HELLO, HOW CAN I HELP YOU?

THE FUTURE OF CUSTOMER SERVICE IN SWEDISH SERVICE COMPANIES

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HELLO, HOW CAN I HELP YOU? – The Future of Customer Service in Swedish Service Companies
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ABSTRACT

Continuous developments within digital services have disrupted the power balance between consumers and suppliers, and consumers have more power than ever before. As customer experience has become one of the most important ways for organizations to achieve differentiation and competitive advantage, the empowered customers, and their perceived experience has become a top priority for companies. Since customer service is a central piece of the customer experience puzzle, companies need to learn how to work with customer service in the age of the customer.

The purpose of the study has been to provide insights on how Swedish service companies will work with customer service in five years. This was done by identifying trends that will drive future developments within customer service and assessing their level of certainty, potential impact as well as interconnectedness. The research was conducted through a qualitative study with the means of a scenario analysis framework. By collecting and analyzing secondary data as well as primary data from leaders and experts within some of the leading Swedish companies within the area of customer service, the twelve most influential trends were identified. The twelve trends encompass different areas which affects the future of customer service, such as; how customers prefer to consume service, regulations, new service features enabled by technology as well as internal trends such as structural shifts within organizations. Furthermore, seven of the trends are characterized as certain and five as uncertain. Based on this, four different scenarios of how companies will work with customer service in five years were generated by giving the two most critical uncertainties extreme values.

The findings reveal that primarily external factors, namely ambiguous demand patterns, and digital regulations, pose as the uncertainties with the highest potential impact. However, the trend of increased customer demands and expectations was found to have the highest impact and the lowest uncertainty overall, which is why it is likely that this trend overpowers the eleven other trends and acts as the main driver. Thus, Scenario 1 is found to be the most likely, where more technological features are adopted in customer service and automation increases without limitations by external forces, in order to comply with customer demands.

KEY WORDS:

Customer service, Future of Customer Service, Factors, Trends, Uncertainties, Scenario

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1. INTRODUCTION

The following chapter outlines the research background, problem discussion as well as the purpose of the study. The research question, along with two sub-questions is presented, followed by a discussion regarding delimitations, to help limit the scope and provide clarifications regarding the research.

1.1 BACKGROUND

In 2000, a survey found that 80% of the population did not want a mobile phone, and very few customers realized the potential of having such a device (Van Belleghem, 2015). Today, in 2018, few can live without their smartphone and a majority of the population would consider buying a coffee maker or a refrigerator just because it has connected technology. Developments in technology are moving at a rapid pace, and it is certain that developments will only be faster for every year.

As advancements in technology continue, competition rises and globalization intensifies, adoption cycles become shorter and transparency increases even more. As a result, the expectations customers have on companies are constantly growing, and customers have more power than ever in many industries. Thus, a new form of consumer-firm relationship has come in place, where a power shift from suppliers to customers has moved markets into the age of the customer (du Plessis and de Vries, 2016).

As markets have evolved rapidly, new fields of competition and value creation have been generated. Since a good product or service in most cases isn't sufficient in the age of the customer, a competitive advantage can be achieved by improving the quality of customer service, as it affects a customer's overall experience and opinion of the product, service or company (Fitzsimmons, 2013). In fact, having a superior customer service in a competitive environment is essential for businesses that want to create customer value, attract and retain customers and in turn create competitive advantage (Domegan, 1996). The consequences of poor customer service practices can actually be severe. For example, Accenture (2016g) found that as many as 46% of Swedes have stopped being a customer of a certain company due to a bad customer service experience, and on a global scale, the estimated cost of bad customer service amounts to SEK 50 000 billion a year.

To better serve customers, the first large call centers were set up in the 1960s (Baraniuk, 2018). Customer service has since then moved from being a reactive activity to becoming a proactive management task (Domegan, 1996). As organizations have realized the importance of customer service, the developments in information technology (IT) has also allowed technology to become a strategic resource used to facilitate structural changes in customer service processes (Domegan, 1996). Starting with the internet, the digital big bang has created a new global innovation platform through digital components such as connectivity, mobile devices, social media, big data and analytics and much more (Connor, 2015). Call centers that were outsourced in the 1990s to cut costs

have instead over the years been brought back, as organizations turn to alternative strategies enabled by technology and digitalization in order to improve its services (Baraniuk, 2018). Due to these developments, the area of customer service and support is a process which has gone through many changes over the years, from being a phone number to an outsourced call-center to which customers could call if they wanted to complain, to the emergence of AI-powered chat bots, often marketed on the front page of the company website.

Due to rapid technology developments, changing consumer behavior, and increased competition customer service has become an crucial management task in order to gain and retain customers. It is, therefore, important for companies to develop an strategy on how to utilize customer service to increase customer value and differentiate from competitors. In order to do so, companies need to be one step ahead by preparing for the future developments of customer service, a task that is rather complex.

1.2 PROBLEM DISCUSSION

Thanks to continuous advancements in technology, shorter adoption cycles and the resulting increase in transparency, many industries have seen a major increase in customer expectations and customer power during the last decade (Van Belleghem, 2015). Authors, therefore, argue that we now are in “the age of the customer” (du Plessis and de Vries, 2016). This has led to the creation of new fields of competition and value creation, where the area of customer service has become an increasingly important tool for companies to establish customer satisfaction and loyalty. In order to deal with the constantly increasing demands, organizations have been forced to adapt their customer service offering to a significant degree, going from being considered as a costly call center or physical office, to now being a hub for customer interactions with a large number of contact points available. The range of channel choices offered now includes social media, e-mail, web-based chat, AI-driven chat bots and video calls, just to name a few.

Swedish service companies are often in the forefront of technology and eager to adopt innovative solutions, and the majority of the Swedish consumers can now be assisted by for example AI-chat bots when contacting, their bank or telecommunications provider. However, even if technology can assist in pleasing the increasingly demanding customers, a number of uncertainties still exist. As of now, computers and machines lack significant features compared to humans, such as emotion and creativity. Regulators are also working hard to keep up with the pace of technological change, where the European GDPR is one example about to be implemented.

The area of customer service thus stands before a challenging future, where both technology and the subsequent customer expectations will continue to grow at a massive pace, and where emotional links, primarily created by human contact, will become increasingly important means in order to create customer value and loyalty. Consequently, just as value creation through customer service meant something different for companies only five years ago, it will have a different meaning looking five years ahead (Telesperience, 2016).

1.3 PURPOSE

The purpose of this thesis is to contribute to the fairly scarce academic literature around The purpose of this thesis is to academically contribute to the fairly scarce literature on this increasingly important topic by generating empirical insights into the most important trends and uncertainties that will affect the development of customer service in the coming five years.

In doing so, the researchers seek to explore how the assumptions, perceptions and beliefs of respondents' can help develop an understanding of the future customer service environment. With a focus on Swedish Service companies, that are in the forefront of customer service development, the research context enables for a thoroughly exploration of customer service under conditions of great uncertainty.

1.4 RESEARCH QUESTION

Based on the purpose of this study, the following research questions has been generated.

RQ: *How will Swedish service companies work with customer service in five years?*

In order to answer the research question, the following sub-questions are to be answered within the scenario analysis framework:

★ *What are the most important trends that will shape the future development of customer service?*
★ *Which of the most important customer service trends have the highest uncertainty?*

1.5 DELIMITATIONS

Due to restrictions in terms of time and resources, as well as to bring clarity to the study, some aspects have purposively been excluded from the research.

Customer service exists in some shape or form in almost all organizations who have customers, why this study has been subject to limitations in terms of scope. First, the study is limited to Swedish companies operating in the Swedish market. Second, the area of interest has been focused on companies who supply services to private individuals and have a close and frequent contact with customers through a designated contact center as a core part of their everyday business. Third, due to the nature of the research question and the resources at hand, the focus has been put on organizations who are considered to be in the forefront of customer service development and thus where current trends are the most prominent and likely to occur relatively early on. Therefore, the companies represented in the empirical investigation are known to have some of the largest and most advanced customer service offerings in Sweden (Telekomidag, 2018). One of them, Telia, also supplies customer service systems to other Swedish organizations. The companies found in the empirical investigation are therefore used as proxies together with leading experts and consultants working across industries.

In addition, the number of interviews was also limited due to time restrictions in combination with the number of potential respondents within the area of research.

Finally, when conducting a scenario analysis, strategy development and implementation are often included. However, those additional steps of scenario analysis are outside of the scope this study, which rather focuses on visualizing the future trends and uncertainties of customer service in order to answer the research question.

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2. THEORETICAL FRAMEWORK

The theoretical framework is divided into two sections. The first section covers customer empowerment in the digital age and the experiences companies offer in order to please them, such as customer service, and aims at providing the reader with an understanding of customer service as a concept. The second section presents a theoretical framework of scenario analysis provided by a literature review. The purpose is to create an understanding of scenario analysis, as well as develop the scenario method applied in this study.

2.1 THE AGE OF THE CUSTOMER

Prior to the commercialization of the Internet, in the so-called old economy, consumers often had a weak power position and companies presumed that consumers were easy to control or were simply denied customer power due to their inability to practice their rights and power (Kucuk, 2012; Rezabakhsh et al, 2006). Consumers inability to exert their rights and power was mainly due to the fact that they often had no other choice than to rely on the firm's statements since consumers lacked the ability to see through biased information from companies (Rezabakhsh et al, 2006). Hence, due to restricted market transparency, firms had the ability to impose their economic interests such as higher prices and lower quality at the expense of consumer interests (ibid). However, a power shift fueled by the rise of the Internet gave way to a new form of consumer–firm relationship in the digital age, where the power shifted from the supplier to the consumer. A power shift that later on was reignited by social media, enabled through mobile devices, which added transparency to the equation (Labrecque et al., 2013; Rezabakhsh et al., 2006; Van Belleghem, 2015). The introduction and diffusion of the Internet and its technologies influenced the emergence and evolution of consumer empowerment through increased access to information and choice, but also the consumers' ability to influence the market through voice, increased bargaining power and the option to exit (Labrecque et al., 2013). According to du Plessis and de Vries (2016), we have been in the age of the customer since 2010.

The Internet has according to Kucuk (2012) introduced the most democratic market structure and consumer-company relationship ever seen and has empowered consumers in new ways and levels. A comparison made by Rezabakhsh, et al., (2006), between consumer power in traditional markets and consumer power on the Internet, shows that the Internet enables consumers to overcome information asymmetries that are common in traditional consumer markets, which create high levels of market transparency. It gives consumers the ability to easily come together against companies and impose sanctions via exit and/or voice, and finally, to influence products and prices according to individual preferences. In addition, social media brought further advantages to the consumer, such as enhanced access to information, but it has also allowed consumers to create content and amplify their voices (Labrecque et al., 2013), to actively involve themselves i markets in order to gain negotiating power and make economic and social impact (Kucuk, 2012). It is a voice of the consumer, facilitated by technologies and communication platforms, that businesses can't easily ignore according to Constantinides (2008).

Several authors argue that the empowered customer has become highly important to businesses and will most likely affect the business practice of the twenty-first century and have a

fundamental impact in digital markets at previously unforeseen levels (Constantinides, 2008; Kucuk, 2012). Constantinides (2008) argues that corporations that are unable to react and adapt to the new realities, caused by the power shift of the empowered consumer, will have difficulties in reaching, acquiring and retaining customers. Furthermore, as customer expectations and value has become increasingly difficult to identify, and consumers' behavior is changing in line with their market empowerment and the increase of alternative options, the customer empowerment requires new approaches and thinking.

In the age of the customer, du Plessis and de Vries (2016) argue that customer choice is becoming the main differentiator between enterprises, as manufacturing strength, distribution power, and power over information has started to dissolve as a competitive advantage, but also because customers' expectations for choice between products, services, and preferred channels has increased. As customer service excellence becomes more and more important to organizations that deliver a product or a service to their customers, du Plessis and de Vries (2016) argues that companies have to focus on customer experience (CX) improvement to differentiate their services from their competitor's.

2.2 CUSTOMER EXPERIENCE

To continuously improve the customer experience is a challenge faced by all service companies since there are several factors affecting a company's offering (du Plessis and de Vries, 2016; Meyer and Schwager, 2007). Customer experience refers to a customer's perceived overall quality of all interactions and relationships the customer has with the company (Batra, 2017). Lemon and Vernhoef (2016) refer to Schmitt, Brakus, and Zarantonello (2015) who argues that every service exchange, both pre-sale and post-sale as well as indirect and direct interactions, lead to a customer experience. Thus, customer experience is not based on a single interaction, but rather collective encounters. These encounters could include interactions ranging from a customer's initial awareness or discovery of a company, product or service and progressing through the purchase and use of those products or services (Rawson, Duncan and Jones, 2013), but also interactions through advertising, purchasing, using, service interactions, customer care, cancelling contracts among others (du Plessis and de Vries, 2016). All these interactions, called touch points, are what creates an organization's overall customer experience (Rawson, Duncan and Jones, 2013).

Consumer Experience (CX) is currently trending in the corporate boardrooms and has ever since the mid-2000s been part of corporate discussions regarding business strategy, marketing strategy, customer service, and general business management (Batra, 2017). Rawson, Duncan, and Jones (2013) argue that customer experience often becomes the key differentiator and a source for competitive advantage for firms in increasingly competitive markets, and has, therefore, become the single most important way for an organization to achieve success. However, according to Meyer and Schwager (2007, p.8) "*customer experience does not improve until it becomes a top priority and until a company's work processes, systems, and structural change to reflect this customer-centric priority*". Hence, to create a strong CX has, according to Lemon and Vernhoef (2016), become a strategic management objective over the past years, and has been ranked as one of the top priorities for executives. Batra (2017) argues that the increased interest in CX can be attributed to consumer empowerment, which in turn originates from digital and technological disruption and advancements, while Lemon and Verhoef (2016) argue that the increased focus on customer experience is because of the explosion in potential customer touch points and the reduced control of the customer experience. Today's empowered customers have the option to interact with firms

through myriad touch points in multiple channels and media, which forces the firm to integrate multiple business functions to create and deliver positive customer experiences.

The difference between customer experience and customer service is that customer experience moves beyond the traditional definition of customer service (HBR, 2016). Customer experience is basically about what happens before and after the individual customer service interactions when service agents are providing direct service to customers. Consumer experience is like the overarching sum of all interactions, and customer service is an important piece of the customer experience puzzle (Rawson, Duncan and Jones, 2013).

2.3 CUSTOMER SERVICE

2.3.1 WHAT IS CUSTOMER SERVICE AND WHY IS IT IMPORTANT

Services are according to Dodgson et al. (2004) hard to define since services are intangible, immaterial and consist of acts or activities rather than outputs such as physical products. Furthermore, services are often produced and consumed simultaneously and require that the customer is participating in the service delivery (Schneider, Barbera, and Yagil, 2014). Although all these factors add to the complexity of defining services, the focus of this study is not to define what a service is but rather on the concept of customer service, which often refers to an organization's ability to meet the needs and desires of its customers (Wreden, 2004). It includes a set of complex customer-centric activities that are provided on a day-to-day basis in order to support and guide the customers. Hence, customer service can be defined as follows;

"Customer service is all interactions between a customer and a product or service provider before, during and after the point of sale. Customer service adds value to a product or service and builds long-lasting relationships"
(Businessdictionary.com, 2018)

As the definition implies, *"customer service begins before a customer arrives and ends long after the customer leaves your company"* (Wreden, 2014. p. 49).

Customer service and customer support is often used interchangeably, but the main difference between customer service and customer support is that customer support is more concerned with the proper functioning of the product or service while customer service is more concerned about the customer's satisfaction with the product or service and building relations with the customers (Forbes.com, 2018).

Although service and support are related to somewhat different activities, both are part of the customer relationship management (CRM) department since the two generate value for the customer by providing customers with a good experience at any time and in any way, but in different ways (Doligalski, 2015). CRM can be defined as a management approach that allows the organization to identify, attract and increase retention of profitable customers (Bradshaw and Brash, 2001), by establishing, developing and maintaining relational exchanges with the customers (Morgan and Hunt, 1994). Traditionally, this is done through the use of contact centers, help desks and call management systems which can help improve the level of responsiveness, friendliness, reliability, and promptness of response when confronted by a customer. Building on this notion, Doliganski (2015) discusses the role of the internet in CRM

and how it affects and enables customer value. For example, one of the most important aspects of CRM in any company is to have direct contact with end customers, without intermediaries or suppliers. This is difficult to do in a traditional context without the internet as there are, naturally, limitations in the number of customers served. With internet services, the hurdles of the number of customers served can indeed be overcome and flexibility increased.

Customer service is important due to its ability to add customer value and by doing so increase customer satisfaction and retention (Wreden, 2004). More importantly, can customer service affect a customer's overall experience and opinion of the product, service or company and whether customers will leave positive or negative word-of-mouth referrals (Fitzsimmons, 2013; Wreden, 2004). For example, as many as 46% of Swedes have stopped being a customer of a certain company due to bad customer service. On a global scale, the cost of bad customer service amounts to SEK 50 000 billion a year (Accenture, 2016g). Furthermore, it is between 5 to 25% more expensive to attract new customers than retaining existing ones (Gallo, 2014). Thus, it should be of great interest for organizations to have a well-functioning customer service in order to attract and retain customers (Wreden, 2004), since about three-quarters of value added in advanced economies are due to services (Dodgson et al., 2014).

Furthermore, a well-functioning and high-quality customer service are often seen as a more important factor for company success than promotion, advertising and other marketing efforts (Hillstrom and Hillstrom, 2002). This is due to the fact that customer service is a key factor which influences customers' choice of retailers and other service providers to a great extent (Blodgett, Wakefield, and Barnes, 1995). For example, Hillstrom and Hillstrom (2002) argue that people choose to do their banking at a particular financial institution or shop from certain retailers based on the level of customer service provided by that company both during and after the point of purchase, which is why quality customer service is critical to the long-term profitability. Consequently, according to Domegan (1996), a good product is often not sufficient enough in an increasingly competitive landscape, why competitive advantage can instead be achieved by improving the quality of customer service. As a result, businesses improve their customer service in order to differentiate their products and services offerings (Domegan, 1996). Also, to achieve competitive advantage organizations need to achieve customer satisfaction, which is determined by the customer's perception of service quality (Erjavec, Dmitrović, and Povalej Bržan, 2016; Ngo and Nguyen, 2016).

2.3.2 EVOLUTION OF CUSTOMER SERVICE

Customer service has been around for centuries (Reis, Pena and Lopes, 2003), and managers have had a great interest and concern in attracting and retaining customers for decades (Domegan, 1996). The customer service as we know it today was introduced in the 1960's with call centers (Baraniuk, 2018) and has since then moved from being a reactive activity to becoming a proactive management task (Domegan, 1996). This development was pushed further with the introduction of the internet, which opened up new options of how to handle customer service (Reis, Pena and Lopes, 2003).

According to Reis, Pena, and Lopes (2003), the evolution of customer service can be divided into five stages; the medieval concept of service, service in the craftsman economy, mass production and customer satisfaction, customer service in the lean economy and the next frontier of customer service. Throughout these phases, service has shifted from being highly personalized and customized in the medieval and craftsman era, where customer focus was crucial, to

becoming less important in the mass production era where the production capability of the factory was far more important than the customers, as they were happy to buy whatever companies offered them due to high demand. In the mass production era, service was often seen as unproductive and at times even a burden (Reis, Pena and Lopes, 2003). However, as fierce foreign competition entered the market with both lower price, higher quality, wider selection and better service, the importance of customer service grew once again in the lean economy service era. In addition, customers gained easy access to crucial information, giving them the upper hand in their relationship with the sellers (Reis, Pena and Lopes, 2003).

Reis, Pena, and Lopes (2003) called the fifth and last era the next frontier, and argued that the customers in this phase would not have the upper hand anymore, or at least not all customers. However, this was 15 years ago. Starting in the early 2000s, the technology at this time enabled companies to measure the profitability and cost of each customer, which lead to companies serving customers in line with what they were worth by focusing on the customer lifetime value.

While Reis, Pena, and Lopes (2003) present five stages of customer service evolution, the American multinational technology conglomerate Cisco talks about three waves of innovation within the global customer service industry instead. Namely, the waves of cost, relationship, and experience (Cisco, 2012). The first wave began in the 1980s and was characterized by cost savings and efficiency where physical contact centers aimed at delivering fast and predictable outcomes at the lowest cost possible per customer interaction. Customer service tools such as free phone, automatic call distributor and Interactive Voice Response (IVR) were used. Even though wave one began more than 30 years ago, it still goes on to this day as organizations continue to cut expenses and operating costs. The difference is only that the tools used today are modern and innovative. The second wave matured in the 1990s and into the new century. During this so-called relationship wave, companies focused on getting to know the customers' wants and needs in order to optimize the customers' interaction with the contact center. By gathering information about the customer, the company could identify the lifetime value of each customer, and by doing so adjusting which type of service that was provided to each customer individually (Cisco, 2012). Hence, this is the phase which Reis, Pena, and Lopes (2003) refer to as the next frontier, where the customer doesn't have the upper hand anymore. Just as wave one is still ongoing, so is wave two, by implementing innovations related to the continuing evolution of web, voice, and video portals and speech analytics applications (Cisco, 2012).

Reis, Pena, and Lopes (2003) argued that customers lost their overhand in what they call the next frontier, or what Cisco call wave two (the relation wave). However, Cisco (2012) argues that it is in wave three, which began in the mid to late 2000s, where customers took back the power. In fact, the third wave of customer service was led by the customers themselves, and not the enterprises, and is all about creating a complete experience of customer service, which has been enabled by a rapid technology-driven change (Froehle, 2006). According to Connor (2015), the customers driving the third wave are modern and move beyond traditional channels of business interaction, as new media and tools such as mobile phones and the social web made an entrance. Furthermore, these new digital tools will continue to change how organizations interact with customers, since more than 60% of the world’s population will be connected by 2020, and the number of mobile devices will be 10 times of the human population. Due to the rapid technology-driven change in wave three, customers expect a complete and seamless experience of customer service as they want to interact with the business across multiple channels and media.

Jin and Oriaku (2013) argued that to respond to the changes in customer expectations, many companies initially started to offer online customer service options such as real-time chats, email, and other self-serving techniques. The use of the web and these self-service systems (SST's) enable companies to be more flexible in their customer service as well as reduce cost, as the increasingly demanding customers can serve themselves at their convenience, but without human contact (Jin and Oriaku, 2013).

Meuter et al. (2005) argues that SST's are one of the more prominent tools within the service sector initially born out of digitalization, where the classic service and support system offered by companies is replaced by tools enabling customers to produce assistance for themselves at any time, without much direct guidance from human employees. Evidently, the lure behind replacing human labor with technology from the company perspective can be monumental in many service companies, as the potential financial benefits can be tremendous. For example, even when the internet was considered to be in its early stages, IBM generated $2 billion in cost savings by shifting 99 million service telephone calls to an online service provision in the early 2000's (Burrows, 2001). However, even though significant benefits can be seen in some companies, most managers struggled greatly with getting customers to actually try a new service technology (Meuter, 2005). For example, a survey conducted by Zurek et al. (2001), showed that 41% of companies who had implemented SST's in the late 1990's and early 2000's had not observed any return on the technology investment due to low adoption. Therefore, reducing cost and forcing behavior towards the new service technology was seen as a significant objective of that period (Meuter, 2005).

2.3.3 THE FUTURE OF CUSTOMER SERVICE

The introduction of the internet, smartphones, and tablets has reshaped our world and will continue to do so as Van Belleghem (2015) recognizes that the structural digitalization is still in its infancy. Even if it is difficult to envision what the world might look in five years Van Belleghem (2015, p.20) argues that 'more will change during the next five years than has changed in the past five years'. However, in 2015 Van Belleghem (2015) argued that the following five years, leading up to 2020 would consist of waves of technological innovation which have the potential to reshape the relationship between consumers and companies. Technology waves such as the mobile evolution, the internet of everything, robots, 3D printers and artificial intelligence (ibid.).

Rapid technology development and faster and wider adoption of these technologies have not only created new business models but new relationships with the customers. These new relationships have according to Van Belleghem (2015) one aspect in common, and that is that consumers will continue to have the power and control over the entire process, from start to end.

Van Belleghem (2015) further argues that customers today expect a fast and convenient digital customer relationship, an expectation that will increase the importance of a digital customer interface in the future and thus become the basis of the modern customer relationship. However, once the majority of companies are able to deliver a quick and efficient digital customer relationship, "digital" will become a commodity and the digital aspect of the relationship will no longer be a differentiator (ibid.). This state is relatively long way off, and a good digital customer relationship will be a standard for successful companies by 2025 opening up for new ways for companies to differentiate (ibid.).

However, once the customer relationship becomes digital, the human contact will decline, a consequence that Van Belleghem (2015) means is overlooked by companies. Hence, finding the right balance between human and technology in all customer relationships will be the aspect that separates successful companies from the rest in the near future. Even though it is certainly true that increased digitization leads to less human contact, there will always be significant value to be extracted in customer relationships by human interaction, as purely digital relationships run the risk of being overly rational, with a lack of emotion and creativity as a consequence. Therefore, even though computers and virtual assistants are increasingly acquiring human characteristics, we can expect that (physical) humans will play a crucial role in customer relationships in the future as they serve as emotional links between customer and company (ibid.). Hence, Van Belleghem (2015 p. 22) argues that 'the customer relationship of the future will be both digital and human' which means that companies need to undergo a double transformation, both digital and human as it will add the most value to the customer.

In regard to digital transformation, Van Belleghem (2015) mentions that it is the technological development that will continue to drive the changes in consumer expectations. For companies to become successful they need to prioritize the digital and become customer oriented by developing a digital customer relationship which puts the customer in the center and increases focus on customer experience. In the coming years, digital ecosystems will integrate all channels and partners relevant to customers, which will enable faster than real-time actions from companies. Self-service will, in the future, evolve into self-control where the customers will have more control over all aspects of their relationship with companies. However, through the use of sensors and the 'internet of everything', self-control will evolve into automation. Hence, the future of the customer relationship is automated (ibid.)

Furthermore, the use of consumer data is according to Van Belleghem (2015) the enabler of digital ecosystems as well as automation, as it allows companies to predict consumer behavior. However, Van Belleghem (2015) argues that consumers won't be willing to share their data unless the company offers relevant insights, improved services, and personalization in return, which forces companies to shift focus from the average customer to the individual customer. Also, with the increased use of big data, privacy will not be the same again.

Bloching, Luck, and Ramge (2012) argue that regulations and consumer acceptance will shape the data culture of the future. While national and supranational legislators currently develop data protection laws Bloching, Luck and Ramge (2012) argue that customer acceptance will become the most important success factor for companies that depend on data use and analytics. The most successful companies will recognize this trend and impose self-regulation and transparency in order to eliminate consumer concerns regarding data misuse. The important question is whether coming generation will be bothered by the fact that companies may know more about them than they know about themselves.

It is according to Van Belleghem (2015) crucial that a human element is incorporated into the digital relationship. In regard to the human transformation, many jobs will be automated in the future as technology becomes more human-like and perform human elements of the customer relationship (ibid.). However, Van Belleghem (2015) also argues that the technology will still be too limited to take over human activities completely. This means that humans are still needed in order to add emotion which will strengthen the human touch in the relationship. Human

operators will function as a second line of defense and interfere when problems arise in the self-service process (ibid.)

Just as customer service and support meant something different only five years ago, it will have a different meaning looking five years ahead. However, just because we will see new technologies and channels emerge, it does not mean that what we now know about customer service will be irrelevant. Because the basic elements of what customers need and value will still be very similar. For example, politeness, emotion and willing to solve, and taking responsibility for, problems will remain as basic principles. (Cottam, 2016)

2.6 THEORETICAL FRAMEWORK OF SCENARIO ANALYSIS

2.6.1 WHAT IS SCENARIO ANALYSIS

Scenario analysis, also called scenario planning or scenario thinking, is a strategic planning method. It can be seen as a description of a future situation as well as the developments leading towards the new situation (Kosow and Gabner, 2008). When building scenarios, the goal is not to provide a full description of the future of the chosen area but to map the key elements that will act as drivers towards future developments. According to Lindgren and Banhold (2003), scenario analysis is, therefore, a powerful innovative management tool for academics and firms when trying to anticipate and manage future changes and developments in today's fast-moving and turbulent business environment.

Scenarios were initially a strategy developed in the 1950s' in response to the difficult task of producing accurate forecasts and was most famously and successfully implemented and used by Royal Dutch/Shell in the 1970s as a planning tool instead of traditional forecasting tools. Since then, the art of scenario analysis has developed, which in turn has resulted in many different approaches. According to Mietzner and Reger (2004) does the difference between the approaches lie in how to perform the scenario analysis and how to use the different scenario techniques. There are numerous of approaches, but the most influential ones are those by Royal Dutch Shell (2003) and the consulting company GBN (Schwartz, 1996), while the most-often cited academic approaches are those of Schoemaker (1995) and Van der Heijden (2005) (Schwenker and Wulf, 2013). However, according to Bradfield (2008), does scenario analysis suffer from several weaknesses related to the lack of a widespread standardized consensus around scenario analysis, which make the method complex. By looking further into a number of influential and well-cited approaches, the aim of this literature review is thus to minimize the perceived complexity, and modify the scenario analysis approach so it fits this particular study.

2.6.2 FORECASTING VS. SCENARIO ANALYSIS

The scenario planning approach was introduced in the 1970s and challenged the traditional forecasting tools (Van der Heijden, 2005). Forecasting and scenario analysis can't be equated as there are several essential factors that separate them (Lindgren and Bandhold, 2003).

The most prominent difference between traditional forecasting and scenario analysis is the view on how possible futures are created. Forecasting assumes it is possible to predict the future based on historical data, and that there is only one right answer to the question how the future will evolve (Van Der Heijden, 2005). Scenario analysis, on the other hand, predicts multiple possible futures and assumes that the future can evolve in multiple directions, since future developments

are largely uncertain, not predictable and contains uncertainty that cannot be eliminated. Hence, when the aim is to use historical data to predict the probability of a certain risk to occur and thus generate a future state, then forecasting is preferred. However, when the aim is to find possible structural uncertainties causing organizational disruption, then scenarios are preferred.

Yet another aspect that separates forecasting and scenario analysis is the time horizon. The longer the horizon, the more uncertainties need to be taken into consideration. When companies are facing highly disruptive, turbulent and unpredictable environments, traditional forecasting approaches often fails due to uncertainty about future developments, caused by the complexity of the rapidly changing business environment (Van der Heijden, 2005). Forecasts are therefore preferred in situations with short-term horizons and where the level of predictability in the environment is high and fluctuations in the industry are minor. Hence, forecasting works well when "*questions for the future are well defined and the environment is characterized by the stable interfaces between actors*" Van der Heijden (2005, p.23). In contrast is scenario analysis used in a medium to long time horizon when the level of predictability and uncertainty is high but yet reasonable.

The business environment one wish to study affect which method that is preferred. Naturally, in environments with limited incremental changes, the forecasting method is preferable. However, when business environments become turbulent, fast-changing and unpredictable, scenario analysis is better. Scenarios are more difficult to verify than traditional forecasting, but are supposed to work more as an eye-opener for the decision maker with the aim to provide an understanding for why things happen, compared to forecasts where and end result can be compared to the predictions described in a simple form (Van der Heijden, 2005). Hence, forecasting is, therefore, better for decision-making as scenario analysis requires further judgments. Figure 1 visualizes when (F)orecasting (near term, known variables) (S)cenario development (medium term, uncertain variables) and (H)ope (longer term, unknowables) can be used depending on level of uncertainty and predetermines.

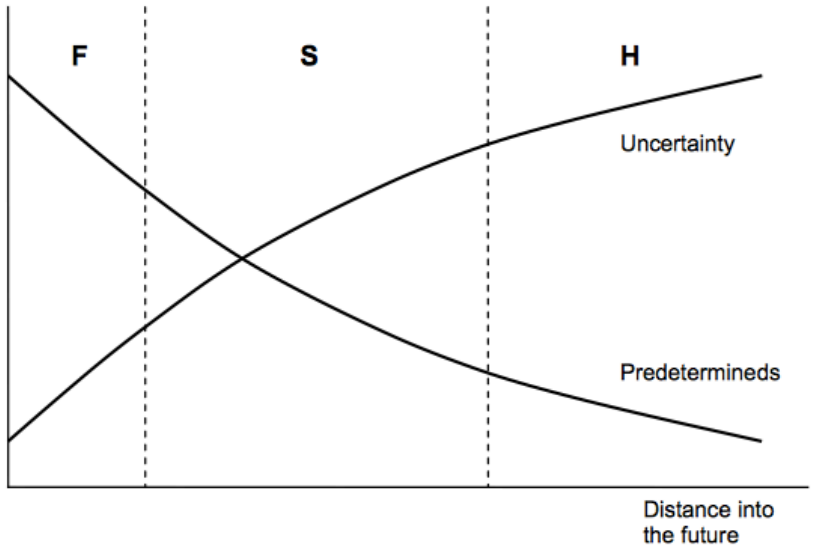

Figure 1: The balance of predictability and uncertainty in the business environment. F: Forecast, S: Scenario, H: *(Source: Van der Heijden, K., 2005)*

Table 1 provides an overview of the main differences between traditional forecasting and scenario planning.

CRITERIA	FORECASTING	SCENARIOS
Approach for solving the future uncertainty	The future is possible to predict based on the historical performance	The future is impossible to predict, but it is possible to outline driving forces and uncertainties facing the organization
Applicability to various uncertain types	Risks	Structural ucertainties
Horizon of planning	Short-term	Mid-term & long-term
Internal vs. External focus	Inside-out thinking	Outside-in thinking
Applicability to various business environments	Slow-moving	Fast-changing
Potential for verification	Can be tested	Cannot be tested

Table 1 - Summary of differences between forecasting and scenario planning
(Source: adjusted table from Baraev, 2009)

2.6.3 LITERATURE REVIEW OF SCENARIO ANALYSIS

The literature review conducted reveals that scenario analysis is broadly conducted in the same manner by different authors and only differ in minor details. By identifying a number of recurring steps in the scenario process literature, mainly building upon Kosow and Gabners (2008) approach, and adding additional theories, a scenario analysis framework has been developed. The below literature review builds upon four identified steps, namely *Define Scope and Focal Issue, Key Factor Identification, Key Factor Analysis and Scenario Building*. Even though these steps have slightly different meanings and definitions across the literature, the differences are minor enough, leading the authors to choose the best definitions related to this stud. Each of the individual steps consists of different scenario analysis techniques enabling the overall implementation of the scenario method (Schwenker and Wulf, 2013).

2.6.3.1 DEFINE SCOPE AND FOCAL ISSUE

This first step can be found in the majority of the frameworks included in the comparative analysis and defines the core problems, identifies the scope and frames the analysis of the scenario project. Even though the meaning is the same, this phase has different names depending on the source. *Preparations* (Lindgren and Bandhold, 2003; Shell International, 2003), *Framing* (Bishop et al 2007), *Define Scope* (Schoemaker, 1995; Van der Heijden, 2005) or *Scenario Field Identification* (Kosow and Gabner, 2008) are just a few examples. This first step of preparation is crucial, as it generates a common ground for the project by specifying important factors such as purpose, a definition of a focal question, time horizon, scope of analysis among others. (Schoemaker, 1995; Shell International, 2003; Schwartz, 1996; Kosow and Gabner, 2008). Without this initial phase that clarifies the purpose and scope of the scenario analysis, the scenarios may not be understood nor accepted by management (Schwenker and Wulf, 2013)

Schwenker and Wulf (2013) have developed a tool for this first initial phase called *"The Framing Checklist"* that help the researchers frame the scenario analysis. Included in this checklist is five items, which are: *the goal of the scenario project, strategic level of analysis, participants of scenario development process, stakeholders and time horizon*. Van Notten et al. (2003) have developed a similar checklist, including items such as *Inclusion of Norms, Vantage Point, Subject of Scenario Study, Timescale* and *Spatial Scale.* Van Notten et al. (2003) argues that these five items help the researcher to define the project goal.

The first item in the *Framing Checklist* is the *Goal*, which is the core of the framing checklist and can be defined by looking into what issue is at hand, and determine the desired outcome and what will be accomplished by arriving at the stated outcome. Secondly, once the Goal is defined, the *Strategic Level of Analysis*, also called *Subject of Scenario Study* and *Spatial Scale* by Van Notten et al. (2003), which refers to at what level the scenarios will be developed. Scenarios can be developed at the business unit, corporate, industry or macro level, but also on a global, regional or local level. Thus, determining the level of analysis is crucial since taking the wrong focus may cause important external developments to be overlooked. (Schwenker and Wulf, 2013; Van Notten et al., 2003) The third item in the *Framing Checklist* by Schwenker and Wulf (2013) is the *Participants* of the scenario development process, which defines who is leading the project as well as participating in the planning process. Thus, it is important to include the right individuals as that choice will determine the credibility of the outcome. Fourthly, *Internal* and *External Stakeholders* need to be identified, as they are the ones providing feedback regarding existing perceptions of influencing factors that specify and shape future developments. It is highly important that the appropriate internal and external views are integrated into the scenario analysis process, thus it is important to identify the stakeholders at an early stage according to Schwenker and Wulf (2013). To determine the right time horizon is the fifth and last step in the *Framing Checklist* and is just as essential as the focal question according to Lindgren and Bandhold (2003). Van Notten et al. (2003), refer to this item as *Time Scale* and argues that the chosen horizon depends on the context of the project, and can be 25 years for a long-term scenario and 3-10 years for a short-term scenario. However, Schwenker and Wulf (2013) recommend a time horizon of five years, as it is short enough to generate probable and imaginable scenarios, but long enough for major external changes to take place. In addition, the choice of time horizon is also influenced by the industry the business operates in since some industries face more rapid development than others and would need a shorter time horizon, and vice versa. Van Notten et al. (2003) also includes the *Vantage point* which describes the starting point the scenario refers to. When scenarios use the present as a starting point it becomes a forecasting scenario that is exploratory rather than decision supporting, while a scenario that takes the starting point in a specific future situation is called a back-casting scenario.

In addition, defining the past and the present situation can be added to the checklist. By defining the past and the present an understanding of past developments of trends and industries as well as the current situation and underlying conditions will give a deeper understanding of the future ahead (Lindgren and Bandhold, 2003, 2008).

2.6.3.2 KEY FACTOR IDENTIFICATION

The second step in the scenario analysis process focus on identifying the most important *Key Factors* that will drive future developments within the scope of the project and thus affect the company or industry the most (Kosow and Gabner, 2008; Schwenker and Wulf, 2013). This step of the process can also be referred to as *generating* (Börjesson et al., 2008), *scanning* (Bishop et

al., 2007), *identify basic trends and identifying major stakeholders* (Schoemaker, 1995), *tracking* (Lindgren and Bandhold, 2003) and *perception analysis* (Schwenker and Wulf, 2013).

This step can, in some cases, be conducted in different ways. For example, Schoemaker (1995) divides this phase into two distinct steps, namely to identify major stakeholders and then identify basic trends. While Van der Heijden (2005), Kosow and Gabner (2008), Lindgren and Bandhold (2003) and many others include the two steps into one phase. Regardless of whether the phase is divided into several steps or compiled into one, the overarching aim of the second phase is to generate techniques to collect information, ideas, knowledge and various views (Börjesson et al. 2006) about the history, system and the context of the future of the issue (Bishop, 2007). The key factors are the central variables, parameters, developments and events that combined form a description of the scenario field as well as having an important factor on the future of the field itself or the world around it and will be the focus of continued scenario analysis process (Kosow and Gabner, 2008). Key factors could, for example, be driving forces is the surrounding world such as social, economic, political, environmental, technological, legal, and industry forces that are sure to affect the issue identified in step one (Schwartz, 1996; Schoemaker, 1995; Lindgren and Bandhold, 2003). Important to consider is that the key factors identified must be something that represents a deeper change, not just a fad (Lindgren and Bandhold, 2003).

Key factors could also be identified by including the stakeholder identification in this phase. By identifying stakeholders such as customers, suppliers, competitors, employees, shareholders, and government, as well as their current roles, power positions and interests, an understanding about previous and current changes may shed light on additional key factors as well as stakeholders own perspective and assumptions on the future development (Shoemaker, 1995). The aim of this step is to identify the stakeholders own assumptions and benchmark them against external perceptions, and by doing so challenging the perception of involved participants and develop a holistic view of the possible future developments (Schwenker and Wulf, 2013). One standardized tool for the collection of stakeholder perception and identification of so-called blind spots is the "360° *Stakeholder Feedback*" tool, developed by Schwenker and Wulf (2013), which is a survey tool. By using this tool both open and closed questions regarding what might affect the company in the future are asked to external, internal and external specialists. By doing this, Schwenker and Wulf (2013) argue that the different perspectives and perceptions will result in an extensive list of important factors by combining and comparing the different perceptions. This list highlights the factors that may have a major impact on the company or industry in the future as well as potential blind spots. Thus, it is crucial that the right stakeholders are identified.

The process of identifying key factors differs according to Kosow and Gabner (2008) depending on the case. Furthermore, it can be complicated to identify key factors as people involved in the process may have limited knowledge of the area and/or because it is unknown (Lindgren and Bandhold, 2003). The process of retrieving information about the key factors, also called tracking (Lindgren and Bandhold, 2003) can be done through various of different techniques, such as desk research in the form of empirical and theoretical analysis (ibid), or through workshops, interviews, panels, surveys or various Delphi methods (Börjesson et al., 2006). Once the key factors have been identified, a list of factors and separate trends that may influence the industry or company can be established, a list which Shoemaker (1995) suggests can be ranked depending on if the factor has a positive, negative or uncertain impact. The factors on the list can in the next step be evaluated depending on their performance impact or importance, and by the degree of uncertainty (Schwenker and Wulf, 2013; Schwartz, 1996).

2.6.3.3 KEY FACTOR ANALYSIS

This third step is about analyzing the most important and driving forces that affect the company or industry (Schwenker and Wulf, 2013). *Analyzing* (Lindgren and Bandhold, 2003; Schwartz, 1996), *Trend analysis* (Schoemaker, 1995; Schwartz, 1997) and *analysis of key factors* (Kosow and Gabner, 2008) are just a few examples of what this phase can be called. This step can be found in the majority of the scenario planning processes reviewed but differs somewhat in the way it is carried out. Schoemaker (1995) for example divides this phase into two separate steps *Identify Basic Trends* and *Identify Key Uncertainties.* Kosow and Gabner (2008) mean that this is the stage where each individual key factor identified in the previous stage is subject to analysis. By doing so, the scenario planning team can identify the range of outcomes which these key factors potentially could produce, and thus identify the most prominent characteristic related to each identified factor, and then build the scenario upon those characteristics. This is a phase that according to Kosow and Gabner (2008) has intuitive and creative aspects as future developments need to be visualized for each key factor. According to Lindgren and Bandhold (2003), this stage is about linking the group of identified trends from the previous step, as they argue that the separate trends are connected and recur as driving forces or consequences to other trends. Thus, Lindgren and Bandhold (2003) mean that the aim of this third step is to identify uncertainties that emerge from the interrelationships identified by linking the drivers and consequences of the trends. These uncertainties, will, in turn, be the basis of the scenario generation.

As mentioned above, this step also involves *identification of key uncertainties* (Schoemaker, 1996), also called *Trend and uncertainty analysis* (Schwartz, 1996; Schwenker and Wulf, 2013; Shell, 2003). Identifying key uncertainties is according to Schwartz (1996) about finding the two or three most important and most uncertain trends among the identified key factors. Uncertainty can be defined as a disagreement among forecasters as to the correct outcome (Schoemaker, 2008) By ranking the identified key uncertainties by the degree of uncertainty and importance as well as the potential impact for the company, the most crucial drivers can be identified (Schwenker and Wulf, 2013). This step helps to answer the question *"What are the important trends and critical uncertainties that can potentially have an impact on the future of a company?"*. The critical uncertainties can be seen as our hope and fears and can be identified by looking inside the driving forces such as economic, political, societal, technological, legal, and industry factors (Schoemaker, 1995). To help visualize and structure a large number of key factors that potentially can influence the future of the organization, one can use the impact/uncertainty grid developed by Kees van der Heijden in the 1970s (Schwenker and Wulf, 2013). This stage may also include analysis of the interrelationship between the trends which according to Lindgren and Bandhold (2003) can be analyzed through cross-impact analysis, which result in an understanding of what is dependent, what is independent, what is driving and what is driven by others.

2.6.3.4 SCENARIO BUILDING

Once the trends and uncertainties are identified and analyzed, it is time for scenario building, also called *Scenario Development* (Van der Heijden, 2005) *Scenario generation* (Kosow and Gabner, 2008) or *constructing initial scenario themes* (Shoemaker, 1995). This is the step where different scenarios for a company or industry are developed and described. Thus, the previously identified key uncertainties are converted into scenarios that describe three to four future states of the world (Schwenker and Wulf, 2013). The process of generating scenarios can vary significantly depending on which literature one refers to. For example, Kosow and Gabner (2008) explain that scenarios can be generated by selecting consistent bundles of factors, while Schwenker and Wulf (2013) suggest the use of the *Scenario Matrix* developed by Kees van der Heijden in the 1970s, which works as a

visual framework for generating scenarios. Shoemaker (1995) suggests yet another technique to build initial scenarios by identifying extreme worlds and clustering all positive elements into one and vice versa.

Once the scenarios are developed, they need to be described in full detail and consist of no more than five plausible and consistent future states (Schwenker and Wulf, 2013). The scenario process is according to Kosow and Gabner (2008) completed when these four steps are conducted.

As discussed above, there are numerous approaches and techniques to scenario analysis. The four steps previously described will form the scenario analysis framework applied in this study. How each step has been conducted and what tools used is presented in the methodology chapter.

3. RESEARCH METHODOLOGY

The following chapter includes a systematic and theoretical description of the methods used when conducting this research, as well as the rationale behind the chosen research strategy and design used to identify, select, process and analyze data. This chapter aims to provide the reader with the opportunity to critically evaluate the overall quality of the study, why a discussion regarding validity and reliability is included as well. Furthermore, since scenario planning is applied in this study to help answer the research question, the scenario planning methods used in the four customized steps is included in this chapter. Hence, the methodology chapter will follow the structure viewed in figure 2.

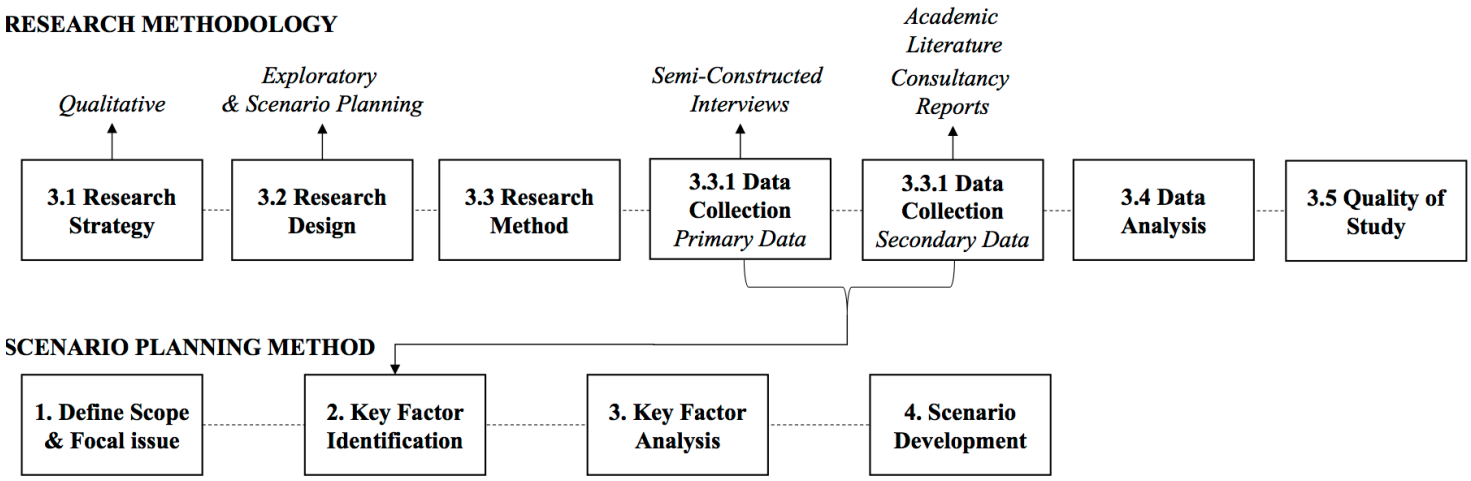

Figure 2*:* Disposition of methodology chapter

3.1 RESEARCH STRATEGY

The research strategy is related to the overall approach taken to gather the information needed to address and answer the research question of this study (Sarantakos, 2012). Which strategy to apply depends, according to Bryman and Bell (2011) upon the nature of the research question. Since the research question is of exploratory nature, a qualitative research strategy has been chosen for this study.

There are two main arguments for why a qualitative research strategy is the most suitable for this study. Firstly, as this is an exploratory study, whose purpose is to seek new insights and assess customer service in a new light, a qualitative approach will allow the researchers to be open to new and different data and pursue new paths as the understanding deepens and/or changes along the research process (Bryman and Bell, 2015). The flexibility and adaptability that a qualitative study offers is a critical aspect of doing an exploratory study, since the researchers, in an exploratory study, must be willing to change direction as results of new data appear and new insights occur (Saunders, Lewis and Thornhill, 2009). Hence, by combining an exploratory study with a qualitative research strategy will enhance the researcher ability to answer the research question.

Secondly, a qualitative research strategy was chosen because the research question deals with a field that is under constant and rapid change. A qualitative approach assumes that change is ongoing, which helps the researchers to focus on dynamic processes rather than measurement and analysis of causal relationships between variables, which would have been the case if a quantitative approach had been chosen. In addition, the academic literature related to this topic is rather limited, and by choosing a qualitative strategy the authors can gather rich and detailed data which is critical in order to seek new insights.

3.2 RESEARCH DESIGN

The research design can be seen as a blueprint for the collection and analysis of the evidence obtained during the process of data collection (Libguides.usc.edu, 2018). The research design chosen and applied during the process of data collection and analysis is a judgmental scenario planning method, which incorporates intuitive judgments, opinions and subjective probability estimates (Fildes and Allen, 2011). The main rationale behind the choice relates to the nature of the research question, which is explorative but also to the fast-changing business environment and the chosen time horizon, which suggests that scenario planning is preferred over traditional forecasting methods (Table 1). Hence, by using scenario planning, the researcher can develop future possible scenarios of customer service that will help to answer the question of how companies will work with customer service in five years.

A customized framework for scenario planning method suited for this particular study has been developed through the process of an extensive literature review in chapter 2 (2.4.3). The four steps included in the scenario analysis are *Definition of Scope*, *Key Factor Identification* (also referred to as empirical investigation), *Key Factor Analysis* and *Scenario Building*. The chosen method for each step will be described in detail in the section *Scenario Planning Methodology.*

3.3 RESEARCH METHOD

In order to conduct the study, an abductive approach has been applied. Even though a qualitative research strategy implies an inductive approach, where empirical data is used as starting point for theory building (Bryman and Bell, 2011), the researchers argue that an inductive approach is not the most suitable approach for this research. This is because of the nature of the subject studied, which indicates that a combination between inductive and deductive approach may be the most suiting, which is the main rationale behind the choice of an abductive approach.

An abductive approach is based on empirical facts from which the theories are later developed upon. This is similar to the inductive approach, but the difference is that this approach does not reject theoretical representations in the literature, which is useful when researchers encounter surprising and anomalous observations that do not fit the existing theories, which is the case in this research. By interpreting, often surprising, findings, new theories can be developed, as they are being substantiated with new observation (Alvesson and Sköldberg, 2008). Abductive reasoning allows the researchers to explain possible consequences and outcomes as well as further deepen and develop key concepts based on empirical knowledge. It is important to notice that data was not collected without an initial scanning of the subject area in order to develop competent knowledge, further refine the research question, avoid repeating the work of others and to discover an understanding of research approaches, strategies and techniques appropriate for this study (Saunders, Lewis and Thornhill, 2009).

3.3.1 DATA COLLECTION

In order to develop scenarios and answer the research question, a theoretical literature review was conducted and empirical data collected in order to identify factors that will drive future developments in customer service.

3.3.1.1 THEORETICAL FRAMEWORK

A theoretical literature review was made to identify previously published literature regarding customer service and scenario analysis. Due to the limited academic literature on the subject of the future of customer service, the theoretical framework has been developed in an alternate process, moving back and forth between secondary data and academic literature. Once surprising facts were observed during the secondary data collection of reports, existing academic literature was then examined in order to find the simplest or best explanation of that surprising fact (Bryman and Bell, 2011). The relevant literature included in the theoretical framework was generated through key search words identified during the above-mentioned process, which was used when browsing databases for academic journals, which have been used to build the theoretical framework. The keywords used was *customer service*, *customer care*, *customer support*, *future customer service, scenario planning* and *scenario analysis*. The literature used in the theoretical framework mainly consists of scientific articles and books. The scientific articles have been generated through the article database GRUNDA at the School of Business, Economics and Law at the University of Gothenburg, Google Scholar as well as searching in the reference list of previously selected articles. The books used in this study have been retrieved from the library at the School of Business, Economics and Law at the University of Gothenburg.

The theoretical framework has provided the foundation of the research as it includes theories that the researchers argue best explain most of the surprising facts that have been identified. This is why the theoretical framework includes drivers of customer service, past developments of trends and industries and the current situation which will give the researchers a deeper understanding of the future ahead (Lindgren and Bandhold, 2003, 2008). Regarding the literature review process of scenario planning, the most prominent theories were reviewed in order to develop scenarios. Hence, the above-explained process does not apply to the literature review related to scenario planning.

To ensure high quality of the literature used in the theoretical framework, inclusion and exclusion criteria viewed in table 2 were applied.

THEORETICAL FRAMEWORK	
INCLUSION CRITERIA	- Published in Academic Journals - Peer reviewed - Articles related to customer service and scenario planning
EXCLUSION CRITERIA	- Studies with no specific connection to customer service or scenario planning - Studies of quantitative nature - Studies published in another languages than English

Table 2: Inclusion and exclusion criteria academic literature

3.3.1.2 SECONDARY DATA COLLECTION

The secondary data was mainly collected through reports published by large and well-known consultancy firms. Due to the limited academic literature on the subject, the reports helped to facilitate the foundation for the literature included in the theoretical framework.

The secondary data collection was conducted prior to the primary data collection as it helped the researchers to develop a knowledge base. Also, it facilitated the initial key factor identification by scanning the data of qualitative and documentary character, more specifically reports on current customer service related topics published by consultancy or research firms. The factors that were mentioned in the greatest number of reports were considered as key factors and was used as a basis for interview guide development used in the primary data collection. When additional factors were mentioned in the primary data collection, new secondary data was collected.

The main rationale behind the use of secondary data in the form of consultancy and research firm reports is related to this being an exploratory study, and the use of a scenario planning method, which requires the researchers to identify factors that potentially can affect the future development of customer service. The reports provide up to date research and information which allows the researchers to have a more updated and current view of customer service practices. Hence, the use of secondary data collected through reports has helped the researchers to answer the research question (Saunders, Lewis and Thornhill, 2009).

Even though Saunders, Lewis, and Thornhill (2009) argue that available secondary data from sources such as company reports many times is of high quality, there is really no way to control it. However, to ensure high quality, the secondary data sources included in this study have been chosen with care, evaluated carefully and been assigned a number of inclusion and exclusion criteria (Table 3).

THEORETICAL FRAMEWORK	
INCLUSION CRITERIA	- Reports published by highly recognized consultancy and research firms such as: Accenture, Deloitte, EY, Forrester, KPMG, McKinsey, PWC, Salesforce, and Telesperience - Reports published no later than 2012 - Secondary data that will enable the researchers to answer the research question
EXCLUSION CRITERIA	- Reports with a possible underlying sales and marketing agenda. - Firms with a strong connection to a specific product or company. - Reports where the initial purpose of the report affects the data presented in the report. (ie. the data becomes biased)

Table 3 - Inclusion and exclusion criteria secondary data

3.3.1.3 PRIMARY DATA COLLECTION

Since this is an exploratory study with a qualitative approach, it is favorable to do non-standardized interviews (Saunders, Lewis and Thornhill, 2009), which is why in-depth, semi-constructed interviews have been chosen as the method for primary data collection. Also, when conducting a scenario analysis, it is crucial to collect the perspectives and opinions of stakeholders, which is why semi-constructed interviews are most suitable as it helps the researchers to explore new issues in-depth, specific perspectives and opinions (Boyce and Neale, 2006). In addition, by using the method of in-depth interviews, the researchers are given the opportunity to ask follow-up questions, search for additional information as well as circle back to key questions when needed, and thus opening up opportunities to generate a rich understanding of motivations and perceptions related to the rather complex problem at hand. Furthermore, since this study is constrained by time limits, semi-constructed interviews are favorable as it allows the researchers to obtain useful, relevant and valuable insights very quick based on rather few participants (Bryman and Bell, 2011).

SAMPLING OF COMPANIES AND RESPONDENTS

Along the process of literature review and secondary data collection, a number of interesting industries and companies were identified. The industries identified as most relevant within this area of research were industries that had customer service as a natural and ongoing process throughout the customer journey and where the volume of interactions was high, such as retail banking and telecommunications. These two industries were also mentioned in the secondary data as prominent industries within customer service development. The identification of these two service industries helped the researchers to limit the scope to Swedish service companies. The decision on which companies and respondents to include in the research was made by the researchers, which indicates that the sampling process can be argued to be judgmental or purposive. This means that it is up to the researchers' judgment to select the most appropriate respondents (Quinlan, 2015). In addition to judgmental sampling, the method of snowball sampling has been used as well, meaning that one participant of the interview recommended additional potential participants. Since the expertise requested from the respondents was rather specific, cluster sampling was not optional. The inclusion depends on the capacity of the participant to contribute to the research. In order to obtain the most valuable participants for the study the following criteria were set up:

- Respondents who work with or with connection to customer service, development of technologies related to customer service or obtains a strategic position connected to customer service.
- Respondents that have more than five years of experience within the area.
- Respondents working in retail banking, telecom or can be considered to be an expert, ie. consultants specialized in development, strategic insight and/or strategy implementation in customer service across industries.

The process of identifying suitable respondents included a general online search for news articles, industry seminars and conferences, reports and contacting relevant companies over email and social media. The companies and individuals eligible for interviews were approached through email, LinkedIn, personal contacts and phone, explaining the purpose of the study and what they could contribute with. Thus, the primary data collection consists of data retrieved from respondents that can affect and be affected by the future development of customer service. Based on above criteria, ten interviews were conducted until saturation was reached, i.e. when the majority of answers given was similar to previous interviews. The respondents included in the study are people active within the two chosen industries and have commercial and/or technical roles, all closely related to customer service. Along the process of literature review, an interest for additional types of respondents was raised. In order to get a second point of view, the decision to include experts within the field of digital customer service as well as artificial intelligence and chat bots was therefore made. Table 4 provides a list of the respondents included in the study.

COMPANY	NAME	POSITION	DATE	INTERVIEW, APPROACH, LANGUAGE
Telia Company AB	Daniel Tikka	Head of Workforce Operations	March 19th	Face to face, Swedish
Clearmont	Hans Leijström	Management Consultant	March 21st	Audio Telephone, Swedish
Knowit	Fredrik Broch Elaagen	Strategy and Business Development Consultant	March 22nd	Audio Telephone, English
Collector Bank	Carina Regnér	Head of Customer Service	March 26th	Face to face, Swedish
SEB	Daniel Stockelid	Deputy Head of Contact Center	March 27th	Face to face, Swedish
Telia Company AB	Jesper Åhlén	Head of Customized Integration and Robotics	March 27th	Audio Telephone, Swedish
SEB	Anders Nyqvist	Chief Strategist CIO Office	March 28th	Audio Telephone, Swedish
SEB	Caroline Malmberg	Cognitive Solution Lead	March 28th	Audio Telephone, Swedish
SEB	Pablo Astudillo Torres	IT Transformation Lead	March 28th	Audio Telephone, Swedish
Telia Company AB	Per Åström	Business Solution Specialist	May 7th	Audio Telephone, Swedish

Table 4: List of respondents included in the primary data collection

INTERVIEW GUIDE / OPERATIONALIZING

Operationalization is according to Bryman and Bell (2015) when abstract concepts are formulated in a way that they become measurable by generating a concrete question. Secondary data in combination with the theoretical framework has been used to generate certain key concepts related to past, present, and future of customer service, which has served as a foundation for the development of the interview guide (Appendix 2 and 3). Thus, generating concrete questions for the respondents to answer. By using the past, present and future state as reference points during the interview, the respondents were able to provide the researchers with an understanding of the developments in customer service leading up to today. An understanding that Lindgren and Bandhold (2003;2008) argues is important as it gives a deeper insight of the future ahead. Furthermore, these reference points (past, present, future) also facilitated the discussion regarding

customer service development from present to five years from now. The questions were asked in an open-end manner in order to allow the respondent to reply as they wish in order to obtain an extensive answer that might reveal attitudes and facts (Saunders, Lewis and Thornhill, 2009).

Since the decision was made to interview two different types of respondents, namely respondents working strategically and operationally with customer service, and so-called experts, the interview guide was customized in accordance to their field of knowledge. However, the two interview guides follow the same structure, including general and practical questions, in the beginning, followed by questions regarding past, present, and lastly future. In addition, both interview guides end with an open question allowing the respondent to add additional thoughts that he or she considered important. The customization is mainly related to the fact that experts don't talk about a specific company, but customer service in Swedish service companies in general. In addition, the interview guide was also adjusted when respondents held a more technical role, where questions regarding AI, chat bots and advanced technology was included. Hence, the guide was mostly used as a support tool to make sure the researchers touch upon key themes, but the questions had a different approach depending on respondent's role, knowledge and position.

CONDUCTING THE INTERVIEWS

Conducting interviews is a time-consuming process for both the respondents and researchers (Saunders, Lewis and Thornhill, 2009). Hence, the decision to limit the length of the interviews to a maximum of one hour was made. When approached, the respondents were given the option to choose time, place and mode (face-to-face, telephone, Skype etc.) of the interview. Even if most non-structured interviews are conducted face-to-face (Saunders, Lewis and Thornhill, 2009) and that was the preferred interview mode for this study, only three out of ten interviews were conducted in that way. The low number of face-to-face interviews was mainly due to geographical, time and resource limitations from both the researchers and respondents side. Even though face-to-face was preferred, interviews can also be conducted through telephone or video calls, which was the case for the majority of the interviews. This allowed the researchers to speed up the data collection process and lower the cost associated with it (Saunders, Lewis and Thornhill, 2009). Telephone interviews do, however, eliminate the important aspect of personal contact and the opportunity to establish trust which according to Saunders, Lewis, and Thornhill (2009, p. 349) lead to reduced reliability as respondents become *"less willing to engage in an exploratory discussion or even refuse to take part"*. To establish trust, each respondent was informed about the purpose of the study and the interview. The interview guide was not sent out prior to the interviews in order to reduce generic answers. However, if requested, examples of talking points were provided in a few cases. In addition, each respondent was given the opportunity to review the transcribed material and eliminate parts they didn't feel comfortable with being public knowledge due to corporate policy. Furthermore, they were also given the choice of being anonymous.

In order to generate an accurate and unbiased data collection, all interviews were recorded with the permission from respondents. The recordings have been transcribed by transcribing those sections of each recording that are of interest related to the research question.

3.4 DATA ANALYSIS

In order for the collected data to be useful, the data needs to be analyzed and the meanings understood. By conducting a qualitative data analysis, meanings and patterns will emerge and

eventually allow the researchers to develop theory from the collected data. Hence, the analyzed data will form the foundation of the scenario development. In order to gain flexibility in the data analysis process an interrelated and interactive analysis process has been adopted, meaning that the analysis of data has occurred during the collection of data as well as after it (Saunders, Lewis and Thornhill, 2009).

Furthermore, the primary data was transcribed by the authors themselves to prepare it for analysis. Meaning that the data has been reproduced in written form. In order for the researchers to not only transcribe words, but also the tone of voice and gestures the data was transcribed in close connection with the execution. The main analysis process used in this study has been to develop categories drawn from the secondary data of reports and literature. By using color coding in connection with the transcription, chunks of meaningful data could be attached to the predetermined categories generated during literature review and secondary data collection.

By doing so, and due to the fact that an iterative analysis process has taken place, new directions of data collection have been discovered after important themes, patterns and relationships have been identified. This approach has also allowed the researchers to adjust questions for coming interviews, which is why each interview has been transcribed before the next one has taken place.

3.5 QUALITY OF FINDINGS

Findings and conclusions in qualitative research are often scrutinized and questioned since qualitative findings are based on subjective, interpretive and contextual data. Therefore, it is crucial to make sure that the study is accepted as credible. Reliability and validity, as well as biases and subjectivity, are discussed in below section.

RELIABILITY

Reliability refers to replication and consistency of the study, and if a study is found to be unreliable it will also be seen as invalid (Saunders, Lewis and Thornhill, 2016). In order to achieve reliability, the researchers have to be meticulous is each stage of the research process and consider the role of personal interpretation which makes reliability critical. There are two main types of reliability, internal and external which are discussed below.

INTERNAL RELIABILITY

Internal reliability is related to the internal consistency during the research (Saunders, Lewis and Thornhill, 2016) and that the researchers have agreed on how to interpret what they see and hear. Hence, in order to increase the internal validity of this study, the authors have aimed at a high inter-observer consistency by validating the work of one another and continuously have a discussion between the authors and the supervisor (Bryman and Bell, 2017). Furthermore, by adopting the use of mechanical recording the accuracy of transcriptions is enhanced, (Brink, 1993). Hence, increasing internal reliability.

EXTERNAL RELIABILITY

External reliability in qualitative research is related to if the data collection techniques and analytic procedures would produce consistent findings if they were to be repeated by the researcher themselves or replicated by another researcher, thus referring to external factors affecting the result (Saunders, Lewis and Thornhill, 2016). To obtain external reliability in qualitative research is difficult, since the social setting of this particular case changes constantly

and can't be conserved over a long period of time (Bryman and Bellam 2017). This implies that it would be hard to repeat this study and produce consistent findings, and thus not guarantee the stability of the findings. However, even if it is difficult to achieve external reliability in a study based on interpretation, the authors have aimed at achieving high inter-subjectivity which can be reached through by clearly presenting and clarifying the decisions made and the rationale behind each decision (Bryman and Bell, 2017). By being transparent throughout the research process, the researchers do argue that the external validity is acceptable, thus allowing the potential replication of the study to enter into the same mindset as the previous researchers.

VALIDITY

Validity refers to the appropriateness of the tools, process, and data used. Hence, appropriability refers to whether the research question is valid to the desired outcome, if the choice of methodology is appropriate for answering the research question and if the design is appropriate for the methodology, sampling, and data analysis and so on. (Saunders, Lewis and Thornhill, 2016). There are two main types of validity, internal and external, both discussed below.

INTERNAL VALIDITY

Internal validity refers to which extent research findings are a true reflection or representation of the reality, or if the findings are the effect of different extraneous factors which can render the findings invalid (Brink, 1993). Thus, in order to ensure that the findings are true reflections of reality, the study has used two methods of data collection. Furthermore, the authors have been checking the consistency of observations and findings generated by the different data collection methods. Internal validity is in general seen as strong in qualitative research due to the long-term presence and participation, which make it possible to ensure a high degree of consistency between concepts and observations (Bryman and Bell, 2017). Thereby, the use of a qualitative method in the form of in-depth interviews has enabled the authors to find linkages between their theoretical ideas and the empirical material, hence, increasing the internal validity.

EXTERNAL VALIDITY

External validity refers to the extent to which the findings and conclusions of this study are generalizable to other research settings (Saunders and Lewis, 2012). Since the purpose of this study isn't to produce a theory that is generalizable over the industries studied, external validity is not of great importance in this study. Hence, the results and conclusions will not be generalized.

BIAS, ERRORS & SUBJECTIVITY

Threats to validity and reliability are mainly related to bias, errors, and subjectivity derived from the researchers and participants of the study. Since there are two researchers conducting this study, observer error and bias, where questions can be asked and interpreted in two different ways can have affected the answers received and transcribed. The observer error was minimized by the use of an interview guide, where the meaning of the questions included has been discussed between the researcher ahead of time. Furthermore, researcher subjectivity might affect the primary data collection as the interviews have been translated from Swedish to English. Given the fact that English isn't the researchers' native language, some important or crucial aspects of the interview might have been given another meaning when translated. However, to minimize this aspect, each respondent was given the opportunity to go through the translated version of the transcription.

3.6 SCENARIO PLANNING METHOD

In the following section will the methods used in the scenario analysis process be described. Table 5 providens an overview of the purpose, data collection, analysis and output in each of the four phases.

PHASE	PURPOSE	DATA COLLECTION & ANALYSIS	OUTPUT
Define Scope and Focal Issue	Create common grounds for the study	Initial literature research	
Key Factor Identification	To find key factors that might have an impact on the development of customer service	Primary and Secondary data collection	Key factors
Key Factor Analysis	Determine which factors that are certain and uncertain trends, and level of impact	Inclusion criteria, cross-impact analysis, impact/ uncertainty grid	Trends and Critical Uncertainties
Scenario Building	Describe four scenarios based on the finding in previous step	Scenario Matrix, story lines	Four scenarios

Table 5: Purpose, data collection, analysis and output of each scenario analysis phase

3.6.1 DEFINE SCOPE AND FOCAL ISSUE

The purpose of this initial stage is according to the literature review to generate a common ground for the project. Without this initial phase clarifying the purpose and scope of the scenario planning, the scenarios may not be understood nor accepted (Schwenker and Wulf, 2013). The items included in this step are a combination between the *Framing Checklist* by Schwenker and Wulf (2013) and Van Nottens et al. (2003) five items discussed in *2.6.3.1 Define Scope and Focal issue*.

THE GOAL OF THE SCENARIO PROJECT

The goal of the scenario project is to develop plausible and consistent future scenarios of customer service that are able to offer insight, and by doing so enable the researchers to answer the research question. Hence, the scenarios need to take a descriptive approach as the objective is to explore possible futures and work as an eye-opener for the researchers (Van Notten et al., 2003).

STRATEGIC LEVEL OF ANALYSIS

The strategic level of the scenario analysis, also referred to as *Subject of scenario study* by Van Notten et al. (2003) is at an industry level since the scenarios aim to address future scenarios of an organizational department. The scenarios will, with accordance to the delimitations of the study, be developed on a national scale. Only applying to the Swedish market (Van Notten et al., 2003).

PARTICIPANTS AND STAKEHOLDERS OF THE SCENARIO DEVELOPMENT PROCESS

This step has been combined since the stakeholders are the participants in this study. It is according to Schwenker and Wulf (2013) crucial to include the right individuals as that choice will determine the credibility of the outcome. The selection process has been described in detail in the *Primary data collection* section. Hence, eleven interviewees active within the customer service area were included in the process.

TIME HORIZON

Schwenker and Wulf (2013) recommend a time horizon of five years, as it is short enough to generate probable and imaginable scenarios, but long enough for major external changes to take place. Hence a time horizon on five years has been chosen based on recommendations mentioned in the literature review. Furthermore, since the study takes an exploratory approach, the scenarios need to take the present as a starting point related to Van Nottens et al. (2003) *Vantage Point.* When scenarios use the present as a starting point it becomes a forecasting scenario that is exploratory, rather than decision supporting, which is the aim of this study.

3.6.1 KEY FACTOR IDENTIFICATION

The second step of the scenario planning process is *Key Factor Identification*, which also can be referred to as the '*empirical investigation'*. This step is conducted through the process described in section 2.3 (Research method). The aim of this step is to find key factors that need to be considered in the following steps of the scenario analysis process as these factors will drive future developments in customer service (Kosow and Gabner, 2008; Schwenker and Wulf, 2013). The iterative approach of the study allowed the researchers to move back and forth between secondary and primary data collection as respondents, in come cases, mentioned factors that were not initially identified in the theory and reports. The empirical investigation resulted in 13 identified key factors that will be analyzed in the next step of the scenario planning process *Key Factor Analysis*.

3.6.3 KEY FACTOR ANALYSIS

When the Key Factors have been identified through the data collection process described in 2.3 Research method, the next step, according to the literature review presented in chapter two, is to examine the different factors generated by the empirical investigation. The goal is to identify or reject the factors as trends or not, as well as to characterize the identified trends as certain or uncertain and which impact they have on future developments of customer service.

In order to distinguish if the factor can be characterized as a trend, and also if the trend is certain or uncertain, four criteria have been set up viewed in the box below. The first three criteria must all be fulfilled in order for the factor to become a trend. Otherwise the factor is rejected and not considered in the key factor analysis. The fourth criteria is used to determine if the trend is certain or uncertain. Thus, if it is characterized as having a certain outcome by all of the respondents which mention and confirms it, it is a certain trend.

- Mentioned in at least four secondary data reports
- Confirmed by 50% of the respondents
- Be relevant to the time and scope of the study
- Be considered to have a certain outcome by all of the respondents which mentioned it

Based on the four criteria, 12 of the 13 factors were considered to be key trends that will affect the development of customer service, where seven were characterized as certain and five as uncertain. Certain trends will most likely occur and affect the development of customer service, while uncertain trends are harder to determine if and how it will affect the development of customer service. The certain and uncertain trends can have a low, medium or high impact on the development of customer service, which determines which level of impact the trend will have on a firm's future success in regard to customer service. Since uncertain trends are the most difficult to manage, these trends are the most important to analyze. In order to determine the level of impact of each uncertain trend, they were further analyzed in terms of their interconnectedness with the certain trends. In that way, it can be determined which uncertain trends that will affect customer service as a whole the most, as they are put in relation to the trends we have identified as certain. In other words, the aim was to determine which uncertainties that would affect how Swedish service companies work with customer service in five years the most. To conduct the analysis, the method of cross-impact analysis, by Lindgren and Bandhold (2003), was applied. The aim was to find interrelationships between predetermined forces (the certain trends) and the trends that are linked to some uncertainty or hesitancy (the uncertain trends). This can be done by creating an understanding of what is dependent, what is independent, what is driving and what is driven by others.

Once the trends were identified as either certain or uncertain, and the level of impact it had on customer service development, the impact/uncertainty grid developed by Kees van der Heijden in the 1970s was used (Schwenker and Wulf, 2013). By plotting the trends on the impact/ uncertainty grid the impact of the key trends and their level of uncertainty could be visualized. To increase the quality of this process, the grid was sent to one respondent that was able to elaborate on the placement of the trends.

The two uncertainties that were considered to be the most critical (the ones placed in the far right corner of the grid) will be used in the fourth, and the last step of the scenario analysis in order to generate four scenarios.

3.6.4 SCENARIO DEVELOPMENT

To generate the scenarios, the deductive approach of S*cenario Matrix* developed by Kees van der Heijden (2005) and suggested by Schwenker and Wulf (2013) was used. The two critical uncertainties identified in the previous step was incorporated into the matrix and given two extremes (high/low) and thus generating four different scenarios. To further make the scenarios clearer, story-lines and story-maps were developed in order to describe the four different scenarios in more detail.

3.6.5 QUALITY OF SCENARIO PLANNING

To assess the quality of scenario planning methods is rather difficult due to the lack of confidence in the subjective nature of scenario analysis. Furthermore, it is difficult to determine if the developed scenarios are the right ones, since the process of qualitative data collection is subjective, and if other scenarios are chosen a radically different conclusion might be presented. Hence, the conclusion is highly dependent on the judgment of researchers (Schoemaker, 2018). In order to increase the quality and utility of the generated scenarios three criteria have been applied. Thus, the scenarios must fulfill the following criteria; they must be plausible, challenging and go in line with the research question.

4. EMPIRICAL INVESTIGATION

This chapter presents the empirical investigation conducted in this study. The chapter is initiated by presenting a table visualizing the identified factors, in which step they were identified and which respondents that mentioned them. Following the table, the data related to each factor is presented, where secondary data is presented first, followed by the respondent's comments.

4.1 KEY FACTOR IDENTIFICATION

The empirical investigation is the second step in the scenario planning process, also called *"Key Factor Identification"*. This step aims to identify the most important key factors that will drive future developments within the scope of the project, and thus affect the development of customer service the most (Kosow and Gabner, 2008; Schwenker and Wulf, 2013). As mentioned in chapter 3 regarding data collection, the empirical investigation was conducted through the collection of both primary and secondary data.

Table 6 visualizes which factors that have been identified through theory, reports, and respondents. The factors that were identified in the theory and/or reports were then used to form the interview guide used in the primary data collection. In a few cases, respondents mentioned other factors that were not initially identified in the theory and reports, why the iterative approach allowed the researchers to go back and search again. One such example is "Technology Integration", which was not identified prior to the interviews. The X in column two and three describe which factors that were identified prior to primary data collection, while M shows which factors that were mentioned/ confirmed by each respondent.

Identified Factors	Theory	Reports	Daniel T	Hans	Fredrik	Carina	Daniel S	Jesper	Anders	Caroline	Pablo	Per
Demands/ Expectations	X	X	M	M	M	M	M	M	M	M	M	M
Generational Differences		X	M	M	M							M
Connected Customer	X	X	M	M	M	M	M		M			M
Personalization	X	X	M	M	M	M	M		M			M
Proactiveness	X	X	M	M	M	M	M			M	M	M
Omni-channel	X	X	M	M	M		M	M				M
Pragmatic AI	X	X	M	M	M	M	M	M	M	M	M	M
Chat bots		X	M	M	M	M	M	M	M	M	M	M
Technology Integration				M	M	M	M	M	M			
Trust & Data Security	X	X	M		M			M	M	M	M	M
Digital Regulations	X	X	M	M	M	M	M	M	M	M	M	M
Human Touch	X	X	M	M	M	M	M	M	M	M	M	M
Structural Changes in Organization			M	M	M	M	M	M	M			

Table 6: Factors identified by theory, secondary and primary data

FACTOR 1. INCREASING DEMANDS & EXPECTATIONS

Customer expectations changed forever with the rise of digital services, and especially with mobile service technology (EY, 2016). Studies conducted by Mckinsey (2016) and KPMG (2018), found that customers now expect a heightened level of service across every interaction with every organization. This is thanks to forces such as technology, automation, and globalization, which are dramatically shifting the expectations customers put on organizations and the service experiences they deliver.

In another report, published by Deloitte (2013), data shows that customers are also adopting new technologies more and more rapidly. The trend is clearly that digital awareness and technology adoption has followed an exponential increase during recent years. Customers of all demographics are becoming more comfortable with using technology and the hurdles of accepting new technology have, therefore, decreased, which is why expectations on new and constantly upgraded tech are rising. Keeping up with customer service expectations and demands is therefore going to be an accelerating challenge for organizations during the upcoming five years, since more and more customers expect better and better service, with constant advancements in choice, speed, and quality.

Forrester (2016a) claim that we are in the age of the customer and it is their expectations for easy and effective service that shape customer service technology priorities. KPMG (2018) also concludes that in this "second wave of digital transformation", the customer now seems to hold all the power.

"*Succeed, and they will be a loyal advocate. Fail, and they will immediately turn to a competitor that is prepared to exceed their demands*." (KPMG, 2018).

Customers are and will be, increasingly more difficult to impress when it comes to customer service and customer care (Mckinsey, 2016). An example of this can be seen in a report published by Deloitte (2013), which found that consumers are facing significantly fewer problems with goods and services than they did before, but they are more and more inclined to complain when things go wrong. For example, during the five-year period between 2008 and 2012, the percentage of customers who experienced a problem decreased from 17% in 2008 to 11.7% in 2012, while complaints rose from 72% to 76%. These numbers are likely to continue to increase as technology and thereby complexity increases, and hurdles for communication decrease (Deloitte, 2013).

Quality and user experience are therefore aspects that are on the rise. Studies conducted by Mckinsey (2017a), KPMG (2018) and EY (2016) all found that the standards customers now have are not just about which, or how many, channels companies offer service through, but increasingly about the user experience of the specific channel. For example, in Europe, 98% of customers knew (or took for granted) that their mobile phone provider offered a service website, but only 37% had ever made use of it. The remaining 63% instead still used for example call service, or no service at all because of the poor user experience (Mckinsey (2017a).

RESPONDENTS' COMMENTS

All of the respondents talked about the increasing customer expectations and demands, and that it has, and will continue to shape customer service offerings. One of the reasons behind implementing the chat bot Aida at SEB was according to Caroline and Pablo that customer's demands and expectations increase at a faster pace. The purpose of Aida is, therefore, to meet new demand by increasing the customer service capacity at SEB, with increased availability and answer speed as a result. Anders, also at SEB, fully agreed with this trend. He also further explained that he sees two main driving forces behind the higher expectations customers put on companies - convenience and lack of patience. These two parameters are enabled by fast developing technology and the use of social media platforms, which are very easy to use and enable customers to get quick responses all the time.

Hans argued that increasing expectations and demands is not necessarily related to generations, but rather that all customers of all ages want "*everything, now*". This can often create a miss-match to what the company actually can deliver, with an almost certain dissatisfaction as a consequence. Furthermore, the number of questions and interactions will increase even more in the near future, why companies have no choice but to automate certain processes in order to supply easy and fast service. If a customer does not receive quick and easy service, they will stop using that channel and instead google the answer, or even switch to another company.

Fredrik, a consultant at Knowit, also agreed and mentioned that demands and expectations will continue to rise. Certain companies now set a standard which applies to many different industries at once, not just between direct competition:

"Reasonings such as: If I can easily order a pizza through a chat bot, why can't I do my banking as easily? are not uncommon and is something that we will see more of in the near future"
- Fredrik Broch Elaagen

According to Fredrik, this means that companies will have an increasingly harder time keeping up with customer expectations on service quality, availability and speed.

Carina and Daniel S, both heads of contact centers at different banks, mentioned that they have experienced a change in expectations and demand from their customers. For example, the demand for self-service is higher today. Customers want to be able to solve things themselves at their own convenience more often than before.

Daniel T also mentioned that customers probably have higher expectations now, but the complexity of issues has also risen and it is very likely that it will continue to rise in the future.

FACTOR 2. GENERATIONAL DIFFERENCES

Studies regarding the effects of shifting customer demographics and corresponding behavior are frequently presented and discussed in industry literature. Regardless of the description or characteristics, being millennials (Gen Y) (Forrester, 2016a), Gen Z (EY, 2016), or Customer 3.0 (Accenture, 2013a), there is a consensus that new generations of customers are a fundamental driving force behind the customer meeting and experience of the future (Telia Report, 2017; EY, 2016; Deloitte, 2013; Accenture, 2013a).

Millennials (Gen Y), who were introduced to the internet at a young age and have spearheaded digital behavior, have now become mainstream and their adventurous, fickle and experimental behavior continues to create new moments of customer interaction by shaping the digital ecosystem (Forrester, 2016a). According to Deloitte (2016), a greater sense of disloyalty can be seen among millennials, why companies have to adjust in order to prepare for fighting over customers' loyalty as millennials make up a growing part of their customer base.

Accenture (2017c) also mentions the aspect of loyalty when it comes to millennials. Their research revealed millennials are likely to have a negative reaction to a company's attempt to gain their loyalty. Therefore, it is critical that companies understand Millennials' impressions of loyalty and then tailor language and experiences to their values and behaviors. Millennials for example values a personalized experience rather than the best product/service quality.

Looking into the future, a study conducted by EY (2016) regarding the generation following Millennials, namely Gen Z, found that the coming generation will reshape industry to an even greater degree than millennials. EY (2016) concluded that the majority of Gen Z and Millennials both place little value on the ability to interact with experts, regardless of the channel used. This is especially true for Gen Z, which is the most self-educated generation in history and consider themselves experts already. They therefore prefer self-service tools in order to research and identify service offers and solutions that best suit their needs. Also, they put more emphasis on efficiency, why the experience is more important than the product or service itself. If the information Gen Z wants isn't easily and immediately available, the likelihood of dissatisfaction is almost certain. Finally, EY (2016) concludes that Gen Z lives in an "anything is possible" world, why resonating with them and staying relevant will require a massive effort for all companies as the group of potential customers that belong to Gen Z becomes larger.

However, exact borders are hard to define with regard to specific generations, but what can be concluded is that shifts in behavior can be attributed to generational differences to a significant degree (EY, 2016). In another study, Accenture (2013a) found that the new generation of customers is not defined by a specific age, but rather by how well they adapt and apply new technologies to meet their individual needs. Coming generations (i.e. customers) are hyper-connected, highly informed and demand a highly personalized approach to communication, product development and customer service (Accenture, 2013a).

RESPONDENTS' COMMENTS

Fredrik talked about the general trend towards chat as a communication tool. This is something that younger generations are much more used to and prefer, as they have grown up with text messages and other internet chats. He mentioned that according to a study Knowit conducted among high school students, many of them were in fact almost afraid of making telephone calls or at least disliked it. Per also mentioned that the younger generation prefer to search for the information online before contacting the company

Hans mentioned that there are minor generational differences as to how customers want to interact with companies, but it is mainly about which specific channels they prefer. Per also talk about preference differences between generation. He explains that the older generation prefers to call while the younger generation contact the company in multiple different ways and through many different touch points. For example, can be through instruction-videos on YouTube, Facebook messenger, Twitter, or other chats functions. However, in general, Hans argues that what every

generation has in common right now is that they have higher demands and standards. Everyone is harder to impress, according to Hans. In addition, Hans stressed that companies need to consider generational differences inside their own companies, not just customers.

Daniel T also agreed to the generational differences and that they shape the preferred customer service interaction. Specifically, he talked about it as a matter of trust. In general, older age groups who are perhaps less digitally mature, consider security as a high priority, why they often want to talk to a human and be confident that their issue is solved correctly. Younger age groups, however, have more digital confidence and are more about trying things by themselves first, search the internet and interact with bots for example. Offering service channels based on the customer base is therefore crucial, Daniel T said.

FACTOR 3. CONNECTED CUSTOMER

Customers are going to become even more connected in the following years as more and more of their lives can be controlled through smartphones. According to Forrester (2016b), there will be more than 30 billion connected devices in the year of 2020.

Deloitte (2013) mentions that along with the technology that has enabled the rise of connected devices, comes the connected customer. The connected customer lives in a constantly connected world and has a mobile-first mindset and thus wants to manage every aspect of their daily communication through their mobile device(s). In the connected world, the customers are empowered to communicate, research, browse, and purchase wherever they are at any given time, which has put the customer in charge. Hence, along with the connected devices comes new expectations of real-time interactions. For example, over 80% of the customers that were surveyed expect the interactions with the business to be instantaneous and the response should be in real-time. These expectations put pressure on companies to have an easy-to-use mobile experience as connected mobile devices have redefined the definition of timely.

In a 2016 study done by Mckinsey, they conclude that as the environment and how customers live their lives is changing, so does their expectations on service and experience as customers. The demands and expectations of customer service will therefore increasingly correspond to how they conduct communication in their everyday life. Today, customers are using a wider range of contact options where they are able to receive immediate responses, compared to before when customers were more static in which communication channel they used. That is, the answer to "where" or "how" customers will prefer to interact with companies in the future is simply "everywhere" and "always".

The increased of number of internet-connected devices will also result in massive amounts of data, which in turn increases the connection between the consumers and the products but also between customers and their providers (Accenture, 2013b). This information is often called customer intelligence and is the knowledge that the company has regarding customers' needs in various times and situations, information that most likely will affect the way companies do business (ibid).

Mckinsey (2015) found that there are significant benefits in making digital care work, and according to their study it could increase satisfaction with up to 30% as well as generate significant cost savings. It is all about meeting customers "where they are". As an example, they

found that the number of customer service interactions handled through twitter increased by 70% between 2013 and 2015.

Finally, Mckinsey (2017a) mentions that customers increasingly live their life online through their mobile devices, but many service companies struggle in meeting their demands.

RESPONDENTS' COMMENTS

Daniel S believed that SEB has reached a paradigm shift where the customers are the ones who have the power over SEB, a power shift that Daniel S believed is due to the increased use of mobile devices that are constantly connected. Daniel S explained that:

"in 2010, the word "mobile" did not exist in our business plan, and our goals back then was to build the world's best internet bank for PC and we invested massive amounts of money into that project, until we realized that it wasn't what the customers will demand in the future".
- Daniel Stockelid

Daniel S argued that we live now in a "mobile first" environment and the increased use of mobile devices has resulted in customers "consuming more bank". For example, the number of log-ins through mobile- devices is like a hockey stick, straight up. It is more customer meetings than SEB has ever had in one single channel. Due to this, Daniel elaborated, one may think that the number of phone calls to the call center would decrease, but that is not the case. To some degree, that is due to the fact the customers consume more bank, but also that customers, with the help of their mobile phone, can access and monitor their financials in real time in a different way than before. But since the customer has more control, more complex questions arise than before.

Anders also talked about the increased use of SEBs mobile app. Customers who before have not spoken to SEB, now only talk to the bank through the app. Anders says it is the largest dialogue channel SEB has. Before, customers went to the bank now and then, to pay bills and withdraw money for example. Today, customers interact with the bank several times a day through a mobile device - to check account balance, purchases, swish, etc. Anders argued that there are new behaviors - less telephone, fewer branch offices, new expectations and demands towards availability. Customers expect one errand to be handled through different devices nad Per argues that the expectation to be connected has changed significantly over the past years. Daniel T mentioned that Telia aims to keep the focus on digital service since that is where their customers are.

Hans argued that the biggest changes up until now are the increased number of channels that companies provide, mainly through digital channels such as social media. This is because companies are following what customers want.

FACTOR 4. PERSONALIZATION

Other than wanting "everything, now", the customers of tomorrow will also increasingly want a unique and personal service experience, tailored to them (Mckinsey, 2016; Accenture, 2017c).

KPMG (2017c) mentions in a report that the digital footprints in the form of data that customers leave behind are increasingly used to build rich personal profiles of customer preferences and behavior to offer each customer a tailored digital service. Start-ups and other digital natives such

as Netflix are experts at this and have set a standard for other companies, who have a lot to learn. Because, data analytics does not only lead to improved customer experiences and services, but it also leads to more revenue as the services can be customized in order to be more relevant to each customer.

According to a study conducted by Accenture (2017c), customers now have platforms upon which they happily share personal information in exchange for confirmation, and they have learned to value personalized services that can make life easier and seamless. Furthermore, this feature is very prevalent in the new group of customers that will take form during the upcoming five years: "Customer 3.0". This type of customer does not respond well to mass-communication but instead demands a highly personalized approach. Mckinsey (2016) argues that the "one-size fits all" approach will, therefore, work even worse for most companies in the upcoming five years.

KPMG (2017a) agrees with this notion in their study and considers personalization as the most important pillar of successful customer experiences. In addition, personalization does not necessarily mean that the company needs to know single every single thing about the customer, but by quickly generating a personal profile with some basic customer features, the relationship can be more simple and seamless for the customer and the company can generate a better emotional connection. This is especially important in for example complex errands, where the issue can be hard to explain to the customer (KPMG, 2017a).

Mckinsey (2018) also mentioned that customers expect a personalized experience and that the most successful companies incorporate such features in their digital care in order to keep it fun and emotionally appealing.

RESPONDENT'S COMMENTS

Daniel S, deputy head of contact center at SEB, talked about how important it is to make customer service relationships as personal as possible, and how it is SEBs goal to provide that type of service whenever it is needed. He argued that you usually can classify a customer service inquiry in one of two categories: either it is a customer who wants help with something simpler and quick, and thereby more often wants the option of self-service, or it is a customer who has a more complex errand and thereby prefers a more tailored and personal experience, preferably through a human interaction. Daniel S further argued that with more advanced technology, such as the chat bot Aida and advanced data analytics, they can have a better possibility to quickly predict what the customer wants, with both happier customers and a more effective internal resource allocation as a result. Thereby having the ability to not needing to use the "one-size fits all" approach.

Anders, also at SEB, mentioned that they work a lot with monetizing information, meaning how can they best use information to create a better and personal experience. Carina, also from the bank sector, mentioned that their goal is to provide easy and personal experience every time.

Daniel T indicated that there will be more personal service in terms of service becoming more conversational.

Hans mentioned that personalization is connected to the overall increased demands and expectations that customers crave, where they want everything, fast and personal. Fredrik also argued that we will see more customization in the future.

FACTOR 5. FROM REACTIVE TO PROACTIVE

Deloitte (2013) predicts that customer service is going to be an increasingly proactive process from the company's perspective, thanks to new technologies and data management. Historically, customer service has been about the customer contacting the company with an issue. That is, the customer often has to be the one initiating the contact and notify the company that he or she needs assistance. In fact, talks about proactive outbound communication has been around for a while, for example, Deloitte (2013) and Forrester (2012) discuss this in reports five and six years ago, respectively.

Today, most proactive customer service is limited to actions such as text messages or emails alerting customers about flight or train schedules, appointment reminders or technology updates (Accenture, 2016b). However, as technology moves forward, proactive customer service intensifies, and companies will increasingly be able to anticipate customers' needs and by doing so be able to provide the right consumer with the right content at the right time (Accenture, 2016b). According to a study made by Salesforce, 58% of the surveyed customers argue that technology advancements have changed their expectations of how companies should interact with them. Most customers asked expected businesses to use technology to anticipate their needs, which provides a more proactive exchange and demonstrates that they understand them. If customer's needs are not anticipated more than half of the customers stated they were willing to switch brands. Proactive content is based on each customer's individual profile and could, for example, be personalized offers, product recommendations, advice on how to proceed and offer helpful resources. This is connected to the fact that companies are becoming better at collecting, analyzing and utilizing data about their customers (KPMG, 2017c). Deloitte (2013) argues that by monitoring connected devices a predictive service approach can be introduced by the use of real-time data analytics.

Forrester (2016a), conducted a study which included 299 decision-makers in North America, the UK, Ireland, Australia, and New Zealand responsible for customer experience, contact centers, and/or proactive customer communication at their organization. They found that the logic behind proactive customer service, namely to provide a deeper level of engagement, streamline and plan the customer journey, maximize resource utilization, lower the effort for the customer and in turn increase customer loyalty is gaining more ground as the world moves further into the age of the customer. Furthermore, most companies in the study already worked with basic proactive customer service in some form, but thanks to further technology developments and businesses realizing the potential benefits, it is very likely that companies will put more focus on those practices and work with them in a more sophisticated manner in the upcoming future.

RESPONDENTS' COMMENTS

The respondents' comments on this trend point towards a similar direction. Daniel S and Carina both mentioned that they see a lot of potential with proactiveness, and they believe that companies can gain by taking a more proactive approach and in turn create a better and stronger relationship with the customers.

Hans and Daniel T talked about proactive customer service as being part of a trend of a more conversational customer relationship, where the contact between supplier and customer is constantly on-going. Furthermore, Daniel T mentioned that technology such as improved AI chat bots will enable the development of proactive services, where the bots will understand what the next step is for the customer and bring it up at the appropriate time. This type of technology already exists, but it will become more common during the upcoming five years. Hans specifically mentioned that the concept of customer service will be broadened, and it will not be limited to when the customer has an issue he or she wants help with, but include the whole customer journey as one long interaction.

Fredrik also talked about chat bots as enablers of proactive customer service, and how they, for example, could take over the role of newsletters, and be integrated with systems such as Facebook Messenger.

Caroline and Pablo mentioned that SEB, thanks to technology, definitely will have more of a proactive customer service in five years.

"A big difference that I see is that we will have more of a proactive customer service rather than a reactive one. The fact that a customer calls in and wants something, will absolutely change. In that, AI technology will be helpful."

- Pablo Astudillo Torres

An example of a simple proactive service could be to let customers know that there is a general issue with logging in on the app and then letting them know that the company is aware of it and it will take approximately 30 minutes to fix. This will replace the process of waiting for X amount of assistance requests, and thereby managing customer service capacity more effectively according to Pablo.

FACTOR 6. OMNI-CHANNEL

In a survey (global, multi-industry) conducted by Mckinsey (2015), they found that channels such as social media, email and web-based chat accounted for 30% of all customer service interactions. They argue that the trend is that organizations are offering more channels, and at the same time making efforts to direct certain interactions towards different types of channels. For example, low-value inquiries and problems will be increasingly handled through digital channels, such as chat bots. Furthermore, 60% of their respondents thought that inbound-call volumes will decrease up until the year 2020. Within ten years (2025), 40% believed that the number of inbound customer service calls will fall significantly, perhaps to zero. However, specific channels were somewhat correlated with the specific industry and each customer base, but some statistics could be generalized across service sectors. Namely, the number of channels through which companies offer service is constantly increasing, especially as the number of "digital natives", i.e people who grew up with the internet, is becoming a larger part of the customer base. For example, the use of Twitter to connect with companies and brands increased by 70% between 2013 and 2015 (Mckinsey, 2015).

Accenture (2015) published a report in which they studied the future of the customer service experience. They mention that because of the increasingly demanding, empowered and diverse customer base companies interact with, and the dynamic nature of today's customer journey, customers expect a seamless, integrated, and personal experience with their service providers.

Current multi-channel models, with multiple channels and silos of customer contact, are unable to provide this. This is why companies are moving towards a future model where customers can interact with them whenever, wherever, and however they want, across all channels. In that way, each contact becomes a continuation of the previous interaction, allowing each experience to continue from where it last left off: enabling customers to use the channel of their preference each step of the journey. It is what Accenture (2015) calls Omni-channel, which they defined as:

"*... a synchronized operating model in which all of the company's channels are aligned and present a single face to the customer, along with one consistent way of doing business.*"
(Accenture, 2015)

According to Deloitte (2013), technological and digital innovation has influenced the way customers interact with businesses. This has in turn given rise to customer's expectations of an integrated, seamless and consistent experience by interacting through multiple touch points independent of time, place, device or medium. By developing an Omni-channel ecosystem, the many different customer service channels, ranging from digital channels such as mobile and social media to traditional channels such as call centers and branches can be blended to complement each other. That means that channels can be used in combination and simultaneously and the customers can switch between channels without the need to re-enter information.

In a report by McKinsey (2018), they argue that a true Omni-channel world will emerge in the near future and that as many as 75 percents of the customers will be using multiple channels when contacting companies, ranging from social media and chat to voice. The main reason for why companies are interested in transforming their multichannel into Omni-channel is due to the rapid change in customer behavior (Mckinsey, 2018). In addition, even though the transition to a proactive Omni-channel has the potential to generate benefits such as integrated channels, seamless transitions as well as a unified view of the customer, companies must overcome barriers such as acquiring the right frontline management and skills as well as technology.

RESPONDENTS' COMMENTS

Daniel T believes that Omni-channels are the future of customer service and describes it as when customers can move or be moved through different channels seamlessly. However, even if most companies want to be in an Omni-channel mode, Daniel T says that recent data published in a Telia report shows that 60-70 percent of companies are still working with multichannel service. He explains that a multichannel service is when a customer is able to contact the company through different channels of their choice, such as chat or phone, but since the channels are not connected to each other, the customer simply has to choose one channel and stick with it throughout the interaction process. Although this is the current case, Daniel T says the trend is to enable the customers to shift channels seamlessly.

Jesper also argued that Omni-channels is where customer service is heading and that customers will become more mature and used to Omni-channels in the coming years.

Even if the majority of the respondents agree that Omni-channel is on the rise and a current trend, all of them also bring up the fact that with the use of Omni-channels comes major challenges and barriers. Jesper, who has a technical background, brings up the challenges related

to connecting the different channels in the back-end, in order to perform the Omni-channel service in the front end.

"Well, I would like to argue that Telia in part is in an omni channel stage. But not fully. And I have never met any customer that is in that stage yet."
- Jesper Åhlén

Furthermore, Daniel S talked about the limits of SEB's existing systems which he argues aren't sophisticated enough to handle customers moving between different channels. Daniel S thinks that restating information when moving between channels create irritation for customers and argue that a system that can track who the customer is and how the customer moves back and forth between different touch points and channels would increase the customer experience as it allows the service operators to access an ongoing service inquiry in real time. Both Daniel S and Hans argue that channel integration will be the biggest challenge ahead for the development of Omni-channels.

Anders, also at SEB, mentioned how customers expect service through many different channels and how it should flow seamlessly between them throughout what they call the customer journey.

FACTOR 7. ARTIFICIAL INTELLIGENCE

According to PWC (2017b), billions of dollars are lost due to poor customer service each year, a loss that Artificial Intelligence (AI) can help reduce by providing customer service beyond human ability. In fact, it has the ability to become a personalized, digital concierge operated by man with the help of a machine.

Forrester (2017) mentions that it is important to point out that there are two different "types" of AI: the Pure AI, which is science fiction like technology with contact centers staffed with bots and automated interactions, and the Applied AI, also known as Pragmatic AI, which aims to develop smart systems that are commercially viable. The use of Pure AI in customer service is still, according to Forrester (2017) years away, while Pragmatic AI can be utilized now. The Pragmatic AI is already used in many of today's consumer experiences by making them smarter and simpler.

Furthermore, according to an extensive trend-report by Forrester (2017), will AI fundamentally transform customer service as we know it by improving the capabilities and economics of the operation. Specifically, AI can assist or completely take over repetitive and predictable tasks from service agents, but also enhance the skills of service agents by allowing them to do more value-adding tasks, such as collecting and reporting information as well as engaging in customer interactions that require human insight and analysis. Forrester (2017) further argues that AI has several areas of application in customer service operations. It can, for example, be incorporated in intelligent assistants (chat bots) to make automated conversations natural and effective, to anticipate customer needs, deliver advice, resolutions, alerts, and offers. Furthermore, AI can take customer service operations to new levels by extracting high-value information from voice and digital conversations, images and machine-to-machine communications in order to identify trends and potential issues that the customer may encounter. As technology continues to develop, AI will become more human-like in customer service interaction (Accenture, 2017a). Finally, it

will enable customer service centers to process large datasets that can reveal patterns and new insights that can be leveraged develop and monetize new services for customers.

Forrester (2018. p.9), argues that in 2018 *"companies will use AI for efficiency gains and to deliver better experiences"*. Pragmatic AI is however not a single technology, but rather a combination of technologies that together become so advanced that they can add intelligence to applications. These technologies are speech recognition, text analytics and natural language understanding and generation, machine learning, robotic process automation (RPA) and image analysis. Forrester (2018) argues that RPA especially will be developed during 2018, which will enable enterprises to automate entire end-to-end processes by mimicking the way agents work.

RESPONDENTS' COMMENTS

That AI will have an impact on the future of customer service is something that all respondent agree upon. Daniel T and Jesper, both working at Telia, argue that the future customer meeting will be AI-driven and that AI will be the main driver of transformation within customer service. Per, also from Telia, believes that the usage of AI will increase significantly in the coming years, but are not sure when it will happen.

Even if there is a lot of hype around AI and the technology surrounding it, Daniel T stressed the importance of developing the AI technology with the customer in mind. If that isn't the case, AI will not be to any help, nor would it create a positive experience for the customers. Per discussed this as well and argues that the most important aspect that it becomes better for the customer, that is the question that has to determine the use of AI. Daniel T explains that is why Telia has developed a system which can help scan customer service interactions, both through email and chat but also through recording phone calls and transcribing them automatically. This type of AI-powered tool enables Telia to spot trends, analyze and improve their processes. However, Daniel T pointed out that there are some processes in a call center is not compatible with AI, and need to be considered before heavy investments in AI development. Per explains that it is very important to implement AI technology in a controlled way and that it is important to monitor what effect the technology has on the customers and the company. Per means that AI is very hyped now but the risk is that bots are used just because it is trendy.

Daniel S is convinced that AI technology will become better and better over the coming years but argues that AI technology at the moment isn't that developed. Anders agrees that the AI technology will develop, however not in science fiction terms. In his opinion, the development of AI will be focused on creating machine understanding, learning machines how to understand text, images, voice and tone of the voice better. In addition, Anders thinks it is about increasing customers possibility to better interact with a machine. Daniel S hopes for AI to reduce the "non-value-added calls", which are calls that don't add value for the customer nor SEB.

Hans, Caroline, and Pablo explained how the development of AI will allow customer service to become proactive.

One important technology within AI according to Jesper is the use of robotics and robotic process automation which he believes will be a transformational force in the coming years.

FACTOR 8. CHAT BOTS

Chat bots are enabled by machine learning and AI, and the more advanced AI gets, the more intelligent will chat bots become. Deloitte (2017) published a report about AI-bots, where they argue that chat bots are on the rise in customer service and will cause immediate disruption in customer support, mainly thanks to maturation of AI and related technologies such as machine learning, increased focus on the customer experience and the need for streamlining operations in order to bypass human intervention.

Chat bots are computer programs that can offer a conversational experience with a user in natural language by the use Artificial Intelligence (AI) to process language and understand human speech in order to mimic conversations with real people (Deloitte 2017; Deloitte, 2018).

According to a report conducted by EY (2018), are Chat bots and Intelligent Virtual Assistants becoming an increasingly important component of companies' customer experience. One reason for this increased importance is due to the fact that customers prefer communicating through mobile messengers such as Facebook Messenger and WhatsApp. According to PWC (2017b) have chat bots and digital assistants become a common and acceptable way of communicating. Based on a study conducted by Deloitte (2017) and Deloitte (2018) including 25,000 customers, as many as 42% of the respondents were already using chat bots, much thanks to the increased use of simple dialogue boxes on company websites as well as verbal chat bots such as Apple's Siri and Amazon's Alexa.

Chat bots, virtual assistants, and virtual agents are just different names on chat bots with different levels of intelligence, ie. different levels of AI technology incorporated into them. Even if the technology that enables bots are evolving rapidly, Forrester (2016c) argues that today's bots are offering uneven customer service, and might even fail to communicate accurately which affect the customer experience negatively. Forrester (2018) mentions that even if it will be several years before the true potential of chat bots can be realized, and the uneven performance of current chat bots will degrade the self-service experience at first, businesses will continue to invest in chat bot technology which later on will lead to enhanced self-service experience.

Accenture (2016a) argues that the strengths of Intelligent Virtual Assistants and Agents lie within the combination of human and machine intelligence, as humans can use intuition, empathy, and experience, while the bot can do quick calculations, search and combine data and use pattern recognition.

RESPONDENTS' COMMENTS

The majority of the respondents agree that chat bots that are used in a customer service setting can help to answer the large number of trivial questions that a customer service center receives. Hans explained that the number of these trivial and repetitive inquiries are increasing, taking up a lot of time for human agents. Chat bots can, therefore, help to reduce waiting time for customers that have more complex problems and need human assistance.

"The bots become a front desk, a "gate keeper" who take the first questions, and will most likely be able to solve 70%-80% of those questions. The remaining 20-30% of questions will be routed to a human"

- Hans Leijström

Daniel S, at SEB, is hopeful that their chat bot Aida will be able to handle a substantial part of the simple routine questions in the future.

Jesper mentioned that since it is very time consuming to train the chat bot into what answers to give, it means that chat bots can't solve complex inquiries and that it isn't cost effective yet to have a chat bot when the inquiries become too complex. However, Jesper stressed that is not the purpose of most chat bots in customer service at the moment, as they are employed to solve easy problems that are repetitive and can be answered in the same way every time. Furthermore, Jesper explained that chat bots can do some things but are at the same time limited and there are several tasks a chat bot can't do due to the fact that they most likely are not connected to companies' back-office systems at the moment. For example, a chat bot might not be able to access the invoice system to retrieve a requested invoice. To enable a bot to do that it needs to be incorporated with other robots that can help to connect with the back-office systems. Jesper argued that once chat bots are connected with robotics, it will enable chat bots to handle more complex tasks.

Jesper also mentioned that chat bots are indeed trending, but he also implied that chat bots will not transform the customer service industry on its own due to the fact that it is a written channel, and people prefer spoken channels such as the telephone to a greater extent. However, what will transform the customer service industry according to Jesper is AI. He explains that chat bots in the future, with the help of AI, will be able to handle the spoken language through speech analytics, a technology that only is in the research stage and not used in customer service at the moment. However once that is possible Jesper says it is not a chat bot anymore, it becomes more of a cognitive helper instead. When Jesper is asked about his opinion regarding the future of chat bots he does not only mention speech analytics but also that bots will become digital co-workers that can support both internal and external processes. A future stage of chat bots that will have great positive effects.

Carina thought that, when Collector Bank first introduced chat as a channel, it was going to replace incoming email more than it actually did. However, chat bots are becoming a commonly used channel for companies and they already answer a lot of basic questions, and through predictive routing, they also help the customer to interact with the right agent.

Fredrik mentioned that most chat bots are currently based on FAQ answers, also called open knowledge. Caroline and Pablo who work with SEBs chat bot Aida, who holds about 300 dialogs every day, explains how Aida is taught through so-called open knowledge on SEB.se. Aida is taught what she is supposed to answer based on certain knowledge, which means she then generalizes and guesses based on what they have taught her. Hence, she is given guidelines on how to "behave" in different situations. This means that Aida isn't self-learning, which is when the robot is able to learn by itself based on questions and answers. If Aida can't answer a question she can hand it over to a human operator.

Even though all respondents see the possibilities of using chat bots, they are also mentioned challenges as well. Both Daniel S, Daniel T and Hans bring up the fact that you can manipulate a bot that is self-learning by feeding it with inadequate information and gives the example of the Microsoft AI chat bot that was turned into a "racist asshole in less than a day". SEB's chat bot Aida is currently a basic scripted chat bot, where the recognition ability is AI-powered. According to Daniel S, SEB currently doesn't dare to let Aida "free" and become self-learning as

SEB assess there is a risk of letting Aida teach herself since she might learn in the wrong way but also due to the fact that you need multiple layers of security so Aida can't be manipulated.

Caroline and Pablo who are part of the Aida development team say that the main initiative for the project was to expand the customer service capacity and meet demands but doing it without hiring more people. By doing so the use of Aida could increase capacity and availability throughout the different channels and meet customer needs. The positive aspect of Aida and other chat bots is the fact that it is always available when the customer needs it and that customers don't have to sit and wait in a telephone queue for example. Another aspect is about the speed and response time, that it gives an answer much quicker than a human.

Daniel S, Caroline and Pablo all describe the challenges behind Aida. They explain that it has been an exploratory journey from the beginning and that they constantly have to test everything out and go with trial and error. Furthermore, Pablo explains that the language dimension has been extremely time consuming and challenging since AI and chat bots overall are developed under the English language and are underdeveloped in other languages. The challenge is not to translate the words but to get the chat bot to "think" in for example Swedish from the beginning.

Fredrik also argued that chat bots in a few years will be able to listen to the human conversations with employees and actually learn that way on how to apply it. In his opinion will voice be used more in the coming years as the bot will be able to learn from the conversation between the customer service operator and the customer. When asking Daniel T about the future of chat bots, he also explained that the chat bots that learn from the customer interaction are the future, for example, smart FAQs that update themselves or understand what the next step is for the customer or simply give suggestions etc. In this way, chat bots will also help companies to become proactive in their customer service in the future.

Even though the enthusiasm among the respondents was shifting in regard to chat bots current capabilities, the respondents unanimously agreed that chat bots would play a big part in customer service within the coming years.

FACTOR 9. TECHNOLOGY INTEGRATION

In a comprehensive study conducted by Mckinsey (2018) about the future of customer service and customer care, they found that customer care is on a point of a "technology explosion". About half of the managers they surveyed considered new technology investment as one of the top priorities over the next five years. To a great degree, executives acknowledged the changing technology landscape and the need for more tech investments to keep up with the increase in demand and expectations.

The advisory firms Accenture (2016c) and KPMG (2016), both state that companies have indeed invested significantly in digital technologies to increase personalization (Accenture 2016c) and satisfaction (KPMG, 2016), and in turn increase profits through improved customer experiences. However, both found that a large amount of these investments, in fact, have produced the opposite results. Because the costs of delighting customers can exceed the potential value it can generate.

Mckinsey (2015) gives an example, where they found that when the digital customer service experience does not meet expectations, a large number of customers actually move back to the

traditional telephone-channel. As a result, a number of telecommunication companies in their survey had seen costs rise because of the increase in call center volume.

Accenture (2016b) concluded that even if the ultimate goal of the customer service center of the future is to improve the customer experience and meet increasing demands, companies struggle to focus enough on calibrating internal processes in order to lay the groundwork for achieving this goal: "*Even if you have the most innovative, easy to use customer service tools in place, they won't benefit customers unless the internal processes that power those tools are optimized."* Mckinsey (2018) presents a finding pointing in a similar direction and argues that especially traditional companies who build their digital customer service offerings on top of traditional channels struggle to reach the standards customers set on digital experiences, based on the experiences that digital natives can provide.

RESPONDENTS' COMMENTS

Hans and Fredrik, both consultants, mentioned the difficulty with implementing new digital technology and integrating it with a company's overall system.

"The biggest challenge is to get all the channels to become integrated and connected."
- Hans Leijström

For example, if a company adds a chat-system in their customer service, then there is a problem with that tool not being fully integrated with the old systems, which in turn can create a gap in the communication between the company and the customer. Hans argued that the old systems don't take into account that new channels are "added on top".

Fredrik pointed out that some companies consider all the hype around chat bots and think they need to have one as well, but then they are far behind in the overall digital experience. He mentioned that companies have to have a good overall digital experience before you can add on a chat bot:

"*You see many large businesses trying to sprinkle some digital dust over existing systems, but in the end, they will find themselves in a pyramid which they will have to stop building at some point, because it will be impossible to go on. You have to have the ice cream before you have the topping".*
- Fredrik Broch Elaagen

Fredrik is, therefore, a big believer in not biting off more than you can chew, and in his opinion, it is better to do less and do it well, rather than do more and slightly worse. In addition, depending on the systems used in the back-end, integration might be more or less difficult. Companies that can integrate easier with back-end software, will develop faster and set higher customer expectations. Especially in finance, where there are a lot of "legacy" systems still in place, which are not designed to work with AI or big data for example, which is why integration is expensive, hard and cannot follow the same speed as other companies. Fredrik agreed that it is a greater challenge for larger companies with more complexity, whereas startups can start from scratch and build and design systems to more compliant with for example AI and automation tools.

Anders, at SEB, explained that banking and insurance have had IT solutions for a very long time, which means that the platforms used are rigid and typically not well suited for fast changes. It is hard to connect a new channel to a system built in the 70s or even 60s. That can take time and is often expensive as well. He also mentioned that technology moves so fast, that there is a challenge of simply keeping up with everything, and also how to prioritize.

Daniel S, also at SEB, talked about how there has been a growing hype over technology in customer service over the last few years. His department (contact center) was almost given everything they could ask for very quickly. However, he talked about how it can be a challenge with too many changes all at once, and how he feels that it is dangerous to become over-reliant on technology and think it is a golden ticket to success. He explained that the same goes for SEB, where they had during several years looked into cases with robotics and automation, but it was not prioritized until it became a hype.

Jesper talked about the difficulties with integration and how it imposes limits on for example Omni-channels. Because everything is connected to the support system side. It is all about having one identity across all support systems. Because if you don't have a link connecting the different channels in the back end, Omni-channels can't be performed in the front end. In addition, he mentioned that a chat bot can do some tasks, but there are also many things it can't do, due to the fact that it isn't connected to the back-office systems. For example, given a customer question regarding payment, the chat bot might not be able to get into the invoice system. To do that, you need to incorporate robots that can help the chat bot to connect with the back office systems.

FACTOR 10. DATA SECURITY & TRUST IN TECHNOLOGY

The research firm Forrester (2017) stated in one of their studies that during the upcoming five years and beyond, data and analytics will increasingly go hand in hand with customer service, a notion also reaffirmed by Accenture (2017b). In order to develop and improve the customer service function, businesses need to be able to gather and know how to analyze a sufficient amount of consumer data, as it enables companies to know and learn about their customers. It is at the heart of the customer relationship of the future, and what fuels the personalized, simple and especially proactive service that customers increasingly want. However, the increasing amount of data available to businesses can also be a double-edged sword, as it is a fine line between personalizing a service and intruding on personal privacy. Finding the right balance and ensure trust is, therefore, a major challenge for many companies (Forrester, 2017) (Accenture, 2017b).

Studies conducted by Accenture (2017a) and PWC (2017a) suggest that consumer confidence in the security of their personal data is eroding, especially security concerning financial data and identity theft. PWC (2017a) found in their study that 69% of customers believe companies are vulnerable to hacks and cyber-attacks, 25% believe that companies handle their personal information responsibly with care and 15% think that businesses use their data to improve their lives. Furthermore, 45% of customers believe that their social media accounts, email or other personal information will be hacked/stolen during the upcoming year. For reference, 24% believed that they will get food poisoning and 20% believed that they would be in a car accident. According to the yearly PWC report (2017a), this trend towards increased distrust in business securing personal data has risen over time. PWC, therefore, conclude that the stakes become higher for every year, and if businesses do not prove that they can handle data in a secure way

that is also beneficial for the consumer and gain their trust, companies risk losing significant business in the age of the customer.

When it comes to some emerging technologies, PWC (2017b) found that consumers often see it as a risk to their privacy. They bring up the example of chat bots, where 27% of surveyed customers were unsure if their most recent text-based customer service interaction was with a human or with a chat bot.

Mckinsey (2017c), state in their report that the lack of trust in data security is one of the key inhibitors for further investments in digital processes. Furthermore, in a survey of 60 major European companies, they found that only 10 percent have mature cybersecurity risk-management practices.

RESPONDENTS' COMMENTS

Daniel T mentioned that he sees clear signs that a major factor right now is building trust in a digital customer service meeting. Furthermore, he mentioned that there is a lot of talk about if and when it is appropriate to inform the customer that they are interacting with a smart system, such as chat bot. The consensus is that it is important to be honest, and tell the customer when they talk to a human or a non-human. He also talked about the generational differences in terms of trust. In general, older age groups who are perhaps less digitally mature, consider security as a high priority, why they often want to talk to a human through the telephone and be confident that their issue is solved correctly. Furthermore, Daniel T mentioned a report published by Telia in which the challenges of privacy and security are discussed. According to Daniel T does the report mention that privacy and security have become increasingly important for those who do not want their movements, search history and purchases to be registered, which create challenges for companies that need to offer secure handling and storage. While Daniel T believes that transparency and voluntarism will be a critical question in the coming years. Per from Telia believes that the privacy question always will be important generalizes when he says that there are two groups, the ones who don't care, and the ones who care a lot.

Anders talked about how information, and to understand customers and offer information-based services as perhaps one of the most important driving forces for SEB. They spend significant time and effort on monetization of information, how to find benefits for both them and their customers. Per from Telia also talk about the possibility to utilize customer data in order to improve service but wonders where the line drawn, a question Per believes will become an important discussion within a year or so. Regarding security, Anders explain that as a bank they have a natural interest in keeping information secure, it's in their DNA. They also have the possibility to ask customers what they want to do with the information, in contrast to for example Facebook. Per believe that customers willingness to share data has to do a lot with the trustworthiness of the company.

Together with Anders, Jesper, Fredrik and Daniel T also mentioned Facebook's recent data leak as an example of a scandal with nightmare consequences. Jesper argued that nobody really knows what consequences such a scandal will have on public opinion because it is a rather new phenomenon. They all believed that customers will be more up to date with this issue in the coming years, why the importance of security cannot be emphasized enough.

Hans stressed the fact that in most services, the customers typically leave some type of consent for the company to access their information. If the company is clear with mutual consent, Hans thinks that the customer will be aware of what the risks are. Furthermore, Per means that a certain level of personal data is required in order to deliver services. If customers don't agree to share data, they will get less personalized offerings, but Per argues that this necessarily don't have to be negative since the customers that has not given their consent are aware of it.

Fredrik mentioned seeing information security as a major challenge for many companies. With chat bots specifically, the challenge is how to store the data, for how long, and also control so the bots don't give up sensitive information. With AI, it can be hard to explain how the robot got the answer because machine learning is a black box, you can't see what's inside.

Regarding trust in emerging technologies, Anders also mentioned that new technologies create new challenges and opportunities, and it is very important to be transparent in order not to trick customers. That would be a big mistake, Anders stated.

We will come to a point where my mother tells me that she recently had a very pleasant meeting with a person in the bank, but then I have to tell her that she actually spoke with a machine. Very strong possibility that that will occur within 5-7 years. But there are different forces that come in to play and drive or limit development. Uber's recent accident for example. We will not be 100% all the time, and when is too early.

- Anders Nyqvist

Per argues that an important question in regard to data usage can be related to proactiveness and personalization and about the question regarding data use, and how much companies are allowed to monitor. Per explains that the goal is to help the customer, but wonders where you draw the line. Per argues that to analyze data before customers even have problems in order to detect patterns is another lever of "monitoring" or data utilization that is questionable. Per argues that different types of proactiveness is possible, but the question is what companies can do and are allowed to do in regard to integrity.

FACTOR 11. REGULATIONS

In a study published by Accenture (2017b), they found that future regulations should be a concern for companies intending to automate certain customer interaction processes. Regulations could, for example, have an impact on the ability automate and at the same time personalize customer interactions.

One such regulation is the upcoming European General Data Protection Regulation (GDPR), which comes into action in May 2018 and sets out to regulate how businesses are allowed to gather, store, handle and process data, in order to give individuals more control over their personal information (Mckinsey, 2017b). The scope of GDPR is fairly broad and will affect companies in different ways, covering any information that can be connected to a private person, both online and offline. Mckinsey (2017b) states in their report that the difficulty with GDPR is that it is based on principles rather than rules, and the specific implementation structure is up to each entity in their particular context. This process is therefore filled with uncertainty, and many companies are struggling to understand how they can best adapt to it. Mckinsey (2017c) further states that they found that many companies see regulations such as GDPR as a barrier to digitization, and 45 percent of respondents in their study said they would need to make

significant investments in basic tools to comply with upcoming GDPR requirements. However, based on recent data from the European Council, Mckinsey (2017c) argues that distrust in data security and current lack of regulation, in fact, hampers investments in digital systems and decreases customer value.

In addition to GDPR, the European Commission has proposed a regulation in e-privacy and electronic communication in order to update current rules (the "cookie" law) to the GDPR and technical developments (EU Commission, 2016). The update would impose further regulations on internet-based communication, including internet-based messaging services (such as WhatsApp, Facebook Messenger, Gmail, Skype etc.) as well a future communication channels through for example machines (IoT). Previously, this only included traditional telecommunication providers. Finally, the law also imposes restrictions on so-called marketing calls, which customers will need to agree to beforehand. Essentially, according to PWC (2017a), this would mean that businesses need consent from customers before collecting information, in a number of instances. It hence further reinforces the rights of private individuals, why disruptive effects on companies' digital strategies can be expected.

Accenture (2016e) states that, based on a study, there is currently a gap between the pace of technological change and the pace of regulatory response. This is especially true for Artificial Intelligence, where sometimes current regulation is based on a world far from AI technology, which then affects the development and possible usage. Other times, no applicable laws are in place at all, why the legal uncertainty hampers development and commercial use.

RESPONDENTS' COMMENTS

All respondents (Carina, Anders, Daniel S, Pablo & Caroline) employed by banks mention that they work a lot with GDPR, but it is also in their nature to secure data and handle sensitive information. Caroline and Anders pointed out that they welcome regulations and look upon it as opportunities, as it provides them with clear guidelines. Per also talk sbout this and argues that the implementation of GDPR makes it more clear for companies what they are allowed to do and not.

Jesper mentioned an increase in regulations when it comes to customer data. This has consequences for the Omni-channel journey companies are starting to onboard.

"When we talk about the omni-channel journey companies are starting to onboard, that can become absolutely impossible since that build upon the fact that a customer ID exists which may create a barrier that is impossible to overcome. All customer identities you have are all related to GDPR is some way which may prevent omni-channels to exist. Or, it will become more difficult and much longer time since you have to find ways of working that complies to GDPR."
- Jesper Åhlén

Jespers colleague at Telia, Daniel T, talked about how he thinks it is likely that something will happen with regard to regulations of AI-bots in the long run if there is an event in the media for example. He mentioned that it is a big question right now in regard to what the robot should be allowed to decide, in the healthcare industry for example. Or in the banking sector, if a customer has made an investment decision based on advice from a bot and then maybe goes bankrupt. Pablo, at SEB, agreed with the difficulties around laws and AI-bots and mentioned that the

difficulty is that all regulations are made for humans, and no consideration has been that it can be a robot that is doing the job.

Anders mentioned that it certainly is a balance of what they can and what they want to do in terms of personalization and for example GDPR. Per, on the other hand, don't think GDPR will affect customer service so much, he argues that Telia will be able to help the customers. However, in some cases, might have a better way of helping customers, but we will be restricted to so since regulations hinders that option. Furthermore, Per explains that technology is faster than regulations in many cases.

"Sometimes you get blinded by the opportunities that comes with new technology but forget regulations".

- Per Åström

Anders talked about the fact that banking has become very regulated by lawmakers, which is often helpful but also a challenge. For example, on which and how information can be stored. The risk of cyber-crimes is very prevalent in this type of business - bank robberies do not occur in the same way nowadays, which is why one has to be careful when making changes in the systems and channels.

Per believes that one important aspect of GDPR is that is has brought up the question regarding data handling, integrity, how to store data and so on. Per think that is good as it is a very important question. However, Per don't know how important GDPR is for the broad mass but for a company, such as Telia, that handles and process a lot of data, this question is very important.

FACTOR 12. THE HUMAN TOUCH AND AUTOMATION BALANCE

Companies have during the past decade made significant investments in digital technology to increase personalized connections with their customers and satisfy the ever-increasing customer expectations (Accenture, 2016c; KPMG, 2017b). As customer experiences become increasingly digital, some argue that companies have reached an inflection point on the curve of customer experience improvement, meaning that human interactions no longer have the ability to offer improvements, and customer service roles will be replaced by digital interaction with bots, robots, cognitive technologies and AI (KPMG, 2017b).

However, in the race to adopt digital channels such as mobile, Web and social media, companies often lose sight of the effectiveness of physical channels of customer service (Accenture, 2016f). Another study conducted by Accenture (2016c) reveals that companies' over-reliance on digital has resulted in the opposite result as they have lost sight of the value of human connections. For example, they found that 73% of the consumers asked preferred human interactions to resolve service issues, and 64% thought that non-digital forms of interactions were better than digital channels. In addition, 64% of the respondents in the survey answered that they were willing to pay a higher price for human interaction such as over phone, web chat or face to face.

Forrester (2018) mentions that in our digital world it is highly important to value the human touch since it builds positive customer relationships.

According to an Accenture (2016f) study, the human element seems to be a differentiator in many instances. Removing the human connection in a service encounter may according to Ryan

W. Bell, a Professor of Service Management at Harvard Business School, undermine service performance since humans fundamentally are social beings that get emotional value when interacting with others, which is why it's so important to find the right balance between human and digital interactions. (HBR, 2018).

Furthermore, to choose the right balance between human interaction and automation is according to a McKinsey (2018) study crucial as live-human interactions won't be going away in the medium term. For example, 60% of the customer-care leaders that were surveyed did not think inbound voice calls would be eliminated in the coming ten years. Forrester (2018) also argues that voice interactions will experience a second coming as it is fast and natural, but also because it becomes more integrated with technology such as Siri and Alexa, which increases the consumers' confidence in using voice generated technology.

RESPONDENTS' COMMENTS

Both Carina, who is head of the contact center at Collector Bank, and Daniel S, who is Deputy Head of Contact Center at SEB, mentioned that customers over time will prefer self-service through digital channels. However, Daniel S thinks customer's preferences depend on a company's ability or inability to develop digital customer service that is better than physical service. At the moment, the telephone is still the biggest channel for both banks, which is why they both agree it is of great importance to be able to offer human interaction and that there is a need for human touch in the customer relationship. Carina argued that human interaction is very important and that they should offer human contact as soon as the customer requests it. Daniel S also discusses the increased importance of their call centers, partly because the customers are, in his opinion, the ones who determine meeting point but also because of the close down of several physical SEB offices. Since customers don't have easy access to physical interaction through the offices anymore, Daniel S argues that it puts bigger pressure to deliver good digital services and to have a call center for customer service. In fact, Carina believes that the human interaction is the main area where companies can compete for differentiation in the future.

The reason for why telephone still is the biggest channel according to Carina is due to the fact that voice provides trust in a different way compared to just communicating in written text. She further explains that this is why she does not believe that most humans will be replaced by machines. Daniel S agrees that machines and humans have different skills, where humans for example work as trust builders in situations where people don't trust the technology.

Carina also believes that telephone is preferred because customers think it's more time effective, for example, it is easier to talk than write when you are on the go, but also because consumers want to ask counter questions.

In addition, Carina and Anders explained that human contact is preferred when the customers have complex questions regarding loans or interest on savings for example, but also when it comes to big life decisions such as such as applying for a mortgage, buying a house, getting married and so on. Daniel T and Per, both from Telia, argues that even if processes that can be automated will be automated, complexity will always be present in certain tasks and inquiries, which the technology cannot handle sufficiently enough, meaning that humans always will be needed. For example, according to Daniel T does current robots have the mental capability of a 6-year-old, and that's not enough to solve complex matters. In five years that mental capability might be as of a 16-year old, but chat bots still need to be instructed by humans with what it can

and cannot do since the technology to solve complex tasks probably haven't developed enough. Fredrik also stressed the fact that automating a process that handles a complex issue only three times a year is not economically feasible, the business value of a solution for low frequency and complex issues is not there yet. Hence, humans will be needed to handle the complex and uncommon matters even in the future. Fredrik, therefore, thinks that chat bots will take the first line of defense, answering more trivial and frequently asked questions. While human specialists will be employed in second and third line, who can answer complex questions with lower frequency. Offering the possibility to be transferred to a human at any time is according to Fredrik a critical key success factor.

Hans also talked about the role of humans as a success factor in the customer service meeting:

"I do not believe that robots will replace human, there is so much more to customer experience. And the robots will compete on very equal aspects. I believe that humans are the ones that can differentiate a company from the rest, and make a difference."

- Hans Leijström

Furthermore, Pablo explained that it's not like robots will take over assignments from humans, but for robotics to succeed it is rather about a symbiosis between humans and technology. Even if robotics can add more value in certain tasks compared to a human, for example in repetitive and simpler tasks, humans can add value in more complex tasks.

Even if Carina and Daniel S provide evidence about the fact that telephone still is the biggest channel, do Hans and Daniel T talk about the future decline of telephony as a channel. Daniel T argues that consumer interaction and communication based on telephony will decrease from 41% to 12%, but that 50% of all interactions will still include some sort of human contact. However, Telia does not believe that the human interaction will be eliminated or disappear according to Daniel T, but Telia rather believes that direct human interaction will be seen in other types of matters in the future. Hans believes that telephony is about to die due to the fact that young generations don't want to talk over the phone, but argues at the same time that other channels using voice will be big and popular in the future. Anders agrees that voice and other human-like features will be used more, and also that humans can get assistance from the voice technology.

Finally, Jesper argues that chat bots in a few years will be able to listen to the human conversations with employees and actually learn that way on how to act more like humans do.

FACTOR 13. STRUCTURAL CHANGES IN ORGANIZATIONS

In a McKinsey study (2016), they argue that the operational and structural changes that are expected to transform the future contact centers pose a challenge for organizations that aim to obtain a customer-centric contact center. Since contact centers are the main touch points in customer interactions they have a unique position to impact and improve customer experience, why it is of high importance they are adapted to this increasingly complex landscape. Companies, therefore, need to rethink their current approach in order to reimagine and implement new processes and new capabilities.

According to Telesperience (2016) the contact center will over the coming five to seven years evolve into an experience hub and become the center of the connected enterprise, and the performance of the contact center will be related to the performance of the entire business. Thus,

contact centers will no longer be viewed as a business cost nor a "necessary evil", but rather as a profit and opportunity center (Telesperience, 2016). The contact center will move away from problem resolution, negative experiences, and emergencies to being the department driving positive customer experience and interactions.

Furthermore, the future contact centers will become an important asset as it can provide leads to sales and marketing, customer feedback to product teams and key insights to product development and innovation (Accenture, 2016d; Telesperience, 2016).

Accenture (2017b) argues as well that the service contact center is transforming, from a cost center into a strategic asset. Interaction segmentation will according to Accenture (2017b) separate "holdouts" from "high-value" interactions to different workforces divided by diverse skill set, career paths, and compensations schemes.

According to a McKinsey study (2016), technology such as bots, automation, verification, and workflow technology will increasingly take over repetitive tasks, but also issues that exceptional consumer-engagement agents currently handle.

However, since technology still isn't expected to handle complex and emotive issues anytime soon, Telesperience (2016) argues that humans are still an important and crucial aspect of customer service, hence customer service agents will to a greater extent focus on more complex tasks and problems. Human contact will therefore in the coming years be reserved and selected for higher value and relationship-based interactions. The shift towards human agents taking care of more complex issues means that customer service agents will take on other responsibilities and act more as managers, problem-solvers, co-creators of unique experiences, educators and brand-enhancing ambassadors (Accenture, 2016d; Telesperience, 2016). Even though agents will get support and be coached by robotics and AI (McKinsey, 2016) when taking care of complex issues, will this change also require the service agents obtain new and broader skills as well as additional new tools that support the agent in their new roles. According to a McKinsey (2016) study, they predict that large investments will be required in order to improve the skills of the service agents as customer-care leaders believe companies currently lack the skills needed to meet these new requirements.

Forrester (2018) argues that *'customer service organizations will start to reimagine their workforces'*, as well as 'creating new labor models to meet real-time demands for "super agents."' (Forrester, 2018. p.12). In connection to this does Accenture (2017b) argue that the future workforce of customer service will consist of 50% permanent staff, 30% bots and 20% contractors and freelancers. This new staffing model of the future contact center will reduce dependence on humans and allow the contact center to adopt an "on-demand workforce" operation model. An on-demand workforce means that specialist skills and technologies can be used only when needed during times of peak demand, and by doing so lower fixed costs (Accenture, 2017b; Accenture, 2016d).

RESPONDENTS' COMMENTS

Carina and Daniel S mentioned that the customer service department has got more attention the recent few years. Daniel S thinks the increased attention has to do with trends and hypes among board members and executives, while Carina thought it is due to the fact that the customer service department is such an important part of the customer experience and customer journey.

Mainly because it is where the customer gets in contact with the company, and where the company can convert the consumer to customer.

Jesper stressed that the way organizations work with customer service will transform during the upcoming five years. In his opinion, it might not be called customer service, but rather include more value-based or value-creating terms.

Fredrik also talked about how he thinks customer service will move more towards customer experience and the customer journey.

"In general, focus moves towards the customer experience and journey. Customer service, CRM and maybe marketing will at some point merge together in the same division."
- Fredrik Broch Elaagen

Hans agreed that the concept of customer service will be broadened and not only occur when the customer has issues, but rather include the whole customer journey as one long customer interaction. Furthermore, Jesper argues that the way customer service work will transform along with companies' adoption of robotics. Companies that implement robotics will start looking at which systems that can fit together with robotics and think much more in terms of processes and structure it in different ways. In addition, he thinks that there will be robots that both support the operators in their daily work (co-bots) but also robots in the background or in the back office that can support both customer service, back office and so on.

"I believe that the way we work with customer service will transform. Today customer service and back office is divided, but I believe they will get closer to each other are kind of merge together."
- Jesper Åhlén

Daniel T talked about how today's companies stand before giant challenges, and in his opinion the challenges of customer service in the future are organizational. What kinds of roles are needed, which competencies and how to find them are all big questions. He explains that many companies believe that smart robots will enable efficiency and decrease the need for human workers in simple tasks - and yes that is true, an argument the majority of the respondent agree upon. But it also creates more roles that need to be filled according to Daniel T, for example, technical roles, quality assurance roles, other roles of service agents etc. Daniel T also talked about that all of the workflows basically need to be reorganized. For example, Telia has implemented an AI-powered tool that is able to spot trends, analyze and improve their processes, however, the challenge is rather how to allocate and find the right type human resources to take advantage of the information. A challenge that companies don't take into account according to Daniel T and Jesper. In Hans opinion, employees will not be stationed in "contact centers" in the future. He argues that service agents will work when and where it suits them.

Anders also believed that technology like AI probably will create more jobs than it destroys, but other types of jobs. Fredrik talked about the fact that more tech savvy people will be employed in customer service in the future, as well as people with data analytic skills. Carina also anticipates that the responsibilities of service agents will be different in the coming years. Daniel S and Anders believes that SEB's service agent will be working more within advisory and guidance.

5. SCENARIO ANALYSIS

The structure of the following scenario planning approach was developed to fit this particular study and was determined through the process of a literature review of the most prominent literature related to scenario planning. Hence, the following chapter follows the structure of the four customized steps seen in figure 2, conducted with the aim to answer the research question. Step one is 'Definition of scope' which includes identifying the core problem and framing the analysis, which was done in the first two chapters of this study. The second step is 'Key factor identification', which was conducted through the empirical investigation presented in chapter four. The third step is "Key factor analysis", which aims to identify which factors that can be characterized as trends, as well as dividing these trends into two categories, namely certain and uncertain trends. Further, these uncertain trends are analyzed in a cross-impact analysis in order to find the two most critical uncertainties, which are then used to build scenarios in the fourth and final step: "Scenario Development".

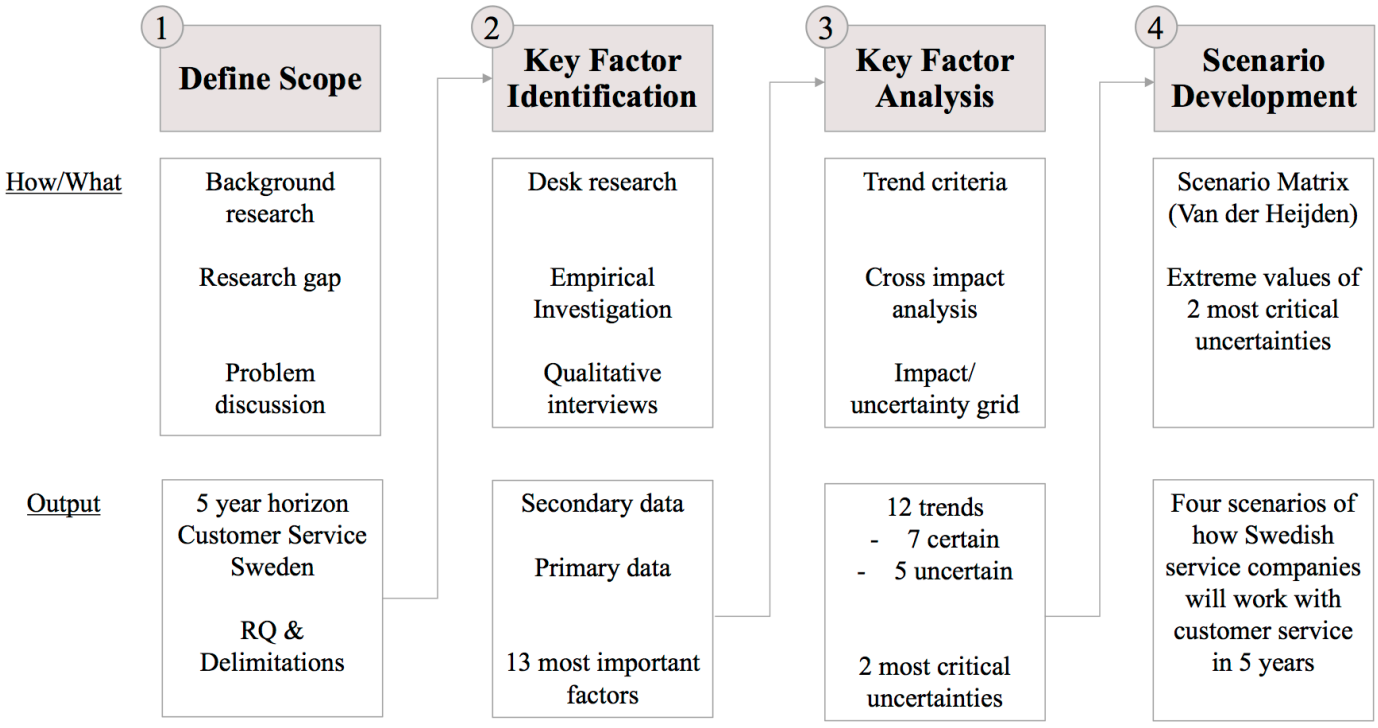

Figure 3: Scenario planning process *(Own construction)*

5.1 DEFINE SCOPE

The first step in the scenario process is to identify the scenario scope, which is described in detail in chapter two (*3.6 Scenario Planning Methodology*). However, a brief recap is presented below.

Goal of the scenario project - To generate plausible and consistent future scenarios of customer service within the Swedish service industry that are able to offer insights into the future, thus help answer the research question.
Strategic level of analysis - Industry level (Customer service) / National (Sweden)
Time horizon - 5 year-horizon
Participants - 10 respondents

5.2 KEY FACTOR IDENTIFICATION

Below factors were identified through the desk research (secondary data collection) and qualitative interviews (primary data collection) presented in the previous empirical investigation chapter. Ten of the factors were first identified through desk research and then also mentioned in qualitative interviews, and two were first identified through the interviews and then also identified by desk research. These factors in below box will be subject to analysis in the next step of the scenario planning process.

IDENTIFIED FACTORS

1. Demand / Expectations
2. Generational Differences
3. Connected Customer
4. Personalization
5. Proactiveness
6. Omni-channel
7. Pragmatic AI
8. Chat bots
9. Technology integration
10. Data Security & Trust in Technology
11. Regulations
12. Human Touch
13 Structural Changes in Organizations

5.3 KEY FACTOR ANALYSIS

The third step in the process aims to examine the different factors gathered in the empirical investigation, identify or reject them as trends as well as to characterize them as certain or uncertain, which is why this step also is called *Trend and Uncertainty Identification*. As mentioned in the methodology chapter (3.6), four criteria have been set up in order to determine this (Table 8). First, the factors need to be mentioned in at least four reports in the secondary data collection. Second, they have to be mentioned and confirmed by at least 50% of the respondents in the primary data collection. Third, they need to be relevant to the time and scope of the future scenarios and thus the research question. Thus, longer time horizons than five years and factors not applicable to the geographical scope nor the strategic level of analysis were considered not relevant. Finally, in order to determine certain trends, the probability of their outcome must be

characterized as certain by all of the reports and the respondents that mention them in order to be characterized as a certain trend.

Through the factor identification process, 13 factors were identified, where all but one matched the criteria to be characterized as a trend in this report. “Generational Differences” was thus rejected. Furthermore, seven of the trends are characterized as certain and five are characterized as uncertain.

Identified Factors	Mentioned and/or confirmed by at minimun 4 reports	Mentioned and/or confirmed by at least 50% of respondents	Relevant to time and scope	Certain outcome
Damnds/ Expectations	X	X	X	X
Generational Differences	X			
Connected Customer	X	X	X	X
Personalization	X	X	X	X
Proactiveness	X	X	X	X
Omni-channel	X	X	X	X
Pragmatic AI	X	X	X	X
Chat bots	X	X	X	X
Technology Integration	X	X	X	
Trust & Data Security	X	X	X	
Digital Regulations	X	X	X	
Human Touch	X	X	X	
Structural Changes in Organization	X	X	X	

Table 7: Trend criteria table

5.3.1 CERTAIN TREND IDENTIFICATION

In the following section, a collection of the certain trends is presented along with a short description, enabled by the empirical investigation and theoretical framework.

CT: Certain Trend

CT1. Demands/Expectations: Customer's expectations and demands will continue to increase and put pressure on companies.

- All of the respondents agree that the expectations and demands customers have on Swedish service companies and the service they provide has increased during recent years, and also that there are no signs that that trend will go in a different direction during the next five years.
- Customers are and will be, difficult to impress (Mckinsey, 2016; Constantinides, 2008; du Plessis and de Vries, 2016)
- Companies will need to constantly improve experiences and outperform the competition in order to have a positive relationship with their customers (Domegan, 1996).
- The customer service function within companies will be increasingly relevant and forced to increase capacity, effectiveness, and quality in different ways in order to keep up with the more demanding customers.

CT2. Connected Customer: Customers will be more connected to different devices with internet access.

- All respondents agree on more connected customers will affect how service is provided.
- Customers will be more empowered to communicate through devices from anywhere, at any time (Connor, 2015).
- Customers "consume" more, as they always have access to the service (e.g. banking).

CT3. Personalization: Companies will work to provide more personalized customer service.

- Six respondents mentioned that customers will expect more customized and personal experiences.
- Improved technology and focus on utilizing data enables this (Van Belleghem, 2015)
- "One-size" will not "fit all", meaning that each experience needs to be adapted to each customer (Mckinsey, 2016)

CT4. Proactiveness: Companies will work to provide more proactive customer service.

- Six respondents indicated that this trend is prevalent.
- Customer service and experiences, in general, become more "conversational".
- Improved technology and analytics enable companies to push certain offers, foresee problems and other service needs that customers have.
- Customer service function becomes more effective and utilizes resources in an efficient way, which is value creating for the customers who can receive the appropriate service level (Forrester, 2016a).

CT5. Omni-channel: Customer service will be an Omni-channel experience.

- Six respondents talked about Omni-channel as part of the future state of customer service.
- Current multi-channel systems will transform to Omni-channel systems with the help of technology.

- More channels will be offered and movement between them will be seamless.

CT6. Pragmatic AI: Artificial Intelligence will be more developed and adopted by organizations in different customer service related processes

- All respondents talked about different forms of AI, what it can do now and possibly in the future (Pragmatic) within customer service.
- The Pragmatic AI is already used in many of today's consumer experiences by making them smarter and simpler.
- AI will fundamentally transform customer service as it can enhance the skills of service agents, help to anticipate customer needs, deliver advice, resolutions, alerts, and offers by processing large data sets (Forrester, 2017).

CT7. Chat bots will be further developed

- Respondents unanimously agreed that chat bots would play a big part in customer service within the coming years.
- More companies will incorporate chat bots in their customer service offer according to primary data (Forrester, 2017).
- Chat bots will act as the first line of defense and handle simple and high-volume customer queries (Hans, Daniel S).

5.3.2 UCERTAIN TREND IDENTIFICATION

Based on the criteria mentioned above, the below trends are judged as uncertain. In order to provide clarity, these uncertain trends have been divided into two sub-categories, namely internal and external. The external are uncertainties regarding stakeholders (customers & government) and thus occur outside the organization's control, while the internal ones are trends that might occur within the service organizations.

UT: Uncertain Trend

External uncertain trends

UT1. Data security & Trust: Will customers have trust issues with new technology and sharing personal data?

- Five respondents discussed trust issues regarding both personal data and AI as crucial when more advanced digital services are incorporated into customer service interactions.
- Personal data security is an increasing concern for many customers in the wake of recent scandals, and they might not see the value of sharing data with certain actors (PWC, 2017a).
- Companies need to access and analyze more personal data in order to improve for example personalization and proactiveness. But also to enable the use of Omni-channels.
- AI-powered chat bots have also been subject to recent scandals, and it is uncertain what effects such events might have on the adoption of the technology in a commercial setting.
- With the increased use of big data, privacy will not be the same again (Van Belleghem, 2015).
- Risk of two conflicting demand forces.

UT2. Regulations: Can current or new regulations invoke limits on the technology used in customer service?

- All respondents talked about regulations as a *possible* affecting force.
- Currently, there is a large gap between the pace of technological change and government regulations. The government could potentially take longer steps than expected in order to keep up (Accenture, 2016e).
- Regulations and consumer acceptance will shape the data culture of the future (Bloching, Luck, and Ramge, 2012).
- AI technology is yet to be the subject of specific regulations.
- It is somewhat unclear how GDPR can affect some companies use of customer's data. Although some companies are well prepared, it can put limits on certain processes such as personalization, proactiveness and omni channel experiences (Jesper; Mcksiney, 2017c).
- Other upcoming laws, like EU's ePrivacy, could also have certain effects that limit above mentioned aspects.

Internal uncertain trends

UT3. Technology Integration: Will Swedish service companies be able to sufficiently integrate new digital technologies on top of older systems?

- Six respondents mentioned *possible* difficulties with new technology integration and implementation.
- As pressure on increased customer service capacity intensifies, traditional companies need to integrate their portfolio of new digital tools with older and more rigid systems (Accenture, 2016b).
- Can be difficult to integrate front-office systems (e.g. chat bots) with back-office support systems (e.g. invoice) according to primary data (Jesper, Hans, Fredrik).
- Might be difficult to see the full potential of new technology investments (Mckinsey, 2018).
- Possibilities for digital natives might emerge, who are more agile (KPMG, 2017c; Accenture, 2017b).

UT4. Human Touch: Will the "human touch" be important and what role will humans have?

- All respondents talked about different possibilities with this issue, but also mentioned it as uncertain.
- Increased customer demands put pressure on companies to work more effectively and improve aspects such as speed and availability, which is why many service organizations have invested heavily in technology during recent years and pushed services towards digital (Van Belleghem, 2015).
- Direct human interaction (telephone) is still, by far, the largest communication channel at the companies researched (Telia, SEB & Collector).
- Humans have inherent features that machines are still unable to provide, which are important in order to build lasting customer relationships, across industries (Van Belleghem, 2015).
- Building trust and handling complex issues are the main reasons to why human interactions might be preferred according to the respondents (Carina, Daniel S).
- The challenge is to balance the two demand forces.

UT5. Structural Changes: Will companies reshape their organizational structures in order to f the future needs and possibilities of customer service?

- All respondents discussed this trend, but all had more or less uncertain views on the outcome.
- As technology processes improve, customer demands shift and strategies are updated, the role of employees in the customer service department is going to change (Van Belleghem, 2015).
- Which roles, what competencies and how to find them are questions that companies will struggle with (Daniel T).
- An increased level of automation and use of robotics will transform current structures.
- In order to be more effective, organizations might instead focus on the whole "customer journey" as one entire service interaction and/or merge different departments into a "customer department", including customer service, marketing, CRM etc (Jesper, Fredrik).

5.3.3 CROSS-IMPACT ANALYSIS

The above section has explained which factors that can be determined as trends, as well as which trends that are certain and uncertain. In the following section, the identified uncertain trends will be further analyzed in terms of their interconnectedness with the certain trends. In that way, the researchers can determine which uncertain trends that will affect customer service as a whole the most, as they are put in relation to the trends the researchers have identified as certain. In other words, at this stage, it will be determined which uncertainties that would affect how Swedish service companies work with customer service in five years the most if they would occur. The two most critical uncertainties will then be used in the final step: "Scenario Development".

To conduct the following analysis, the method of cross-impact analysis by Lindgren and Bandhold (2003), will be applied. The aim is to find interrelationships between predetermined forces (the certain trends) and the trends that are linked to some uncertainty or hesitancy (the uncertain trends). This can be done by creating an understanding of what is dependent, what is independent, what is driving and what is driven by others forces.

In the literature reviewed in chapter 2, it was concluded that the rapidly changing environment in terms of for example technology and digitalization has given customers more power in their relationship with suppliers, why we now are in the age of the customer (du Plessis and de Vries, 2016). Companies are therefore the ones who have to adapt and develop more quickly in order to keep up with the constantly shifting environment and new standards (Labrecque et al., 2013). In the empirical investigation, it was also found that customers increasingly make comparisons of experiences across industries, which further intensifies pressure for the organizations connected to this research. The outside environment is, therefore, the main driving force in how trends affect the future of industries and companies, why the external trends analyzed in the chapter below can be characterized as "Independent and Driving" when applied to the cross-impact analysis presented by Lindgren and Bandhold (2003).

External (Independent, driving)

- UT1. Will customers have trust issues with regard to sharing personal data and new technology?
- UT2. Can current or new regulations invoke limits on the technology used in customer service?

Internal (Dependent, driven)

- UT3. Will large Swedish companies be able to sufficiently integrate new digital technologies on top of older systems?
- UT4. Will the "human touch" be as important and what role will humans have?
- UT5. Will companies reshape their organizational structures in order to fit with the future needs and possibilities of customer service?

UT1: Will customers have trust issues with regard to sharing personal data and new technology?

In the age of the customer, the ever-*increasing demands, and expectations* that customers have put pressure on organizations to improve their customer service processes (Fitzsimmons, 2013). In connection to this, digital services and the *connected customer* has resulted in a massive amount of data now available for companies to analyze, and in turn, create increased value by offering more relevant services to their customers.

One improvement that is now possible thanks to data analytics is to create a *personalized* experience to a larger audience, without relying on the memory or limited capacity of human employees. By analyzing personal data, companies can, for example, build individual maps of each individual behavior and patterns and thus adapt the interaction to better fit the individual's specific need or preference (Van Belleghem, 2015). Accordingly, this ability creates a simpler and more effective process for the customer, which in turn can create loyalty and higher switching costs. Furthermore, by having more sophisticated knowledge about customers through data analysis techniques and technologies, companies can be more *proactive* in their relationship with customers. In a customer service setting, this would mean that companies have better opportunities to know if the customer has a problem or has a need to make contact with them before they, in fact, make contact. The company-customer relationship, therefore, becomes more "conversational". In addition, the identified trend where organizations strive towards providing customers with an *Omni-channel* experience is also based upon storing and analyzing personal data.

Thus, access to consumer data will make or break a company's ability to provide certain improvements and work more effectively in their customer service, which will be expected by customers in the coming five years.

However, our empirical findings suggest that a large portion of consumers do not have trust in always sharing their data with commercial actors. In fact, many do not believe that it is used for their own good, i.e. to create a better experience for them and make digital service more *personal* and customized. In the wake of recent scandals with regard to companies' use of data, customers are therefore increasingly aware of privacy issues. The effects of this potential trend are still yet to be seen, but it is certainly a risk that by handling personal data carelessly, companies could erode consumer trust. In addition, it is likely that increased privacy issues transcend industries and in that case becomes a general phenomenon, where the cost of privacy is higher than the value of sharing personal data.

Other emerging technologies, such as *AI* and *chat-bots* could also be subject to customer trust issues. Our empirical findings suggest that transparency is a key factor for companies as the technology develops and becomes more "human-like", and it is crucial that the customer is fully aware of when they are interacting with a machine. Several respondents stressed this, and Anders

specifically mentioned that it won't take long until people who are not very digitally aware are unable to tell the difference between a human and a chat bot. AI-powered bots are also subject to recent scandals, where Microsoft's twitter bot started expressing foul language in less than 30 minutes.

On the other side of the spectrum does the *human touch* come in, which works as a trust builder in customer relationships. As digital and automated service becomes a larger part of the experience due to demands of speed and availability, direct human interaction decreases, the risk of distrust therefore increases.

UT2: Can current or new regulations invoke limits on technology used in customer service?
The current gap between the pace of technological change and the pace of regulatory response influences the uncertainty incorporated in this trend. The empirical investigation revealed that there is little knowledge about future regulations which may come into place, or how they would affect the digital development of customer service. More specifically, regulations may have a negative effect on companies that have a highly digital and automated customer service, which is a state many companies strive for according to our empirical study. Since many processes require the use of personal customer data, further regulations in that area could, for example, have an impact on the ability to automate and at the same time offer *personalized* and more *proactive* services. Utilizing personal data may, for example, be limited by the implementation of GDPR, which comes into effect in May 2018 and gives the customer the power over the use of their personal data (EU commission, 2016). One could argue that the implementation of GDPR could be the start of similar regulations which aim to structure the digital arena, and perhaps further restrict companies access to, and use of, customer data.

Other types of technology such as *pragmatic AI*, which in the coming 5 years may have the ability to provide more sophisticated advice and suggestions to customers, could also be affected according to our secondary and primary data. The technological development is rapid and the use of AI-powered chat bots and assistants is predicted to increase within customer service. Regulations are not developed at the same pace as technology and the adoption of it, causing some technologies to be questioned in regards to ethical considerations. One possible ethical issue related to such technology is the question of who is responsible for such advice if the recipient following the advice ends up in an unfavorable situation. The characteristics of *chat bots* used in customer service could, therefore, be affected as well. For example, which questions are they allowed to answer, to what degree and so forth.

Regulations limiting the use of such technology as well as use of customer data, will affect trends that are considered certain in the impact/uncertainty grid, hence making them more uncertain in 5 years. The trends that are directly negatively dependent on the implementation of regulations are personalization, proactiveness and the use of Omni-channel systems. The negative impact of regulations on these trends is all related to the limits on the use of consumer data by companies. Since these three trends, in turn, are driven by consumer demands, regulations pose a threat to companies ability to deliver the customer service experience that the customer expects.

UT3: Will large Swedish companies be able to sufficiently integrate new digital technologies on top of older systems?
Fueled by increased demands and expectations, companies are investing in customer service capacity in order to keep up (Jin and Oriaku, 2013). As no respondent indicated that the number of human employees working at contact centers will increase, it is from technology most of the increased capacity and improvements will come in order to serve the highly *connected customers*. New processes fueled by *AI technology* and/or data analytics which can enable for example *proactiveness*, *personalization,* and *Omni-channels*, will aim to improve customer service both for the customer as well as the company.

However, the empirical findings show that a number of Swedish service companies have large, rigid and complicated infrastructures, often built several decades ago and could for a number of different reasons be difficult to mix with new types of technology. Difficulties with implementation could, therefore, arise, especially as many of the identified certain trends require information and participation from many different functions within the company. For example, our empirical findings suggest that when a new channel such as a chat-system is not integrated with the rest of the system, which can create communication issues. Also, as found in the empirical investigation, this could be a bigger problem within financial companies, where there often are "legacy" systems still in place, which are not designed to work with technology such as AI or big data analysis. Integration is therefore expensive, difficult and cannot follow the same speed as other companies, why a return on the investment might be difficult to achieve. Thus, companies that can integrate easier with back-end software could develop faster and in turn, set higher customer expectations. This could, for example, create possibilities for newer and smaller companies, as they are more agile.

UT4: Will the "human touch" be important and what role will humans have?
Customer service has over the past decades become increasingly digital (KPMG, 2017), why some argue that companies have lost sight of the value of human connections (Accenture, 2016f), ie. the "human touch". Hence, the uncertainty in this trend relates to if companies will have struggles in finding the right balance between the two factors human touch and technology. Because some of these certain trends lead to consequences for the importance of each factor.

Accordingly, the importance of human touch is primarily dependent on technology development, especially on the development of *pragmatic AI* and all the technologies that comes with it, such as machine learning, robotics and speech analytics. If the technology development within this area is rapid over the coming 5 years, it means that the adoption of these kinds of technologies will increase as well (Van Belleghem, 2015), since it enables effective, speedy and available service that the constantly *connected customer demands and expects*. Hence, the importance of the "human touch" element both depends on technology development as well as the increased adoption of such technology in customer service.

As mentioned, the consequence of technology development and adoption will be that the majority of the customer service tasks will become digitized and automated. Because, several certain trends, such as *Omni-channel and chat bots*, entail that technology such as automation will have a bigger and more important role in customer service, why the "human" role could be diminished and it could be difficult to make room for direct human interactions. Hence, the human role in customer service will become less prominent. However, the fact is that human capabilities are still required by customers and could simply not be removed as they provide

important factors that automation cannot, according to our primary data. Especially in complex situations. Hence, the increased technology used to satisfy the *connected customers* could, paradoxically, lead to decreased customer satisfaction as the "human touch" becomes limited and companies are no longer able to deliver the same level of trust in certain questions.

Furthermore, whether or not companies are able to find a balance between human and technology, the importance of "human touch" is clearly dependent on consumers *trust towards technology* used by companies, as well as how companies handle *customer data*. If the trust level towards companies' data security and customer service technology such as AI-bots is low, human interaction will be sought out by consumers, hence increasing the importance of human touch. Trust levels are in turn dependent on how well companies follow data *regulations* and other regulations that may come in place, for example concerning the use of pragmatic AI in customer service processes. Hence, the use of technology, which is a
the main driver of the increased need for human touch is therefore in turn dependent on both regulations and trust.

UT5: Will companies reshape their organizational structures in order to fit with the future needs and possibilities of customer service?

In the empirical investigation, it was found that operational and structural changes will transform the future contact centers of companies that aim to obtain a customer-centric contact center. To have a customer-centric contact center implies that it is the constantly *increasing demands and expectations* from consumers that works as the main driver of reshaping the organizational structure of customer service. One could argue that another major driver of contact center reorganization is the increased use of technology. Our empirical findings further suggest that technology such as *pragmatic AI* and the use of c*hat bots* will enable efficiency and decrease the need for human workers in simple tasks. However, this creates new roles that need to be filled, such as; technical roles, quality assurance roles and other roles of service agents. According to Daniel T, these organizational changes are major challenges that all companies will face, such as understanding which roles that are needed, which competencies these roles require and how to find them.

Furthermore, as the increased reliance on technology is changing the dynamics of the human role in the contact centers, it might increase the demand for "*human touch*", since technology in five years is not expected to handle complex and emotive issues. The empirical findings suggest that humans will be needed, but the human contact offered will be reserved or selected for high value and relationship-based interactions. Hence, customer service agents will take on other responsibilities and act more as managers, problem-solvers, co-creators of unique experiences, educators and brand-enhancing ambassadors, responsibilities that require heavy investments in order to obtain those currently lacking skills.

The increased level of automation and use of robotics in customer service will transform current structures. However, until the technology becomes smarter, humans and technology need to work in tandem. The empirical findings suggest that robots will support the operators in their daily work (co-bots) and be integrated with the back office. Specifically, Jesper suggested that customer service and back office will get closer to each other and merge together in the future, largely affecting the organizational structure of customer service centers.

Furthermore, our empirical findings suggest that due to the changes mentioned above, the internal role of the customer service department could start to change as companies put more focus on customer service and increase the level of technology. Some argue that this could lead to customer service being more integrated into the overall company and that it perhaps could to some degree merge with, or take over some of the responsibilities from, other departments, such as marketing.

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5.3.4 KEY TREND ANALYSIS CONCLUSION

To conclude the cross-impact analysis, it is apparent that all of the uncertain trends would have different levels of impact on most of the certain trends, and thus how organizations work with customer service in five years, However, we argue that the external trends, related to data security and trust and government regulations (UT1 and UT2) should be regarded as the ones with the highest potential impact. This is because they can be seen as the most unpredictable, as the external environment is difficult to control and manage for individual service companies. Also, it was found in the literature review that in this digital age, the customer has significant power over suppliers (Labrecque et al., 2013; Rezabakhsh et al., 2006).

The uncertain trends that are characterized as internal in the above section could, therefore, be seen as potential responses to the external trends, as these forces work as drivers in the age of the customer, rather than companies basing their strategy on their own resources (Rezabakhsh et al., 2006). Now, and in the near future, the companies of interest are to a significant degree forced to constantly adapt to the external forces, such as customer demands as well as perhaps government regulations (du Plessis and de Vries, 2016). The internal trends should, therefore, be relatively less difficult to manage as well as to predict in terms of uncertainty.

Therefore, based on above cross-impact analysis, the two uncertainties that we argue have the largest cross-impact is the uncertainty whether customers will have trust in companies use of personal data and new technology (UT1) and whether current or future regulations will invoke limits on the technology used in customer service (UT2) in five years. These uncertainties will, therefore, be used to build four different scenarios in the next scenario development chapter.

To illustrate, the certain and uncertain trends have been plotted in an impact/uncertainty grid, developed by Kees Van de Heijden. The potential impacts the trend has on how organizations work with customer service in five years is illustrated along the y-axis, while the level of uncertainty of the trend occurring can be found on the x-axis. The placement of each trend is based on the knowledge gained from the theoretical framework, secondary data, primary data as well as the cross-impact analysis along with the researchers own judgment. After construction, the final grid was sent to one of the respondents who elaborated on the placement of the trends and were given the opportunity to adjust the placement.

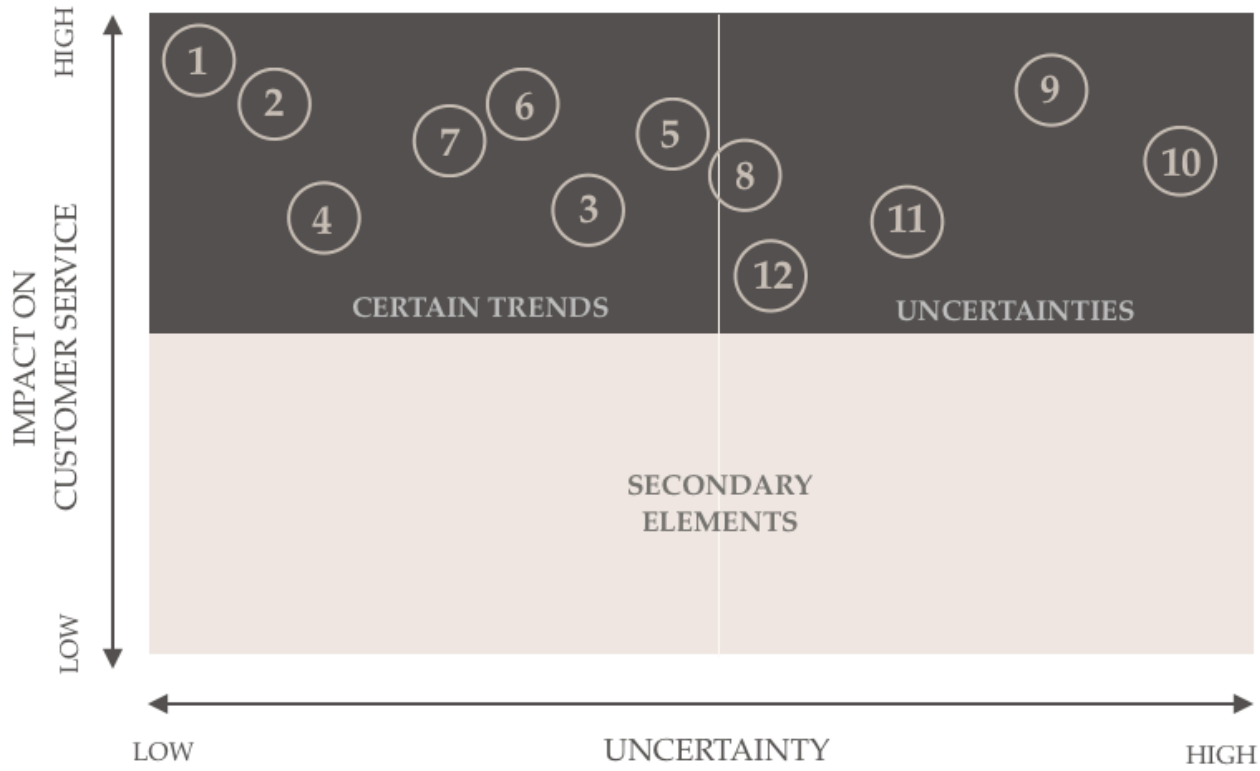

Figure 4 : Impact/Uncertainty Grid *(Source: Van der Heijden, 2005)*

1. Demands & Expectations
2. Connected Customer
3. Personalization
4. Proactiveness
5. Omni-Channel
6. Pragmatic AI
7. Chat bots
8. Technological Integration
9. Data Security & Trust in technology
10. Regulations
11. Human Touch
12. Structural Changes

5.4 SCENARIO DEVELOPMENT

In order to visualize the four different scenarios, the scenario matrix developed by Kees van der Heijden in the 1970s will be used. The Scenario Matrix is a deductive approach as it builds scenarios from an outside-in perspective (Van der Heijden, 2005). In the matrix, the two chosen key uncertainties are given two extreme values (i.e. high/low), outlined by the x and y-axes of the matrix. To further provide clarity to the readers, narrative storylines, as well as story maps, have been developed, which gives the reader an understanding of what events will occur in the four different scenarios. Furthermore, the scenarios have been developed with three criteria in mind in order to achieve high quality and utility of scenarios. Thus, the scenarios must fulfill the following criteria; they must be plausible, challenging and go in line with the research question.

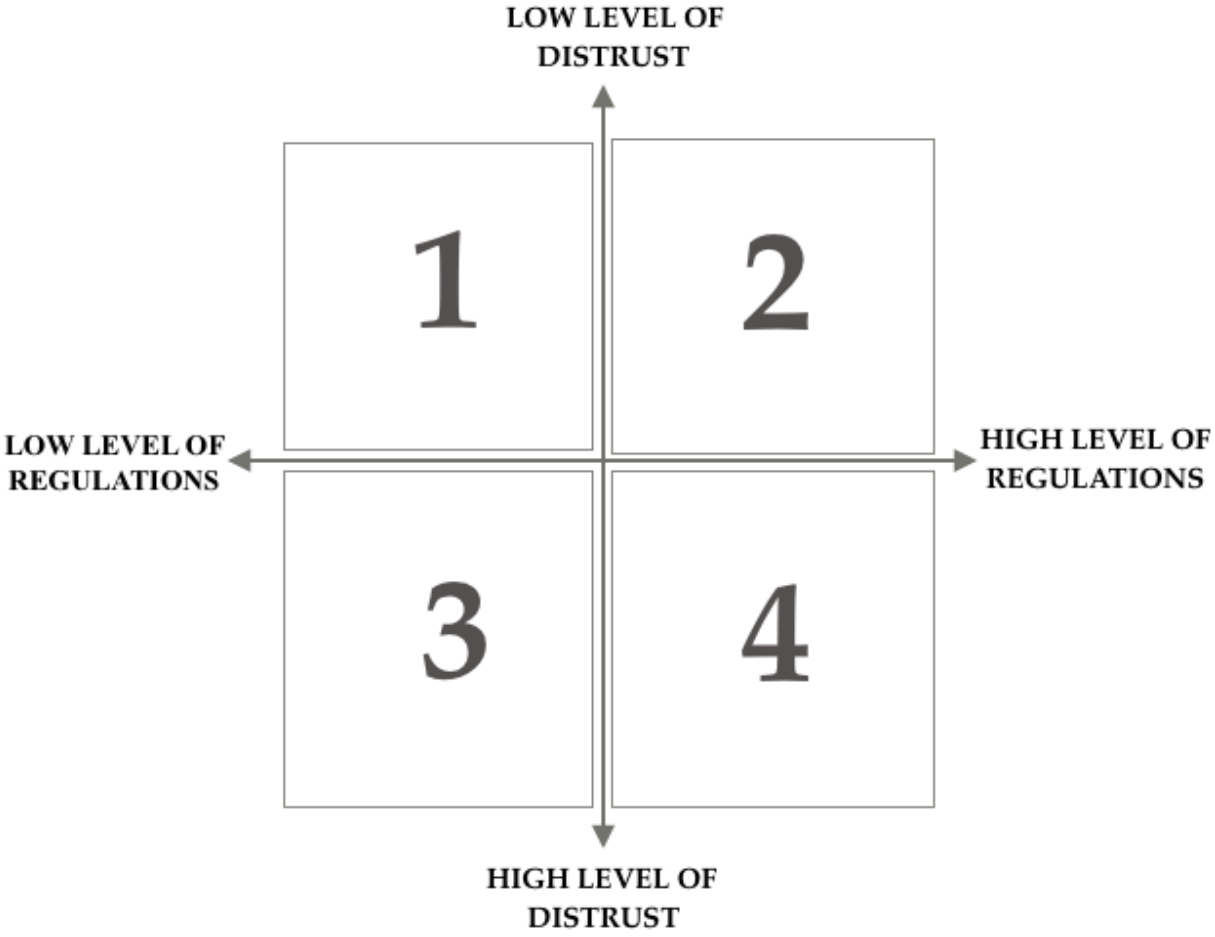

Figure 5: Scenario Matrix visualizing four scenarios *(Adapted from Kees van der Heijden, 2005)*

SCENARIO 1.

LOW REGULATIONS AND LOW CONSUMER DISTRUST

In the first scenario, there are no further digital regulations and customer's trust in digital put no further restrictions on companies' development of customer service operations along the certain trends. As customer's demands and expectations continue to increase during the upcoming five years, it means that organizations increase engagement in customer service strategy and operations. Investments in technology increases and technology becomes more capable and effective.

Following the will of customers, the number of channels has increased and more companies have implemented chat bots and started to work with more advanced AI as it continues to improve. Organizations also have higher capabilities in collecting, storing and analyzing data in an effective way. This enables more personalization, and companies are able to offer more individual service to each customer. Interactions with customers are also more proactive from the company point of view, both to benefit customers but also to utilize internal resources more effectively.

Furthermore, new processes have led to new ways of working within the organization. Organizational structures have started to shift, where customer service is more integrated into other areas of the company. Omni-channel is now a reality for many leading service companies, and focus is more on a continuous customer journey and lifetime experience.

The human touch is very important in this scenario as the digital customer interface is increasing in this scenario, and the challenge of finding the right balance between human and technology still exists in most service companies. However, personnel within customer service departments are to a great degree experts that make up the second line of defense, and queries with high volume and low complexity are likely automated in some way, either through chat bots or other self-service options. Technology is therefore developed towards human-like

SCENARIO 2.
STRICTER REGULATIONS

The second scenario is based on the emergence of stronger digital regulations, which imposes limits on the future possibilities of digital technology. This could, for example, be further regulations regarding personal data and what companies can do with it, and/or it could be regarding AI technology among other. In this scenario, regulations force the digital system to reshape from its current structure, which means that digital technologies need new and different functionalities and characteristics. The uncertainty, therefore, leads to decreased investments in the digital technology specifically used in customer service processes, as companies would have lower possibilities to realize returns on their investments in the short term as it is more difficult to reach full potential. Development and improvements on current technologies used in customer service, therefore, take more time and many processes instead remain similar to current levels in five years, if they are not also restricted by new regulations.

In general, organizations are therefore to a great degree unable to meet increasing customer demands with regard to speed, availability and quality by using updated versions of the digital technology we know today and have to take alternative paths. For example, proactive customer service, as well as personalization, becomes more difficult if stricter data laws are implemented. Also, a regulation focusing on AI (and data) imposes limits on smarter chat bots, decreasing the availability and speed factors. Furthermore, the current view on Omni-channels is also difficult to accomplish in this scenario, as it requires the customer to be moved between channels and hence be identified multiple times across different systems.

Because of the limitations put on digital technology such as data management, companies need to come up with other ways of meeting the increasing customer expectations and demands in five years. For example, to handle demands and increased volume, more focus could be put on other self-service options such as FAQs, an aspect that is already prevalent.

SCENARIO 3.

HIGH CONSUMER DISTRUST IN TECHNOLOGY AND PERSONAL DATA

The third scenario is based on the increasing expectations and demands for data security and trust among consumers, as companies to a greater extent continue to utilize technologies and consumer's personal data in order to live up to the high demands. Since there are no further regulations in place in this scenario to regulate companies use of for example personal data or AI, consumers experience that companies are intruding on personal privacy in order to get ahead of the competition. If companies don't manage to find a balance between data use and providing trust related to data security, the risk of eroding customer trust will cause enterprises to lose significant business in the age of the customer, as consumers have the power to exit and move on to a competitor that offers a higher level of trust related to data security.

Events such as cyber-crimes, AI-bots going rogue or data scandals where personal data is used other than for the obvious benefit of the customer, puts a dent in the public perception of, and trust in, the overall digital landscape. These types of scandals not only create a distrust towards companies involved in the scandal but also towards the technology in general. If consumer trust towards companies erode over the coming five years, hence limiting the consumer data available, companies' abilities to keep up with the increasing demand of hyper-personalization and provide proactive service offers, which is at the heart of the customer relationship of the future, will be limited. This could, in turn, allow competitors that offer greater data security and trust to enter the market.

In addition, without having the consumers consent to use their data, companies will not be able to develop their multichannel systems to Omni-channels as data about the customer is needed in order to enable the customer to move seamlessly between different channels and devices. As humans have the ability to incorporate trust and empathy in a way that technology such as chat bots, AI and robotics can't, the demand for human interaction has increased to a significant degree. The consequence of an increased demand for human connections will force companies to rethink their digital investments and focus on human interaction as it will be the main differentiator for organizations in this scenario.

To conclude, in this scenario the consumer puts additional pressure on enterprises to create a customer experience that includes trust through human interaction and data security management.

SCENARIO 4.

HIGH CONSUMER DISTRUST IN TECHNOLOGY AND PERSONAL DATA & STRICTER REGULATIONS

The fourth scenario is based on the combination of high levels of regulations as well as high consumer demand for data security and trust. These two uncertainties combined proves both challenges as well as opportunities for customer service.

This scenario will put pressure on enterprises from a governmental point of view, which demand companies to invest time and money in re-working current systems and operations in order to comply with new regulations, but also from a customer point of view, who demand enterprises to build greater trust by improving their personal data security. Even though the government and the consumers put even greater pressure on enterprises, these uncertainties in combination will allow companies to increase data security by complying with regulations, which in turn increases trust among consumers across the board (given that the regulations are related to data security improvements). Hence, regulations may become an enabler for companies to comply to with increasing expectations and demands for data security and trust. Furthermore, regulations will reduce compliance uncertainty and rather works as guidelines for organizations on how to handle certain issues that may arise with the increased use of technology. For example, if a regulation within AI technology would be put in place, it would, in this scenario help companies as they then know how they are allowed to operate and can start to develop the technology accordingly.

Although the combination of these two factors will generate a positive outcome it does require heavy investments in both time and money from the business. Time and money that could have been used for improvements of customer service in other areas than in data security and trust. Hence, in this scenario the technological development will be hindered or slowed down as the focal point of development will be on implementing regulations, data security technology and improving customer trust.

6. CONCLUSION

The following chapter concludes the research presented in this thesis. Answers to the research question as well as the sub-questions are provided, followed by suggestions for further research.

6.1 CONCLUSION

The research question set out to answer was: 'How will Swedish service companies work with customer service in five years?'. In order to answer this question, two sub-questions needed to be answered, namely 'What are the most important trends that will shape the development of customer service?' and 'Which of the most important customer service trends are the most uncertain?'.

Throughout the course of this study, twelve trends have been identified and assessed to be the most important trends that will shape the development of customer service. These twelve trends, namely increasing customer demands and expectations, connected customer, personalization, proactiveness, omni-channel, artificial intelligence, chat bots, technology integration, data security and trust, regulations, human touch and structural changes within organizations, will together contribute to how Swedish service organizations will work with customer service in five years.

Five of the twelve trends were considered to be more uncertain, namley technology integration, data security and trust, regulations, human touch and structural changes within organizations. The uncertain trends are more difficult to manage and thus more important to consider since they are associated with greater hesitancy to if and when they will occur and/or how they will affect the development of customer service in five years. Furthermore, the uncertain trends can according to this study be divided into internal and external uncertainties. Two of the five uncertain trends, namely data security and trust and regulations, were through the cross-impact analysis found to be the most difficult to control and manage for individual companies due them being external factors, why these two trends are consequently considered to be the most critical ones.

By answering the two sub-questions and using extreme values the two critical uncertainties, four possible scenarios of how Swedish service companies might work with customer service in five years were generated. The four scenarios can be seen in below figure.

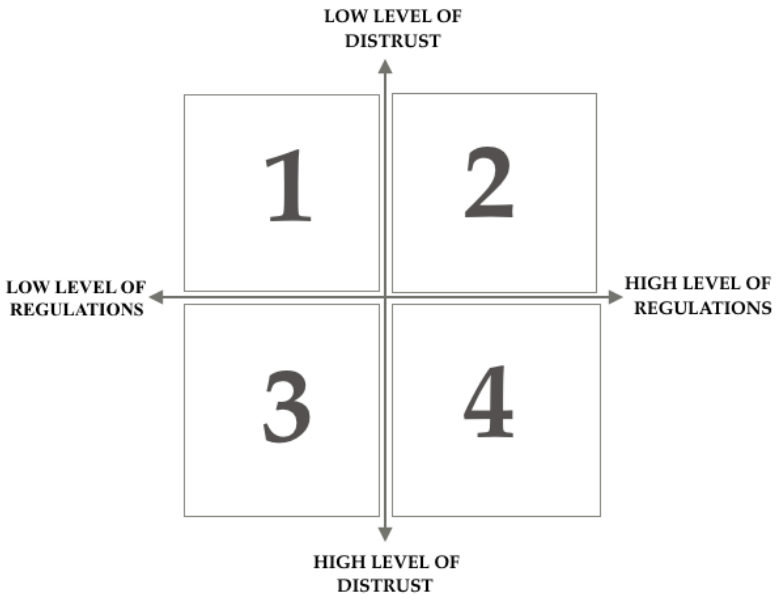

Figure 5: Scenario Matrix visualizing four scenarios *(Adapted from Kees van der Heijden)*

Scenario 1 is characterized by no constraints from external forces, meaning that Swedish service companies will be able to develop customer service technology and automation without considering customer trust issues and/or government regulations. Hence, in this scenario, we conclude that in five years companies will have started to transform their customer service along with the identified certain trends.

In S*cenario 2*, governmental forces limit companies ability to utilize digital technology, such as extensive use of personal data and/or AI technology in the coming five years. In this scenario, companies need to find new ways of operating in order to comply with regulations and the continuously increasing customer demands. Hence, in this scenario, depending on the regulations imposed, we argue that technology used in customer service processes will progress with a slower pace and thus remain similar to current levels in the short term (five years).

Scenario 3 demonstrates an increased distrust among consumers regarding consumer data and technology. In this scenario, consumers expect companies to increase data security and transparency. In five years, Swedish service companies need to comply with increasing expectations and demands for data security and trust in order to continue to develop a personalized, proactive and digital ecosystem offer. Since humans work as trust builders, the human factor will become especially important in this scenario in order to increase customer trust. This means that human interaction will be highly valued, and thus still be offered by companies through for example telephone.

Scenario 4 is characterized by both high levels of distrust as well as high level of regulations. Although these two forces imply negative consequences on their own in the other scenarios, together the regulations may become an enabler for companies to comply with increasing expectations and demands for data security and trust. Hence, in this scenario, we conclude the two external forces will positively affect technology development and automation in the long term, as companies then have clear directives on how they are allowed to use technology such as

personal data or artificial intelligence in advisory settings. Compared to Scenario 1, technology takes longer time to develop in this scenario, as there are certain factors to consider.

The four generated scenarios illustrate the effects of two external forces; customers demand for trust and governmental actions. Depending on the type of external force, companies will thus have to adapt their strategic initiatives and operational practices in different ways. How Swedish service organizations will work with customer service in five years, based on the four scenarios is thereby a product of the interplay between the external factors of customers and their demand patterns, government regulations and the subsequent balance between technology and human factors that organizations need to consider as companies are forced to respond in terms of level of technology.

As confirmed by both literature and empirical findings, it is clear that we now are in a world where the customer has more power than ever. Currently, there is no indication that the diffusion of power will change any time soon, rather the opposite according to our research. Our research confirms that increasing focus on and further developing customer service is one example of how service companies are responding to this pressure. Therefore, the researchers would suggest that the most likely scenario is Scenario 1, where both regulations and customer distrust is low. This is not because of the value of each critical uncertainty (they may very well be higher than today and thus be affecting forces), but in fact because of the strong trend of increasing customer demands and expectations. Both theory and data agree that this force is the factor which will affect companies the most, why it is likely that it outshines the critical uncertainties even if they are considered to be “high”.

Based on how well actors can manage these external forces, develop along the certain trends and adapt their internal customer service processes accordingly, new winners and losers will emerge. Winners will enjoy a more sustainable and satisfied customer base, while losers will have to share the burden of the billions lost in yearly revenue as we continue to move further into the age of the customer.

6.2 FUTURE RESEARCH

This thesis has taken a rather broad exploratory scope, with the goal of providing insights into the future of customer service and how companies are going to work with it on a five-year horizon. But certainly, there is room for deeper investigation. Specifically, further research into each individual factor that is presented in this thesis would give a deeper understanding of how each factor, in a more extensive way, affects the way companies work with customer service. The authors would suggest that each individual trend is open to further examination, as they are not limited to customer service processes. In fact, several of them can be seen throughout the industry, and thus apply to many different situations.

One such example is the potential two demand conflicting forces in wanting more personal experiences and at the same time protecting personal data. There is a broader subject underlying this, why the perceived price and cost of each factor and the reasoning behind it would be interesting to follow. The same applies to AI-technology in customer-facing activities. Best practices, challenges, consequences of different strategies and so forth is still a rather unexplored area.

In addition, this research has been conducted from the company point of view. Taking a customer perspective on customer service would, therefore, help to contribute to the rather scarce literature and provide other views. This could, for example, be done with a quantitative method, capturing different insights than this research has been able to present.

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8. APPENDIX

APPENDIX 1 - SCENARIO PLANNING LITERATURE REVIEW

Step of Scenario Process	Description	Author/s
1. Preparations	Purpose Defining the focal questions Time horizon Defining the past and the present → History and the current situation	Lindgren and Bandhold, 2003 Shell International, 2003
1. Define scope	• Time frame • Scope (products, markets, geographic areas, and technologies)	Schoemaker (1995)
1. Framing	Scoping the project: attitude, audience, work environment, rationale, purpose, objectives, and teams	Bishop et al (2007)
1. Identify Focal Issue or Decision	Start from the "outside in" and identify the focal issue or decisions that that will have a long-term influence on the fortunes of the company.	Schwartz (1996)
1. Scenario field Identification	• Purpose • Limits	Kosow & Gabner (2008)
1. Generating	Generating techniques for generating and collecting ideas, knowledge and views regarding some part of the future.	Börjeson et al (2006)
2. Key Forces in the Local Environment	List the key factor influencing the success or failure of the focal issue Facts about customers, suppliers, competitors etc. What will decision-makers want to know when making key choices?	Schwartz (1996)

Step of Scenario Process	Description	Author/s
2. Scanning	Collecting information: the system, history and context of the issue and how to scan for information regarding the future of the issue	Bishop et al (2007)
2. Identification of key factors	Identification of key factors such as variables, parameters, trends, developments, events	Kosow & Gabner (2008)
2. Tracking	Tracking is about finding trends, drivers and uncertainties that need to be considered in the work, since they influence the future of the 'focal question'	Lindgren and Bandhold, 2003
2. Identify Major Stakeholders	• Who will have interest • Who will be affected • Who could influence them • → Identify their roles, interests, power positions and so on.	Schoemaker (1995)
3. Driving forces	• List driving forces in the macro-environment that influence key factors identified earlier. Also look as driving forces behind identified key forces • Social, economic, political, environmental and technological forces. • This step requires research - search for the major trends	Schwartz (1996)
3. Forecasting	• Describing baseline and alternative futures (scenarios): drivers and uncertainties, implications, and outcomes	Bishop et al (2007)
3. Identify Basic trends	• What political, economic, societal, technological, legal, and industry trends are sure to affect the issues identified in scope definition? → Briefly explain each trend, including how and why it exerts its influence on your organization.	Schoemaker (1995)
3. Analysis of key factors	• individual key factors are subjected to analysis to find what possible future salient characteristics are conceivable in each case.	Kosow & Gabner (2008)

Step of Scenario Process	Description	Author/s
3. Analysing	• The analyzing phase is about identifying drivers and consequences in order to understand how the identified trends interact. • Analysis of the interrelationships between the trends & from here build scenarios	Lindgren and Bandhold, 2003
4. Rank by importance and uncertainty	• Rank key factors and driving forces based on the degree of importance for the success of the focal issue and by the degree of uncertainty surrounding the factors and trends. • The goal is to identify two or three factors or trends that are most important and most certain.	Schwartz (1996)
4. Identify key uncertainties	• What events, whose outcomes are uncertain, will significantly affect the issues? → Consider economic, political, societal, technological, legal, and industry factors. Identify relationships among these uncertainties	Schoemaker (1995)
4. Scenario generation	• where consistent bundles of factors are brought together, selected, and worked up into scenarios. A "sorting out of scenarios"	Kosow & Gabner (2008)
4. Visioning	• Preferred future (goals) • Choosing a preferred future: envisioning the best outcomes, goal-setting, performance measures	Bishop et al (2007)
5. Construct initial Scenario themes	• Identify extreme worlds by putting all positive elements in one and all negatives in another. • Cluster various strings of possible outcomes around high versus low continuity, degree of preparedness. • Select the top two uncertainties and cross them.	Schoemaker (1995)

Step of Scenario Process	Description	Author/s
5. Scenario transfer	• A description of the further application and/or processing of scenarios which have been generated.	Kosow & Gabner (2008)
5. Deciding	• Deciding is the phase where everything is put together. The future environment is tracked and analysed and the vision is in place. What can be done to go in the direction of the vision, taking advantage of the opportunities and avoiding the threats of the future environment? → Deciding on a strategy	Lindgren and Bandhold, 2003
5. Planning	• Strategic plan (strategies) • Organizing the resources: strategy, options, and plans	Bishop et al (2007)
6. Check for Consistency and Plausibility	• Check for internal inconsistencies or lack of compelling story line	Schoemaker (1995)
6. Fleshing out the scenarios	• Fleshing out the skeletal scenarios can be done by returning to the list of key factors and trends identified in step 2&3	Schwartz (1996)
6. Acting	• putting the strategies that you have decided upon into action. • Or, continuous follow-up work of the scenario planning process • Action plan (initiatives) • Implementing the plan: communicating the results, developing action agendas, and institutionalizing strategic thinking and intelligence systems	Lindgren and Bandhold, 2003 Bishop et al (2007)
7. Implications	• Return to the focal issue or decision identified in step one to rehearse the future • Evaluate the decision in each scenario.	Schwartz (1996)

Step of Scenario Process	Description	Author/s
8.Selection of Leading Indicators and Signposts	• Once the different scenarios have been fleshed out and their implications for the focal issue determined, spend time to identify a few indicators to monitor on the ongoing way	Schwartz (1996)
8. Identify Research Needs	• Do further research to flesh out your understanding of uncertainties and trends. The learning scenarios should help you find your blind spots.	Schoemaker (1995)
9. Develop Quantitative Models	• Reexamine the internal consistencies of the scenarios and assess whether certain interactions should be formalized via a quantitative model.	Schoemaker (1995)
10. Evolve toward Decision Scenarios	• Converge toward scenarios that you will eventually use to test your strategies and generate new ideas.	Schoemaker (1995)

APPENDIX 2 - COMPANY INTERVIEW GUIDE

1. Introduction by interviewers

We are conducting a study regarding the future of customer service. The aim is to identify trends and uncertainties regarding factors influencing the development of customer service, such as digitization and technology for example. Prior to this interview we have conducted a literature review and a desk research, and hope that in combination with these type of interviews will help us develop a plausible scenario related to the future of customer service. With the help from people like you we are able to collect your knowledge, experience and thoughts regarding this topic which will contribute to the study.

2. Secrecy

- Is it OK to record this interview?
- Do you want to be anonymous?

3. Background

- Tell us about your background and your current position

4. Customer service

- Company related

Post

- Has your customer service offer evolved/changed during the past five to ten years?

→ If so, how?
→ What lead to that development?
→ Were there any challenges in developing the customer service offer?
→ Was there any prominent uncertainties/risks before hand?

Present

- How do you work with customer service today?

→ Why so?

- What are the current challenges?
- What are the current uncertainties/risks?

Future

- Looking into the future, will the customer service and support within your company change/evolve?

→ If so, how & why? (What are the perceived benefits?)
→ What are the main challenges with that development?
→ What are the uncertainties with that development?

- Based on the changes/evolvements you have mentioned, how will the customer service offer look in 5-7 years? (which changes do you believe will occur within five to seven years?)

Additional
Do you have anything to add that we have not talked about during this interview?

APPENDIX 2 - EXPERT INTERVIEW GUIDE

Introduction by interviewers

We are conducting a study regarding the future of customer service. The aim is to identify trends and uncertainties regarding factors influencing the development of customer service, such as digitization and technology for example. Prior to this interview we have conducted a literature review and a desk research, and hope that in combination with these type of interviews will help us develop a plausible scenario related to the future of customer service. With the help from people like you we are able to collect your knowledge, experience and thoughts regarding this topic which will contribute to the study.

2. Secrecy

- Is it OK to record this interview?
- Do you want to be anonymous?

3. Background

- Tell us about your background and your current position

4. Customer Service

Post

- According to you, what have been the major trends within customer service the past 5-10 years. What are the differences?

→ Why?

- What has been the main drivers of these trends?
- Do the trends and drivers differ between sectors?

→ How/why?

- What has been the major challenges for companies with regard to these trends?

→ why?

What has been the most uncertain trend, or the most surprising trend? A trend that you didn't see coming?

Present

- How do companies work with customer service today?
- Does companies across different industries work differently with customer service?
- Are there any industries where companies are more successful with customer service than in others?
- What are the major present trends?
- What do you believe the main challenges are?

→ Why

- Are there any major uncertainties connected to these current trends?

- How do companies use chatbots today

→ The challenges/uncertainties companies have with chatbots

→ Key success factors for a chatbots

→ Human touch

→ Regulations

Future

- Looking into the future 5 years, what do you think will the customer service and support change/evolve?

→ What are the uncertainties with that development?

- Are there any key success factors?

- Based on the changes/evolvements you have mentioned, how will the customer service offer look in 5-7 years? (which changes do you believe will occur within five to seven years?)

Additional

- Do you have anything to add that we have not talked about during this interview?

5. Artificial Intelligence-powered Chatbots *(Specific questions depending on respondent and company)*

Present

- What is your opinion of AI-powered chatbots?
- What type of companies/industries benefit the most from AI-chatbots
- What are the benefits of AI-chatbots at the moment?
- What are the challenges at the moment with using AI-powered chatbots?
- What are the uncertainties/risks when using AI-powered chatbots?

→ What roles does the human play?

Future

- How will the use of AI-Chatbots look in five to seven years within customer service?
- What are the benefits of AI-chatbots in 5-7 years?
- What are the challenges of using AI-powered chatbots in 5-7 years?
- What are the future uncertainties/risks of using AI-powered chatbots?