



Improving Communication and Customer Service with a Few Simple Words

SUMMARY

Chatbots have a strong presence in customer service. They provide a unique opportunity to reduce costs while increasing engagement with new and existing customers. Harte Hanks Quarterly notes that this can result in a 300% improvement in customer lifetime value. The use of conversational AI can help identify the intent behind the question before formulating an appropriate response, thereby creating more value for the customer. Using an omnichannel strategy prevents conversations from becoming fragmented.

Chatbots are now a ubiquitous part of daily life. Amazon's Alexa, Apple's Siri, Microsoft's Cortana — these are all voice-based chatbots that you've probably already interacted with. These chatbots store information about your habits and preferences, helping remind you of a doctor's appointment or to pick up some milk from the grocery store.

Chatbots come in many different formats. Some are rule-based, following a strict pattern that walks the user through a pre-determined path to a response. Others are more conversational, leveraging artificial intelligence (AI) and stronger natural language processing and machine learning capabilities, which allows the user to write in questions and the chatbot to identify the intent behind the question before matching it with or formulating an appropriate response.



The Role of Chatbots in Customer Service

Outside of the realm of personal assistance, chatbots have a strong presence within customer service. Think about the last time you visited a website or a Facebook business page for travel, clothing, or a new product – did a pop-up appear asking if you need any help? Many businesses have embedded chatbots within their platforms to ask potential customers if they have any questions that can be answered and to convert potential customers into paying customers.

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Chatbots provide a unique opportunity to not only encourage engagement with new customers but to simultaneously reduce the burden of labor on existing customer service teams. Chatbots should not necessarily replace customer service teams; rather, they should be implemented together. It is also important to note that chatbots are often a preferred way for customers to reach out to businesses at their own convenience. [Twilio](#) reported that almost 90% of customers prefer using messaging systems.

Chatbots can handle introductory service-related questions around billing, product information, subscription plans and appointment scheduling, among others. Challenging and complex questions, as well as dissatisfied customers, can be routed to the human customer service team.

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Timely and succinct responses are of utmost importance, especially in the beginning of a customer-business relationship. Customers are not likely to wait, and the lack of a timely response to a prospective customer has significant cost implications. [Inside Sales](#) reports that a five-minute wait time results in a tenfold loss in regaining contact with that potential lead. A ten-minute wait represents a 400% decrease in retaining that customer. Having chatbots be the first responders in addressing customer inquiries results not only in **increasing revenue** by potentially bringing in more customers but also in **saving money** by reducing the burden placed upon customer-service teams.

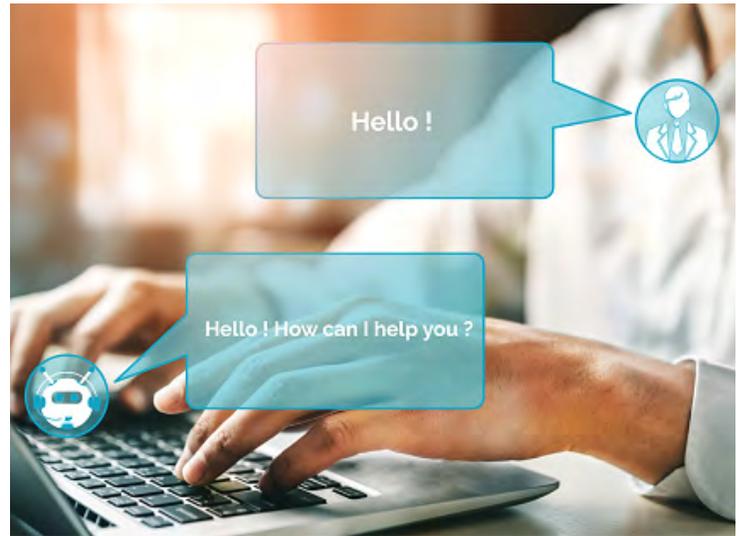


Beyond that, chatbots can offer 24/7 support, providing coverage when customer service teams would otherwise be offline and unable to respond to questions. Chatbots can also expand reach by handling multiple customer interactions at once, which would not be possible if relying solely on a human customer service team.



Leveraging Chatbots to Create Stronger Customer Experiences and Relationships

But we do not have to stop there – chatbots can do much more than just provide answers to questions. Utilizing AI, chatbots can handle more complex organization of information to build stronger and more consistent customer service experiences. For example, chatbot knowledge about a specific customer helps the chatbot tailor its responses to ensure the customer is getting the appropriate and relevant response. The chatbot can also provide tailored suggestions or questions to the customer, indicating knowledge of customer history and preferences.



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Developing an Omnichannel Customer Communication Strategy

Customers may choose to engage with a business from different platforms, such as Facebook as well as the business's website, creating fragmented streams of information about the customers and their preferences. Centralizing this information can help provide customers with more consistent experiences, as chatbots are able to leverage that information to ensure that customers are not inundated with repeated questions or provided insufficient responses. This is known as an **omnichannel strategy**.



Using an omnichannel strategy prevents conversations from becoming fragmented. Conversation started via Facebook Messenger can pick back up on the business's website. This helps not only in building better customer profiles but also in maintaining continuity for customers, which thereby improves their experiences.

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Omnichannels help personalize the customer experience, which is a growing priority. [Forrester Consulting](#) reports in a 2019 assessment that while only 21% of firms currently personalize experiences with customers, over 60% plan to do so within the next two years. Similarly, over 90% of firms reported that understanding customer history and relationships, recognizing customer context and automating actions based on customer responses are of incredible importance to customer service success. Chatbots providing basic FAQ-like responses is simply not sufficient in building strong relationships with customers and in encouraging customer retention.

Potential Challenges

It will be important to consider potential challenges in the development and implementation of chatbots for customer service. Ensuring that chatbots are capable of providing accurate and appropriate responses is essential, as incorrect responses can undermine customer trust. The user interface should be easy to use and understand, as complicated and unintuitive interfaces will deter usage. Customer perspectives should be engaged when developing the chatbots, as they can help shape what content is essential for the chatbots to cover. This can also help build a better understanding of which questions and conversations require the human customer service team, as that line between what a chatbot can respond to and what requires escalation needs to be drawn.



Ultimately, chatbots can be instrumental in improving the customer-business relationship by providing a personalized and consistent customer service experience. As businesses consider implementing chatbots for customer service, it is critical that they consider the practical use of conversational AI and personalization in their approach.