

Augmented Marketing: Delivering Tech-Empowered Human Interaction



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Abstract

Customer interface - the way customers communicate with companies - is a big part of the customer experience. In industries such as hospitality, healthcare, professional services, and even high-tech, some customer interfaces are mainly fronted by humans. The concierges, nurses, consultants, and key account managers are critical resources in their fields, and machines are not a match for their abilities to deliver the right experience. But it takes years to recruit and develop the competencies of these people before they can perform their best. The circumstance makes companies challenging to scale, essentially creating a limit to growth. Augmented marketing offers a solution to this problem. Digital interfaces can provide new alternative ways for customers to interact with brands and companies. Although a digital interface cannot wholly replace human-to-human interaction, it can make the scarce human resources work faster and smarter.

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Knowing precisely what and how to teach computers will enable human coaches to realize their full potential. This premise leads to a technology development movement known as **intelligence amplification (IA)**. As opposed to artificial intelligence (AI), which aims to replicate human intelligence, IA seeks to augment human intelligence with technology. In IA, humans remain the ones making decisions, albeit supported by robust computational analysis. In marketing, the application of IA makes perfect sense in areas where humans are still dominant and computers can only become the support systems. Thus, augmented marketing focuses on marketing activities that heavily involve human-to-human interfaces, such as selling and customer service. In these human resources– intensive jobs, the role of technology is to increase productivity by taking over low-value tasks and helping humans make smarter decisions.

The rise of Generation Y and Generation Z fueled in the last years the need for augmented marketing. These two generations see the Internet as an indispensable part of their lives and technology as an extension of themselves. In fact, they see no borders between the physical and digital worlds. They call it the “phygital” world. The need for speed and on-demand delivery will make way for digital interfaces. Augmented marketing starts with a clear definition of how technologies can add value to frontline operations. One way to improve productivity is to create a tiered interface system. Mixing the digital and human interfaces within a structured pyramid allows businesses to scale up. Companies can free human resources to work on worthwhile tasks.

Tiered Sales Interfaces

In the selling process, the most common customer interface tiering is based on the customer lifecycle across the sales funnel. B2B companies can capture and nurture early leads via a digital interface while pursuing qualified leads and hot prospects with a team of salespeople. With this approach, businesses can have a broader reach with lead generation. At the same time, they can refocus the sales force efforts into closing the deals. This arrangement is optimal since the final step in the sales funnels usually requires strong communication and negotiation skills. Retail businesses can also leverage tiered sales interfaces with omnichannel presence. Digital channels are used to build awareness, create attraction, and encourage trials. Customers can browse through a catalog of products on the website or mobile app and select what they like. Companies like Sephora and IKEA use augmented reality (AR) to enable potential buyers to “try on” the product digitally. That way, when customers come to the brick-and-mortar outlet, the interest has built up and it is easier for store attendants to sell. The division of labor between human and machine in the sales process is based on activity specialization across the funnel. This hybrid model uses various sales channels from those with the lowest cost to the most expensive ones. Each channel plays a specific role that drives prospects from the top to the bottom of the funnel.

Tiered Customer Service Interfaces

In the customer service process - in other words, when dealing with existing customers—the most common basis for customer tiering is the customer lifetime value (CLV) or customer loyalty status. The CLV is a projected net income generated from each customer based on the estimated length of tenure. Customers with low CLV or status only have access to the digital interface, hence the low cost-to-serve. On the other hand, customers with high CLV have the privilege to interact with high-cost human assistants. The service quality tiering provides the incentive for customers to climb up the ladder by making a bigger purchase or committing their loyalty to specific brands. The rich information that can be found on the Internet makes people search for solutions themselves when stumbling into a problem with products and

services. Many companies facilitate the self-service trend by providing searchable online resources for their customers. Many also develop support forums or communities where customers can ask one another about their problems. In this social technology application, the volunteers who helped others are rewarded with gamification badges. A longtime best practice for tech companies, the approach is now adopted by businesses in other industries. With a strong knowledge base and support forums, companies can anticipate customer issues, and customers can avoid the unnecessary hassle of contacting customer service.

The knowledge bases from online resources and forums become a big structured data that companies feed to their machine learning algorithms. Instead of searching for answers in support pages or communities, customers can now just ask AI for solutions. The automated customer service interface may be a chatbot or a virtual assistant. It gives customers not only convenience but also the instant solutions that they want. Similarly, scripts and histories from call centers and live chats can now be transferred to the AI engine, essentially providing hassle-free options for customers having basic, frequently asked questions. Businesses need to take several steps to develop tiered customer support with a solid symbiosis between humans and machines:

1. Build a knowledge base of frequently asked questions. Businesses learn from past histories that most customer inquiries are basic and repetitive. It is inefficient to use customer service reps to respond to these questions. Thus, the first thing that companies must do is compile these questions into a library of information that is easily accessible. A good structure and categorization will help customers navigate through the knowledge base. Companies should use storyboards that utilize actual customer stories—real situations and scenarios that customers face. Moreover, a good knowledge base must have a search function. And finally, it should also be continuously updated with new information.

2. Determine customer tiering model. With analytics, businesses can quickly analyze a large volume of transactions into individual customer records. Companies need to simply determine a set of criteria to evaluate the value of each customer to them. Usually, the tiering involves both financial (revenue, profitability) and nonfinancial measures (share of wallet, tenure, strategic importance). Based on the criteria, companies can group customers into levels. The tiering is dynamic; there must be a mechanism for customers to move up and down. When the tiering is well defined, it is straightforward to determine the cost-to-serve budgets for each tier. The budgets will determine which customer support options each customer can access.

3. Create multitier customer support options. Companies can leverage the knowledge base for several customer service channels. The first is to create a self-service option by putting the knowledge base on the website. When the knowledge base has flowing storyboards, it can be easily transferred to both the chatbots and virtual assistant platforms. When customers fail to get answers having gone through these machine interfaces, companies should provide an option to escalate to human-to-human interfaces. Forums and communities are great ways to empower customers. But ultimately, customer service reps must be ready to give answers when nobody else can, either via email, live chat, or phone call. Companies should not provide all these options to everyone. Low-tier customers will typically get access to self-service options (online resources and forums) while high-tier customers will get all types of access depending on their preferences.

Providing Digital Tools for Frontliners

Augmented marketing is not only about the division of labor. Digital tools can empower frontline employees who have direct interactions with customers. Today, despite all the buzz surrounding e-

commerce and online shopping, the majority of retail sales still happen in brick- and-mortar stores. Most customers are still webrooming—search online and shop offline. Thus, when well-informed customers who have spent hours researching products online eventually come to the store, they expect equally knowledgeable frontline staff to interact with them. A similar trend happens in the services industry, too.

Customers are accustomed to reading reviews before coming to hotels, professional services firms, or education institutions to explore further. These smarter customers have high expectations, and that makes the job of frontline employees more challenging. Frontline personnel are crucially important, especially in high- contact environments such as the retail and services sectors. Even in low-contact industries, frontline staff often become the last line of defense in terms of service recoveries. They can often become the source of differentiation and the face of the brands. It is vital to empower employees with the right knowledge that companies have on their customers.

Customer-facing employees are the most important medium to educate the customers on the things that are difficult to convey through other means. With a wealth of insights, frontline staff can be more productive. They can focus on sales conversion, cross-selling, and upselling rather than making smart guesses about the customers. Transaction histories and AI-generated product recommendations are some of the information that will help employees understand what to offer the customers. Being able to anticipate customer needs is essential for frontline work. Equally important is to be able to provide personalized interactions and build relationships as if they have known the customers for a long time. Digital tools in the brick-and-mortar stores also help reduce friction for companies aiming to provide omnichannel experience. Consider the Sephora Digital Makeover Guide. A customer can book an appointment with a makeup artist. Once in-store, the customer can browse the online lookbook for a makeover inspiration. The artist uses a small scanner called Color IQ to capture the skin tone to determine the perfect shade for the customer. With the information from the lookbook and Color IQ, the artist can look for and scan products that fit the customer profile. Once the makeover is completed, the artist can email the customer the list of steps and products that have been used—useful for a repeat purchase.

Businesses need to build not only a digital interface for the customers but also a matching one for the employees. The delivery of customer information can be made via either mobile devices or wearables. Hotels, for instance, may allow customers to make requests via in-room tablets or their smartphones, and those requests can reach the housekeeping, kitchen, or concierge directly or via a connecting chatbot. It facilitates faster response and hence creates a better customer experience.

There are several steps for companies to provide the right digital tools to support frontline employees:

- 1. Understand employee frustration points.** The biggest mistake companies make in implementing digital tools in frontline operations is to focus on the technology and not the reason for implementing it. Understanding employee experience (EX) is equally essential as understanding customer experience (CX). Thus, the first step is to map the employee experience journey as complementary information to the customer experience map. Frontline work is both difficult and stressful. But it also holds a lot of insight. Businesses need to listen to the voice of customer-facing employees and pinpoint their frustrations. Similar to customers, employees are usually frustrated with inefficiencies—activities that are time- consuming for them—and potential service failures—inability to give customers what they want, which leads to complaints.

2. Identify how technology can be a solution. Once the frustration points have been identified, companies need to find technology solutions that work. Most of the time, companies focus on the solutions that can be integrated into the entire information technology system. But the key to making the right selection, however, is to involve employees in the process. Tests need to be carried out with employee support. It will help companies anticipate potential issues in the execution early on and increase buy-in. Understanding how frontline workers use technology is critical, too. Companies need to choose the right hardware. Smartphones and tablets are standard digital tools for some tasks. But for other roles that require hands-free applications, wearables might make more sense.

3. Focus on change management. Unlike other Marketing elements, augmented marketing requires close collaboration between frontline employees and technology enablers. The biggest challenge, especially for businesses with a large number of frontline workers, is the resistance to change. Not all customers are tech-savvy; likewise, not all employees are digital-ready. Not everyone is comfortable being augmented by technology. Training to upgrade digital skills is critical to success. But the learning is not only about the skills but also the digital mindset. Monitoring execution hurdles and fixing them is also something that businesses must pay attention to in the rollout.

Conclusion

One of the areas where human-machine symbiosis provides the best outcome is in the customer interface. For basic and straightforward inquiries, digital interfaces suffice. But for more consultative interactions, computers have yet to outperform human-to-human interface. Thus, a division of labor within a tiered structure makes sense. In the sales process, the top and middle of the funnel can be delegated to machines while the bottom one is carried out by the salesforce. In customer service, the digital and self-service interface is used to serve the mass of customers while the customer support reps are reserved for the most valuable customers. Businesses should utilize narrow artificial intelligence to ensure the quality of digital interactions. Augmented marketing is also about empowering frontline employees with digital technologies. Smart and always-on customers must be matched by well-informed employees. Making data-driven insights available at the point of interaction allows employees to tailor their approach to every customer. A two-way interface between customers and employees also reduces friction and ultimately improves customer experience.

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