

How Conversational AI Automates Customer Service While Lowering Costs

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Customer engagement, in its crudest form, implies keeping in touch with the prospect with reasons that go beyond asking for a decision on the sales proposal. This applies in case of new customer acquisition, whereas retention, cross-selling, and up-selling to existing clients use customer engagement to strengthen the relationship. Modern businesses use online platforms as another mode to reach out to prospects and customers. Blogs, whitepapers, conferences, and opportunities to co-create solutions for the ecosystem are some of the ways to keep customers “hooked”. This is in line with Nir Eyal’s *Hook Framework* that was originally designed for B2C businesses, but the principles hold good for B2B models as well.

Objective of Customer Engagement

Customer engagement helps clients get quick solutions to issues, keeps them abreast on product development, and gives them an assurance of the brand being firmly behind them. While each of these factors is important in customer engagement, the last one on trust and assurance gives psychological comfort to the customer and, ergo, stands out as the most important.

The ultimate underlying objective of customer engagement is to create a top-of-the-mind brand recall such that prospects call the sales representative of the brand whenever they are ready to place the order.

Hyper-Competition and Theory of Last Attribute

It is every brand’s aspiration that the prospect would reach out to them whenever ready to sign on the dotted line. In a hypercompetitive market, all brands are continually engaging with prospects in some form or the other. The touchpoints spread across media properties as people are active on diverse platforms in varying degrees. The final conversion is always mapped to the last attribute that is the last recorded platform for engagement. When operating in a crowded market, there is a possibility that a competitor’s sales rep is at the door when the prospect is geared up to buy. Modern businesses have evolved from the Periodic Engagement model to an All-Round Engagement (ARE) format

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where there is someone available to engage and respond 24 hours × 7 days × 365 days.

Chatbots and Conversational Artificial Intelligence (AI)

In recent years, chatbots on websites have become a trend to look tech-savvy and also collect leads that would be pushed on to a Customer Relationship Management (CRM) tool that is integrated into the site. The chatbot would ask basic questions to the visitor and assure a call back. However, the bot would be bowled out if the human asked questions that were not registered in the bot's memory. With the passage of time, bots have also been trained using millions of customer personas and questions to make it sound more human.

Conversational AI and Chatbots are not markedly different, with the former including even voice conversations, whereas the latter being restricted only to text messaging. As per a Deloitte interview of executives from 450+ organizations in the contact center business, about 33% of the organizations were exploring implementing AI conversation solutions, whereas 56% of the organizations in the multimedia and technology sectors wanted to set up an AI-driven contact center soon.

Conversational AI: Advantages

- **Faster Turnaround Rate:** In a hypercompetitive world, the buyer is spoilt for choice. Delay in responding to leads is equivalent to sounding the death knell. Responding to enquiries at Godspeed is

essential, not “good to have”. For existing customers, delayed responses are like double-edged swords. If a happy customer talks about your product to 10 people, and an unhappy one would talk to 100 people. Delay in attending to current clients would not only lead to customer attrition but also loss of the prospect base who might have signed up.

- **Messaging:** Many prospects don't like to speak to a sales rep until they have done their homework. As per Jim Dickie, Research Fellow at CSO Insights, B2B prospects do not consult a sales rep early on during the buying cycle.

Forrester Research states that 59% of buyers prefer researching online instead of interacting with a sales rep as they feel sales reps push their own priorities. The Heinz Marketing and Snap App study indicated that only 9% of millennial B2B buyers surveyed said they connect with vendors before doing their own study about the product. A

conversational bot is useful for a prospect to seek answers to specific questions on the product or organization. The question today is not about have vs have not. A conversational AI is a must. But the efficiency of the bot could be a differentiating factor.

- **Engagement:** A super-trained bot is good to have a nice conversation about the product without being pushed to buy. As per Gartner, 40% of mobile communication in B2B product sales will soon be driven by bots and 30% of customers expect and hope to see non-human interaction on the website.

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- **Scale:** Scaling up a team of human agents is difficult considering the lead time needed in hiring and training. Training cannot be hastened as each human goes through a different learning curve. But in the case of bots, scaling up and down is simple and quick. This helps organizations with skewed, seasonal cycles and occasional spikes or turbulences due to political, environmental, and business factors.
- **Cost Savings:** There is considerable saving in human resource costs as bots do not seek salaries and perquisites. There are no additional costs of overtime pay, etc. as bots do not work by the hour and cost the same irrespective of whether they work for 9 hours or 20. With minimal human agents working, the cost of training existing staff and new recruits reduces significantly. Programming one bot or a hundred is the same as once a bot learns from experience, the same learning applies to all bots. To add to it, the human resources can be used more productively in areas that cannot be done by bots. Juniper Research estimates an annual saving of \$8 bn each year for organizations worldwide.

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upon with continuous feedback and inputs from empirical evidence and real-time experiential learning. This helps the platform become “intelligent” over time and can be used for predictive analytics.

NLP analyses language basis inputs received by running the ML algorithms. NLP is quintessential as chatbots and voice bots must understand human communication with minimal errors. Too much human intervention renders the process useless. NLP is a 4-step process comprising input, analysis, output, and enhanced, sustainable learning. The ML

algorithms get trained based on continuous feedback, thus improving quality over a period of time. Real-time text and semantic analysis are important to gauge the client’s tone to assign priority ratings accordingly. This is in addition to the generic priority rating generated depending on the severity

of the problem.

Conversational AI: Challenges

In countries such as India, there are hundreds of major languages, and each of these languages has dozens of dialects, making the learning curve very steep. Even English language has different tones and pitch across countries. With email and WhatsApp lingo entering mainstream conversations, the challenges are just not straightforward. Variants in vocabulary combined with cultural variations, sentiments, emotions add to the challenges, making deciphering even more difficult. Despite all developments, chatbots may still not be able to handle some types of queries and customers.

Conversational AI: Components

Conversational AI is a hybrid mix of Natural Language Processing (NLP) and Machine Learning (ML) that train and create an AI algorithm that is trained to comprehend and react to inputs received from humans. ML comprises algorithms that can be improved

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The bot should be trained to politely bring in human intervention instead of endlessly asking the same question to the customer who is already frustrated with the bot's inability to resolve the problem or answer his query.

As technology is also vulnerable to security breaches, client data sourced through voice and chat bots must be securely encrypted. Availing consent and indemnification from new leads that might be already sceptical, could be difficult, but the risks will continue to loom. As this industry is still in nascent stage, organizations may have to spend time and money educating users about the benefits, security as well as the vulnerability of these technologies.

Yellow Messenger is a top-level AI-driven platform that enhances the quality of conversations between clients and staff. Horizontal integration is possible to create a broad level interaction between bots, apps, and staff to provide robust vertical support to sales,

marketing, HR, customer support and automation, across industries.

Conclusion

Chat and voice bots make organizations more efficient, effective, and leaner, which is important to control spiraling costs. This model also helps to scale up (or down) quickly, remove fatigue, eliminate human intervention (and human touch) and cut down costs. The cost benefit analysis tilts towards using more technology to handle non-critical tasks so that humans can be deputed for more productive purposes. Globally, organizations are saving billions of dollars each year by using AI in routine conversations. The algorithm and solution are not 100% perfect but there is a dramatic shift that is happening to engage AI and ML to automate customer services across the globe. 

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How Businesses Can Use Conversational AI

Conversational AI' is more inclusive of all the technologies that fall under the bot umbrella like voice bots and voice + text assistants, whereas 'chatbots' have a more limited 'text-only' connotation. Conversational Artificial Intelligence or Conversational AI is a set of technologies that enable computers to simulate conversations.

- **Ushering a customer in (Lead Generation):** Haptik's Lead Bots have seen 10X better conversion rates compared to standard web forms.
- **Keeping current customers happy (Customer Engagement):** There can be a significant increase in customer retention rates simply by plugging an interactive utility chatbot within their app.
- **Answer questions and handle complaints as soon as they come in (Customer Support):** Gartner predicts that by 2021, 25% of enterprises across the globe will have a virtual assistant to handle support issues.
- **Learning from customers to improve your product over time (Feedback and Insights):** Customers are 3X more likely to share their feedback with a Bot than fill survey forms.

Source: <https://www.haptik.ai>