A well-planned AI strategy can turbocharge customer experience

Survey reveals challenges and areas needing outside help

ENTERPRISES ARE CONTINUING TO INVEST IN EMERGING TECHNOLOGIES SUCH AS ARTIFICIAL INTELLIGENCE (AI) AND MACHINE LEARNING (ML). More than two-thirds (68%) of respondents to a recent IDG CIO Tech Priorities poll said their organizations are running AI/ML pilot programs or exploring AI/ML initiatives.

Their interest in AI and machine learning is understandable. Asked to identify technologies that have the potential to change how organizations and even entire industries operate, 62% of respondents to the CIO tech priorities poll cited AI/ML, nearly doubling runner-up big data/analytics (32%). Nearly half (47%) of respondents said AI/ML will have more impact in the next three to five years than any other disruptive technology (big data/analytics again was a distant second at 23%).

Respondents to a new IDG-Verizon MarketPulse Research survey of enterprise IT decision-makers said that 61% of their organizations' CX AI projects evolved organically as part of overall business strategies, whereas 39% of these CX-targeted AI projects were driven by independent requests from lines of business, executives, customers, or other stakeholders.

Opportunities and challenges

Whatever their origins, AI-enabled CX initiatives provide a powerful way to deliver more personalized customer experiences that increase brand loyalty and value, long-term revenue, and insights as AI algorithms learn more about customer preferences.

"Organizations typically launch AI-enabled customer initiatives because they want to enable a consistent, responsive, and contextual customer experience," Verizon Product Manager Christopher Armstrong said. "They also seek to understand why customers are reaching out to them, what customers are trying to accomplish, and how the organization can predict this instead of react to it."

One respondent from the technology industry to the IDG MarketPulse survey said CX-enabled AI "is helping us to provide an easier way for customers to accomplish common tasks and replace the involvement of humans in our industry to improve customer interactions."

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In trying to implement CX-enabled AI, survey respondents also indicated they face numerous challenges rooted in unrealistic timeline expectations for CX-enabled AI projects. More than half (55%) of organizations said these unrealistic timelines have led to increased IT costs. Other negative impacts include exposure to data security risk (42%), high error rates (40%), IT staff turnover (37%), less time for IT to devote to other initiatives (31%), and customer dissatisfaction (25%).

An AI strategy is essential

Unrealistic timelines are a direct result of insufficient planning and strategy. Fortunately, the MarketPulse survey shows that most IT leaders recognize the value of an AI strategy in devising a roadmap for CX-enabled AI technology. More than half (56%) of respondents said a strategy would be most helpful to them in determining *how* and *when* CX-enabled AI technologies should be integrated.

Unfortunately, the survey also shows too many enterprises are willing to rush into AI projects without the benefit of a trusted third party to help them align their AI and business strategies. Only 39% said they would be likely to seek an outside partner to develop their AI strategy.

"All too often, attempts to leverage AI originate in an organic — but scattershot — way from various silos within an organization to meet the needs of a specific group," Armstrong said. "An organization-wide AI strategy is really necessary to maximize the benefits to the customer and to meet holistic, cross-silo business needs."

For CX initiatives, this means identifying business outcomes and goals that AI can support and enable, such as improving marketing campaign optimization and personalization, enhancing contact center agent productivity, enabling customer self-service, and optimizing website ad delivery.

Fifty percent of IDG MarketPulse survey respondents said clearly established use cases and requirements would be most helpful to them, second only to an integration strategy. Clear use cases and requirements were far more important to mid-level (65%) than high-level (45%) IT executives.

Other factors that survey respondents said would be helpful include a reliable budget commitment to CX-enabled AI projects (44%), details about the business outcomes the technology must

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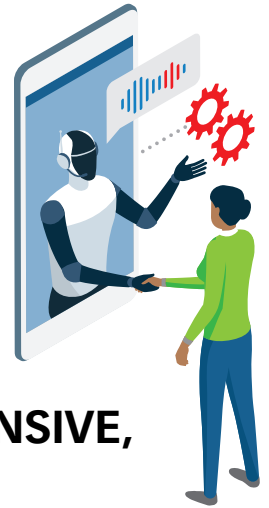
support (43%), and business-based metrics to define and measure the project's success (40%). Senior IT executives (VP and above) were much more likely to cite realistic project deadline expectations (40%) as helpful than were mid-level IT execs (26%).

The benefits of experience

There always will be pressure to implement disruptive technologies as fast as possible. When the customer experience is involved, however, "breaking things" can exact a huge cost on enterprises.

"We have learned to implement a more defined time frame and budget in order to forestall negative customer experiences," a survey respondent said.

Developing the right strategy for a CX-enabled AI initiative — one that aligns with tangible business goals and meets the needs of consumers — is far easier when working with a third party than not.

"It may make sense to partner with a company that has expertise and existing tools in this area rather than go it alone and learn everything from scratch," Verizon's Armstrong said. Indeed, one survey respondent said his organization "learned that a healthy combination of outsourcing and internal staff to manage CX-enabled projects is the most logical and effective way to do business."

TO LEARN MORE ABOUT USING AI AND ML TO IMPROVE CX, **CLICK HERE.**