



UNDERSTANDING AI

Your real-world CX playbook

Four simple steps for transformative AI implementation



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Introduction

INTRODUCTION

AI *this*, AI *that*. It's everywhere, but what does it actually mean for your business?

The reality is that while much of the action we take to improve customer experiences is human-driven, human effort doesn't easily scale.

AI does.



At Qualtrics, we've been baking AI and machine learning into our products and services for years. In fact, ours is the largest human signal and insight repository on the planet, housing over one hundred AI models.

And all those extra pairs of “hands” can help in pretty amazing ways. They can reduce calls in the contact center, scour the web for trends that help solve emerging CX pain points, and – *crucially* – enable human frontline agents to do their best ever work. All at an infinite scale.

The real question, then, is not whether AI deserves its hype, but rather: how can you implement AI into your offering in a way that drives transformative business impact?

It's simple: you just need to **understand**, **categorise**, **partner**, and **position** AI with real intention and purpose.

In this guide, we'll walk you through *how*.

STEP 1

Understand AI jargon

Understand AI jargon

Before diving into what AI can really do, we need to know what it really means. The glossary may be growing at light speed, but there are some key differences between technologies worth getting to grips with.

Here's your no-nonsense jargon buster...

ARTIFICIAL INTELLIGENCE (AI)

While AI's scope is incredibly wide-reaching, the term describes computerised systems that can perform seemingly human functions. 'AI' normally suggests a tool with a perceived understanding of context and reasoning beyond purely mathematical calculation – even if its outcomes are usually based on pattern recognition at their core

GENERATIVE AI

'Gen-AI' represents a cutting-edge subset of artificial intelligence (AI) that focuses on creating content or data that appears to be generated by humans, even though it's produced by computer algorithms.

MACHINE LEARNING (ML)

Machine learning describes systems that can learn from previously captured data to make new decisions or predictions.

ARTIFICIAL NEURAL NETWORKS

Computation models inspired by the human brain, consisting of interconnected nodes that process information.

DEEP LEARNING

A subset of ML where neural networks with many layers enable automatic learning from data.

NATURAL LANGUAGE PROCESSING

Technology that can understand, interpret, and generate human language.

SUPERVISED LEARNING

An ML approach where models are trained on pre-labeled data.

UNSUPERVISED LEARNING

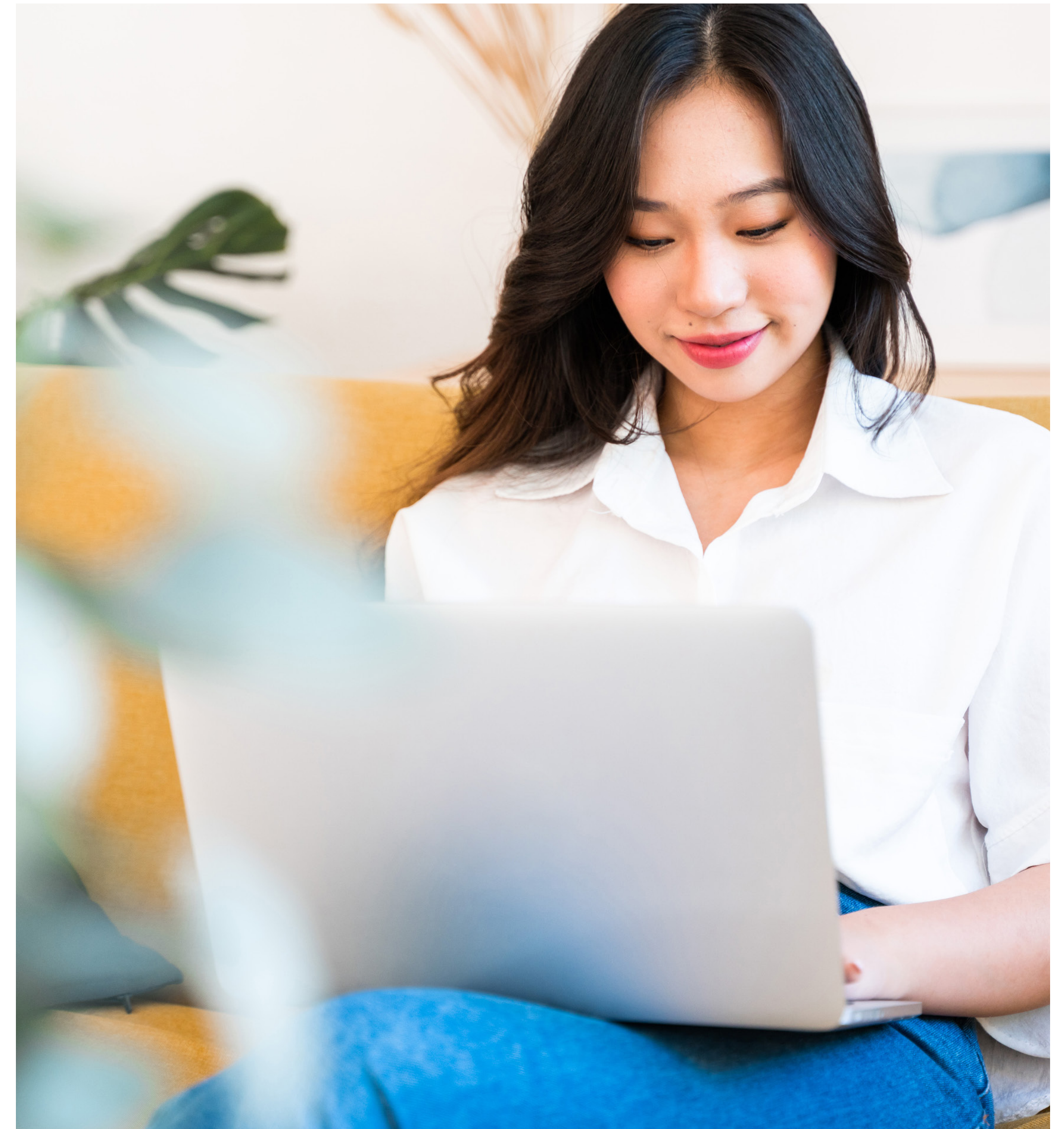
An ML approach for identifying patterns in unstructured data (without pre-existing labels).

GENERATIVE PRE-TRAINED TRANSFORMERS (GPT)

This is the name given to an AI model trained on large amounts of data, able to generate human-like text, images, and even audio.

LARGE LANGUAGE MODELS (LLM)

LLMs are similar to GPTs but are specifically designed for natural language tasks.



STEP 2

Categorise AI capabilities

Categorise AI capabilities

So what can AI actually do for you? It’s best to think of its capabilities as a suite of five superpowers, each with their own core use cases and business outcomes.

Here’s your AI cheat sheet – use it to figure out which AI tools are right for your needs:

CAPABILITY_	USEFUL FOR_	REAL-WORLD EXAMPLE_
Classification Sort data into different categories.	+ Competitor analysis + Compliance monitoring + Risk scoring	FINANCIAL SECTOR <i>AML and fraud detection</i> Analyse internal and publicly available transactional data within milliseconds to detect and flag suspicious activity.
Interpretation Extract meaning, insights and patterns from data.	+ Market analysis + Fairness/bias detection + Root cause analysis	SAAS <i>IT and network operations</i> An AI-enabled network analytics tool can identify anomalies in network traffic, diagnose the root causes of issues and suggest actionable remediation steps.

CAPABILITY_	USEFUL FOR_	REAL-WORLD EXAMPLE_
Prediction Forecast future outcomes based on data analysis and modeling.	+ Demand forecasting + Predictive maintenance + Scenario planning	MANUFACTURING <i>Assembly line maintenance</i> By analysing data from assembly machines, you can predict when one might fail, schedule preemptive maintenance, and avoid production stoppages.
Generation Produce new content, including text, images, data, code or audio.	+ Analysing social media + Automated summaries + Dynamic dashboards	SOFTWARE <i>Customer service dashboards</i> Provide a real-time view of service operations and customer satisfaction, with auto-generated summaries and insights.
Optimisation Find the best solution in complex situations with many variables.	+ Consumer behaviour analysis + Dynamic pricing + Resource scaling	ONLINE RETAIL <i>Recommendation engine</i> Predict what customers might want next to influence sales, pricing and inventory management.

STEP 3

Partner AI
with people

Partner AI with people

AI isn't a silver bullet – for businesses or consumers. And in fact, there's natural hesitance from consumers around the idea of it replacing human employees – which businesses would be wise to listen to.

27%

Consumers who don't trust the information AI provides

45%

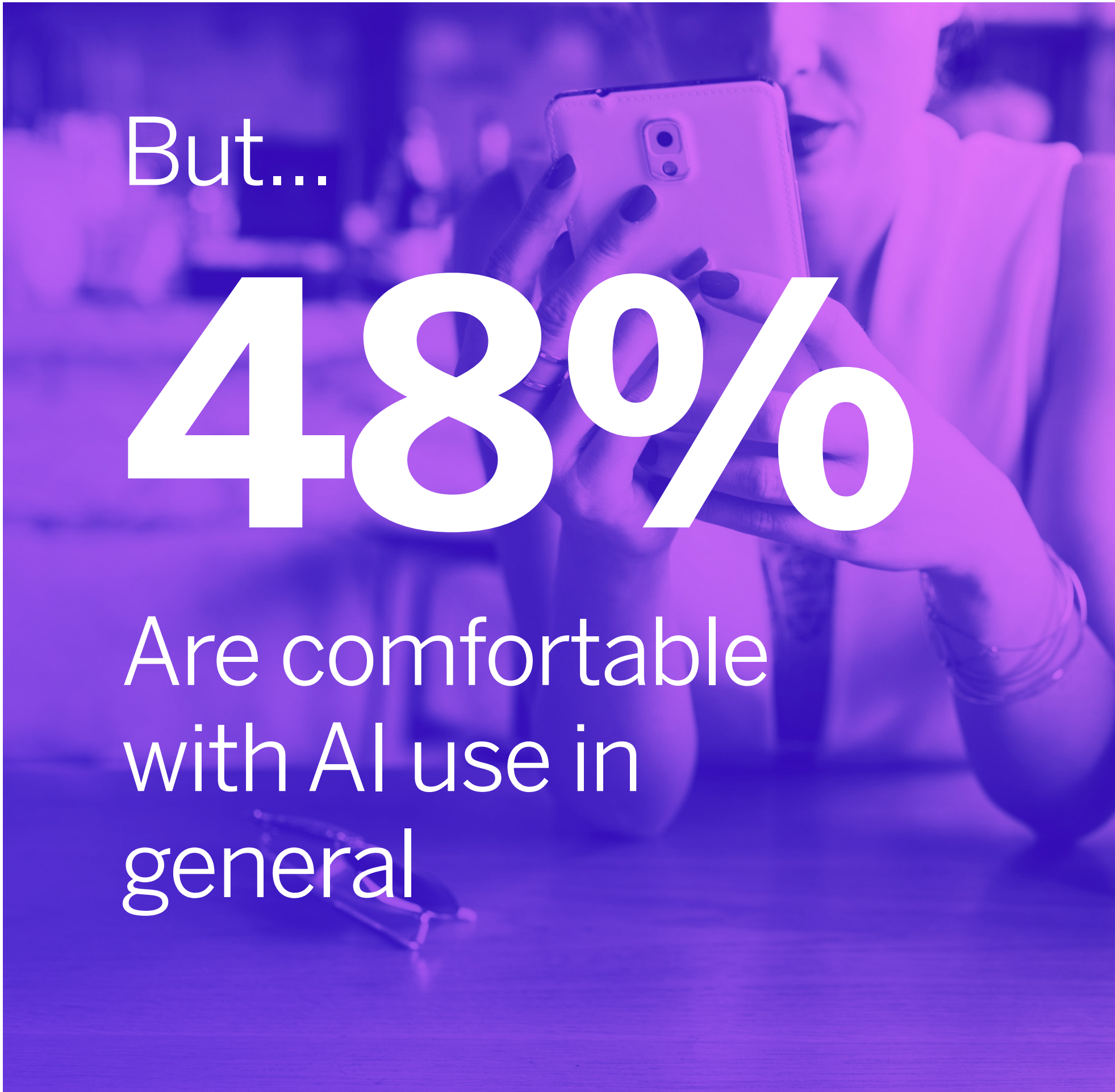
Have concerns around poor quality interactions with AI

48%

Are worried about a lack of real humans to connect with

71%

Would prefer a human interaction for technical support



WHAT DOES THAT MEAN FOR BUSINESSES?

The solution here is to partner AI with humans. Let the latter use the former to supercharge their processes, rather than replace them.

For frontline staff, that means AI tools that can provide real-time prompts, context and insights. For CX teams, it means AI-enabled journey monitoring that can proactively spot – and suggest fixes for – pain points in consumer behaviour patterns.

STEP 4

Position AI
effectively

Position AI effectively

If you're looking for stakeholder buy-in, there's power in doing so under bold, no-nonsense goals – the kind that make AI adoption a no-brainer.

'Measure NPS' or 'improve sentiment' aren't CX goals that position artificial intelligence effectively within the business. But these four big, streamlined aims are:

01_ MAKE MONEY

Or, in other words, position AI as a CX tool for finding new markets and delivering game-changing insights. Do that through:

- + Auto-segmentation
- + NLP analytics, insights and recommendations



02_ SAVE MONEY

You can cut costs by using AI to automate out time-consuming tasks and capture trends. Do that through:

- + Interaction and comment summaries
- + Response generation

03_ REDUCE RISK

Turn a trillion different, hard-to-read signals into a coherent view that can highlight issues before they arise. Do that through:

- + Quality and compliance scoring
- + Response clarity

04_ MANAGE CHANGE

AI can enable new CX capabilities while helping staff transform and adapt to new demands. Do that through:

- + Action recommendations
- + Interactive dashboards

Ultimately, AI's *bread and butter* is turning complicated tasks into simple outcomes – it's your job to point it in the right direction.



CONCLUSION

And above all else:
Make it human

And above all else: Make it human

Don't forget the people who make it all possible;
focus on empowering your employees with the tools and
the time they need to better focus on your customers.

Your job? Seeing through the hype, understanding what's
relevant for your business challenges and objectives,
and tying those two sides of the equation together –
with common sense and people-first positioning.

REMEMBER

**Customers are still
looking for human connection
in service experiences**

**Frontline agents need smart
tools to help them deliver
that connection**

**Alignment to real,
human needs will increase
the likelihood of AI adoption**

**Be your organisation's
transformation leader by using
AI to solve human problems**