

EBOOK

# The Future of Conversational AI and Customer Experience Automation

**2021 PREDICTIONS**





“As the coronavirus continues to have a radical impact on business and society, it’s ushered in a fresh urgency for technological progress. It’s well understood that AI can play a powerful role in operations. At the same time, it’s crucial that consumer comfort is kept front and center as organizations navigate the new normal.”

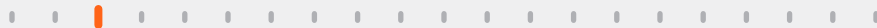
**—JIM FREEZE**

CMO

*May 2020*

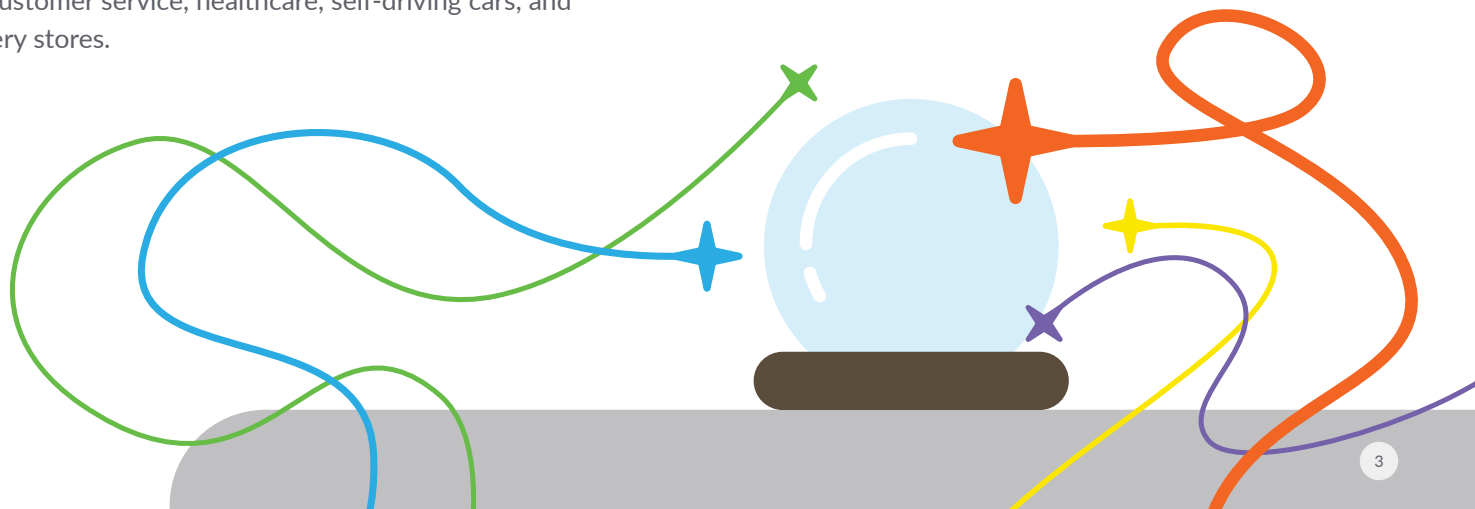
**It’s been a year...for AI.**

If there was ever a year for technology, this would be it. The pandemic highlighted the essential role that technology, especially AI, plays across industries and its importance in business continuity planning. The imminent need of technology to help streamline operations—especially with limited human-to-human contact and skyrocketing consumer demands—became apparent. Business-to-consumer communications became a focal point. Those with effective automated customer experience applications were able to weather the storm and react quickly and effectively, while those with sub-par applications or none, struggled to keep their heads above water.



Consumer comfort with AI also increased. Just eight weeks after the World Health Organization (WHO) declared Covid-19 a pandemic, [a study](#) showed that even in a short timeframe, consumers' acceptance of AI was changing as they grew more comfortable with this technology in areas like customer service, healthcare, self-driving cars, and grocery stores.

With consumer comfort growing and businesses realizing that customer experience automation powered by AI is a necessity to survive, what does the future look like for each? We asked our experts at Interactions to weigh in with their thoughts.





## PREDICTION 1

### Accelerated AI-enabled Digital Transformation



"We believe that a new set of enterprise priorities have surfaced as a result of the pandemic. They all fall under the umbrella of, and start with, accelerated digital transformation. The initiatives include an increased need for automation and self-service, an increased focus on AI solutions for customer service, improved business continuity planning, and implementation of solutions that do not rely on the availability of human labor."

—JIM FREEZE

CMO

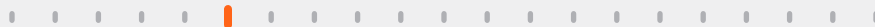


### Learn More

As a result of the pandemic, businesses are understanding the importance and urgency of creating digital experiences to handle the unpredictability of the future. Automated customer service has been identified by leading industry analyst firms Tractica and IDC as the number one use case for AI-enabled digital transformation.

Conversational AI is increasingly being used for digital transformation initiatives that involve customer experience because it enables easier communication between businesses and consumers. What are the key factors necessary to ensure successful digital transformation for customer experience? Read [our eBook](#) to find out.





## PREDICTION 2

### Demand for effective, always on customer care

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"The shift away from in-person interaction (contactless pickup, remote work, remote access to services, etc.) will have lasting effects and drive increased demand and expectations for highly effective, always-on, omnichannel access to customer care. To meet this demand, we will see increasing use of Conversational AI not just as an alternative to human intelligence, but as an augmentation of human intelligence as well. In addition to providing automation, AI systems will 'lean in' on conversations between customers and agents and add value in numerous ways, such as providing suggestions and surfacing relevant information and content."

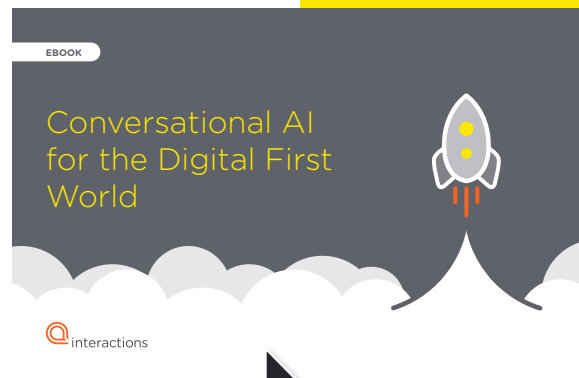
—MICHAEL JOHNSTON

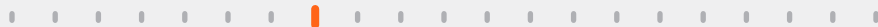
Director of Research and Innovation



### Learn More

Consumer expectations are evolving. Rapid advancement in technology, more channels, and the need for 24/7 accessibility are adding new challenges to the customer experience equation. How can your business keep up with connected and busy consumers, especially the fast-growing digital native generation? Learn more about why improving customer experience is not just revolutionary, but evolutionary in [our eBook](#).





### PREDICTION 3

## Agents and technology: better together

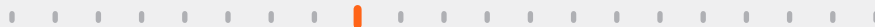


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“Changes in customer experience automation and how that automation interacts with human agents has the potential to make a more lasting impact. By combining human agents with new CX automation technologies, agents are able to handle many more customer requests across phone and digital channels. This provides tremendous leverage and other operational benefits to businesses, but also ensures fast, efficient, service to customers. It also will enable businesses to be much more resilient to unexpected labor shortages or spikes in customer contacts.”

—PHIL GRAY

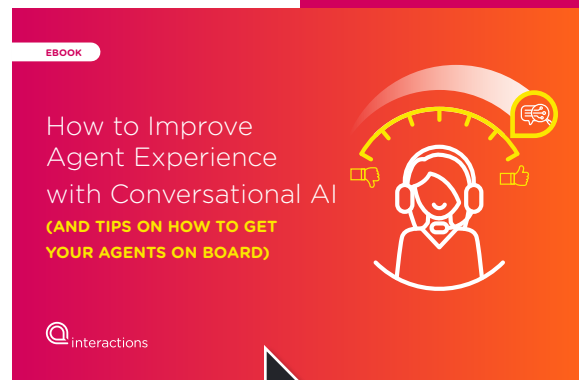
EVP, Corporate Development

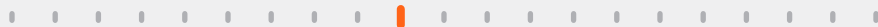


## Learn More

Research shows that 61% of consumers say that they have switched brands after one poor service experience<sup>1</sup>. Agents can have a direct impact on your brand perception, loyalty, and bottom line. Read [our eBook](#) to see how Conversational AI applications like virtual assistants can alleviate common agent pain points and result in happier agents which can translate into a better customer experience for your brand.

<sup>1</sup>. [State of global customer service report](#). (2019). Microsoft.





## PREDICTION 4

### Emphasis on security

4

“The sudden and dramatic shift from agents in physical call centers to work from home environments escalates the push to adopt new security technologies, including redaction (masking Personally Identifiable Information), use of voice biometrics to assure the agent identity and/or for caller authentication, and distributed call recording and call transcription to analyze conversations for security and quality assurance.”

—MARY MCKENNA

Senior Director, Product Management



### Learn More

There is no doubt that security will become even more of a focus for many businesses, especially as the working from home model continues as both a short- and long-term option in the future of contact centers. Companies that work with consumer data day in and day out need to ensure their customers that their data will remain private, safe, and secure. Technology like voice biometrics can be integrated into customer care interactions to verify a person's identity using their unique vocal attributes. Watch [our explainer video](#) to see how it works.





## PREDICTION 5

Managed service will trump DIY

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“DIY solutions will become less attractive as companies that select DIY technologies fail to deliver because of oversimplification of the process.”

—DAVE PARKINSON

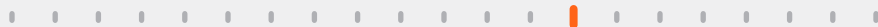
EVP, Sales



## Learn More

As businesses search for AI solutions, the number one question that will likely arise is, “Will we build this in-house or buy it from a vendor?” This is certainly not a new question when it comes to implementing technologies. However, when it comes to AI, there are more factors to consider than a traditional technology, including its complexity during implementation and its maintenance after the fact. Read [our eBook](#) to find out what sets AI apart from traditional technologies and the considerations to take into account when making the buy or build decision.





## PREDICTION 6

### A channel-less, connected journey

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“We will see an increasing expansion of conversational AI from voice and text channels to rich media and multimodal interactions where conversational assistants can not just ‘hear’ but can also ‘see’ and are able to present information to the customer through a combination of visual media with voice and text. In the longer term, the boundary between a phone call and a digital interaction will blur and customers will simply interact with a brand through their device using the combination of modalities that is best suited to the task at hand and their individual preferences.”

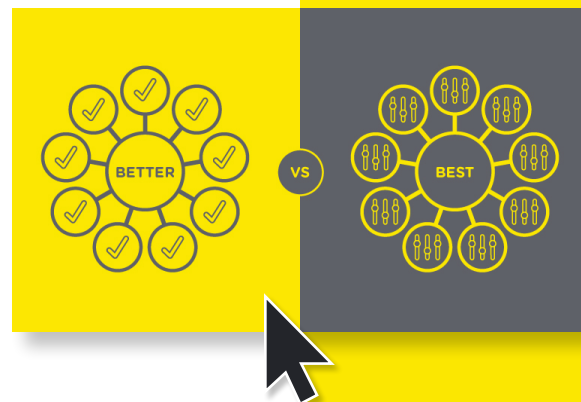
—MICHAEL JOHNSTON

Director of Research and Innovation



## Learn More

The pandemic has proven that people don't have time to go from one channel to another. They want the fastest way to get things done. By offering the optimal channel based on the scenario, transaction type, history, and customer preference, businesses can meet this demand. Learn more about the evolution of channels and channel preferences in our [blog](#).





## PREDICTION 7

Business will need to keep pace with changing consumer behavior

7

“The world since Covid-19 continues to become comfortable with telework, video conferences and multimedia conversations (speech, text, images, video). This enhancement of communication channels will percolate through customer care interactions in the coming years. Just as social media channels have become touch points for customer service, customers are likely to not only be comfortable communicating with enterprises on a video call but also leverage the multiple modalities for communicating with image and videos where appropriate. The increase in customer voice calls during the Covid-19 period has also prompted enterprises to shift their investments towards digital/text channels.”

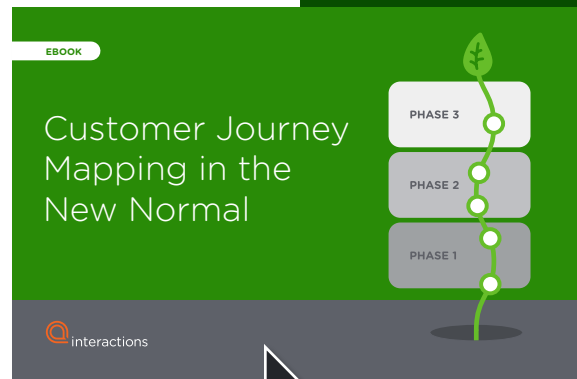
—SRINIVAS BANGALORE

Director of Research and Technology



### Learn More

During the pandemic, consumer behavior shifted rapidly to adapt to the new normal. Some of these behaviors are temporary, while some may be here to stay. It's important for businesses to account for this period of rapid changes to customer preferences by adjusting their customer experience methods to meet customers where they are. Customer journey mapping has traditionally been a successful way to approach these changes. Read [our eBook](#) for tips on how to use customer journey mapping to identify customer pain points and adapting long-term and short-term customer experience strategies.





## PREDICTION 8

AI itself won't drive results, you need strategy

8

“The only fool-proof way for AI to make a meaningful impact is with the right people and processes to support it. While it's increasingly tempting to jump on the AI bandwagon, particularly when there's a pressing problem at hand, it's critical to understand that AI in and of itself isn't a solution. Instead, it's an enabler that, when properly applied in the context of well-defined business objectives, has the potential to add tremendous benefits.”

—MIKE IACOBUCCI

President & CEO



### Learn More

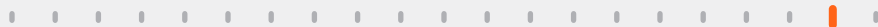
AI has been paramount in the pandemic, playing a key role in areas like healthcare, customer service, and even grocery stores. As consumers become more comfortable interacting with AI in everyday scenarios, many businesses are considering how it could impact them and their customers. However, it's important to remember that AI in itself will not instantly be the answer to all of your problems. A business still needs a strategy, buy-in across teams, and well-defined business objectives. Our [recent research report](#), in partnership with The Harris Poll, explores thoughts and observations from mid-to-high level executives who have successfully implemented AI into their businesses.

#### KEY FINDINGS

## THE STATE OF AI DECISION-MAKING

An Artificial Intelligence Survey  
conducted by The Harris Poll  
on behalf of Interactions





## About Interactions

Interactions provides Intelligent Virtual Assistants that seamlessly assimilate Conversational AI and human understanding to enable businesses to engage with their customers in highly productive and satisfying conversations. With flexible products and solutions designed to meet the growing demand for unified, omnichannel customer care, Interactions is delivering unprecedented improvements in the customer experience and significant cost savings 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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