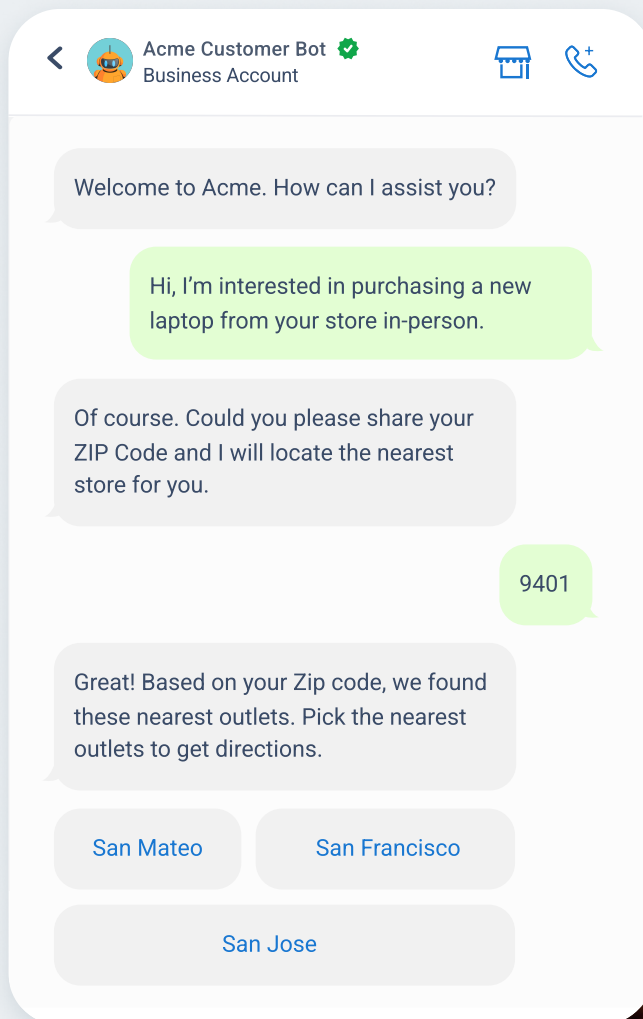


# How AI chatbots are raising customer satisfaction and helping teams get more done

A guide to leveraging AI-powered self-service with Freshworks



# AI chatbots are resolving issues so agents can get more done

As a customer looking to solve a problem, there's nothing more frustrating than being put on hold only to be asked to explain the issue repeatedly.

According to Qualtrics XM Institute's latest global consumer study, bad customer experience could cost organizations throughout the world [\\$3.7 trillion](#) annually.

Could AI chatbots hold the key to customer satisfaction? Increasingly, businesses are answering with a resounding "yes."

Gartner projects that by 2026, chatbots will handle approximately [one-tenth](#) of all agent interactions. Recognizing the imperative, [83%](#) of enterprises have plans to invest in gen AI or already have done so.

In this guide, we will explore how AI-powered chatbots enable customer service teams to offer quick, personalized self-service solutions.

## What is an AI chatbot?

AI chatbots are a groundbreaking advancement in customer service technology. These sophisticated computer programs are engineered to emulate human conversations by delivering prompt support around the clock. Integrated into your communication channels, they help manage high volumes of inquiries, enabling you to drastically reduce response times and elevate overall customer satisfaction.

For instance, Freshworks' Freddy Self-Service is an AI-powered solution that not only provides quick resolutions but can even detect the underlying intention and sentiment behind customer inquiries, even if they don't express it explicitly. It can tell if they're happy, frustrated, or confused.

This information ensures that every response is tailored to address customers in the right tone, whether it's answering follow-up questions or directing complex issues to the most suitable agent. It also has the capability to adeptly handle routine tasks such as FAQ responses, order processing, and product inquiries, freeing human agents to tackle complex issues.



Your customers can get help from a chatbot, but not just any chatbot—one that is obviously data-driven but also contextually relevant and who speaks in a natural language.... That's a win for customers.

**Annette Franz**

CEO of CX Journey Inc. and internationally recognized customer experience thought leader and expert

## How AI chatbots boost customer satisfaction

### 1. Fast, automated resolutions to common queries

Speed is paramount in customer service. Freshworks' global survey indicates that [80%](#) of customers expect rapid responses from support, and the consequences of delay are significant. Forrester's study commissioned by Freshworks shows that [47%](#) of U.S. adults online admit they'll abandon a purchase if their questions aren't addressed promptly. The solution? Implementing self-service capabilities across channels using AI-driven chatbots.

The beauty of AI bots lies in their versatility. They operate on a variety of customers' preferred communication channels, from website and in-app messaging to third-party apps like WhatsApp and social media such as Instagram and Facebook. This flexibility empowers customers to select their preferred support channel based on urgency or their preferences, enabling a streamlined and expedient support experience.

Recent findings from [Forrester](#) reveal that more businesses are recognizing the value of self-service chatbots: 34% have deployed them on official websites, digital apps, and social media platforms, and 27% leverage them on third-party messaging apps like WhatsApp and Instagram.

AI chatbots can also empower customers to find answers quickly and autonomously. According to our survey, 76% of customers prefer resolving their queries independently before contacting support. Businesses can meet this growing demand for efficient, self-directed customer support with AI chatbots.

**93%**

**improvement in average resolution time for businesses that deploy chat support with both agents and bots.**

Source: [Freshdesk Customer Service Benchmark Report 2022](#)

## 2. High-quality interaction with personalized support

Maintaining a human touch in customer service is paramount, even when using chatbots to handle large volumes of inquiries. [McKinsey](#) research shows that 71% of consumers expect personalized interactions with companies. Moreover, 76% get frustrated when that personalization is lacking.

Drawing from an extensive database spanning generic to account-specific customer service scenarios, AI chatbots can understand:

- The intent of a customer query
- Customer sentiment, based on the nuances of their text
- Regional, cultural, or linguistic differences, ensuring inclusivity and understanding

Armed with this wealth of information, AI chatbots craft responses that resonate with customers, mirroring the empathy and authenticity of human interaction. These tailored replies can help ensure that even automated responses feel conversational and engaging, fostering a more meaningful connection with customers.

By investing in AI chatbots, organizations can significantly enhance their customer support. Freshworks' Freshchat Conversational Support Benchmark Report 2023 reveals that [70%](#) of conversations can be resolved using AI chatbots such as Freddy Self-Service.

A crucial part of unleashing self-service is identifying when your customer needs live agent support and routing the query to the best-qualified agent.

AI can analyze each incoming query, classify it based on predefined filters, and route the conversation to the best-suited agent. As a result, customers appreciate reduced wait times and conversations with an expert agent.



**Dunzo resolves 48% of queries without human intervention, saving 30% in support costs.**

Read customer story: [Dunzo](#)

### 3. Scalable support with customized bot flows\*

When it comes to building chatbots, admins often have to meticulously design various customer paths and build them into flows. Additionally, businesses need to integrate information into their knowledge base (k-base), structuring it effectively so that the bots can learn and provide accurate answers to customer queries. This process, while effective, requires significant upfront effort and detailed planning from both the admin and the business.

But creating AI chatbots doesn't have to be a complex endeavor requiring extensive developer resources. It can be remarkably straightforward and accessible, thanks to the power of generative AI.

Administrators no longer need to create detailed customer flows manually or heavily curate the k-base. Instead, businesses can point to external knowledge-source URLs, upload relevant files, and train the bots on their k-base in a single streamlined process\*.

This innovation reduces the need for intricate flow-building, simplifying the bot deployment process to just three straightforward steps:

- 1. Add knowledge source:** Upload files, URLs, or solution articles for the bot to respond from.
- 2. Preview bot messages:** Review the bot's messages in scenarios like introduction, failure, agent handoff, etc.

**3. Deploy:** The bot is live on the channels of your choice. This simplified deployment process offers businesses a big advantage - leveraging the full potential of AI chatbots faster and easier, ensuring more effective customer service integration.

An essential step in maximizing the capabilities of AI chatbots is uploading procedural documents\*. These documents enable chatbots to answer questions and take actions, such as processing orders, scheduling appointments, or initiating returns. By integrating detailed procedural guides, businesses can ensure that chatbots are equipped to handle a broader range of tasks autonomously, reducing the need for human intervention and enhancing the overall customer experience.

AI further extends its utility with valuable insights into bot performance. By analyzing engagement patterns, it identifies queries that require more information to serve customers better and even recommends the next best action. This strategic approach ultimately enables greater customer self-sufficiency, enhancing overall support scalability.

\*Coming soon to Freddy Self-Service



**PhonePe automates 80% of its queries with Freddy Self-Service.**

Read customer story: [PhonePe](#)

## Conclusion

AI chatbots are revolutionizing customer service by providing quick, personalized assistance, freeing human agents to handle more complex tasks. This seamless integration has the potential to not only enhance efficiency but also significantly boost customer satisfaction. With AI handling routine inquiries, customers experience faster resolutions and more meaningful interactions. The implementation of chatbots can result in notable cost savings and operational efficiency for businesses. By leveraging advanced AI technology, companies can meet the growing demand for rapid, self-directed support, ultimately fostering stronger customer loyalty and retention. Embracing AI chatbots is a strategic move toward delivering exceptional customer service and staying competitive in the digital age.

# Key benefits of using AI chatbots for your customers

Customers receive faster resolution in the channel of their choice

**77%** of conversations can be resolved in the first session with AI-based chat support

Source: [Freshchat Conversational Support Benchmark Report](#)

Every conversation feels personal and engaging, even with the chatbot

**4x** support tickets resolved via self-service

Source: [Forrester's Total Economic Impact™ study of Freshworks Customer Service Suite](#)

Shorter wait times to connect with the best-fit agent

**\$1.3 million** cost savings through deflection to self-service and lower-cost channels over three years

Source: [Forrester's Total Economic Impact™ study of Freshworks Customer Service Suite](#)

## About Freddy Self-Service

With Freddy Self-Service, customers get fast answers, freeing agents to tackle more complex queries. It understands customer questions in natural language, delivering personalized solutions across all channels, just like your live agents, 24/7. Freddy can even create and deploy chatbots on your customers' preferred channels, freeing up admin time. Plus, it scales to meet growing customer demands without extra agent training. Experience fast and personalized customer service with Freddy Self-Service.

[Learn more](#)

## About Freshworks Customer Service-Suite

Tired of juggling customer service tools? Freshworks Customer Service Suite helps you deliver delightful support for unmatched ROI in an AI-powered omnichannel solution. Boost productivity and enhance experiences with AI for self-service, real-time agent assistance, and proactive insights. Engage customers with the broadest channel coverage across website, SMS, social, portal, email, and mobile app. Personalize engagements and speed up resolutions with a unified agent workspace that brings customer interactions and history into one view. Realize value rapidly with a seamless solution that's easy to implement, use, and scale.

[Learn more](#)



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