

The war for the digital customer moves to the first mile as voice interfaces begin to mature

 By [Richard Mullins](#)

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Anyone who often travels on the London tube will notice people around them - usually students and young professionals - speaking into their smartphones even in sections of the underground without Wi-Fi or cellular coverage. They're not sweet-talking their mobile devices, but cueing up a series of WhatsApp voice messages to be sent to their friends and colleagues as soon as they walk back into an area with an Internet connection.



Image source: Gallo/Getty Images.

This shift away from text-based and visual communication to multi-sensory (voice and visual) is one of the most significant trends to emerge from the next wave of artificial intelligence technologies. Many members of Generations X and Y abandoned voice calls for instant messaging once they got smartphones; now, the next generation are becoming more vocal in how they interact with – and through – machines.

We're already seeing rising adoption of conversational voice interfaces, as young and imperfect as the technology still is. Research from comScore predicts that half of all searches will be performed via voice by 2020, while a study by [Voicebot.ai](#) indicates that nearly one in five US adults own a smart speaker or have access to one in their homes.

This trend is one reason that we are seeing the battle for the digital customer move away from the 'last mile' to the 'first mile' at a rapid speed. Now that the giants of e-commerce have largely solved the 'last mile' challenge of reliable logistics and rapid delivery, they are looking at ways they can tighten their grip on the first digital mile, where customers engage with and discover content, product and services.

Raising the stakes

This race to own the customer interface is not new, but the stakes are rising. We already live in a world with two major smartphone platforms (Apple's iOS and Google's Android), and now a handful of companies (Google, Facebook, Microsoft, Apple and Amazon) are seeking to own the voice interface with smart devices like speakers, kitchen appliances and home security systems.

Most consumers are today using voice conversation interfaces for simple content requests – Alexa, give me the news headlines; Siri, play my party mix – and the experience can be somewhat clunky. However, technology is improving exponentially, as we saw earlier this year when Google demoed its assistant phoning a hairdresser to make an appointment on behalf of a user.

Such interfaces are likely to become the place where a high proportion of customers are converted and complete transactions in the next few years. In other words, the likes of Apple and Google will have even more power over what consumers see, hear and interact with than they do today. Brands should be thinking about how they will prepare themselves for this future.

One of the first considerations is how they can use voice to engage with customers in an increasingly natural and simple nature. Today, it is usually easy to tell when you are speaking to a virtual assistant or chatbot, but in future, these interfaces will become harder to tell humans and machines apart, unless you are told.

This is an opportunity to offer personalised service in an automated manner—the human touch at machine scale. Brands that offer the best experiences through their conversational interfaces will have a competitive advantage. This will not just be about the AI driving the interaction, but also about how brands use data to personalise interactions and make them more relevant to customers.

How will you reach your customers?

Brands also need to decide how they will reach their customers in the first place – will they create services for platforms like Alexa and focus on mobile apps? Or will they try to take control of more of the digital-first mile themselves? This will be a daunting challenge, but the rewards may be significant since the companies in the digital-first mile will control the data and own the customer.

For this reason, we can expect to see those companies with the resources to do so focus on owning more of the customer interface and becoming the gateways to service and commerce for their client base. They will partner with other big brands to create platforms, experiences and digital destinations where customers can purchase a variety of goods and services.

Consider examples such as how Discovery's Vitality weaves together healthcare, lifestyle brands and financial services, then think about how they might evolve in a digital world. Brands have long cooperated through strategies such as white label products, sponsorship agreements and distribution deals, but the next wave of digital change will take it to a new level.



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As this shakes out in the years to come, brands will need to focus on building a technical architecture that enables them to rapidly partner with other brands to roll out innovative solutions and services. They will also need to consider how and where

they will capture customer data and which touchpoints they can use to own the customer relationship.

The challenges will not be purely technical in nature. There is the human element of blending AI and people into 'teams' that deliver the best possible customer experience. Companies will also need to think about their business models and where they fit into the value chain. Those that align AI and data behind a coherent business strategy will be the ones who will win the first digital mile.

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