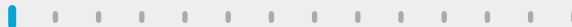


Artificial Intelligence and the Customer Experience

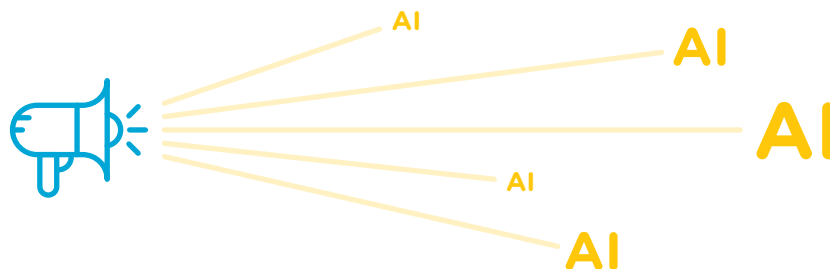
How comfortable are consumers interacting with AI for customer service?

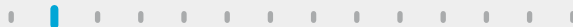


Artificial Intelligence: Helpful or Harmful for CX?

There's no denying that artificial intelligence (AI) is popping up everywhere in consumers' daily lives. You can't turn on the news, listen to your favorite podcast or read an article without hearing about the latest and greatest development in AI. But for many businesses, AI is more than hype—it's an important part of how they do business and connect with their customers. And in the world of customer care, getting AI right is a challenge many businesses will deal with for years to come.

So what does it mean to 'get AI right'? In customer care, it's about deploying technology in a way that helps your customers get things done quicker and easier. That means implementing technology that removes frustrating menus and roadblocks, and instead allowing your customers to interact with you in the manner of their choice. When done well, AI can both improve the customer experience and lead to significant cost savings for your business.

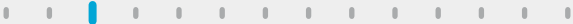




But many businesses are unsure about whether AI is the best way to improve the customer experience. There has been a lot of talk in the media about the potential benefits and costs of AI, and businesses have concerns about whether consumers will adapt to using AI, or whether they will view it as too invasive or difficult to use.

To address these concerns, we conducted an online research study with The Harris Poll, asking questions about consumers' preferences and comfort levels when dealing with AI. What we learned was that the majority of consumers are comfortable interacting with AI solutions and that—in some cases—AI is actually preferred over human interactions. Beyond that, the study showed that there can be significant benefits for companies using AI that consumers view as beneficial.





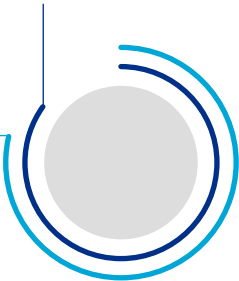
Speed and Effectiveness Matter Most

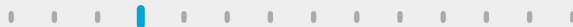
Whether they’re interacting with a human or an automated system, consumers want to get things done quickly and easily. Fortunately, this is an area where AI delivers. When asked about AI capabilities that enable positive customer experiences, 9 out of 10 consumers (roughly 85%) think 24/7 availability is useful. The same percentage also cited the ability to connect directly to a virtual assistant instead of going through a menu of choices.

Additionally, about 79% of consumers said that AI solutions provide positive customer experiences when they enable consumers to interact on the channel of their choice and to speak conversationally—as if talking to a human—instead of forcing them to use “robot speak”.

85% of consumers think 24/7 availability and the ability to connect directly to a virtual assistant is useful

79% of consumers like AI solutions when they aren’t forced to use “robot speak”



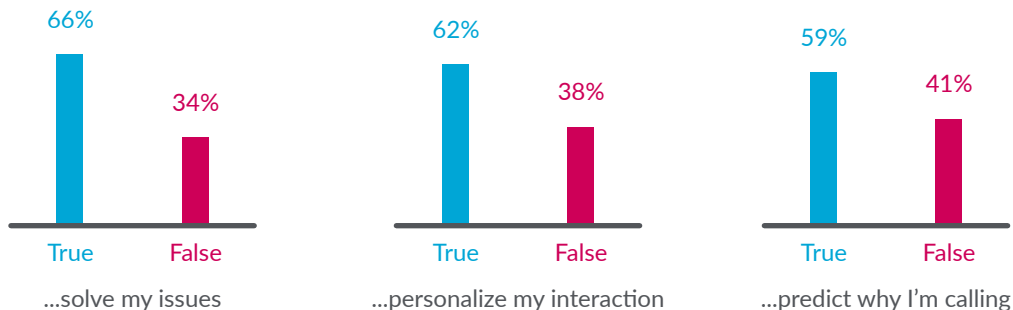


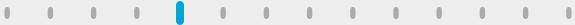
Invasiveness is Okay, As Long as it's Beneficial

The majority of consumers are comfortable using AI when it helps them easily resolve their issues, and most are even fine with AI using their personal and historical information to enhance their experience. In fact, about two thirds of consumers would find it helpful if AI used their information to solve their issues.

Roughly 3 in 5 consumers are also comfortable with AI using personal and historical information to personalize interactions, and nearly 60% are comfortable with AI using the information to predict why they are contacting the company.

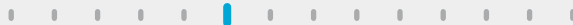
I would find it helpful if AI used my information to...





Millennials and Gen Xers appear to have less of an issue when it comes to AI using their personal and historical information to better their customer experience—they are more likely than Boomers to cite each of the following as useful capabilities of AI:

	MILLENNIALS (AGES 18-37)	GEN XERS (AGES 38-53)	BABY BOOMERS (AGES 54-78)
Use of my personal or historical information to solve my issues	73%	66%	59%
Use of my personal or historical information to personalize the interaction	69%	65%	54%
Use of my personal or historical information to predict why I am contacting the company	69%	64%	47%

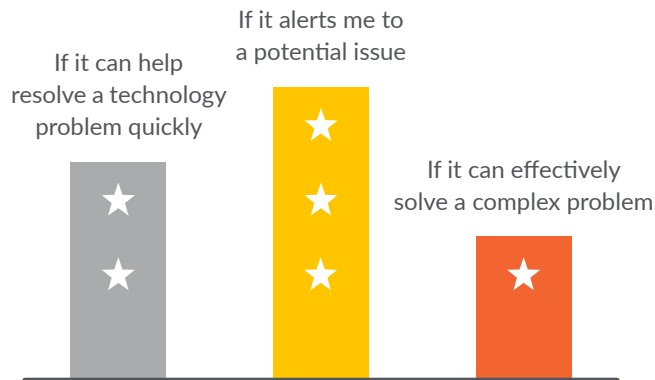


It's true that the use of personal information by AI—even if it improves the customer experience—can sometimes feel invasive. And while some consumers may not care for this particular trait of AI, nearly three quarters of them are willing to tolerate AI being invasive when it brings certain benefits.

The top three reasons why consumers are willing to tolerate AI are:

- If it alerts them to a potential issue (40%)
- If it can help resolve a technology problem quickly (36%)
- If it can effectively solve a complex problem (36%)

Additionally, nearly 3 in 5 consumers (59%) would support companies using invasive AI capabilities if it could help them solve issues more efficiently. Boomers appear to be least receptive to this idea, with only 51% in support, compared to 64% of Millennials and 63% of Gen Xers.





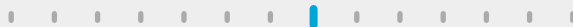
Sometimes, AI is Preferred

AI solutions provide speed and efficiency, but many consumers still find human interactions more beneficial in certain circumstances. For example, 65% of consumers think it is easier to negotiate or 'get away with' more when speaking to a human agent. Additionally, just over 60% think they have a better chance of succeeding when trying to bypass a company's rules with a human.

A majority of consumers (76%), however, are comfortable with a human not being involved when interacting with a company under a variety of circumstances. Millennials, in particular, are the most likely to be comfortable with this lack of human interaction (88% vs. 74% for Gen Xers and 65% for Boomers).

In terms of when consumers are most comfortable with humans not being involved, the top reasons included:

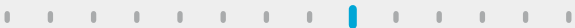
- When there are convenient and effective self-service options available (30%)
- When I'm addressing embarrassing financial information (23%)
- When I'm in a bad mood/angry (23%)
- When I'm addressing a private/personal issue (23%)
- When I'm trying to get a good deal/discount (22%)



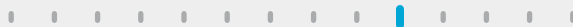
Half of consumers prefer a virtual assistant if they are dealing with an embarrassing situation

There are generational differences here as well, with Millennials being more likely than older generations to say they would be comfortable with a human not being involved when they are addressing embarrassing financial information (31% vs. 21% of Gen Xers and 18% of Boomers) and when they are in a bad mood/angry (29% vs. 22% of Gen Xers and 18% of Boomers).

There are even some situations where consumers would prefer a virtual assistant over a human agent. Half of consumers would prefer to interact with a virtual assistant over a human agent if they are dealing with an embarrassing customer service situation, and more than 2 in 5 (44%) prefer a virtual assistant when they are upset or in a bad mood. This sentiment is even stronger among Millennials:

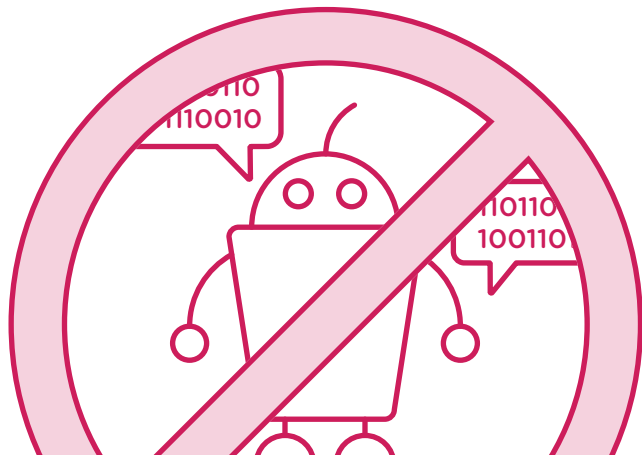


	MILLENNIALS (AGES 18-37)	GEN XERS (AGES 38-53)	BABY BOOMERS (AGES 54-78)
I would prefer to deal with a virtual assistant over a human agent if I'm dealing with an embarrassing customer service situation	65%	52%	36%
I would prefer to deal with a virtual assistant over a human agent when I'm upset or in a bad mood	58%	43%	31%



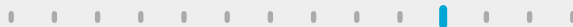
Positive Experiences come from Conversational AI

It's important to understand under which circumstances consumers are most comfortable using AI. But it's perhaps just as important to understand how useful consumers find various AI capabilities. To understand this, consumers were asked to evaluate how useful they think a variety of AI capabilities are when it comes to providing a positive customer experience.



The most useful capabilities indicated were:

- Directly connecting you with a virtual assistant (eliminating the need to go through menu choices) (85%)
- Ability to use conversational words/phrases, as if they were talking to a human, rather than speaking “robot talk” (79%)
- Interacting with a virtual assistant that has a human-like voice/personality as opposed to a computer-generated voice (70%)

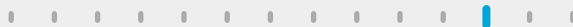


There are Real Benefits to Getting AI Right

An important takeaway from this study is not just that consumers are willing and—at times—even prefer to interact with AI. It's also the fact that, when done right, effective AI has the potential to increase customer satisfaction. When asked how interacting with an AI solution that is consistently effective and quick in answering their questions would impact their experience, 63% of consumers said that they would be more satisfied with the company. This is fairly consistent across all generations.

Beyond that, many consumers indicated that not only would they be more satisfied with a company that deploys a consistently effective AI solution, but they would also be willing to talk about it. Consumers indicated that they would be somewhat or very likely to do each of the following following a positive AI interaction:

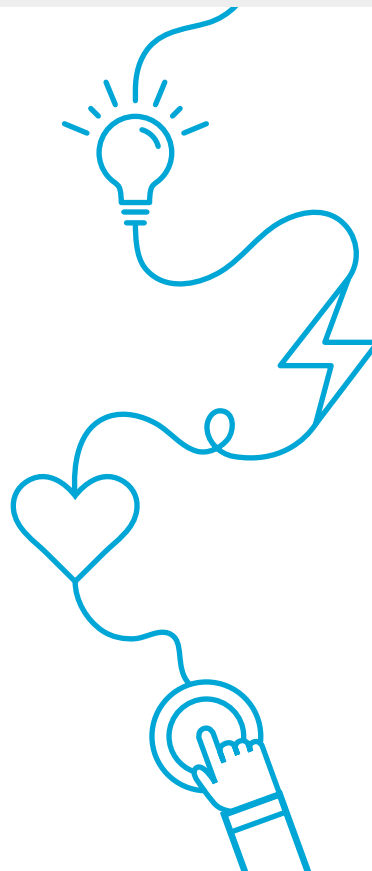
- Participate in a customer satisfaction survey (70%)
- Recommend the company to a friend/family member (69%)
- Increase purchases with the company (60%)
- Compliment the company on social media (rate them highly, leave positive feedback) (49%)

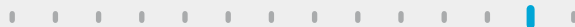


Helpful or Harmful? Definitely Helpful

When it comes to excellent customer care, ease of use and speed of communication are still major factors for most consumers. So much so that the majority are willing to tolerate the somewhat invasive characteristics of AI in exchange for personalized and convenient service. And in some specific cases, consumers even prefer interacting with AI over a human, particularly when they are addressing an embarrassing situation or feeling unusually emotional.

For businesses, this means AI solutions can and should be a major player in your customer service toolkit. Consumers are ready and willing to interact with effective AI solutions. Done right, AI has the potential to dramatically improve the customer experience—along with CSAT scores and customer loyalty.





Survey Methodology

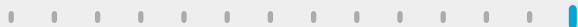
This survey was conducted online within the United States by The Harris Poll on behalf of Interactions between August 14-16, 2018 among 2,022 adults ages 18+.

Results were weighted for age within gender, region, race/ethnicity, income, and education where necessary to align them with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Poll avoids the words “margin

of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in online surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in our panel, no estimates of theoretical sampling error can be calculated.



About Interactions

Interactions provides Intelligent Virtual Assistants that seamlessly combine artificial intelligence and human understanding to enable businesses and consumers to engage in productive conversations. With flexible products and solutions designed to meet the growing demand for unified, omnichannel customer care, Interactions is delivering significant cost savings and unprecedented customer experiences for some of the largest brands in the world. Founded in 2004, Interactions is headquartered in Franklin, Massachusetts with additional offices worldwide.

For more information about Interactions, contact us:

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About Harris Insights & Analytics

Harris Insights & Analytics, is one of the world's leading public opinion, market research and strategy firms that delivers market and societal intelligence for transformational times. It is known for "The Harris Poll," one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963. Advisors to world and corporate leaders over the past fifty years, Harris provides insights and advisory services to help leaders make the best decisions possible.





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