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Mastering the waves of
Customer Experience
Technology

How AI is reshaping Customer Service Operations

How emerging technologies
are re-shaping best practices in
customer service operations

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The transformative wave of artificial intelligence

Artificial Intelligence (AI) has shifted from a trend to a transformative force that demands attention. This paradigm shift compels businesses to rethink their strategies in customer service before they get left behind. AI's impact is not fleeting; it's a resounding transformation that is here to stay.

AI drives businesses to innovate and reimagine their approach to customer interactions. But the question is, how can businesses harness AI's potential to revolutionise customer service? This is precisely where the expertise of redk shines, accompanied by our technology partners, including industry leaders like Salesforce, Zendesk, and Ada.

This white paper explores AI's capabilities, technical foundations, and potential to redefine customer service. As AI evolves, businesses stand at the edge of a new era in customer service. Embracing this revolution means adapting, innovating, and leveraging AI's power to create connections, enhance experiences, and redefine customer engagement.
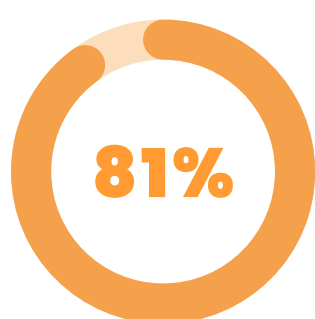
2023 Report by Hideki Hashimura, CMO at redk

1. AI in Customer Service is all about experiences

Customer service is no longer just about solving problems - it's about orchestrating experiences.

In the fast-evolving landscape of customer service, one thing is clear. AI has emerged as a transformative force, revolutionising how businesses interact with customers. The rise of AI is not merely a trend; it's a seismic shift that redefines the very essence of customer support.

● **AI in customer service refers to the strategic integration of artificial intelligence technologies into customer interactions and support.**

It represents a dynamic shift from traditional, manual customer service approaches to a highly automated and intelligent system that enhances customer experiences and business efficiency.

81% of business leaders see CX and support as growing priorities over the next year.

80% of leaders plan to increase their customer service budgets over the next year.

59% of organisations estimate a positive ROI on AI investments made for CX.

AI tools, ranging from cutting-edge chatbots to sophisticated generative AI models, have swiftly ascended to the forefront of customer service. These solutions have woven themselves into the fabric of modern customer engagement, empowering businesses to engage with customers more personally.

AI in customer service is not just about automating routine tasks; it's about delivering enhanced value in every service interaction. It transforms every customer interaction into an opportunity for meaningful engagement, enhancing customer satisfaction and loyalty. It empowers businesses to be proactive rather than reactive, predicting issues before they arise and preemptively resolving them.

The future of customer service belongs to those who seize this new wave, adapt proactively, and leverage AI-powered customer service to forge lasting connections.

AI in customer service signifies a strategic leap towards a more responsive, efficient, and customer-centric approach. It's about using technology to create meaningful connections and streamline operations, ultimately redefining the standards under which customer engagement takes place.

The future of customer service belongs to those who seize this new wave

Key Takeaways

● AI is here to stay

It's time for businesses to embrace AI technologies across their customer service department. AI is moving quickly, and those who avoid it will be left behind.

● Many businesses are already investing in AI

Many business leaders are already starting to incorporate AI technologies into their budgets. They are seizing the new wave of automation with open arms.

● AI will enhance the entire customer experience

AI doesn't just speed things up; it transforms the entire customer journey from start to finish.

2. The AI Tools Transforming Customer Service

Each tool carries a distinctive capability, collectively steering customer service operations toward new horizons of responsiveness and effectiveness.

From utilising natural language processing to foreseeing customer behaviours, these tools don't just speed up the process—they redefine it.

> **AI's vast potential has led to an uproar of new tools and technologies on the market. They come in all shapes and sizes, but the best ones are definitive assets that put the customer front and centre.**

1. Chatbots

Fueled by cutting-edge natural language processing (NLP), chatbots represent the vanguard of customer service transformation. These virtual agents engage in dynamic conversations, providing instant responses and solutions.

65%

of leaders acknowledge that the AI-driven chatbots they employ are evolving into more natural and human-like interactions.

Zendesk's CX Trends 2023 Report

2. Natural Language Processing (NLP)

Natural Language Processing (NLP) is the backbone of AI's understanding of human language. It empowers systems to grasp intent, sentiment, and context, allowing for seamless interactions where friction is removed and information and anwers are readily available to customers.

The result? 72% of regular customer service bot users have witnessed noticeable enhancements in quality, particularly on the ability of delivering accurate answers that result in an effective output, in other words a positive resolution, boosting customer satisfaction. Now, that's what we like to see.

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3. Machine Learning

AI's ability to recognise and learn from vast amounts of both data and past experiences empowers organisations to deliver immediate response to requests.

Customer services applications like Salesforce Service Cloud or Zendesk integrate their AI powered bots with internal CRM applications as well as knowledge base archives, by doing so brands can tailor experiences to individual customer preferences, deliver swift accurate responses, thus unlocking levels of engagement previously thought unattainable, whether the relationship is B2C or B2B.

Zendesk's CX Trends 2023 Report

41% of consumers predict that synthetic agents will revolutionise their purchasing habits in the future, rising to 43% for voice-based AI.

4. Interactive voice response (IVR)

Intelligent Voice Response (IVR) systems, backed by AI, streamline customer interactions by directing calls to relevant departments or providing automated solutions. This technology significantly reduces wait times, enhancing the overall service experience.

When AI powered bots integrate CRM data with NLP and IVR the result is a much faster and personalised experience to the end user.

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'We are not just looking for efficiency for efficiency's sake. We've got to keep the customer at the top of the list.'
2buy2

5. Predictive analytics

AI-driven predictive analytics mines data to foresee customer needs and behaviour patterns. This enables businesses to proactively address concerns, creating a seamless and personalised experience that resonates with customers.

6. Self-service solutions

Knowledge bases and FAQ sections help customers answer their questions without needing a customer service agent or chatbot. Content generation tools produce these FAQs quickly with natural language processing.

Key Takeaways
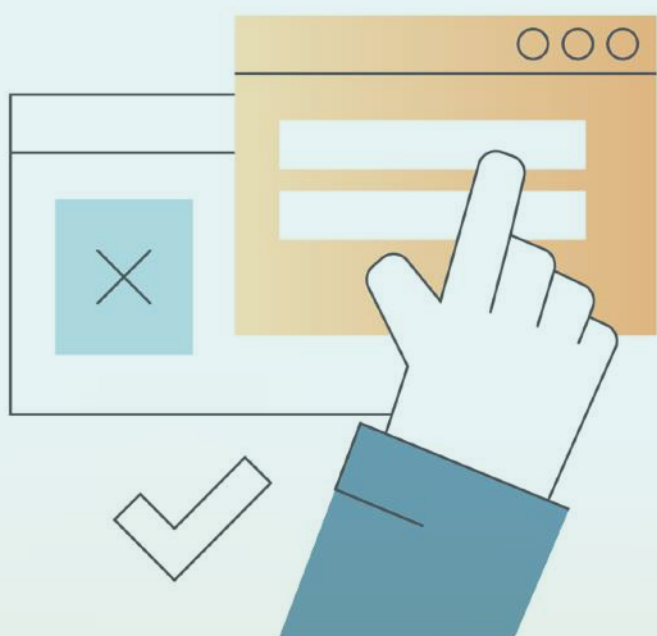
● AI provides personalised customer service

With the help of AI, your team can provide better and more personal service to every customer, creating a centre for customer service excellence.

● AI can predict customer behaviour

Businesses can foresee customer needs and trends with an AI tool at their side. You can adapt your marketing strategy to these trends and avoid hurdles that would have caught you out before.

● Natural language processing is a gamechanger

AI doesn't just speed things up; it transforms the entire customer journey from start to finish.

3. AI impacts customer service positively

AI-powered solutions help businesses with all kinds of tasks and challenges, from improving team productivity to transforming customer loyalty. In this section, we take a look at the advantages of embracing AI in your business.

71% a staggering 71% of service agents have contemplated quitting within a six-month period due to the intense workload.

● 'We wanted to bring our customer-facing teams closer together through the use of technology and automate a number of processes that were previously run through manual overrides — and in that way, support our internal teams to help them deliver best-in-class service to the market.' -

Nigel Ashfield, Founder and MD at Time Investments

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Integrating AI into customer service operations isn't just a technological progression - it's a strategic move that yields substantial business benefits.

● Employee experience:
Reduce burnout and improved productivity

AI in customer service is a powerful remedy for boosting team productivity and preventing burnout. The demands on customer service teams are substantial, and manual handling of routine tasks leads to fatigue and reduced efficiency.

AI handles repetitive inquiries so human agents can focus on complex challenges that require creativity and expertise. This strategic delegation optimises team productivity and reduces the risk of burnout for a more motivated and engaged workforce.

By unburdening agents from monotonous tasks, AI empowers them to dive into interactions that demand human intuition and problem-solving acumen. This shift not only revitalises team morale but also elevates the quality of customer interactions.

AI is a means to improve team dynamics, amplify job satisfaction, and protect your workforce against the risk of burnout. It's an investment that pays dividends in terms of performance, engagement, and long-term retention.

● Be there when customers need you

In a world where customers demand an immediate response and 24/7 connectivity, customer service availability isn't just a convenience - it's an expectation to be met. AI emerges as a tool of reliability, offering a seamless solution to fulfil customer needs around the clock.

Human agents have their limits; they need to rest and stick to realistic shifts. AI, on the other hand, knows no bounds.

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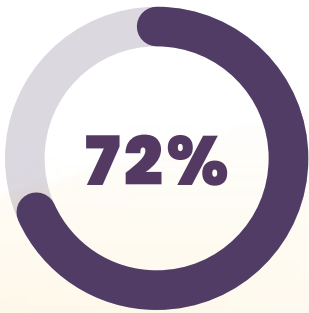
72% of customers want immediate service

It stands ready to engage with customers at any hour, across various time zones, and during weekends and holidays. This 24/7 availability addresses one of the most pressing challenges in customer service: delivering support when customers need it the most.

Redk Client
Supermarket

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"Consum"

With the help of Zendesk technology and redk's implementation services, Consum saw a 40% improvement in customer query resolution and a 41% increase in response time.

Without AI, businesses might struggle to provide timely assistance to customers outside office hours and in different time zones. AI-powered chatbots bridge this gap, ensuring that inquiries are acknowledged and addressed promptly, regardless of geographical location or time of day.

Further than this, AI powered chatbots are able to connect with other company systems and integrate service orders or other types of transactional data, thus removing the need for human intervention in a case.

By meeting customers on their terms and providing immediate assistance, businesses establish themselves as reliable partners in their customers' journeys.

AI ensures that customer service doesn't adhere to a traditional schedule; it aligns with the modern pace of life. Businesses will showcase their commitment to customer satisfaction and establish a competitive edge that resonates in today's demanding market landscape.

Satisfied customers are loyal customers

AI creates seamless conversational experiences that deeply resonate with customers. Customers feel a brand genuinely cares to provide high a quality service when they engage with AI-driven solutions that understand their language, context, and intent and are able to transact quickly and seamlessly.

This connection extends past the initial transaction and evolves into loyalty, cultivating repeat business and fostering brand advocacy.

70% of consumers purchase more from companies that offer seamless conversational experiences.

64% spend more when issues get resolved where they already are.

The value of this connection becomes even more pronounced when considering that customers are more likely to spend more when their concerns are addressed where they initiated the interaction.

At redk we help brands to embed AI service bots within the same platform or channel where customers started their inquiries. This approach streamlines the resolution process, eliminating the need for customers to switch channels and enhancing the overall experience.

AI tools' ability to enhance customer satisfaction and foster loyalty is far from an optional addition to the customer service toolkit. It's a strategic necessity.

Optimise costs for improved ROI

Amid economic uncertainties, businesses are navigating a twofold objective: optimising efficiency and delivering best-in-class customer service.

AI takes centre stage in this strategy, ensuring operational stability and amplifying Return on Investment (ROI) across customer service as it helps scale operations, improve efficiency and increase customer satisfaction.

77% of business leaders have seen those investments pay off

59% of those leaders attest to measurable ROI as a result of investments in AI

With the right approach, AI can help companies generate more leads, elevate customer satisfaction, and convert prospects into loyal customers. This translates to tangible returns, magnifying ROI in customer service endeavours.

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Beyond this, AI is been used to create targeted content that resonates with the audience. The result is content that speaks directly to customers' needs and preferences, nurturing engagement and loyalty and further bolstering ROI.

AI's impact doesn't stop there. By automating mundane tasks like data entry and social media management, AI liberates customer service agents to focus on intricate, value-driven tasks. This shift enhances the quality of customer interactions, optimising resources and thereby enhancing ROI.

Key Takeaways

AI assists your team, not replaces them.

AI tools handle the tedious, repetitive tasks so your agents have more time to manage complex inquiries without increasing their workload.

AI delivers a high ROI

Investing in AI solutions for your business pays off long-term. Improved performance combined with increased speed and availability.

A better employee experience

AI will have a huge impact on your entire business - including your team's mental health. Reduce the risk of burnout and let AI handle the heavy grunt work.

In essence, AI becomes the catalyst of ROI enhancement. It revolutionises customer engagement, amplifies customer satisfaction, drives loyalty, and even helps refine customer content strategy.

By embracing AI's potential, businesses forge a path toward success, where excellence and efficiency exist hand in hand.

4. In practice / AI in customer service

At the heart of the customer service transformation lies the intricate workings of AI.

This section delves into the core mechanisms that power AI's seamless integration into customer saervice operations. From deciphering complex data patterns to fostering personalised interactions, AI's inner workings are the driving force behind elevated customer experiences

The technical side

AI's operational foundation is built upon a fusion of expansive data sets and intuitive processing algorithms. This symbiotic relationship empowers AI to decipher the patterns woven within these data realms. Yet, AI's abilities extend beyond this initial interaction—its true strength resides in its capacity to learn, adapt, and grow.

At its core, AI's journey through data begins with a sophisticated interplay of two key elements: data sets and algorithms. These data sets encompass diverse information, from customer interactions to market trends. Armed with advanced algorithms, AI looks into this data and uncovers patterns, trends, and correlations to reveal the path from raw data to actionable insights.

However, AI doesn't stop at pattern recognition. It refines its algorithms through the knowledge it acquires. This adaptability is the cornerstone of how AI delivers value in the context of improving businesses operational capabilities.
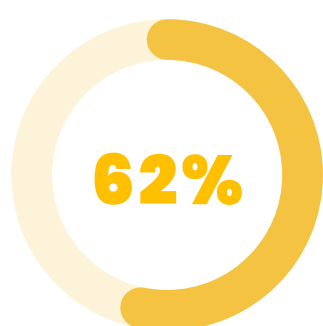
As it immerses itself deeper into data, it enhances not only its understanding but also its performance. Over time, thanks to machine learning technology as a component of AI, it becomes finely attuned to customer preferences, capable of foreseeing trends, and equipped to provide tailored solutions that align seamlessly with individual needs.

Crucially, AI's dynamism is grounded in its diverse repertoire of methodologies. It encompasses a rich ecosystem of approaches, each uniquely tailored to address specific tasks. From natural language processing and predictive analytics to image recognition, AI wields a diverse toolkit to navigate a broad spectrum of challenges.

AI's technical prowess hinges on its ability to merge extensive data with intuitive algorithms. This fusion yields more than just insights; it creates a learning system capable of transformation.

A massive wave that changes the landscape as it passes by

As AI strides forward, it's clear that the path ahead remains a work in progress. This progress is not a linear ascent but a measured evolution. It's a journey that demands strategic direction to harness AI's transformative power effectively, especially considering that customer service leaders will have to re-think and re-shape the way they deliver their function, combining the best of people, processes and technology.

AI's potential can only be fully harnessed through concerted, cohesive efforts - and unfortunately, this is where many businesses fall short. Meeting consumer expectations isn't just a matter of integrating AI here and there; it requires a deliberate and systematic approach. At redk we call this approach "CX by Design" where we design how organisations can make the most of new technology to shape customer experiences in a different way, a new way, not just doing old things with new technology, but re-designing fit-for-purpose solutions.

As businesses and industries grapple with the evolving nature of AI, it's essential to acknowledge that this process is a collective endeavour - one where challenges and discoveries are integral to the narrative.

62% of business leaders say their companies have been lagging behind in the use of AI.

60% describe their organisation's plans as being ad hoc rather than strategic

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AI has many functional applications

First up, AI's predictive capabilities anticipate customer needs by analysing past interactions and preferences and proactively offering tailored recommendations. This elevates customer satisfaction and drives conversions through timely and relevant suggestions. For instance, an AI-based service platform, like Salesforce, can guide customers through an effective self service journey.

Behind each interaction lies a database of customer insights. AI sifts through this information to extract patterns and trends that human analysis might miss. This comprehensive understanding empowers businesses to tailor their strategies and offerings to customer expectations.

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> **AI is a multi-faceted tool that transforms the customer experience from multiple angles.**

Next, personalisation is the cornerstone of exceptional customer service, and AI takes personalisation to new heights. By analysing customer data, AI crafts interactions that resonate on an individual level. This isn't generic automation; it's a dynamic, tailored engagement that fosters customer loyalty and satisfaction.

In breaking down organisational silos, AI becomes a conduit for knowledge sharing. It gathers insights from interactions and shares them across departments. This ensures every corner of the organisation benefits from a comprehensive understanding of customer preferences.

Redk Client
Transportation

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"**Baleària**"

Between redk's expertise and Zendesk's AI solutions, Baleària eliminated routine tasks and optimised teamwork across the board. Their customer experience is now robust and omnichannel.

AI's impact isn't confined to customer-facing interactions. It optimises internal operations by generating succinct work summaries after interactions. This aids customer service agents in understanding case history, expediting issue resolution, and enhancing overall customer experiences.

Contrary to misconceptions, AI isn't replacing human agents; it's enhancing their capabilities. AI tackles mundane, repetitive tasks, allowing agents to focus on challenges that demand empathy and critical thinking. This partnership creates a more efficient and impactful customer service ecosystem.

In essence, AI's functionalities extend far beyond mere processes, they enhance automation by integrating end to end cycles and fulfilling a complete process to achieve an outcome. They represent a spectrum of capabilities that integrate within a company's ecosystem to revolutionise customer service, from anticipating needs to personalising interactions.

AI is a strategic asset that empowers businesses to deliver exceptional experiences while maximising efficiency. As AI's functionalities continue to evolve, businesses are poised to elevate customer service into an era of unprecedented excellence.
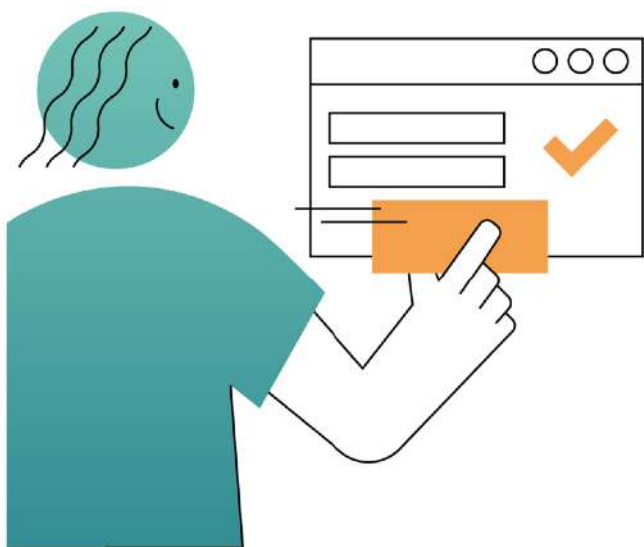
Key Takeaways

● **AI as a platform has an array of functional applications**

AI tools handle the tedious, repetitive tasks so your agents have more time to manage complex inquiries without increasing their workload.

● **AI delivers a high ROI**

From data analysis to advanced algorithms, AI technology is packaged in software solutions and products that bring together thousands of different mechanisms to produce the final result.

5. Mastering the waves of CX transformation

Our implementation services are designed to propel businesses into the future of customer service.

As businesses venture into AI-powered customer service, they require a partner with seasoned expertise to navigate this transformative journey. This is where redk steps in with over 15 years of consulting experience, serving businesses across various sectors.

Our implementation services are designed to propel businesses into the future of customer service. At redk, we understand that adopting AI solutions demands more than just the right technology. It requires strategic guidance and a tailored approach.

Our team of experts collaborates closely with businesses to identify their unique requirements and aspirations. With an extensive portfolio of implementation projects, we offer a depth of understanding that ensures seamless integration and maximises ROI.

● **AI is very different from other tech products and trends out there, it has the power to redefine the way we understand the workplace, it has the potential to elevate the employee and increase the potential of humans, whilst helping organisations increase capacity, with speed and adaptability. It is transformational in nature. Leveraging this expensive technology requires technology expertise and experience.**

Hideki Hashimura

redk

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MASTERING THE WAVES OF CX

We help brands create centers of excellence in customer service and implement the most innovative and effective technology for a better customer experience.

Nuestros partners tecnológicos

salesforce CONSULTING PARTNER | premier partner | ada | sugarcrm ADVANced RESELLER | monday.com Gold Partner

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