An introductory guide to Chatbots and how they enhance the customer experience.
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2018 – The Year of the Chatbot?

Chatbots are conversation-mimicking computer programmes that provide your customers with an instant personalised response to their questions – meeting their needs and saving you time and resource.

If you’re interested in customer experience, then you’re likely aware of the benefits of chatbots already. Why? Because they have the potential to enhance customer satisfaction and encourage your customers to buy – all without one of your customer care representatives/agents having to pick up the phone or typing an email.

What’s more, the proliferation of chatbot channels such as Facebook Messenger, WhatsApp and WeChat – not to mention SMS – means that opportunities to reach customers in sectors ranging from retail to finance and logistics are constantly multiplying.

And the potential for innovation is increasing all the time, with developers working feverishly to bring new consumer experiences to market. For example, when WhatsApp opens to bots, it will unlock direct access to over one billion new users. With advances in technology pushing new boundaries, 2018 is most definitely set to be the year of the chatbot.

But is it the year your business will invest in one? Would a chatbot improve your customers’ experience? And, if you are going to make an investment, what steps should you take to ensure implementation runs smoothly? This guide has the answers.

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What is in this guide?

Introduction ................................................................. 3
Section 1: What is a Chatbot? ........................................ 4
Section 2: Why your business needs Chatbot’s ...................... 7
Section 3: Getting it right the first time .............................. 8
Section 4: Key considerations when implementing a Chatbot ........ 9
Conclusion ................................................................. 10
About Engage Hub ....................................................... 11

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What is a Chatbot?

During any discussion of chatbots, you’re bound to come across terms like ‘artificial intelligence’ and ‘machine learning’ – and acronyms like ‘NLP.’ However, when the terms are used interchangeably – as they often are – it has the potential to become confusing.

Before delving into the nitty gritty of how you can use chatbots to revolutionise customer experience for your business, we thought it would be useful to define the terms you’ll come across in this guide – and in any discussion of the benefits of chatbots.

AI.
Artificial intelligence (AI) is the theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.

Machine Learning.
Machine learning is an application of artificial intelligence (AI) that can access data to automatically learn and improve from experience without being explicitly programmed.

NLP.
NLP stands for natural language processing – this branch of AI helps computers understand human language as it’s spoken and written to be able to understand intent.

Chatbot.
A chatbot is a computer programme that uses AI and NLP to imitate human conversations – this can be through voice commands, text or both.

Messaging apps.
To use chatbots, you need to use communication applications – common messaging apps include Facebook Messenger, SMS, WeChat or voice (Amazon Alexa, for example).

It’s all very well knowing meanings of the words. But how do different elements combine to give your customers answers to their questions?

Don’t worry, we’re not going to get too technical. This simple diagram explains the process involved when a customer asks a chatbot a question, showing you the different elements that work together to give the user an answer in natural language.

User asks chatbot a question.
Chatbot sends message to an NLP engine with machine-learning capability.

NLP is used to check the intent of the message.

The user’s data (the balance) is looked up and returned to the chatbot.

The chatbot replies to the user in natural language.

NLP confirms the intent – in this case, to know their balance – and returns it to the data process.

Your current balance is £35.62.
An introductory guide to Chatbots and how they enhance the customer experience.

From Facebook Messenger to Alexa, customers use a variety of messaging apps – using their preferred method of communication, these scenarios illustrate how a chatbot can help you meet their needs.

From speeding up response times to enhancing conversion rates and adding personality to your products, chatbots can positively impact every department of your business. Indeed, brands everywhere are catching on and beginning to use them in new and creative ways.

Improving customer service.
That 80/20 ratio alone demonstrates the value of automation. But add chatbots into the mix and you’ll really see the benefits in terms of increased customer engagement – without the usual corresponding spend on time and resource.

Freeing up employees’ time.
Imagine your customer service chatbot answered 50% of these frequently asked questions – conversationally and to the satisfaction of your customers. Your customer service agents are now free to be able to take on more complex questions and complaints that lie outside of the abilities of AI ensuring that your customers always gets the resolution they're looking for.

Resolving product or service issues.
And it isn’t just the most straightforward questions that your chatbot has the potential to answer. If your customer is experiencing an issue with your product, he or she can connect with a chatbot – which can then provide troubleshooting information as well as a recommendation of how to fix it.

Enhancing the customer experience.
In other words, chatbots have the potential to help every department become more efficient – while enhancing the customer experience and spreading the word about your products.
3 Get it right the first time.

Done right, chatbots are a fantastic way to interact with your customers. However, if you’re feeling anxious about the lack of human control, you’re not alone.

You’re innovative, forward-looking and willing to invest in technology to stay that way – plus, you want your business to enjoy the benefits of the industry-leading customer experience that chatbots deliver.

But how do you roll out your chatbot without risking alienating your customers and losing sales? The simple answer is to implement your chatbot internally first. Test it out on your team and you reduce the chances of anything going wrong when your customers start interacting with it.

Let your bot learn from your team.

This is when we come back to machine learning. Depending on your choice of technology, internal testing gives your bot the chance to learn from your team, improving it for your customers in advance.

Let’s say you work for a large enterprise with an extensive contact centre that deals with a huge number of calls on a daily basis. Building technology into the call centre software allows the chatbot to track what the agent has said and suggests responses. Not only does the agent not have to search multiple systems for the required information, but the bot has learnt how to provide a resolution for the customer.

Ultimately, the end customer was unaware of the bot, but the bot was able to learn how to deliver efficient responses that maintained and enhanced customer satisfaction – all before the customer began interacting with it.

Test your bot with a small sample of customers.

It might sound obvious, but it’s crucial to your chatbots success that it’s tested rigorously from the start. One way of approaching this is to select a small sample of low-risk customers to roll the bot out to. You can then use analytics to see how the bot performed; did the bot successfully answer their query or offer the right product information? You might also want to incentivise the test group by giving them a generous offer based on them completing a questionnaire. This will maximise the success of the bot before you roll it out across the entire business.

4 Key considerations when implementing a Chatbot.

So, you’ve decided your business needs to invest in chatbot technology. That’s fantastic.

We’ve compiled a few tips and strategies to ensure that everything runs smoothly once your bot starts communicating with your customers.

1 Think about what you want to achieve.

What does success look like for your bot? This may relate to an existing KPI or you might want to set up a before and after assessment. You should consider things like; engagement levels, goal completion rates or the number of times your chatbot has to transfer to a human for help. There isn’t a set rule here, but by ensuring you set out clear objectives from the start, you can easily measure success further down the line.

2 Ensure that your bot and customer are able to understand each other.

Language, slang and accents are relevant here – as is speed of talking for people less comfortable with bots. This is where NLP and machine learning come in; this technology has the ability to not only detect slang and accents but also learn from them to understand intent, regardless of the specific words or phrases used.

3 Don’t forget about user integrity.

For example, security questions are important when providing personal information to a customer. It’s crucial to your bots success to gain customer trust right from the beginning so think about that. Tokens are a good example; Facebook Messenger chatbots use them quite a lot. You talk to your banking chatbot and log-in to it using your standard banking username and password. You are given the opportunity to link your Facebook ID to your bank account. Now your Facebook chatbot can seamlessly access your banking information.

4 Always define when your customer will be connected to a member of your team.

You need to be able to identify angry customers or those with complex queries – and ensure that information collected by the bot is available to the person who takes the call. This means that angry customers are automatically connected to an agent, so their issue can be dealt with swiftly.

5 Continue to add responses and Natural Language capabilities, even if your bot is already live.

That way, you’ll improve the experience for users progressively as your bot becomes able to deal with additional intent types.

6 Don’t forget to give your bot your brand’s tone of voice.

But remember, there may be times when you’ll need to clarify that it’s a chatbot rather than a human.

7 Use common phrases to start conversations.

Avoid open-ended questions and ensure that follow-up questions are specific – and that your bot can provide valuable responses such as bank statements, where relevant.
Future-proof your business with Chatbot technology.

Chatbots are fast becoming ubiquitous.

According to an Oracle survey, around 80% of businesses will be using them by 2020. That’s just 2 years away. What’s more, Gartner believes that 85% of customer interactions will be handled by a machine – also by 2020. And Bill Meisel of TMA Associates has projected that chatbots will generate over $600 billion in revenue by (you guessed it!) 2020.

It doesn’t matter whether your business is just starting up or already at enterprise level – or whether you’re in retail, logistics, finance or another industry. You’ll gain a competitive advantage and future-proof your business by investing in chatbot technology now.

Yes, designing and building the right bot for your business might be a time-consuming process. However, with a creative approach to getting it right, you’ll see ROI fast. And when you consider those forceful statistics, can you really afford to wait?

About Engage Hub.

Every customer is unique.

At Engage Hub, it’s our mission to make sure your business treats your customers as individuals to engage each and every one, so you win them over faster and keep them for longer.

With over 30 years in the business, our services have evolved alongside the needs of our clients, including some of the world’s most successful brands across the financial services, utilities, telecoms, retail and logistics sectors. We understand the challenges you face – from data silos to legacy systems – and have built intelligent, intuitive and effective solutions that work for you.

Our commitment to excellence has helped us build a reputation as the leading global provider of data-driven consumer engagement and customer retention solutions. At a time when brand loyalty is at an all-time low, our data orchestration technology delivers the kind of experiences your customers have now come to expect. So, you can always keep them engaged and happy.

Powering a data-driven customer experience for some of the most successful organisations in the world.