**UPSTACK** DIGEST

# AI and CX

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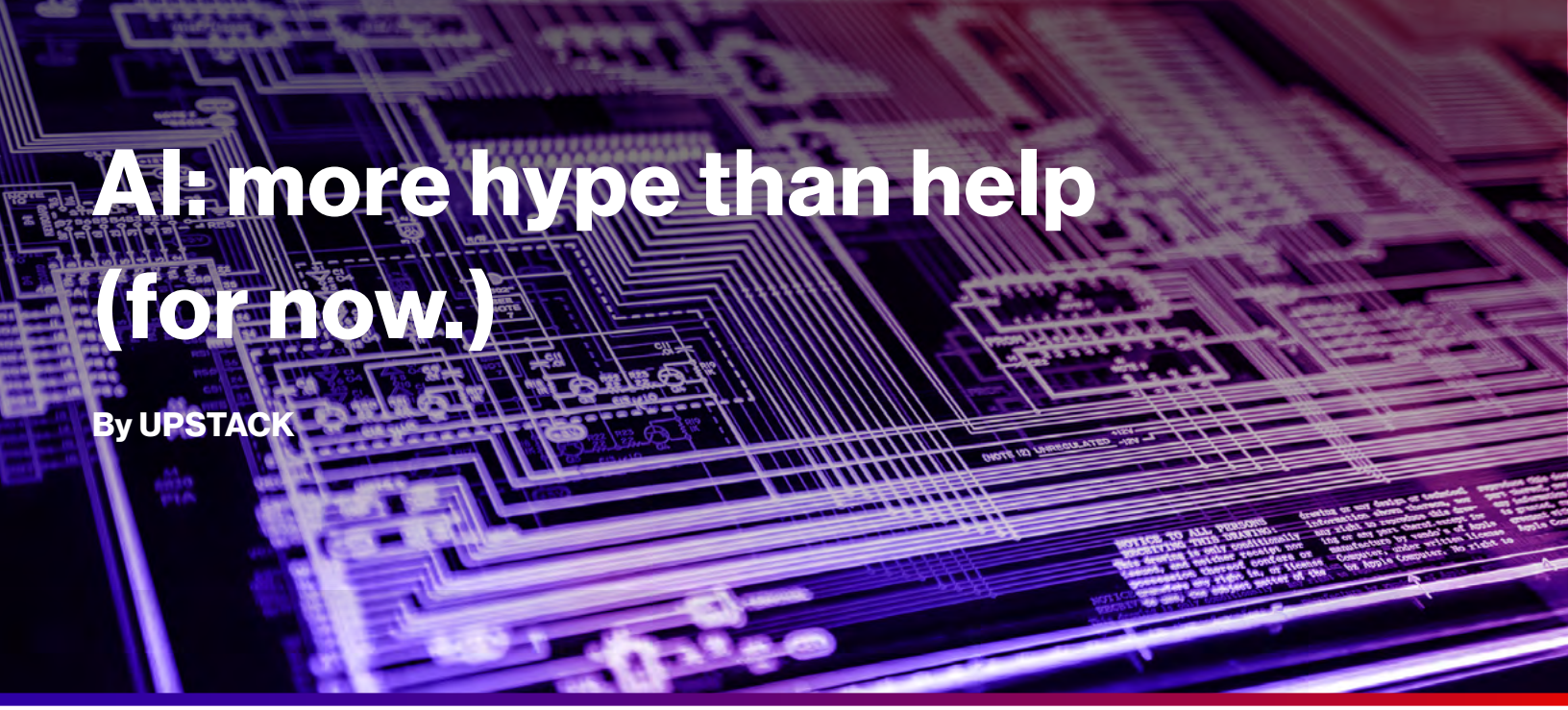


# AI: more hype than help (for now.)

By UPSTACK

AI: it's likely coming to your industry, for better or for worse. A recent study by Equinix revealed that 85% of IT leader respondents are already using or plan to leverage AI. However, 40% doubt that their infrastructure can handle it. While many companies are feeling the pressure to adopt AI, there's a question brewing. As with any new technology: how much can it help, and how much is just hype?

When adopting AI technology, IT leaders and stakeholders must keep in mind that their existing technology infrastructure underpins everything. Any additional technology will need to be integrated into that existing infrastructure, and use-cases are best pinpointed before investments are signed, sealed, and delivered.

## How well do you understand AI?

A study by The Verge polled 2,000 people and showed that 1 in 3 have used a group of popular AI tools, but "most aren't familiar with the companies and startups that make them." In the corporate world, companies are adopting AI across a variety of use cases, from CRM tools and customer service chatbots to cybersecurity and even general operations. But, per the aforementioned Equinix study, 40% of IT leaders say they are not comfortable with their IT team's ability to accommodate the growing use of AI.

It seems that, as with any new and shiny technology, people want to get their hands on it– but most don't really understand how to apply it to their business.

We're here to help you gain that crucial understanding. Let's explore some of the potential drawbacks and misconceptions of AI– so that you can make the best decision for your company going forward.

AI is causing a scramble for power – but that may be temporary.

In the late '90s and early aughts, the dotcom bubble enclosed the global economy. The future power of the internet was reflected in investments, and stock equity shot sky-high.

Some great companies were born in these nascent stages of the web– but other companies proved to be sunk costs. That's because when new and exciting technology emerges, the hype cycle colors our perception. People forget that they can't predict the future.

At that time in history, it was thought that the internet would need immense amounts of power to grow to its predicted scale and sustain worldwide adoption. It would be not only unsustainable, but expensive, and this put growing companies in a bind. As with many great times of struggle and fear, innovation was born: this growing concern led to the creation of hyperscale data centers that cushioned the blow.

In reality, and due to those combined efforts, electricity use rose only minimally as internet use increased massively worldwide. "That's an example of when the industry focuses on a problem, they go after it and figure out how to solve it," said Dr. Jonathan Koomey, an expert on the energy and environmental effects of information technology, in an interview on The UPSTACK Podcast. He predicts the same type of innovation is around the corner for AI.

As it stands, power demand from generative AI will increase at an annual average of 70% through 2027, says Morgan Stanley. "[A]large portion of the incremental power needs for AI being sourced from zero or low-carbon technologies," says Stephen Byrd, Morgan Stanley's Global Head of Sustainability and Clean Tech Research, in the article.

But, as it happens, AI may currently put a strain on utilities– whether they're from green sources or not. And how much strain, we can't be certain. "Estimates do exist, but experts say those figures are partial and contingent," says The Verge, "offering only a glimpse of AI's total energy usage. This is because machine learning models are incredibly variable, able to be configured in ways that dramatically alter their power consumption.[...] The question of whether efficiency gains will offset rising demand and usage is impossible to answer."

We can safely assume this estimate is no small number. For example, NVIDIA alone is estimated to ship 1.5 million AI server units annually by 2027. "These 1.5 million servers, running at full capacity, would consume at least 85.4 terawatt-hours of electricity annually—more than what many small countries use in a year, according to the new assessment," says Scientific American.

**UPSTACK recommends:** Don't pull the plug on AI altogether– but be vigilant of the energy cost and plan ahead to stay on track with sustainability goals.

Though innovation could be down the line, companies seeking to hit vital sustainability goals will want to be aware of the potential impact of AI, and may consider taking part in the new generation of innovative technologies being dreamed up by AI advocates.

Eventually the widespread adoption may be a key driver of revenue and growth for sustainable energy stakeholders. But for now, it's a tenuous and murky situation.

## AI isn't thinking – or learning.

It's not just using AI tools that drains power– training AI, as it turns out, takes a lot of energy. AI tools, and all other machine learning implements, are "taught" through the process of training, wherein systems are fed information into an algorithm to gain a desired output. When the output is poor or problematic, the algorithm is tweaked in order to correct and improve results.

This process takes time, and with larger or more complex tools comes longer training times– from hours for the most simplistic to weeks, months, or more for large-scale tools. Despite all of the time spent on training these models, they're

not perfect– not even close. If you've ever seen an AI tool's rendering of human hands, or its answers to mathematical problems, you'll know exactly what we mean.

Here's the key to understanding why these tools fail in certain arenas: they're not really learning.

An AI model's success is predicated on its ability to churn out results to queries that are predicted or expected. For example, if you ask AI to show you a human hand, you expect it to have five fingers. In a well-trained AI model, you may get that– or six, or seven fingers. In a new or undertrained AI model, you may get a puppy's paw.

> **UPSTACK recommends:** Don't take facts from AI at face value. Utilize these tools as aggregators of information or ideas– but be sure to verify their answers and citations.

Because AI is trained to regurgitate or synthesize the information it's fed during training, you can't trust its accuracy. While this can be funny when the stakes are low, such as playing with an image creator for fun, problems arise when people lean too hard on AI for facts and research.

For example, tools are known to fabricate references.

"We've seen examples where somebody asks [an AI tool] a question and it creates articles that don't exist, co-authors who never worked together," Dr. Koomey shared with The UPSTACK Podcast. "They call this hallucination. Which I think may be giving it a little too much credit. It's not actually thinking, it's saying, 'What is the most likely next word?'"

## AI can transform your workplace– for better or for worse.

In cases like those shared by Dr. Koomey, AI may do more harm than good. But there are instances in which it has empowered greater productivity and innovation for enterprises.

For example, AI has helped make programmers up to twice as efficient in creating code, and 83% of customer service workers say that AI will help them help more customers.

"There are these examples where these tools have had a dramatic effect [, but the] question is whether you can apply these tools across the board, and I think there is a lot of hype here," Dr. Koomey told Alex and Greg, The UPSTACK Podcast hosts. "There's a lot of people jumping on board the bandwagon trying to apply these tools for different things. And that's probably good in the beginning– you want people to experiment and find where the new tech can be useful– but there are going to be places where it's not going to help, or it's even going to be a problem."

AI did present some issues for CNET. The company recently doubled down on their use of AI to write nearly 80 articles. Despite issuing a multitude of corrections and facing criticism from the public, they say they will continue to use the tool.

Even more poignantly, NVIDIA has created an AI tool that would allow healthcare companies to replace nurses with AI models, which cost just 1/10th of a real nurse's salary to power. Over 40 U.S. based providers are reportedly testing the technology. It begs the question: are we far enough along in our experience with AI to trust its abilities in possible life or death situations?

Another ethical issue arises in situations where AI does improve productivity: who gets paid for it?

A Readwrite thinkpiece gives some insight into the issue: "Workers have reported an increase in the intensity of their work since the introduction of AI, despite the fact that it may increase productivity. Wages for workers who aren't managers or AI specialists haven't changed much either, suggesting that while productivity may increase, pay hasn't."

**UPSTACK recommends:** Stay in the loop about laws and regulations globally and in your area before investing in AI.

"Many proponents of AI believe the problem is not AI itself, but the way it's being consumed," TechTarget states. "Proponents are hopeful that regulatory measures can address many of the risks associated with AI."

UPSTACK recommends: AI isn't a guaranteed booster of efficiency or revenue. Carefully consider your use case, and the ethical implications that may arise, before believing in the promise of productivity.

## Legislature could restrict AI use.

Given the above reasons, it's no surprise that people are beginning to raise concerns about the lack of regulation surrounding AI tools, especially in the healthcare setting. The noise is growing louder, and legislators are taking note.

The EU just approved a landmark Artificial Intelligence Act, "the first comprehensive law on AI by a major regulator anywhere." The act divides AI into three risk categories, and subjects tools to tiers of regulations based on their categorization. And, it has all of the trappings of a new global standard.

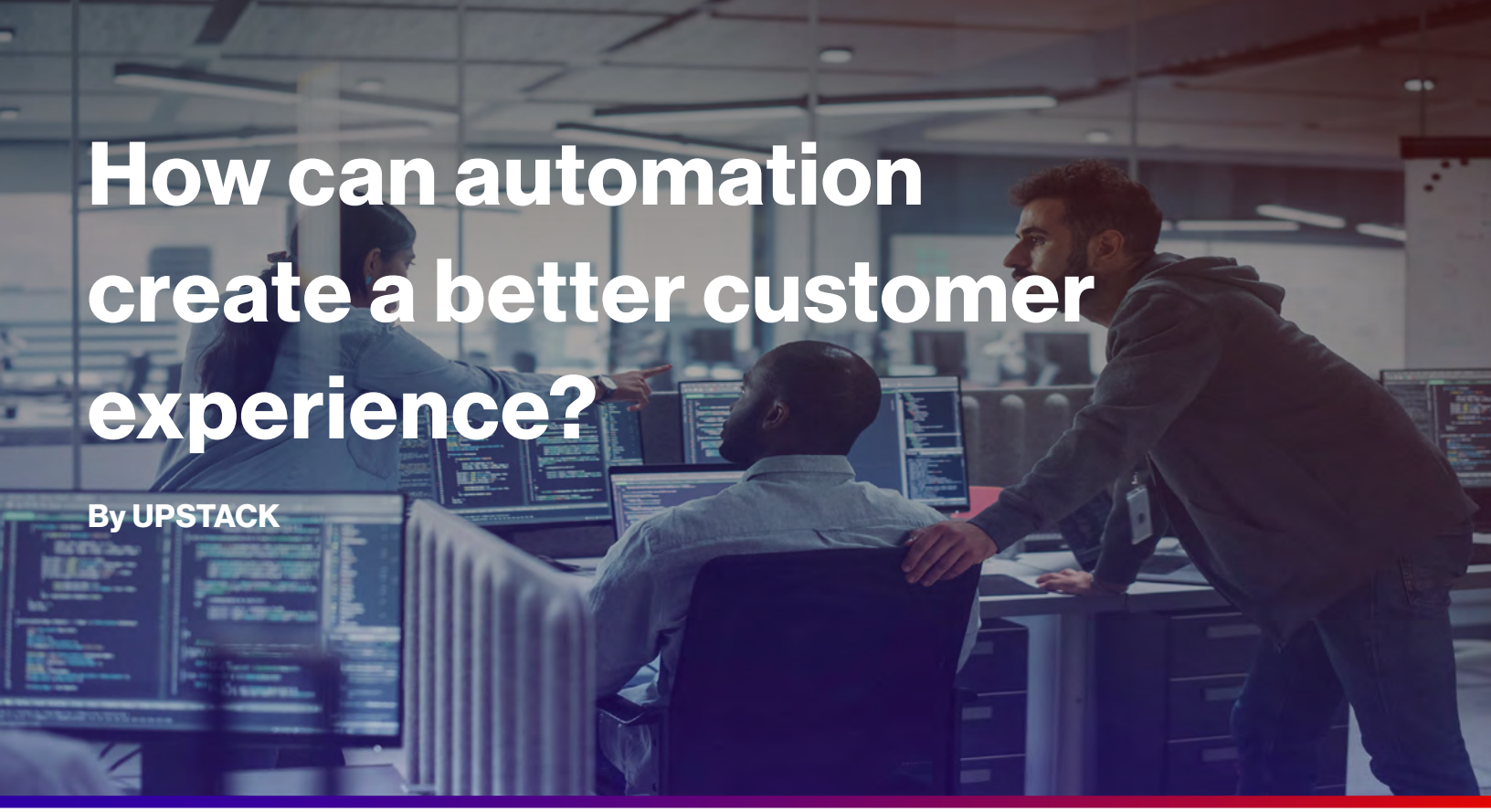
It's important to be aware that you may invest in tech that becomes heavily regulated or even banned if this trend of legislation takes root in the U.S. For companies with global offices, especially in the EU, this act could fracture the overall continuity in their global operations.

## UPSTACK is about help, not hype.

Although AI may be overhyped, there are certainly use cases in which it can enrich your company's overall productivity and efficiency. As experts in emerging technologies like AI, UPSTACK can help you seamlessly integrate the right AI solutions for your business, or help find alternative solutions to bolster productivity and innovation.

Whatever you're looking for, our experts are happy to guide you. Get in touch here to chat about your tech stack.

To learn more about topics discussed in this article, listen to The UPSTACK Podcast: Powering AI Solutions featuring Dr. Jonathan Koomey, Koomey Analytics. ■



# How can automation create a better customer experience?

By UPSTACK

## Automation isn't one size fits all.

Companies are jumping on automation like never before. McKinsey's bold claim that 50% of modern work can be automated, and sentiments like it, have struck both a chord and a nerve– it depends on who you ask. While companies relish the reduction in labor costs, the upgraded efficiency and productivity, and the expanded capabilities that automation offers, customers have yet to be swayed.

While a large number of companies have at least dipped a toe into automation and many believe in its power to improve how they work, one may call it a case of quantity vs. quality.

"Front end automation is key, and that's the number one thing that has to be solved for if a company is going to leverage automation to drive down labor costs and solve their labor problem. They have to be able to automate, but they have to be able to do it in a really good way," Andrew Pryfogle, founder and CEO of CX effect, shared with us on The UPSTACK Podcast.

So, how does one do automation in the best way possible? Let's discuss the clashing sides of automation, and how you can help even out your risk versus reward ratio when diving in.

## Agility vs. annoyance: CX

Have you ever found yourself talking to a robot? If you've made a phone call to any customer service line lately, chances are, you have. And we'd be willing to bet that most of those calls weren't an incredible service experience. What about your own customer service? Are your customers experiencing this feeling?

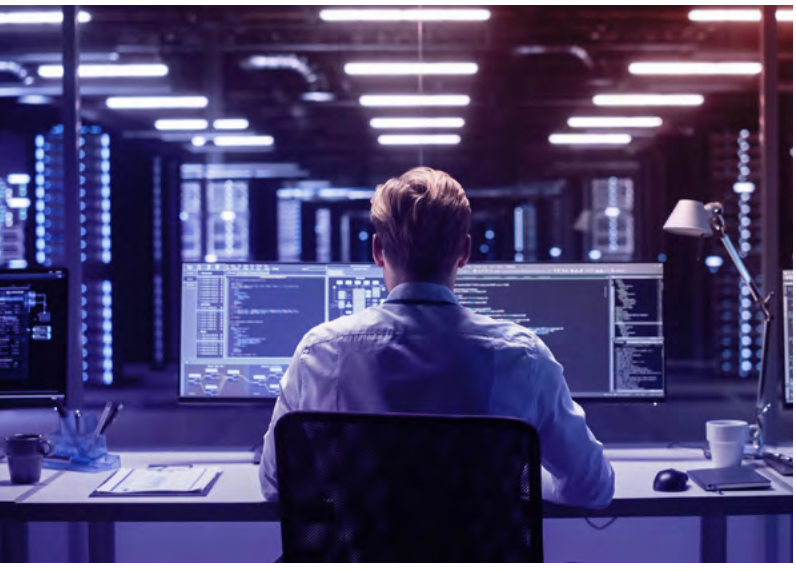
Many companies are seeking innovative ways to add efficiency and reduce labor associated with customer-facing processes, which Pryfogle says, in theory, is a great idea. However, in practice, it often falls flat without persistent maintenance and testing.

"I think what's really important is for companies that are thinking about [how to] automate more and more of my customer experience is [to think] about what I call delightful automation: what are the solutions in place that you've really designed right and tested, and continue to test and validate that it's actually improving the experience and not complicating the experience?" he shares.

The fact is that many automated technologies can and do improve efficiency, productivity, and experience when applied correctly. If anything, humans complicate CX interactions more than machines. As we previously mentioned in another article, a customer or service rep having a bad day can be a catalyst that escalates situations into the type of interaction that damages your reputation for service, whether or not it's well-deserved. Automation can help eliminate that variable from a percentage of interactions, helping to reduce the number of CX failures from your record.

But to reap those rewards, you have to understand exactly what you're working with, and how to implement it in a way that helps your customers instead of hurting their loyalty.

One NIH-featured study highlights the ways in which humans come to learn about and understand automation– and that this process has a critical effect on the technology's performance due to its application. "Decisions about whether, or to what extent, to rely on automated advice depend on knowledge of the automation's reliability," the study states. "Misjudging the reliability of automated advice can have serious consequences, including automation misuse errors, automation disuse errors, and increased workload."



## How to strike a balance

Before you implement the newest and shiniest CX solution, dig deeply into how and why it works. Try to understand the place this technology will occupy in your larger ecosystem, and the impact it may have on your customers.

When in doubt (or even if you're pretty sure!), testing goes quite a long way in ensuring that yours and your customers' pain points are solved, not worsened, by automation.

## Optics vs. application: Trust in automation

Back in February, a California court received a CIPA complaint from a resident who alleged that "Home Depot used Google's Cloud Contact Center AI (CCAI)," reports Skadden, which he felt ultimately meant that "Home Depot allowed Google 'to access, record, read and learn the contents of [customers'] calls' without their prior consent."

This could be just one of many complaints to come in an increasingly skeptical consumer environment. It can be difficult to know precisely how much trust customers place in nascent technologies, especially those driven by AI, to safeguard and properly disseminate our data. And with a litany of outsourcing, customers are becoming increasingly concerned about which additional companies have access to sensitive information– not just the ones that use the technology, but those that own it, too.

IAPP says that "63% of consumers were concerned about the potential for generative AI to compromise an individual's privacy by exposing personal data to breaches or through other forms of unauthorized access or misuse." Additionally, Christopher Holland, Experimental Psychology and Neuroscience PhD at Dalhousie University, found that in a study of 300 people, trust in automation continued to decrease with repeated use by subjects, even as the automated technology increased in reliability.

Interestingly, employees don't seem to share these sentiments. According to Harvard Business Review, almost 90% of survey respondents "said they trusted automation solutions to get more done without errors and help them make decisions faster." Additionally, they share, over "90% of workers recently surveyed said automation solutions increased their productivity, and 85% said these tools boosted collaboration across their teams."

In fact, many companies developing and selling AI and automated products are seeing staggering investments, including German AI translation startup DeepL, who recently announced $300 million in investments and a $2 billion valuation by European VC firm Index Ventures. Investors find value in the increasing adoption of automation by companies, signaling that the market may be in for exponential growth.

The disconnect is striking: business owners and employees seem to love automation, as do their investors, yet customers seem to feel quite the opposite. It's worth asking: how do you bridge the gap so that everybody's happy?

## Prioritizing trust and integrity in CX automation

Trust doesn't come from promises made, it comes from promises kept. You'll need to show your customers an experience that's consistently trustworthy and positive.

People aren't quick to forget truly poor experiences with automation– in the worst case, they can be immortalized in reviews, tweets, and consumer complaints. It's crucial for companies to nail their automation from the get-go, ensuring that customers have an experience that sets the foundation for trust.

Again, continual testing and improvements to these technologies can help build upon that foundation, whereas a "set it and forget it" mindset can erode it instead. Make sure to properly prepare for and maintain automated solutions to keep their reputation (and yours) squeaky clean.

## Human error vs. human knowledge: Ethics and security

Perhaps the greatest issue in today's hostile cybersecurity climate is automation's ability to protect our data. Along with the discussion of privacy and security comes a conversation about ethics and consumer rights.

Thomson Reuters found themselves on the receiving end of an FTC complaint against their public-benefit fraud detection software, an automated tool, filed by non-profit Electronic Privacy Information Center (EPIC). StateScoop, in their coverage of the complaint, reports the following:

"[Thomson Reuters's Fraud Detect product is an] AI-powered software that draws on personal data — like social media information, credit reports and housing records — to predict if public benefits applications are fraudulent. EPIC's complaint claims the tool uses this personal data to make predictions in violation of several federal AI rules and that it frequently points to fraud where none exists."

"When you input a lot of this data into an AI system, without understanding what that data means, without understanding how accurate it is, without doing any sort of testing or

monitoring around what that data quality looks like — a lot of the issues we see in that data, errors and biases become the outputs of the AI system," says EPIC representative Grant Fergusson.

Other legal issues have plagued companies regarding the ethics and security of automated technologies and AI, and will likely continue to do so as use becomes more widespread. As automated technology evolves, we can count on bad actors to evolve right along with it, even utilizing it to launch increasingly sophisticated attacks.

In The UPSTACK Podcast, Pryfogle says that risks are especially high for companies regularly dealing with sensitive information.

"In a highly regulatory environment with healthcare and finance in particular, the adoption of automation is more complicated. I need to have humans in the loop to validate that I'm [talking to the right person], that a bot's not just willy-nilly sending PII to anybody out there. You have to put in the protections around that," Pryfogle told The UPSTACK Podcast hosts Greg Moss and Alex Cole, joined by Ed Degenhart, our Managing Director. But, Pryfogle adds, there's an upside to automation in sensitive environments, too.

"The good news is, the solutions we're seeing get adopted in that space have really thought that through. In fact, I would argue that many of the more innovative solutions out there on the front end automation side of the house are doing a better job of protecting customer data and customer automation better than a team of humans, certainly."

It's consistently cited that most cybersecurity attacks are caused or enabled by human error– causing 55% of 2023 cloud data breaches, Thales reports. In a proper use case, automation can actually strengthen your security posture, especially when you couple the powerful capabilities of automated threat detection and other key features with crucial oversight by an experienced human being.

## Recommendations for IT protection

Don't just invest in automated systems for customer service, data entry, and other typical use cases. Double down with trustworthy automated cybersecurity solutions that can help detect and eliminate threats with cutting-edge efficiency. And wherever automation fits into your technology infrastructure, be sure that the humans in charge of it are highly trained, careful, and diligent in deploying and monitoring these solutions.

## Find your best fit with UPSTACK

UPSTACK helps companies like yours find automated technologies that align with your goals, all without introducing unnecessary risks to your reputation, data security, and compliance. Together, we can meet your challenges with solutions that drive success for your business and create consistently positive experiences for customers and employees alike.

Get in touch today– we promise you can talk to a person. ■


# How to maintain high NPS and CSAT scores when the customer experience is automated

**By UPSTACK**

As we mentioned last month, customers spend more when they have a great support experience with your contact center. Not just that, when you have created a great customer experience (CX), it can become a strategic differentiator and core messaging pillar of the brand. And, in a world of social media, a poor CX can be disastrous to brand equity.

This is the constant struggle that contact center managers grapple with – how do you create and maintain a CX that consistently over-delivers on expectations while remaining productive and profitable. The answer, more and more, is "automation". Which begs the question in the title of this article, how do you introduce more automation without sacrificing the quality of the experience?

There are two key metrics that are generally recognized by enterprises to show how happy and loyal customers are to a brand. The Net Promoter Score (NPS) measures the loyalty of customers to a company. And, similarly, the Customer Satisfaction Score (CSAT) is a metric for measuring customer service performance and product quality. Independently or combined, they give you an indication of how your customers feel about the customer experience you've architected for them as they engage with your contact center.

## It's a trick question

The question presupposes that automation itself is a problem. We'd argue the opposite. Most of the challenges with customer interactions are inherently human. Sometimes people are not having a good day or are simply difficult and that can

create friction that escalates situations into the type of interaction that damages your reputation for service, whether fair and warranted or not. If you can eliminate that variable from a portion of your interactions, you remove points of failure and open the door for better experiences.

Similarly, sometimes customers want quick answers without personal interaction because they are time constrained or do not want to have a conversation at that moment.

That's why automation in CCaaS platforms could create an opportunity to significantly improve your customer experience, brand perception, and consequently, your NPS when done well. But if not carefully executed, it could do as much damage as good (or more).

## How to leverage automation for better results

Poorly done automation can frustrate customers and make them feel disconnected and unimportant, or worse, ignored and impeded. But automation implemented strategically and thoughtfully can create a better, more streamlined CX. Here's how:

### 1. Automate transactional interactions to improve and streamline processes/workflows.

Start with the low-hanging fruit. The days of phone system automated attendants with a maze of choices, were ill-fitting to the consumer's/users intention, making it frustrating (if not impossible)  to find their way to information or people they need to reach.

Smarter businesses started to put more commonly requested information at the top of the tree, i.e., "for business hours press one, for directions press two..." saving the customer from having to wait for an available agent, and saving their resources from having to answer the same basic questions over where they had little opportunity to add value.

In today's world of powerful cloud-based functionality, AI (artificial intelligence), ML (machine learning), and big data, you have tools at your fingertips to understand what are the most commonly requested or accessed information that doesn't require human interaction and to make that available quickly and without friction. This simple step in itself will go a long way toward not just maintaining NPS and CSAT, but even

increasing them, because sometimes the best thing you can do in CX is to stay out of the way.

Additionally, you can gather information, handle account authentication, and strategically route customers to the right resources in order to streamline the workflows that will ultimately still lead to a human.

## 2. Make it simple to navigate and set proper expectations.

The CX movement is reminiscent of its cousin, User Experience Design (UX). In the influential UX design book, The Design of Everyday Things, by Donald Norman, he defines UX by stating "User experience encompasses all aspects of the end-user's interaction with the company, its services, and its products." To that point, good CX should begin with the understanding and application of good UX principles.

The human brain is, in essence, a predictive modeling engine. It takes input from its environment and sensory inputs, applies what it has learned through past interactions in similar situations, and predicts an outcome. For example, if a door has a handle on the side you are facing, your brain predicts that you will pull that door to open it because in most cases that handle is there to help you perform the function of pulling. Sometimes that handle is there but the door actually requires you to push. There's a name for that, it's called a Norman Door, named after Donald Norman himself and that's when you experience frustration when you attempt to pull the door when it's meant to be pushed.

That happens because your brain predicted an outcome and that outcome was not realized. The design defied your expectations. We humans don't like this, and that's why you need to avoid it in your automation. Here's how:

**A. Make it known that it's automation, don't pretend to be human.**

AI-based chatbots or interactive voice responses can feel like a genuine human response to the customer right up until they don't. That usually occurs when there's a slightly off response, or the chat conversation veers off of the AI's script. This could give the customer cognitive dissonance, an uncomfortable feeling that comes from not being able to reconcile that the customer who considers themself smart, would fall for an AI pretending to be human. This realization that a robot is

chatting with them and not a human representative could give the customer a negative feeling about their experience. Make it known that the chat experience is automated upfront to maintain a high CX level with chatbots and voice responses.

**B. Set expectations about what it can and cannot do for your customer.**

By creating an indication in the design of the automated CX that indicates what the customer can and can't accomplish through this channel, you'll allow them to make a decision upfront about how to proceed. This means they won't waste their time and ultimately leave unfulfilled, and it also means that you won't betray their expectations.

**C. Make it easy to get human help at any point.**

Despite setting expectations, sometimes a customer may end up down the wrong rabbit hole of automation. You can't account for every variable for every use case, and sometimes the issue lies in user error. Rather than leaving them stuck in a pit of despair and frustration if you simply give them an easy out you will mitigate the negative feelings from the experience of not being able to achieve what they wanted to achieve and give them a route to accomplish it.

## 3. Use it to meet your customers where they are – Omnichannel Support.

One of the greatest benefits of leveraging Contact Center as a Service (CCaaS) technology is how easily it allows you to communicate through multiple channels and yet maintain a centralized view and repository for the interactions your customers have with support. It also allows an agent to multitask and handle more than one case at a time, creating efficiency.

But the benefit to the customer is even more powerful. We communicate with each other in our personal lives via text, messaging and social media apps, FaceTime, and more. In our work lives, we use SMS, chat, email, and collaboration tools. We've become accustomed to choosing the channel that suits our personal preferences, the content or intent of the communication, the immediacy of the communication, and even our personal circumstances at the moment we initiate the communication.

Given this ultimate flexibility in our lives, customers can feel frustrated and constrained to have to get support on your terms, not theirs. Especially if the only options (like phone or email) are mismatched with any of the variables listed above in how we choose a communication channel. For example, if you're in a hectic airport when your flight home gets canceled, the last thing you want to do is send an email or sit on hold for minutes or hours.

Wouldn't it be great in that situation to be able to chat with an AI chatbot that was able to quickly and efficiently show you options and get you booked without having to wait? Automating that would allow you to handle any amount of inquiries without wait times. And, at that moment that would otherwise be high stress and anxiety for the customer, and when your support staff is probably overwhelmed with calls from angry customers, you would greatly reduce the risk of two humans getting upset with each other. The result is happier customers and employees, and a better CX.

## 4. Reinvest the time and money saved by automating into bolstering key interaction points instead of the bottom line.

Automation in general holds the promise of creating efficiency across a spectrum of industries and use cases. Fast food restaurants automate cooking and eventually will automate the ordering process. Manufacturers automate assembly and production. Large-scale retail will automate inventory

and stocking. All of this is in the interest of reducing the costs, mistakes, and inconsistencies, of humans, and all with an eye on directly improving the bottom line.

However, automating your CX should not be your ticket to reducing headcount, unless you aren't concerned about maintaining a great NPS and CSAT. If you want to maintain or even greatly improve your marks, you should be thinking about taking the time and resources saved through automating simple or transactional issues and redeploy them to the type of interactions that do require human intervention.

These will likely be harder, more sensitive, or more nuanced cases that require some level of judgment and finesse. Focusing your resources there reduces the wait times for those customers and gives them the time and focused attention that are key ingredients to happy resolutions.

## 5. Leverage the automation to capture real-time feedback for NPS and CSAT, then create actionable insights to continually improve the automation.

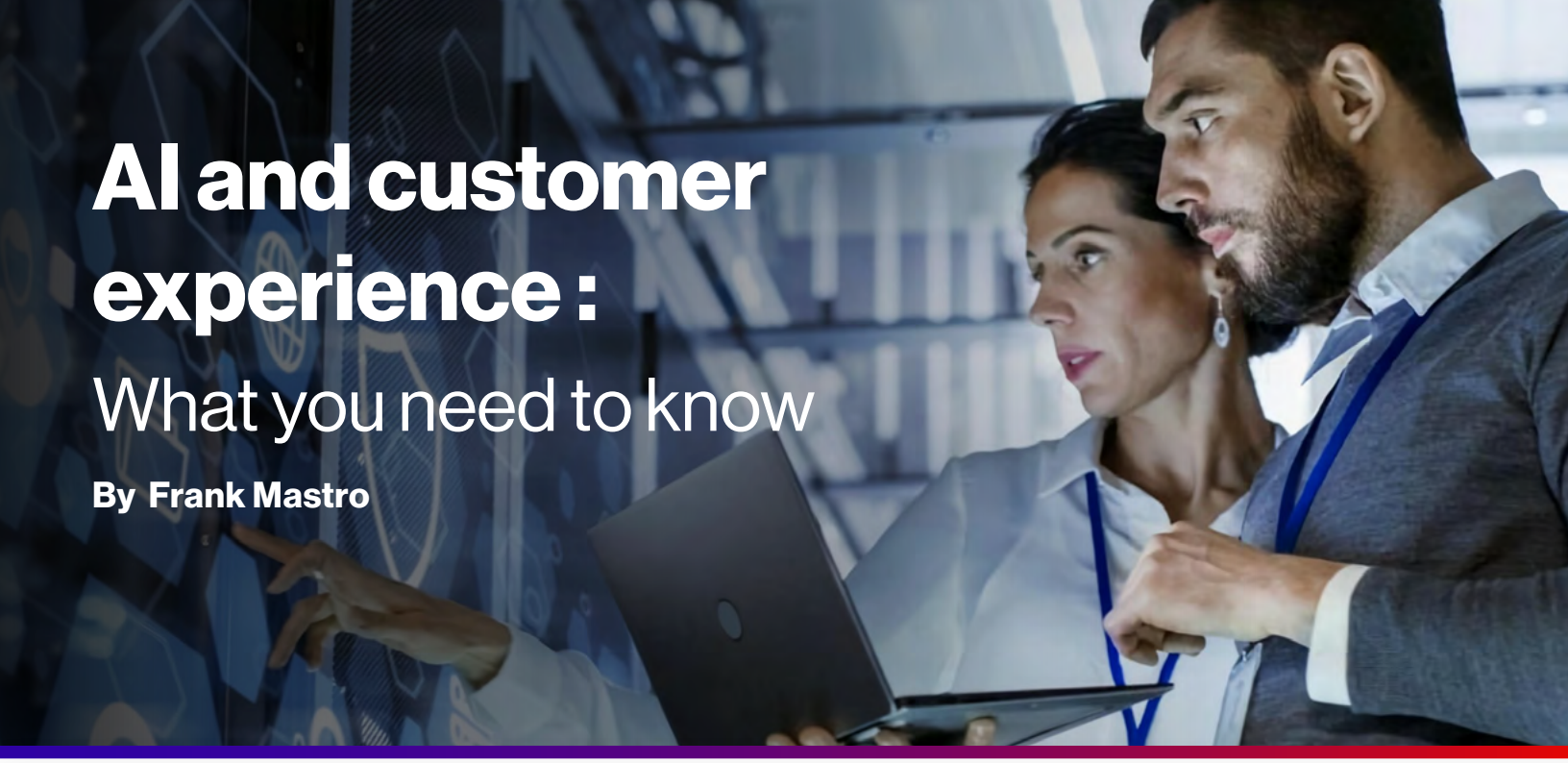
Another benefit to CCaaS technology is the incredible amount of data it allows you to collect. Every interaction and micro-interaction can be tracked, visualized, contextualized, and interpreted into actionable insights. You will have the tools to ask the NPS and CSAT questions at the end of every automated engagement, giving you more data than ever before.

What people say about the interaction they've had with your support and how they really feel are not always the same thing. Understanding the data can give you another version of the truth, but maybe not the whole truth because data can be misleading. That's why the combination of what they say, and how they act, is the best way to understand how your customers feel about you.

Combining customer-level activity data with survey results and, of course, your internal performance metrics will give you the most complete view of how you're doing, how you can improve the CX, and where you should invest more time, technology, or resources. This investment in continual improvement will put you in an elite category of brands that are committed to delivering the absolute best customer experience and set you apart from the competition.

## Put the playbook into action

We've outlined some of the key areas of opportunity to leverage automation to create outstanding customer experiences. To implement any of these areas requires the right technology and skill set to leverage that technology to follow the principles. If you're an IT team or CX professional wondering how to navigate this technology to create better CX outcomes, you should consider the benefits of working with an UPSTACK Advisor. Our team of experts can help you architect the right CX solutions, implement the technology quickly and with less risk than doing it alone, and put the principles of automation in place. ■



# AI and customer experience :

## What you need to know

**By Frank Mastro**

Customer interaction is a crucial aspect of nearly any business. Successful customer relations and repeat sales don't come from just selling a successful product; they also require responsive communication with your customers about their questions and complaints. This is even more true for service businesses, which must be profoundly communications-focused with their clients.

### The high cost of a good customer experience

Hiring people to interact with customers at all levels, however, can be an expensive proposition. The cost of employing people to field live calls, emails, SMS, and social media communications from clients is high and rising. While live customer support options have been streamlined with newer, better, and cheaper technologies, running your own contact center with live chat options makes it pricier to manage phone calls between clients and staff.

On the other hand, many customers prefer to speak with human beings when they have a question for a company they're buying from—and again, this applies especially to service-oriented businesses. As research has shown, businesses that implement live chat and other human-based contact options often enjoy enhanced customer loyalty, revenue, and sales. So, how can your business balance these conflicting priorities? One of the answers involves contact centers as a service (CCaaS), which are using AI to further improve the quality and cost of their CX.

### What is Contact Center as a Service?

Contact Center as a Service is part of the larger Customer Experience technology ecosystem. Similar to the many other "as-a-service" products, such as the well-known Software as a Service (SaaS), CCaaS delivers a robust, multifaceted third-party option for contracted customer support. Instead

of installing your own in-house contact center technology and managing it with internal IT staff, a third-party provider can securely host your contact center infrastructure remotely. Your customer experience team will then be able to work from anywhere: in your office, a remote office, or from home.

CCaaS users can often scale up or down their use of cloud software, external data storage, and other remote communications and call center technologies as needed on the fly, depending on the terms of their provider contracts. The provider handles all the back-end technology and costs of maintaining it so you don't have to. CCaaS providers can serve a wide assortment of organizations with diverse and complex customer contact needs.

## How does AI support customer experience?

It's indisputable that customers generally prefer to communicate with real people who can respond to them in real time when they have complaints, questions, or support issues. Fobbing the whole of your customer support chain onto algorithms obviously isn't an effective solution, especially for complex customer care issues or for service-related inquiries. However, AI can play a major role in streamlining the customer support process by using automation to make it more cost-effective while maintaining high customer NPS and CSAT scores. Here are three ways AI can help you maintain an excellent customer experience and reinforce client loyalty while saving your company time and money:

**1. Superior contact routing and filtering**

By allowing a highly trained AI system to manage the initial steps of your customer's inquiries and calls, you can ensure your staff are better able to attend to your customers as efficiently as possible. Select a system that filters the specific nature of customer requests down to their concrete needs and handles support options well.

**2. Answering basic questions**

Many customer issues involve questions about very basic subjects, which can easily be answered without the need for human support. Even during events like the COVID-19 pandemic, when support ticket requests have saturated numerous industries, AI-powered chat systems and phone answering interfaces provide rapid answers to many simple questions for a broad range of customers in many industries. The speed and accuracy of response are key contributors to increased brand affinity and customer retention.

**3. Intelligent analysis**

AI systems can do more than directly serve customers. They can also analyze data gleaned from your customer support calls. In this way, AI can provide insights into customer behavior, desires, and other information that can help you improve customer relations protocols.

## The benefits of AI-powered CCaaS

A CCaaS experience that fully integrates AI provides a number of advantages for your business over an in-house contact center:

**Easier, more affordable scalability**

If your customer service needs to increase, decrease, or change in a fundamental way, you can adapt and scale accordingly with a request to your dedicated team at UPSTACK or your CCaaS provider. If you run an internal contact center system, this could require considerable time and expense.

**Superior agility**

By using the highly organized and dedicated services of a CCaaS provider for your call center needs, you gain access to their robust technology. Instead of spending a fortune on specific technologies for customer contact, which may or may not work out in the long run, you can experiment with different contact channels on the fly at very low or no additional cost.

**Disaster resilience**

By remotely hosting your contact center operations and staffing them with your own independently hired remote agents, you can largely immunize your business to localized disasters such as floods, power outages, or earthquakes.

An AI enhanced Customer Experience can help your business save time and money while providing superior customer service. UPSTACK has expertise in CX strategy and solutions that will help lower costs and increase revenue, while providing flexibility for evolving work environments. Talk with a technology expert at UPSTACK today. ■

### Meet the author

**Frank Mastro** brings over 25 years of global telecom sales and management experience to UPSTACK. He recently served as Vice President of Sales at LinkSource Technologies, now an UPSTACK company; and held leadership roles at AirTouch, Vodafone, Pacific Bell, SBC, and AT&T. Frank leverages his expertise to enable clients' business through technology utilization. With a results-driven approach, Frank helps clients achieve their business goals by delivering on commitments.

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