AI chatbots vs. human agents: The customer support dilemma

In the rapidly evolving landscape of customer experience, the debate over the use of AI chatbots versus human support continues to intrigue and challenge customer experience leaders.

Discussions about the role of chatbots in customer service have resurged following recent events, notably the attention garnered by Swedish Fintech company _Klarna's AI assistant_. Klarna's claim that its AI assistant is handling the workload equivalent to 700 full-time agents, coupled with _reports of issues faced by users_, underscores the complexities surrounding the integration of AI in customer support.

As businesses grapple with this dilemma, finding the equilibrium between efficient scalability and empathetic support becomes even more crucial. It's imperative to understand the strengths and limitations of both AI chatbots and human agents in order to craft a winning customer support strategy.

Delivering on the promise of AI in customer experience

AI and the use of chatbots have undeniably revolutionised the digital customer experience sector, promising increased efficiency and personalised interactions. However, as businesses navigate the integration of AI into their

customer support strategies, the question arises: Have we truly delivered on the promise of AI revolutionising the customer experience?

CX leaders are aware of the potential benefits of AI in enhancing customer support, but there remains uncertainty regarding the optimal balance between AI-driven solutions and human interaction. While some companies may be tempted to rely solely on AI to streamline their support processes, this approach can lead to significant challenges and customer frustration.

Recent research reveals a divided sentiment among customers regarding the use of chatbots versus human assistance. Chatbots are favoured slightly for "immediate service," edging out human agents by a narrow margin of 51%. However, studies indicate that consumers generally exhibit lower trust for chatbot service compared to interactions with human agents.

In an ideal scenario, chatbots would efficiently address 80% of customer inquiries, leaving human agents to handle the remaining 20% with personalised and empathetic support. Chatbots excel in handling time-consuming and repetitive tasks, freeing up human agents to focus on creative problem-solving and relationship-building. This harmonious integration not only reduces response times but also enhances customer satisfaction. Moreover, as representatives increasingly recognise the benefits of AI, they are embracing its role in complementing their efforts rather than fearing replacement.

The upsides and downsides

Both AI chatbots and human agents play pivotal roles in shaping the customer experience. Each brings its own set of advantages and challenges to the table, influencing how businesses interact with and satisfy their clientele. Let's delve into some of the upsides and downsides of both AI chatbots and human agents, examining their respective contributions and limitations in delivering exceptional customer service.

AI Chatbots

Upside: Multilingual and available 24/7

AI chatbots are available for customers at any time, with most able to understand many languages — which can help you adapt when growing a global customer base.

According to McKinsey, two-thirds of millennials expect real-time customer service. So it's no surprise Forbes Advisor research suggests the most popular use of AI in business is for this purpose.

Downside: Environmental Impact

Training and running any AI chatbot requires a huge amount of power and electricity.

In fact, one University of Washington professor estimates ChatGPT requires the same daily power as around 33,000 homes. Training it even "directly evaporates" a vast amount of freshwater — around 700,000 litres.

As the use of this technology grows and organisations release more sophisticated models, these systems could end up using as much energy as entire nations.

In the midst of climate change, this huge carbon footprint isn't an impact companies should brush off lightly.

Human agents

Upside: Emotional Intelligence and Empathy

Speedy resolutions are important. But customers place understanding and empathy for human emotions just as high on the priority list.

Research indicates 96% of customers believe empathy is "very important" during support interactions. For example, your reps may share with a caller that they've made a similar mistake in the past before suggesting a solution.

Sure, chatbots can use tools like sentiment analysis to interpret human behaviour:

But it's not always accurate. Many phrases have double meanings that change the context. Plus, customers may use slang or idioms that chatbots don't register and struggle to process.

On the other hand, most humans can register how others are feeling from tone and expressions — even if what they're saying contradicts that.

Downside: High employee turnover

The turnover rate for customer support agents hovers between 30% and 45% globally, with the average tenure for entry-level agents only around a year. Businesses must then use valuable resources to hire and train new employees. One explanation for such high turnover is 59% of agents lack the knowledge to provide better service.

To encourage your reps to stay and help them succeed in their roles, support them with adequate tools and training. That's one area where AI can help

behind the scenes rather than out front in a customer-facing role.

Optimising support efficiency with AI chatbots and visual engagement

Many of the support tickets your team handles are low-value and repetitive, making AI chatbots an ideal solution to provide customers with quick answers and alleviate the workload for human agents. Research indicates that the problem-solving capability of the agent significantly influences whether customers prefer interacting with a chatbot or a human, highlighting the importance of efficient resolution.

Moreover, solutions often require detailed background information, which may not be readily available through traditional communication channels like phone calls or live chats. _Visual engagement solutions_, encompassing tools such as video chat, screen sharing, co-browsing, and screen annotations, offers a solution to these challenges.

Implementing visual engagement with human agents can address several common issues:

   Customers require a seamless connection for efficient issue resolution.

   Service agents may struggle to understand complex customer problems remotely.

   Businesses aim to cultivate stronger customer engagement through personalised and empathetic support experiences.

   Tools are needed to facilitate lasting customer relationships and foster loyalty.

By integrating AI chatbots and visual engagement tools, businesses can streamline support processes, enhance customer satisfaction, and build long-term relationships with their clientele.

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