

*Powering clients to a future shaped by growth*

A Frost & Sullivan White Paper

# The Infusion of Artificial Intelligence across Customer Interactions



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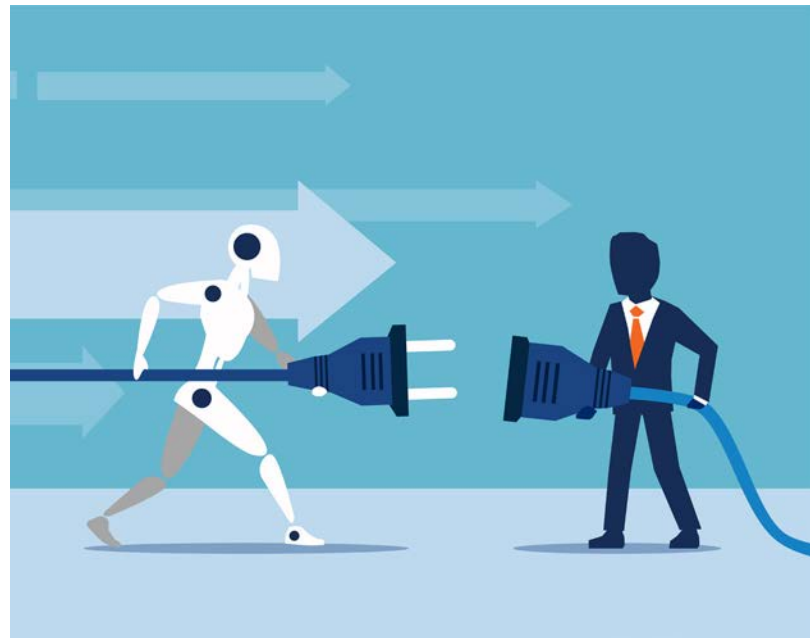
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## Introduction

While brand consistency is important for every type of organization, it is especially true for large and multi-national enterprises. However, many prevent a consistent brand experience by managing operations, tracking performance, and measuring customer satisfaction along functional lines. Different departments usually pass customer transactions between each other, but none have end-to-end visibility or full ownership of the complete customer journey. For example, sales teams have little visibility into what happens after a customer interaction is completed and they often do not know specifics concerning recently launched marketing campaigns.

As per the recent consolidation of digital channels, the interactions have multiplied and journeys have fractured, making it extremely hard to properly comprehend the omnichannel experience, let alone improve it. Large enterprises typically have diverse touchpoints managed by different business units and influenced by different functions, making offering a frictionless, connected customer experience (CX) a complex challenge. Conscious of these structural flaws, organizations look to transform and enrich customer journeys using artificial intelligence (AI) and automation technologies.



Since the COVID-19 pandemic, self-service and automated solution utilization has steadily increased. AI is being used to add new capabilities across the entire CX landscape beyond simply automating tasks, and the benefits include:

- AI-powered applications enable time and cost savings, smarter customer service, efficient CX management, and the generation of reliable, actionable customer behavior insights that facilitate decision-making.
- AI empowers agents to better solve customer queries and drive recommendations with full historical awareness and real-time context. These solutions enable agents to do their jobs better because they have a superior knowledge of their customers.
- AI constantly improves CX through self-learning and automation. A more connected and human experience based on contextual content, predictive models, and sentiment is now possible.

Frost & Sullivan expects rapid growth in AI-based capabilities and applications assisting customers and agents over the next few years. However, AI is only as smart as the data it leverages and its power comes from a combination of analytical insights, continual learning, and automation.

## Understanding What Customers Want is Possible

The fact that CX is the key differentiator in business today has already been widely accepted. In addition, most business leaders agree that delivering superior CX starts with expanding and improving how customers connect with a brand. This includes the addition of digital channels and what happens behind the scenes, in the back office, in-store, or in the field. However, improving overall CX is equally dependent upon achieving a better understanding of customer intent. In other words, companies should be able to comprehend what the customer is trying to solve and why they are calling or texting.

While most organizations plan and design customer service strategies based on each communication channel, individual customers perceive different channels as a means to a specific end. Regardless of how they have chosen to communicate with a company, the customer merely perceives interactions with the brand. As such, firms should stop thinking about channels and instead focus on identifying what the user is trying to achieve.



Organizations have long emphasized specific touchpoints or “moments of truth”—key instances when customers interact with the organization and its offerings before, during, or after they complete (or choose not to complete) a transaction. This approach can create a misleading picture. While it might increase user satisfaction at those precise moments, it may also divert attention from the customer’s overall journey.

Another major challenge is the “siloes nature of service delivery and the insular cultures that flourish inside the functional groups that design and deliver services. These groups shape how the company interacts with customers. But as they work hard to optimize their contributions to the CX, they also often lose sight of what customers want”<sup>1</sup>.

Simply put, the best way to tackle CX is to adopt the customer’s point of view. Predicting customer intent gives companies the advantage of exploring what can fail, how to fix it, and what operational improvements will have the biggest

impact. For example, when Apple realized that the number of customers queuing to buy products or get support at their stores often exceeded the available space and was damaging CX, it introduced the possibility of making appointments for those activities online.

The great news is that AI-enhanced analytics tools are becoming more effective, getting better at identifying customer intent, and upgrading the quality of service. These solutions can gather input from diverse databases, such as customer relationship management (CRM) and social media, to create a 360-degree view of the customer in real time. Together, AI and predictive analytics provide deeper insights into the past, possible future results, and, most importantly, what can be done to enhance customer interactions through personalized content and relevant offers.

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More often than is acceptable, companies push customers to endless menu trees to shed light on their intent. But that is not how it should be. AI and natural language understanding (NLU) technologies can simplify the journey by allowing users to share their intent in just a few words. Alternatively, powerful analytics simplify capturing intent by mining data from various channels. Customer requests are typically related to ongoing or recent interactions or events, such as a failed online credit card transaction. Dissatisfied customers, across all demographics, will not hesitate to share their concern on social media, but are also more willing to find the answers themselves until they feel the need to reach out to a live agent.

So what should organizations look for when streamlining understanding customer intent? They should pay attention to tools that provide access to and integrate data from disparate systems, channels, and applications, thus broadening access to information. They should also prioritize what customers need and help agents solve problems with customized answers. With AI and analytics at the center, predicting customer intent will give early adopters an advantage in simplifying and improving CX.

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<sup>1</sup> “The Truth About Customer Experience”, Harvard Business Review, September 2013 Issue.

## Self-service and the Vowels Mantra

Because most customers find it infuriating to be placed in a queue or on hold no matter the reason—even amidst a pandemic—investing in intelligent, user-friendly, self-service, and automated solutions is essential to increasing customer satisfaction and brand loyalty.

In fact, several internal- and external-facing processes are being automated every day through AI-infused technologies to offload employees' work. This is a result of the augmented intelligence of self-service solutions that are gradually handling more complex interactions. These tools (including virtual assistants, messaging applications, chatbots, and communities) are increasingly required to meet the needs of today's users who want everything faster, including customer care, support, and sales.

To improve outcomes, fulfill needs, and offer the right information at the right time, self-service applications need to be accessible, useful, easy to use and intuitive. Enterprises must approach self-service as an omnipresent solution that improves customer service because users seek consistency across all channels and continuity of service in every context (including voice, digital, and offline [stores/in the field] touchpoints). Brands have to be present for customers and give them the ability to serve themselves on their own terms, 24 hours a day and 7 days a week. Offering customers greater freedom to choose how they acquire goods and services is ultimately a win-win strategy.



Automating tasks and interactions through self-service wherever possible and reserving human agents for when intuition, emotional intelligence, and the human touch are required is a major and necessary step that leading organizations worldwide are taking to positively impact customer service. Understanding the right balance of live agents, self-service, and automation solutions is essential for enterprises wishing to offer customers more fruitful interactions in every channel.

Frost & Sullivan argues that AI-powered automation and self-service should be considered a solution that supports efficient agent activity and not its replacement. These tools empower agents to make the right decisions and facilitate customer assistance, improving the agent–user experience in the process.

What are the primary advantages of self-service and why is it a major trend in the CX space?

## SELF-SERVICE BENEFITS

- ✔ Permits users to conduct businesses and relationships with brands, services, and products on their own terms, reducing customer effort
- ✔ Offers instant responses and is available whenever customers are in need
- ✔ Removes friction from the customer journey with an easy-to-use alternative
- ✔ Provides consistent information and quality of service
- ✔ Reduces agents' workload and frees them up for more challenging tasks
- ✔ Enables businesses to reduce customer service time, reduce queue and handling times, and speed up interactions during busy times or emergencies
- ✔ Provides a cost-effective solution with a short payback period, low integration costs, and a potentially high ROI
- ✔ Enables easy scalability and can engage with hundreds of users simultaneously
- ✔ Creates a new space where companies can ask for customer feedback

Simply put, self-service solutions are in high demand because they accelerate and optimize processes and operations by efficiently managing interactions while providing more freedom to customers when they interact with any type of organization. While self-service is not a complete replacement for human interaction, successful implementation will allow customers to limit live agent contact to exceptional inquiries and services.

## Expand and Augment What Agents Can Achieve

Virtual intelligent assistants, chatbots, and automation are changing the contact center (CC) environment and their use was accelerating even before the COVID-19 pandemic. Despite its numerous benefits, companies could not rely on self-service solutions exclusively. Automated services are most reliable when responding to the simplest queries that customers most frequently demand. To generate a positive and lasting impact, self-service must be blended with live assistance.

For years, CC companies focused on reducing costs and improving customer satisfaction. After realizing that agent empowerment profoundly impacts CX and brand consistency, adopting much-needed tools and implementing the necessary changes to support employees increased globally.

Because the degree to which employees feel connected and supported determines how they usually interact with customers, creating an engaged and high-performance workforce is a key to delivering best-in-class customer journeys.

The moment millions of employees were sent home to work remotely during 2020, leaders began to face the challenge of empowering agents in a completely different environment. They wondered if their teams were going to be distracted or even feel isolated. While the work-at-home agent (WAHA) model is certainly not new, in most cases, it only existed as part of an untested business continuity plan or as a way to reach specialized talent that was either not easily available or not attracted to a brick and mortar environment.

“Personalized assistants are a game-changer for agents in improving the customer journey.”








Fortunately, the infusion of AI across the CX landscape also permeated the daily activities of agents. It is being used to assist them with intelligent guidance and recommend next-best actions to help quickly resolve complex issues. In these uncertain times, retaining, educating, and empowering agents is as critical as the tools they use.

Thanks to the support of personalized agent assistants that listen and learn from every customer dialog, agents have access to relevant customer journey statistics, the history and context of each interaction, and pertinent information from internal databases. This allows them to answer both simple and difficult queries efficiently, help the customer consistently, and customize offers via upselling or cross-selling.

Personalized assistants are a game-changer for agents in improving the customer journey. Seamlessly integrating such solutions into CC operations (both front and back office) has immense benefits, including:

<b>① Save Agent Time and Effort</b>	<b>② Lessen the Need for Supervision and Assistance</b>	<b>③ Improve Agent Performance and Facilitate Consistency</b>
		
Proper tools reduce handle time and after-call-work while delivering information and next-best actions.	Supervisors benefit from reducing internal queries and escalations, freeing their time to do other valuable activities (such as coaching).	Proper tools mitigate agent errors as well as reduce onboarding and training efforts and time through constant and automated support and guidance.

When agents can better perform their jobs with less effort, they are more satisfied and are likely to stay with a company much longer. In addition to having access to the best technology, optimized processes, and product innovation, how agents behave and perform ultimately determines a company's relationship with customers. Employee experience and empowerment are paramount to improving CX.

## Depicting the Essentials of the CX Evolution

Frost & Sullivan believes that CX will continue to evolve from interactions on disparate channels to seamless customer journeys that are proactive, asynchronous, and persistent. The pandemic created an unprecedented shift in how organizations run their businesses and how they interact with their customers. The customer journey has been transformed and equipped with intuitive and easy-to-use self-service tools allowing customers to contact a live agent only for complex inquiries requiring a higher degree of service. Technologies such as AI, analytics, and cloud-based communication platforms have proved to be critical elements for enhancing CX.

The pandemic caused unexpected stress and adversity for many customers; they feel more vulnerable, less secure, and less in control. They are financially constrained, want touchless experiences, and are more thoughtful and selective in their decision-making, giving preference to brands they trust. Value and price have become equally important to capturing customer loyalty.



Also, most customers have started to use online channels to buy what they need, and the majority plan to keep doing so. The context and urgency dictate the channel of choice. For instance, customers under 25 years old prefer automated channels such as social media (which is progressing from product promotion to customer service). Without a doubt, we are in the presence of new and different behaviors because of the way that we have had to adapt to life in lockdown. To cope with these pandemic-influenced changes, organizations are heavily investing in digital channels, tools, and methods of communications and payments.

CX digitization is now at the core of strategic planning. Companies must be prepared with all the tools necessary to better support and serve customers because every employee (directly facing customers or not) impacts CX. If data does not seamlessly flow between teams then conversations with customers are dropped, opportunities are missed, and both customers and prospects get frustrated.

It is still technically challenging to develop digital omnichannel capabilities, especially because legacy applications were often developed in silos. While most global companies have established the strategic value for digital and omnichannel CX strategies, implementation across those firms still faces roadblocks. According to the NTT Global Customer Experience Benchmarking Report (2020), most organizations engage via 8 contact channels, yet two-thirds (66.4%) have no cross-channel contact management strategy.

To help enterprises become digital-ready, leading solution providers are developing enhanced offerings across platforms that allow new channels and capabilities to be easily added and integrated.

Agent experience also became a heightened priority after the unprecedented move to employees working from home. A flexible work environment with the right tools for success and engagement is more important than ever, and a new generation of agents is bringing novel habits, practices, and capabilities to the workplace. However, several CC tools and processes are archaic and ineffective. Enhancing the usability of these can result in some major improvements that drive both employee and customer satisfaction.

Employee productivity is essential to providing excellent CX and AI-enhanced analytics train agents to better manage complicated interactions. Best-of-breed agent desktop solutions can provide easy access to performance data, customer history/context, and relevant information concerning the customer journey and user needs, equipping employees with valuable tools to provide a solution and customize answers and offers.

CX decision-makers agree that AI and automation are essential technologies that have evolved from point solutions, such as virtual assistants and bots, to solutions that are added across the customer contact landscape in a variety of methods. Executives who do not make optimizing self-service and empowering live agents a priority risk falling behind.

Adding innovative solutions and technologies is one positive step, but successfully turning those into fruitful and consistent experiences for customers and agents is another challenge. Companies must be ready to meet the evolving needs of both or be ready to fail. To stay competitive and remain relevant, Frost & Sullivan recommends that organizations begin transforming and enhancing the agent and customer experience right now.

## About Talkdesk

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Talkdesk® is a global customer experience leader for customer-obsessed companies. Our contact center solution provides a better way for businesses and customers to engage with one another. Our speed of innovation and global footprint reflect our commitment to ensure businesses everywhere can deliver better customer experiences through any channel, resulting in higher customer satisfaction, cost savings and profitability. Talkdesk CX Cloud™ is an end-to-end customer experience solution that combines enterprise scale with consumer simplicity. Over 1,800 innovative companies around the world, including IBM, Acxiom, Trivago, and Fujitsu partner with Talkdesk to deliver a better way to great customer experience.

Learn more and request a demo at [www.talkdesk.com](http://www.talkdesk.com).

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