ENGAGEMENT

SPEED READ

- How consumers judge avatar characters
- Giving a "face" to a "faceless process"
- Risks and values for brand "personality"
- Recession's impact on "virtual advisers"

The lingering life of living dolls

However much avatar technology has improved, SHAYLA WALMSLEY still wonders if customers really want to discuss their finances with a congenial cartoon.

Do avatars create an "engaging virtual experience"? That's what communications firm Avaya claims of its online avatar service web.alive. Or are they yet another irritating reminder of banking's impersonal services?

Customer service avatars: you either love them or hate them. But research published last year* by an academic avatar specialist suggests that, whichever it is, you'll do it quickly.

H Onur Bodur, a psychologist at Canada's Concordia University, suggests consumers pick up cues from avatars based on "very little information" – and they do so instantly. Judgments of attractiveness, likeability, trustworthiness, competence, and aggressiveness made after a 100-milisecond exposure are the same as those made without a time constraint.

Bodur shows how easy it is to get it wrong. What he discovered – and what Damon Collins, the marketing man behind the Lloyds TSB couple-and-hamster confirms – is that consumers forming impressions based on avatars' traits could resist identifying with them, rather than embracing them.

"The rule is: keep it vague and keep it simple," says Collins, executive creative director at agency Rainey Kelly Campbell Roalfe/Y&R. "They're universal characters. People don't look at the characters and say, 'That doesn't look like me so this has nothing to do with me.'"

Collins contrasts avatars to photos, which can put off customers because they're too specific. "They have to be

not-too-well-defined – even loose. Strategically, the most important thing is that they have to be well targeted and relate to the people you're talking to."

Yet these aren't substitutes for photographs; they're stand-ins for living, breathing customer services agents. What bank customer services avatars do is fake human interaction. Bryan Link, CEO and co-founder of SimpliFi, the US financial advisory firm, took that as his premise when he invented "Sophie" as part of a broader mission to bring wealth management to the masses.

"The big vision was to democratise financial advice," he says. "Traditionally, that's been done face-to-face and the fact that it's expensive is one reason why wealth management is upmarket. We knew from the beginning that it would have to be impersonal – and, by definition, that meant removing the human from the advice process. But we fundamentally believed that face-to-face would be great if we could get the mix. Sophie put a face on a faceless process."

"Sophie"

OUR BIG VISION WAS TO DEMOCRATISE FINANCIAL ADVICE – BUT WE KNEW IT WOULD HAVE TO BE IMPERSONAL.

Conceptually, Sophie appealed to potential users because she gave the impression of a caring service, even if it didn't work that well – and early on it didn't: it was slow to load, and users had to listen to the whole thing to find the section they needed. "The important thing was that it needed to have the spirit of a face-to-face relationship," says Link.

If "keep it vague" is the first lesson for banks considering entrusting their customer services to virtual homunculi, there are some others. One – as Lloyds Bank discovered with its Money Market characters – is that, while animation technology can certainly reinforce the "personality" of a brand, there are limits to its appropriateness in inventing surrogate humans as the vehicles for financial advice. (See *Our strong silent types* p20)

Another lesson is to keep checking to make sure the animation still works as a concept, and isn't jeoardising the corporate reputation. After the financial crisis, Lloyds wondered if the quirky world of avatars could be taken badly. A review concluded that their idea of "the journey" and the animation style were still, if not more, appropriate, with strict rules – no levity, no real places.

"We had to treat issues that were real in a way that was not too airy fairy," says Collins. "It was important not to be seen to be taking them too lightly. And it's important to take the temperature of the audience."

Even if banks get the tone right, there are indications that the avatar might be running out of life in its old incarnation. Back in 2007, Gartner forecast that 80% of Fortune 500 companies would have an avatar in a virtual community by the end of 2011. When you compare the number of companies using avatars to the grand predictions made for them, it's clear there was some major overselling.

Some have already gone the way of all (virtual) flesh. A BT subsidiary, for example, back in the noughties ploughed research into "Gabrielle", a virtual financial adviser, who disappeared without trace.

They still have their champions, though. A joint venture between Hewlett-Packard and Avaya in the US, announced in April, that will provide banks with "humanised" self-service via avatar technology. A version of Avaya's web.alive, it provides a "positional voice" – an aural avatar – as well as a cartoon manifestation.

Where the limits are is a moot point. One avatariste firm, French insurer Mornay Services, claims to have seen 50% marketing conversion rate since it introduced "Julie", its customer services avatar, not least because it used her to personalise communication across channels and through all the steps to close, offering advice, decision-making support, and help to fill in contracts.

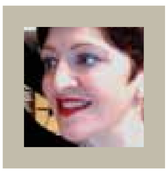
The next generation of avatars, if there is one, will be interactive in the person-to-person sense – a recognition, in fact, that there probably needs to be a real live human being at the end of the process. The New Zealand bank ASB earlier this year set up a Facebook-mediated virtual bank branch that allows users to engage with an avatar concierge before moving on to a real-time chat facility with one of eight staff members (labelled as either available or unavailable).

Despite the technical advances, SimpliFi is moving away from its avatar because, according to Link, "Sophie" can't keep up with people's online activity. Live chat is better for engaging in a back-and-forth encounter. Now the firm is working on ways to automate the online process up to the point of sale, when a real customer services person will take over. "At that point, when they're spending money on products, it makes sense," says Link.

"The case is more difficult to make than it was when we invented her, though they look better now. If the goal is to engage, there are easier ways to do it. We can use algorithms to anticipate what people will ask, and then get them to the point where it makes sense to have a face-to-face engagement."

So do bank customers want and trust self-managed, remotely delivered advice, or do they prefer personal, face-to-face guidance? How about both?

** J-F Bélisle and H Onur Bodur: 'Avatars as information: perceptions of consumers based on their avatars in virtual worlds', Psychology & Marketing, August 2010.*



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