



CONTACTBABEL
REAL DATA. REAL INSIGHTS.

Analyst Insight

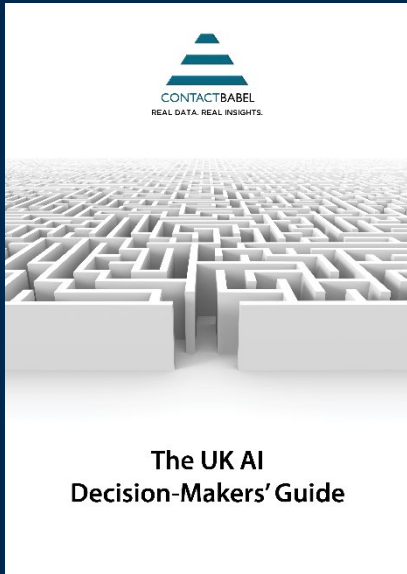
How & Why Businesses are Implementing AI

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About ContactBabel



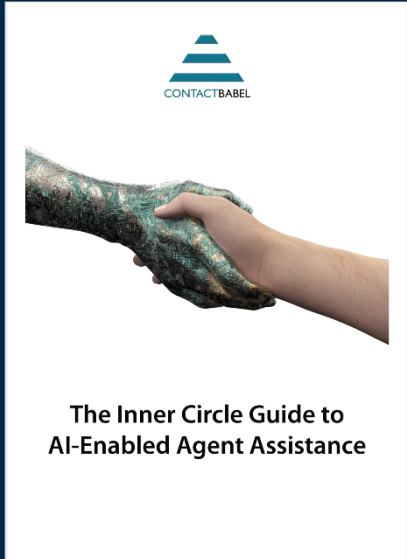
The UK AI
Decision-Makers' Guide



The UK Customer Experience
Decision-Makers' Guide



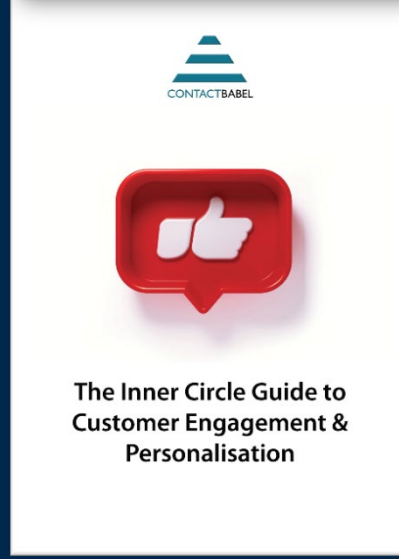
AI for Contact Centre
Cost Reduction



The Inner Circle Guide to
AI-Enabled Agent Assistance



UK Contact Centre Verticals:
Finance



The Inner Circle Guide to
Customer Engagement &
Personalisation

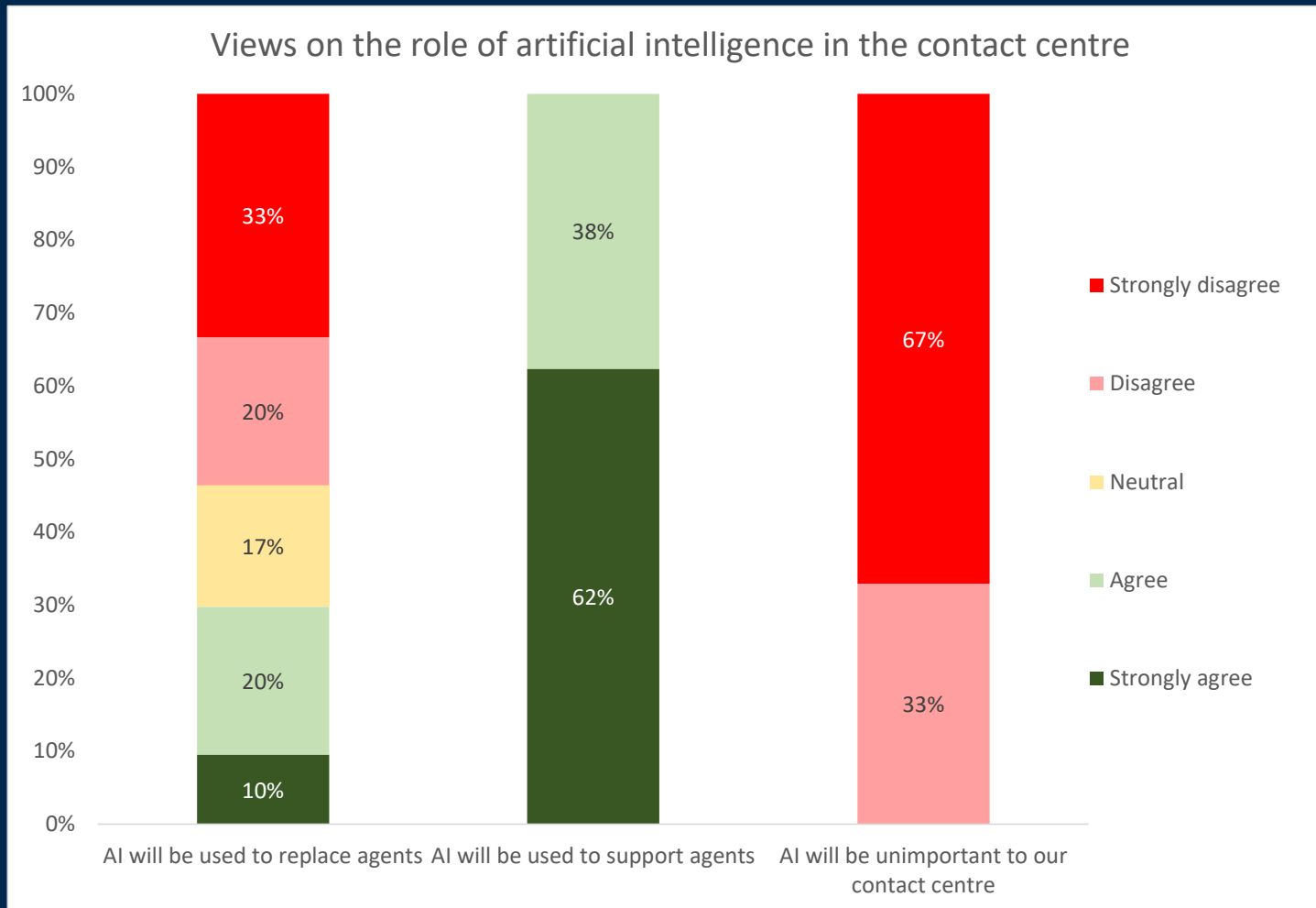
- Research based on surveys with 400+ UK contact centres and 2,000 UK customers annually
- More than 50 free contact centre & CX research reports published each year available at www.contactbabel.com
- Read by 1,000+ UK organisations

1. Why is AI being used?

2. The Three Pillars of AI – what's it being used for?

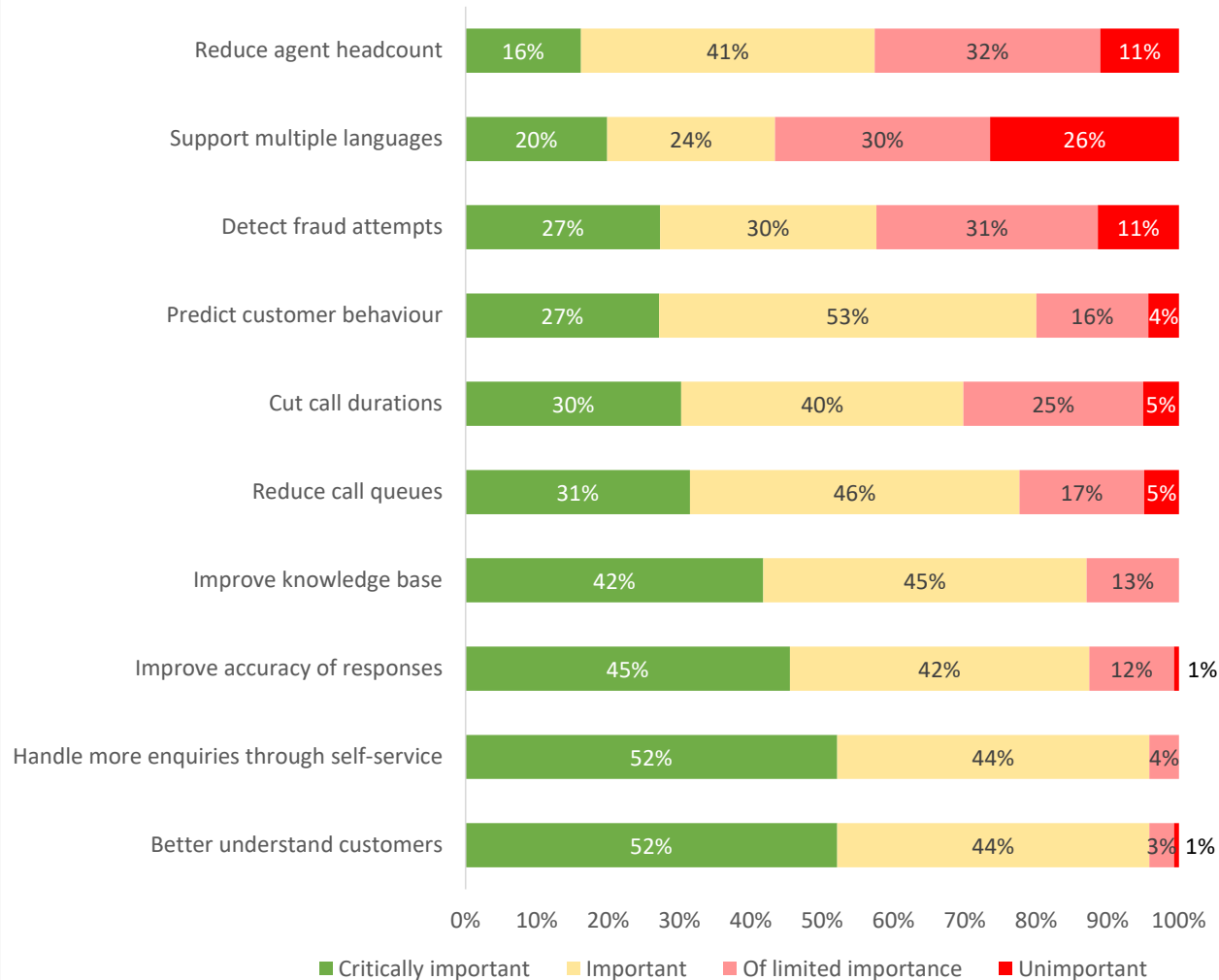
- Automation
- Assistance / augmentation
- Analytics

3. AI outcomes and the customer view



- Since 2017, the importance of AI to the contact centre, and the belief that it will augment agents, **has increased**
- There has been **very little change** in attitude towards the use of AI to replace agents

Most important outcomes from current or future use of AI



Most important desired outcomes from AI are:

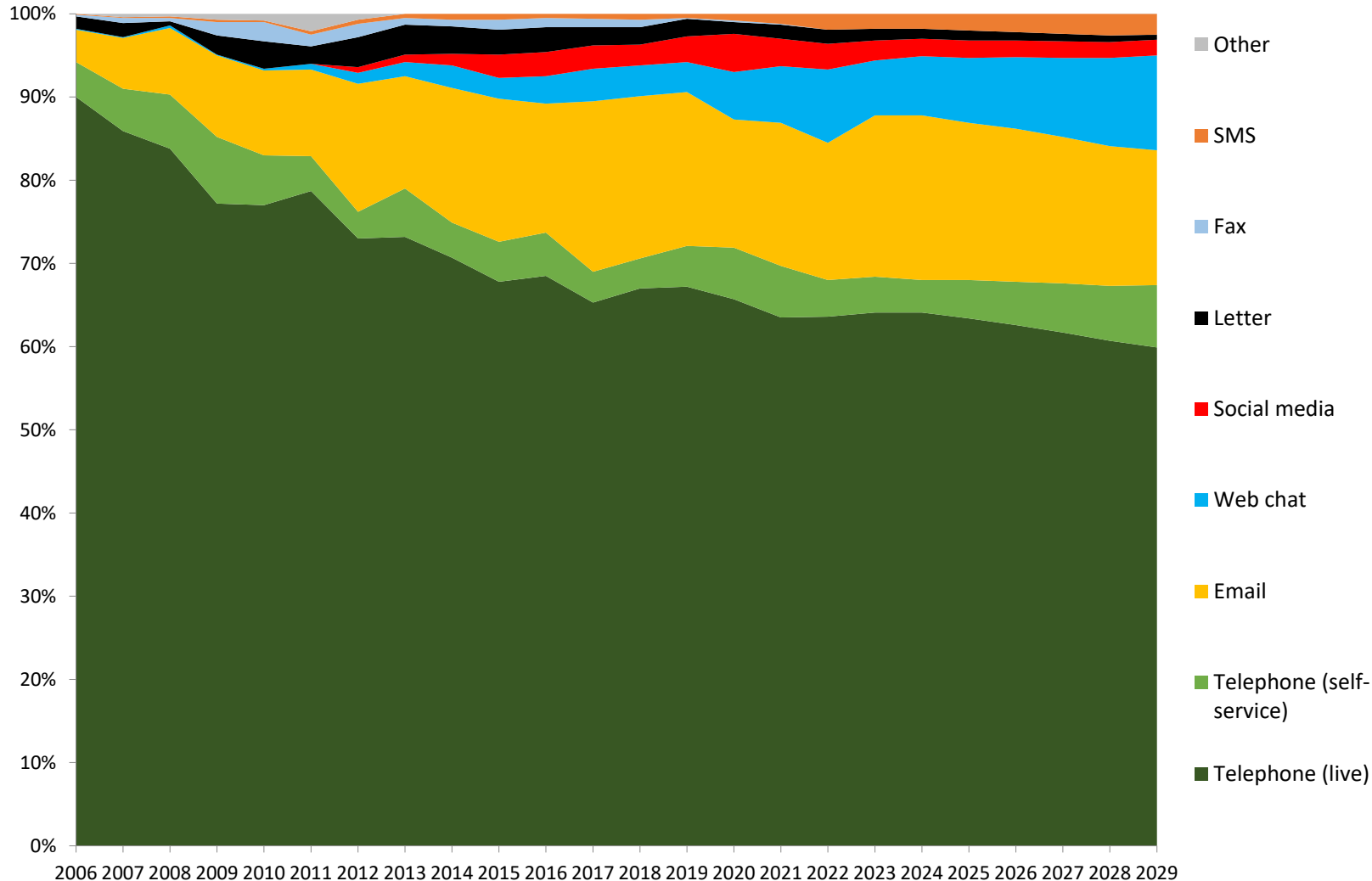
- Better understand customers
- Increase self-service success

Least important is to reduce agent headcount

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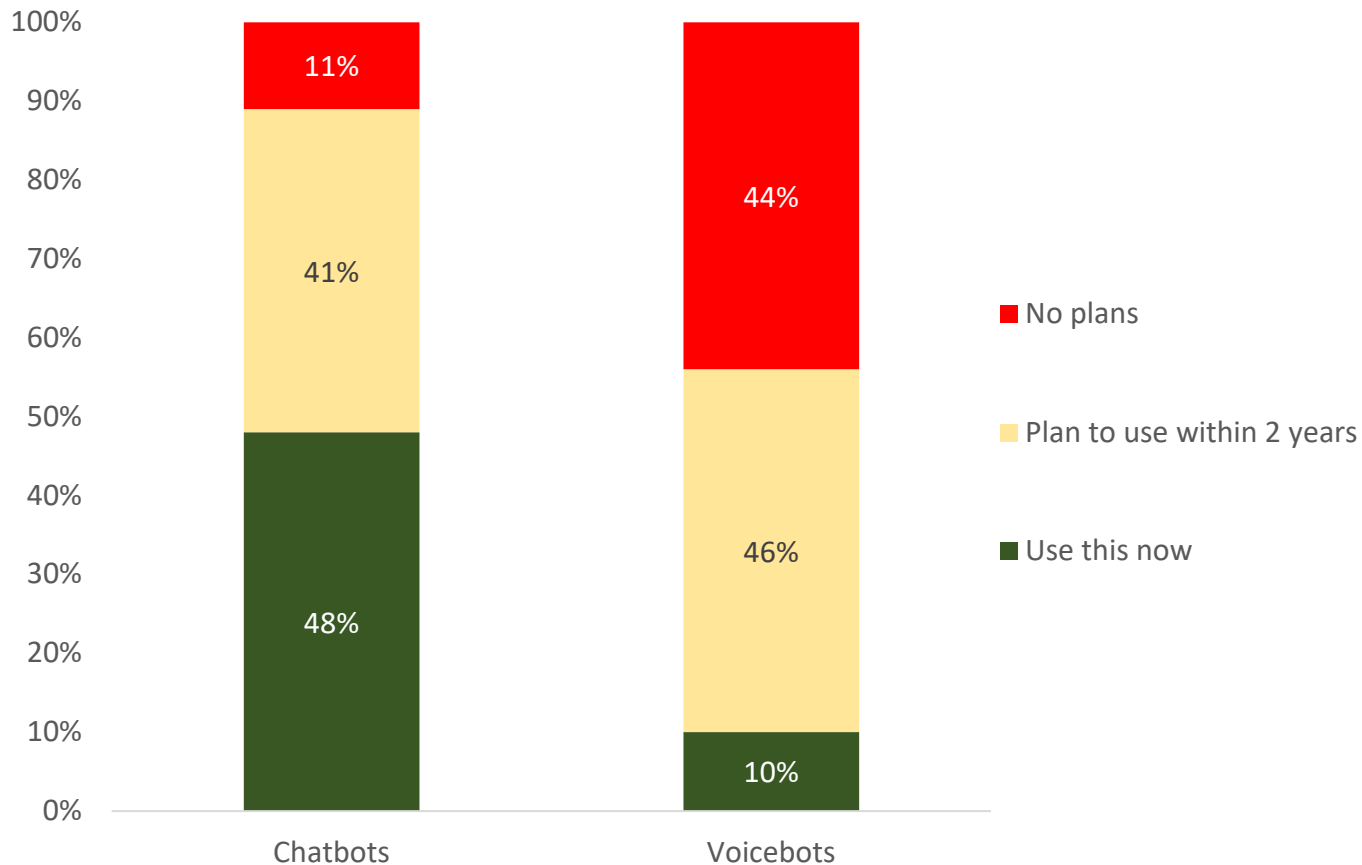
Have digital interactions stalled?

Inbound interactions by channel, 2006-2029



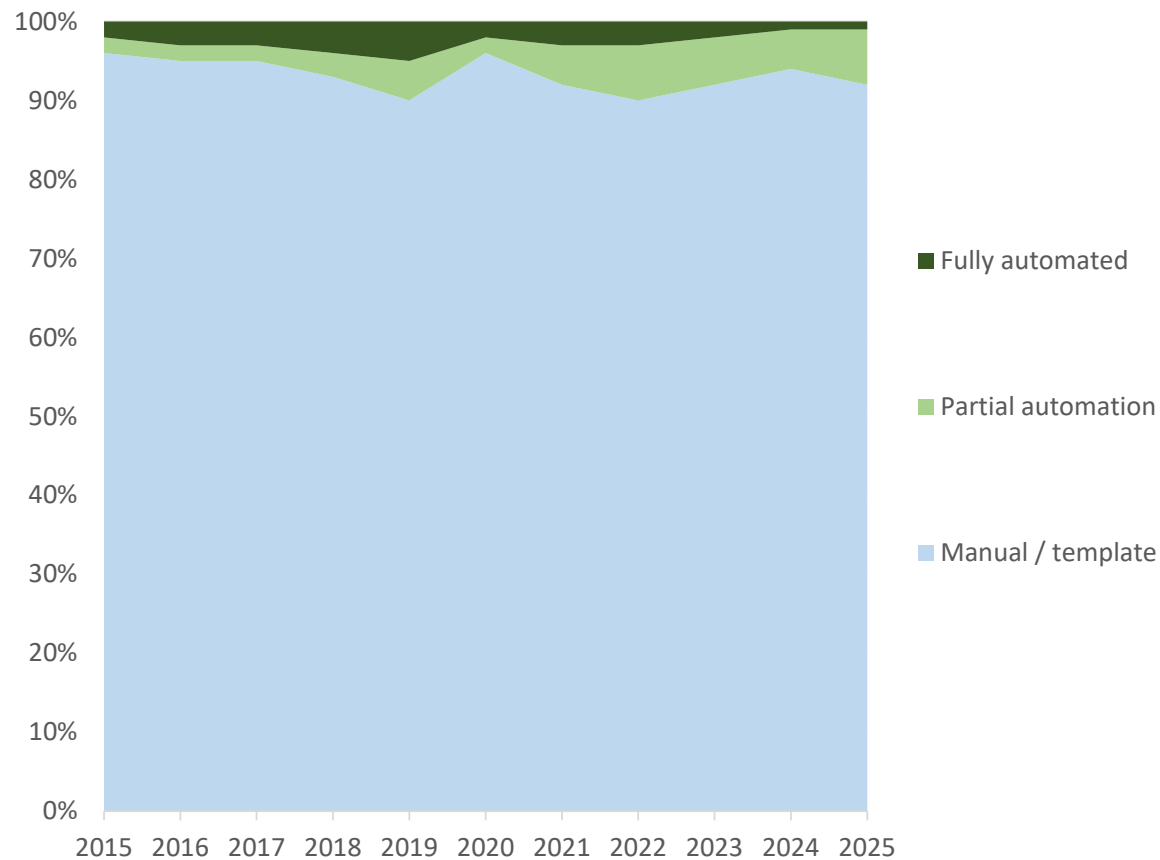
- Live voice channel still #1
- Telephony self-service is stagnant
- Web chat increasing slowly, but email volumes are still twice as high
- Social media falling away

Current and planned use of chatbots / voicebots

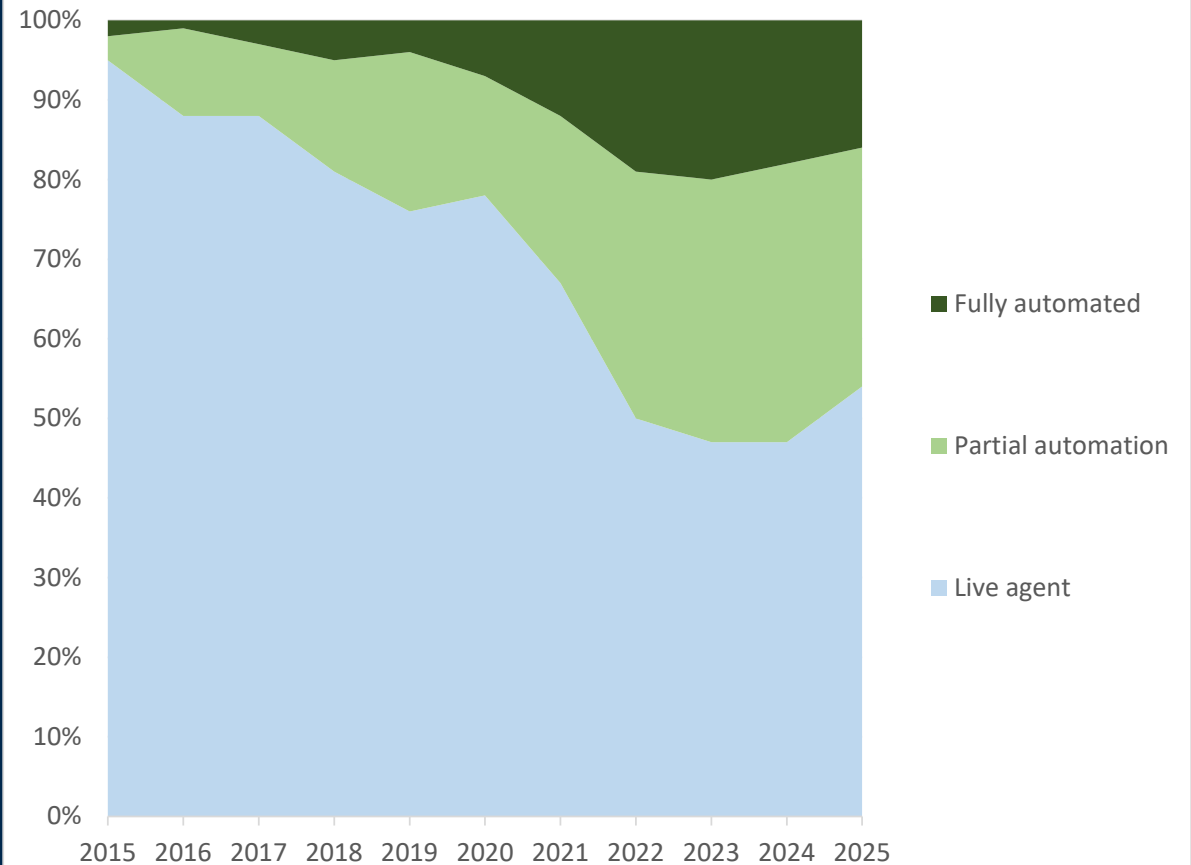


- Joint #1 reason for implementing AI is to handle more enquiries through self-service
- Cost per web chat is 55% of a phone call, compared to 99% in 2018
- Voicebots can be used for customer authentication, routing and self-service, drawing from same knowledge base as chatbots

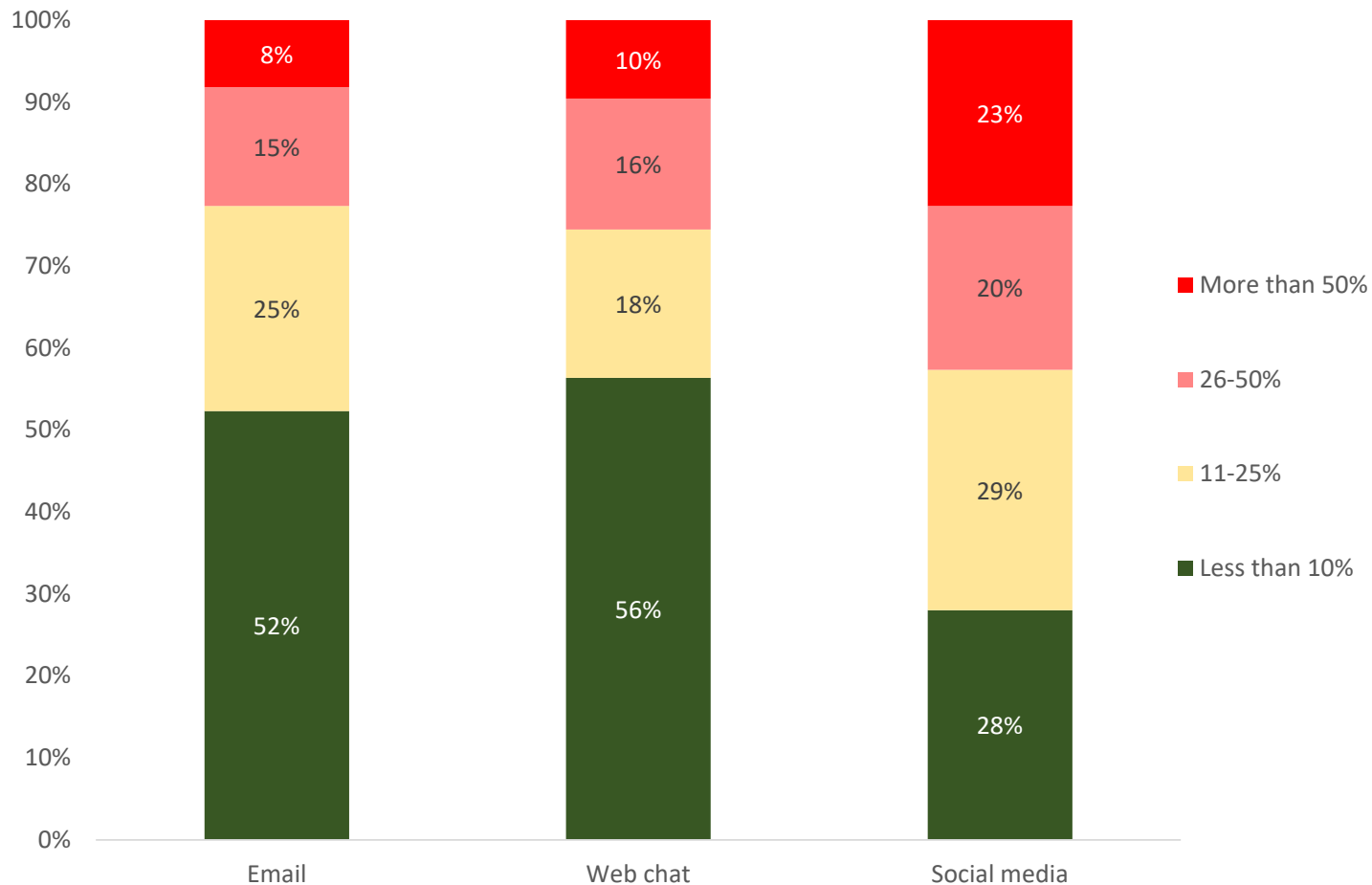
Level of email automation, 2015-2025



Level of web chat automation, 2015-2025



Proportion of interactions that require an alternative channel to resolve the issue, by channel

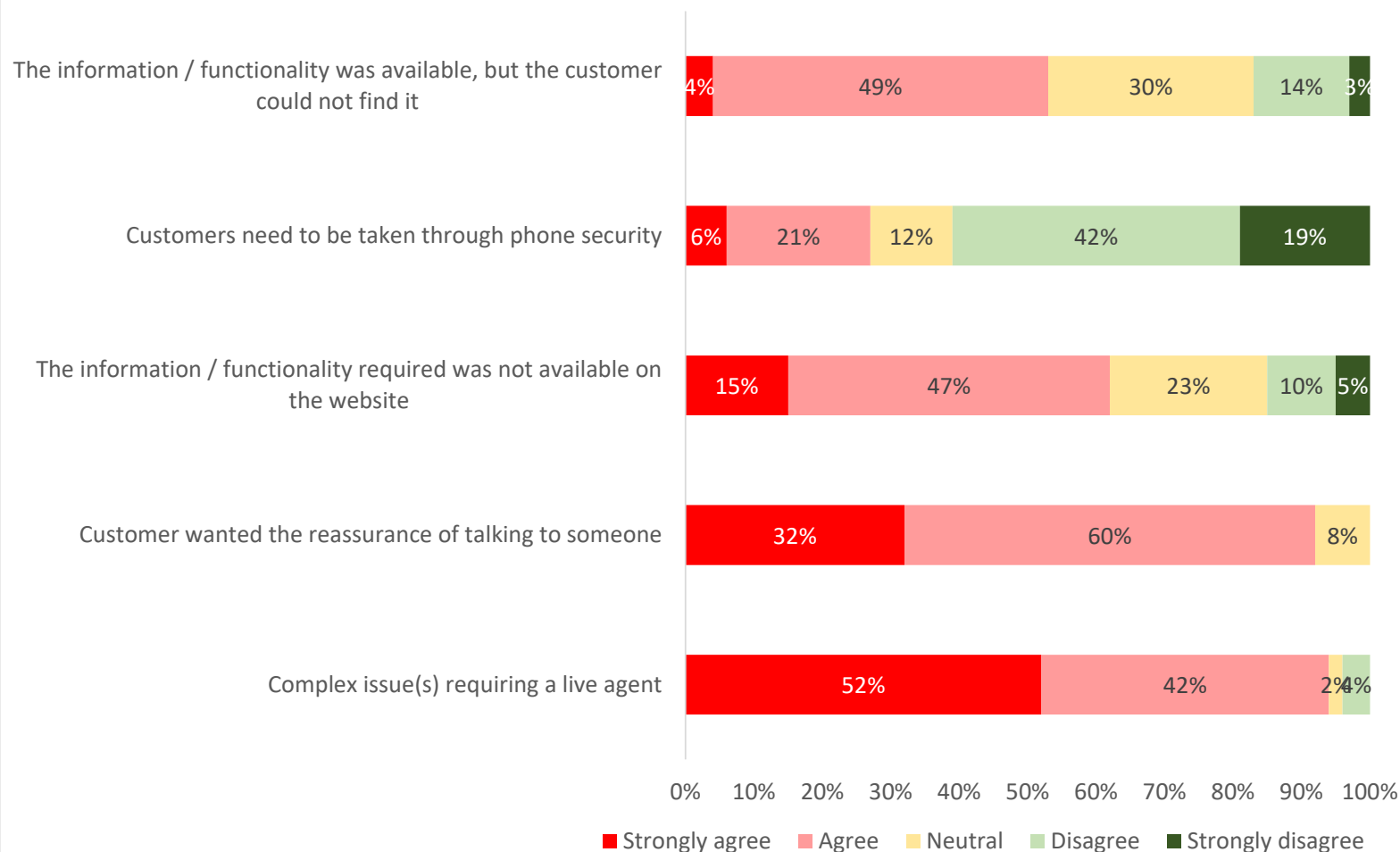


On average...

- 18% of emails
- 18% of web chats
- 29% of social media enquiries
- 21% of web self-service sessions

...then require a phone call

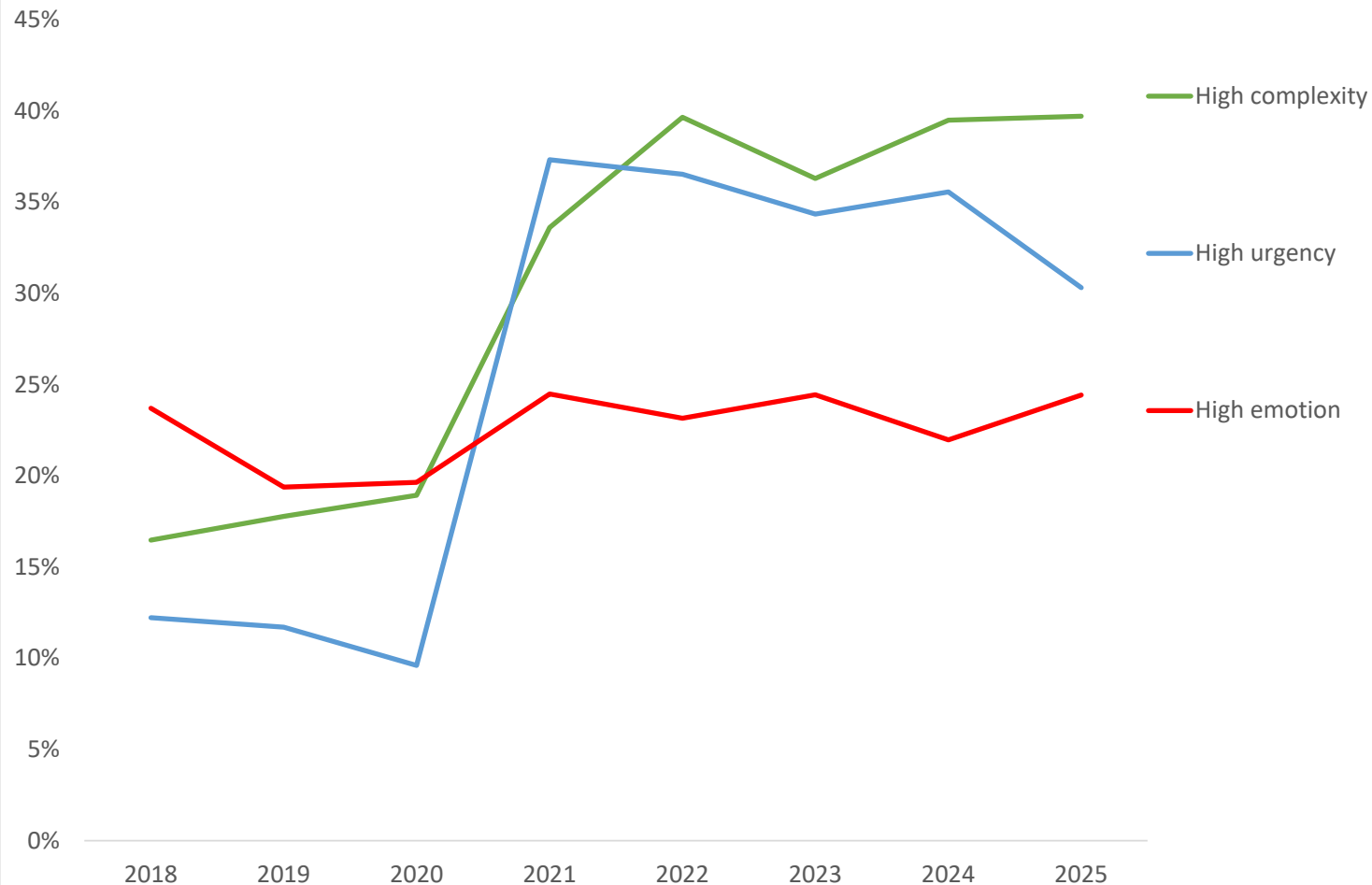
Why customers move from web self-service to live telephony



Even if the information is there (and customers can find it), complexity and need for reassurance are strongest drivers for escalation

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Customer preference for telephony, 2018-25



Email is preferred channel for high emotion (35%)

Web self-service preferred for high urgency (36%)

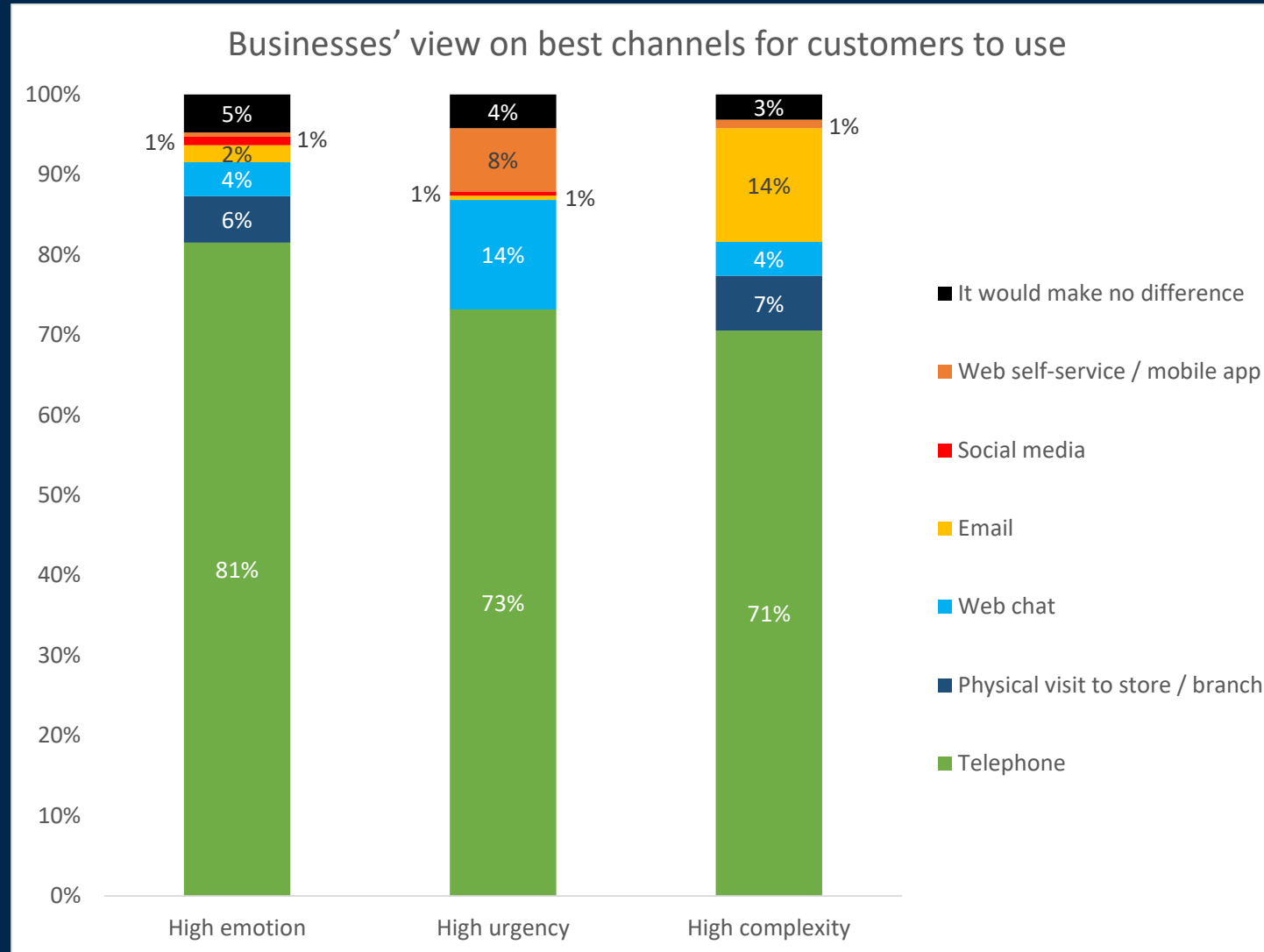
Face-to-face is #2 for high complexity (21%)

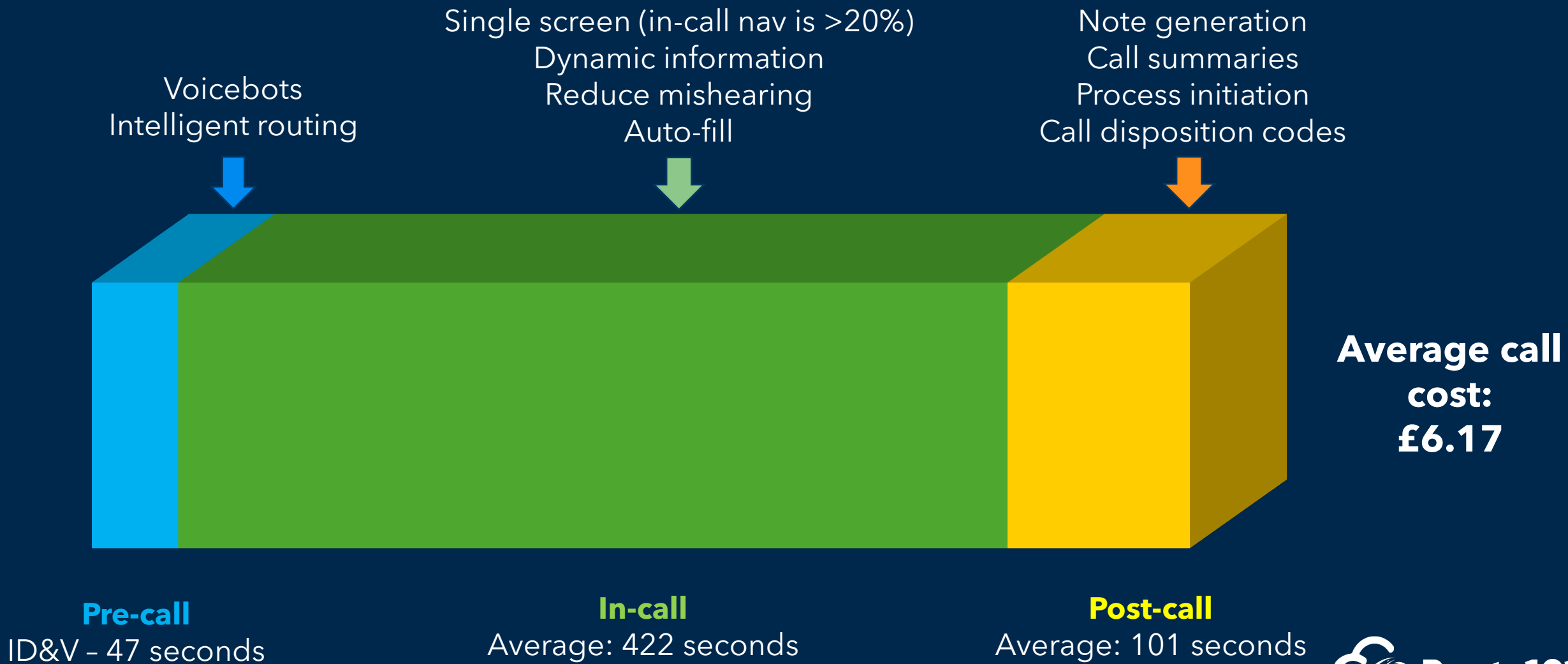
Younger demographic more likely to send email / social

Gen-X like web chat

Older customers phone or F2F

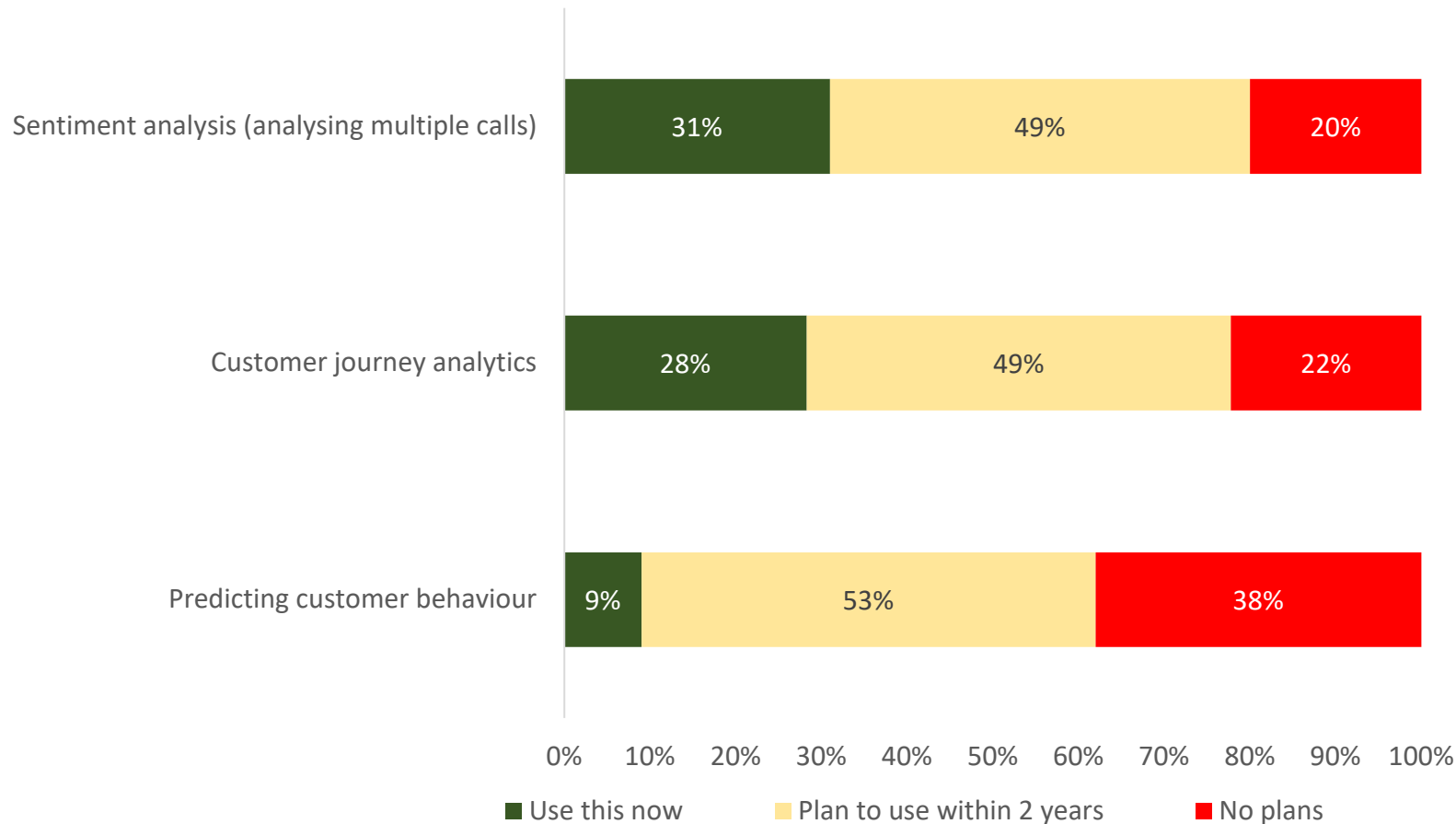
Businesses agree that voice channel works best





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AI for analytics



Joint #1 reason for implementing AI is to understand the customer better: next-generation analytics

Auto-QA will also grow strongly

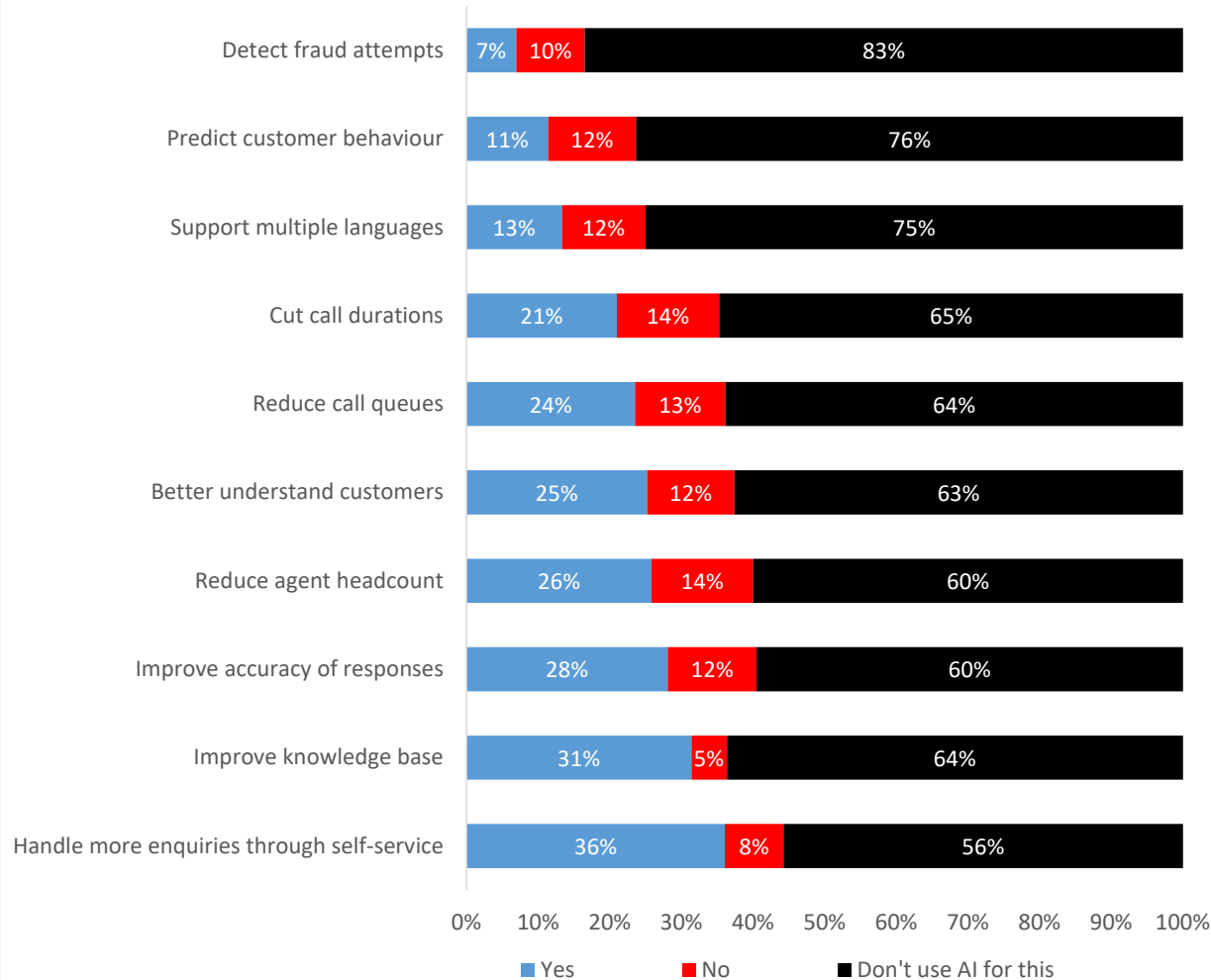
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Have you seen these outcomes from your current use of AI?

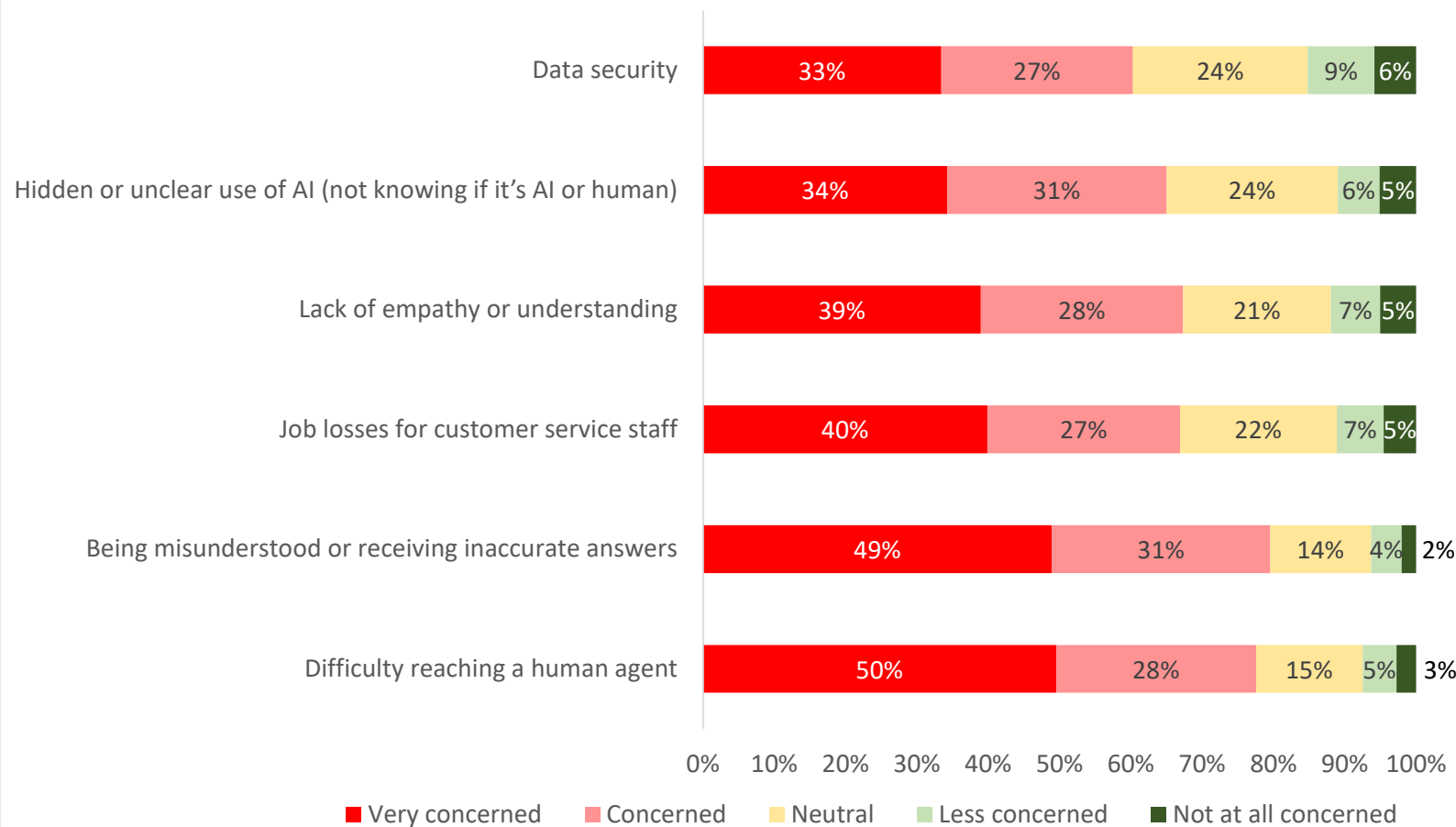


Improving knowledge base and increasing self-service seen as most positive (80%+ success)

Detecting fraud, predicting customer behaviour least successful (<50% success)

65% of those that were using AI for this purpose saw reduced headcount

To what extent are you concerned about each of the following when dealing with AI in customer service?

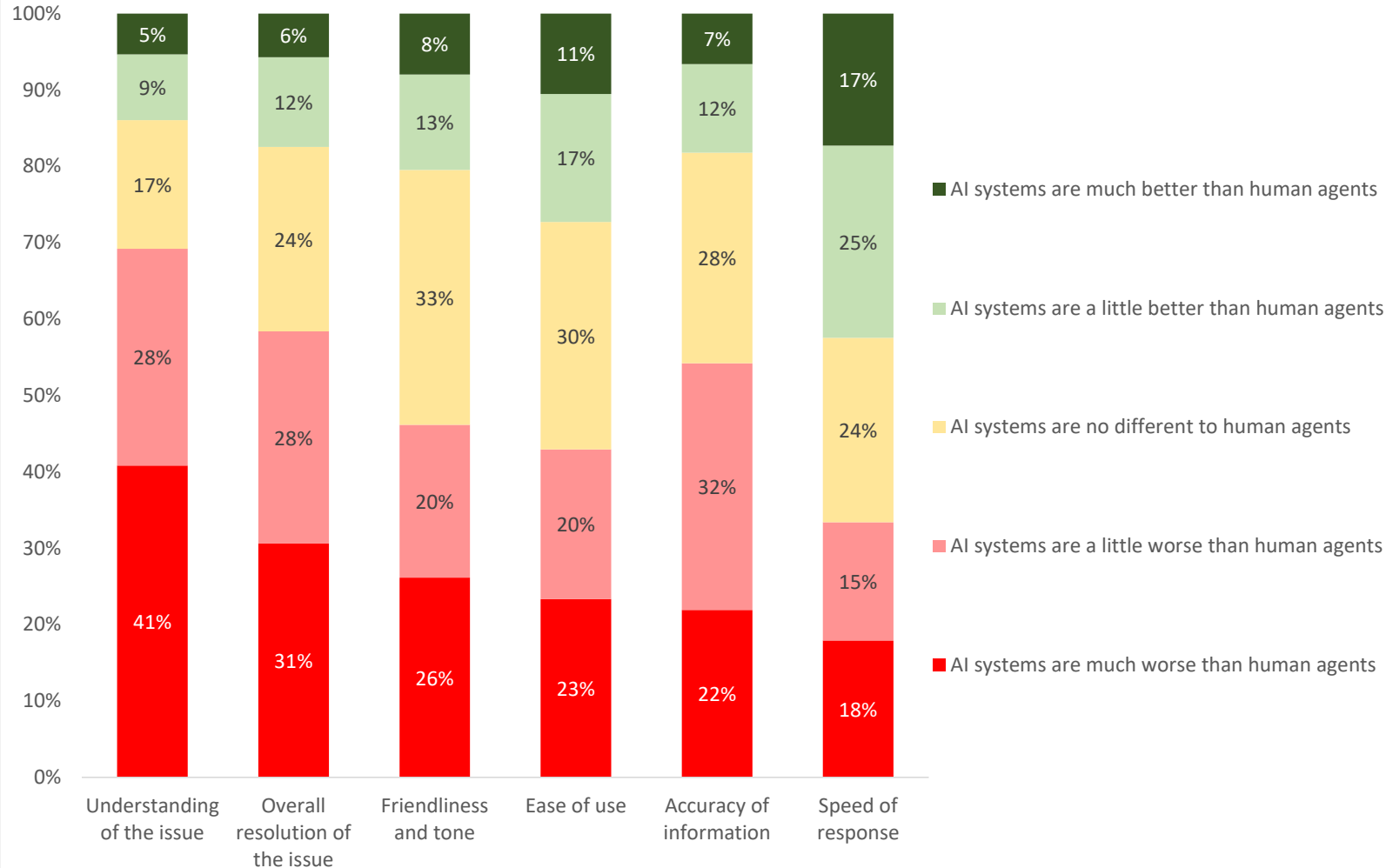


Customers fear AI will be used to keep them away from human agents (see IVR)

Lack of trust in answers given

Strong demographic slant: 69% of 65+ group had strong concerns about being kept from agents, compared to 29% of 16-24 y/o group

How does AI compare to human agents in your experience?



80% of customers believe they have experienced AI CX (usually chatbots)

Speed of response was positive

Understanding and resolution of issue were weakest

- AI for CX – at the foot of a very large mountain
- 62% of customers say that there are circumstances when they would prefer to use AI
- Self-service automation has stalled as rules-based bots reach their limits
- The voice channel is not dying. Voicebots will take over from IVR / keyword speech rec
- AI can trim 20-30% of overall call time, but consider agent burnout
- Analytics will emerge and move beyond first-contact resolution to no-contact resolution: proactive personalised outbound, and identification of the issues driving inbound volumes