

GOING ALL IN WITH AI? HOW TO KEEP THE CUSTOMER AT THE CENTER

Ipsos' customer experience researchers share insights from a decade of AI in CX

An Ipsos White Paper

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GAME CHANGERS



KEY FINDINGS:

- Companies rushing to invest in AI often want a turnkey solution that solves all customer experience issues.
- To realize the full value of AI, companies must put the customer experience at the forefront of implementation priorities.
- Human interactions still matter: While 68% of people have used an automated customer service chatbot, 88% still prefer to talk to a person when they need customer service help.

Customer expectations and behaviors are changing more rapidly than ever and the bar for delivering on customer experience is only getting higher. With the rise of generative artificial intelligence (AI) and the maturation of AI, companies have an opportunity to enhance experiences for both customers and employees.

However, use of AI does not come without risk. Generative AI platforms, including the popular Large Language Models (LLMs) that power ChatGPT and Bard, have heightened risk for not only the historical issues of data privacy, bias, inequity and authenticity, but new challenges in the form of hallucinations, intellectual property and copyright infringement, as well as deep fakes that imitate real people. There are also potential environmental and sustainability impacts given the compute power required to train and maintain these models. Given this, it is critical to pay attention to the accuracy, timeliness, bias, consistency and appropriateness of the AI being used while not losing sight of the goal—providing a delightful, frictionless experience customers desire.

As companies look to implement AI, it is important to acknowledge there is still an unresolved gap when it comes to customer's comfort interacting with AI, [Ipsos research finds](#). While 68% of people have used an automated customer service chatbot, 88% still prefer to talk to a person when they need customer service help. It remains crucial that human interaction be available to customers when they request it. The AI experience must strike the right balance for customers in their moment of need.

CX professionals have spent the last decade working with AI on many relevant applications, including journey orchestration and next best offer/product/action. CX was also at the forefront of natural language processing and language models with chatbots. We see when efforts are made to personalize communications and train the technology to offer exceptional CX, AI can reap benefits for the brands they support.

In a recent study, more than two thirds of those engaging with customer service via mobile app reported they believed they were chatting with a live person. Those who believed they were chatting with a live person report significantly higher satisfaction with the interaction compared to those who assumed it was a chat bot.

CX professionals have learned many lessons that can help brands bring surprise and delight to their customers with AI instead of the fear, uneasiness and concern that can be associated with using new technology. Ipsos has developed the FAST framework that identifies the four key areas to focus on when developing AI tools: Fairness, Accountability, Security, and Transparency.

People really don't love customer service chatbots

Q: Thinking of your experience(s) with customer service chatbots, how much do you agree or disagree with the following?

Q: The following questions are about the automated chat feature many business web sites have added for certain customer service tasks. Have you chatted with an automated customer service chatbot?

68%

have used an
**automated customer
service chatbot**

Most of the time, the chatbot can solve my problem effectively

35%

My problems usually need to be solved by a live customer service representative

85%

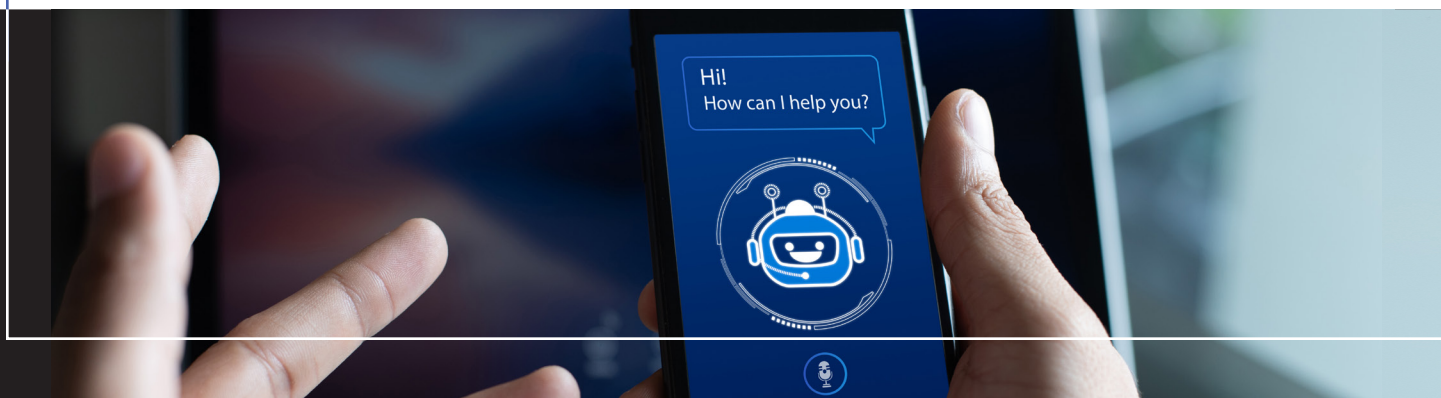
Customer service chatbots are frustrating

77%

I prefer to talk to a person when I need customer service help

88%

Source: Ipsos Consumer Tracker, fielded January 31 – February 1, 2023 among 770 adults who have used a chatbot



FAST: 4 key priorities from decades of CX experience in AI

FAIRNESS

Customer Sentiment: I am treated the way I should be treated.

Tales from the Crypt: There have been many occasions where AI marketing messaging played more on demographic stereotypes than something personalized to the customer based on their preferences and behaviors. Whether it is using the wrong messaging based on stereotypes or creating offers that are clearly biased to one group over another, mistakes have cost many brands their customers due to lack of fairness in AI.

What good looks like: It is critical that AI-driven communications are respectful and aligned with the brand values. When using AI to communicate with customers, there needs to be a final checkpoint where a human reviews the message before it goes out. Another option is to have a curated set of possible messages the algorithm can send to avoid mistakes like these.

AI-driven information, recommendations, and offers need to be unbiased. It is critical that brands use more than just demographics and geographic information in their AI models. All models should be thoroughly tested to ensure offers are fair and equitable to all consumers.

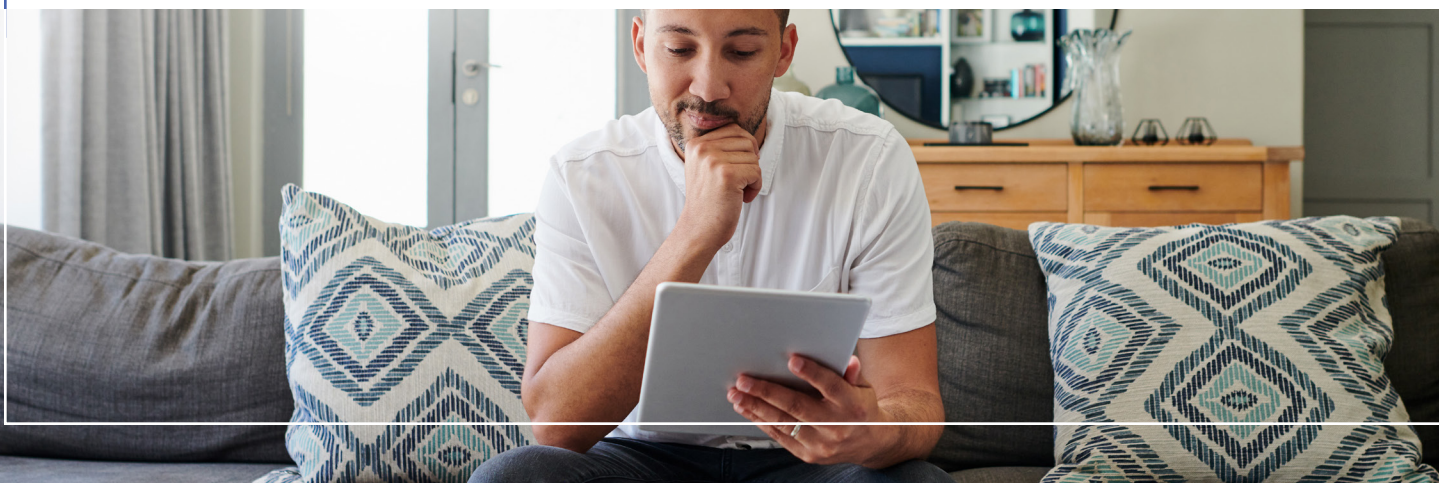
Brands can also monitor the customer perception of the AI recommendations and offers by having customers rate the fairness of the offer after receiving it.

ACCOUNTABILITY

Customer Sentiment: I know the company will own its actions.

Tales from the Crypt: Many companies have launched AI too quickly and failed to be accountable or give their customers a way to opt out of the AI feature. There have been many examples where companies have failed to take crucial feedback from beta testing before fully launching and brushing AI mistakes off as “just testing” without fully remediating.

What good looks like: AI has raised the bar of accountability for brands. Brands need to be up-front about what features are being powered by AI and allow for human intervention when AI misses the mark. Users should always be given the opportunity to opt out of AI-powered features where feasible. As a result, brands need to incentivize customers not to opt out. Customers often feel safer using AI if they know they are in control of when they interact with AI functionality and have the option to opt out rather than being forced into using AI. Brands need to be fully accountable when mistakes happen and not dismiss it as “testing” and should always fully remediate any issues that arise. All AI features need to be thoroughly tested before being released, especially when it comes to interactions with children.



SECURITY

Customer Sentiment: I want to know my data is secure and protected.

Tales from the Crypt: There is no shortage of incidents of data breaches across industries. According to [the Identity Theft Resource Center's 2022 Data Breach Report](#), there were 1,802 data compromises in 2022 and 422.1 million people affected by data breaches, an increase of about 40% over the previous year alone.

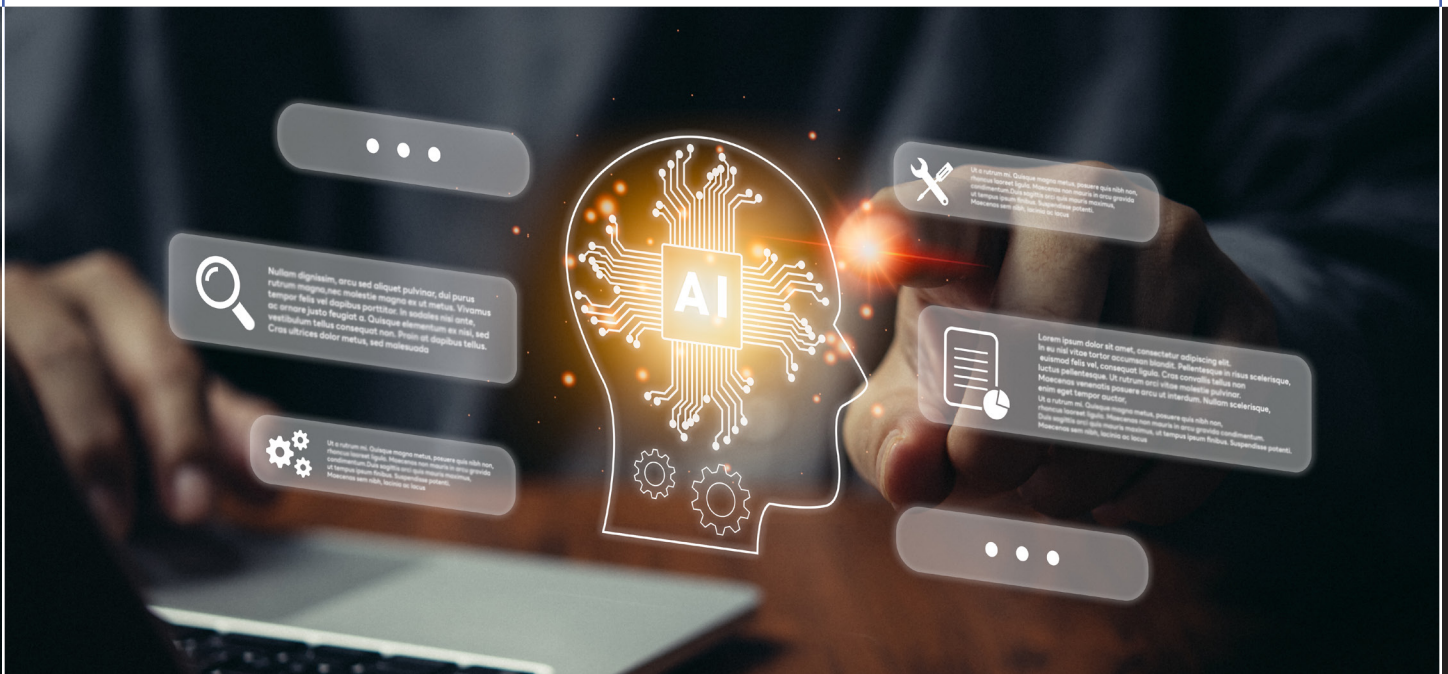
What good looks like: Responsible AI will disclose all data security practices to customers and actively provide updates on what is being done to better secure their data. Security practices such as two-factor or multi-factor authentication must be used to ensure data protection and instill confidence in the brand's security practices. To protect against data breaches, AI practitioners should evaluate what specific data is needed for their analysis and use de-identified or pseudo-anonymized data where possible. If PII is required, it should only be used in a secure environment or clean room where the data is protected.

TRANSPARENCY

Customer Sentiment: I am provided with clear and honest information.

Tales from the Crypt: While a lot of brands opt in for tracking and sharing of data, those policies can often be confusing, and the customer is unsure what they agreed to share. Companies have not always been transparent about who has access to the data they are sharing. Customers may think they are only sharing data with the brand, but it is actually being sold to other companies as well.

What good looks like: Brands using AI should disclose all relevant information and provide pathways to additional details for those customers who want them. They must be forthright in what features are powered by AI and how that affects the customer experience. Customers are often willing to share their data if it improves their experience with that brand, but the intention is for only that brand to use the data. If other parties are privy to a customer's data, brands should be transparent and provide opt-outs.



Companies should be measured in their approach to AI and consider the risks and rewards of this technology given that the investment is likely to be significant, and the CX implications are critical. Companies can get swept up in the hype and rush to invest in AI, often wanting a turnkey solution that solves all customer experience issues. To realize the full value of AI, companies must commit to the principles in the FAST framework and put the customer experience at the forefront of implementation priorities. Below are some practical considerations that we have found useful for clients to follow:

1. **Understand** current customer pain points and moments that matter along their journey, and the context in which they are experiencing them.
2. **Assess** whether an AI solution is needed to solve issues with customer experience. Is the team jumping to an AI solution for technology's sake when a simpler solution is available?
3. **Build and maintain** a [robust understanding of your company's data architecture and governance](#). AI is only as great as its data inputs.
4. **Train** AI solutions so they are customer-ready by using them internally before rolling out to be customer-facing. Leveraging call centers is a great way to improve and build out a service chatbot prior to having it face directly with customers.
5. **Consider** potential sensitivity/urgency for some subjects where customers still want to interact with a human directly.
6. **Reassure** the customer of their data privacy when sharing personal information, account details, etc. to improve their chatbot experience.

What's Next

Keep the customer at the center of all CX investments, especially AI. It is imperative that companies capture feedback on all aspects of CX including use of AI and react quickly to that feedback. Companies must also be accountable if something does not go as expected. Done responsibly and in the right places, AI can be a powerful tool that empowers companies to proactively run their business and provide exceptional customer experiences.

The FAST Framework provides essential guiding principles to keep the voice of the customer ringing in the ears of everyone in the organization. Reach out to the Customer Experience experts at Ipsos for help implementing it at your company.



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