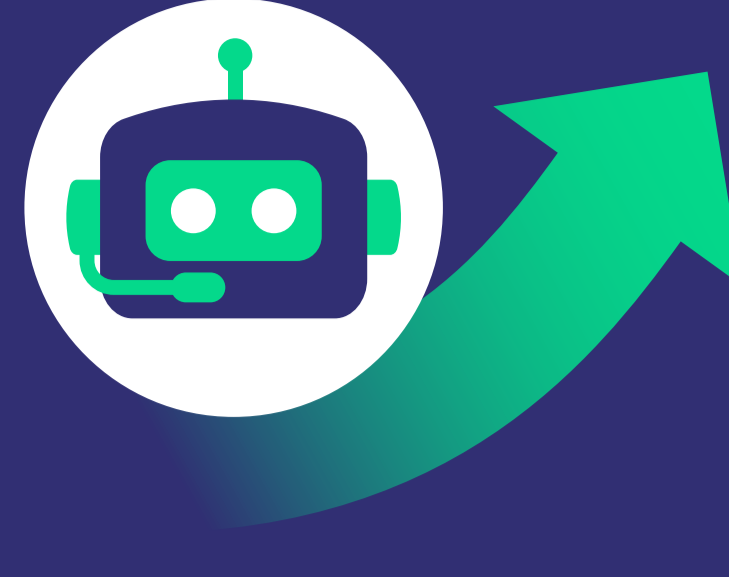


The Rise Of The Chatbots

Crises often accelerate existing trends. The COVID-19 crisis is no different, as our research among over 250 senior executives from across large consumer-facing organisations shows.

With the crisis having driven increased customer contact rates, just as contact staff were being advised to work from home...

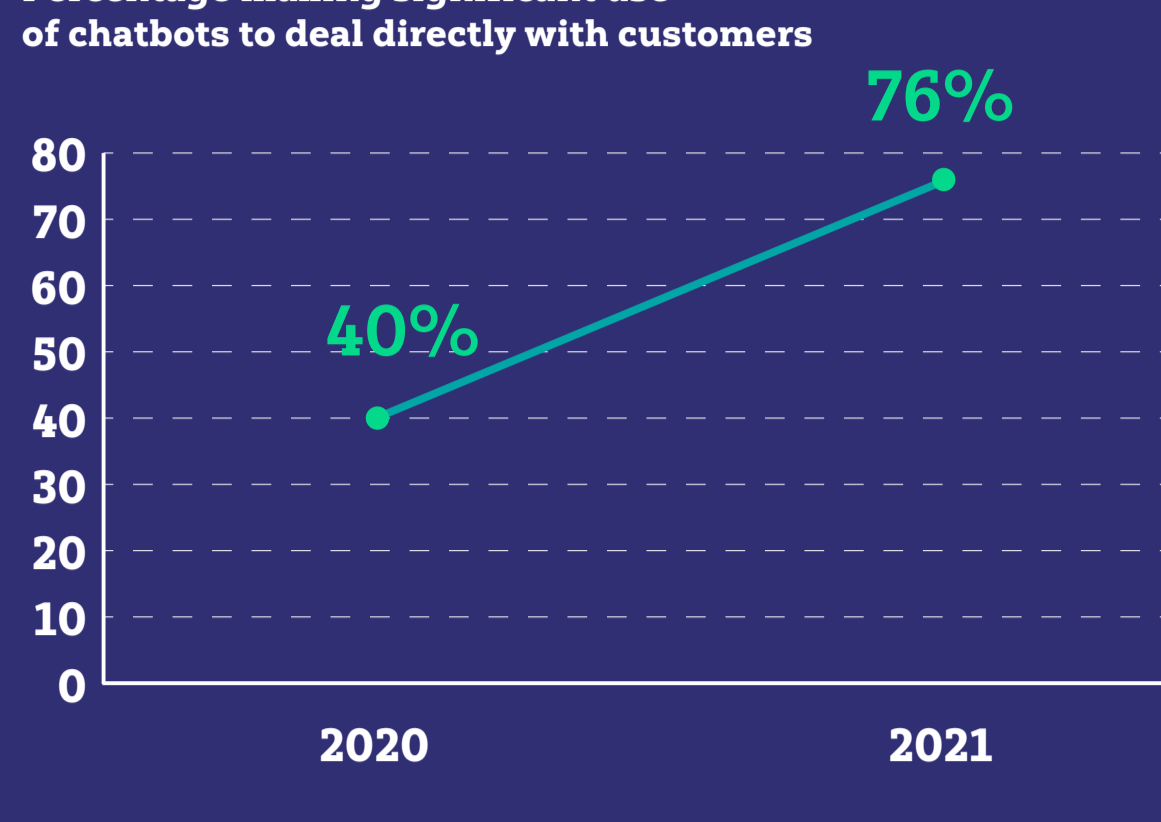
... **55%** of organisations have stepped up their adoption of chatbots.



(We define chatbots as the artificial intelligence systems increasingly deployed to interact with users via messaging, text or speech, in a way that simulates human conversation.)

Today, **40%** of large consumer-facing organisations are making significant use of AI-enabled chatbots to deal directly with their customers.

This is expected to rise to **76%** in the next year as existing pilots and plans come to fruition.

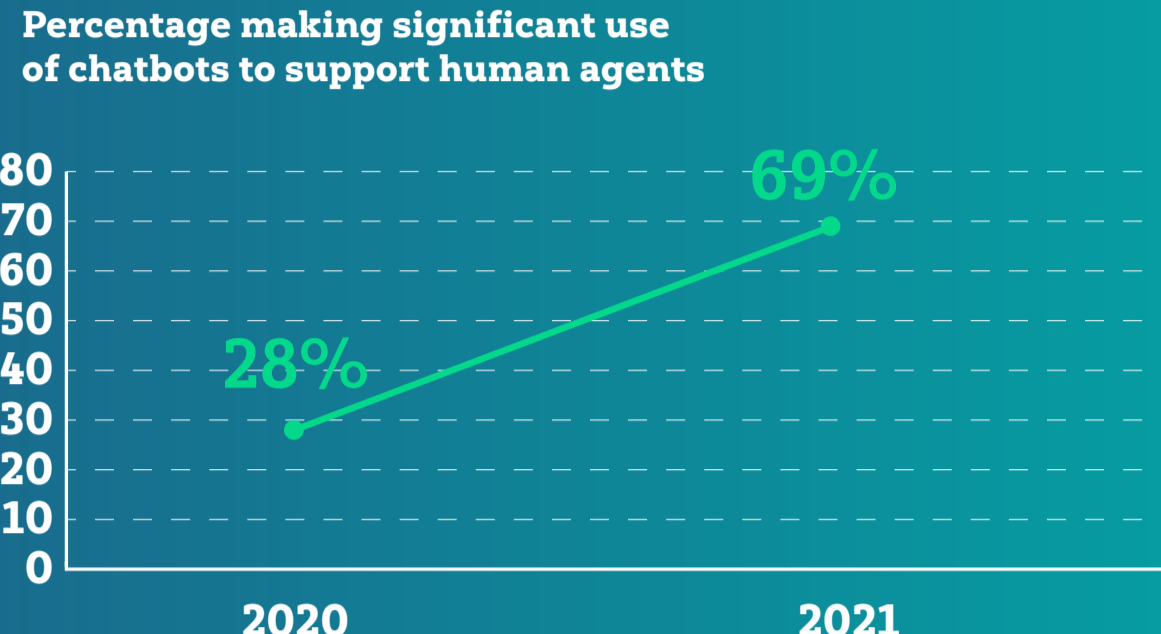


Supporting the human agent

As well as being used to help customers directly, chatbots and virtual agents are also being used to help customer contact staff.

28% of those surveyed said their organisations were making significant use of chatbot technology to support human agents in serving customers ...

... which is expected to rise rapidly, reaching **69%** in 12 months.

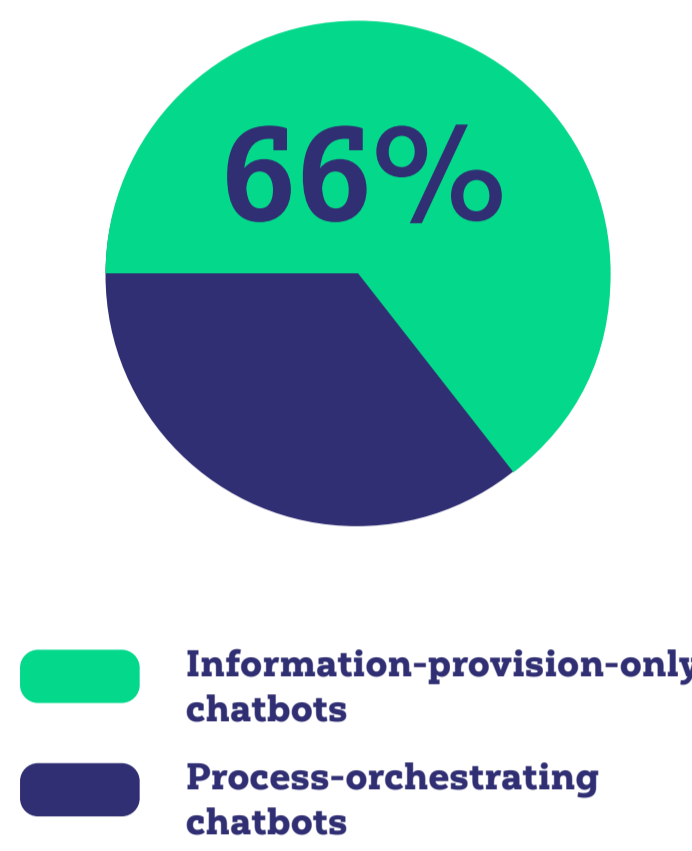


Using chatbots in this way provides key support to the **73%** of customer contact staff who our survey reveals have been working remotely during COVID.

From chatbot to virtual agent

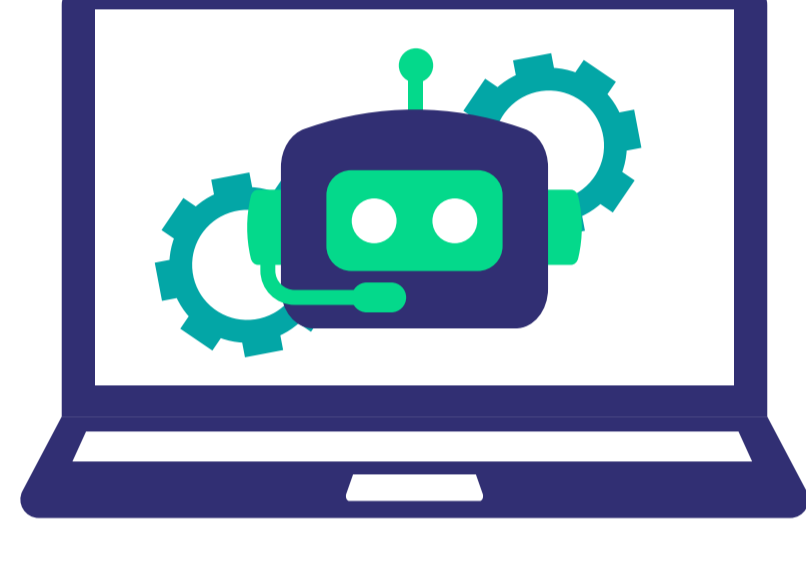
When it comes to the capabilities of organisations' chatbots, levels of sophistication are mixed:

66% said their chatbots just provide customers with information or advice on how to complete their desired tasks; they do not complete processes on their behalf.



Encouragingly, however, an increasing number are moving to greater levels of sophistication:

34% said their organisations are using chatbot technology blended with further automation to create virtual agents that actually implement processes for customers.



Customers seem to have responded well to advances in chatbot capabilities.

79% of organisations utilising process-orchestrating virtual agents have seen an improvement in customer satisfaction metrics as a result; none have seen a deterioration.

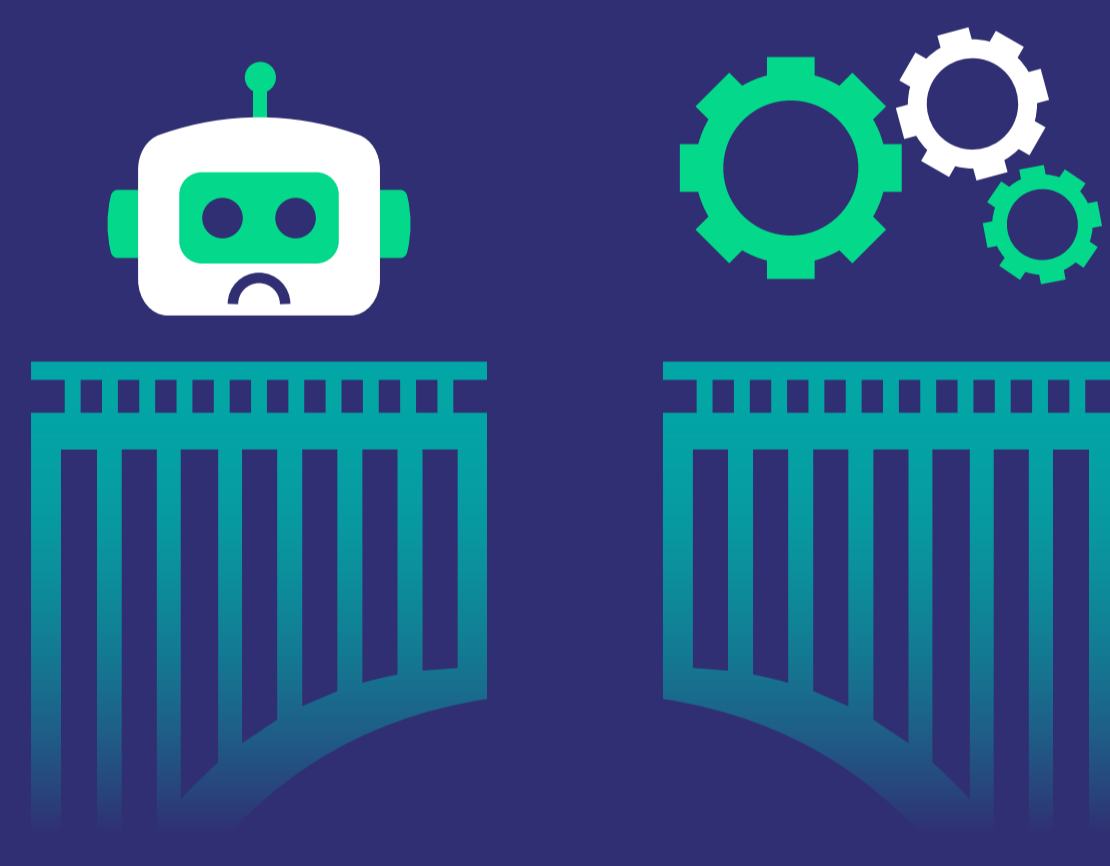
By comparison, only **55%** of those using information-provision-only chatbots have seen an improvement in customer experience metrics, while **14%** have seen a deterioration.



Integration with existing processes

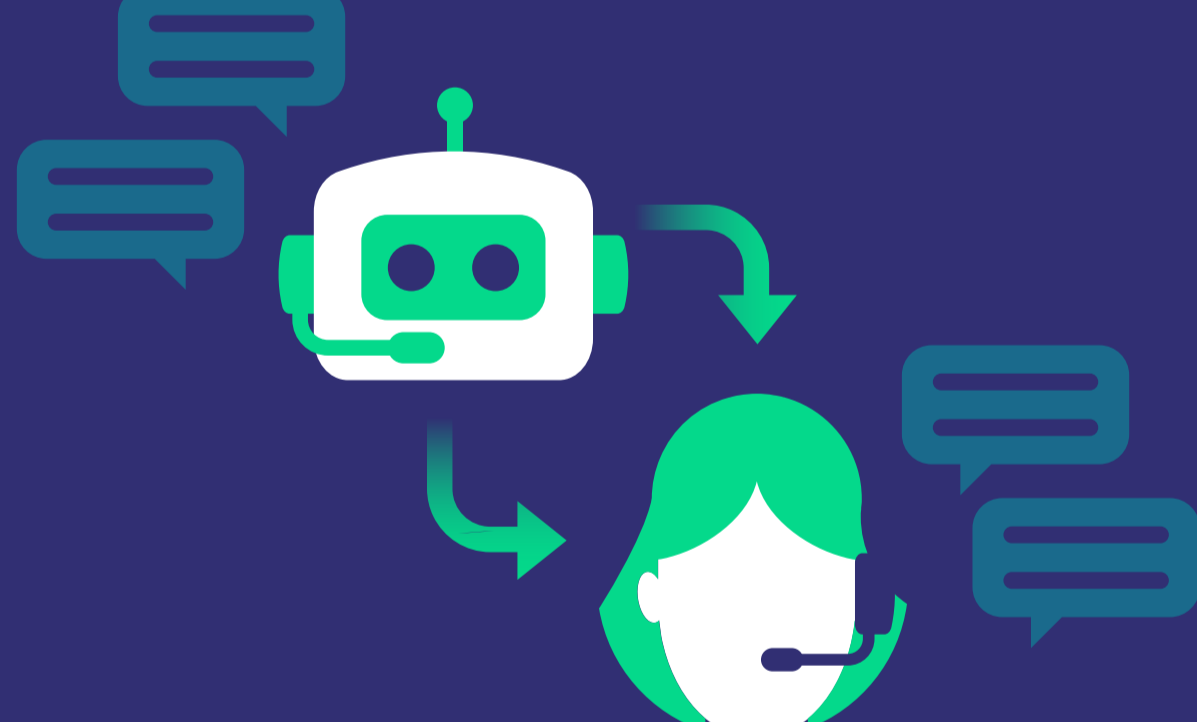
At the current time:

78% of customer interactions still require human intervention.



And many organisations are struggling to integrate self-service bots with their existing human-orientated processes:

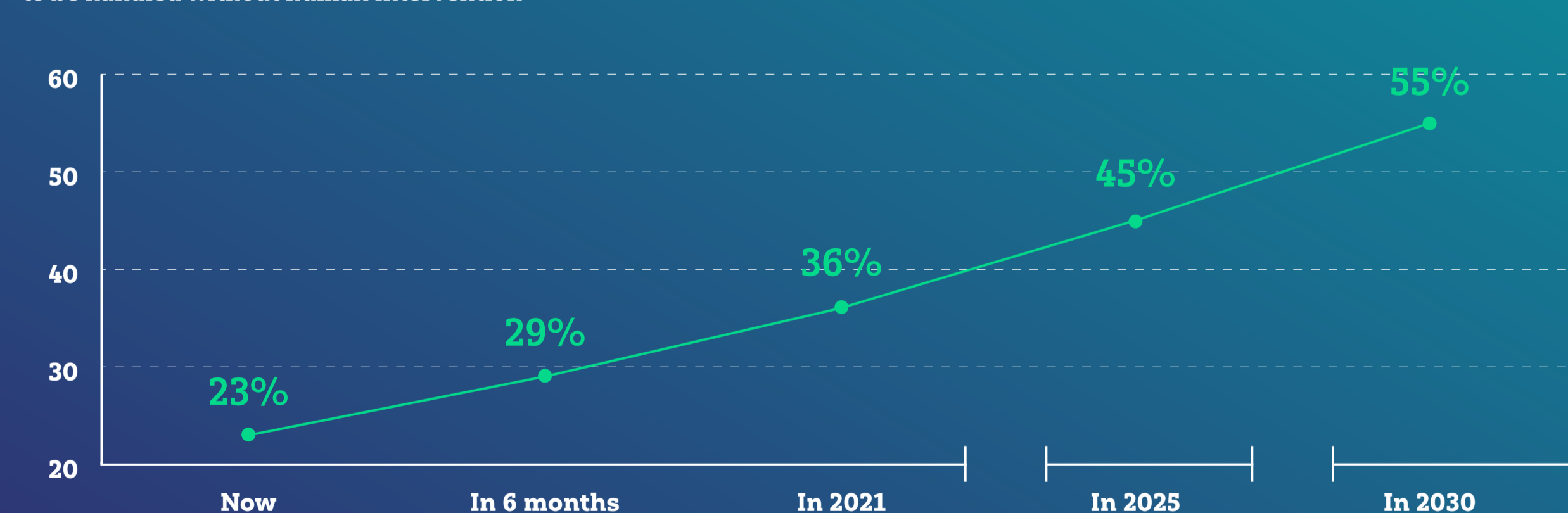
68% see complexity of integration with existing systems and processes as a material impediment to delivering CX excellence through the deployment of chatbot-enabled self-service.



Is complete automation the end game?

Gradually, more and more customer interactions are expected to be handled without human intervention but not to the point of complete automation.

Percentage of customer interactions expected to be handled without human intervention



79% of our respondents believe human agents will ultimately no longer deal with process implementation and will focus solely on handling customer interactions that require human empathy or persuasion.

Towards the bot of bots

Backed by advanced analytics, the role of virtual agents is expected to become ever more proactive – eventually, they will help customers run every aspect of their lives.

2% said virtual agents that are able to predict customer needs and make suggestions, or take action, according to where in mainstream use in their organisation.

A further **5%** are running pilots.

And **85%** think we will eventually see the emergence of virtual agents acting as concierge bots that interact with other bots from across multiple sectors to help customers keep personal admin to a minimum.

81% even foresee concierge bots trading access to a consumer's data on his or her behalf using algorithmic trading on a data exchange.

The future of customer contact: the IBM view

Optimising the deployment of virtual agents will depend on:

- supporting them with the most advanced analytics and automation
- fully integrating them with business processes
- retraining human agents with the skills they need to work with these bots, and to step in where the bots step out

Virtual agents are the future of customer contact and their optimisation is fast becoming the central battleground of CX excellence.