Transforming customer service with AI and Automation
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Transforming customer service with AI and Automation

Conversational AI has emerged as a game-changer in customer service and care, revolutionising the way businesses interact with their customers. From 24/7 availability and personalised interactions, to scalability, cost efficiency, and improved response times, Conversational AI empowers teams to deliver exceptional customer experiences.

By leveraging conversational AI as their assistant, contact centre agents can focus on complex interactions with customers to deliver more business value and inspire more customer loyalty. These solutions also prompt agents with compliance and guide people through their journeys with regulation advice.

VKY has found that our customers see a significant improvement in employee satisfaction rates and length of service after implementing automation and AI because the technology takes care of the tasks that typically, people don’t like doing.

Helpful things to ask yourself and keep in mind whilst reading this guide include:

- What is your business mission and how critical is customer loyalty to that mission?
- How much time do your customer service teams currently spend doing manual tasks across multiple systems?
- How important is it to retain your staff and how much does it cost the business to replace someone?
Before diving into AI and Automation, let’s briefly define exactly what they are:

1. **Artificial Intelligence (AI)**: AI refers to the simulation of human intelligence in machines that are programmed to learn, reason, and make decisions. It encompasses a broad range of technologies, including machine learning, natural language processing, computer vision, and more. What we as a society consider as being “AI” changes depending on how it’s represented in business and the news but on the whole the term is usually used to refer to the newest methods for processing increasingly complex data in a way that mimics human intelligence.

2. **Automation**: Automation involves the use of technology to perform tasks or processes with minimal human intervention. It aims to streamline operations, enhance efficiency, and reduce errors by replacing manual actions with automated systems. The technologies used by automation platforms to do this often include AI methods such as machine learning, natural language processing and computer vision to identify objects on screen.
Getting over the fear: Automation and AI enable people

Harnessing AI to Power your People
VKY's Direct or of Intelligent Automation, Alex Croucher comments

“Automation isn’t a future concept. It’s been happening gradually ever since Henry Ford developed the production line. What’s recently changed is the type of roles impacted by automation. In the context of customer service, agents now have the opportunity to be supported by virtual assistants that help them to remember compliance rules, work within one system or screen, and remove repetitive manual data entry.

People are typically demotivated by mundane, repetitive tasks and as a result, make mistakes or worse, leave their job. People are much more effective – and happier – when engaging their cognitive capacities, building relationships and solving problems creatively. HR professionals have an opportunity to engage their people about the benefits or automation and AI to bust myths and set the tone for, what could be with the adoption of automation solutions, a much more fulfilling role.”
Staying competitive:
6 reasons to use AI and Automation in customer service delivery

1. Reduced Response Time and Faster First Contact Resolution

Speed to resolution is crucial for customer satisfaction. Conversational AI helps minimise response times by providing instant and accurate answers to frequently asked questions. By leveraging pre-defined responses and machine learning capabilities, chatbots can quickly retrieve relevant information and guide customers through troubleshooting processes. This significantly reduces the number of interactions required for issue resolution and results in better first contact resolution rates.

2. Boosted Efficiency and Productivity

AI-powered technologies, such as chatbots or virtual agents, can handle a substantial volume of customer interactions simultaneously, reducing wait times, eliminating the need for customers to be put on hold or for agents to swap between systems and screens. By automating routine and repetitive tasks, such as call routing, data retrieval, and basic inquiries, call center agents can focus their time on the interactions that matter most to the customer. This streamlined workflow allows for quicker response times, increased call resolution rates, and improved overall operational efficiency.

On average VKY customers see a 72% reduction in average handling times, a 51% reduction in their cost to serve customers, and increased NPS scores by adopting conversational AI and automation.
3. Improved Customer Experience and Loyalty

AI and automation play a crucial role in enhancing the customer experience at key points throughout the customer journey. By implementing AI-powered chatbots or virtual agents, customers can receive immediate assistance and accurate information 24/7. This availability meets new market expectations of ‘anytime, anywhere’ customer service and helps to significantly improve metrics like NPS scores. AI technologies also have the capability to understand and analyse customer interactions, enabling the type of personalised and contextual responses that customers expect. Importantly, through intelligent routing, customers are connected to the most suitable agent or department, reducing the need for multiple transfers and avoiding frustrations for both the customer and call centre agent.

4. Reduced operational costs and increased scalability

As customer inquiries and support demands increase, it becomes challenging to hire and train large teams that stay for the long run. Conversational AI and Automation can handle multiple conversations simultaneously so high volumes of customer queries can be handled without compromising quality. Additionally, the cost of implementing Conversational AI is significantly less than losing agents who are unhappy in their roles due to high demands, plus the recruitment and training of new hires that then needs to happen as a result.
5. Data Collection and Insights for Continuous Improvement

Clients who have implemented our solutions see increased metrics across the board and have a much better understanding of where the sticking points are in their customer journey’s. By analysing customer interactions, AI and Automation can identify common pain points, recurring issues, and customer preferences. These insights enable businesses to make data-driven decisions, enhance product or service offerings, and identify areas for improvement. With a better understanding of customer needs and expectations, organisations can adapt their strategies to provide an exceptional and consistent customer experience.

6. Reduced employee attrition rates

- **Task Offloading:** Automation can handle repetitive and mundane tasks, freeing up agents’ time to focus on more complex and meaningful interactions. This reduces agent burnout and improves job satisfaction, resulting in happier employees that stay longer.

- **Agent Support:** Automation and conversational AI can provide real-time guidance and knowledge resource to assist agents during customer interactions. This empowers agents, increases their confidence, and supports them in delivering a better customer service that is fully compliant with regulations.

- **Skill Development:** Automation and AI systems can facilitate ongoing training and skill development for agents. By providing access to training materials and personalised coaching, employees can continuously improve their capabilities, leading to greater job satisfaction and reduced churn.
Agent Assist Solution

Agents struggling with multiple systems that didn’t talk to each other. Business struggling with tough compliance and cost to serve was high.

VKY’s AI and automation pulls data together from multiple systems for the agent, so they can deliver a better, faster, and more compliant service to customers.

Agents can complete a call with ease and compliance precision, prompted by AI.

The solution ensures the service has been delivered within compliance regulations and autofill’s data into multiple systems post call, cutting down on human error and helping agents to do more with the time they have.

This ‘AI and Automation for good’ solution also helps vulnerable customers and you’ll find more information about this on page 14.

- 51% Reduction in cost to serve
- 1200 Requests a day handled with agent assist
- 74% Reduction in AHT
- Reduced Attrition
Meeting Compliance Regulations with Conversational AI

**Proactive risk and error prevention**

- By analysing large volumes of data, these solutions detect patterns, anomalies, and potential non-compliance, limiting non-compliance risk. This proactive approach also mitigates potential violations by allowing businesses to implement success measures ahead of any incident happening.

- One of the key benefits of Automation is that it reduces human error, and as a result, mitigates compliance risks. By automating routine tasks like data entry or calculations, organisations minimise potential errors and ensure accurate, consistent processes, improving overall operational efficiency as well as compliance.

**Adapting to regulator change**

- The regulatory landscape is constantly evolving. Conversational AI and automation can assist in staying up to date with regulatory changes. These technologies facilitate real-time monitoring of regulatory updates, analyse their impact, and adapt processes and workflows accordingly. By leveraging AI and automation, organisations can quickly implement changes to ensure ongoing compliance with new regulations.

**Real-time compliance monitoring and audit reporting**

- Conversational AI platforms can include real-time monitoring capabilities to identify potential compliance violations during customer interactions. AI algorithms can analyse conversations, detect patterns, and flag any non-compliant behaviour or language. Enabling fast intervention and corrective actions to address compliance issues before they escalate.

- Conversational AI also provides an audit trail of customer interactions, capturing details such as timestamps, actions taken, and system responses. This means that companies can monitor compliance-related activities, facilitating audits and regulatory reporting requirements.
Differences and synergies between AI and Automation

It is important to note that AI and automation complement each other in customer service delivery. Businesses often leverage both to enhance operational efficiency, provide personalised customer experiences, and optimise their overall customer service strategies.

Scope and Functionality:

- **AI**: AI refers to the development of computer systems that can perform tasks that typically require human intelligence. In customer service, AI can include technologies like natural language processing (NLP), machine learning, and chatbots that can understand and respond to customer inquiries, provide personalised recommendations, and perform complex data analysis to derive insights.

- **Automation**: Automation, on the other hand, involves the use of technology to streamline and mechanise repetitive or manual tasks. In customer service, automation focuses on the implementation of systems and processes to handle routine tasks, such as call routing, data entry, ticket generation, or sending automated notifications. It aims to reduce the need for human intervention in these repetitive processes.

Adaptability and Learning:

- **AI**: AI systems can learn from data and improve their performance over time. Through machine learning algorithms, AI can analyse customer interactions, understand patterns, and continuously refine responses. AI systems have the ability to adapt and evolve based on new information and experiences, providing organisations with valuable real-time customer insights.

- **Automation**: Automation, in its basic form, follows pre-programmed rules and workflows. It does not possess the ability to learn or adapt on its own. Automated processes are designed to execute specific tasks in a repetitive way without self-improvement or adaptation.

Complexity and Decision-Making:

- **AI**: AI systems are capable of handling complex tasks that require reasoning, decision-making, and analysis of unstructured data. They can process large amounts of information, derive insights, and provide intelligent responses to customers.

- **Automation**: Automation primarily focuses on executing predefined tasks or workflows. It is more suitable for simple and repetitive processes that do not require complex decision-making or analysis.
Better together: AI loves Automation

By leveraging the strengths of both automation and AI, businesses can create a customer service ecosystem that combines efficiency, personalisation, scalability, and continuous improvement. This powerful combination enables businesses to deliver exceptional customer experiences, optimise operational processes, and gain a competitive edge in the market.

1. Improved Efficiency and Productivity:

Automation streamlines repetitive and manual tasks, freeing up human agents’ time to focus on more complex, value-added activities whereby customers have a more meaningful interaction with your brand. AI augments automation by providing intelligent decision-making capabilities, allowing for more sophisticated task execution. Combining both technologies means that businesses can achieve higher levels of efficiency and productivity in customer service operations.

2. Enhanced Customer Experience:

By leveraging AI's natural language processing and machine learning capabilities, businesses can understand customer inquiries, preferences, and behaviors better so agents can deliver a more personalised response. Automation ensures prompt and accurate responses to routine queries, minimising wait times and improving overall customer experience. Together, AI and automation create a seamless and efficient customer journey, leading to higher satisfaction and loyalty.

3. Scalability and 24/7 Availability:

Automation allows businesses to handle high volumes of customer inquiries and interactions – freeing up human resources to focus on bigger problems and better service levels. AI-powered chatbots or virtual assistants can operate around the clock, providing 24/7 availability and instant responses. Consumer behaviour and expectations are changing, the expectation for instantaneous response has never been higher - this scalability and availability ensures that customer needs are met quickly, at a time that suits them.
4. **Data-Driven Insights and Continuous Improvement:**

AI's data analytics capabilities, combined with automation's data collection, means that businesses can gather and analyse large amounts of consumer data. This data provides valuable insights into customer preferences, behaviours, and pain points. organisations that leverage these insights to make data-driven decisions, refine their customer service strategies, and continuously improve their offerings will no doubt stay competitive and win customer loyalty.

5. **Cost Savings:**

Combining conversational AI and automation results in significant cost savings for organisations. For example, on average VKY customers see a 300% ROI from implementing our solutions.

6. **Consistency and Accuracy:**

Automation guarantees consistency and standardised processes, eliminating the risk of human errors, complemented by AI's ability to learn and adapt for continuous improvement, together they ensure that customer interactions are handled in the most consistently effective way possible, reducing the chances of miscommunication or incorrect information being provided.
Automation for good, helping vulnerable people

A leading Energy Company helps customers to avoid debt by catching the signs early with VKY’s customer service AI solution.

This ‘automation-for-good’ solution runs in the background, scanning up to 4,000 customer records a night and checks 80 different at-risk of debt criteria.

The automation then flags any customer who may need contacted for support. At least 2 customers each day are given debt support as a result.

VKY’s conversational AI solution also enables customers to self-serve in energy emergencies, quickly and effectively submitted emergency credit requests through chatbots, removing the need to talk to an agent. This saves the end customer, and client, a significant amount of time.
What is AI and Automation for Good?

When AI and automation are used to address societal challenges, promote positive outcomes, and contribute to the progress of individuals, communities, and the world at large. It involves leveraging these technologies for ethical principals, social responsibility, and sustainable development.

Here are some key aspects of AI and Automation for Good:

1. **Social Impact:** AI and automation can be harnessed to address social challenges and improve the lives of individuals and communities. This can include applications in healthcare, education, poverty alleviation, accessibility, environmental sustainability, and disaster response. For example, AI can be used to develop advanced healthcare diagnostics, personalised education platforms, assistive technologies for people with disabilities, or predictive models for natural disasters.

2. **Ethical Use:** AI and automation should be developed and deployed in a manner that upholds ethical principles and respects human rights. This involves ensuring transparency, fairness, and accountability in algorithmic decision-making, as well as addressing biases and discrimination. AI systems should be designed with privacy and security in mind, protecting individuals’ personal data and ensuring responsible data usage.
3. **Sustainability**: AI and automation can contribute to environmental sustainability by optimising resource allocation, reducing waste, and improving energy efficiency. For example, smart energy grids that utilise AI algorithms can optimise energy distribution which reduces carbon emissions. Automation can also enable more sustainable manufacturing processes by improving supply chains and minimising waste generation.

4. **Accessible Technology**: AI and automation should aim to create inclusive and accessible technologies that benefit all individuals, regardless of their abilities, backgrounds, or geographical locations. This involves designing user interfaces and experiences that are intuitive, accommodating diverse needs, and providing equal access to information and services.

5. **Empowerment and Collaboration**: AI and automation can empower individuals and communities by providing them with tools and resources to solve problems, make informed decisions, and enhance their capabilities. Collaborative approaches that involve interdisciplinary partnerships, knowledge sharing, and public engagement are crucial in harnessing AI and automation for the greater good. This includes involving diverse voices and perspectives in the development and deployment of these technologies.
Future predictions

Many organisations are at the start of their automation and AI journey as recent developments like ChatGPT have made the solutions so much more accessible. Here are some of our predictions to watch out for this year:

**Hyper personalisation at scale, powered by automation and AI**
Natural language processing (NLP), machine learning, chatbots and communications mining will continue to help organisations to understand and respond to customer inquiries and provide a level of personalised recommendations that wouldn't have been possible in 2022.

**Seamless Multilingual Support and increased internationalisation**
AI-powered language translation and localisation technologies will enable seamless multilingual support in customer service. Language barriers will be overcome as AI systems accurately translate and comprehend customer inquiries, facilitating better global communication and ultimately helping businesses to expand their international reach.
The ability to predict consumer behaviour – Integrating AI with the IoT
This combination will enable intelligent and proactive customer service. AI systems will leverage data from connected devices to anticipate customer needs then pivot products, and arguably business strategy, to meet these needs. In addition, this mix will provide the identification of potential issues, enabling proactive support. For example, a smart home device may notify a customer service system about a malfunction, triggering automated troubleshooting or assistance.

Ethical AI and accountability
As AI becomes more pervasive in customer service, the focus on ethical AI and accountability will intensify. Businesses must prioritise developing transparent and explainable AI systems that adhere to ethical guidelines, helping to build trust with customers and ensure responsible AI usage.
Conclusions

Returning to the questions at the start of this guide:

- What is your business mission and how critical is customer loyalty to that mission?
- How much time do your customer service teams currently spend doing manual tasks across multiple systems?
- How important is it to retain your staff and how much does it cost the business to replace someone?

Are your answers the same and to what extent do you think Automation and AI could power your people and business?

Have a chat with us today for advice or questions relating to the topics discussed here.

“Since forming VKY, we’ve seen a significant shift in what consumers expect when it comes to customer service. This has contributed to organisations reevaluating how they prioritise the overall customer experience.

Stricter compliance requirements and increased pressures to do more with less have also contributed to companies transforming their service delivery.

One of our core objectives is to help organisations reduce their churn – both in terms of customers and staff. The organisations doing this most effectively are those that seamlessly combine the human and AI approaches.

Talk to us to understand how you can start your journey or optimise your existing solution.”

– Stephen Coia, Joint Managing Director