

IT'S ME – TOP TRENDY FASHION WITH AN INTERNATIONAL SERVICE THAT THRILLS



bonprix opts for centralized, AI-based service management with ReplyOne

SEMATELL
INTELLIGENT ANSWERS

ReplyOne provides centralized, AI-based service management for bonprix

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bonprix is a success story. Founded in 1986, the fashion retailer that started up with 10 employees and a 32-page printed catalog achieved revenues of around €1.57 billion in fiscal 2018/2019 with a workforce of 3,900 employees in 30 countries. Around half of the revenue was generated in the company's home market of Germany.

The company picks up on the latest trends and translates them into inspiring fashion for a multitude of occasions and in many styles and sizes, and at a price that makes top fashion affordable for a large target group. bonprix has long clearly illustrated on various corporate social responsibility campaigns and initiatives that on-trend fashion, good quality, social responsibility and sustainability in apparel does not necessarily mean high prices. The fashion label has been able to expand consistently with this approach on an international scale, evolving into the Otto Group company generating the highest revenues.

At bonprix, customers experience fashion and shopping on all channels – online, via catalog or in one of the fashion stores. At an early stage, the company had already discovered the importance of the e-commerce business and went online with its first shopping website in 1997. Today the Hamburg-based fashion company generates more than 85 percent of its revenues online. In Germany, bonprix figures among the top 10 online shops, and in the fashion sector the company ranks third according to the “E-Commerce-Markt Deutschland 2018” [e-commerce market in Germany] survey conducted by the EHI Retail Institute.

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Thomas Campen, Head of Customer Care Management



Digital pioneer also in customer service

Satisfied customers are one of the company's most important goals and a factor underpinning the fashion label's success. With this in mind, good customer service was accorded top priority in the company right from the start. Optimizing service on an ongoing basis is rooted so to speak in the DNA of bonprix's service organization that has grown at a pace as rapid as that of the company as a whole.

In 1997, the year when the first webshop was launched, Thomas Campen joined the company to assume responsibility for service. Whereas service inquiries were formerly made exclusively by telephone or letter, the number of these inquiries via email rose with the introduction of the webshop. After only a few years, the volume of emails had grown to such an extent that allocating them manually to service staff and processing them via an office mail program had become virtually impossible. In 2001, Campen started to search for an email response management solution that could be used jointly by the service team. An initial look at what was on the market was more of a reality check for the head of Customer Care Management. Although back then there were already a few solutions in

the market, they were all extremely expensive. Campen finally came across the Mailminder program from XtraMind, a spin-off of the German Center for Artificial Intelligence in Saarbrücken, Germany. The price/performance ratio of the email management system that, at the time, was already working with a categorization algorithm based on artificial intelligence convinced him and bonprix became a customer from the outset. "The solution had potential even if it didn't entirely cover everything we wanted. As one of the first major customers, we were, however, able to discuss our requirements directly with the developers and have therefore played a part in co-developing the software," Thomas Campen remembers.

Eighteen years down the line, what was initially a small in-house solution has turned into a client solution for 10 countries with up to 550 service employees working in mail processing.

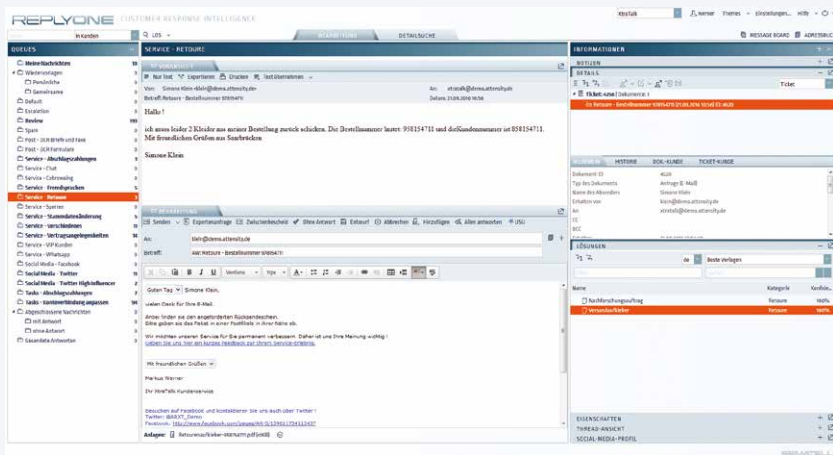
After various business combinations and company acquisitions, XtraMind was renamed Attensity and had a US parent company. Today the company bears the name of Sematell and the software is called ReplyOne. An intelligent omni-channel response management solution has emerged from a simple email management program. This solution can accommodate the requirements of a multinational service organization and high service volumes and has been using artificial intelligence to categorize inquiries for almost 20 years.

Thomas Campen has remained true to the solution all this long while. "During the Attensity period there were quite a few ups and downs. The focus of the US parent company was quite simply elsewhere. There was trouble with processing letters, and the solution we wanted did not materialize as quickly as we expected. This made us feel like we were not being looked after so well." Campen turned to the market again and assessed competitor solutions. Some providers – at least to all appearances – would have offered a similar scope of performance but not really any genuine value added, so the effort involved in replacing the software, with the associated deep system integration, would not have made up for any possible benefits.

Instead we had a talk with Sematell to clarify matters: A solution for processing mail was then very quickly found and successfully implemented. Today, three years after they separated from the US parent company and relaunched as Sematell, the cooperation is as relaxed and productive as it was at the start.

The most important business advantages

- Precise topic identification
- Reliable automation
- All service channels on a single platform
- Fully integrated chat
- Rapid induction of service staff
- CRM connector for integrating various CRM systems
- Central solution for international service with
- 14 clients
- Intelligent routing
- Quality tested text blocks



With ReplyOne, service employees can access previously defined templates and channel-specific text modules that they can use to answer inquiries. The underlying work flow is the same for all written service channels, which accelerates processing and ensures the response quality.

Chat is the communication channel of the future

bonprix processes almost 2.3 million service contacts a year, of which only a small portion are handled in the company's own contact center in Hamburg. A much greater volume is handled by service providers in Germany and abroad.

bonprix receives around 800,000 inquiries a year, and this figure is rising: In 2009, the share of email inquiries in the overall number of contacts stood at approximately 22 percent. This share has already risen to 36 percent in 2019. Campen estimates that in a few years contact by telephone will be less than 50 percent.

The percentage proportion of letters, digitalized using OCR software and then further processed, has declined steadily in recent years. Telefax as a service channel is no longer significant at all for the mail order fashion house. The share of inquiries via social media channels such as Facebook is, by contrast, surprisingly small: "Here we currently have perhaps 100 to 150 inquiries a month," explains Thomas Campen, "that we process manually even though we could also do this via ReplyOne."

Chat, however, is a service channel that customers are using more frequently. Within the space of a year, the share in the service volume has more than doubled, from 2 percent to 5 percent. "Measured against the total volume, this is still a tiny share but one that is growing rapidly. This is why we would have liked to have had ReplyChat, Sematell's own chat solution, integrated into ReplyOne last year. "Instead, we are now among the customers that are closely involved as pilot users in the development, so that we can naturally also define our own requirements." The expert is convinced that the younger target group will be using chat much more in the future. "I believe that chat is the communication channel of the future and will be indispensable in the channel mix. Its use will continue to increase, especially if chat is well integrated into an app," he explains. For the same reason, WhatsApp would be another interesting channel for the experienced manager. "Our goal is already to reproduce all the channels in ReplyOne," Campen says.

Most service staff either work on telephone calls or on correspondence. The company has similarly well qualified staff experienced in chat and the small number of social media inquiries. Only a small team works as blended agents providing support for all communication channels. "Blended agents are basically an excellent idea. But not everyone who provides excellent customer service on the phone can do that in correspondence as well. This then results in productivity losses, which is why we have limited it to a small team," Thomas Campen explains.



Ten countries, 14 clients, up to 550 staff at the same time

ReplyOne is being used as a service management solution with currently 14 clients in 10 countries via a central installation in the company's head offices in Hamburg.

The software has been intelligently integrated into the company's IT infrastructure. A CRM connector plug-in developed especially for bonprix ensures standard customer identification and the recording of the customer contact history in three different CRM systems. This also allows new country organizations with possibly different CRM systems to be linked up more simply and faster. Specific functions for extended data protection were also already included in the CRM connector plug-in so that the subsequent introduction of GDPR was not an issue for bonprix's customer service – customer data were protected at all times in the context of customer communication.

Further customer information from the inventory management system is also to be integrated into ReplyOne in future so that, for instance, the current delivery status can also be viewed by service staff without having to change the system.

To ensure that bonprix customers always have the same good customer experience, all service providers work with ReplyOne via a terminal server solution. In peak times, up to 550 employees can access the solution at the same time. The number of users working in parallel is no problem for the enterprise software – ReplyOne is also successfully in operational use in environments with more than 3,000 users accessing it in parallel – enough growth potential for the next expansion stage of bonprix.

Service reporting is also centrally organized. bonprix uses ReplyOne's open reporting database in order to fill reporting templates developed in house. bonprix is therefore able to have a standardized reporting system across countries and locations, customized to take account of the different KPIs.

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Thomas Campen, Head of Customer Care Management



Central administration of the multinational service organization

Three bonprix project managers take care of technical training as well as daily support for the software solution in the role of dedicated ReplyOne administrators. They test updates and plug-ins and send suggestions for improvement to Sematell's development team in Saarbrücken.

"The scope of ReplyOne can be significantly extended using plug-ins and scripts," Thomas Campen says. "These add-ons are specifically tailored to bonprix." bonprix generally has plug-ins programmed by Sematell in line with its requirements, and scripts are written by Sematell and implemented by the bonprix experts. Specific problems can therefore be quickly addressed independently from general ReplyOne product development. In the case of new product versions, these specific add-ons nevertheless need to be separately thoroughly tested. Under certain circumstances, the process may delay the rollout of a new version in the company.

"With this in mind, we naturally always try to convince Sematell that we are not the only ones that need this function, which in effect no contact center can do without. This raises the chances that we will have the function in the next regular product update," Thomas Campen says with a little smile.

"The solution has always satisfied our not exactly modest demands. (...) The next step that we will take together is the international rollout of ReplyChat."

Thomas Campen, Head of Customer Care Management



Artificial intelligence in practice

Artificial intelligence was already being used by bonprix in ReplyOne long before the technology was hyped up in the customer service sector. "We naturally have significant productivity gains through using the technology even if the complexity of the topic is often underestimated. But especially because we have already worked with it for such a long time, we quite possibly anticipate greater leaps in development and generally expect more from artificial intelligence than it is able to deliver given the stage it has reached today," Thomas Campen comments.

Consequently, the service expert would like to have an even higher degree of automation in some cases. "Although the solution recognizes very accurately that, for instance, the inquiry is about a bill, in the future we want to significantly increase the number of inquiries that we can fully and conclusively answer automatically," Campen comments.

Given the range of topics in the inquiries, this is not so easy. Around 20-30 percent of inquiries are about the delivery status or problems with delivery. A similar volume goes for inquiries about bills, payments or the reminders. In the opinion of Thomas Campen, about half of the inquiries cannot really be categorized. "This 50 percent is a thousand other things that cannot be allocated to any single category and therefore cannot be answered automatically. Finding

out how we can raise the degree of automation with these 50 percent of inquiries is like looking for a needle in a haystack.” The bonprix team is nevertheless working specifically on collecting data to learn about the wide variety of topics in order to train ReplyOne’s artificial intelligence in these topics and raise the recognition rate further.

Campen first needs to concentrate on expanding the self-service options following the implementation of a new inventory management system. This is designed to catch many of the further possible inquiries.



Pilots users for ReplyChat

Overall, however, the service expert knows exactly which inquiries he can entrust to AI technology and where the boundaries currently are, which is why he regards chatbots with some ambivalence. “Chatbots are being hyped up just as much as customer service via social media channels was five years ago. They do not really address the reality of customer service yet. Of course, we do have an avatar on our website in the form of Robert. On the one hand, however, the number of questions and answers is very limited, while, on the other, Robert is not linked up to the backend. AI-supported chatbots would also frequently not be able to accurately answer the huge number of different customer inquiries that we receive. The technology is simply not sophisticated enough. But rapid progress is being made in development, and we see huge potential for chatbots with artificial intelligence in the long term.” For the time being, however, as far as the topic of chat is concerned, Campen is opting for the hybrid chat solution ReplyChat. The chat solution, developed by Sematell and fully integrated into ReplyOne, combines the proven ReplyOne AI technology with categorization and the provision of suggestions for responses that are then processed by qualified service employees.

With his team, Campen is a ReplyChat pilot user and works closely together, alongside with other selected companies, with the development team in Saarbrücken. In this way, Sematell ensures that the solution is not created on the drawing board, but comes from a real-life environment and is therefore ready for practical application

Clear recommendation for ReplyOne and Sematell

Thomas Campen appreciates the cooperation with Sematell. “The company is well positioned, and ReplyOne offers a genuinely very good price/performance ratio. The solution has always satisfied our not exactly modest demands, even if there was a phase in the history of the company when we were actively looking around for other solutions. In the final analysis, however, our decision once again fell on ReplyOne and Sematell. The next step that we will take together is the international rollout of ReplyChat and optimizing the recognition rates for various additional service topics. And if bonprix can maintain its rate of expansion, we will most certainly also be thinking about other country-specific installations,” the service expert says in conclusion.



REPLYONE

CUSTOMER RESPONSE
INTELLIGENCE