

FORRESTER®

Drive Customer Satisfaction And Optimize Costs With The Help Of Chatbots

Automate Customer Support Interactions To Benefit The Customer And The Company

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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY ADA | APRIL 2020

Don't Sacrifice Satisfaction For Cost Savings

Customer support has always been focused on driving down costs. But too often, firms achieve these cost savings at the expense of customer satisfaction. As more firms focus on improving customer experience, they struggle with cost-prohibitive customer service measures.

Organizations today need a solution that provides benefits to both the customer and the company, delivering customer service in a scalable and convenient way. Simply put, companies should not have to decide between spending well and satisfying customers.

In March 2020, Ada commissioned Forrester Consulting to conduct a custom study to explore the importance of not sacrificing customer satisfaction for cost optimization in customer support operations.

Key Findings



Customer service and call center teams are prioritizing customer satisfaction improvements, but they find it increasingly difficult to deliver on that goal without also incurring increased costs.



Hindered mostly by an increase in inquiries and budgetary concerns, firms are attempting to mitigate these issues by automating more processes.



To improve customer satisfaction and decrease costs, firms must automate customer service interactions with the help of chatbots.

Companies Want To Improve Customer Satisfaction, But They're Stuck

Today's brands understand that great service motivates consumers to return to retailers they've purchased from before.¹ As the importance of excellent pre- and post-purchase support grows, companies know that they must prioritize customer satisfaction above all else. In our survey, 77% of respondents reported improving customer satisfaction as a top goal of their customer service/call centers for the year. In fact, 41% said it's their No. 1 priority this year, far more than any other objective.

Unfortunately, companies don't seem to be making much progress, as rates of customer satisfaction have remained relatively stagnant over the past two years. Even more concerning: Most don't expect satisfaction levels to increase over the next two years. Companies need help to move the needle.

“What are your customer service/call center's top objectives/goals in the coming year?”

● Rank 1 ● Rank 2 ● Rank 3



Improve customer satisfaction

41%

24%

12%

“How would you rate the level of customer satisfaction with your organization's customer service interactions?”

● Highly satisfied ● Satisfied



24 months ago



Today



24 months from now

Rising Costs Hinder Efforts To Boost Customer Satisfaction

Though customer satisfaction may be important, it's not the only factor. When considering improvements to their service operations, firms must always balance customer satisfaction with the need to optimize costs. In fact, for most respondents, both considerations were a top three priority.

This is getting tougher: Decision makers find it increasingly difficult to improve satisfaction levels without mounting costs. And it's only going to get trickier: Within two years, 76% of surveyed decision makers expect difficulty improving satisfaction without also increasing costs.



Firms may have their priorities straight, but growing costs are holding them back.

“How difficult is it to improve customer satisfaction via customer service without increasing costs?”

- Difficult
- Very difficult

24 months from now

51%

25%

Today

48%

17%

24 months ago

42%

12%



Rising Inquiry Numbers And Budgetary Issues Challenge Support Teams

When it comes to improving customer satisfaction, firms face a few major barriers. More than half of leaders said the number of inquiries they receive has increased compared to just 12 months ago, and 75% expect these numbers to increase over the next 12 months. Because two-thirds of these respondents' companies already handle more than 15,000 inquiries per month, it's no surprise that over half are missing service-level agreements (SLAs), impacting customer satisfaction.

Another main challenge — budget — exacerbates this issue. More than half of all respondents noted a lack of funds for necessary staff and technology. Without the proper tooling or sufficient levels of trained staff, increasing inquiries will continue to overload systems, boosting wait times and leaving customers with increasingly poor experiences.

Biggest barriers to improving customer satisfaction via customer service and/or call center

Lack of budget for staff

57%

Increased number of inquiries, which makes us miss our SLAs

54%

Technology we need is too expensive

52%

Customer service inquiries will continue to increase

● Increasing

75%

Expectation 12 months from now

56%

Compared to 12 months ago

Firms Look To Automation To Ease Their Problems

To manage increasing inquiries, 65% of respondents reported their firms are automating more processes. This often requires the addition of new solutions, which is why just over half of firms are also purchasing more technology. Chatbots lie at this intersection of automation and solutions. Twenty-six percent of respondents said their companies are planning to implement chatbots or virtual agents within the next 12 months — more than any other technology.

But chatbots aren't just an answer to the increasing inquiry problem. Customer support organizations also see them as a helpful tool for improving customer satisfaction overall: 47% of respondents said their firms already use them for this purpose.



Nearly half of respondents' firms use chatbots. Another quarter said their firms will implement them within a year.

“Which actions are you taking or do you plan to take to deal with this increase in inquiries?”

Automating more processes

65%

Offering customers more channels/digital channels to use

60%

Purchasing more technology

52%

Training/reskilling agents

49%

Enhancing our customer self-service capabilities

43%

Hiring more agents

28%

Outsourcing

22%

Automated Support Interactions Drive Improved Customer Satisfaction While Lowering Costs

To deliver on their top goal of increased customer satisfaction with an eye toward cost optimization, firms must automate. Sixty-one percent of respondents reported increased customer satisfaction while 46% noted decreased operational costs as a result of automated service interactions. Firms that automate can also expect to experience a slew of other benefits, from more engaged and productive agents to better visibility into customer needs and more personalized experiences. With a more efficient workforce and happier customers, firms will be able to manage their increasing inquiries without aggravating customers or damaging their bottom lines.

Most important benefits of automating customer service interactions

Increased customer satisfaction

61%

Greater visibility into customer needs, expectations, and behaviors

56%

More personalized customer experiences

54%

Decreased operational costs

46%

More engaged agents, focused on more valuable work

32%

More productive agents

27%

Chatbots Help Teams Deliver On Top Goals

Chatbots have proven to be a particularly useful form of automation for customer service organizations. Chatbots have left the best impression on customer satisfaction among those respondents whose firms have implemented the technology. Seventy-six percent of respondents said their chatbots had a positive impact on satisfaction levels, the largest impact of any technology we tested.²

Even respondents whose firms don't currently use chatbots understand how helpful they can be. In these cases, the barriers to adoption have more to do with integration difficulties and budgetary restrictions than a belief that chatbots won't raise customer satisfaction levels. In fact, assurance of improved customer satisfaction would drive a likelihood of chatbot adoption for 60% of those whose firms don't currently have the technology.

Positive impact on customer satisfaction from chatbot implementation

- Large positive impact
- Some positive impact

Chatbots/virtual agents

34%

42%

Base: 53 manager+ in customer service, call centers, customer experience, and operation roles
Source: A commissioned study conducted by Forrester Consulting on behalf of Ada, March 2020

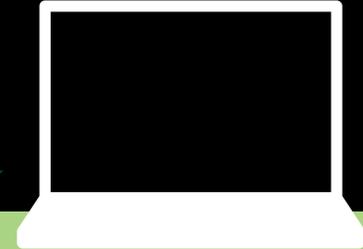
Likely to adopt chatbots

- Very likely
- Likely

Chatbots/virtual agents

26%

34%



Automate With Chatbots To Improve Customer Satisfaction

In the age of the customer, companies can't be made to decide between spending well and satisfying customers. As these teams seek to manage increasingly large inquiry workloads without incurring skyrocketing costs, they must look to tech solutions that allow staff to exceed both the level of personalization and care customers expect while still meeting critical SLAs. Happily, with the advent of automation technology, customer service organizations can now achieve both cost optimization and improved customer satisfaction with the help of chatbots.

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Methodology

This Opportunity Snapshot was commissioned by Ada. To create this profile, Forrester Consulting conducted a custom online survey with customer service decision makers in the US, Canada, and the UK. Surveyed respondents were from organizations with customer support departments of at least 200 agents, receiving 10,000 or more inquiries per month. The custom survey began and was completed in March 2020.

ENDNOTES

¹Source: "The Three Customer Service Megatrends In 2020: Fuse AI And Agents To Drive Better Experiences," Forrester Research, Inc., January 14, 2020.

²Other technologies tested in this research included natural language understanding/natural language processing, one-way and/or two-way video, robotic process automation, forms and ticketing, customer-facing knowledge base health scoring/satisfaction predictors, live chat, messaging channels, and IVR.

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Demographics

REGION

36% US
31% Canada
33% UK

POSITION

43% Manager
32% Director
15% VP
11% C-level executive

REVENUE

17% \$500M to \$999M
65% \$1B to \$5B
18% \$5B+

DEPARTMENT

36% Operations
30% Customer experience
21% Customer service/support
13% Contact/call center

A hand holding a smartphone, with the Forrester logo overlaid in the center. The phone screen shows the time 11:10 and a signal strength indicator. The background is a blurred, light-colored surface.

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