How Chatbots In Customer Service Help Business Owners Sleep Better At Night

There has been an astronomical shift to go digital recently, forcing businesses big and small to adapt. The result? Companies are getting more aggressive with their strategies, helping sectors like e-commerce reach $612.86 billion.

Furthermore, over 63% of organizations are investing in digital transformation to meet their customer needs. A critical part of digital transformation is efficiently reaching your customers, but that’s easier said than done. Both the seasoned Customer Experience Manager to the budding Entrepreneur can use chatbots in customer service to close the gap.
What are Chatbots?

Chatbots are computer applications that mirror human interaction or conversation to various degrees. A chatbot is a form of AI (artificial intelligence) hosted on almost any digital platform, including a webpage, social media, or the company’s website. Businesses can deploy chatbots synchronously and asynchronously, each with its processes.

**Synchronous chat (Live Chat)**

Synchronous chats are live, person-to-person conversations. The customer connects to the chat and logs on to engage with the person on the other end. If the issue is unresolved, the customer is then handed off to another agent. And if the customer stops engaging with the chat for an extended period, the conversation ends. It is possible to have an AI feature working with a live person within the application.
Asynchronous AI chatbots

Asynchronous chats are a more sophisticated, anytime-anywhere solution to frequently asked questions and/or common transaction. These are programmed by Subject Matter Experts (SMEs) using artificial intelligence, making them more efficient and evolvable the more they are used. For example, customers can engage with a chatbot and come back to the interaction at a later time. A common example is Starbucks’ My Barista app, which allows customers to order their favorite drinks on their time.

Asynchronous chat programs work well with omnichannel solutions. If set up correctly, the customer can also move to another channel without starting over. This allows both customer and agent better utilization and efficiency.

Whether synchronous or asynchronous, there are a few ways that chatbots can revolutionize the way that companies do customer service.

Benefits of Using Chatbots for your Business IF SET-UP CORRECTLY AND OPTIMIZED APPROPRIATELY
1. **Improved First Contact Resolution (FCR)**

Customers want their issues resolved in one contact. According to COMM 100, chatbots have a contact resolution of 68%. This means that a chatbot could handle a high percentage of customer queries from start to finish without the need for an agent.

2. **24/7 Customer Support**

Customers want to reach you day and night and chatbots answer questions or issues as soon as they arrive. According to 64% of customers, having 24/7 access to a company is non-negotiable. Your chatbot can answer Sales, Service, and Marketing questions anytime and anywhere.

3. **Chatbots increase Call Center Service Levels**

Service Level measures the length of time a customer has to wait before connecting with Customer Support. The average contact center service level is $80/20$. That is, 80% of the contacts answered within 20 secs. Chatbots can handle simple requests, freeing up agents for more complex queries. Therefore, employing a chatbot decreases customers’ wait times.

4. **Improve quality of occupancy**

Most contact centers have an occupancy rate that helps how efficiently their human resources are managed. With a high volume of queries going to a programmed chatbot, your team can be occupied on high-quality tasks and can spend more time engaging customers since the chatbot handles the simple stuff.

5. **Enjoy cost efficiencies**

Chatbots are an investment that can reduce the costs that would be spent hiring, training, and maintaining new employees. According to Botscrew, over 1.3 trillion is spent on managing
customer service requests yearly. In fact, implementing a chatbot can reduce customer service operational costs by 30%.

Why Chatbots Help Business Owners and Managers Sleep Easier?

Numbers don't lie. And let’s face it, businesses operate in a results-driven environment. Where chatbots are concerned, the proof is the pudding - or in this case, the numbers.

1. **87% of customers feel positive or neutral about Chatbots**

A lot of customer queries come down to simple answers. In most cases, customers are more concerned with a request being resolved than the personality attached to it. A chatbot’s average satisfaction rate is 87%, about 2% more than speaking with a human. If you think that implementing a chatbot detracts from the customer experience, think again. More and more businesses are seeing these benefits.
2. **Chatbots can handle more than 68% of interactions**

Ask any customer care or customer experience expert, and they will agree that a large volume of queries is redundant. Knowledge bases and FAQs help, but these experts need to cut the bulk of redundant questions without hurting customer satisfaction. This is where your friendly neighborhood chatbot comes in. A well-programmed AI chatbot can manage up to 68% of interactions. Some companies experience much more in areas like flight changes, hotel reservations, and food orders.

3. **90% of businesses are responding faster, thanks to Chatbots**

Customer service is integral in keeping your customers happy. Happy customers often want information and help immediately. Long wait times, queues, and inefficient contact channels can hurt your customer experience. Chatbots are your virtual assistants, ensuring your customers can reach you all the time and get the answers to most of their queries. According to Business insider, 90% of businesses have recorded a decrease in their overall wait times by using chatbots.

4. **Chatbots are predicted as number one in getting a reliable answer**

Facebook recorded over 300,000 active chatbots on its messenger platform. The increased use of bots means increased awareness, familiarity, and acceptance. Chatbots can fit into your digital strategy, with brands such as Sephora, Mastercard, and Spotify leading the charge. We fully expect the chatbots to continue to lead the way in handling and giving reliable, quick answers, which account for 74% of user preference.
5. 55% of businesses use chatbots for lead generation

Sales are the lifeblood of any business and how we sell to customers is ever-changing. Chatbots run 24/7 and, during that time, gather related customer information to help sell and even encourage target marketing.

More sophisticated software allows customers to purchase goods or services immediately. Chatbots today can manage customer expectations around the clock and catch leads before dropping out of the sales channel. Availability might be the competitive edge you need to secure your potential customers, and chatbots can do that, even when you’re not there.

It’s Time to Chat(bot)!

Are chatbots the digital operator you’ve been missing? Recently, Varma (a pension insurance company) conducted a small experiment where they replaced their live chat with a 24/7 AI chatbot. The results were remarkable. The company saved over 330 hours
monthly and was able to reallocate its staff to more fulfilling roles. In the end, 85% of conversations were handled by an AI.

Efficiency, cost savings, and lead generation are not just buzz words but attainable goals with the implementation of one software - chatbots. Of course, it’s all about balance – you need to make sure you are programming your chatbots in a way that leverages human expertise and data analytics (e.g., top call drivers, frequently asked questions, etc.). And, if a customer wants to talk to a human or the chatbot cannot address the question/issue within service level, see to it that human intervention is readily available.

Not all chatbots are created equal. The winding roads of digital transformation may be tough to navigate, especially with a declining workforce since the pandemic. Let us be your GPS before making a wrong turn. There are multiple solutions, stopgaps, integration, and fortunately, BCX understands the challenges and can help make this process easier.

Contact us here, where we solve the most complex customer experience solutions.