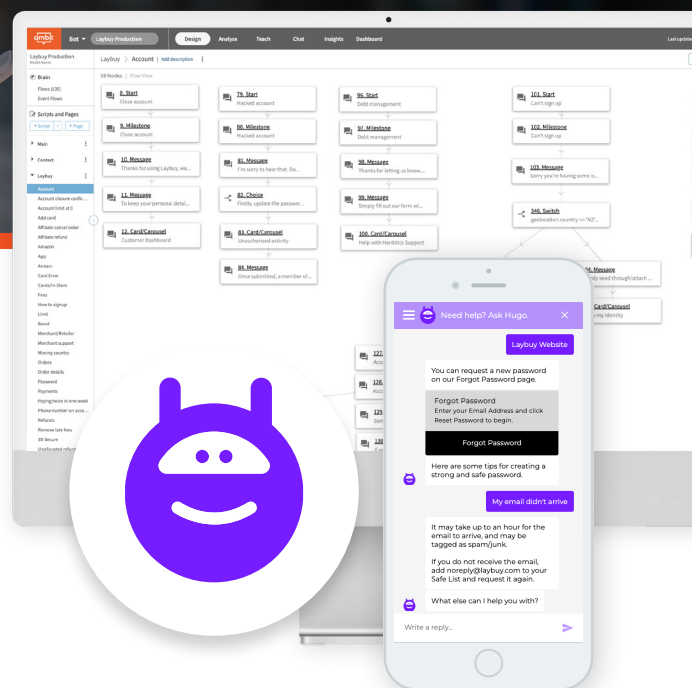# Digital Employee Hugo Enhances Customer Satisfaction at Laybuy

+30%
in Customer Satisfaction Lift (CSAT)

70%
Reduced Volume for Support Agents

90%+
Understanding Rate

In the high volume, thin margin world of Buy Now Pay Later (BNPL), growth requires smart ways to scale up without adding costs, while also offering a compelling service that solves customers problems.

Initially deployed at short notice to address a backlog in customer support at a critical retail period, Laybuy's digital employee Hugo has delivered more business benefits than anticipated and is now on an accelerated learning path.

Key takeaways

- Improving customer satisfaction and resolution time
- Improving support agents quality of work
- Smoothing out enquiry volume due to activity peak events
- Making conversational updates fast and intuitively, without specialist developer skills
- Partnering long-term to support strategic growth

> "The launch of Hugo, alongside the recruitment of additional customer service staff, has enabled us to increase our customer satisfaction rate by 30% and reduce our response time by 75 hours."

— Gary Rohloff,
Co-founder and Managing Director at Laybuy

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About Laybuy

Laybuy is a fast-growing Buy-Now-Pay-Later (BNPL) provider with a market leading position in New Zealand, a top three provider in the United Kingdom, and has a growing presence in Australia.

Launched in 2017 and now listed on the ASX, this family-founded business set out to create a ubiquitous global brand by helping to revolutionise the way consumers spend. Customers can shop now, receive their purchase straight away, and pay it off over six weekly payments without paying interest. According to a Fairer Finance 2022 customer poll, Laybuy is the UK's most trusted BNPL brand.

BNPL represents just 2% of checkout value in the UK compared to 14% in Australia and 10% in New Zealand, so Laybuy's potential to grow is huge. At the same time, the company's priorities are to shorten its path to profitability and operate sustainably without requiring more shareholder funds.
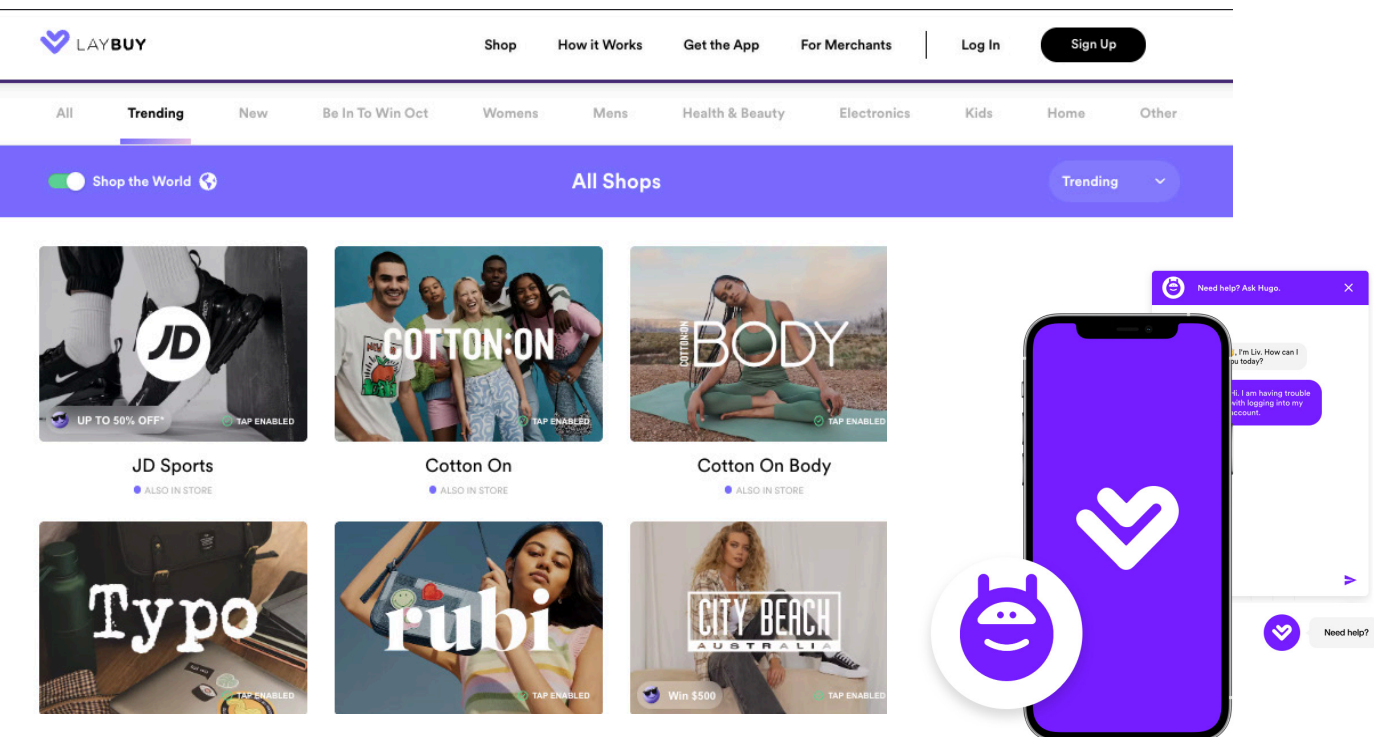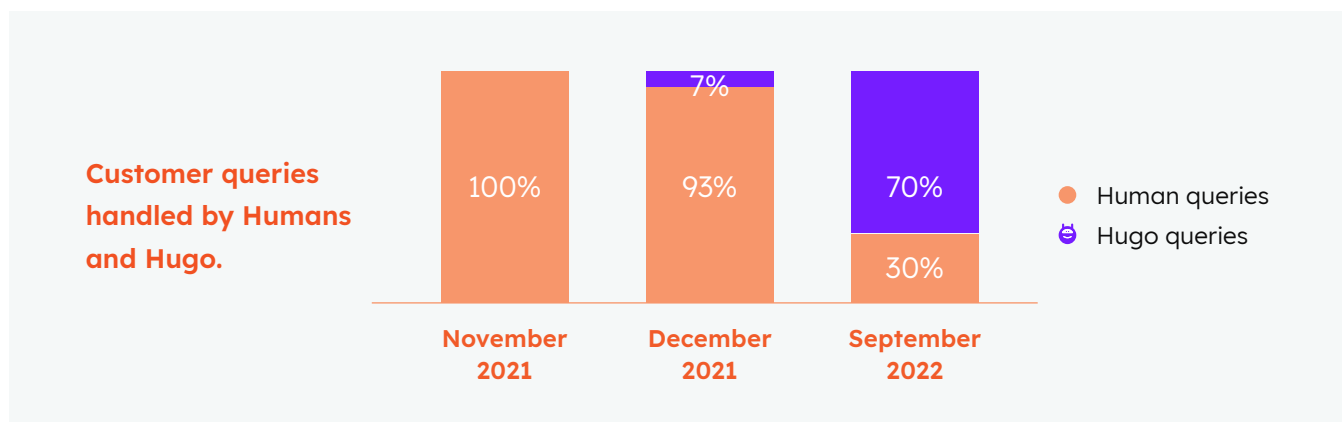

Slow Response Times Reduce Customer Satisfaction

By 2021, Laybuy was expanding and customer enquiries were increasing by 50% annually. While the customer service team doubled in size, this added significant costs and yet a backlog of queries continued to grow. Laybuy knew that slow responses led to a poorer experience and reduced customer satisfaction, and that greater automation was required.

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As the busy Christmas and New Year retail period approached, over 11,000 support tickets were outstanding. Analysis showed that many of the most common customer queries were simple to answer, for example, information on how to reset passwords or policies on hardship, refunds and returns. Working with Ambit, Laybuy deployed a conversational AI chatbot or 'digital employee' in a matter of weeks.

Called 'Hugo' (which stands for 'Helping Users Get Organised'), the chatbot was initially tested with five conversations, showing an immediate result in that all important pre-Christmas period. After three weeks, 7% of all queries were being answered, equating to 1,400 queries re-directed or deflected from the contact centre, giving customer service staff some vital breathing space.

Customer queries handled by Humans and Hugo.

	November 2021	December 2021	September 2022
Hugo queries		7%	70%
Human queries	100%	93%	30%

● Human queries
🤖 Hugo queries

By early 2022, Laybuy had nearly one million consumers actively using its service in New Zealand, Australia and the United Kingdom, an increase of nearly 25 percent in 12 months. Deploying Hugo proved timely as Laybuy's team were acutely aware that they had to consistently provide a superb customer experience, even as the business grew quickly.

"Employing Hugo was an important and innovative step to help manage the increasing demand on Laybuy's customer service team as the company continued on its rapid growth trajectory, but without adding additional cost into the business." says Gary Rohloff, co-founder and Managing Director.

"Customers are asking questions about their money which by nature is an emotive issue, especially if they feel that they are not being heard. Today Hugo answers and resolves more than 70% of customer enquiries asked, significantly reducing the demand on our customer support team," he says.

"The launch of Hugo, alongside the recruitment of some additional customer service staff, has enabled us to increase our customer satisfaction rate by thirty percent and reduce our response time by 75 hours."

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Managing A Surge Event

Available 24/7 on Laybuy's website, Hugo frees up the customer service team to work more closely with those customers who have complex queries that require specialised expertise.

Laybuy's Customer Experience Manager, Kelvin Singh, led Hugo's implementation and has observed the digital employee's growing capability to provide a real time, integrated payments experience.

Kelvin says Hugo's contribution was obvious during 'Mania', the company's annual 24-hour global 'flash' sale, designed to help its 14,000 merchant partners reach new customers, drive increased sales and lift average order value. During this year's sale, Laybuy processed more than 21,500 transactions worth nearly NZD $3 million.

"The Customer Service Team received fewer support tickets during Mania 2022 than the previous year. Despite being geared up to be flooded with requests, they didn't eventuate, which is due to Hugo coming on board this year," says Kelvin.

When preparing for a surge event like Mania, Kelvin's advice is think about the 'why' - why would a customer contact you?

"Write as many conversations as you can before the event and test them with different individuals. Once we're satisfied Hugo is answering a question correctly, it goes live on the website to help customers. This was quick and easy with Ambit's technology," he says.

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>
> **– Kelvin Singh**
> **Customer Experience Manager at Laybuy**

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Training a Digital Employee

Laybuy has created a dedicated support role, a Customer Support Optimisation Specialist, to ensure Hugo keeps learning, recognising that it takes time and volume of queries to maximise the power of conversational artificial intelligence.

Michela Belesarius, who moved from Laybuy's customer service team to take on this new role, now trains Hugo on 5 - 10 new conversations a week. The conversations reflect the questions asked by customers, and the language is refined with input from colleagues in marketing and other teams, ensuring that Hugo's answers align with Laybuy's tone of voice.

"I picked up conversational design on Hugo relatively easily, within just a day or two. Ambit's platform is user friendly and intuitive, even without a background in software development," she says.

Acceptance Grows Among Customers and Merchants

Hugo's maturity is measured by improvements in the deflection rate (of emails to the contact centre team) and emails handled rate. The average monthly number of customer support tickets routed to human agents has fallen by 60.71% between October 2021 and July 2022, largely attributable to Hugo.

"Hugo's development is data-led. We constantly look at what the data tells us customers are asking, and how they're asking, in order to add relevant conversations," says Kelvin.

Michela reports the contact centre team using Hugo as a knowledge base to find answers quickly. One merchant even told her they felt Hugo knew what they needed before they even asked.

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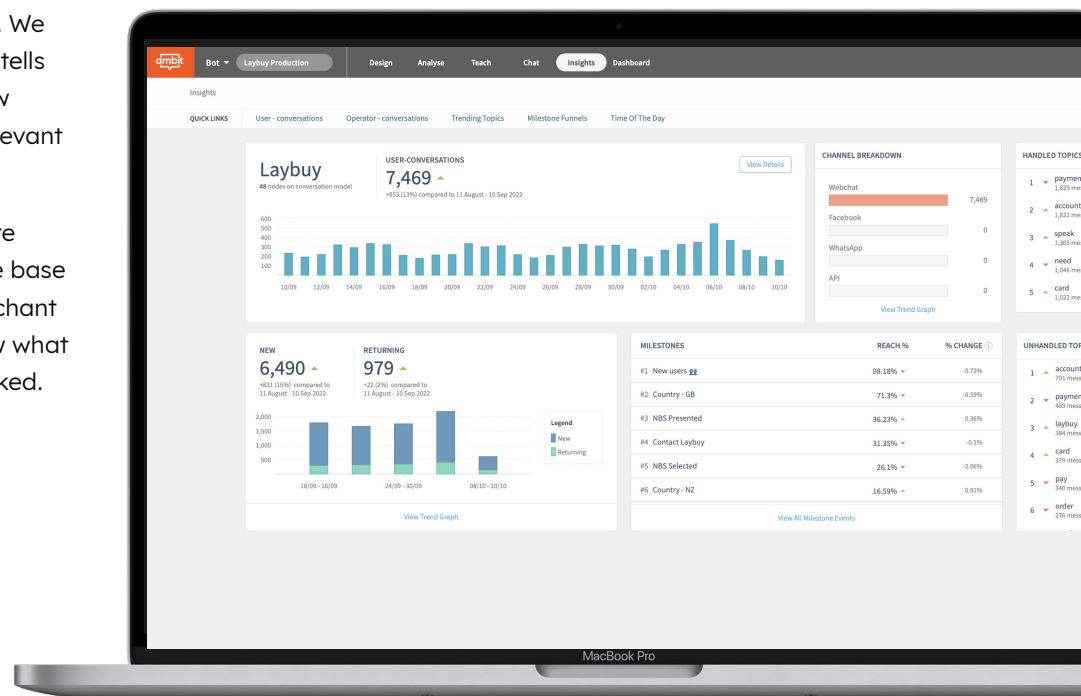
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>
> **Co-founder and Managing Director at Laybuy**

Shared Mindset is Key to Partnering

Kelvin wants to see Hugo offer even more web-based self service options in which users can manage a process without requiring intervention from a human agent, and to optimise livechat with 'how to' videos for consumers. These plans form part of Laybuy's Strategic Conversational Roadmap with Ambit.

"Our success with Hugo lies in the relationship with Ambit and their domain knowledge. The fortnightly sprints are awesome because we can talk about the things being implemented and the new features coming on, sharing the data to see the big picture," says Kelvin.

This sentiment is shared by Gary who says, "in our experience Ambit's team lean into problems and find solutions. They understand our pain points as a fast growing business and the need to work at pace. There is a real synergy between our teams as we train Hugo in the language of payments."

"We know that the key to maintaining this growth is making sure we continue to make our customers' lives easier. This means providing them with an ongoing seamless and first class customer experience, including answering their questions quickly and comprehensively each and every time they make contact. Hugo is helping us do just that", says Gary.

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