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5 ways AI can transform your customer experience

The processes and tools used to deliver customer service may change rapidly, but one thing remains the same: providing a stellar customer experience requires understanding what customers want and providing it to them.

Most business owners are comfortable with customer service delivery channels such as email support, phone support, and self-service knowledge base software. Even so, many organizations may be reluctant to venture further into new technologies such as artificial intelligence (AI) because the concept of AI may seem counterintuitive to a more personalized customer experience.

Modern AI advances have created a much more sophisticated tool that businesses can rely on to complement their existing customer engagement methods.
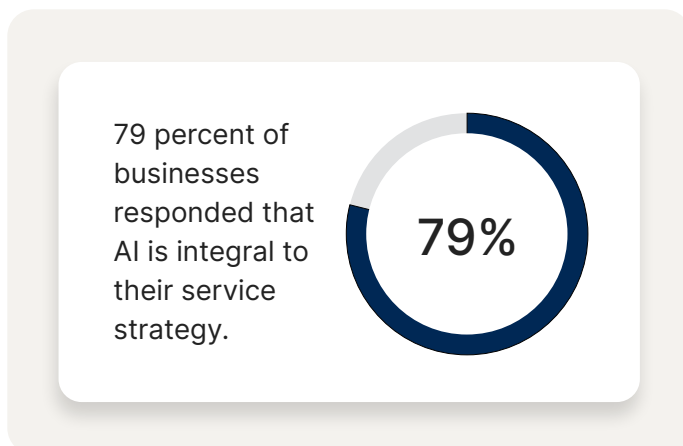
HubSpot found in a recent survey that 79 percent[1] of businesses responded that AI is integral to their service strategy.

Organizations can now make the most of AI advantages such as speed and accuracy, while maintaining personalized customer interactions at scale. AI has made its way into all facets of business operations, including modern contact centers. It functions via chatbots in a standalone capacity and supports live agents in optimizing service and support.

Organizations that choose to ignore, avoid, or reject AI will likely face a steep competitive hill in coming years, as their AI-enabled counterparts take advantage of all the benefits the technology can offer. Businesses that do integrate AI into their culture and operations will find themselves able to service customers with greater efficiency and reduced costs.

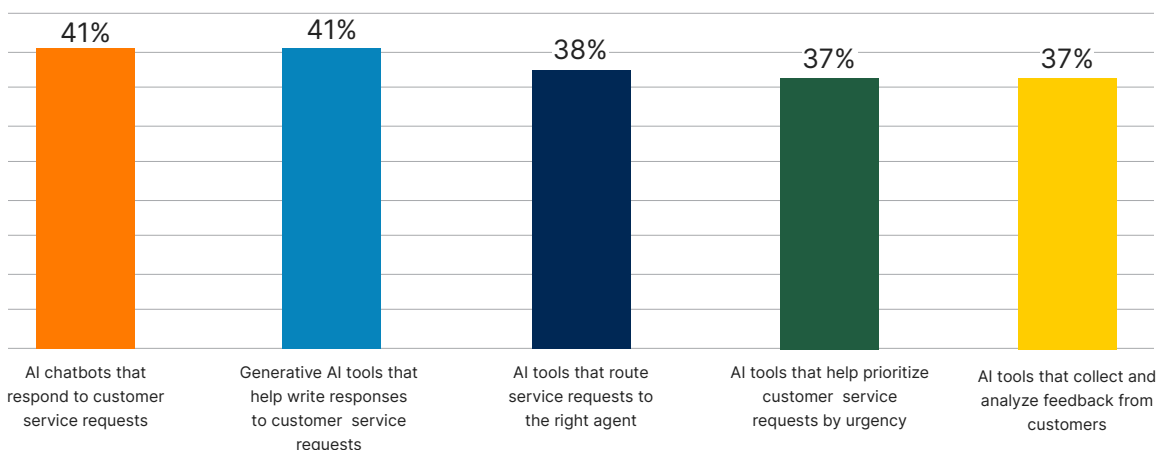How will tech-savvy businesses use AI for CX? Here are 5 ways AI can transform your customer experience.

[1] Needle, Flori. "The State of AI in Customer Service," Hubspot, June 2023.

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79%

1. Chatbots and virtual assistants

A recent eMarketer survey[2] revealed that 64 percent of US organizations are currently using AI chatbots to improve customer experience. AI-powered chatbots and virtual assistants can handle routine customer inquiries and provide instant responses 24/7. They can quickly answer frequently asked questions, resolve common issues, and guide customers through self-service options, reducing the need for human intervention and alleviating wait times.

In education, for instance, students can ask questions about assignments or learning points any time. AI effectively answers common questions with helpful answers and resources. In the insurance sector, firms have begun using AI to similarly answer basic customer questions such as, "Am I covered for this?" or "How much is my deductible?" Similarly, banks use AI-enabled self-service options to help customers do things like check their account balances or transfer funds from one account to another.

Most popular AI/automation Tools in Customer Service

41%	41%	38%	37%	37%
AI chatbots that respond to customer service requests	Generative AI tools that help write responses to customer service requests	AI tools that route service requests to the right agent	AI tools that help prioritize customer service requests by urgency	AI tools that collect and analyze feedback from customers

HubSpot blog research, The State of AI 2023 Report
Survey of 1350+ busuness professionals in the U.S. across marketing, sales, service, and SEO
*Among CS pros using AI/automation

(Source: The State of AI 2023[3])

2. Personalization and customer insights

AI can analyze vast amounts of customer data and offer personalized recommendations and experiences with remarkable speed. By understanding customer preferences, purchase history, and behavior, your company can tailor its offerings and interactions, leading to more satisfied and loyal customers.

The goal for great businesses is to optimize customer service. Without AI support, dedicated live agents may struggle to serve the needs of every customer in a high-volume operation efficiently. Because AI can learn the individual needs of each customer quickly and serve up that information to live agents when needed, agents are better able to deliver efficient, hyper-personalized support.[4] Armed with AI tools, agents gain greater bandwidth, which allows them to offer even more value to an organization's customers—while also improving agent experience. Even before an agent is connected, AI can analyze the customer's communication preferences and match them with the agent with the best predicted outcome.

AI may also help prevent the ever-present issue of high turnover rates in contact centers, which typically lead to poorer customer experiences. For example, employer GenPact found that the chatbot it used during the pandemic had a profound impact on agent turnover. Reps who didn't use the chatbot were two times more likely to leave the company than those who did.[5]

[4] Clark, Scott. "AI Customer Experience Ushers in a New Era of Engagement," CMSWire, June 2023.

[5] Korolov, Maria. "AI Takes Aim at Employee Turnover," CIO, April 2022.

3. Natural language processing (NLP)

Global natural Language Processing (NLP) market share by industry, 2022

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- Healthcare
- Retail
- High Tech and Telecom
- Banking, Financial Services, and Insurance (BFSI)
- Automotive and Transportation
- Advertising and Media
- Manufacturing
- Others

(Source[6])

[6] "Natural Language Processing Market Size 2023-2030," Fortune Business Insights, May 2023.

The lack of human-like communication and intuition has long been a concern for business owners hesitant about artificial intelligence. Many consumers have been burned by dealing with first-generation chatbots that had a limited set of predefined inputs and responses that left them without a solution to their problem.

However, AI-driven NLP allows systems to comprehend and respond to natural language, making interactions with customers more human-like and improving the accuracy of understanding customer queries. This leads to better communication and reduced frustration on the customer's end.

Customers want flexibility. In some cases, they prefer a quick self-service interaction with a chatbot that can answer common questions and provide resources. At other times, they need an interaction with a knowledgeable agent supported by advanced AI technology. The synergy of great agents and AI capabilities is compelling. The HubSpot survey mentioned earlier also indicated that 84 percent of businesses believed AI improved their customer experience.

Deep learning technology has contributed to the ability of AI platforms to more quickly learn the language and context unique to your company's ecosystem. The learning curve and transformation time required to integrate artificial intelligence is much faster than ever before. Specific platforms are available that suit your industry, company, employees, and customers.

NLP plays an important role in conversational AI, which brings together artificial AI, NLP and conversational user interfaces (think voice, video, messaging and CX channels) to enable communication to closely resemble human engagement. Conversational AI delivers smoother customer and employee experiences with minimal need for human intervention.

With adoption across multiple industries, NLP capabilities are set to become table stakes for customer service organizations sooner rather than later.
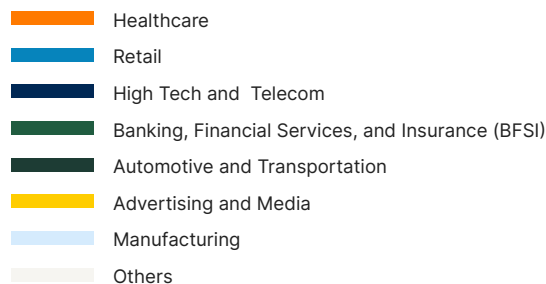
4. Sentiment analysis
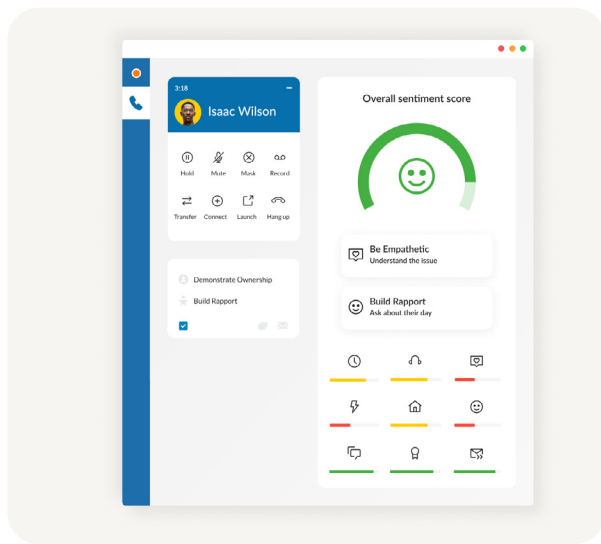
Until recently, AI wasn't ready to determine sentiment effectively within customer interactions. In essence, it was more dependent on literal language because it couldn't comprehend "tone of voice." This inability presented big problems with customers who turned to sarcasm or similar manners of speaking when upset. The only remedy? Have a supervisor or data analyst review every interaction.

AI can now analyze customer interactions such as voice calls, chat logs, emails, and social media comments to gauge sentiment and emotions—at scale. This insight helps companies understand customer satisfaction levels, identify potential issues, and take proactive measures to improve their products or services. It also allows for more rapid individualized responses to customer needs in time to preserve more customer relationships.

5. Predictive analytics

The Holy Grail for business owners is to accurately predict customer behavior and act accordingly. This desire for predictability has fueled marketing research in its various iterations, but conventional methods of analysis often limit understanding of customer behaviors until it is too late to take action.

AI can predict customer behavior and anticipate needs based on historical data and patterns. By identifying potential issues before they occur, businesses can offer proactive support, ultimately enhancing the overall customer experience.

Embrace the AI-driven future with RingCentral

Sitting on the fence is no longer an option for forward-thinking companies. It is time to embrace the capabilities of AI and weave them into your customer-centric culture, or risk losing customers to competitors with a much more advanced CX arsenal.

If your business is already using AI to some extent, consider how you can push further to take advantage of the opportunities discussed. If not, take action quickly before your customer experience suffers.

RingCentral offers a holistic approach to business communication that integrates AI in multiple ways, such as smart call routing, conversational AI-enabled chatbots, and predictive analytics.

Visit RingCentral to see how you can get omnichannel customer engagement, business communications, and AI combined in a seamless solution for customers and employees.

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