

Are AI Chatbots The Future of Customer Service?

Modern companies are expected to keep their customers engaged across all their touchpoints. The expectations for customer experience are also very demanding. Customers prefer omnichannel support, personalized services, and rapid response times. To exceed these CX expectations, you have to invest in automated technology. In this article, we'll discuss the future of AI chatbots in customer service.



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A few examples of previous AI technology still used today

Contact centres have been leveraging automated systems since decades ago. For example, [IVR and ACD systems](#) were first deployed in the 1970s. They were used to automate tasks such as collecting basic information from callers and connecting customers with available agents.

The Massachusetts Institute of Technology developed the first chatterbot, ELIZA, in the mid-1960s. It was an NLP system that used canned responses and pattern matching to engage users in text-based conversations. Such tools are still being used in CX but they are more advanced.

A few examples of newer AI tech

Due to the explosive growth of AI, several companies are

adding automated systems to their internal workflow and customer touchpoints. Here are some AI technologies:

- Biometrics

[Smart biometric systems](#) are more accurate and faster for

identification. They can analyze physical attributes (face, eyes, fingerprints) and behaviors (voice, gestures, etc).

- Chatbots

[AI chatbots](#) were made to simulate human conversations. They can receive text inputs from users, process for better understanding, and provide answers that fit such context.

- Self-service

[Self-service](#) allows customers to resolve queries without relying on human agents. Some examples are IVAs, knowledgebase, customer portals, community forums, etc.

- Agent Assist

Generative AI can interpret a customer's query, go through knowledge base articles, and pick the most suitable one. It helps agents to proffer solutions and resolve issues faster.

- IVR automation

Interactive Voice Response (IVR) systems are meant to automate call center tasks. They can interact with callers, collect useful information, and route to appropriate agents.

- Sentiment analysis

AI-enabled tools can determine if the emotion behind a particular text is [positive, negative, or neutral](#). It's great for analyzing emails, reviews, social media comments, etc.

What an AI chatbot is and how it works?

AI chatbots are software programs that can communicate with humans via written text. There are simple chatbots that use pattern recognition and a knowledge base to find answers for customers. However advanced AI bots use deep learning, machine learning, NLP, and a large database to engage more realistically and efficiently.

These chatbots can provide 24/7 support and can provide personalized support to customers. They can automate routine tasks, recommend products to shoppers, schedule business appointments, create communication materials, reply to customer inquiries, suggest help center articles, and translate responses from English to other languages.

Why are more companies incorporating chatbots in their customer service?

AI chatbots can provide exceptional support and engage customers on different platforms. Here are some benefits of using chatbots to assist your customer service team:

- Real-time support

When support agents are busy or not available, chatbots can respond to customer queries and suggest articles. They can provide immediate support throughout the day.

- Faster Response Times

Many customers don't like to wait for an agent to respond. You can deploy a chatbot that would greet customers and suggest possible solutions or route them to human agents.

- Multilingual Support

International businesses that serve multiple countries can use

AI chatbots that speak different languages. This makes it easier to [provide support in their local languages](#).

- Personalization

AI chatbots can gather data on a customer's demographic, purchase behavior, and support preferences. This helps to tailor every interaction and customer service experience.

- Scalability

Small businesses and large companies can use chatbots to improve customer service. They are easily scalable and can provide support to many customers at the same time.

The different types of AI chatbots you can use to support customer service

Although AI chatbots collect user inputs and generate responses, they have different specializations or use cases. Below are some types of AI chatbots out there:

- Website chatbots that offer assistance to visitors to your website
- Customer support or help desk chatbots
- Social media and messaging apps
- Generative AI to help draft customer communication and content creation.

Some limitations of AI chatbots

Some challenges accompany AI-powered chatbots. First, these bots can't show empathy perfectly or understand strong emotions. Many customers would want to communicate with a human agent who can understand their challenges or struggles. Secondly, a chatbot can also misinterpret user intent and provide unrelated answers. It can lead to customers repeating queries and they may not receive any useful support from it. Lastly, companies need to be certain about privacy and security protocols. This helps to protect sensitive and identifiable customer data.

Conclusion

There are many benefits of using AI chatbots such as 24-hour availability and handling simple queries efficiently.

It helps to reduce call/query volumes on human customer service agents and boost customer service efficiency. It's safe to say that AI will play a significant role in customer service in the future. But it certainly won't replace human agents who typically respond to more complex queries.

This is because most customers still want the option of contacting a human customer service representative.