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The CX Reality Check

Research, revelations,
and the route forward

How businesses can begin to change the conversation.

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Foreword

Over the years, we've spoken with countless businesses across multiple industries. And every time we strike up a conversation, we ask a lot of questions, because we're constantly on the lookout for new ways we can use technology to improve the customer experience. During these conversations, however, we began to notice a troubling theme. While businesses were generally quite confident about the customer support they were delivering, they weren't seeing the results they expected. Satisfaction levels were low, customers weren't always embracing new services, and in some cases, the businesses were actually losing customers. We knew something was terribly wrong. So, we asked Dimensional Research to see if they could explain this growing trend, because we wanted to see if we could do something about it.

When Dimensional Research completed its study, the findings were telling. One of them, however, stood out like a flashing red light. Customers aren't nearly as happy with the support they are getting as businesses think they are. And there's a pretty big gap between the surveyed companies' own perception of their customer service and what their customers think about it. Even worse, the study indicated that an alarming number of these companies were losing customers as a result of their poor support. We also uncovered another troubling truth. AI and virtual agents still lag far behind humans when it comes to providing a satisfying experience. When asked, almost all customers still preferred working with a live person.

Fortunately, the news wasn't all bad. The study did come with a silver lining—mainly that customers still want the businesses they work with to provide the choices, consistency, and convenience that only conversational AI, visual sharing, and other technologies can deliver. In actuality, it's technology that is driving these new customer expectations. There's also evidence that companies deploying advanced support systems are doing better at acquiring and retaining customers.

For all of these reasons, I'm certain you'll find this report both revealing and useful. It might even motivate you to start rethinking your own CX strategies.

Rohan Ganeson

Chief Operating Officer

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Introduction

In May of 2020, Dimensional Research conducted a study that, once concluded, they titled *Customers are Less Happy than Companies Think — An International Survey of Business and Customers*. One look at the study's findings, a clear revelation emerges, and the title begins to make perfect sense. The quality of customer service that companies believe they are delivering, it seems, isn't at the level of quality that customers say they're getting. This insight is particularly true when it comes to automated customer service.

For instance, many of the surveyed companies felt the transition between their automated systems and human agents was seamless. Yet, nearly 9 out of 10 surveyed customers disagreed. In addition, 89% of companies believe that their automated systems understand customer intent, but only half of customers felt the same. The study, in fact, showed that agents remain far more effective at resolving issues than automated services. And in nearly half of the cases handled by automated systems, customers had to resort to other support channels to resolve their issues. Customers expressed their frustration with automated service and exhibited an overwhelming preference for human voice and chat agents. The failure of these automated customer services is only magnified when you consider that nearly 1 in 3 companies lose customers as a direct result of poor customer support.

Despite these shortcomings, customer service continues to evolve. Voice and digital channels are beginning to align, and automated solutions are becoming more pervasive. Technology is leading the charge, but most businesses still haven't embraced these new innovations. For the most part, they remain unsure about just how they can capitalize on them. Companies are attempting to adopt AI, but they're experiencing varying degrees of success. But one thing is clear to them all—the businesses that harness the power of AI to deliver a consistent experience across all service channels will be the businesses that thrive.

In short, here's what the Dimensional Research study concluded. First, companies must adapt more quickly to meet rising consumer expectations and preferences. If they don't, their customers will move on. Second, businesses don't actually deliver the experiences they think they do. Their own perceptions don't align with the realities. And lastly, the new technologies that are emerging promise to improve consumer experiences while also making service delivery far more affordable.

“ Consumers will try automation, but they'll continue to use these systems only if they see worthwhile benefits. Even if AI cannot fully automate a request, a customer will appreciate its purpose as long as the AI can assist the human agent in resolving the issue more quickly. ”

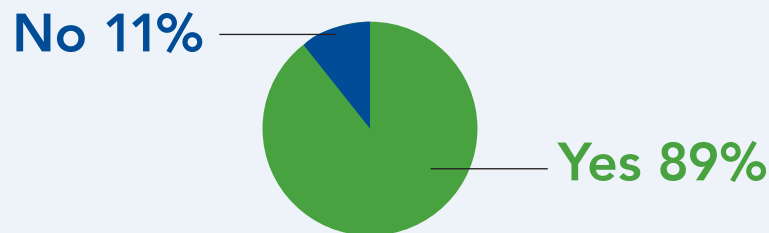
— Patrick Nguyen,
Chief Technology Officer, [24]7.ai

Key Finding 1: Your customers aren't as happy as you think

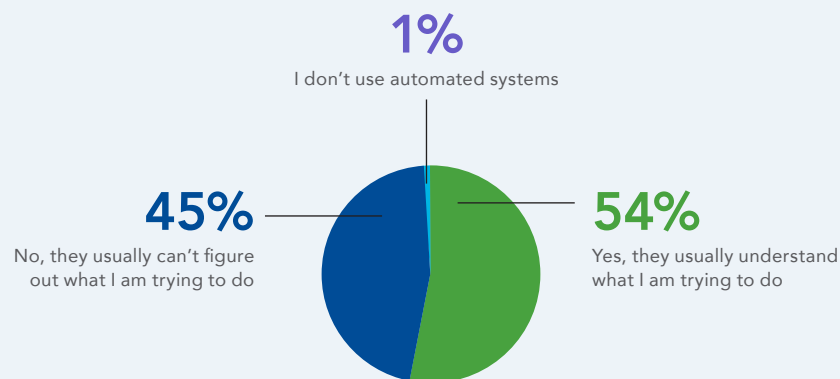
What businesses call “customer service,” customers consider lip service.

Much to their own surprise, businesses aren't delivering the experiences they think they deliver. For instance, 61% of companies believe their support channels deliver a consistent customer experience. But that's not the case. Unlike traditional support channels, automated channels fail to solve customer issues in roughly half of the cases. Also, when switching from one support channel to another, 89% of customers reveal they've been asked to repeat information they've previously provided. Plus, only 54% of customers feel that automated systems truly understand their needs. So, while businesses believe their channels are performing well, customers feel otherwise.

Have you been asked to repeat information for a human agent that you have already provided to the automated system?



In your experience, do automated (phone, chat, text and email) customer support systems understand the reason you contacted support?

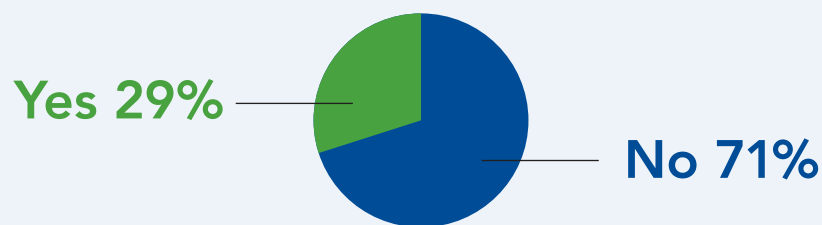


Key Finding 2: Customer behaviors are changing rapidly

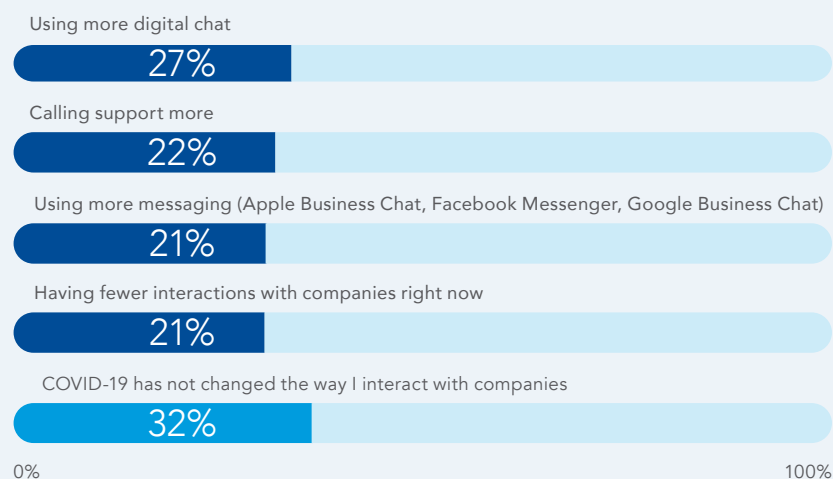
Customers are embracing technology, and there's no going back.

Businesses have little choice but to adapt to market changes. As we touched on earlier, nearly 1 in 3 businesses have lost customers in the past six months because the support they deliver isn't cutting it. Meanwhile, 68% of customers report that COVID-19 has already changed the way they interact with the businesses they patronize. So, change is inevitable, and it's happening fast. The good news is, 96% of businesses responded that technology has motivated them to rethink their customer support strategies.

In the last 6 months, have you had a support experience so bad that you decided to never do business with that company again?



How has COVID-19 (corona virus) changed the way you interact with companies?



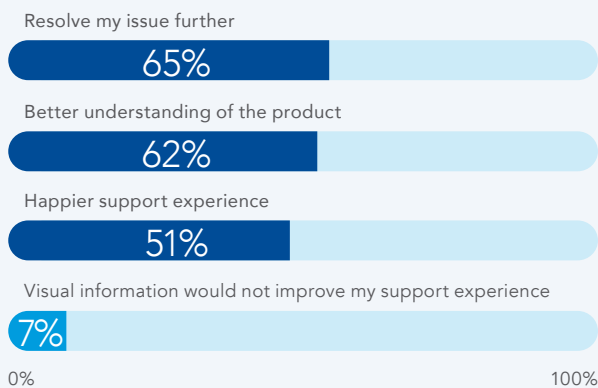
Key Finding 3: New technologies provide hope for better experiences

AI, virtual agents, and visual sharing pave a promising path forward.

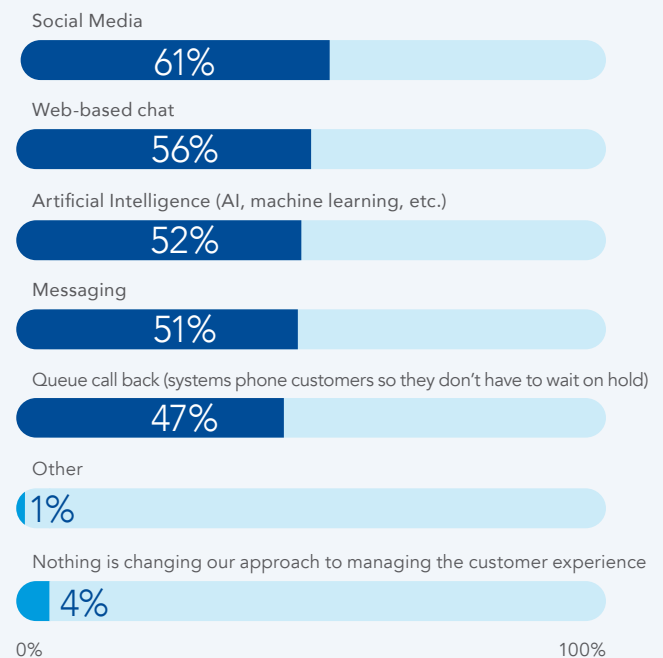
While most companies haven't yet mastered their use of AI, new technologies promise to improve customer experiences. 98% of companies are planning to implement new technology-enabled customer support capabilities over the next 2 years. Meanwhile, 83% of businesses have plans in the works to integrate their voice and digital channels. As adoption continues, and businesses iron out the wrinkles, experiences will likely improve. Even customers have faith in that. The research indicates that 93% of them believe sharing visual information will improve support and product experiences.

One such technology, asynchronous messaging, enables a customer to open up a messaging app at their convenience, during the morning train commute, for instance. Then, using their favorite messaging app — Apple Business Chat, Google Business Messages, WhatsApp, etc. — the customer can send a message simply by saying, "I want to change my billing address." However, before this customer can complete the request, the train arrives at its destination. So, the customer puts the phone away to depart the train. On the way home, on the next day, or even several days later, this customer can return to the messaging app at any time and resume the conversation right where it was previously ended.

If human agents could share visual information with you (billing statement, technical diagram, video, etc.), how do you think that would improve your support experience?



Which of the following technologies is driving significant change in your customer experience strategies?



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Recommendations for changing the conversation

- 01** In order to improve the overall support experience, first determine the customer's intent—or what it is they hope to accomplish. By identifying intent, your CX system can direct the query to the agent best able to handle that request, be it automated or human.
- 02** Meet the customer where they want to be. That means enabling your systems to support conversations across all channels. Whether customers prefer to communicate via SMS, web, messaging, or the phone, the experience should feel the same.
- 03** Continuity is absolutely essential, so when it's time to escalate a case to a human agent, the handoff should be seamless. Human agents should be able to continue conversation, instead of having to start from the beginning.
- 04** AI should be combined with human agents to guarantee resolution in the most cost-effective manner. Human agents can correct the AI and provide training data to improve machine learning. AI can minimize agent effort, improving productivity while also improving the quality of responses.
- 05** Deliver seamless handoffs between virtual and human agents. It's vital for a solution to provide the interweaving of human agents and conversational AI during customer interactions. When reviewing a solution, consider how easy it is for human agents to call on chatbots, and how quickly they can identify customer intent when reviewing chatbot transcripts.
- 06** Companies must ensure security of customer information and transactions. Therefore, it's imperative that CX solutions incorporate robust security features for authentication and protection of customer information that meet or exceed industry standards.
- 07** Define a long-term vision for conversational AI. Think about what you want the customer experience to be like in three to five years and look for technology that can support that vision. Look beyond the needs of today and invest in the future.

- 08** To improve efficiency, seek advice from industry analysts and other objective parties. Third parties can help you assess each vendor's road map as well as the competitiveness of their CX solutions.
- 09** Consider asynchronous messaging so that you can enable a single, continuous conversation with your customers across channels. Asynchronous messaging also changes the traditional models for calculating contact rates, handle times, and the corresponding contact center heads.

“ Asynchronous messaging is a game-changer in the world of customer service. Through messaging, businesses have a real opportunity to change the conversation with their customers. Messaging even has the potential to replace voice as the customer's channel of choice. But there's confusion about exactly what messaging is, and how it differs from the traditional live chat or phone support models. ”

— Dan Reed,
Chief Customer Officer, [24]7.ai

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Conclusion

It's time for all organizations, public and private, to reassess just how well their customer support is performing. As the research shows, most enterprises are not doing as well as they think they are. And the consequences of failing to deliver consistently positive experiences can do irreparable harm to customer relationships. Therefore, companies must adapt and improve their customer support, and enrich their customers' experiences, if they wish to remain successful in an increasingly competitive marketplace. Fortunately, today's AI, automation technologies, and visual sharing can help them achieve all of that and more.



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Report Contributors

Rohan Ganeson

Rohan Ganeson is Chief Operating Officer for [24]7.ai, responsible for overseeing core business functions related to the company's product business, from their creation to their success in the market. He brings a wide range of skills across multiple functions with a proven track record for driving transformation and growth in international businesses.

Rohan has experience working in Asia, Australia, and North America. Prior to joining [24]7.ai, he spent 10 years at Optus, one of Australia's largest telecommunications companies and a key [24]7.ai client. At Optus, he served in a variety of leadership roles, most recently as Managing Director, Customer/Digital, where he was responsible for all of Optus' \$6.5 billion customer business. Rohan oversaw all digital and physical channels including contact centers, customer loyalty, data and analytics, and customer experience, and played a pivotal role in building Optus into a next-generation telecommunications company powered by analytics. Prior to Optus, he held leadership roles in companies including Keycorp, 3 Mobile, and Hewlett Packard. He holds an MBA from the Melbourne School of Business, a degree in Advanced Management from Wharton Business School, and a BSc (with honors) in Computer Science from the University of Western Australia.

Patrick Nguyen

Patrick Nguyen is Chief Technology Officer for [24]7.ai. He joined [24]7.ai in 2011 when the company acquired Voxify, where he led product and platform development teams in his role as CTO.

Prior to Voxify, Patrick served in strategy, product development, and R&D positions at Personify, McKinsey & Company, and Australia's Telstra Research Labs. He holds multiple patents in conversational AI and customer engagement, and is a frequent speaker at the SpeechTEK, Mobile Voice, and ACCE conferences. Patrick earned a BS degree in electrical engineering from the University of Melbourne and a Masters in Business Administration from MIT's Sloan School of Management.

Dan Reed

Dan Reed, Chief Customer Officer, is responsible for cultivating and enriching [24]7.ai's customer relationships at the executive level while identifying new solutions to improve sales and service results. He has co-founded companies focused on delivering cloud-based virtual contact centers and omnichannel customer solutions. Dan is a founding member of EBA, a health communications company, and sits on the board of TextCaster. He has been the Managing Partner of SAIC, a \$10B solutions firm; President of CenterPost Communications, a leader in interactive messaging; Chief Operating Officer of Affinity Technology Group, with patents in self-service and e-lending; Managing Director of DST International, a SaaS mutual funds outsourcer; Senior Corporate Vice President of TeleTech, a global BPO with over 60,000 agents; and Chief Business Development Officer of SalesPortal. Dan holds a BS and BA in mathematics and economics from St. Olaf College.

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About [24]7.ai

[24]7.ai is redefining how artificial intelligence and human insight are combined to produce satisfying customer experiences. Our conversational AI platform predicts consumer intent to create frictionless interactions, across every channel, that strengthen relationships and increase brand loyalty, at the lowest cost per resolved conversation.

For more information visit: www.247.ai