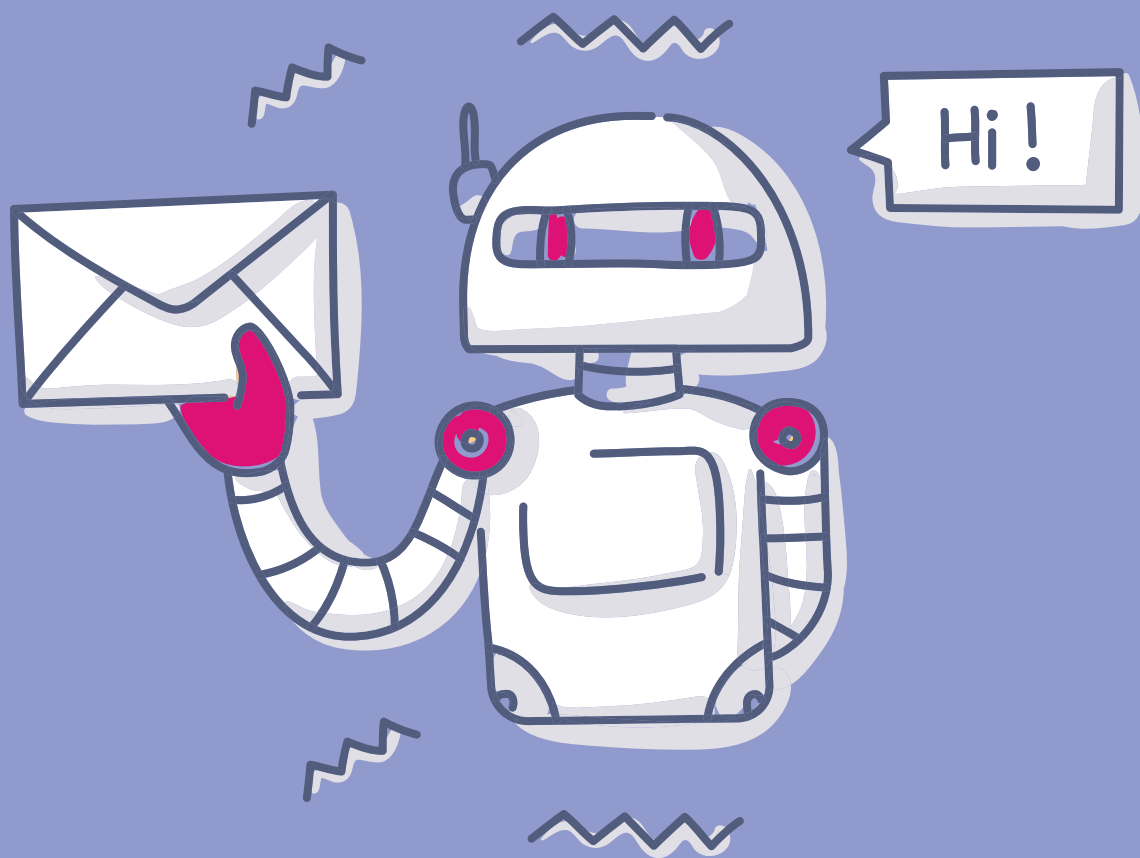# How Chatbots are Changing the Face of Customer Service
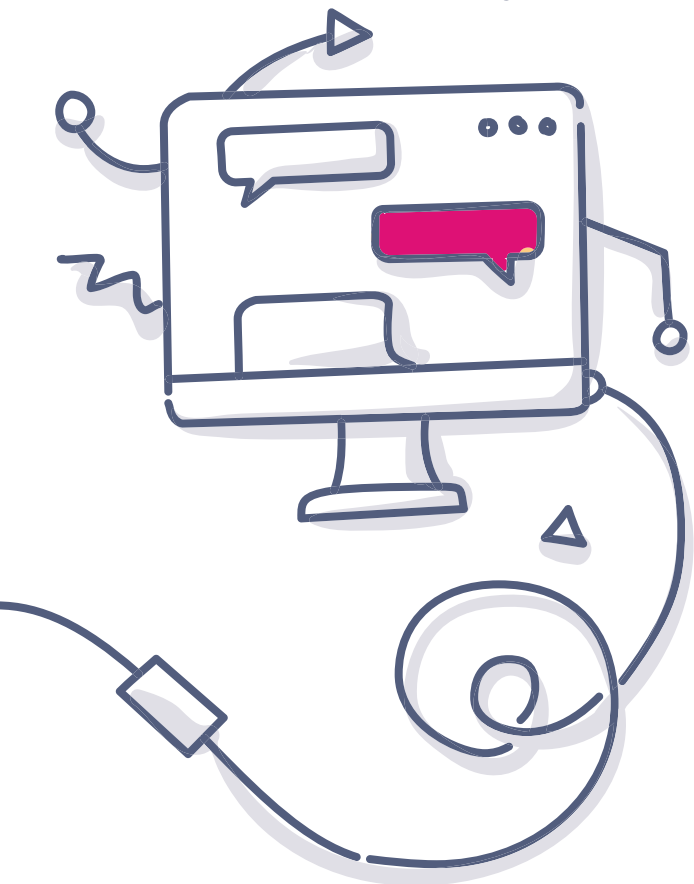
Hi !

Meeting increasingly rigorous and demanding expectations for customer service is one of the biggest challenges your business currently faces, regardless of industry.

And with chatbots slowly revolutionizing the way companies—and consumers—connect, automating customer-facing communications can be an intimidating process. Using chatbots in your customer service strategy can also be very rewarding.

In an age when brand loyalty hinges on customer experience, introducing chatbots into the communication flow can make or break a company.

Artificial intelligence, deep learning, and data-driven content marketing are leading the evolution of B2C interactions.

Being a business owner today means having access to more data on your customer base than ever before. Micro-segmentation is possible down to an individual level. Models can be created and refined, and the likelihood of the customer falling in line with best outcomes can be increased by deploying "next best actions" during critical "events" in the customer funnel.

While the potential for customer service automation exists in almost every industry, certain sectors are leading the pack when it comes to incorporating chatbots into their customer service and content marketing strategies.

Banking, Finance, Securities, and Insurance

The BFSI sector benefits from some of the most extensive data sets available, from spending habits to creditworthiness to actions in the face of significant life events such as buying a home or expanding a

family. Formerly, banks were able to depend on customer loyalty, strong incentives to remain with the familiar, along with physically taking advantage of brick and mortar locations for all but the most benign transactions.

More recently, however, fintech, mobile applications, and peer-to-peer (P2P) lending platforms have been whittling away at traditional banking methods. Banks saw a **21 percent churn rate in 2017**, and two major financial institutions ranked second and third worst for customer service across all industries.

Leveraging Chatbot Technology for High-quality Customer Experiences

Capital One launched Eno, the first natural language SMS chatbot from a U.S. bank, in early 2017. Eno answered frequently asked questions, allowed bank customers to complete everyday tasks, and could even decipher customer queries if abbreviations, emojis, or typos were present!
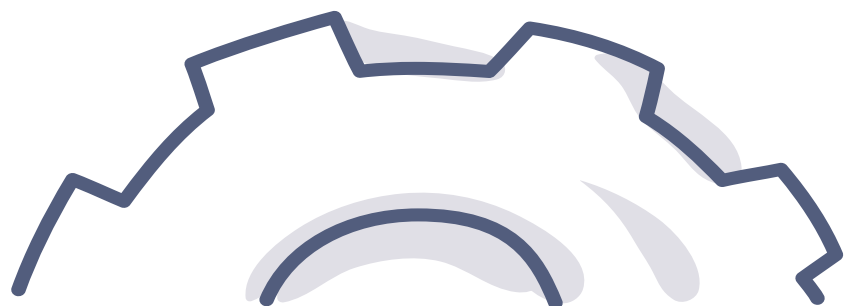
Not to be outdone, Bank of America launched Erica, a virtual financial assistant, almost exactly one year later. The chatbot had more than a million users by the end of the first three months. Erica provided several ways for customers to interact that included:

1. Voice
2. Text
3. Tap and gesture

Erica also incorporated marketing and informational content, such as linking Better Money Habits content marketing articles and videos to provide fuller answers to customer questions about credit scores.

Retail

Retail outlets have also found success with the adoption of chatbot technology for streamlining customer experiences. Online retailers have fully embraced the idea of automated assistants to both boost customer interaction and increase conversions.

1. Nike's Stylebot allows users to create outfits and design their own footwear.
2. Cosmetic brands Estée Lauder and L'Oréal have both integrated chatbots into their sales funnels.
3. Sephora increased booking rates by 11 percent after launching Sephora Assistant (which utilizes Facebook Messenger).

But it's in post-sale customer service that retail operations can reap the greatest benefit from chatbots.

Discount shoe retailer DSW partnered with artificial intelligence (AI) platform Narvar to launch a chatbot on Facebook Messenger. Explicitly designed to support buyers after their purchase, DSW's chatbot provides a seamless experience all the way through package tracking to delivery and final feedback.

In the UK, click-and-collect specialist Doddle launched a dynamic Facebook chatbot that streamlined customer returns to multiple online retailers. The chatbot integrated a QR code system and asked for a few critical pieces of information before offering the consumer a variety of options—including providing the location of a drop-off point and the ability to track the return. The entire online process takes approximately 30 seconds to complete.

Telecommunications

Cable companies have long struggled with customer interactions with many facing widespread customer disapproval, primarily due to less than stellar customer service experiences. And in 2017, the voice, internet, and cable service behemoth Comcast ranked worst for customer service across companies in all industries.

The Little Bot That Could

Charter, the second largest cable provider in the U.S., instituted live chat to help customers resolve issues, but with 200,000 requests for help each month, the costs incurred for customer service representatives was prohibitive, and wait times were unbearably long.

Instead of discontinuing their live chat option, a chatbot was created to take over basic requests—such as password resets—which accounted for almost 40 percent of chat requests.

The Charter bot ended up being able to handle more than 80 percent of all chat requests, freeing up human customer service reps for more complex issues. It reduced wait times initially taken up by password reset requests by nearly 50 percent on average, and increased first-contact resolution rates, delivering a better customer experience for users across the board.

In Austria, T-Mobile's Tinka, an AI-powered customer service chatbot, won the company two awards for customer service/customer experience. In the U.S., however, T-Mobile chose to eschew automated assistants, making "live human customer service" a selling point against competitors, such as Verizon. Verizon introduced its Fios chatbot on Facebook Messenger to provide fast, accessible customer service for internet and DVR subscribers, finding customer approval rates increased.

Healthcare

Chatbots that help inform patients and speed patient care are springing up at hospitals and clinics across the country. In New York, Northwell Health partnered with Conversa's AI-driven conversational platform to create a bot that engages patients and promotes interactivity. The result is higher levels of patient compliance and better monitoring during recovery periods.

Northwell Health Chats increased patient satisfaction by up to 97 percent, and the system saw a reduction in post-acute care costs across several hospitals in their network. Patients were more comfortable engaging with the chatbot in some cases than talking to a live care representative, and the continued availability of the bot was attractive to users who could ask questions at any time of the day or night and receive links to more expansive content in reply.
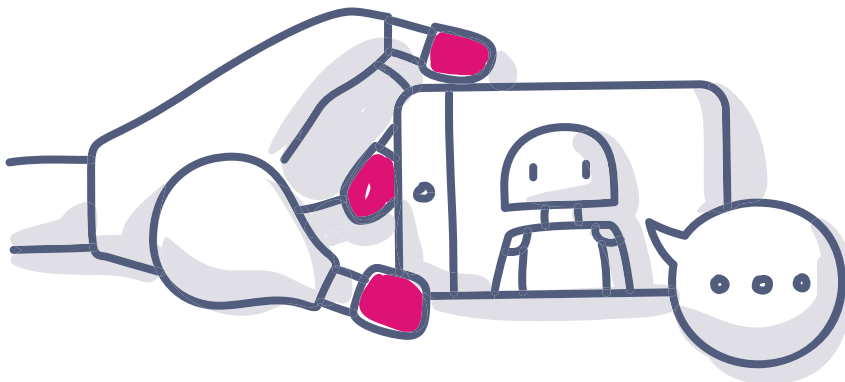
On the opposite coast, Seattle Reproductive Medicine was receiving more calls than it could successfully field from women asking how they could become egg donors. They responded by turning to Syllable, a bot building company. Syllable created a website-hosted chatbot for the center to field egg donor-related inquiries. If the bot is faced with a question it cannot answer, it replies by suggesting a similar question in its database for clarification, or directs women deeper into its content marketing materials such as blogs, resources, or video, if required.

In the mental health field, Woebot is a subscription service that uses an AI-driven chatbot to help provide cognitive behavioral therapy services to people in need of emotional and logical support. Based on a combination of kindly Kermit the Frog and pragmatic Spock from Star Trek, the bot provides "gateway therapy," prompting users to seek a higher level of care if it deduces they are not improving after multiple interactions.

Chatbots and Content Marketing

A vital part of the customer experience, both pre-sale and post-sale, is content. And chatbots can only go so far before a personal backup is required. Careful scripting and a reserve of highly informative, interactive content is a must if you hope to minimize the number of chats that must be transferred to a live operator.

The initial scripting for your bot's interactions is also critical for a seamless, productive, and satisfactory customer experience. Craft content carefully to engage, without presenting as condescending or complex. The more advanced the AI running your chatbot is, the more varied the responses can be, and the more personalized the customer experience feels to the user.

You can maximize pre-sale interactions with deep learning programs. These programs filter and analyze vast data sets and pinpoint "critical events" when the next best action can lock in a conversion. The content you have for these significant interactions will make or break the sales funnel. Companies who master the merger of content marketing and chatbots can look forward to improved customer interaction and conversion 24/7.

For customers on the fence, your chatbot's ability to direct them to informative content such as buying guides or comparative studies can help nudge them closer towards a purchase. LeadPages did just that when they used the chatbot platform **Drift** to prompt visitors to a specific landing page. Once there, visitors were encouraged to compare email open rates for their own mail campaign, Drip, and competitor MailChimp as a way to increase conversions. LeadPages also integrated their support knowledge base with Drift to provide additional value for consumers.
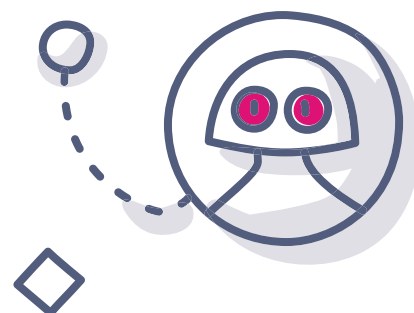
You can enhance post-sale customer service and overall customer lifecycle with a collection of informative-rich marketing materials such as an article bank, blog, FAQ, free downloads, or other forms of content. The chatbot then takes on the role of an effective content marketing distribution system, targeting already engaged consumers directly with focused messaging and information to help drive conversions.

You can even put chatbots in place specifically to lead consumers to the content most applicable to their current pain point. Doing so relieves site visitors of the need to wade through pages of material—or figure out how to effectively use an often less-than-useful search bar—to locate what they were hoping to find. Instead, your intuitive chatbots can dialogue with the visitor, determine their needs, and even ask questions to narrow possibilities, and then direct them to their desired area of information.

As chatbots continue to evolve, AI, deep learning, and neutral networks will improve their ability to pinpoint and accurately respond to customer needs on a more refined basis. And that means you can disseminate highly targeted content:

1. In response to queries from known customers or target demographics, or
2. Initiate suggestions for purchases based on past interactions or direct response to chat data

The chatbots of tomorrow will be more than personal shoppers, financial assistants, or customer service representatives. Instead, they will be the new version of content marketers, providing an immersive brand experience tailored precisely to needs, wants, and predicted behavior of their audiences.

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