

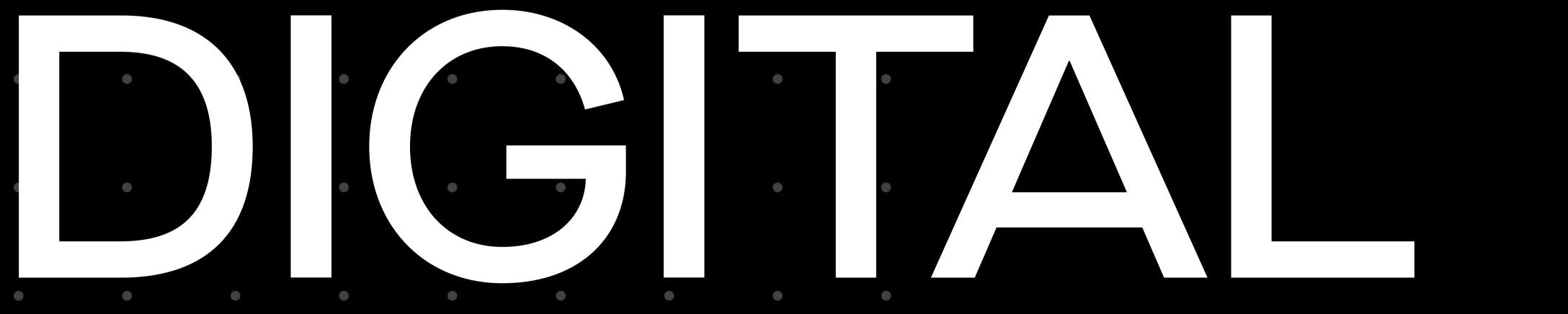


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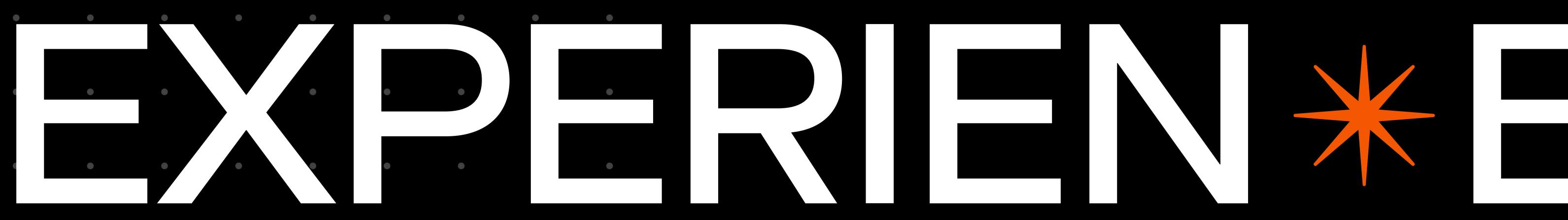
Ultra-realistic ultra-detailed photo of black Icelandic taken above from a drone. On the left side of the images is the black, rough, Icelandic volcanic beach and on the right is the blue seas

# GenAl FOR

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#### How GenAl can enhance customer experience & outcomes



#### $\bullet \quad \bullet \quad \bullet$

Part of the Waracle Insights series

#### PREFACE

# Navigating the Age of Intelligence

In November 2022, OpenAI launched ChatGPT, a large language model (LLM)-powered chatbot that would soon take the world by storm. Within just two months, ChatGPT reached an astonishing 100 million monthly active users, becoming the fastest-growing consumer app in history<sup>1</sup>.

This shift from transactions to relationships marks a new era in customer experience. The meteoric rise of ChatGPT is a testament to AI's
transformative power in reshaping how we interact with
technology and each other. Each interaction with the
chatbot represents a new form of human-AI collaboration,
tackling problems, streamlining decision-making, and
boosting productivity on a global scale.

More importantly, it highlights the immense potential of generative AI (GenAI) to revolutionise customer experiences across industries.

GenAI enables businesses to create intelligent, personalised, and emotionally resonant experiences at an

unprecedented scale. By harnessing the power of this tech, we can infuse a sense of empathy, contextual understanding, and dynamic problem-solving capabilities into digital touchpoints. This shift from transactions to relationships marks a new era in customer experience.

We are witnessing the dawn of the intelligence age, a pivotal moment that will reshape society, businesses, and governments on a scale comparable to the agricultural and industrial revolutions. To navigate this uncharted territory responsibly, ethically, and sustainably, we must reimagine customer experience for this new world.

What's clear is that businesses must embrace new ways of thinking, acting and engaging to adapt to the rapidly evolving "digital intelligence" landscape.

This document serves as a guide to help leaders understand and harness the power of AI while navigating the challenges and opportunities that lie ahead. · · · · · · · · · · · · ·

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## Exec Summary

Imagine a world where every digital interaction feels intelligent, personalised, and empathetic. A world where your banking app is as insightful as a personal financial advisor, your smart energy app provides contextualised, relevant sustainability nudges and your fitness tracker is as supportive and insightful as an Olympic coach.

harness the power of AI while addressing the challenges and opportunities that lie ahead. It examines the global GenAI market, explores the potential of large language models (LLMs), and showcases examples from pioneering

Generative AI (GenAI) is making this vision a reality, redefining customer experience (CX) by enabling emotionally resonant, AI-powered relationships that build long-term customer loyalty.

The meteoric rise of ChatGPT, reaching 100 million monthly active users in just two months, is a testament to AI's transformative power. As businesses compete to attract and retain customers, the potential of GenAI cannot be overlooked. 80% of organisations view CX as a crucial customer battleground, and 50% are prioritising AI for

#### businesses.

We showcase examples from pioneering businesses like Cleo, Woebot Health, and Klarna. We present an Intelligent Experience Capabilities Model and seven principles for designing GenAI-powered experiences to help you imagine where AI could enhance your customer-facing digital experiences.

We delve into advancements in mobile chipsets, such as Apple's A16 Bionic and Google's Tensor G3, which enable LLMs to run natively on devices. This unlocks transformative possibilities for intelligent, personalised experiences at the user's fingertips.

tech spend in 2024.

However, realising GenAI's full potential requires responsibly, ethically, and sustainably navigating the age of intelligence. It necessitates evolving traditional approaches to strategy, design and technology. This document serves as a guide for leaders to understand and The GenAl revolution is here, and the future of CX belongs to businesses that embrace it. Goldman Sachs predicts a 7% boost in global GDP over ten years due to an Al-driven productivity boom, while PwC expects a \$15.7tn boost by 2030. Will your organisation lead the charge by shaping the future of customer experience in the intelligence age?

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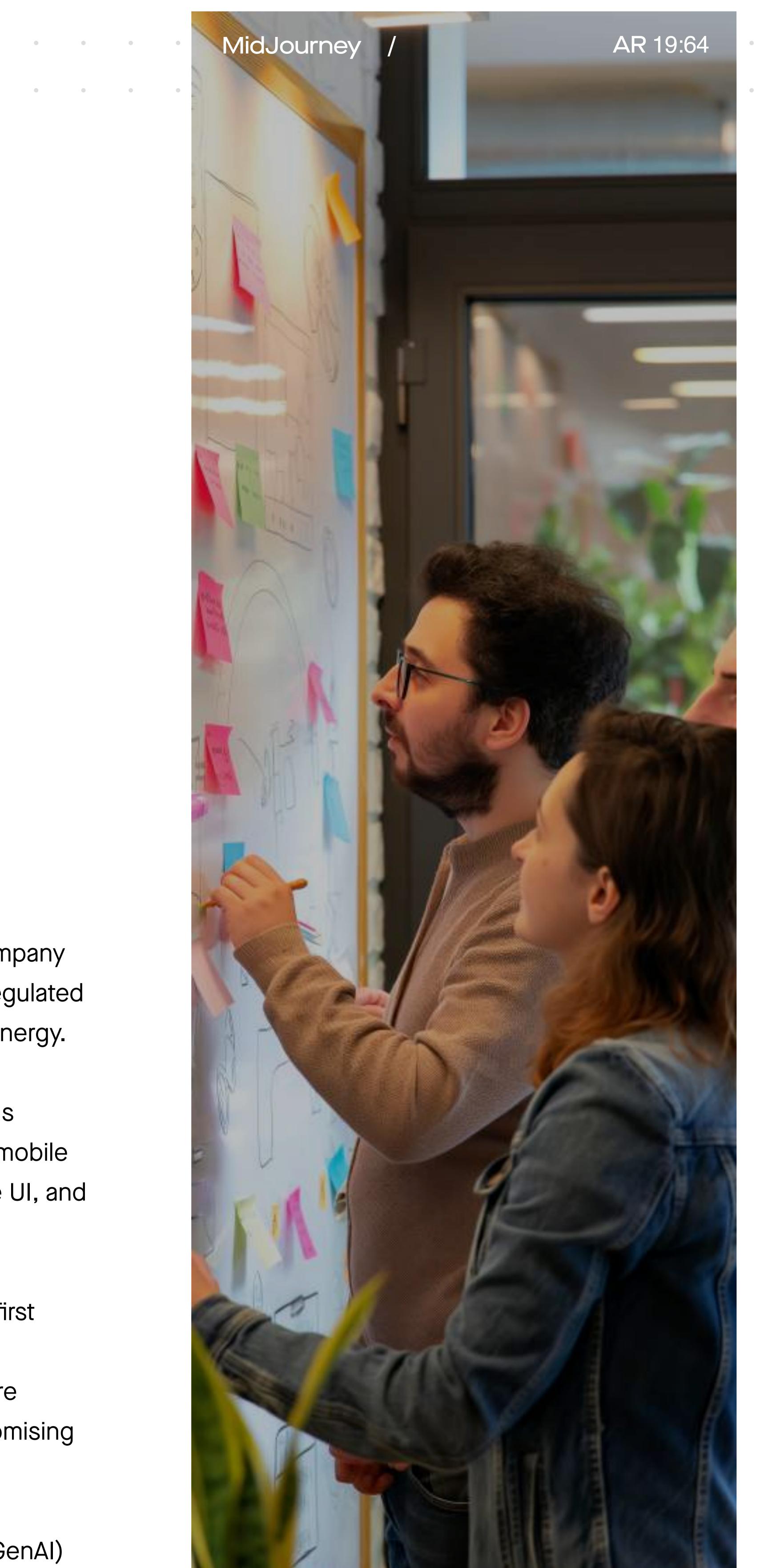
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## About Waracle

Waracle is a pioneering intelligent digital experiences company specialising in designing and engineering solutions for regulated

industries, including financial services, healthcare, and energy.

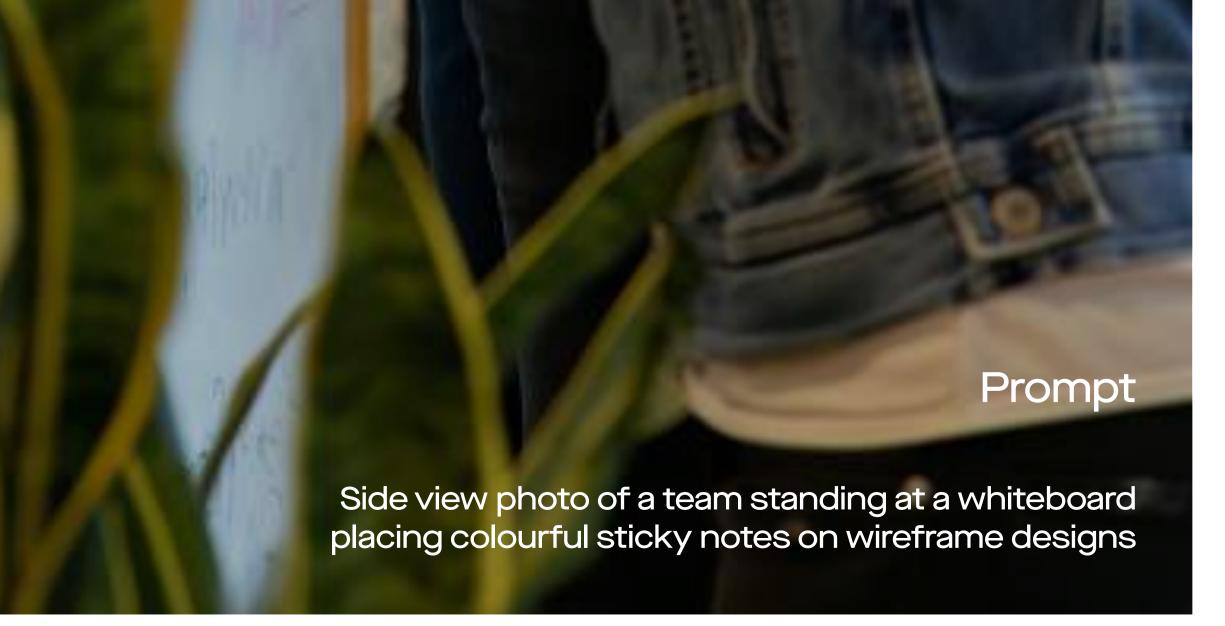
For over 15 years, we've established ourselves as the UK's leading mobile expert, driving innovation across various mobile devices and touchpoints, from smartphones to VR, voice UI, and the Internet of Things (IoT).

At Waracle, we believe the AI revolution will be a mobile-first phenomenon, opening up transformative possibilities for delivering intelligent, personalised, and contextually aware experiences right at the user's fingertips without compromising privacy, security or performance.

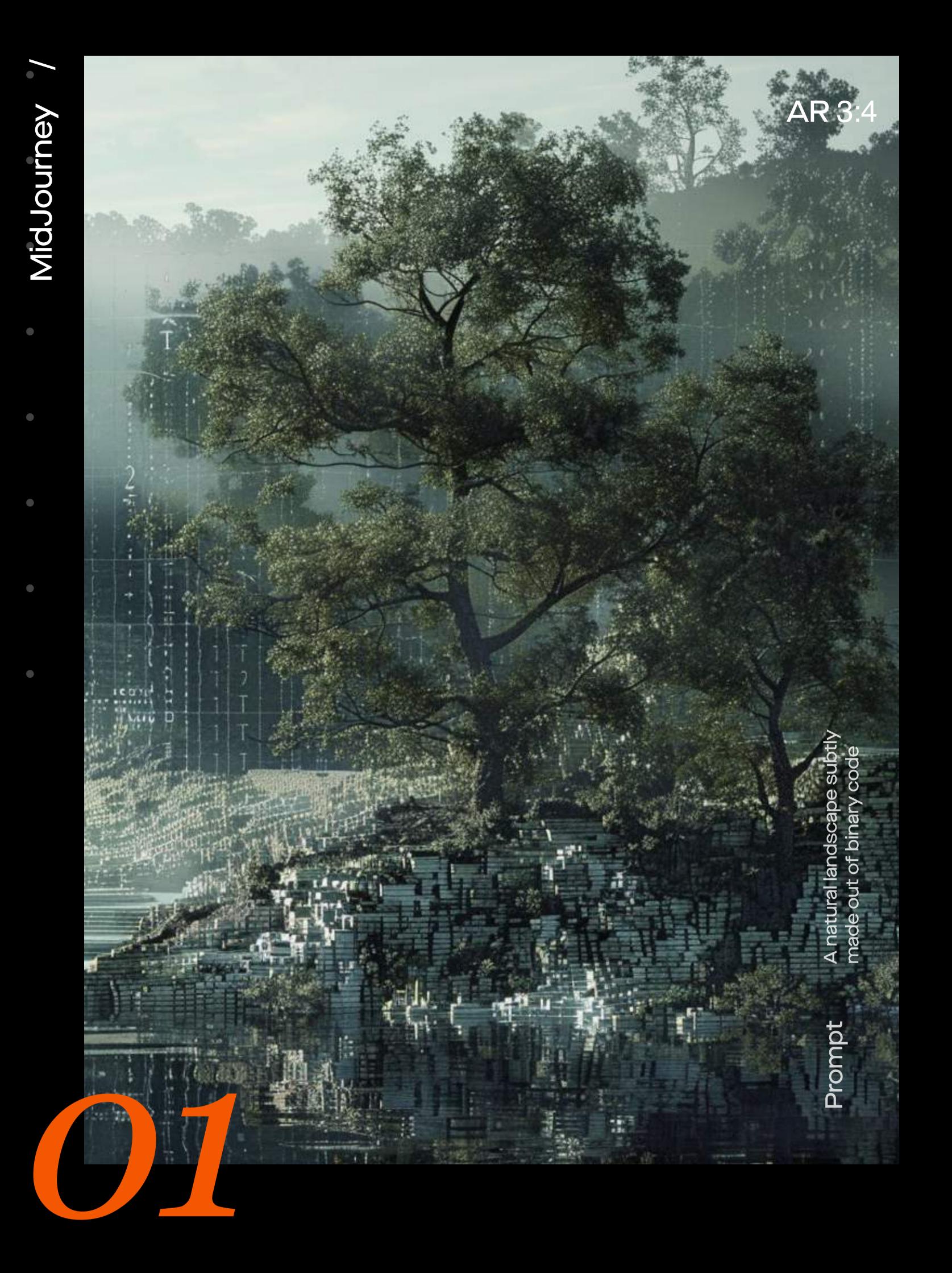
With a focus on harnessing the power of Generative AI (GenAI)

and other advanced technologies, we're proud to be at the forefront of shaping the future of customer experiences in the age of intelligence.

In this eBook, we share what we have learned and experienced over the past 18 months using GenAI and LLMs to transform the digital customer experience in regulated industries.







# GENERATIVE

Exploring the transformative potential of GenAl across industries.

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# ANDSCAPE



# "AI is the most profound technology that humanity will ever develop and work on. It is even more profound than fire or

A small campfi at dusk with ri

<sup>2</sup>rompt

# electricity or the internet."

Sundar Pichai, CEO, Alphabet, Inc.

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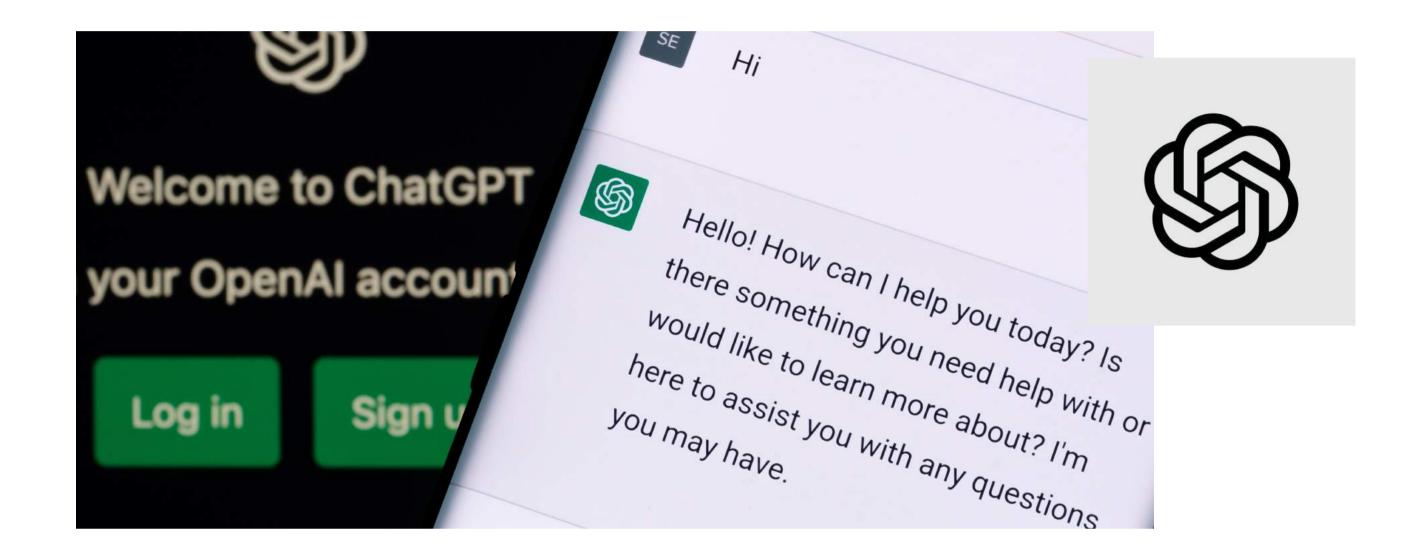
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Defining GenAl: A Breakthrough Tech

GenAI is a breakthrough subset of AI technologies capable of creating new, original content. GenAI has the incredible ability to mimic human creativity and reasoning.



#### **Text Generation:**

The success of ChatGPT has brought text generation into the spotlight. Large Language Models (LLMs) create original, contextually relevant text on demand. Trained on vast data, their responses show remarkable sophistication.



#### Image Generation:

Leveraging techniques such as GANs and diffusion models, this technology creates visually compelling images from textual descriptions or modifies existing images, offering vast digital art and design possibilities.



#### Video Generation:

Al in video generation can synthesise or alter video content, including creating realistic deepfakes and animated sequences, thereby transforming film production, marketing, and virtual reality experiences.



#### Audio Generation:

This encompasses the generation of synthetic speech, music, and other soundscapes, using AI to compose music in various styles or produce lifelike voiceovers, enhancing entertainment, education, and assistive tech applications.

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# Impact of GenAl on the Global Market

The OECD claims prosperous economies are on the cusp of an 'AI revolution'. As the race for commercial AI adoption intensifies, business leaders face increasing pressure to move quickly,

# 7%

7% boost in global GDP over ten years due to Al-driven productivity.

Goldman Sachs



safely, and sustainably towards an AI-enhanced future.

Some experts claim that AI systems will precipitate a transition as profound as the Industrial Revolution regarding their impact on the world economy. Goldman Sachs predicts a 7% boost in global GDP over ten years due to an AI-driven productivity boom<sup>2</sup>. PwC expects a \$15.7tn boost to global GDP by 2030<sup>3</sup>.

Similarly, McKinsey's "Economic Potential of Generative AI" report claims that GenAI could add \$2.6 to \$4.4 trillion annually to the global economy<sup>4</sup>.

Predictions like this have fuelled executives' desire to explore this technology's power. It's, therefore, not a surprise that companies across all industries are exploring applications of GenAl for their business. Could be added to the global economy by Generative AI.

McKinsey



Al is now a top priority for boards and leadership teams seeking cost savings, productivity gains, new revenue opportunities and relevance. CNBC identified that 47% of companies say Al is their top priority for tech spending in 2024<sup>5</sup>.



Companies say that AI is their 2024 priority for tech spending.

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CNBC

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## Rapid Evolution of a Powerful New Tech

GenAl is evolving rapidly—a fact evident in how models equivalent to last year's state-of-the-art (SOTA) can now operate on mobile phones. In parallel, inference cost, which refers to the computational resources needed to make predictions or decisions based on trained models, is also reducing.

The cost associated with training AI models is steadily declining, making it more affordable for organisations and individuals to develop sophisticated AI solutions. This cost reduction fosters

innovation and experimentation, driving the proliferation of AI-

driven solutions in diverse fields.

In parallel, the competitive landscape in GenAl is intensifying as the technology's power grows, leading to a race among developers and researchers to create the most advanced models. This heightened competition spurs innovation and pushes the boundaries of what Al can achieve, driving rapid progress in the field.

These advancements and a proliferating open-source movement translate to more efficient and cost-effective AI applications across various industries and sectors. This shift democratises digital intelligence, lowering the entry barrier for all businesses to innovate with this powerful new technology. Adoption has been approximately twice as fast with each successive platform shift<sup>6</sup>.



In this environment of rapid change, leaders must promote a culture of rapid experimentation and continuous learning. They should advocate for a proactive stance on integrating AI, encouraging teams to explore, adapt, and pioneer new AI solutions within their workflows.

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Mobile																	
GenAl?																	
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Harnessing the power of Large Language Models for intelligent digital experiences.





#### 02 / LARGE LANGUAGE MODELS

# "Artificial intelligence and humans will solve society's

# biggest challenges by working together."

#### Fei-Fei Li, Al Pioneer & Researcher

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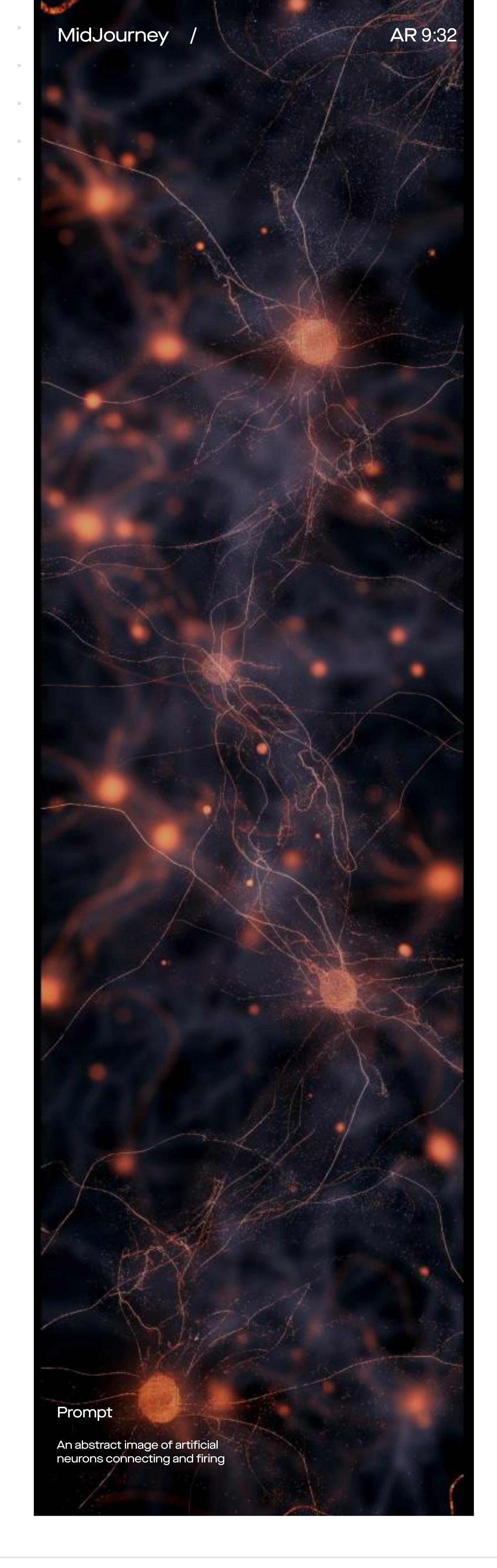
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#### 02 / LARGE LANGUAGE MODELS

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# A New Paradigm in Digital Intelligence

Large Language Models (LLMs)—the same technology that powers ChatGPT—are the poster child of the GenAI landscape. This exciting, next-generation digital intelligence offers new opportunities and challenges for leaders.

With ChatGPT, OpenAl's innovation wasn't so technological; the underlying transformer architecture existed since 2017. Instead, the innovation was experiential: OpenAl made the power of

LLMs widely and freely available to anyone with internet access who can use a textbox and button on a simple web page.

This innovation captured the imaginations of billions of people across the globe. Whether creating a haiku with every word beginning with the same letter or planning a holiday itinerary, LLM's ability to interpret and respond to natural language allows them to engage in human-level conversation and collaboration.

LLM's ability to interpret and respond to natural language necessitates a significant shift in how we think about modern digital products. The intelligence in LLMs is more akin to an untrained human being than traditional programmed software. Its strength is its ability to handle ambiguity and unstructured data and mimic human-level reasoning and creativity.

It's clear that LLMs offer real business potential and can be used in many ways to improve business and customer outcomes. However, such transformations are complex and disruptive, placing novel business demands at leaders' feet. It's fair to say it's a paradigm shift rather than an evolution.

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#### 02 / LARGE LANGUAGE MODELS

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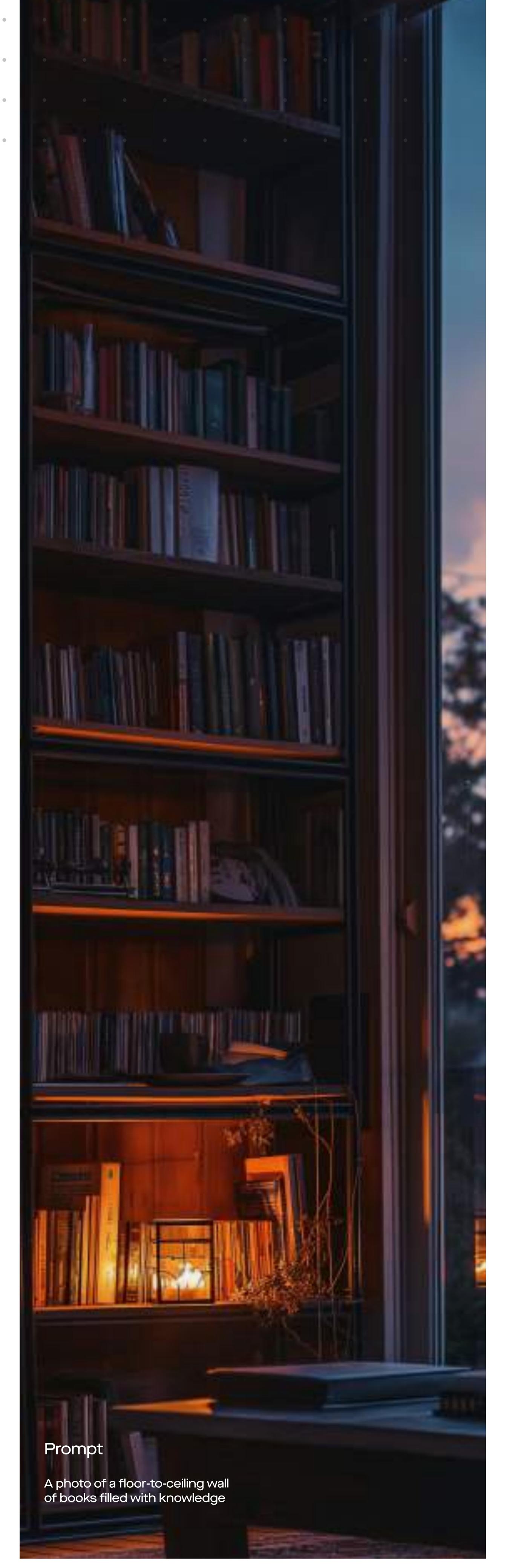
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## What Are Large

#### MidJourney /

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# Language Models

At a philosophical level, LLMs digitise aspects of the human thought process. At a more practical level, an LLM is a statistical prediction machine trained and tuned to predict the next character in a text sequence.

LLMs acquire their knowledge from vast quantities of text-based data, including books, articles, websites, and other forms of written content accessed from the internet.

By repeatedly analysing massive datasets, LLMs learn the

nuances of language, including grammar, colloquialisms, and even the subtleties of various contexts. This process equips them with a broad spectrum of knowledge, from factual information to different writing styles and tones.

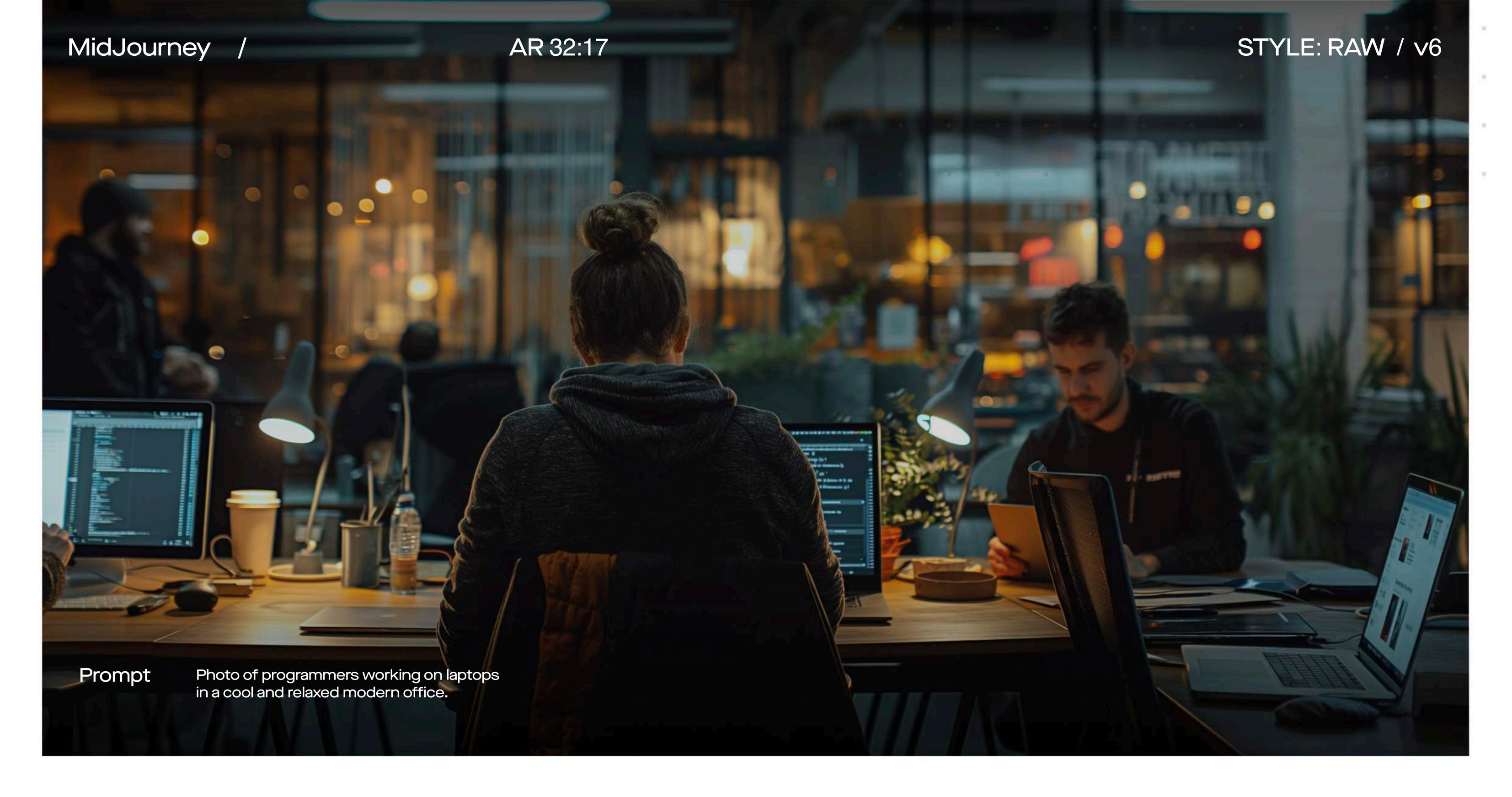
With this training comes their emergent ability to consume and respond to natural language with scale, speed and remarkable attention to nuance. This "consume-respond" capability allows LLMs to engage in human-like conversations. While this may sound simple, it requires understanding context, discerning intent, and generating coherent and relevant responses.

The models have no inherent understanding of the conversations they are involved in. However, this doesn't negate their immense power to mimic the capabilities of skilled humans to understand and respond to complex conversations.

At the same time, concerns about this technology's power and pace of progress abound, with fears for employment and ethical concerns around how it could be abused. Regulators across the globe have taken note and are assessing the potential impact.

#### 02 / LARGE LANGUAGE MODELS

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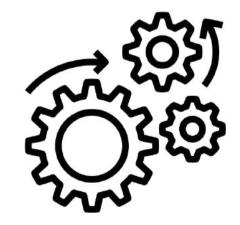


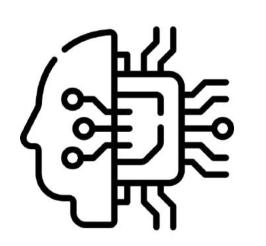
## LLMs in the Enterprise

The ability of LLMs to digitise aspects of the human thought process ushers opportunities for leaders to boost efficiency and productivity while enhancing consumer digital experiences.

Opportunities are abundant in business areas bottlenecked by human knowledge, such as those that require elastic scale, reduced response times, improved consistency, or greater availability. Another opportunity area is where consumers depend upon subject matter experts.

Automate, Enhance, and Experience capture the nature of these opportunities. Leaders across industries are experimenting with harnessing the power of GenAl safely in these areas with exciting innovations now coming to market.







#### Automate

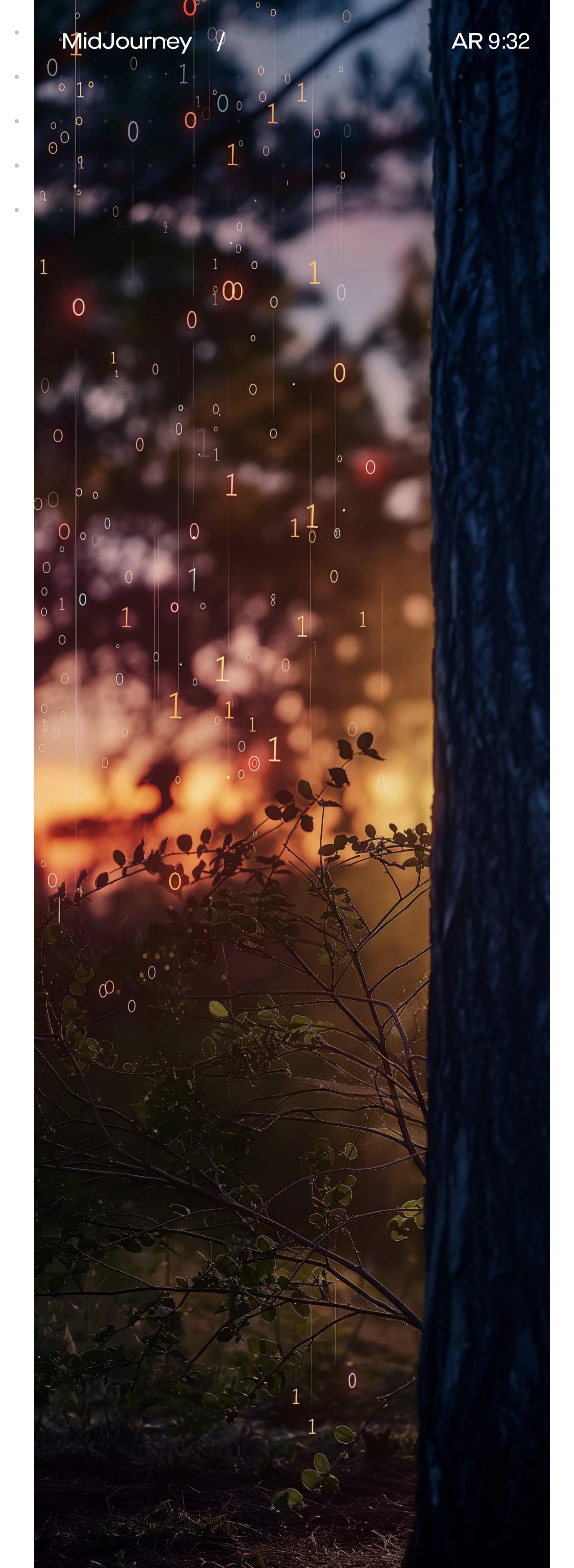
Focus expertise by eliminating repetitive knowledge work.

Enhance

Increase productivity by superpowering employees. Experience

Build relationships and simplify complex decisions & journeys.

#### 02 / LARGE LANGUAGE MODELS



# Don't Be Blocked by Data Preparation

It's a common misconception that embarking on a GenAl journey necessitates substantial investments in data programmes and hiring specialised data scientists.

In reality, however, the entry barrier for integrating digital intelligence into products and services with LLMs is much lower than traditional machine learning (ML), offering a more

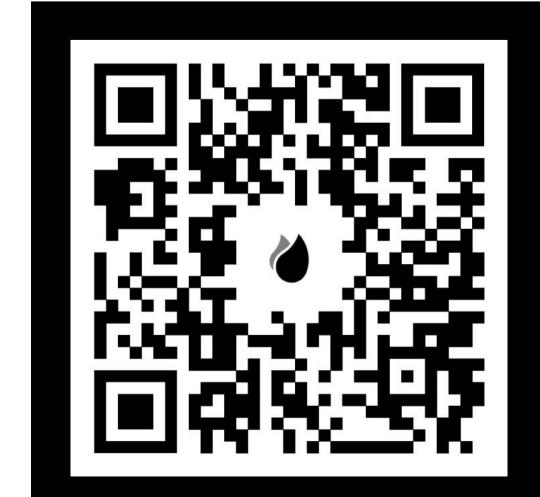
streamlined path to the benefits of AI.

LLMs come pre-trained with an extensive knowledge base and a comprehensive understanding of language and context. This "worldview" enables them to handle unstructured and ambiguous data that would challenge traditional software and require skilled human interpretation.

Instead, fine-tuning and prompt engineering—processes analogous to cramming for an exam—optimises the behaviour of LLMs to deliver a human-like capability with exceptional scale, speed and consistency.

Prompt

Abstract nature image with lots of 1s and 0s "1" "0" reminiscent of the matrix



**Exec Briefing** 

Our AI briefing is a great way to get your leaders up to speed.

SCAN ME / CLICK HERE

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#### 02 / LARGE LANGUAGE MODELS



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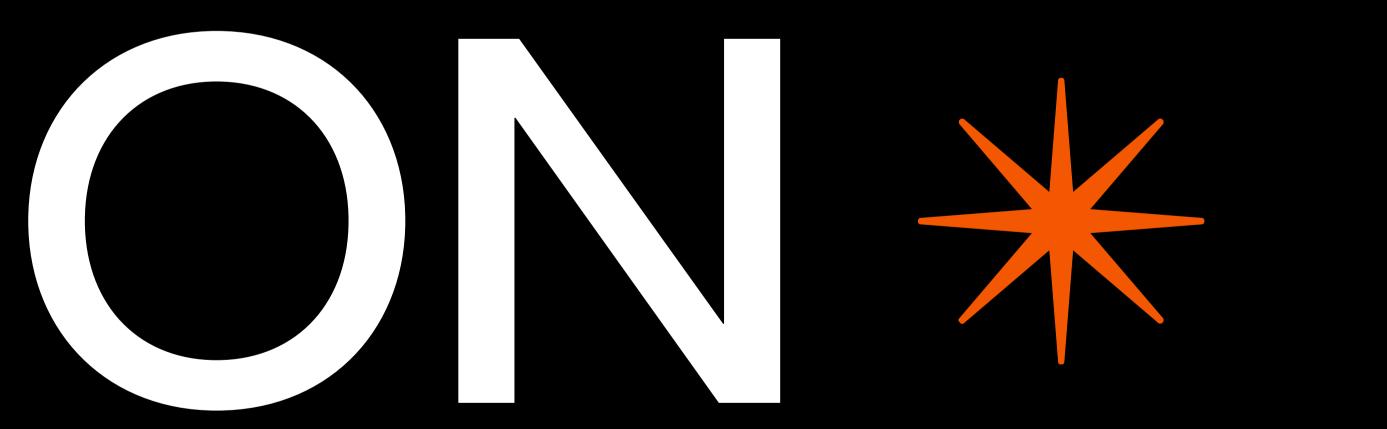


#### Prompt

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Mao Stanton's digital photography of an open-air concert, with high contrast, a blurry background and concert lights





Enhancing customer experiences with AI-enabled personalisation and engagement.

# EXPERIENCE

#### 03 / FOCUS ON EXPERIENCE



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# "AI is the

beginning of a new epoch of human civilisation...a

watershed

# moment."

Eric Schmidt, former CEO and Chairman of Google

#### FOCUS ON EXPERIENCE 03

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Why Focus on Experience?

Imagine a world where every digital touchpoint dynamically evolves to meet the needs of the individual.

GenAI-enabled automation and enhancement initiatives offer a boost in efficiency and productivity. However, in the race to commercialise GenAI, this will bring little more than competitive parity as such capabilities are integrated into COTS software and co-pilot products.

On the other hand, customer experience (CX) is a crucial battleground for differentiation in the rapidly evolving digital landscape. A recent Gartner study found that over 80% of organisations expect to compete mainly on CX in the coming years<sup>7</sup>.

As businesses compete to attract and retain customers, leaders cannot overlook GenAI's transformative power. By leveraging the power of LLMs, companies can create truly intelligent, dynamic, and adaptive experiences that deeply resonate with customers.

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Imagine a world where every digital touchpoint dynamically evolves to meet the needs of the individual. GenAI makes this vision a reality, enabling businesses to deliver unprecedented personalisation, availability, and value across the customer journey.

FOCUS ON EXPERIENCE 03

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Intelligent Mobile Experiences

# Meeting Customers Where They Are

Mobile technology has revolutionised how we interact with the world around us, making us more confident, capable, and adventurous by providing access to information and services at our fingertips.



Google's Pixel 8 Pro introduces Gemini Nano, an advanced AI model embedded within its custom Google Tensor G3 processor<sup>8</sup>.



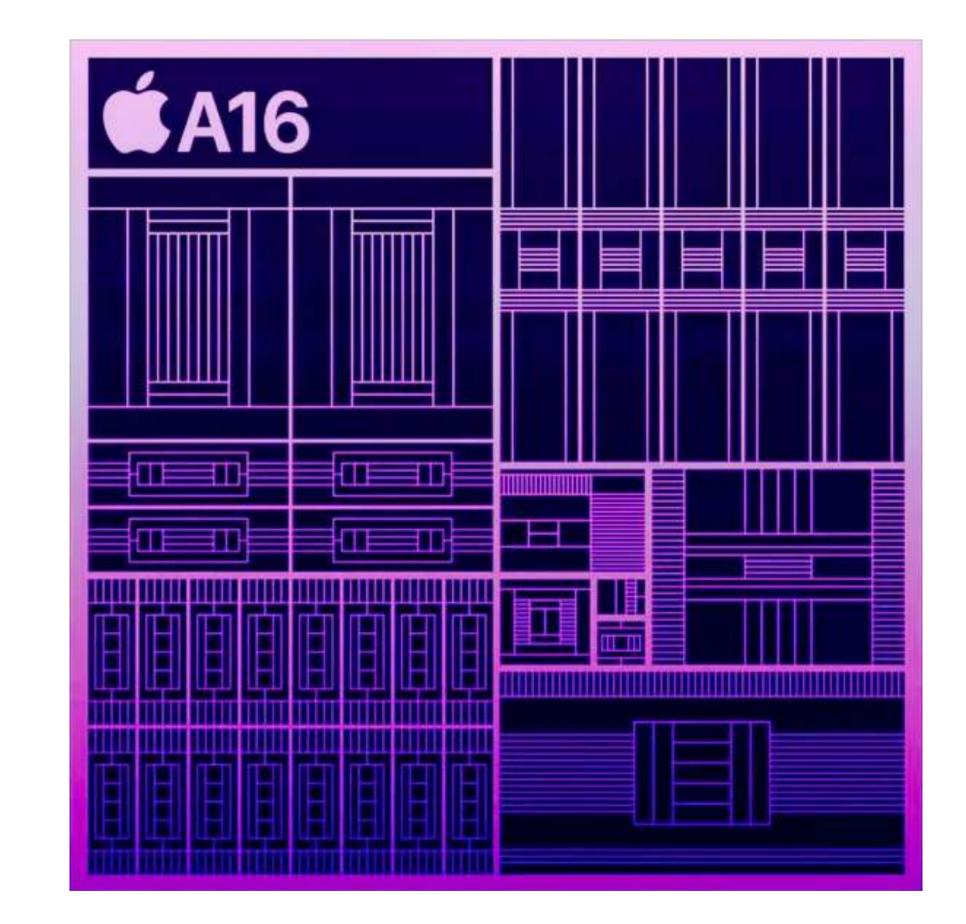
In countless micro-moments throughout the day, our mobile devices find answers to their questions and solve problems on the go, empowering us to make informed decisions and take action in the moment.

These fingertip powers encourage us to be more curious, demanding, and impatient than ever before, increasing expectations for "right here, right now" experiences.

For this reason, mobile devices provide the ideal surface to expose digital intelligence. LLM-powered digital intelligence will amplify users' mobile superpowers, making them more personalised, contextualised, and relevant.

Furthermore, developing mobile chips designed to run LLMs

The Rabbit R1 is a custom-built consumer AI device on a revolutionary natural-language operating system<sup>9</sup>.



natively on devices is a breakthrough that opens up new possibilities for delivering fast, secure, and privacy-preserving intelligent experiences.

As the mobile landscape continues to evolve, businesses prioritising intelligent, GenAI-powered experiences will be wellpositioned to meet users' growing expectations and drive longterm success.

Apple's A16 Bionic chip, which powers iPhone 14 and 15 models, features the Apple Neural Engine, accelerating neural network operations<sup>10</sup>.

#### 03 / FOCUS ON EXPERIENCE

# From Transactions to Relationships

Businesses constantly grapple with the trade-off between operational efficiency and personalised customer service.



Personalised service delivered by empathetic and knowledgeable staff is a crucial differentiator. It builds trust, fosters loyalty, and creates emotional connections that keep customers returning. However, scaling this level of service is resource-intensive and often won't align with efficiency goals and budgets.

Companies often use software-based products to streamline operations, reduce costs, and increase enduser self-service. While this approach can improve efficiency, it sacrifices the human touch customers crave. Such digital interactions are constrained by choices made by business analysts and designers; dropdown menus, radio buttons, and rigid input fields can often restrict users' ability to express their needs and preferences, leading to frustration and suboptimal outcomes.

According to the UK's Financial Conduct Authority (FCA), 24% of adults have low confidence in

This is where GenAI can offer a compelling solution. By integrating digital intelligence into existing digital experiences, businesses can infuse their digital channels with the ability to listen, contextualise, adapt, and ultimately build long-term relationships with consumers without losing the utility value of traditional software.

Imagine a digital experience where customers feel genuinely understood and valued through natural, contextually relevant conversations. managing their money, and 38% rate their financial knowledge as low<sup>11</sup>. However, AI-enabled services are emerging to fill this gap, transforming how people interact with their finances.

Apps like Wally, Cleo, and Plum offer features beyond traditional personal finance software. These Alpowered tools can provide hyper-personalised insights, predictions, and recommendations by connecting to users' financial accounts and analysing spending patterns.

But what sets these apps apart is their ability to build trusted relationships through engaging, human-like conversations. Cleo, for example, uses a friendly, relatable tone to discuss finances, offering encouragement and even light-hearted punishments

As more businesses adopt GenAI to create relationshipdriven customer experiences, we expect to see a shift from transactional to emotionally intelligent interactions across industries. These personal finance apps' success showcases AI's power in building trust, fostering engagement, and, ultimately, improving people's lives.

#### for overspending on fast food.

This conversational approach allows these apps to uncover more profound insights into users' financial challenges, goals, and emotional responses to money. Providing support and advice that resonates personally can help users feel more confident and empowered in managing their finances.

#### 03 / FOCUS ON EXPERIENCE

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## LLMs Can Listen, Not Just Generate Words

While AI's generative capabilities have captured the



#### Listening Better: LLMs in Mental

spotlight, we must not overlook its equally transformative potential in understanding and interpreting human language at scale. This is particularly relevant for businesses in heavily regulated industries, such as healthcare, finance and energy sectors, where the ability to comprehend and respond to customer needs accurately is crucial.

By leveraging the listening power of LLMs, companies can now engage with customers in more natural, contextually aware conversations. These AI models can interpret the subtleties of human language, understanding not just the literal meaning of words but also the intent, sentiment, and emotion behind them. This enables businesses to scale their listening capabilities while relying on humangenerated responses, ensuring compliance with regulatory requirements.

#### Health Support

Woebot, an Al-powered chatbot, uses LLMs to provide personalised mental health support at scale. By leveraging LLMs to understand user intent, Woebot matches users with clinically validated responses, ensuring safety and reliability.

Woebot's approach combines human expertise with Al's scalability, reaching a wider audience while offering evidence-based techniques like cognitivebehavioural therapy. LLMs enable Woebot to understand the nuances of users' messages, fostering trust and connection.

With rigorous testing, continuous monitoring, and transparency, Woebot upholds its safety, rigour, and

As the case study on Woebot demonstrates, the impact of LLMs in heavily regulated industries like healthcare can be transformative. By using AI to understand and triage patient needs at scale while ensuring that the actual support provided is grounded in human expertise, businesses can deliver more accessible, personalised, and effective services without compromising on safety or compliance.

As companies continue to navigate the complexities of AI

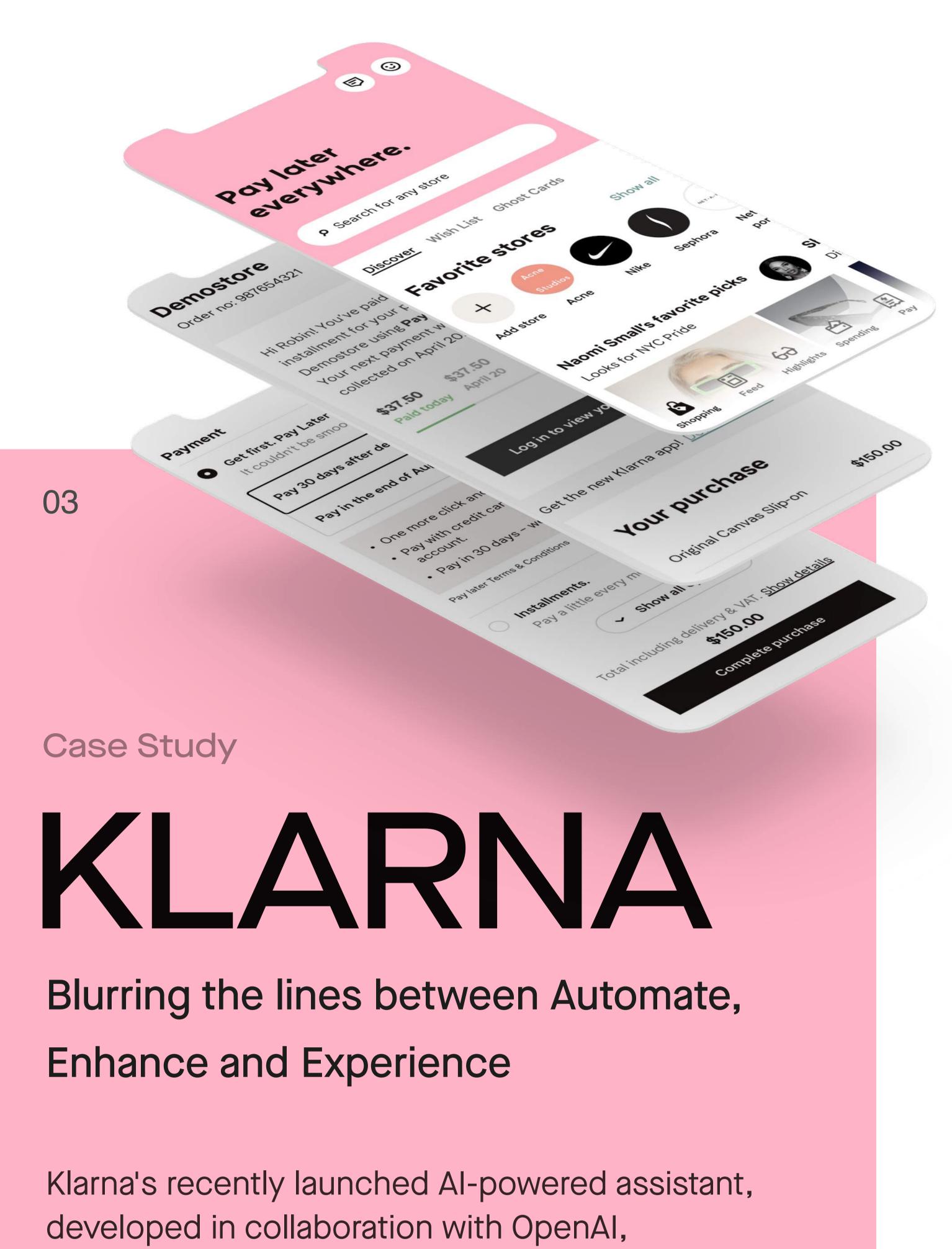
responsibility principles. As Woebot explores LLMs' potential in mental health support, it aims to develop increasingly precise, personalised, and potent products. Woebot demonstrates how AI can transform mental health care, setting a new standard for accessible, effective, and responsible support in the digital age.

in regulated environments, the power of LLMs to listen and understand will undoubtedly play a central role in shaping the future of customer engagement. By striking the right balance between AI-powered insights and human judgment, businesses can harness the best of both worlds to build stronger, more resilient relationships with their customers.

#### FOCUS ON EXPERIENCE 03

# Integrating AI Across the Customer Journey

While we've used Automate, Enhance, and Experience as a



framework for understanding where GenAl can play a role in the enterprise, it's essential to recognise that the interplay between these areas is fluid and dynamic. Automation and enhancement are not just back-office concerns but also crucial in shaping end-to-end customer experiences and service delivery.

As the case study on Klarna demonstrates, the impact of Al can span across all three domains simultaneously. By automating routine tasks, enhancing employee capabilities, and delivering personalised, multilingual customer experiences, Klarna has blurred the lines between these categories to create a holistic, Al-powered experience.

showcases AI's transformative potential in enhancing customer experiences, automating processes, and empowering employees. Within one month, the assistant has handled 2.3 million conversations, reducing response times, improving resolution accuracy, and providing personalised financial guidance in over 35 languages<sup>13</sup>.

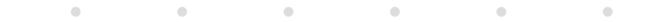
This integrated approach underscores the importance of viewing AI not as a siloed tool but as a transformative force that can permeate every aspect of the business. From streamlining internal processes to empowering frontline staff and engaging customers more meaningfully, AI's potential extends far beyond the digital touchpoint.

The key lies in understanding how automation, enhancement, and experience can synergise together, reinforcing and amplifying each area. When AI is woven into the organisation's fabric in this way, it becomes a powerful engine for driving customer satisfaction, operational efficiency, and business growth. The AI assistant's impact spans across experience, enhancement, and automation. Automating routine tasks has taken on the workload of 700 full-time agents, allowing human agents to focus on complex, high-value interactions. This has resulted in a 25% drop in repeat inquiries and a projected USD 40 million profit improvement for Klarna in 2024.

Klarna's success demonstrates how the strategic

As the boundaries between the physical and digital worlds continue to blur and customer expectations evolve at an unprecedented pace, the ability to harness AI across the end-to-end customer journey will be a defining characteristic of successful businesses in the era of intelligent experiences. implementation of AI can blur the boundaries between experience, enhancement, and automation. By finding the right balance between AI-driven efficiency and human expertise, businesses can reshape customer interactions, optimise operations, and drive sustainable growth in the AI era.

#### 03 / FOCUS ON EXPERIENCE





The Ethics of Al-Enabled Relationships

Digitising relationships with GenAI presents businesses with a

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transformative yet ethically complex landscape.

The recent legal action taken against Meta by 33 US states underscores the critical need to address digital platforms' impact, particularly on young users' mental well-being. This lawsuit is a stark reminder of the dual-sided nature of technology, where human welfare intersects with commercial interests, urging companies to navigate this delicate balance with care and responsibility.

The call for robust ethical guidelines and design principles has never been more urgent in response to these challenges. As AI increasingly integrates into our digital interactions, ensuring user protection, privacy, and transparency must be at the forefront of technological advancements.

Tristan Haris and Aza Raskin, prominent voices from The Centre for Humane Technology, advocate for a paradigm shift in how technology is designed and utilised<sup>13</sup>. They emphasise the pressing need for tech creators to embrace heightened accountability and ethical awareness in crafting products, prioritising user well-being over mere commercial gains.

The evolving landscape of AI technology demands reevaluating traditional business practices to align with ethical considerations. Companies must proactively shape policies that comply with regulations and uphold moral standards that safeguard users from potential harm.

Embracing a human-centric approach to technology development is paramount in fostering trust, promoting responsible innovation, and ensuring that advancements in automation and digitisation serve the greater good while mitigating risks associated with unchecked tech advances.

#### 03 / FOCUS ON EXPERIENCE



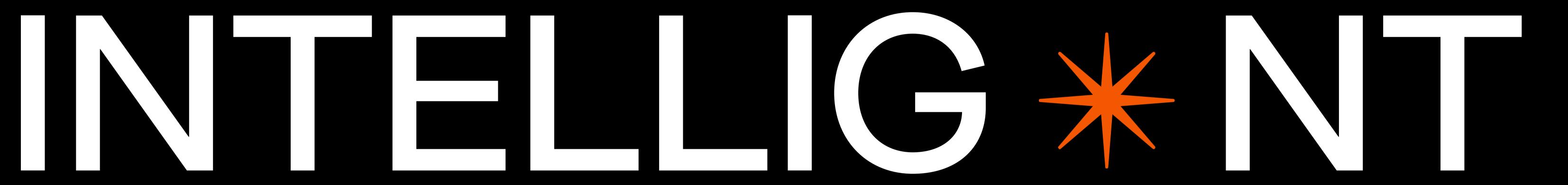


Designing intelligent digital experiences that adapt to user needs and preferences.

#### Prompt

A photo of a girl with messy hair and a hoodie walking through an airport looking at the flight boards, seen from behind with her backpack on

# CREATING





# EXDEDIENCES

#### 04 / CREATING INTELLIGENT DIGITAL EXPERIENCES

#### MidJourney

#### Prompt

S&P 500 stock market candlestick chart, closeup shot using green and black colours, at a high resolution



*"Five years from now, there will be a number of S&P 500 CEOs that will wish they'd started thinking earlier about* 

**AR** 3:4

# their AI strategy."

Andrew Ng, former Chief Scientist at Baidu Research

#### 04 / CREATING INTELLIGENT DIGITAL EXPERIENCES

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Ultra-realistic abstract view of a neural network with the neurons in a warm colour palette against a dark, out-of-focus background

A thought experiment

# Unleashing the Power of GenAl

When exploring how GenAI could benefit your organisation, it's helpful to think about what you would do with unconstrained human intelligence rather than traditional software. Let's engage in a thought experiment to help grasp the potential of GenAI.



Imagine you have an unlimited budget to spend on recruiting an unlimited number of people with a limitless range of skills and experience. The only criterion is that these people must work solely on delivering the most exceptional service for your customers.

Now, let's think about how you would deploy this dream team:

- What bottlenecks in your customer journey would you target?
- Where could you inject more personalisation, a sense of empathy, and proactive support?
- How would you leverage their diverse skills and knowledge to anticipate customer needs, solve problems faster, and create moments of delight?

Imagine that you could access all of these capabilities and more, not through an army of employees but through the power of GenAI. By strategically deploying AI across your customer journey, you can effectively supercharge your workforce, scaling human-like skills and expertise to heights that were once unimaginable.

By approaching GenAI not as just another software implementation but as a way to augment and scale your human capabilities fundamentally, you can unlock its potential to drive customer-centric transformation across your organisation.

#### 04 / CREATING INTELLIGENT DIGITAL EXPERIENCES

# Intelligent Experience Capabilities Model

The Intelligent Experience Capabilities Model provides a framework for identifying how digital intelligence embedded within the user's experience can enhance customer interactions and outcomes.

#### Discern the nuances of user queries to provide accurate and contextual responses.

#### Enable users to express their needs in plain text, simplifying complex tasks.

Leverage LLMs to understand user intent and deliver highly relevant search results.

Intent Recognition

Enhanced Search

Natural Language Instructions

> Intelligent Journey Orchestration

Streamline user journeys by anticipating needs and proactively guiding.

Deliver personalised support to help users make better decisions and form habits.

Anticipate user needs and proactively offer resources or actions to streamline journeys.

Provide intelligent

Behavioural Nudges & Coaching

Predictive Assistance

Digital Guidance

Decision Support

> Education & Learning

Hyper-Personalisation Dynamic Task Simplification

Context-Aware Interfaces

Dynamically adjust interfaces

Break down complex tasks into intuitive, step-by-step, guided interactions.

bidirectional conversations

to provide dynamic responses.

Foster engaging,

Simplified Navigation

Adaptive

Experience

Intelligent

Experience

Design

Interactive Feedback

recommendations and insights to guide complex decisions.

based on user preferences, behaviours, and context.

Offer in-the-moment, contextualised learning experiences to upskill users.

Tailor experiences to individuals for heightened relevance and engagement.

#### CREATING INTELLIGENT DIGITAL EXPERIENCES 04

# The Principles of Intelligent Digital Experiences

These seven principles form the foundation of intelligent digital experiences powered by GenAI. By embracing these principles, businesses can create dynamic, personalised, and contextually relevant interactions that deeply resonate with customers. When thoughtfully applied, these principles enable experiences that are more empathetic and human-centric. As GenAl continues to advance, adhering to these principles will be essential for building trust, fostering long-term customer relationships, and driving sustainable competitive advantage in the age of AI.

Principle 1

#### Thoughtful over habitual use of Al

Employ AI with intention, not as a default; its power lies in its purposeful application, not its ubiquity.

Principle 2

#### **Open-ended** over constrained interfaces

Minimise constraints to promote freedom, agency and discovery beyond predefined options and journeys.

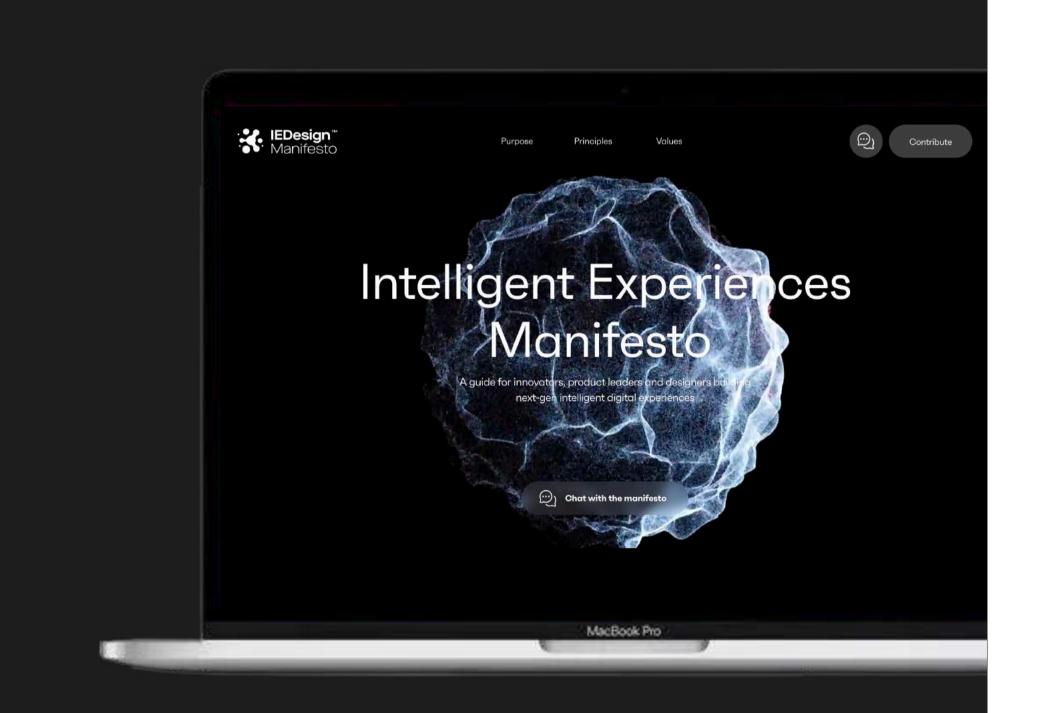
Principle 3

#### **Responsive over** predefined capabilities

Intelligent experiences can solve problems, adapt, and evolve with user needs.

#### Principle 4

#### **Principle 5**



#### Dynamic over sequential journeys

Foster interactions that are natural and intuitive to the individual rather than forcing a one-size-fits-all path.

#### Contextual over standardised interactions

Intelligent experiences are contextually relevant, adapting to preferences, environment and activity.

#### Principle 6

**Collaborative over** 

**Principle 7** 

#### The Intelligent

Experience Manifesto

The Intelligent Experience Manifesto guides innovators, product leaders and designers in building next-gen intelligent digital experiences.

#### passive engagement

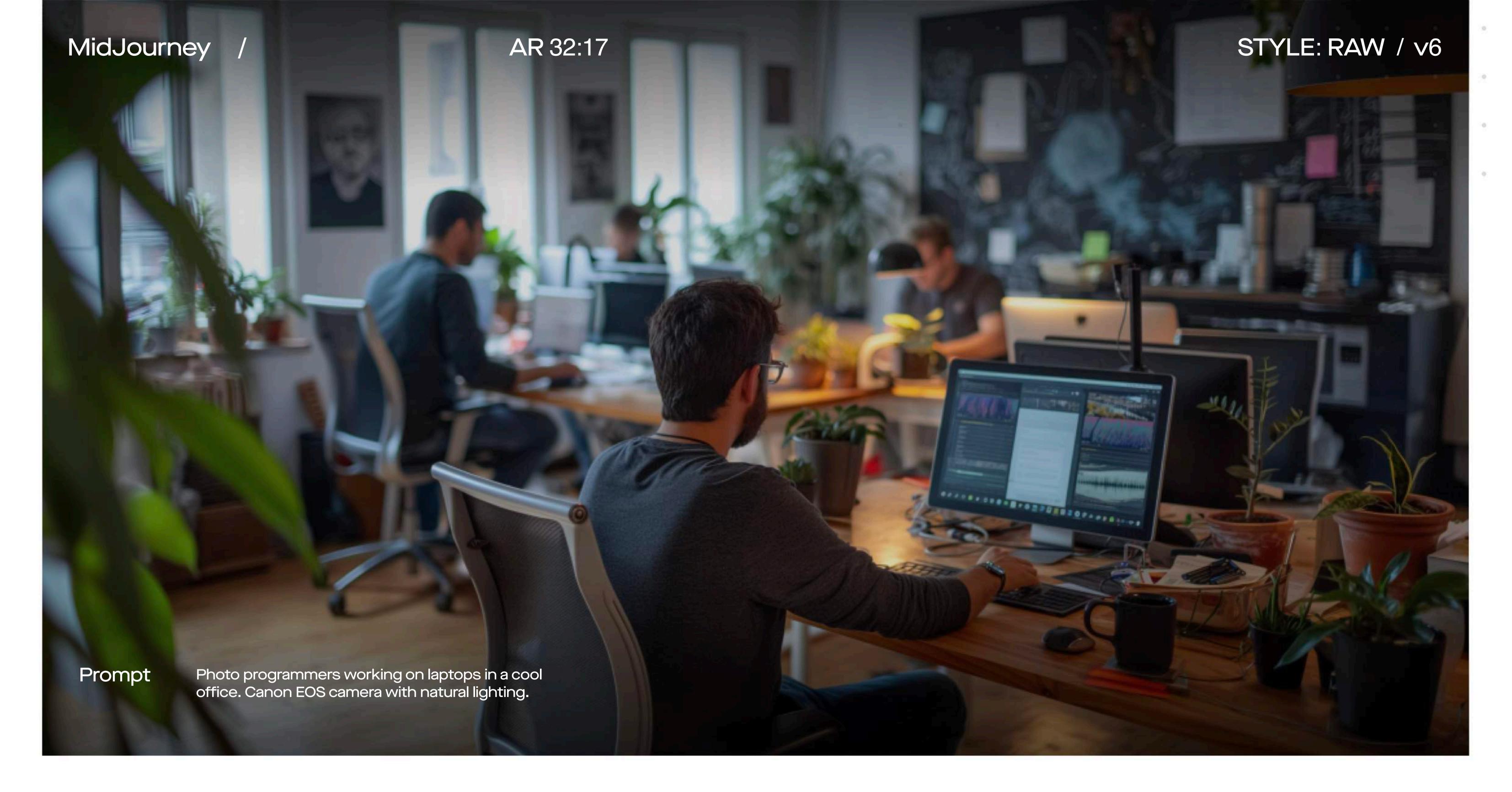
Intelligent experiences engage with one or more users in dynamic, multi-directional conversations.

#### **Evolutionary over** fixed knowledge

Intelligent experiences learn and continually evolve their capabilities.

#### Visit Website

#### CREATING INTELLIGENT DIGITAL EXPERIENCES 04



## Changing How We Create

Ask yourself...

### Is your business

Building intelligent digital products requires a leap in software design, construction, and operation. It requires a fresh approach to strategy, design, technology, and testing, not to mention rethinking organisational

ready to release a *mobile app,* knowing it has the freedom and autonomy to say almost anything it wants to users?

practices, processes, and culture.

As we move into a world of run-time digital intelligence, AI enables us to design and build experiences that behave more like humans than traditional software. Experiences that can "understand" the nuance of a user's natural language, problem-solve, learn, adapt and interact in ways that suggest empathy and emotional intelligence.

So, what must change for us to build intelligent digital products?

We must rethink the role of digital products and how we define solutions. We must evolve interfaces intended to constrain user input and how we test whether these solutions perform satisfactorily. Finally, we must embrace rapid, low-cost experimentation to derisk AI-enabled innovation.

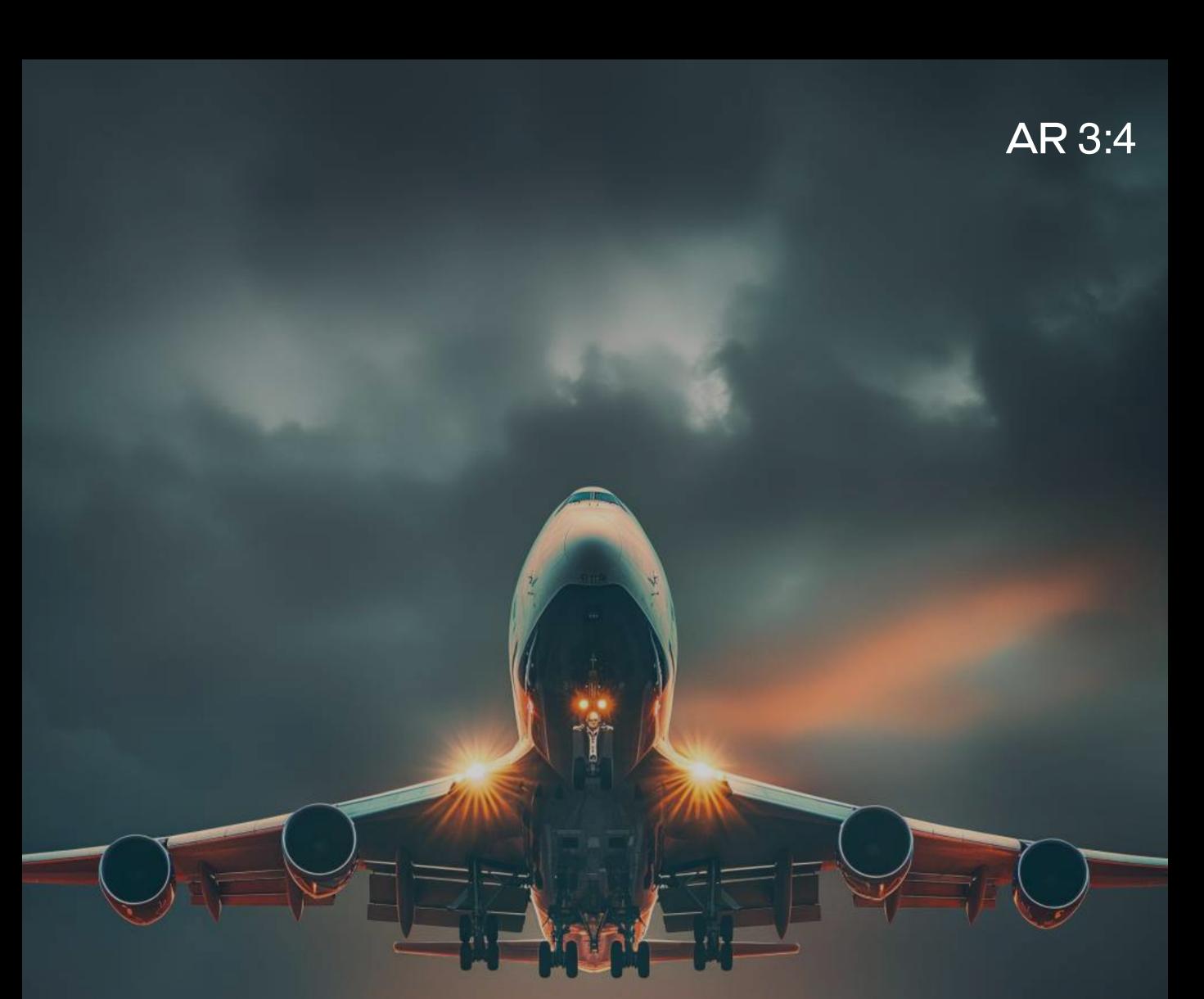


#### CREATING INTELLIGENT DIGITAL EXPERIENCES 04

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MidJourney



#### Prompt

An airplane taking off from the runway in a lowangle shot on a dusky evening with soft light in the style of cinematic photography





Embarking on your GenAl journey with Waracle as your trusted partner.

#### **GETTING STARTED** 05



Promp

natural lig

# "The most

# valuable

businesses of

the 21st

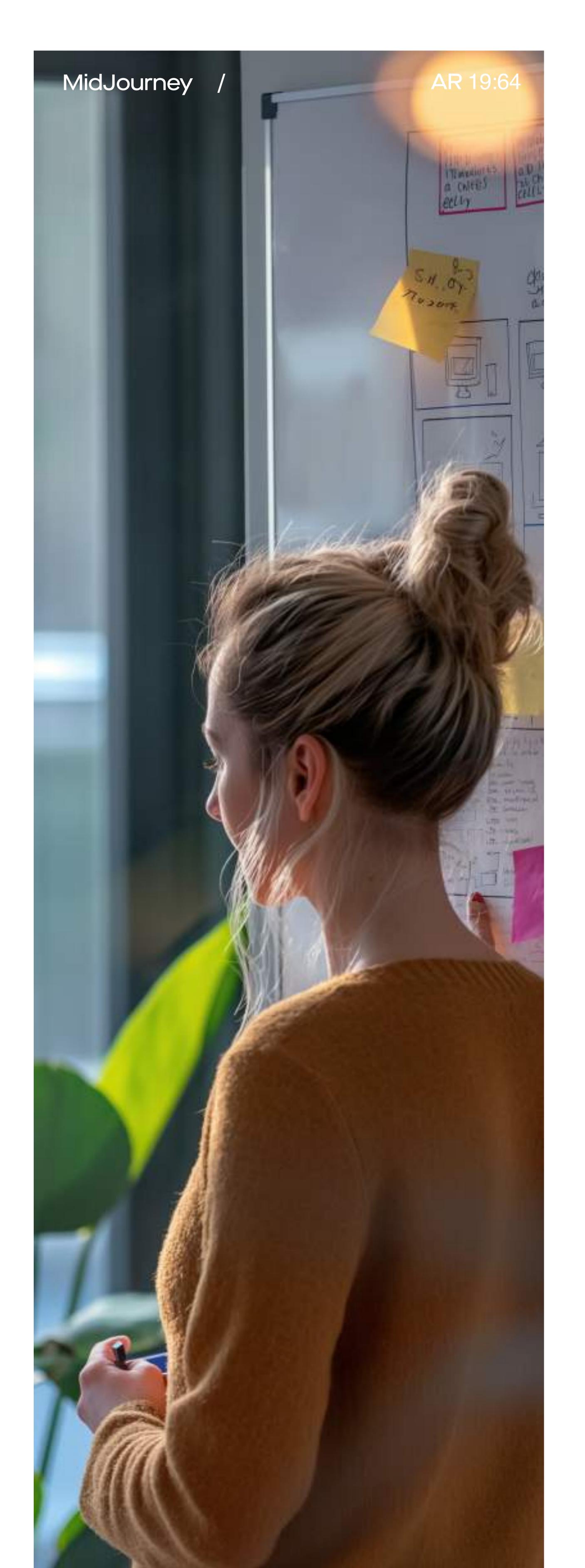
century will be built on AI

# technologies."

Tony Tether, former Director of DARPA

#### **GETTING STARTED** 05

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# How Waracle Can Help on Your Journey

Customer experience is the most significant competitive differentiator in the industry today, and the firms that establish a winning position will be those who are best able to understand their customers' goals, needs, and outcomes and who can create intelligent digital experiences that deliver a personalised, adaptive, and seamless experience across all digital channels and connected ecosystems.

At Waracle, we have been at the forefront of customer experience innovation for over 15 years. We partner with clients in highly regulated industries to help them create competitive advantage through market-leading intelligent digital experiences.

If you would like us to guide you through our GenAI Experience Accelerator process and put you on the path to delighting your customers and disrupting your competitors, please get in touch, and we will organise a briefing.



#### Prompt

Side-on close-up photo of an employee working on a whiteboard wall with PostIt notes and wire frame diagrams

#### **GETTING STARTED** 05

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#### 06 / REFERENCES



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