealth of customer data becomes increasingly accessible, companies must harness this information to craft customized encounters tailored to individual tastes and behaviors and encompasses a spectrum of possibilities, including personalized product recommendations, tailor-made marketing communications, and one-on-one customer service interactions. The key challenge will be striking the delicate balance between personalization and safeguarding customer privacy, given the growing awareness of data privacy concerns. The integration of artificial intelligence and machine learning will empower businesses to deliver hyper-personalized experiences, enhancing customer satisfaction and fostering long-term loyalty.

2. The Rise of Voice Interaction in Customer Experience

The dominance of voice-based interfaces, exemplified by the likes of Amazon's Alexa and Google Assistant, is not limited to homes alone; it's poised to extend its reach into the corporate realm come 2024. Customers will increasingly engage with businesses via voice commands, whether they're placing orders, seeking assistance, or hunting for information. In fact, voice assistance is actively shaping consumer behavior, making it an area ripe for transformation. This impending shift necessitates substantial investments by businesses in voice-enabled technologies and the optimization of content for voice-driven searches. Moreover, it will compel a fundamental reconsideration of how businesses approach customer interactions, with an emphasis on elevating voice-based experiences above traditional text-based exchanges.

Another facet of voice assistance that will likely persist as a prominent trend in customer experience pertains to customer service agents. Call centers have remained a staple in providing effective support, given their ease of use and adaptability compared to text-based alternatives. They have consistently delivered swift solutions to customer inquiries, albeit with the drawback of potentially longer wait times. Consequently, in 2024, we can anticipate significant enterprises expanding their roster of customer service representatives. Voice assistance technology continues to gain ground, poised for sustained growth in the years ahead. The concurrent scaling of customer service personnel suggests that the traditional call center model still holds its ground in the customer experience landscape. In 2024, businesses will harness the combined power of voice assistance technologies driven by machine learning and the reinforcement of call centers to deliver an even more convenient and personalized customer experience.

3. Focus on the customer journey

The notion of prioritizing "relationships" over mere "transactions" has become commonplace in the realm of customer experience. Similarly, the emphasis on focusing on customer journeys rather than isolated interactions is widespread. Despite the ubiquity of these aspirations, real progress has been elusive. Customer journeys often remain disjointed and ineffective, placing an unwarranted burden on customers and hindering brands from understanding sentiment, anticipating intent, or tailoring conversations. A key focal point of this initiative is versatility, ensuring that you have the tools in place to stay attuned to evolving customer needs.

4. The Fusion of Virtual and Augmented Reality: Elevating Customer Engagement
Augmented reality (AR) has already left an indelible mark on the gaming and entertainment sectors, and its transformative potential now extends its reach to enhance customer experiences across various industries. In the imminent year of 2024, we anticipate an upsurge in businesses harnessing the power of AR to craft immersive encounters that fundamentally alter the way customers interact with their products and services. AR's capabilities hold the promise of enabling customers to embark on trial experiences, visualize products within their own surroundings, and engage with products in novel and exciting ways. These applications may encompass virtual try-ons for fashion and cosmetics, immersive real estate property tours, and dynamic virtual product demonstrations. The widespread adoption of AR will necessitate investments in cutting-edge technologies and the creation of content tailored to these emerging experiences. By embracing AR, businesses not only heighten customer engagement but also carve out a distinct, innovative niche that differentiates them from their competitors. In 2024, AR serves as a catalyst for heightened customer satisfaction and an unforgettable, unique customer journey.



5. Omnichannel Harmony: A Vital Customer Experience Trend

In the ever-evolving landscape of customer-business interactions, catering to customers across multiple touchpoints has emerged as an imperative for businesses. The concept of an omnichannel experience has gained significant traction, demanding a seamless integration of all customer interaction channels. Customers now anticipate the freedom to engage with businesses through their preferred avenues, whether it's in-store, online, via social media, or over the phone. As we look ahead to 2024, omnichannel experiences are poised to become a definitive trend in customer interaction. Achieving this will ask for businesses to forge a unified identity across all channels, maintaining consistent branding, messaging, and service quality. Moreover, it will entail investments in cutting-edge technologies that empower businesses to track and analyze customer interactions seamlessly across various channels, facilitating the delivery of personalized experiences based on this data.

In the forthcoming year, businesses that fail to provide a fluid, omnichannel experience risk losing their customer base to competitors who have embraced this paradigm. The significance extends beyond mere presence on multiple channels; it hinges on delivering a coherent and personalized experience throughout every customer touchpoint.

Customers now seek the ability to initiate an interaction on one channel and seamlessly transition to another without redundant communication or disruptions. In this era, an omnichannel experience is no longer a luxury but an indispensable requirement for businesses aspiring to thrive in 2024 and beyond.

6. AI and Machine Learning-Powered Customer Service

Artificial Intelligence (AI) and Machine Learning (ML) have transcended the realm of mere buzzwords, firmly establishing themselves as indispensable components of modern customer service strategies. As we journey into 2024, anticipate a surge in businesses embracing AI-driven chatbots and automated messaging solutions. These AI-powered entities will adeptly handle customer inquiries, manage repetitive tasks, and provide around-the-clock support, significantly elevating the efficiency of customer service operations. Machine Learning will play a pivotal role in refining these interactions, empowering bots to glean insights from past engagements and progressively tailor their responses, ensuring a more personalized and effective customer experience.

7. Proactive Customer Engagement Takes Center Stage

A compelling trend that's gaining momentum revolves around the transition from reactive to proactive customer service. Rather than waiting for customers to proactively report issues, businesses are turning to social listening tools to monitor customer feedback, concerns, and sentiments voiced across various social platforms. This shift equips them with the ability to foresee potential problems and take pre-emptive action, thereby resolving issues before they escalate. The result is not only a more efficient resolution process but also an enhanced overall customer experience that reflects a proactive commitment to customer satisfaction.

In addition to these trends, businesses are also exploring innovative ways to incorporate AI and ML into various aspects of their operations to streamline processes, gain deeper insights, and enhance the overall customer journey.

8. Sustainability: Elevating Social and Environmental Responsibility

In an era marked by heightened awareness of social and environmental issues, customers are increasingly inclined to engage with businesses that exhibit a strong sense of social responsibility. As we step into 2024, companies capable of showcasing their unwavering commitment to social and environmental responsibility are poised for a competitive edge. Sustainability is destined to evolve into a pivotal factor influencing customer choices in the years to come. A growing number of individuals are becoming attuned to the environmental footprint of their consumer decisions. Consequently, businesses must embark on a conscientious journey toward sustainability and craft customer experiences that reflect this dedication. Such initiatives could encompass sustainable packaging solutions, carbon-neutral delivery alternatives, and product lines fashioned from eco-friendly materials. In essence, customers will come to expect businesses to minimize waste, adopt sustainable materials, and champion social responsibility. Businesses that prioritize sustainability will not only set themselves apart from competitors but also resonate with a customer base actively seeking to make environmentally conscious choices. In 2024, the cultivation of sustainable practices stands as a potent means of differentiation and a means to attract customers committed to driving positive change in the world.

• <https://blog.kale.bismart.com/en/top-8-customer-experience-cx-trends-2024>



The way that organisations deal with sustainability issues is increasingly important to the younger generations and as they are the customers of the future these issues need to be taken seriously

Another more radical viewpoint on tomorrow.

The CXNetwork in its view the future report

6 CX trends that will shape 2024

States that, among other things AI will no longer be used in CX by organisations but also by customers!

Forget everything you know about CX – your customers, organization and service suite are about to change in six big ways

or CX practitioners, 2023 was a rollercoaster. New customer demands, revolutionary new technologies and muted economic growth in major markets were just some of the things keeping practitioners busy. And things are unlikely to calm down in 2024. However, 2024 is unlikely to bring a brighter economic outlook as the reduced customer and corporate spending seen in 2023 continues. Digital CX – the top trend in our 2023 Global State of CX research – will continue to develop with new capabilities paving the way for connected customers with new expectations. While CX technologies often bring financial efficiencies, economic conditions are still set to influence CX budgets, meaning practitioners have to deliver competitive experiences on smaller budgets.

Jaakko Lempinen, head of CX for Yle Finland, says: “Despite tighter budgets, consumers will not be willing to compromise on quality. This presents a unique challenge for businesses: They will need to optimize their service processes efficiently to maintain profitability without sacrificing service quality.”

In light of these developments, CX Network has rounded up six trends that are set to change your organization, customers and service suite in 2024.

- 1. There is a new way to get personal with customers*
- 2. AI and LLMs will drive efficiency and engagement*
- 3. Practitioners should approach AI with caution*
- 4. Generative AI is now available to everybody*
- 5. Get ready for machine customers*
- 6. The role of the product manager is changing*

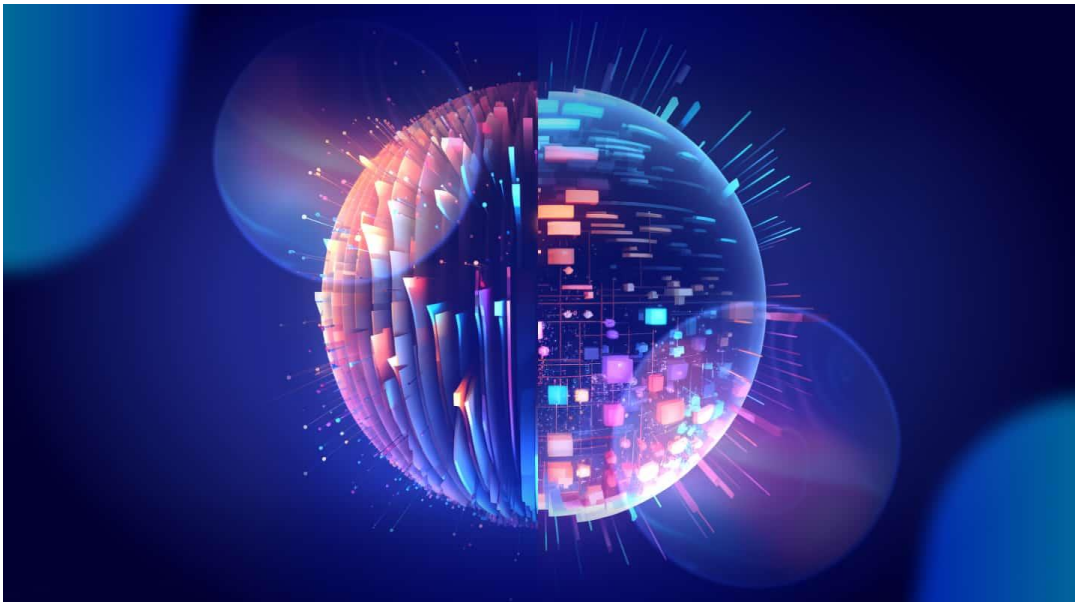
1. There is a new way to get personal with customers

From their browsing and spending habits to their patience for hold music, customers have changed a lot since the start of the decade. Yvette Mihelic, director of CX for rail operations and maintenance for John Holland Group, says that organizations have already noticed their traditional personas no longer accurately reflect the thinking that drives purchasing behaviour. She says: “An emerging trend over the last couple of years has been a move from developing customer personas to mindsets. Looking forward, I believe that both personas and mindsets will be developed to provide a high detailed view of specific needs across an experience as well as provide evolving trends based on behaviours that shift over time. The mix allows for improved rigor in solution development that is more aligned to target markets.”

As well as offering products and services that reflect their needs and lifestyles, customers want their interactions with organizations and brands to be personalized and relevant – and those expectations will continue to evolve.

2. AI and LLMs will drive efficiency and engagement

Lempinen expects a surge in hyper-personalization across various industries in 2024. Further to his insights on maintaining profitability during an economic downturn, he says that large language models (LLMs) and AI can help deliver hyper-personalization while also driving service quality at scale. “With businesses increasingly adopting systems built on top of LLMs, we're entering a robust developmental phase in the quality of services offered to consumers,” he says. “This advancement will gradually reshape customer expectations, depending on the industry and customer base. Companies that fail to meet these evolved expectations may start losing their market foothold.” Metatask CEO Rob Hollands says: “These technologies can be combined to create empowering, optimized and hyper-relevant experiences for consumers and, alongside genuine use cases, will help deliver exceptional customer experience and real-business value. Some may yawn at yet another year of ‘personalization’ dominating the trends write-ups but well-timed, intelligent and hyper-relevant customer experiences driven by the technologies that have emerged over the past few years will lead the way.”



For More information on LLM's see

<https://www.algolia.com/blog/ai/large-language-models-llms-vs-generative-ai-whats-the-difference>

3. Practitioners should approach AI with caution

The fastest moving area of experience management, AI in all its forms is transforming CX, but in 2024 there will be many things for CX practitioners to be cautious, from customer acceptance to effectiveness and ethics. Mihelic says: “While ML interactions have come a long way in a short time, the use of AI chatbots is still not trusted by many customers, leading to concern and distrust when customers are interacting with an organization’s online platforms. In the era of efficient and effective digital service channels – and the drive to reduce costs, increase consistency in service and drive revenue – there is still a mismatch between an organization’s desire to introduce AI chatbots, and a customer’s acceptance to engage with AI.”

For Saki Takeda, director of product management and customer service for Netflix, there is plenty of reason to be excited about the new capabilities and efficiencies AI enables for an organization, but the quality of the resulting experience for the customer must not be forgotten. “Personally, as much as I am bullish about AI technology in CX, we also have to be really careful about adoption of AI technology,” she says. “You can automate so many things, but what is the quality of the resulting customer experience?” Balancing the level of automation and the quality of the experience, and really testing how much an automation benefits the organization and customer’s experience is going to become more and more important,” she says.

As AI reaches further into CX, organizations must establish an ethical framework to ensure customers understand how, where and why their information is being processed or they are dealing with content generated by AI.

Lempinen says: “Establishing an ethical framework is non-negotiable. Companies must craft and rigorously implement principles for responsible AI usage, ensuring these guidelines are disseminated effectively across the organization.”

4. Generative AI is now available to everybody

*It’s clear that generative AI and LLMs will continue to drive new CX capabilities in 2024. GovindaRaj Avasarala, head of customer experience excellence (CXX) for Vodafone Idea Ltd, says that as companies compete to offer more effortless and intuitive experiences – such as those powered by generative AI, ML and LLMs – **it will raise the stakes for CX as a point of differentiation between brands.***

“The disruptive wave of Generative AI is bound to bring a pivot to CX. Amidst this, empathy in the form of harmony between human and AI would become the most desired balance,” he says.

These innovations won’t end with hyper-personalization and enhanced chat features. The introduction of custom GPTs in November 2023 has democratized access to generative AI tools for both organizations and their customers.

Lempinen says the next leap in organizational efficiency will come from “bespoke co-pilot” services, enabled by advanced language models. “These services will streamline and diversify human work by automating routine tasks and arch functionalities within organizations could be rehailed with advanced language models reduce the dependency on high-quality metadata.”

5. Get ready for machine customers

The widespread availability of generative AI will have implications beyond the corporate world. As an author and CX expert Sirte Pihlaja, CEO of Shirute and head of team at CXPA Finland, is an authority on the use of AI in CX. Due to the rapid advances around LLMs, she believes 2024 will be the year of the machine customer.

For those who aren't familiar with the term, a machine customer is the customer version of a virtual agent. Sounds confusing, but in short Pihlaja says that organizations are not the only ones deploying bots to carry out repetitive tasks. The launch of custom GPTs in November 2023 means customers can also now create a virtual agent or digital assistant.

*"This will be huge in the long run," she says. "People want convenience and if one can use a generative AI personal assistant to avoid staying on hold, contest a parking ticket or re-negotiate a mobile contract, why wouldn't they? I'll gladly be doing this as soon as possible!" Pihlaja says everybody should be busy learning new skills to re-design their businesses and experiences for machine customers. **If corporations and customers are both using GPTs to communicate, the service function will need major adjustment.** She continues: "If you think of the customer-facing organization, they also have AI assistants. This means the future of service may well become AI to AI interactions. This requires some serious process re-engineering. Companies should already be looking into how to prepare for machine customers. This will be a massive opportunity for those that get it right."*

6. The role of the product manager is changing

With service technologies set to influence so much of the customer experience in 2024, it isn't surprising that the product manager – the person every vendor wants to meet – will see their role change.

Speaking during CX Talks: Does your customer service function need a PM?, Takeda says the product manager is responsible for leading a product vision, strategy and roadmap for agent technologies that support the customer service (CS) operation.

"The typical PM role is about understanding the business and its challenges, understanding what CS is trying to achieve overall through its vision and strategy, and overall assessing the ecosystem of how many systems we currently have, where the opportunities lie, where can we optimize and where can we bring in technology to support the future vision of the CS organization."

According to Lempinen, 2024 will see a transformative approach to product management as companies focus more on finding and optimizing their product-market fit. "This requires a unique blend of skills within an organization to innovate in product development, customer experience, finance and technological advancement," he says. "It's essential for businesses to nurture such multidisciplinary talent to stay competitive and agile in a rapidly evolving market."

Custobots – A New Challenge of Opportunity?



latribune.fr/opinions/tribunes/les-custobots-vont-supprimer-le-gaspillage-et-desintermedier-les-distributeurs-981946.html

First Question What is a Custobot?

According to Gartner's Top Ten Strategic Technology Trends for 2024

Machine customers (also called "custobots") are nonhuman economic actors that can autonomously negotiate and purchase goods and services in exchange for payment. By 2028, 15 billion connected products will exist with the potential to behave as customers, with billions more to follow in the coming years. This growth trend will be the source of trillions of dollars in revenues by 2030 and eventually become more significant than the arrival of digital commerce. Strategic considerations should include opportunities to either facilitate these algorithms and devices, or even create new custobots.

What are their Characteristics – Do they have a demographic?

Custobots will not be influenced by advertisements. They have no emotions and they will behave in an unbiased and rational manner based on their programming.

Custobots will carefully collect and evaluate data to make a decision based on patterns, logic and rules – acting as algorithms that will improve the customer experience while advancing their own capabilities as “customers”.

Custobots will reduce waste by ordering exactly what the organization or consumer needs at the right time leading to the elimination of waste and a more sustainable economy. This could take the form of, for example, smaller formats or just-in-time replenishment, depending on supplier availability.

So How do Marketers Influence Potential Custobots?

An article in Forbes explores some of the difficulties for banks

When The Bank's Customers Are Replaced By Custobots - David G.W. Birch

I was interested to see that Gartner's IT -0.2% top ten strategic technology trends for 2024 include the arrival of machine customers (what they call 'custobots' but what I call "economic avatars", a precise and descriptive label that the virtual reality visionary Jaron Lanier introduced some years ago). These are the smart, non-human actors that can autonomously negotiate and purchase goods and services in exchange for payment. Gartner think that in five years there will be 15 billion connected products with the potential to behave as customers, with billions more to follow in the coming years.

Since I don't know anything about marketing, I am fascinated to see how banks will adjust to acquiring robot customers who do not care about the bank's logo or TV ads or which sports team it sponsors. So when my smart wallet uses open banking data and decides that I need to open a savings account or get a loan or refinance my mortgage, how will my finance bot decide which provider to use? After all, I don't really want to be in the loop because I've got better things to do.

Given that I intend to hand over responsibility to my finance bot. then, how will that bot go about choosing which accounts to open, which services to use and which oracles to listen to? I imagine that it will use a combination of reputation and relevant other data (eg, economic forecasts) to work out which account is right now and then I'll just click OK and hey it's all done. The reputational calculus will of course involve fees and rates but instead of using the Victorian substitute of brand for actual data, my bot will look at API functionality, open finance interface availability, service uptime and so on.

This means that banks, financial organisations in general and, of course, fintechs will be selling their products to machines, not to people. Well, their machines will be selling things to customers' machines.

Yet many people are bullish because they think that historical robo-advising was essentially jazzed-up machine learning. The custobots that Gartner is talking about will use AI and deep-learning algorithms to deliver something very different and they will require very different services from financial institutions. As an obvious example, companies may have to provide specific APIs to support the needs of bots rather than people since bots can search through more data, access more sources and process more transactions than any person might do.

Levels of service acceptable to a customer may be completely unacceptable to a custobot.

<https://www.forbes.com/sites/davidbirch/2023/10/30/when-the-banks-customers-are-replaced-by-custobots/>

So no real answer there about how organisations sell to Custobots.

If all custobots are using the same analysis process to arrive at the best decision does that mean that the organisation that can produce the product or service that best meets the criteria of the enquiry will automatically corner the market?

If custobots have no emotions and are not influenced features like brand and reputation how then will organisations in the supply side compete?

Will the existing structures in the supply side survive?

In an article in La Tribune in France Xavier Dalloz predicts

Distributors will gradually be disintermediated and manufacturers of consumer products will be able to “sell before producing”. Result: all companies will be able to considerably increase their ROCE, that is to say, the efficiency of the use of their fixed and circulating capital. The era of Custobots does not aim to replace humans but to improve their capabilities and free them from mundane tasks, allowing them to focus on higher value-added activities. Adopting Custobots is therefore not a choice. It is a necessity to remain competitive and effective in a rapidly changing world.

That is an interesting forecast and predicts a view where the manufacturer sell directly to the retail custobot a preordered product thus only making to order and saving money on stock and inventory and the revenue margin allocated to a distributor. If such a process were successful it begs the question to what degree the custobot idea will spread the need for further reorganisation across the supply chain?

The article gives an example

OpenAI co-founder Greg Brockman, who used ChatGPT to create a dinner menu that was then sent to Dall-E, OpenAI's text-to-image offering, to provide an image for the invitation, which ChatGPT then sent and requested a list of ingredients, which in turn was sent to the grocery delivery service Instacart. Everything is done in a few minutes.

<https://www.latribune.fr/opinions/tribunes/les-custobots-vont-supprimer-le-gaspillage-et-desintermedier-les-distributeur-981946.html>

Are All Custobots the Same ?

They come in different forms: There's a spectrum of machine customers, with varying degrees of autonomy and decision-making abilities. Some examples include:

Bound customers: These are the simplest type, essentially acting as an extension of a human, like a smart thermostat automatically adjusting settings based on your preferences.

Adaptable customers: These can autonomously make some decisions within set parameters, like a smart fridge ordering groceries when supplies are low.

Autonomous customers: These are the most advanced, capable of making independent decisions based on complex analyses and even negotiating deals on their own behalf. Think of an AI-powered stock trading bot.

On a more mundane note. There are some customers who enjoy the “thrill of the chase” in the purchase process and to whom the idea of missing a haggle with a supplier would devalue the purchase experience, so begs the question, Can Custobots Haggle?

In his Linked In article Mark Raskino November 30, 2023 reports

Custobots will haggle for you

Have you ever heard the term "cash on the nail"? It may have originated in the old port city of Bristol in the west of England. The nails are 16th century heavy bronze pillars over which traders would price and agree on corn trades. The edge of each has a raised lip, to prevent coins rolling off. Haggling is as ancient as trade itself and throughout history, it has been a very human activity — until now.

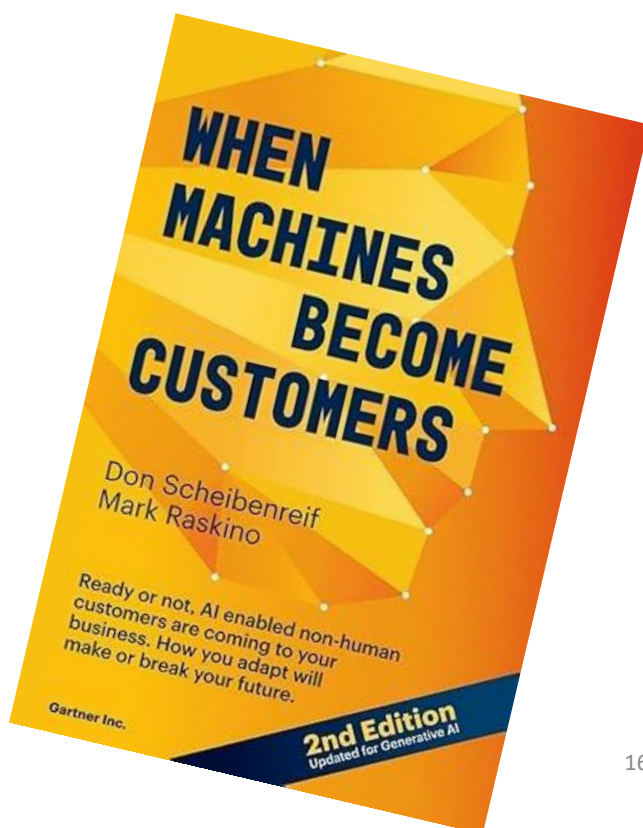
Haggle IT is an online service that wants to haggle for you. It aims to help negotiate things like your rent, credit card rates, or car insurance premiums. But it doesn't employ humans to do that — AI does the work.

Since we published our book about the rise of the Machine Customer phenomenon, Don and I have been asked by many people — "will generative AI accelerate the trend?". The answer is simple: yes. Haggle IT is an example — it is powered by large language model AI chatbot technology. That advance in natural language interaction makes it possible for software to negotiate with vendors through human-centric channels such as emails, letters or chat lines. It's a breakthrough that means a company might not even know it is talking with a bot rather than a human.

This GenAI acceleration is why we created an updated second edition of our book. It explains why Machine Customers will be a big part of all business futures, how you should think that through, and what you should do about it



A Bristol “Nail”



The Last Word

In the flurry of excitement and potential opportunities that new technology create it is easy to become distracted and lose the perspective of the bigger picture. Technology has provided many major benefits to the customer experience, no better example than the internet. As the world looks forward to even greater innovation where change is so fast it is important to ensure that the customer journey is along a road that also delivers benefit to them and that they are not simply used as guinea pigs in a proof-of-concept development plan

In this context the reality of custobots turning the tables on organisations is intriguing.

How will organisations know if they are even a part of the custobot journey?

How will they know if the custobot had a positive experience?

How will custobots measure their experience?

How will organisations know who their real customers really are?

Will custobots have any loyalty to an organisation?

Will custobots use “Facebot” or Whatsbot” to report good or bad experiences to others?

Many interesting new points to ponder in the year ahead but the old points are still true

The Customer/Custobot Has all the Money and The Customer/Custobot Decides

Recommended Reading

<https://reprints2.forrester.com/#/assets/2/145/RES179630/report>

<https://www.zendesk.co.uk/blog/why-companies-should-invest-in-the-customer-experience/#georedirect>

<https://blog.kale.bismart.com/en/top-8-customer-experience-cx-trends-2024>

<https://www.cxnetwork.com/cx-experience/articles/6-cx-trends-that-will-shape-2024>

<https://www.algolia.com/blog/ai/large-language-models-llms-vs-generative-ai-whats-the-difference>

<https://www.forbes.com/sites/davidbirch/2023/10/30/when-the-banks-customers-are-replaced-by-custobots/>

<https://www.zdnet.com/article/ai-dominates-gartners-top-10-strategic-technology-trends-for-2024/>

<https://www.forbes.com/sites/davidbirch/2023/10/30/when-the-banks-customers-are-replaced-by-custobots/>

<https://www.latribune.fr/opinions/tribunes/les-custobots-vont-supprimer-le-gaspillage-et-desintermedier-les-distributeur-981946.html>