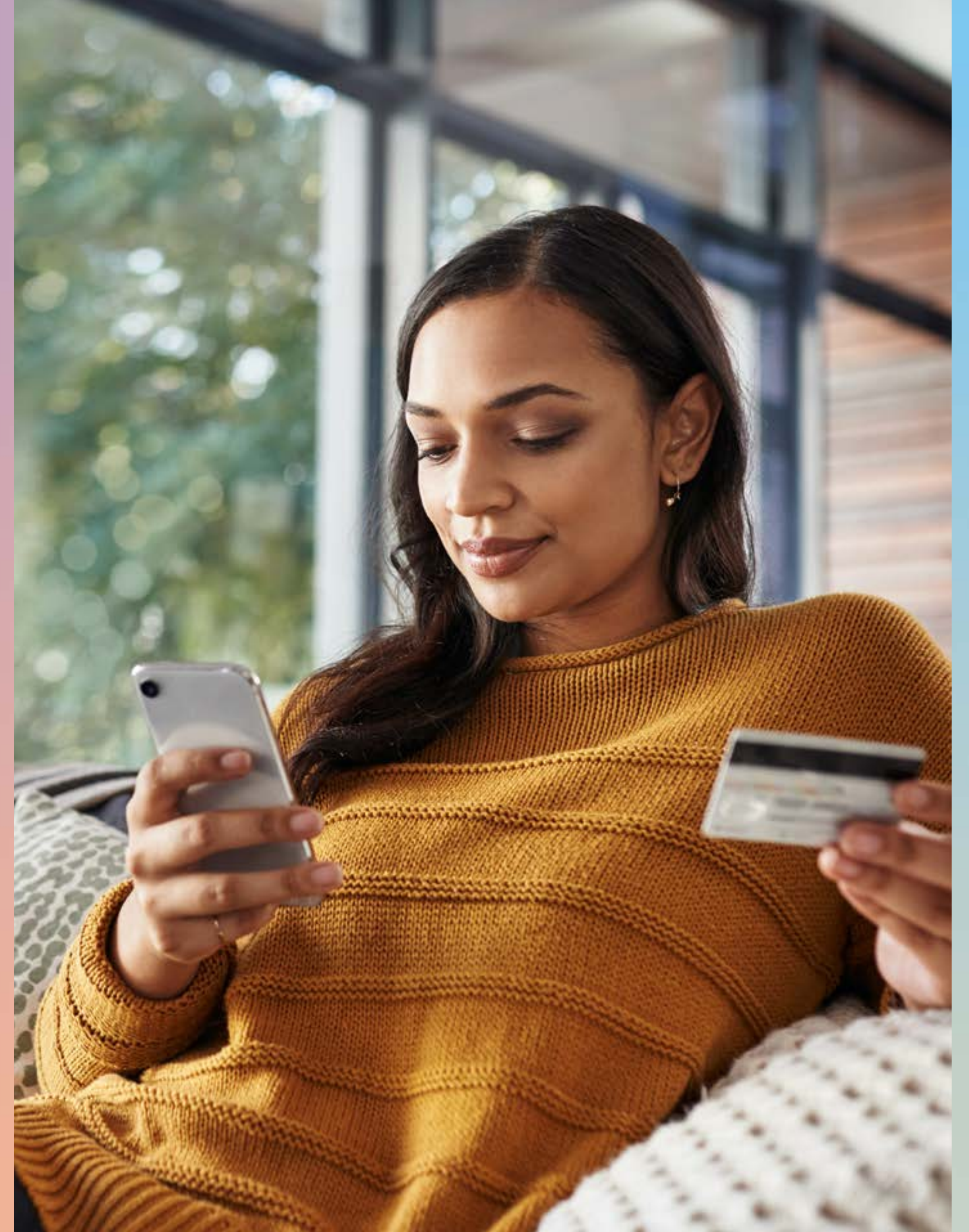


How to Boost Customer Engagement With Conversational AI



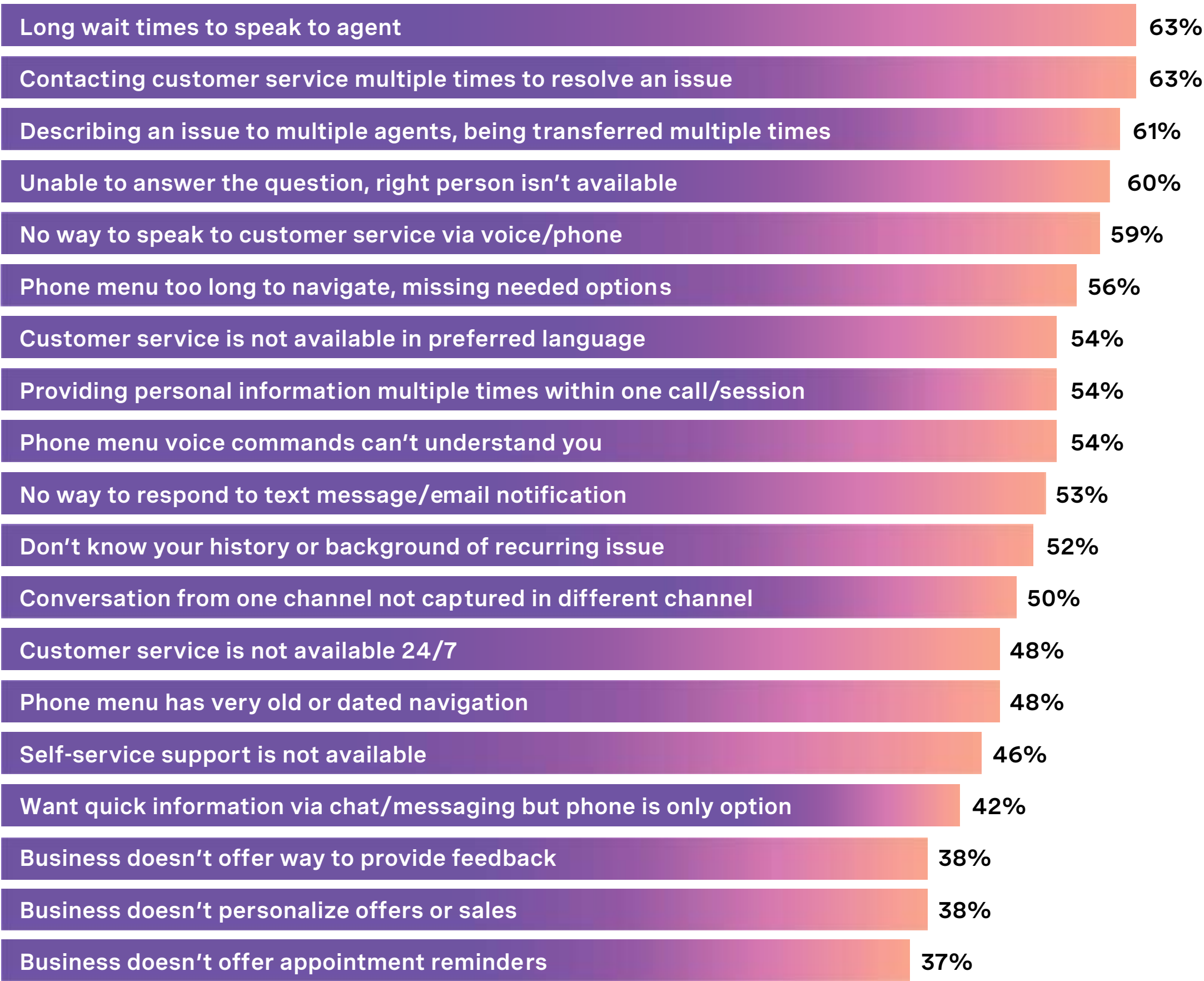
INTRODUCTION

With poor customer service losing businesses customers and goodwill, it's vital organisations find better ways to communicate and grow sales – and conversational AI allows them to do just that.

It should come as no surprise that poor customer service is bad for business. According to the latest [Vonage Global Customer Engagement Report](#), 74% of people will stop buying from a company if they have had a bad experience, and 46% only need one or two incidents before they head off to a rival firm.

The report also reveals some of customers' main frustrations, which are most likely to see them look elsewhere. The most common customer frustrations are long wait times to speak to an agent and contacting customer service multiple times to resolve an issue (both cited by 63 per cent of respondents). Other major gripes include describing an issue to multiple agents and being transferred multiple times (61 per cent), as well as talking to agents unable to answer customers' questions (60 per cent).

Q. How frustrating is experiencing each of the following types of communications issues with businesses or service providers?



Jon Lingard, customer solutions architect at Vonage, says customers are increasingly expecting similar levels of customer service in their business lives as they experience in their personal ones.

"Customers are used to an increasing number of channels and so the expectations are of this omnichannel experience," he says.

"In their day-to-day lives, customer communications are very much centred around mobile-first and instant communications. But businesses are still offering the same legacy experiences, with long waiting times in call centre queues and slow response times. They rely a lot on email with a two-day turnaround."

"In my experience, if you get a bad service from a company, then effective communications overcome that," he adds. "People are very forgiving if you communicate. But when you don't communicate, even a good service can become dissatisfactory and cause them to walk away."

Fact: Nearly 80% of global consumers have recently used AI-assisted tools AND over 60% have a positive attitude about using AI to improve CX.



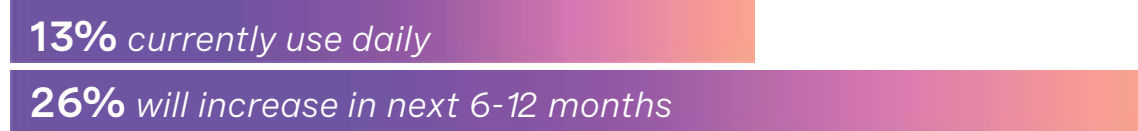
AI usage is on the rise

The following are the top highlights for 2024 — such as the growing trend of chatbot and video chat usage. Both have an AI element.

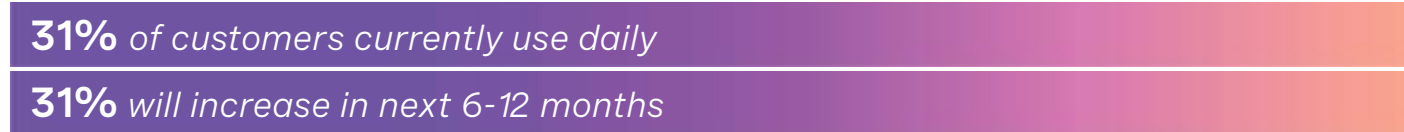
Chatbot:



Video chat:



Messaging via non-SMS apps:



Mobile phone call:



Phone calls via messaging apps:



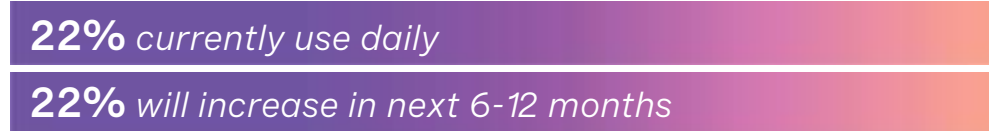
Commenting on social posts:



Email:



SMS text message:



AI and great CX

Customers are comfortable with AI

Reach live customer service



Receive customer service callbacks



Variety of ways to communicate with company



24/7 customer service



Virtual agents for fast problem resolution



Must have
Nice to have
Not important

AI attitudes and experiences



Very positive
Somewhat positive
Neutral
Somewhat negative
Very negative

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Artificial Intelligence

The rise of artificial intelligence (AI) provides opportunities to help organisations improve their customer service and ensure a more joined-up approach across different channels, including voice. Businesses are open to the potential too: [a survey by IDC](#) finds 89 per cent of executives believe in the merits of generative AI, and almost 80 per cent think it could be leveraged for their company's operations.

Conversational AI allows organisations to engage in real-time communication across different channels. "If you send a notification, you should have the expectation that people might want to respond through that channel," points out Lingard. "Having conversational AI behind that so customers can reply and continue the conversation is very powerful. If they can reply to the SMS or the WhatsApp message, they won't call your call centre and sit in the queue for 10 minutes and get a poor experience."

Crucially, AI means organisations can also reply when human operatives are not available, something that is becoming more important in a global landscape where people operate in different time zones. "Once you've got the channel set up, you need to have that real-time

response," Lindgard adds. "If you connect to something like Instagram or WhatsApp, people don't expect to get a response two days later. Conversational AI is about leveraging AI to automate these customer interactions to enable them to complete transactions by self-service. People love self-service, if it works. The problem with self-service is when it doesn't work, and that's where people say they prefer humans."

Embedding conversational AI across multiple channels can help to overcome the frustrations customers currently experience, including routing customers with an agent best suited to handle the call, extracting customer data from a CRM system to provide context to staff to avoid repetition, and providing round-the-clock support through virtual assistants and conversational commerce.

Vonage AI Studio is a low-code conversation designer that empowers developers and non-developers to create and deploy customer engagement experiences that operate in natural language on any channel.

"There are a number of potential uses," says Lingard, "ranging from marketing to sales and customer service so it follows the chain of events for a customer."

"One of our customers had a bot assisting with selling on a Facebook Live event, where it would answer

people's queries and, if necessary, put them through to a consultant for advice," he says. "They saw a four-fold increase in sales due to that. With marketing, HolidayPirates increased engagement dramatically by using WhatsApp instead of relying on email." (See page 7.)

"In the service world, we have a consumer goods reseller, which managed to automate 70 per cent of their customer service calls without any human intervention using automated voice," says Lingard. "As a starting point," he adds, "many businesses take a pre-existing set of FAQs and push that into AI Studio, and then enable that through the various channels."

Taking action

It can be hard for businesses to work out just what state their communications are in across the different channels. Lingard suggests a good starting point is to conduct a mystery shopping exercise.

"See if you can access teams through different channels and what the experience is like, and how you could offer a more seamless experience," he says. "You need to start small and build fast. Focus on one use case, build that rapidly and expand from there."

There are generally two areas to which businesses will need to give some thought. "One is the conversation design," says Lingard. "Depending on the complexity of the conversation you want to implement, that could be done by a business user or customer, and we have expert conversational designers who can build this on behalf of customers. A very good model we have found is that our team builds the first one and hands it over to the customer, and they then maintain and develop that in-house. The last model, though, is that we build and maintain it as a service. If you want to create a very advanced AI-driven conversation dialogue and you don't have the skills in-house, then that might be a good option."

The second area to consider is data integration. "If you're doing transactional self-serve, this is important," says Lingard.

"Integration is an activity that normally requires support to develop, typically the IT organisation." In AI Studio, it's possible to draw on open standards and drag-and-drop tools, meaning this is relatively straightforward," he adds.

Those who can offer compelling customer service can expect to see significant benefits. Vonage's latest Global Customer Engagement Report found 55 per cent

would tell family and friends about a great experience they had received, and 56 per cent would give positive feedback on a survey. A similar number (52 per cent) would be more loyal to that company or provider, and 36 per cent would purchase additional products. A third (30 per cent) would take to social media or online sites to post a positive review.

The key, says Lingard, is to be able to offer this through every kind of channel, including voice, without the need for people to wait or to have to provide their details to many different people on different occasions.

"If you think about a customer journey, they touch on multiple systems in the business," he says.

"A customer might get a notification from a back-end application and may respond through a bot. Then the bot needs to hand it over to a call centre with a live person. The journey covers multiple parts of a business, but the bot is only one part of it. It's this flexibility that makes it so powerful."

To find out more about how Vonage's AI Studio could help your business improve its customer experience, visit vonage.com/communications-apis/ai-studio

Case study: HolidayPirates



In a fiercely competitive holiday market that was hit hard by the pandemic, international travel company HolidayPirates wanted a better way to reach potential customers with tailored holiday packages provided by its partners.

Traditionally the business had relied on emails, as well as its app, but with offers often time-limited it needed a better way to promote its deals. It also needed to measure how attractive an offer was to customers, to make sure it was delivering the kind of messages that would encourage purchases.

The business quickly identified WhatsApp as its preferred channel, and chose the Vonage Conversational Commerce marketing and communication tool. Subscribers now receive messages about new travel packages, and a link takes them straight to the deal on the website.

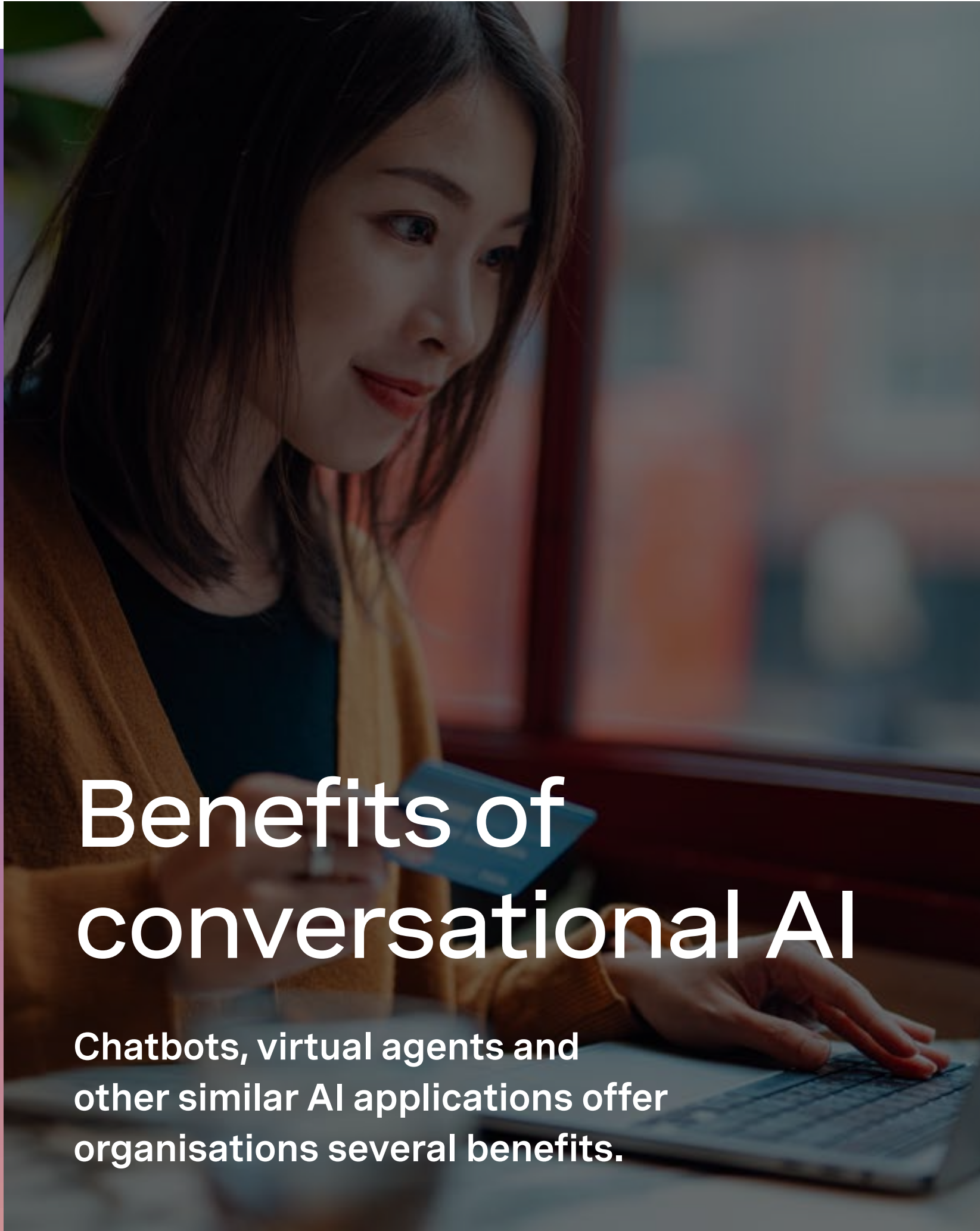
"Since leveraging Vonage's Conversational Commerce solution to add the WhatsApp channel, we've grown our WhatsApp subscriber base by 53 per cent in only three months, now reaching over 220,000 subscribers eager to engage with the offers we share," says Kamila Skötsch, global CRM team lead at HolidayPirates.

"We've seen a tenfold increase in subscriber engagement through WhatsApp compared to email offers, and over twofold the engagement over app notifications."

With more dialogue through WhatsApp, the company has also been able to identify the types of holiday customers want, and tailor messages accordingly.

"With WhatsApp and Vonage, we've been able to better identify and market to the top 25 per cent of our active subscribers," says Skötsch.

"Our subscribers using WhatsApp are faster to act on deals than people using other channels, generating more traffic to our partners with click-through rates as high as 40 per cent, and some messages receiving a 97 per cent open rate."



Benefits of conversational AI

Chatbots, virtual agents and other similar AI applications offer organisations several benefits.

Improved customer service experience

Chatbots and AI-enhanced virtual agents provide prompt, 24/7 service across channels, meeting customers where they are and with context from previous interactions. Human agents spend less time answering simple questions.

Managed one-to-one conversations at scale

Conversational AI-powered chatbots can pull data from a variety of sources, including customer relationship management platforms, customer profiles and purchase history. They can use this to personalise interactions, anticipate needs and make recommendations.

Conversion of social messaging into a fully-fledged store

After your AI handles whatever business your customer has in mind, it can take the opportunity to upsell or cross-sell products and complete those transactions on the spot.

Omnipresence across omnichannel

Whether a customer calls in and talks to your voice assistant, texts with a chatbot via SMS or messages with a chatbot on any popular messaging app, the customer is talking to the same AI. It's a seamless experience that's personalised for each unique customer.

Thank you for reading.

Learn more at [VONAGE.COM](https://vonage.com)

