Brief name

Contextualizing service models
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Global trends

The age of the customer

Context and customer experience

New technologies

Brief details
Digital reality changes our usage of content

Worldwide overall coverage
3 billion users

Active users monthly
- 980 mln
- 1300 mln
- 1300 mln

Messages daily
- 150 bln

User spends on average minutes per day
- 50 min

on average
- 66 min

With development of digital channels the frequency of customer’s interaction with a bank is increasing

Interaction frequency

Bank branch
Two times per year

Online bank
2-3 times per month

Mobile banking
1-2 times per day

Statista, Digital Economy Compass 2018; Dlvrit.com, May 2016; Statistics of the leading bank of Australia
The major multinational companies demonstrate the best practices of customer experiences

Netflix example

Netflix - a benchmark of content personalization
Netflix - whenever needed
Netflix – wherever suitable for a customer
Now customers expect much more from products/brands

«something that I’m interested in and need now»
*Contextually relevant* content and *targeted* offers

«quickly and on time»
*Fast resolution of problems at any time*
*24 / 7 / 365*

«wherever convenient for me»
*Accessible through multiple channels at any preferred location: omni-channel*
Retail transforms customer service models

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**The Grocery Store**

**The Old Way**
- Offline: Standing in queues
- Slow or no delivery
- No extra consumer experiences in-store

**The New Retail Way**
- Hema
  - Delivery at your home in 30 minutes
  - Scan in-store and have it prepared and delivered at home!

**The Car Showroom**

**The Old Way**
- A retail model that was designed a long time in the past and has failed to adapt
- Forces consumers to go from one dealer to another
- Based around paperwork and documentation that can slow the process down
- Sales pressure from the sales personnel

**The New Retail Way**
- Auto Vending Machine
  - Powered by a smart device
  - Test Drive? Select on the app and try!

**The Convenience Store**

**The Old Way**
- Traditional way of thinking based on an old model
- Not as convenient for modern shoppers
- But, they are central to their communities, and therefore they are not obsolete!

**The New Retail Way**
- Local Store Digitised
  - Powered by a smart device
  - Analytics: better understand consumer needs and stock accordingly as well as gain efficiency
  - Make ordering easy through an app

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"Pure ecommerce will be reduced to a traditional business and replaced by the concept of New Retail—the integration of online, offline, logistics and data across a single value chain."

- Jack Ma, Founder of Alibaba Group

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Source: Alibaba - *New Retail Explained, 2018* (link to video: https://www.youtube.com/watch?v=336YkwayCD4)
What is essential in the age of the customer ....

**Raising the bar for customer experiences is a necessity**, as Apple, Netflix, Facebook, Google and Amazon examples now make customers expect a great experience across all the organizations that they interact with.

According to Blasingame “A business is no longer in control of all the information. That power has shifted to the customer. As a company, the best you can hope for today is to co-own that information with your customer, because an increasingly large share of product information is now in effect “User Generated Content.”

Your customers are not only gaining more power influencing the buying process, but they’re the driving force for your business to become customer-centric, or risk being disrupted. Customers are increasingly driving technology changes, and hereby influencing the products themselves.

Consumers today are connected consumers. As markets are commoditized, there is only one way to differentiate - through personalized experience. With data, focus on How a customer comes to buy vs. what they are buying and where they are buying is CRUCIAL.
Becoming humanized is your success into the future

Companies have long looked for customer relationships where every interaction resulted in an immediate sale. Humanized companies focus on creating partnerships with their customers. To become a true partner, companies need to reimagine their immediate sales goals and shift to the goals that customers have for themselves. A humanized company is one that can capture people at the core of who they are, and help them carry out a more authentic and successful way of living.

Humanized companies will take a servicing perspective – servicing will precede selling, and making an offer will move the prospect closer to their goal. Digital consumers demand more today than speed and simplicity. They want to feel good about their interactions with technology, and this requires some element of the personal touch.

Today’s consumers have more choices on more channels than ever before. As a result, their expectations for brands have exponentially increased. If brands want to thrive, they need to see customers as individuals whom they know well and serve like no other. Successful organizations need to understand their customers through multiple attributes, including behavior, context, interests and preferences, to properly “wow” them and turn them into loyal customers.
How to transform and humanize customer experience?

- **FOCUSED CHANNELS**
  - Use the power of different channels in specific points of customer journey

- **DRIVE CHECK OUT**
  - Focus on the identifying customer earlier for greater engagement and enablement

- **PRODUCTS & SERVICES**
  - Move from simple recommendations to meaningful experiences

- **INTERGRATED MOMENTS**
- **ENABLE CHECK-IN**
- **BRAND EXPERIENCES**

Understand and leverage the strengths of digital and physical
Invest time in captivating your audience. Think beyond check-out
The why and the how are stronger differentiators than simply the what
Think about the experiences you want your brand to be associated with
Identifying customers at the purchase is too late. Find other contextually relevant moments to add value.

**AT LUNCH**
Where personal preferences and the ambient surroundings are so important

**AT THE WHEEL**
Many of us are embracing the benefits of voice interfaces and in-car technology

**AT THE GYM**
That time in many people’s day when health is the number one priority

**AT CHECKOUT**
The moment that so many retailers rely on for customer data

**AT THE AIRPORT**
The place where you’re either in a hurry or simply killing time

**AT HOME**
The control center and delivery hub for all the things you need in life
The best customer experiences are linked with the ability to identify the right context and manage it

Starbucks example

- **Payments**: Compile the order, create the bar code for acceptance at sales point
- **Sales locations**: Find the nearest sales point using customer location data
- **Related information**: Inform what kind of music is playing at the sales outlet
- **Pre-purchase**: Make the pre-order and save time avoiding waiting in the queue
- **Card control**: Check the balance, add a new card, transfer money
- **Loyalty program**: Remind the customer of his benefits

Trends | The age of the customer | Context and customer experience | Technology | Brief
Context management also provides the ability to combine digital and real world

From the digital to physical world and back

Cashier-Less Checkout Expands Rapidly

As Amazon expands its Amazon Go chain of self-service convenience stores, dozens of startups are competing with established firms to master and lead this potentially game-changing retail model. Chinese BingoBox, Zippin in San Francisco, Inokyo in Mountain View, and Santa Clara’s AiFi
Artificial Intelligence is capable of making decisions and facing the client

Virtual assistant

The level of voice-recognition technology is sufficient to control every aspect of our life via one portal – talking to a virtual assistant

Examples

- Chat-bots and robotic advisers in call-centers
- Personal finance management
- Digital identification
- Preference identification and personalized offers

Retailers are using AI to personalize customer service, and the trend is picking up steam. 55% of retailers plan to leverage the technology within three years, according to the 2018 Customer Experience/Unified Commerce Survey from Boston Retail Partners.

Source: Richard Shapiro, Nov 15, 2018 at customerthink.com
Robotic automation frees us from routine, improves quality of processes and speed of implementation

**Examples**

- **Monitoring of operational and market risks**
- **Fraud detection, AML**
- **Robot-assisted HR-processes**
- **Preparation and distribution of regular accounting reports and management accounts**

**Automation of routine processes and tasks makes it possible to spare time for implementing more meaningful activities, reduce errors associated with fatigue**

Whether banks will replace workers with robots is a debate.

While many see it as a means to an end, others, such as the CEO of a major bank, believe that the benefits of improved efficiency and reduced errors associated with fatigue are worth the investment.

The traditional view is that bank office staff like managers and investment bankers will be replaced by machines because their tasks are routine and repetitive. This view suggests that the right kind of technology could lead to a reduction in the need for human intervention, making banking processes more efficient and error-free.

**Context and customer experience**

The age of the customer

Technology

Brief
Virtual reality blurs the boundaries between online and physical world

Examples

- Try-ons of outfits before buying
- Virtual car demonstration
- Property inspection when selling a mortgage
- Virtual bank branch
Augmented and virtual reality are finding acceptance across retail

Amazon envisioned a technology-enabled dressing room in a patent titled "Blended reality systems and methods," granted in January 2018. The patent highlights a tech-enabled mirror that would project images (using a screen set behind it) to give the illusion that customers are wearing different outfits.

In another example, Alibaba partnered with Starbucks to construct a 30K square foot mega-store in December 2017. The store integrates AR technology into the coffee-buying process: customers can learn about the coffee-making process and available products through an Alibaba-powered augmented reality app.

In fall 2018, Macy's expanded its partnership with virtual reality startup Marxent labs. The purpose of the partnership? To help Macy's reduce return rates in its furniture department.

Source: Biz Journals

Source: CB-Insights-Retail trends 2019
IoT offers new opportunities for development of e-commerce and m-commerce

Payments using wearable devices by 2020, ~20% of all contactless payments

Total amount of IoT economics by 2025.

6 USD Trillion will be invested in IoT-enabled solutions

13 USD Trillion

501 USD Billion

18 BI Intelligence, Here's how the Internet of Things will explode by 2020, 2016; Tractica, Wearable Payments, 2015
Brief details

Objective
We are looking for human-focused solutions/services/products which solve for a specific problem or set of problems which exist today in the context of daily consumers’ lives. The solution should deliver on convenience, optimized customer journeys and human-centered experiences. Ideally with a “wow” effect. It can be targeted to:

- Provide freedom for a consumer by letting avoid doing daily routine tasks, such as ordering food, paying for kindergartens, etc
- Make shopping experience fast, comfortable and simple
- Provide truly personalized experience
- Give banks and/or merchants ability to use big data to become contextual and propose tailor-made solutions to a new consumer
- Offer concept of Connected Home, Smart City, other use cases which merge urban environment elements into an integral and seamless user experience

Global and tech trends
The trends and examples described in the full brief deck serve as inspiration, but not an obligation to fall into any particular stream. Your solution/product/service can be built using technology of AI, IoT, VR, biometrics, proximity payments, blockchain or whatever it takes to reach the objectives.

Experiences matter
There’s been a race to adopt disruptive new technologies. It’s very exciting - but what’s the point of technology if it is unusable to humans whose experiences tech is supposed to advance? Tech isn’t the solution. It’s the gateway to more integrated experiences. It offers brands new opportunities to create new solutions but only if you understand who you’re talking to and their past behaviors.

So do not miss this crucial context, focus on humans and what you are trying to solve for with your product/service. Just technology will always miss the humanity, the magic, the experience.

Payments
Although we are not limiting your choice of industry, your human-focused solution/service/product/platform should be transactional and at some point in time lead to payment/money transfer/money exchange/direct or alternate lending, etc.

Key requirements
Our key requirements are superb user experience, available commercialization strategy and readiness for immediate implementation.
We are looking for human-focused services/products which solve for a specific problem which exist today in the context of daily consumers’ lives. Your solution should deliver on convenience, optimized customer journeys and human-centered experiences. Ideally with a “wow” effect.

Industries and channels are not limited.

Our key requirements are superb user experience, available commercialization strategy and readiness for immediate implementation.