

Forrester Opportunity Snapshot: A Custom Study Commissioned By Ada | April 2019

Prioritize Personalization When Choosing Conversational Chatbot Platforms To Reap Rewards

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What's Holding Firms Back From Their Personalization Goals?

Today, many firms are choosing to leverage AI and automation to complete, augment, and personalize customer service agent interactions to deliver improved customer experience (CX) across channels. Unfortunately, most conversational platforms lack the critical capabilities and business-friendly usability necessary, leaving CX teams struggling and customers unsatisfied. To best reflect the needs of the customer, firms must offer easily configured, well-integrated, and highly personalized chatbot experiences that are specifically tailored to the interests, context, and behaviors of the user. In April 2019, Ada commissioned Forrester Consulting to evaluate CX teams' personalization capabilities and the ways in which chatbot platforms with built-in AI and automation capabilities can help deliver these experiences. To do so, Forrester conducted a custom study with the following respondents.



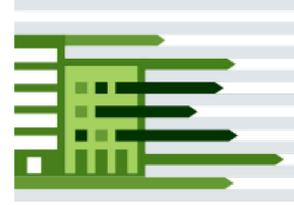
Region

- › US: **61%**
- › UK: **30%**
- › Canada: **9%**



Position

- › C-level: **18%**
- › VP: **28%**
- › Director: **27%**
- › Manager: **27%**



Department

- › Operations: **35%**
- › Customer service: **28%**
- › Customer experience: **21%**
- › Contact/call center: **16%**



Revenue

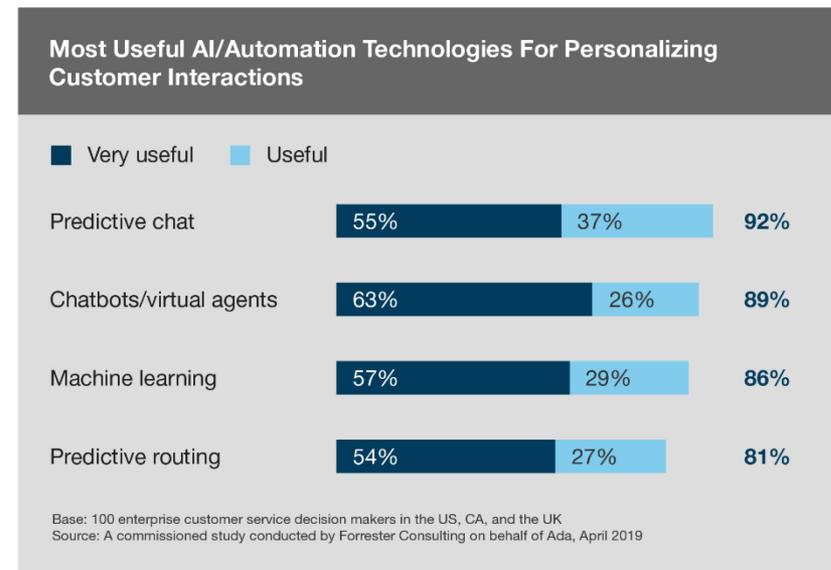
- › \$500M to \$1B: **1%**
- › \$1B to \$5B: **61%**
- › More than \$5B: **38%**

Note: Percentages may not total 100 because of rounding.

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Firms Seek To Personalize Customer Service Interactions Through AI And Automation

Though the ultimate goal is to have highly personalized customer service interactions, most firms are not yet there. Only 21% of firms say these experiences are highly personalized today. However, nearly two-thirds of these same teams plan to have highly personalized interactions within two years. While this prediction may be overly optimistic, it does speak to firms' intentions to evolve experiences in line with customer expectations. In order to accomplish their personalization goals, firms find AI and automation chat technologies helpful, relying on chatbots, machine learning, and predictive chat and routing capabilities. But, if highly personalized experiences are still out of reach for most, what is holding them back?



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Implemented Chatbot Platforms Lack Important Functional Capabilities

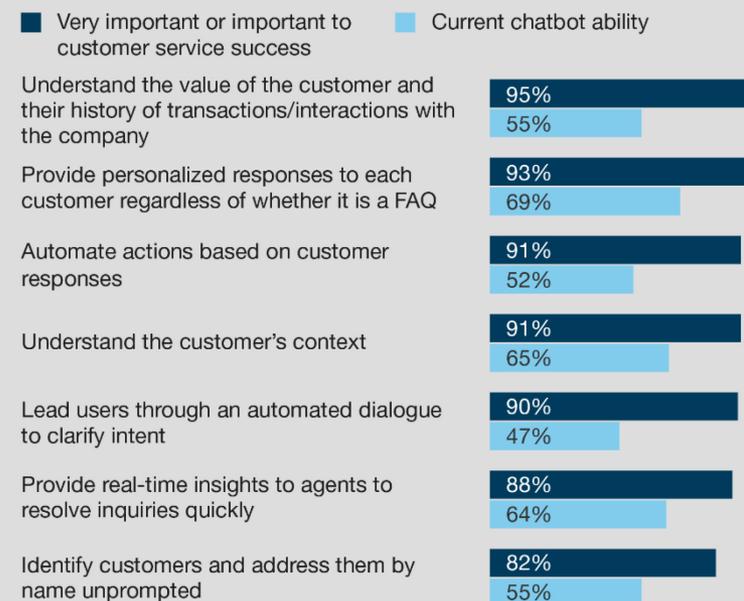
Firms may not actually have the tools they need. Respondents in this survey noted that the tools they have today fall short. In fact, some of the most important capabilities — like the ability to understand customer history and provide personalized responses beyond simplistic “frequently asked questions” — are not available in their currently implemented solutions.

By moving beyond automating FAQ responses or deflecting escalations, chatbots have the potential to create new and compelling customer service experiences.¹ In order to do that, and to take full advantage of the potential available in personalization, firms need to ensure they are investing in the right tools with the most critical functionalities.

Firms need their chatbots to come with personalization and contextualization capabilities beyond simplistic FAQ responses.



Many Firms' Chatbot Solutions Lack The Most Important Functionalities



Note: Not all responses shown

Base: 100 enterprise customer service decision makers in US, CA, and the UK

Source: A commissioned study conducted by Forrester Consulting on behalf of Ada, April 2019

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CX Teams Are Restricted By Their Own Tools, Creating a Dangerous Chain Reaction For The Business

It's not just that current solutions lack important capabilities, teams also fight against their tools in other ways. When asked about the challenges inherent in using AI and automation to personalize customer interactions, CX teams noted a lack of autonomy over their tools. Over half of respondents indicated that their solutions must be customized by IT teams, leaving business users disconnected from their own tools, and unable to create compelling experiences. Furthermore, 50% also acknowledge that the business users which make up these CX teams do not have a technical background, further feeding into the overreliance on IT.

These shortcomings have problematic consequences for the business, creating a waterfall of bad results. CX teams must rely on scarce IT resources in order to do their job, causing companies to fall behind in meeting customer expectations of personalized service. As a result, customers become frustrated with their experiences and ultimately abandon the brand — negatively affecting top-line revenue.

In order to find success, firms must invest in tools that empower business users to create personalized chatbot experiences without the IT dependence.

Consequences Of Challenges



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Companies That Embrace Conversational AI Technologies Will Overcome Challenges And Drive Business Benefits

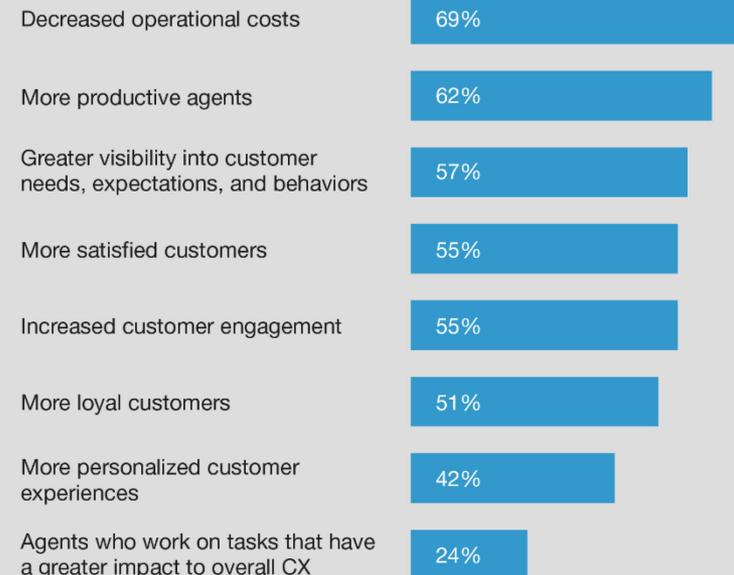
Personalized customer service delivers results. Respondents in our survey agreed that personalizing customer service interactions provide operational benefits — like decreased costs and more productive agents — and improved CX outcomes — like more satisfied, engaged, and loyal customers. Furthermore, Forrester has found that good CX has a quantifiable impact to top-line revenue across all industries.²

And chatbot platforms are critical in making this personalization happen by leveraging customer, product, and interaction data that lives across the organization. Chatbot platforms must be easily integrated and offer business-friendly tooling to allow CX professionals to craft the experiences their customers demand.

Firms that invest in the right chatbot platforms will be able to offer a high degree of personalization, leading to happier customers and business success.



Top Benefits Of Personalizing Customer Service Interactions



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Bridge The Tooling Gap To Empower Teams And Personalize CX

Customers expect easy, effective interactions that are highly personal and contextual to their current needs. Personalization is a key tenet of great customer experiences. But, in order to truly elevate what is often at best a mundane conversation, and at worst a terribly frustrating experience, CX teams need the right tools to craft compelling experiences. Unfortunately, most of the currently available conversational platforms that automate interactions across the customer journey are not business-friendly (being geared more toward the IT user), not able to access enterprisewide data to personalize interactions, and are primarily focused only on providing answers to frequently asked questions.

If organizations continue to invest in tools which actively fight against the typical business user, they will not succeed. AI-powered chatbot technologies, that can be customized and operated by CX teams, must be embraced. These technologies will integrate into the larger business tooling infrastructure and more efficiently offer a high degree of personalization, leading to more satisfied, engaged, and loyal customers.

Endnotes

- ¹ Source: "Unlock The Hidden Value Of Chatbots For Your Customer Service Strategy," Forrester Research, Inc., January 19, 2018.
- ² Source: "The ROI Of CX Transformation," Forrester Research, Inc., June 19, 2017.

ABOUT FORRESTER CONSULTING

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METHODOLOGY

This Opportunity Snapshot was commissioned by Ada. To create this profile, Forrester Consulting conducted a custom online survey with customer service decision makers at enterprises in the US, Canada, and the UK. Surveyed organizations had customer service departments of at least 300 agents, receiving 5,000 or more inquiries per month. The custom survey began in February and was completed in March.

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