

AI and customer experience

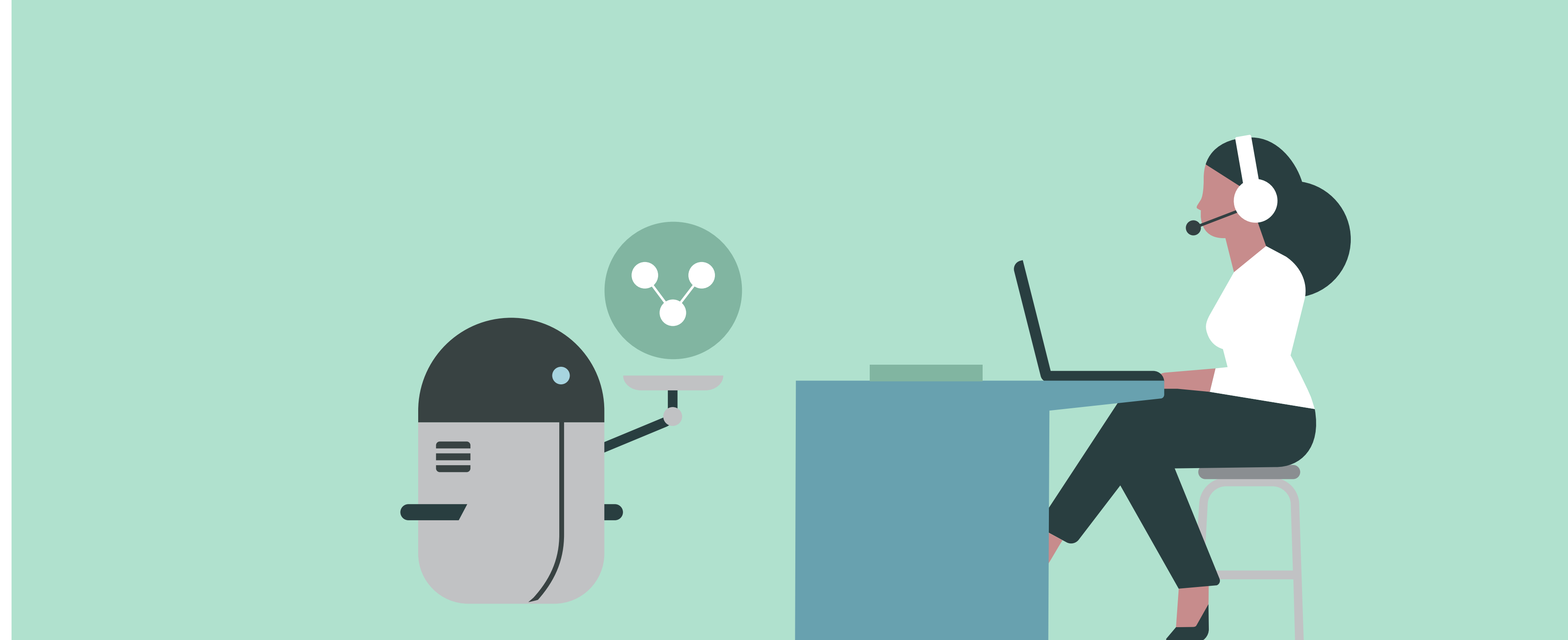
Keeping it “intelligent” without the “artificial”

Introduction

Most people can relate to that odd moment when, midway through an online chat with a customer service representative, you start to question whether you're talking to a real person or a chatbot. While the idea of conversing with a machine may seem unsettling, more customers are warming up to such interactions--as long as they get the answers they need.

When it comes to artificial intelligence and customer experience, there is still a big disconnect between perception and reality. The perception is of frustrating phone trees or chatbots that miss the mark. Yet in reality, AI and advanced analytics can improve the customer experience by personalizing interactions, giving representatives the tools and insight they need, and anticipating customer needs. During times of uncertainty with new customer expectations, driving customer loyalty with digital customer service is essential.

At the same time AI can improve the customer experience, it can also have profound benefits for the customer service teams on the front line of building and maintaining these critical relationships, especially during times of crisis.



Technology that improves the employee experience for customer service teams not only improves hiring and retention; it can translate to better interactions with customers and pave the way for smoother transitions when there is turnover. McKinsey & Company reports that companies applying advanced analytics have reduced average handle time by up to 40%.

Meanwhile, there is a strong connection between customer experience and loyalty—and, in turn, performance. It's no wonder, then, that improving online customer experiences is the top business priority in 2020, according to [Forrester Research](#), followed closely by increasing the frequency of customer engagement.

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True partnerships between humans and AI assistants have grown out of the pandemic response.

– Dave Wright,
ServiceNow Chief Innovation Officer

AI technology makes it possible for customer service teams to offer the best of both: a human and authentic experience with the immediate and personalized service people have come to expect from leading companies. But like many things, the difference between success and failure with AI is all about execution. Companies that are leading the way understand how to use AI to create intelligent and authentic interactions.

1 AI improves the customer journey.

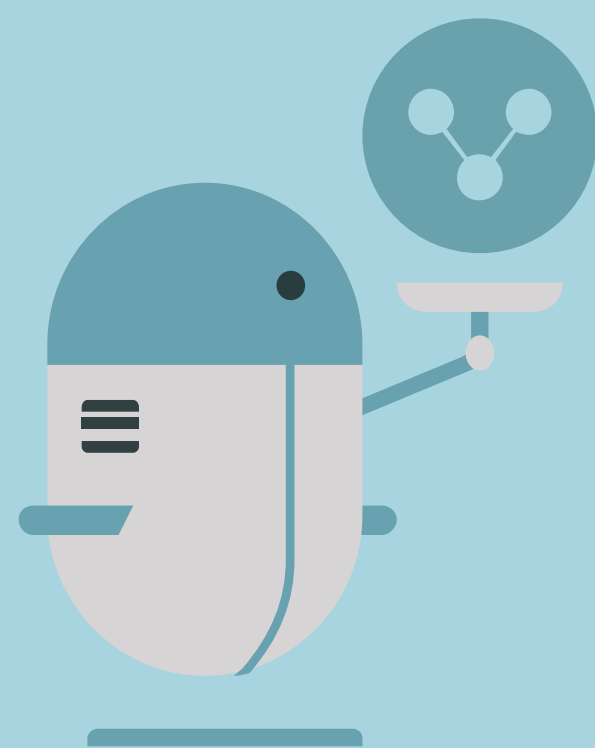
Increasingly, companies that want to improve customer experience are implementing a robust omnichannel strategy that optimizes the use of AI features. When done right, this approach with AI can help the customer answer common questions and solve problems faster than waiting for a live representative. More importantly, it can personalize the experience and transform customer service in myriad ways.

Reduce the time to customer solutions with a chat-first strategy.

Trends in “**chat-first strategy**” are expected to grow in 2020, increasingly making intelligent chatbots a first point of customer contact to improve the experience, reduce customers’ time to resolving their problems, and reduce nonessential conversations for your customer service team. Reducing time and customer frustration makes chat a step forward for customer service.

Drive better connections with natural language understanding.

AI programs systems that deploy natural language understanding (NLU) are becoming more common among top consumer-facing businesses and expected from their customers. No longer merely filling a predetermined box that may not capture the customer issue, natural language understanding programs systems ask customers to identify their issue, then they processes that query—rather than having customers choose from options that don’t capture their problem.



AI-assisted customer service:

- Connects customers to the right service professional faster
- Gives customers and agents quick access to relevant information
- Helps identify and resolve issues quickly, 24/7/365
- Personalizes customer interactions to improve satisfaction and loyalty

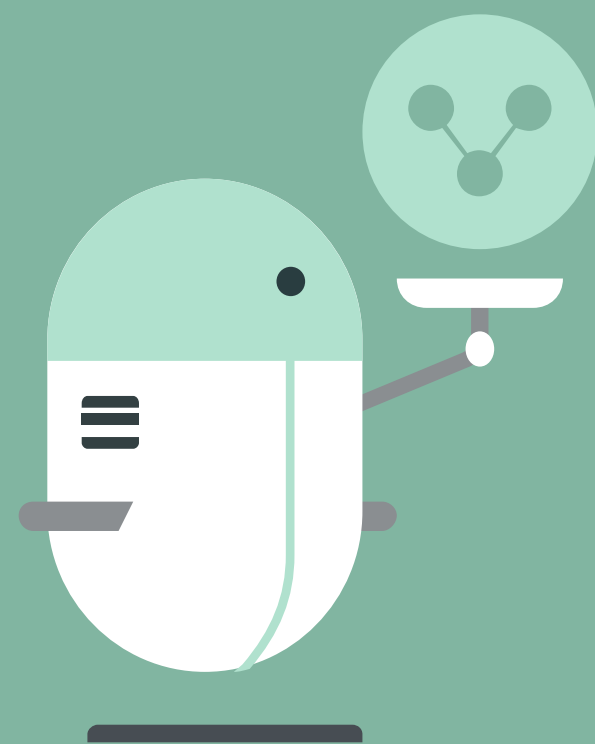
Smooth interactions with conversational AI.

As conversational AI continues to improve, it is increasingly moving beyond basic question and response to automating more business interactions by rehumanizing the customer. The more sophisticated the underlying algorithm behind AI chat apps, the more productive these conversations will be with customers and the quicker they'll get resolution. The AI program is only as good as its programmer and manager.

Sleep easy with the implementation of AI all-hour service.

Rather than facing the limitations of a customer service department that is open only during office hours in one time zone, AI can fill in the operational gaps in customer service. Of course, this won't answer all consumers' questions, but it can improve customer service access without creating strain among customer service teams.

For example, the quick design and launch of a COVID-19 symptom checker on HonorHealth's nurse line deflected 90% of calls to virtual agents. The implementation of AI technology among consumer-facing companies, such as retail, finance, or banking, ensures the around-the-clock presence customers have come to expect.



Potential pitfalls of chatbots: Common concerns

Poor speech recognition: Natural language processing combined with speech-to-text means customers can speak with chatbots, but speech-to-text technology may fall short when it comes to recognizing accents, slang, and sarcasm.

Transparency: It's important that customers know when they're conversing with a chatbot.

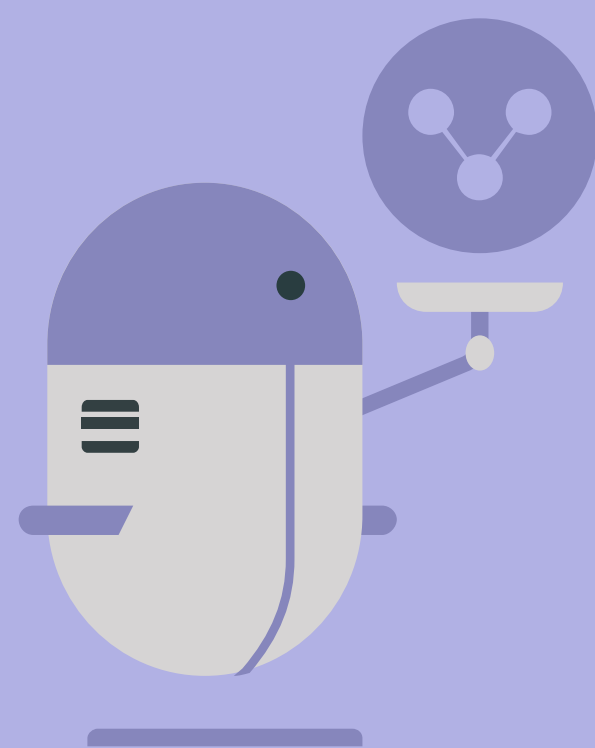
Bad impressions: Chatbots work well for routine inquiries and common questions, but for make-or-break interactions, human help makes all the difference between keeping customers and losing them for good.

Missed opportunities: More customers are comfortable interacting with chatbots—and in some cases they prefer it—but when it comes to selling a new product or turning an irate customer into a happy one, sometimes it takes a human touch.

2 AI empowers customer service teams.

The advent of AI has meaningfully transformed customer experience across virtually all industries and sectors. It works to effectively channel the right questions to the right agents who specialize in each area. It automates the categorization and assignment of cases, and it gets relevant information in front of agents so they can address issues efficiently and create better outcomes.

Just 20% of customer-experience executives say they're using AI to assist agents with customer calls, according to [a study by Genesys and MIT Technology Review](#). Yet, among respondents who implemented AI assistance for service reps, 34% found significant improvements in agent satisfaction.



AI-assisted customer service:

- Helps agents respond faster and more effectively
- Improves agent interactions with customers
- Reduces time and labor costs for businesses by answering FAQs
- Contributes to better employee experiences and outcomes by allowing them to focus on higher value, more interesting work
- Offers consistent customer support regardless of team turnover

Deploy AI to reduce low-value time on FAQs.

Long the bane of many customer service departments, frequently asked questions have bogged down customer service with ongoing inquiries. Over the years, companies have deployed different solutions to reduce the time and labor cost associated with easily resolved questions.

Now AI-powered apps are taking question resolution to the next level of efficiency. Personal finance app Qapital **noted that its AI processes can resolve** more than half of its 25,000 issues per month through automation and without the help of an agent.

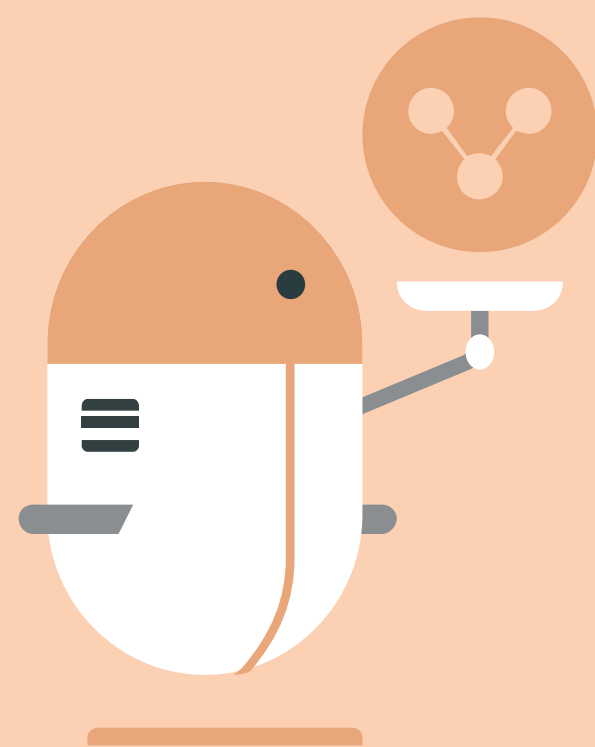
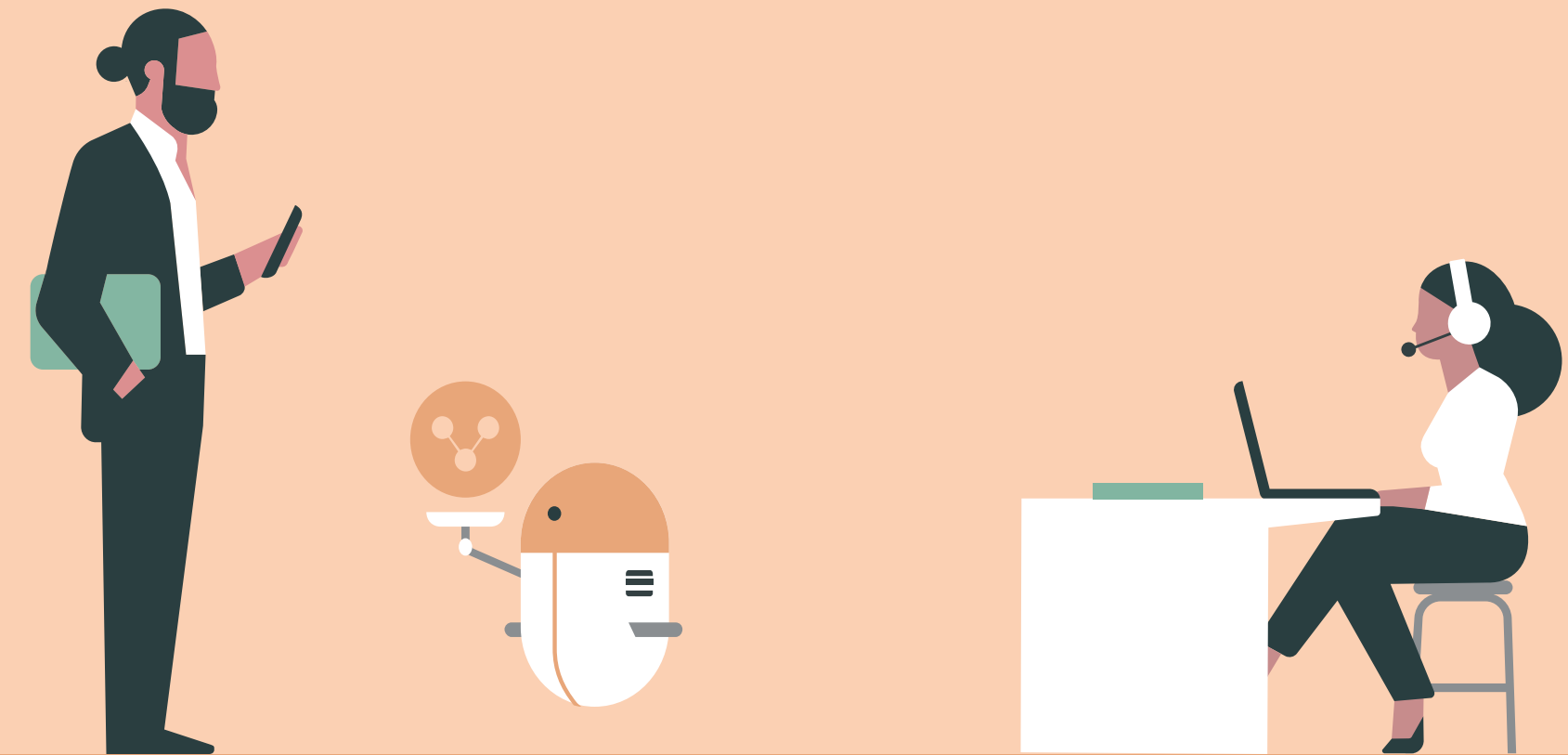
Boost the bottom line with better customer insight.

A customer whose history shows an improving relationship with the company, for example, is more likely to take the next step in customer loyalty, post a favorable social media review, or try a new product. Customer service, marketing, and sales are all gleaning information from the single view.

Serve data quickly when it matters.

Under a single-view customer profile, the timeliness of relevant data matters. On average, agents spend 14% of their time searching for information they need to handle customer issues, according to a [study by marketing and data firm Aberdeen](#).

The improvement of customer-facing AI is also helping customer service agents better respond to situations. For example, one communication platform for customer service, 3CLogic, empowers agents to solve problems in real time by putting the appropriate customer data at their fingertips.



Companies that have applied advanced analytics to customer service have:¹

- Reduced average handle time by up to 40%
- Cut employee costs by up to \$5 million
- Improved conversion rates on service-to-sales calls by nearly 50%

AI delivers on multiple fronts

During times of disruption, organizations must be able to respond to a larger volume of customer requests, with potentially fewer employees available to respond. Even during these times, brands are defined by their product and service. Maybe more so. Today's companies need to embrace best-in-class customer service technology and strategies to lead tomorrow's brand success stories. AI programs are an increasing must for teams that seek the most personalized and efficient customer interactions. Properly implemented, AI customer experience technology reduces customer frustration, increases customer satisfaction, and helps spot customer needs and trends early in the process.

[Learn more about ServiceNow and customer service](#) ▶

NowOnNow helps us resolve incidents and cut costs

At ServiceNow, we rely heavily on our own Now platform to work faster and smarter. We call it NowOnNow. In 2019, we started using AI to provide our agents with information on root causes, past incidents and related KB articles, helping to expedite 10% of our incidents

AI helped expedite the resolution of 16K incidents or 33% of the total incidents in our global cloud service operations, saving the team 8,000 hours. These metrics should increase dramatically as we more fully embrace the platform's AI capabilities for CSM.

 **10%**

10% of total customer cases expedited – global tech support

 **33%**

33% of internal incidents resolved – global cloud services

