

REPORT REPRINT

# Directly focuses AI on getting answers to customers

**MARCH 22 2019**

**By Keith Dawson**

The company uses a customer experience automation platform that taps into a network of a business' own customers, who act as experts and are incented to leverage their insider knowledge to benefit their peers.

---

THIS REPORT, LICENSED TO DIRECTLY, DEVELOPED AND AS PROVIDED BY 451 RESEARCH, LLC, WAS PUBLISHED AS PART OF OUR SYNDICATED MARKET INSIGHT SUBSCRIPTION SERVICE. IT SHALL BE OWNED IN ITS ENTIRETY BY 451 RESEARCH, LLC. THIS REPORT IS SOLELY INTENDED FOR USE BY THE RECIPIENT AND MAY NOT BE REPRODUCED OR RE-POSTED, IN WHOLE OR IN PART, BY THE RECIPIENT WITHOUT EXPRESS PERMISSION FROM 451 RESEARCH.



### Summary

There are two foundational problems that crop up in customer service delivery: cost and informational accuracy. Contact centers typically solve for cost by adopting labor-optimization tools and practices, and when that stretches to the limit, they often turn to outsourcing, bringing on outside help to meet seasonal volume or to have specific skills on hand. Solving for cost, though, puts pressure on the informational resources of a business. It makes it harder to ensure that contextually relevant and timely solutions to customer problems are delivered consistently. Wringing cost out of the process also leads to increased automation, with both positive and negative effects on service delivery.

Directly has a unique approach to balancing cost and accuracy. The company has taken the idea of outsourcing and brought a 'gig economy' spin to it, melding it with a modern AI approach to sifting through large pools of data for precise nuggets. Directly uses a customer experience (CX) automation platform that taps into a network of a business' own customers, who act as experts and are incented to leverage their insider knowledge to benefit their peers. As they provide more and better answers to questions, they help train an AI engine to improve at the same task.

### 451 TAKE

Service operations – especially contact centers – can benefit from a new approach to managing support knowledge resources. Correct answers to common problems are often hidden within an organization, either in unused data sources or in the minds of experts that cannot be easily accessed and repeated. Directly uses two innovations to get at the right answers: It allows a business to create an ad hoc workforce of experts – and to draw on them when needed for a continually updated source of solutions – and it introduces AI into the process of matching a customer's problem with the most relevant and helpful solution. Separately, each of these is an intriguing idea that could potentially disrupt how customer problems are solved. Together, they prompt a reimagining of the mechanics and economics of service delivery, and point toward a future with a much higher degree of automation and control.

### Context

Directly was founded in San Francisco in 2011 and brought its platform to market in 2015. The company has 65 employees and has raised \$36m in multiple rounds of funding. Key investors include M12, True Ventures, Costanoa and Northgate. The company's target market is large contact centers, primarily those operated by Fortune 1000 companies in industries like travel, telecom, gaming and software.

The market that Directly operates in is the overlap between knowledge management and contact center outsourcing, although it does not fit squarely into either one. Knowledge management, in particular, has been thorny for contact centers for a long time. The process of gathering, formatting, vetting and then updating content that describes the solutions to common customer problems is often performed on an ad hoc basis. It is time-consuming and expensive; information changes so quickly that managers are often chasing their tails when it comes to making sure agents have current data on product specs and technical solutions.

Borrowing from the community model, Directly uses the knowledge embedded in the experience of a business' customers and partners – people who have presumably gained direct experience with a product. As in a customer community, people's answers are elevated (or demoted) based on how their answers are rated by customers and experts for helpfulness and accuracy. Those that create content for the knowledgebase are financially rewarded based on those ratings, and on the number of times their answers are used to solve problems, thereby creating an incentive to build content that can be revisited repeatedly.

## REPORT REPRINT

Instead of having to contract with an outsourcer to add staff for surges, a company can build a reservoir of experienced content creators that get paid based on the outcome of their work. Companies that have used Directly's model include Microsoft, Airbnb, Samsung, Autodesk and SAP.

### Products

Directly's platform performs several functions, but it is primarily a mechanism for tracking and interacting with a set of trusted experts creating support content. It plugs into the communication channels used by the contact center, using an AI engine to analyze conversations (with agents or with automated systems) and suggest specific pieces of content that match a customer's query. The AI provides the first line of support to agents and virtual assistants, and manages the escalation to an expert in real time should the system not have an available solution.

Those solutions are delivered to the customer directly through the existing conversational channel, with the expectation that a high percentage of initial queries are resolved without needing human intercession, or even having to create a case or ticket.

Curated content is synchronized with existing knowledgebases from solution partners like Zendesk, Salesforce and Oracle, along with messaging platforms like Helpshift and virtual agents such as Google Dialogflow, Salesforce Einstein Bot and Microsoft Bot Framework. The expert community is tasked with verifying whether particular pieces of information should be matched with specific customer queries, in effect backstopping the AI's suggestions and helping to train the AI to deliver better results over time.

The platform also manages the reward and gamification elements of keeping those experts engaged. The experts are provided with a dashboard showing their current status, earnings to date and their relative position on the solution-provider leaderboard. They are rated based on helpfulness and accuracy, and paid anywhere from \$2-60 per answer – lower than the cost of an agent-assisted interaction.

The potentially disruptive innovation here is that it allows contact centers to simultaneously build a more skilled workforce with a deeper reservoir of solutions and automate a high portion of interactions (even as they retain something of the human touch behind the scenes). Directly's open APIs integrate with leading CRM applications, including Microsoft Dynamics, Salesforce Service Cloud, Oracle Service Cloud and Zendesk, along with existing enterprise knowledgebases, messaging, virtual agents and business intelligence systems.

### Competition

To a certain extent, Directly's model is unique; there are other companies with pieces of what Directly offers, but we have not seen this combination of human assistance, AI and automation. On one hand, Directly is adjacent to the knowledge management market. Vendors in that space range from big to small, with players like Salesforce, Oracle's RightNow and Inquiria, and Microsoft SharePoint competing with the likes of Consona and others coming out of the helpdesk sector. Newcomers like Shelf.io have also started using AI to manage knowledgebases.

Directly also sees competition in the vast contact center outsourcer market, and in providers of AI for customer support, including those that power chatbots and virtual assistants – companies like Kore.ai, Reply.ai, IPsoft and Interactions. It is probably fairer at this stage to see each of those sectors as complementary, with Directly providing integrations and APIs to feed tools emerging from those markets. Down the line, however, it is likely that, if Directly's hybrid model makes inroads, others will adapt accordingly – especially the chatbot AI firms.

SWOT Analysis

**STRENGTHS**

An innovative hybrid model that takes advantage of simultaneous developments in AI, knowledge delivery and the flexibility of outside experts via the gig economy is something genuinely new in this space.

**WEAKNESSES**

Contact centers are notoriously risk-averse when it comes to new technologies and new deployment models. This may be mitigated somewhat by Directly's focus on the largest and most sophisticated service operations.

**OPPORTUNITIES**

Knowledge management in contact centers is a mess, and companies are just beginning to apply AI to the task of organizing it to provide smoother customer experiences. This is a wide-open potential market.

**THREATS**

Wide open doesn't mean empty - large firms with AI expertise like Salesforce are already exploring options for streamlining the information pathways for agents and customers. Directly has a window of perhaps a year or two to establish its model as a workable one before the competition heats up.