hiver

AI VS HUMAN

The Future of Customer Service in 2024

Insights from 500+ US Based Customer Support Professionals
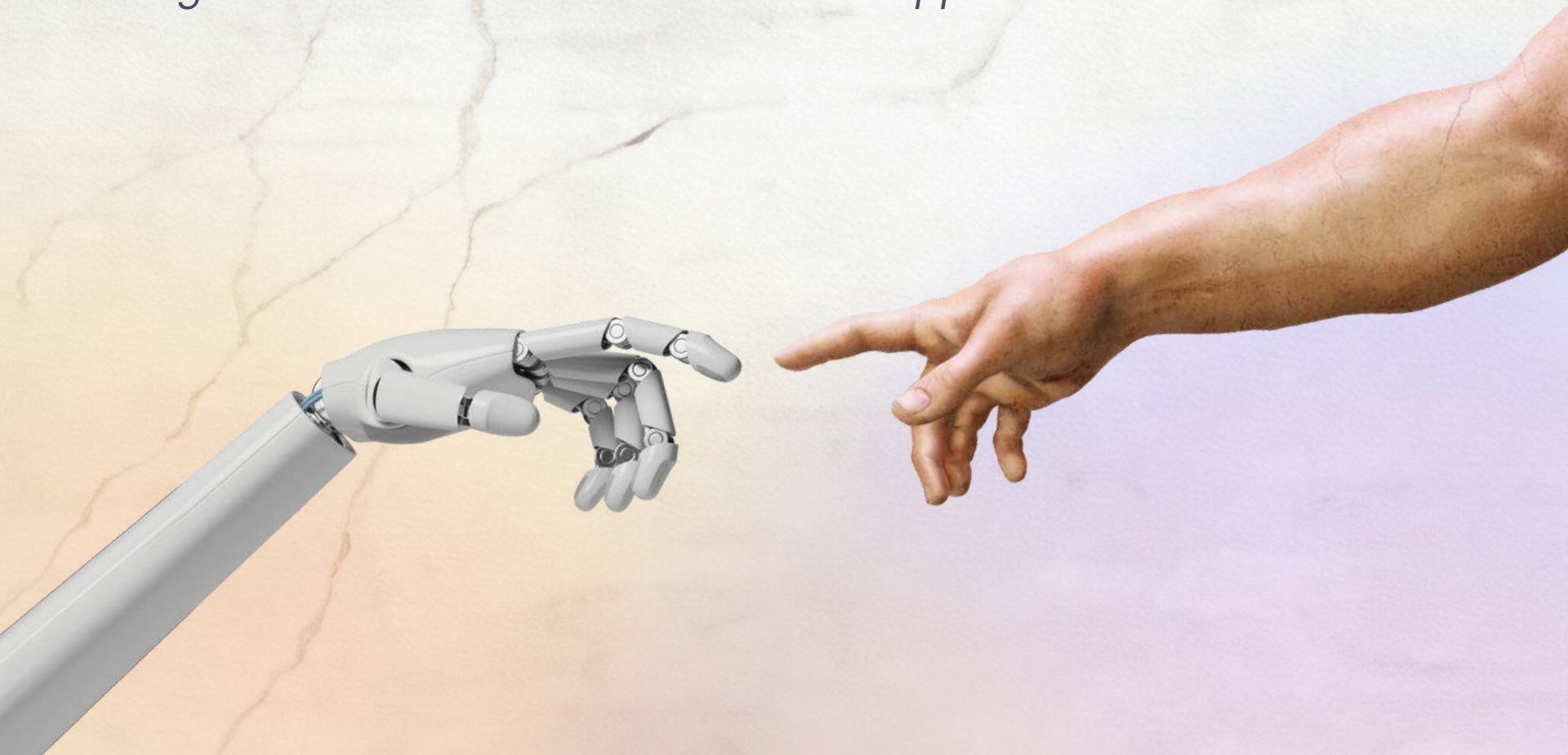
Table of Contents

Foreword

Artificial Intelligence (AI) has rapidly evolved in recent years. Its significant impact is visible in various sectors, including customer support.

In fact, there's an ongoing debate on the role of AI in customer service: Will AI replace customer service agents, or will it become a valuable tool that empowers them?

That's what we've tried to find out in this exclusive report -
AI vs Human: The Future of Customer Service in 2024.

To gain deeper insights into this topic, we reached out to 500+ customer support professionals across the United States.

These are people who deal with customers on an everyday basis - directly or indirectly. We asked them about AI's growing role in customer support.

Here are some key findings:

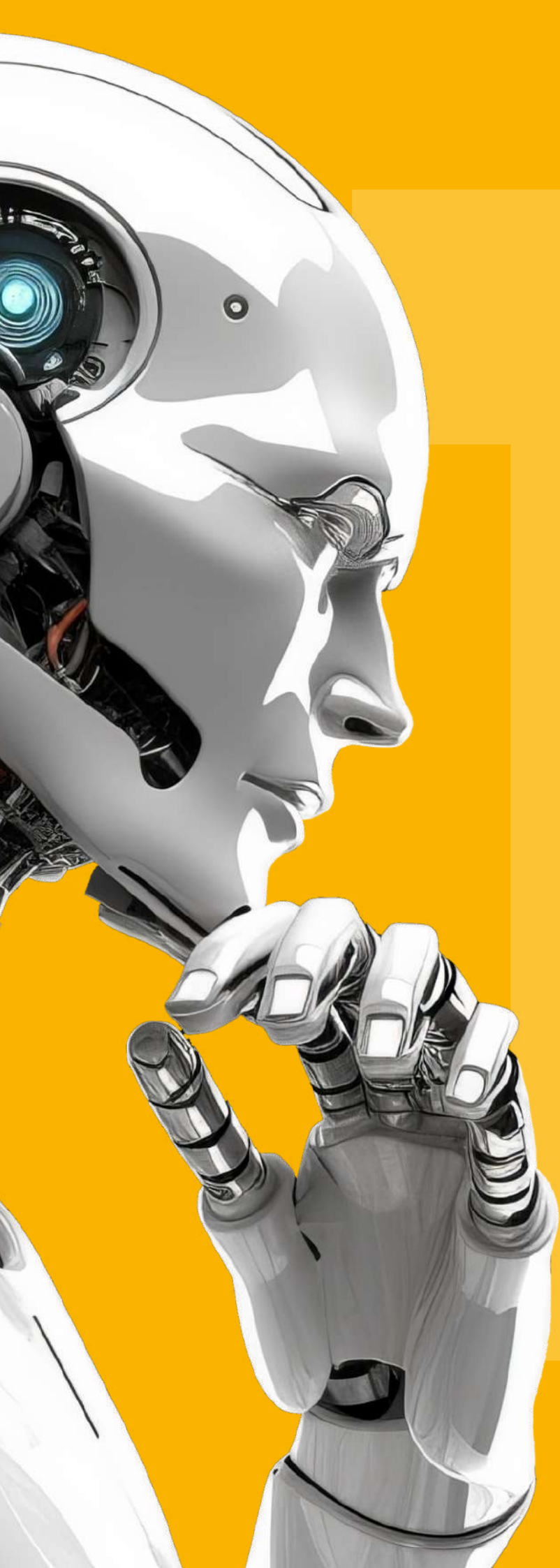**50%**
expect AI to work alongside humans.

60%
have seen the benefits of AI in customer support.

44%
believe AI is quite accurate in resolving customer queries.

40%
witnessed AI making autonomous decisions, leading to ethical concerns.

43%

of organizations are adopting or intending to use AI to improve customer service

AI is not just a fleeting trend; it's a strategic shift. As customers look for instant solutions, companies are turning to AI to meet these expectations.

43% of companies are either evaluating AI tools or already made some investments.

Does your organization invest or is open towards investing in AI-based customer support tools?

In the process of evaluating AI tools	20%
Made some investments	14%
Already invested in AI tools for support	9%
Don't have insight into this	57%
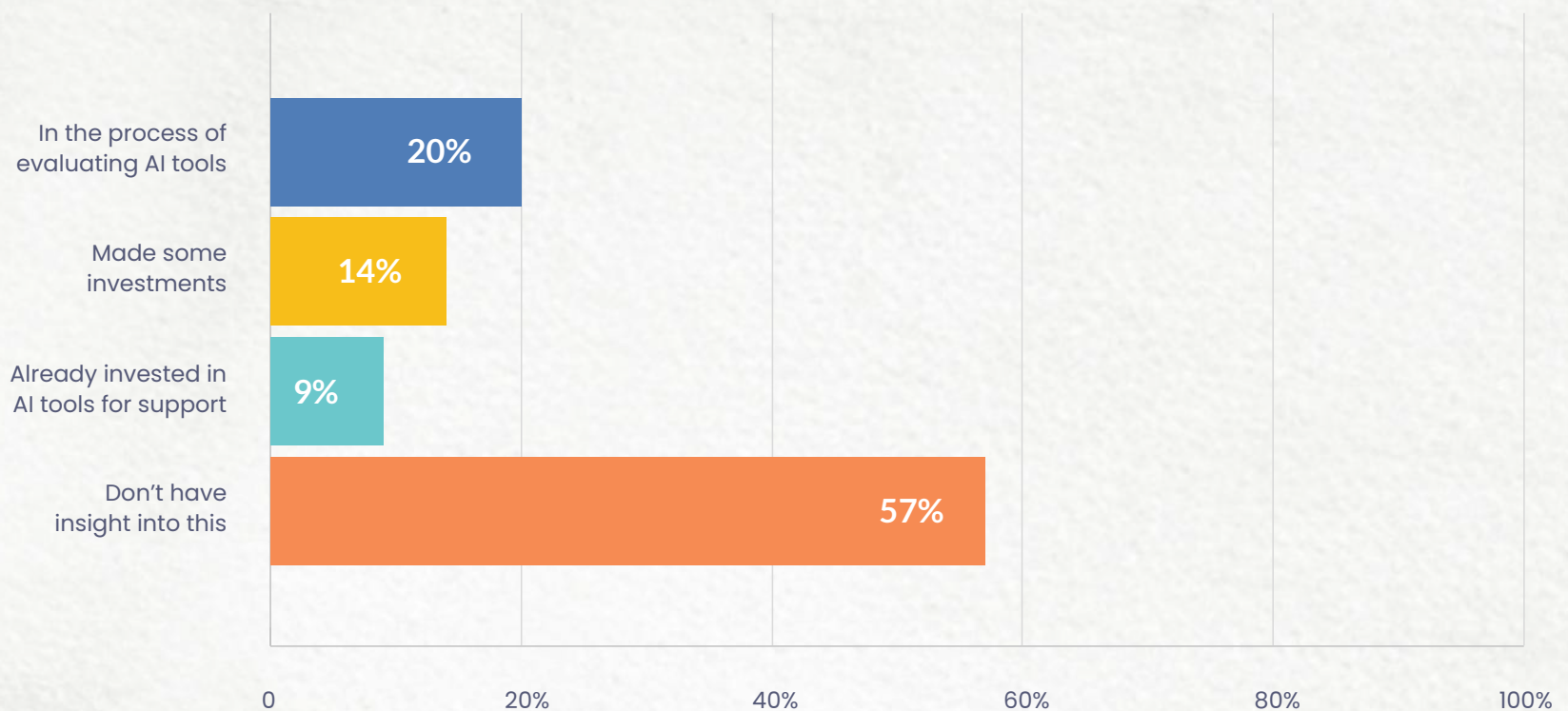
Why **AI** is Catching On

Speed

AI helps answer customer questions faster, reducing wait times.

Cost-effective

It can handle tasks without the expense of additional staff.

Learning

AI improves with each interaction, offering better help over time.

Availability

It can assist customers at any hour of the day, any day of the week.

Today, with the help of **AI-powered customer support tools** such as Hiver, Zendesk, and Freshdesk, companies are delivering fast and efficient customer support.

While AI adoption is growing, our survey also shows that over **57% of customer support professionals don't know about their company's AI plans.** This shows that many companies need to drive more visibility and transparency around how they plan to use AI in support.
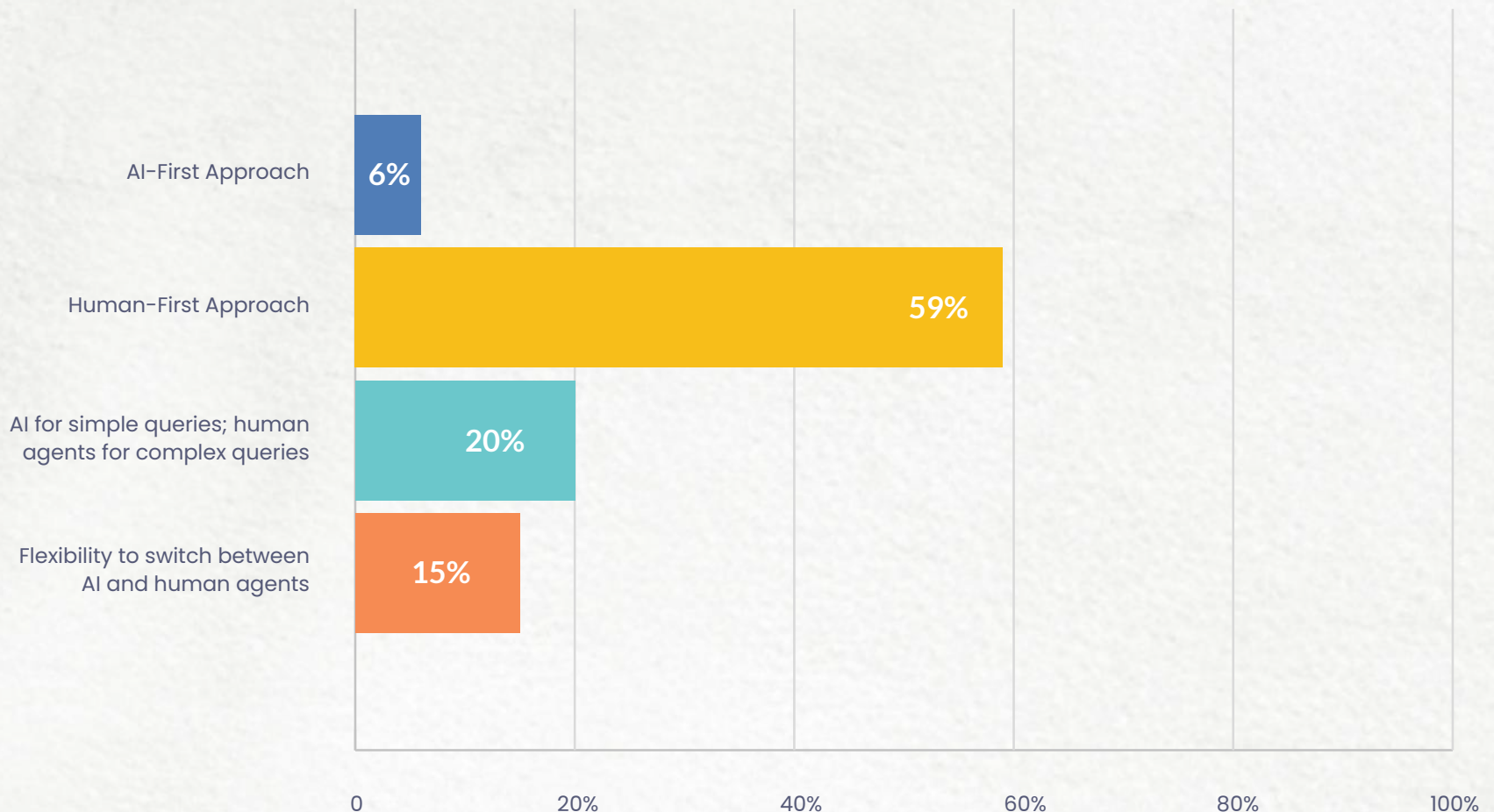
59%

note that their companies prioritize a human-first strategy in customer support

While AI's role in support is growing, there's also real value in human connection. Support representatives have contextual problem-solving skills and empathize better with customers.

59% of support experts prefer a human-first approach.

How would you describe your organization's primary approach to customer support?

Approach	Percentage
AI-First Approach	6%
Human-First Approach	59%
AI for simple queries; human agents for complex queries	20%
Flexibility to switch between AI and human agents	15%

However, this human-first approach doesn't mean technology is sidelined.

35% of companies are creating a hybrid customer support model.

Some companies are blending AI's efficiency with the human touch. The percentage of companies doing this is likely to increase in the coming years - given the upwards trend in AI investments. AI handles straightforward or routine questions, and customer service staff deal with more complex issues.

It's a strategic move to make sure customers get quick help, and that support agents aren't bogged down with simple queries.

"

Human first or digital/AI makes it nice to discuss and debate, but keep in mind what customers really want: fast and frictionless answers to their questions and issues. Make it easy, save them time, and give them the correct answer or solution the first time, and you create an experience that builds trust and confidence.

Shep Hyken

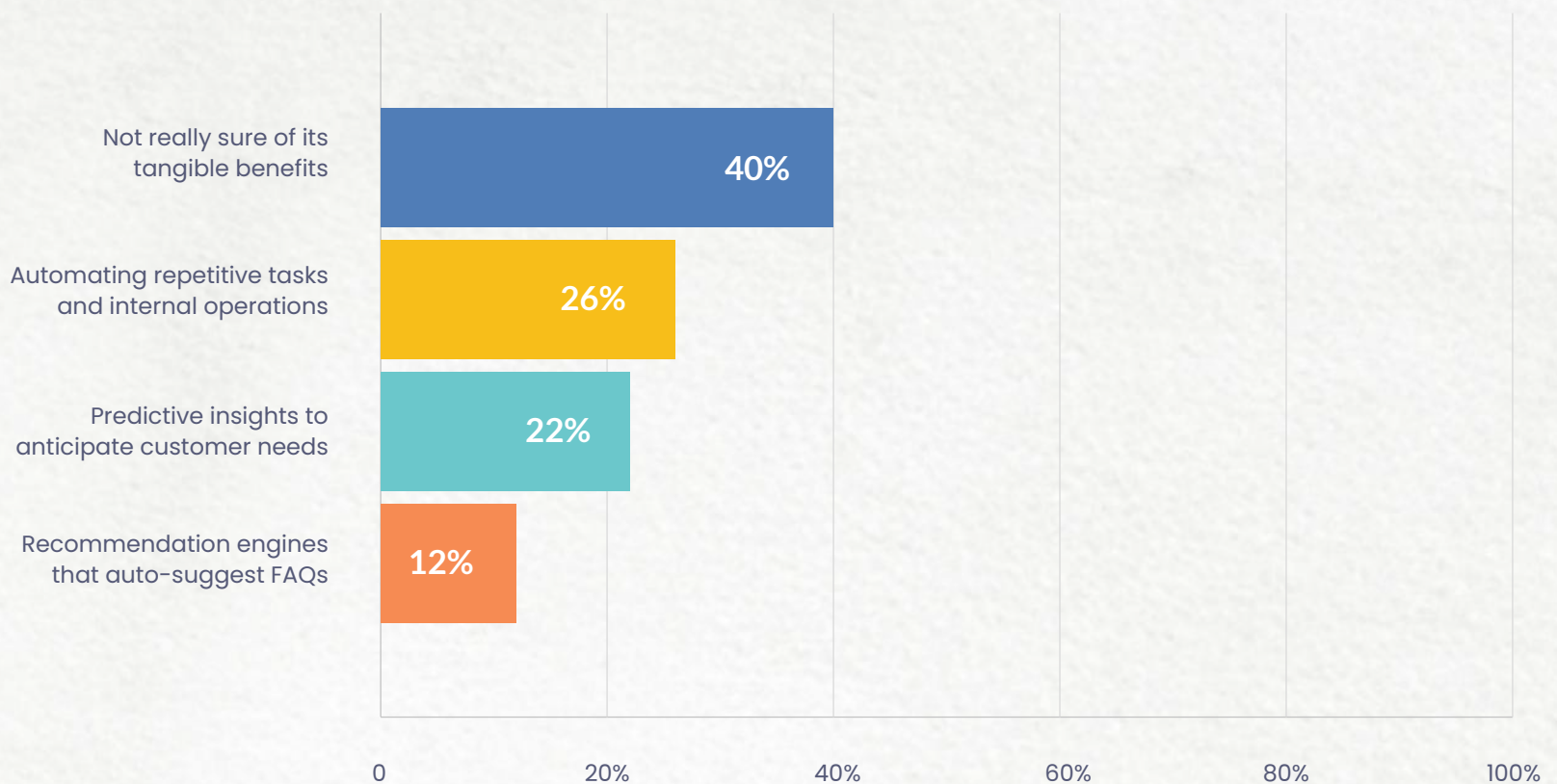Customer Service/CX Expert and New York Times Bestselling Author

26%

of support professionals appreciate AI for automating repetitive tasks

What are the actual benefits of AI in customer support? The biggest one, according to customer support professionals, is **AI's ability to automate repetitive work - like tagging queries, or assigning complaints to the right support agents.**
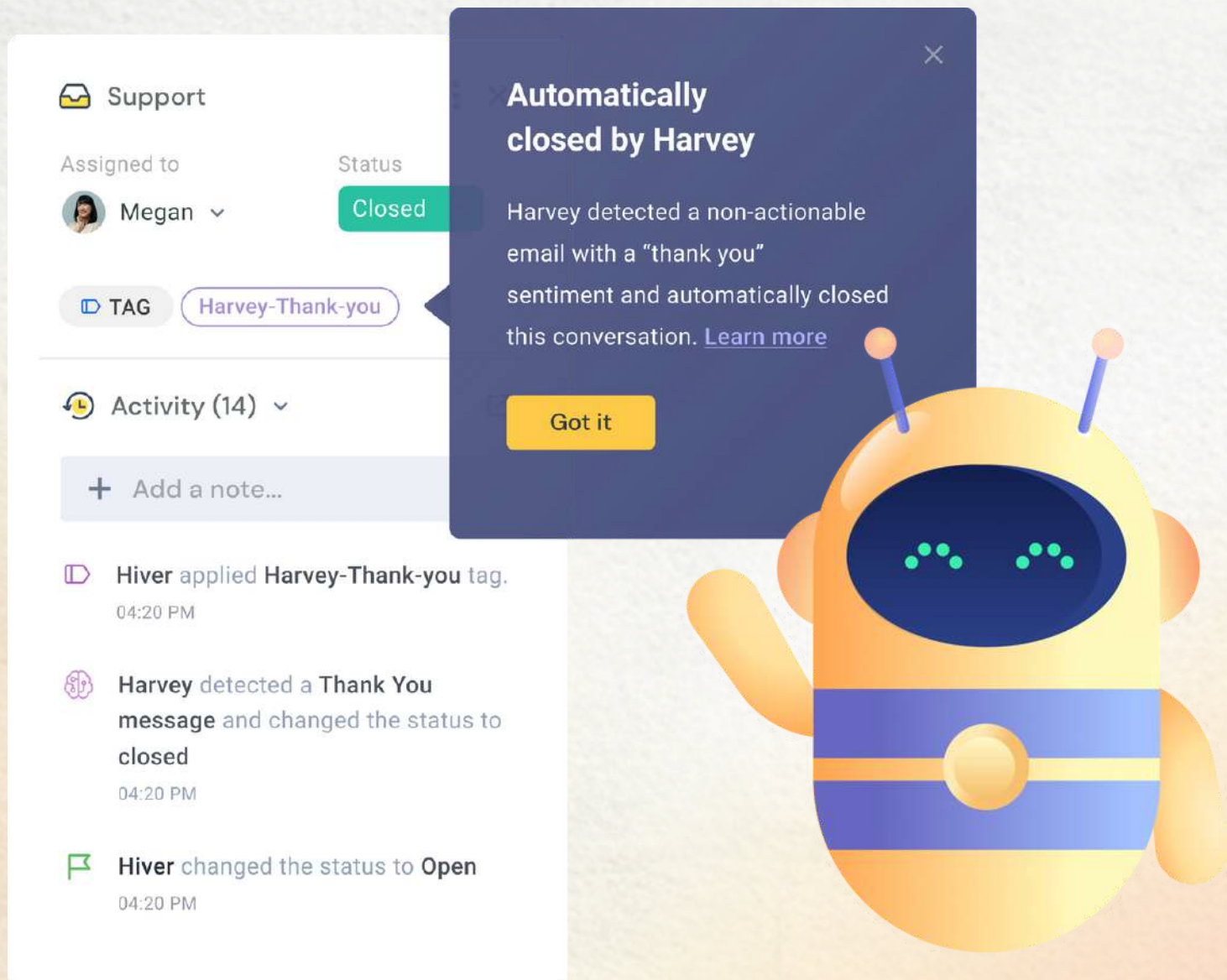
60% of support professionals see value in AI.

Which AI-driven functionalities do you find most beneficial?

Category	Value
Not really sure of its tangible benefits	40%
Automating repetitive tasks and internal operations	26%
Predictive insights to anticipate customer needs	22%
Recommendation engines that auto-suggest FAQs	12%

0   20%   40%   60%   80%   100%

For instance, Hiver's AI bot - **Harvey** - can enhance the efficiency of customer reps.

- Harvey understands the context and sentiment behind customer conversations, helping agents work faster.

- It suggests email templates (as responses) based on customer messages.

- It can automatically close reopened conversations with "Thank You" messages.

Besides automating routine tasks, AI is extremely effective at predicting customer behaviour.

Another AI functionality that is gaining traction is **recommendation engines**. Recommendation engines in customer support can be used to suggest relevant help articles to customers - based on the questions or queries they have.

22%
value how AI can predict customer behavior.

12%
see benefit in recommendation engines.

" There is potential in AI to analyze data and provide personalized solutions. The power of AI is to deliver engaging and efficient interactions that extend your capabilities to make customers feel understood and deliver results. AI implementation must be tailored and tuned to your understanding of your customers desires and expectations.

Flavio Martins

Customer Service and Customer Experience Expert
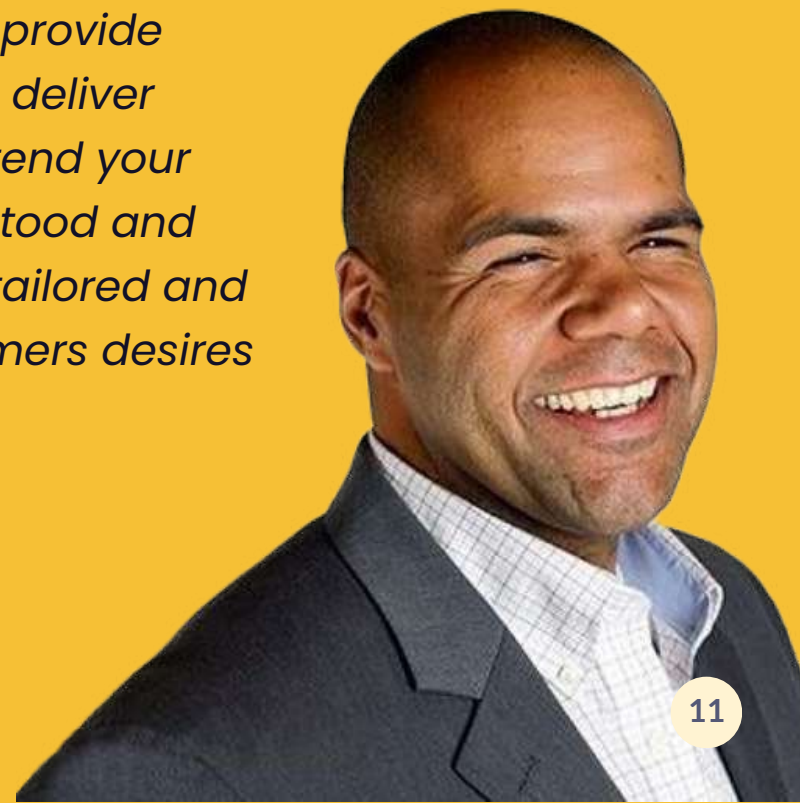
44%

of customer support experts say that AI is quite accurate in handling customer queries

What do you think about the accuracy of AI in resolving customer queries?

Bar chart:
- Somewhat accurate: 44%
- AI requires human intervention in most cases: 42%
- Highly accurate: 13%

44% of support professionals believe that AI resolves customer queries in an accurate way.
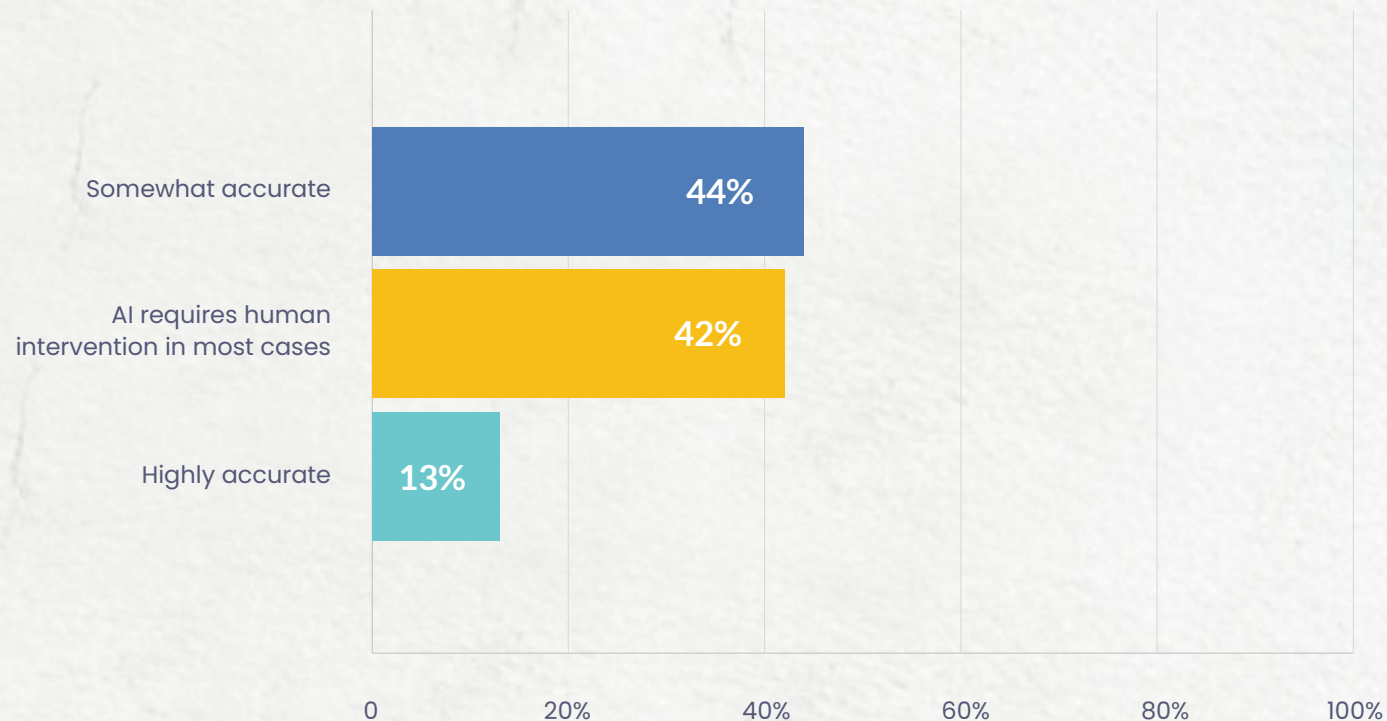
AI excels in handling customer support queries that are routine, repetitive, and have well-defined patterns, such as:

Frequently Asked Questions

AI can provide quick and accurate responses to common questions about product features, pricing, or policies.

Order Tracking

Customers often inquire about the status and location of their orders, and AI can provide real-time updates with ease.

Appointment Scheduling

AI-powered chatbots can assist customers in booking appointments, sending confirmations, and more.

However, there are limitations to AI's capabilities.

AI may struggle with highly complex issues that require human judgment, empathy, or creative problem-solving.

This shows a blended approach will work best - where AI handles basic inquiries and human agents step in for more complex matters.

42% of the professionals believe AI often needs a helping hand from human agents to provide accurate answers.
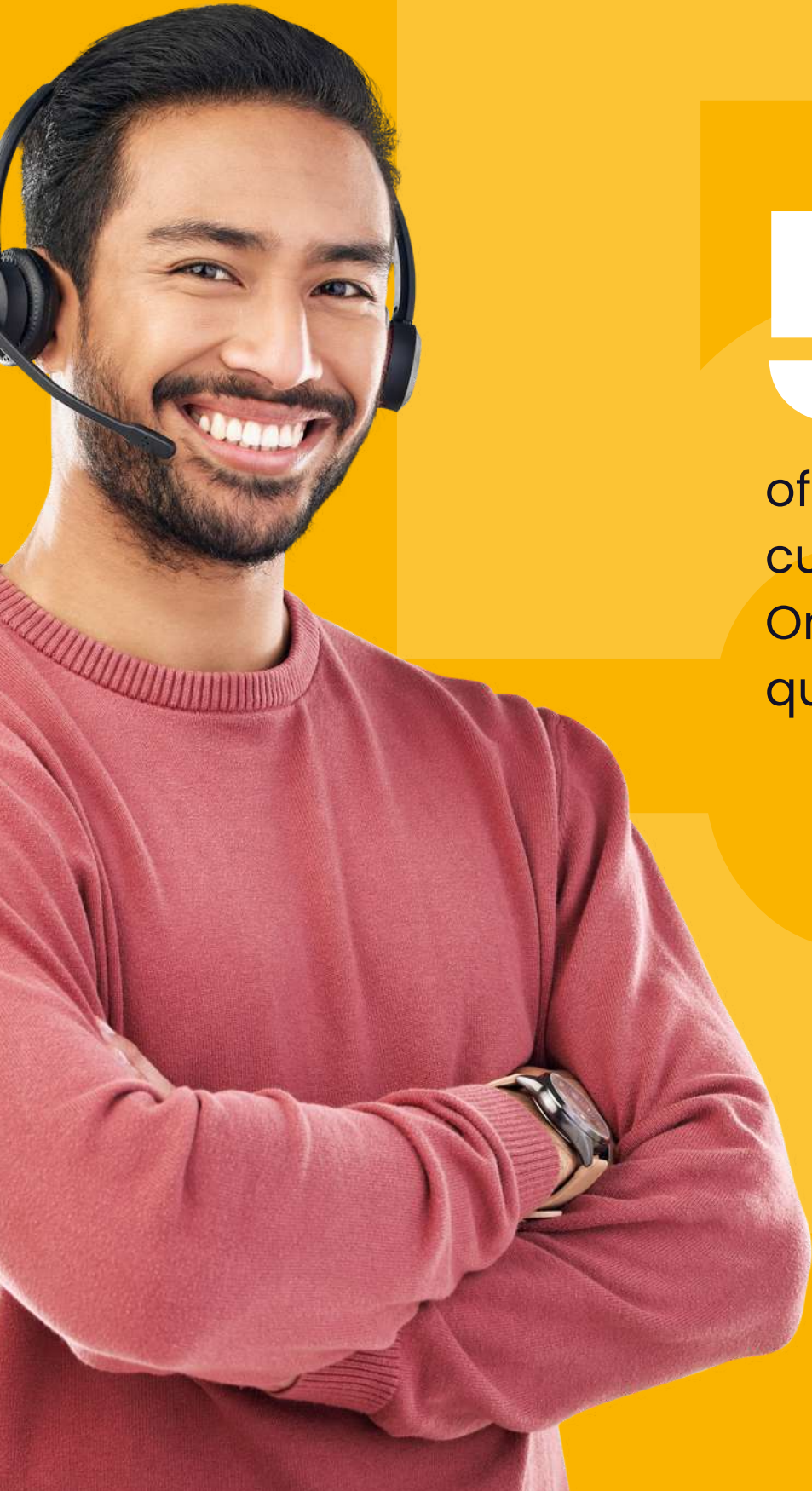
52%

of support experts note that customers like a "Human-Only" approach to get their queries resolved

Customer support is a crucial part of any business, and who delivers it—humans, AI, or both—can make a big difference.

Human connection is important to customers. They appreciate the empathy and patience that human agents often bring to the table.

But, at the same time, they also appreciate AI's speed and efficiency in resolving their queries.

What is your observation on how customers prefer to interact with your business?

Category	Percentage
Human-Only	52%
Rely on humans, using AI only when directed	42%
AI-Only	5%
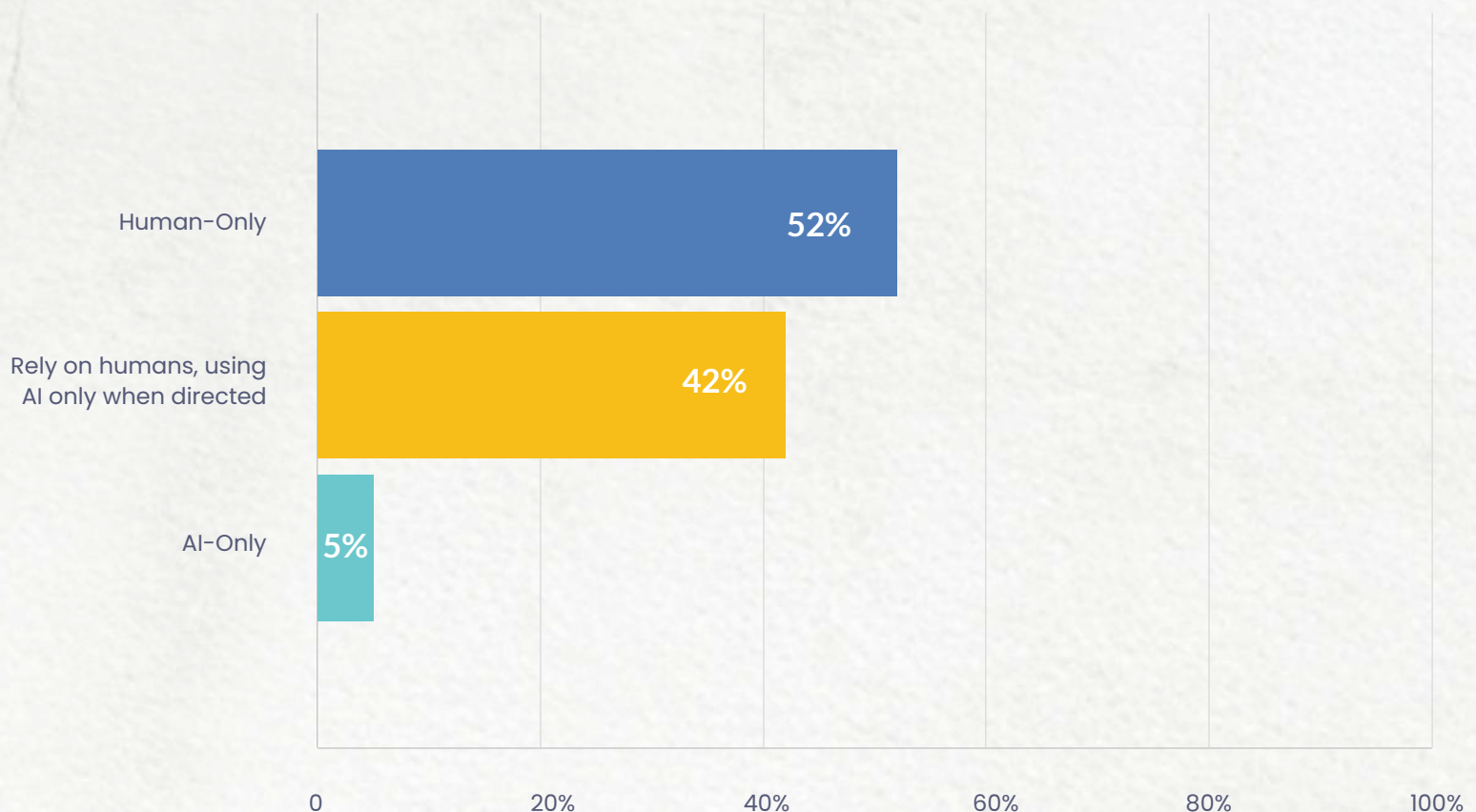
Support professionals have noted key preferences in how their customers like to receive assistance.

52%

of customers choose to speak solely with human agents.

42%

of customers prefer a combination of human and AI support.

Here's what companies can do:
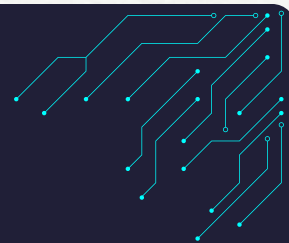
Have a strong team of human agents, especially during busy times, to manage the higher workload.

Create a seamless switch from AI to human support, like adding a "talk to a person" button in chat systems.

Inform customers with messages when moving from AI to a human, like "Connecting you to a live agent."

Conduct frequent/monthly checks on how well both AI and human agents are solving customer problems.

58%

of customer support experts advocate for full disclosure to customers when AI tools are in use

As AI becomes more prevalent in customer support, the question of transparency arises. Should customers be informed that they're interacting with a machine?

58% of support professionals believe that full disclosure by companies is vital.

Do you believe companies should always disclose to customers when they're interacting with an AI tool?

Response	Percentage
Always, for complete transparency	58%
Only if asked by the customer	16%
Unsure about the ethical implications	13%
Not necessary, as long as the issue is resolved	12%
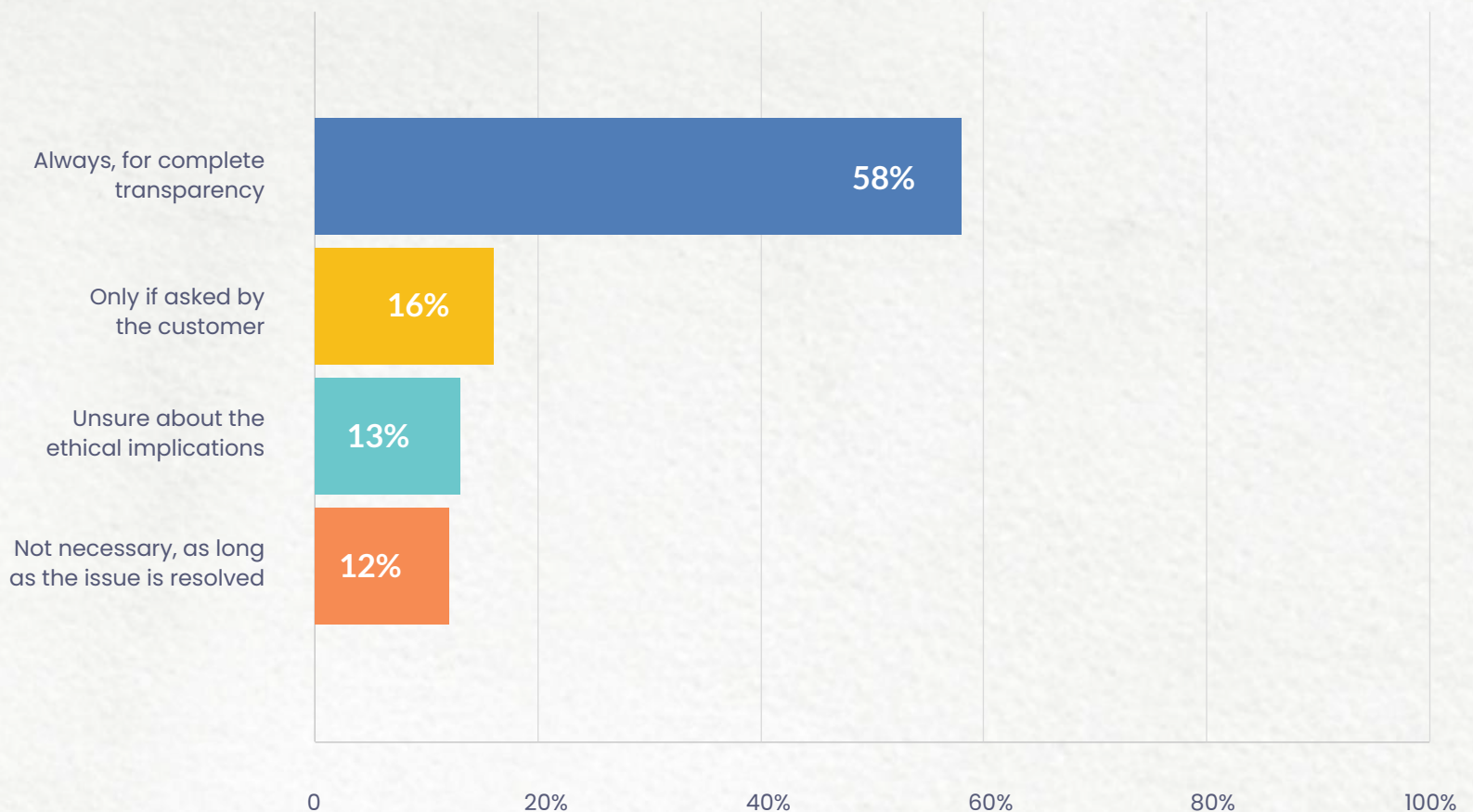
Here's why transparency is crucial:

- Transparency builds trust. When customers know they're dealing with AI, it sets clear expectations.

- When customers are aware of AI involvement, they wouldn't expect human-like empathy. This sets the right expectations.

- Transparent AI interactions allow customers to provide specific feedback on AI performance. This feedback is invaluable for refining AI systems.

"

Transparency is always key when communicating with customers. It helps set expectations and it avoids disappointment, or worse, embarrassment. That said, the way you communicate that AI is being used will be important; make sure to explain why it's to the customer's benefit. That way, the customer will feel cared for rather than potentially exploited.

Dan Gingiss

Customer Experience Keynote Speaker and Author

40%

of support staff are worried about AI's independent decision-making

AI operates on data. It learns from the data it's fed to become better at helping customers. But who owns this data? And is it being handled responsibly?

31% are concerned how AI unintentionally captures customer data.

What is your biggest ethical concern when using AI tools in customer support

Concern	Percentage
AI making autonomous decisions	40%
AI unintentionally capturing data	31%
Extent and type of data being collected	28%
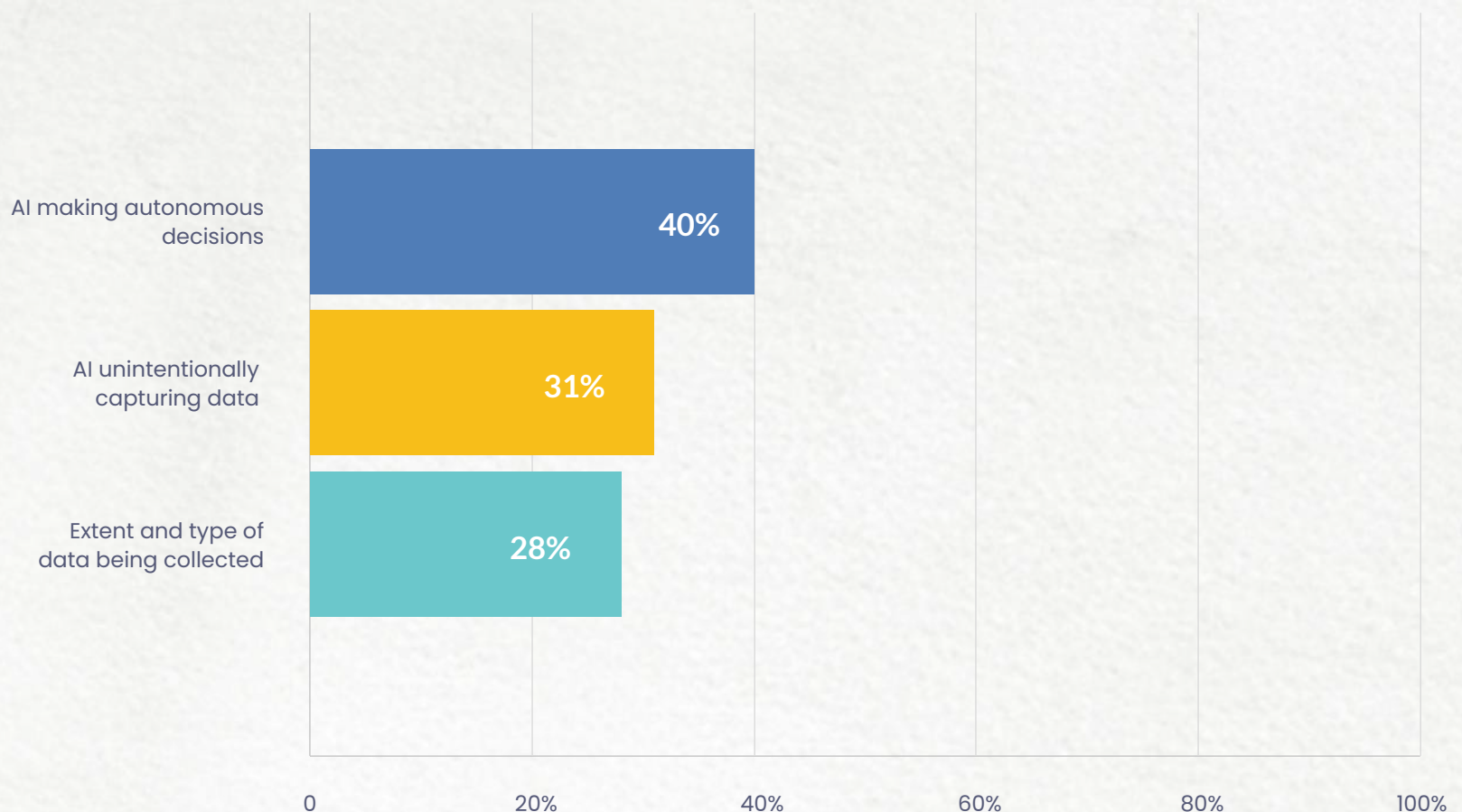
Support experts are concerned that AI, lacking human intuition and empathy, might not understand the emotional needs of customers. They're also questioning the kind of customer data AI collects, and to what extent!

28% are concerned about the extent and type of customer data being collected.

Yes, AI tools need to process lots of data to get smarter. But collecting data without consent could invade customer privacy and lead to legal problems for companies - if not done right.

Here's what companies can do:

Set up a system for human agents to review AI decisions, particularly with sensitive information.

Train AI to escalate actions like financial dealings or account changes for human confirmation.

Implement filters to stop AI from gathering unnecessary or sensitive data, like credit card details.

Clearly tell customers about the data you collect and its purpose, through transparent privacy policies on your platforms.
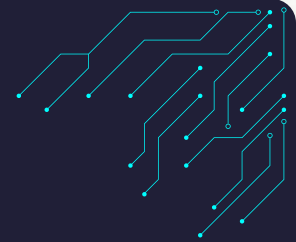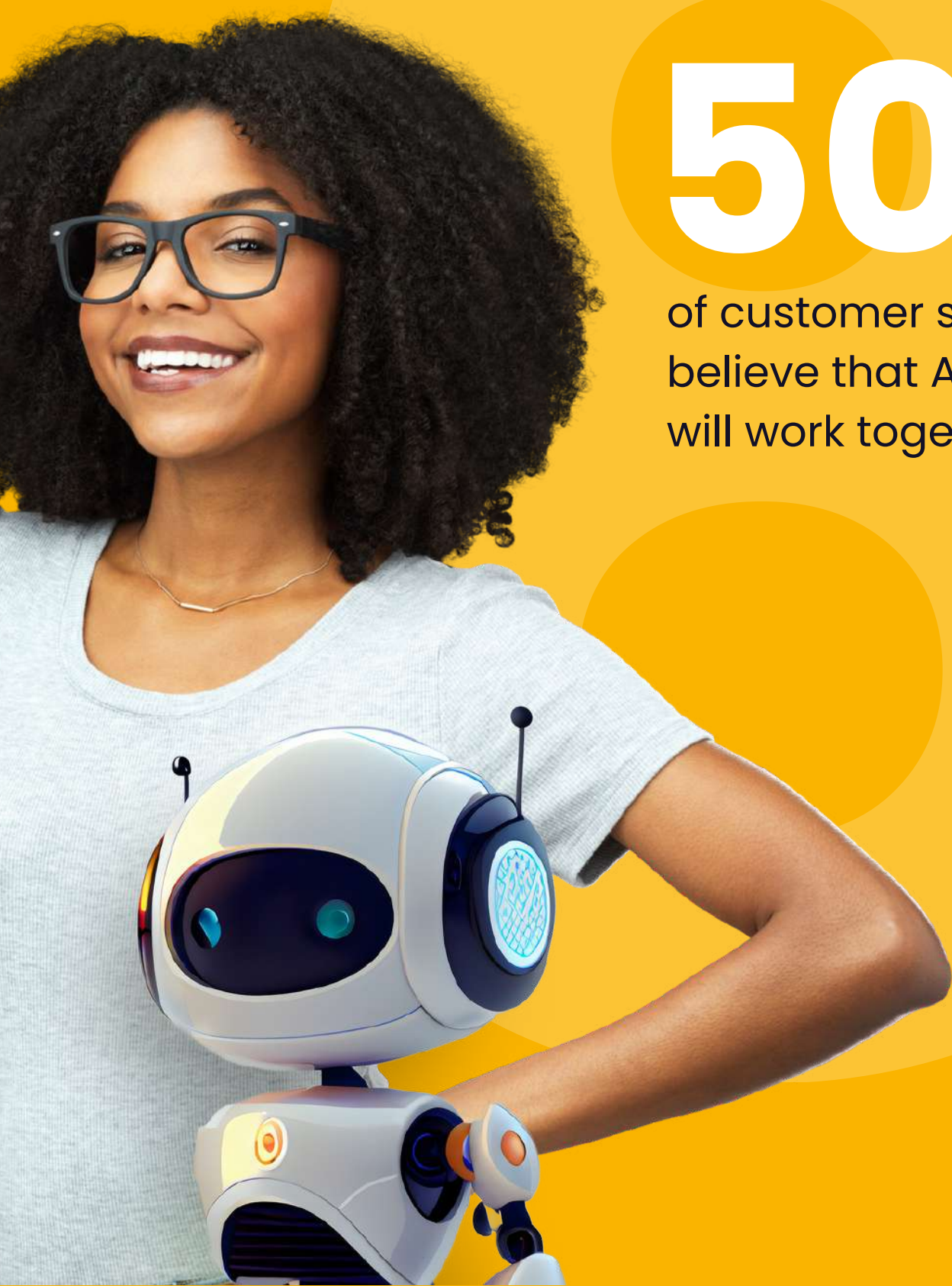
50%

of customer support experts believe that AI and Humans will work together in the future

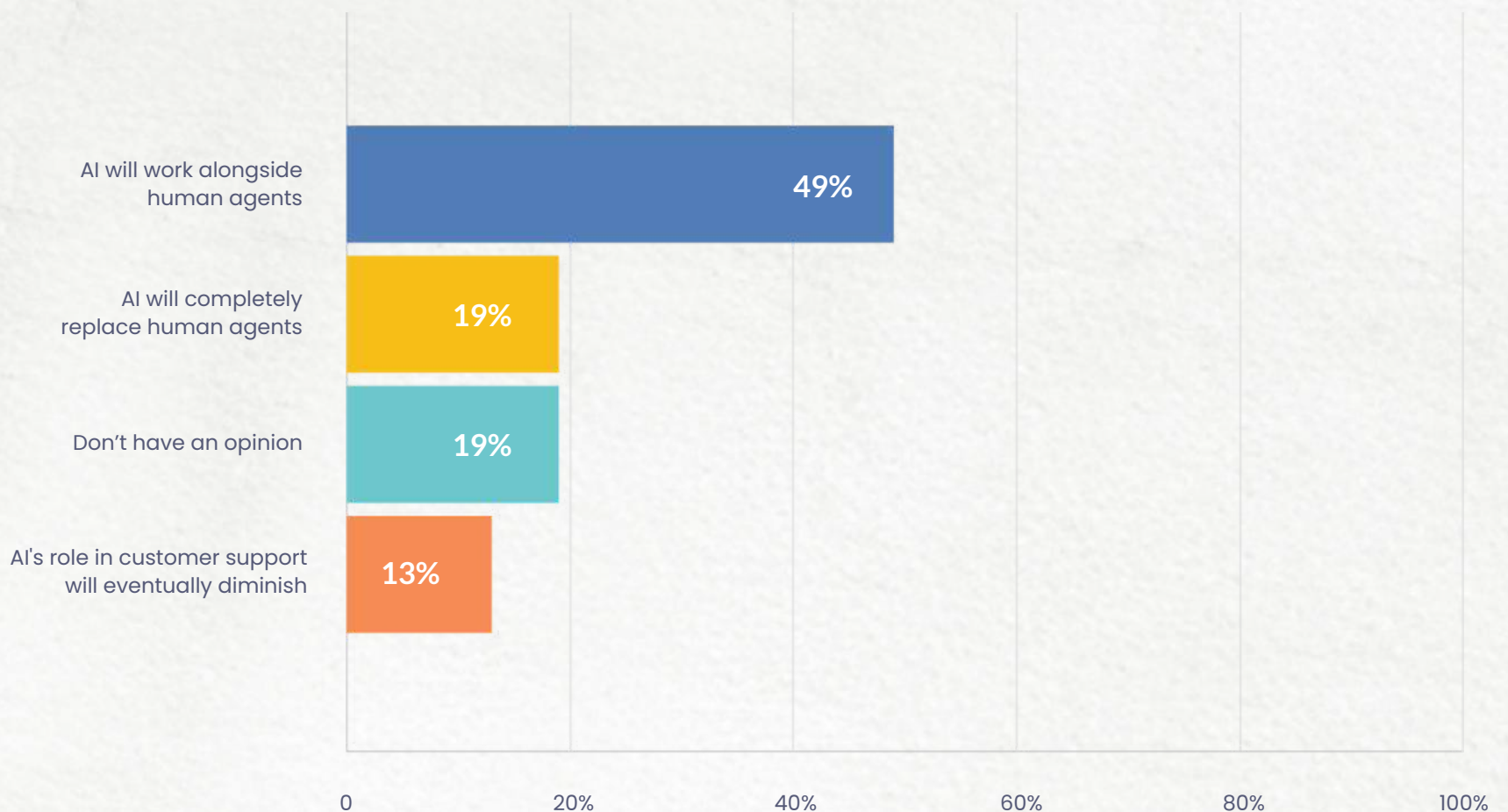So, what's the future of customer support going to be like? Is it going to be dominated by more and more AI tools? Or is this popularity of AI just a phase?

50% of support experts believe that AI will work alongside human agents.

How do you envision the future of AI in customer support in the next 5 years?

Response	Percentage
AI will work alongside human agents	49%
AI will completely replace human agents	19%
Don't have an opinion	19%
AI's role in customer support will eventually diminish	13%

We think AI is here to help, not to take over jobs.

In fact, companies should help their support teams learn to use AI to get better at what they do. They should:

- Cultivate a collaborative work culture where agents and AI systems complement each other's strengths.

- Establish a feedback loop where human agents can provide input on AI-generated responses. This iterative process helps AI improve over time.

- Offer detailed training for agents on using AI, so they can confidently combine their skills with AI technology to better help customers.
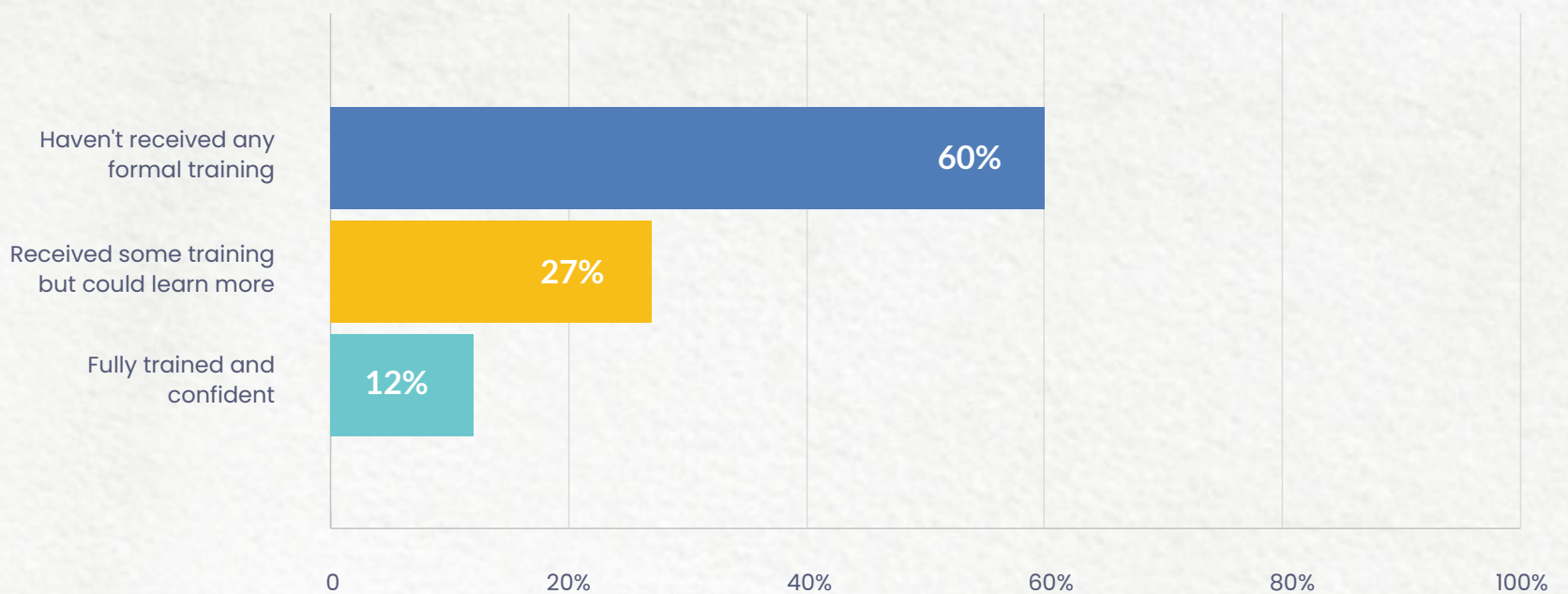
60%

of support professionals require training to deliver AI-based customer support

While companies are keen on leveraging AI in customer support, they're not training their staff on HOW to use it.

60% of support professionals haven't received any formal AI training.

In terms of training, how prepared are you to work with AI-based tools in customer support?

Category	Percentage
Haven't received any formal training	60%
Received some training but could learn more	27%
Fully trained and confident	12%

# Training support agents in AI is essential because:

- Agents with good training can offer quicker, more tailored support.

- It empowers agents to confidently explain AI's decisions to customers, building trust and transparency.

- They can use AI-based insights to get to know what customers really want, offering more specific help.

- As technology changes, trained agents can keep up and adjust to new ways of helping customers.

55%

of support reps independently keep up with the latest AI trends in customer service
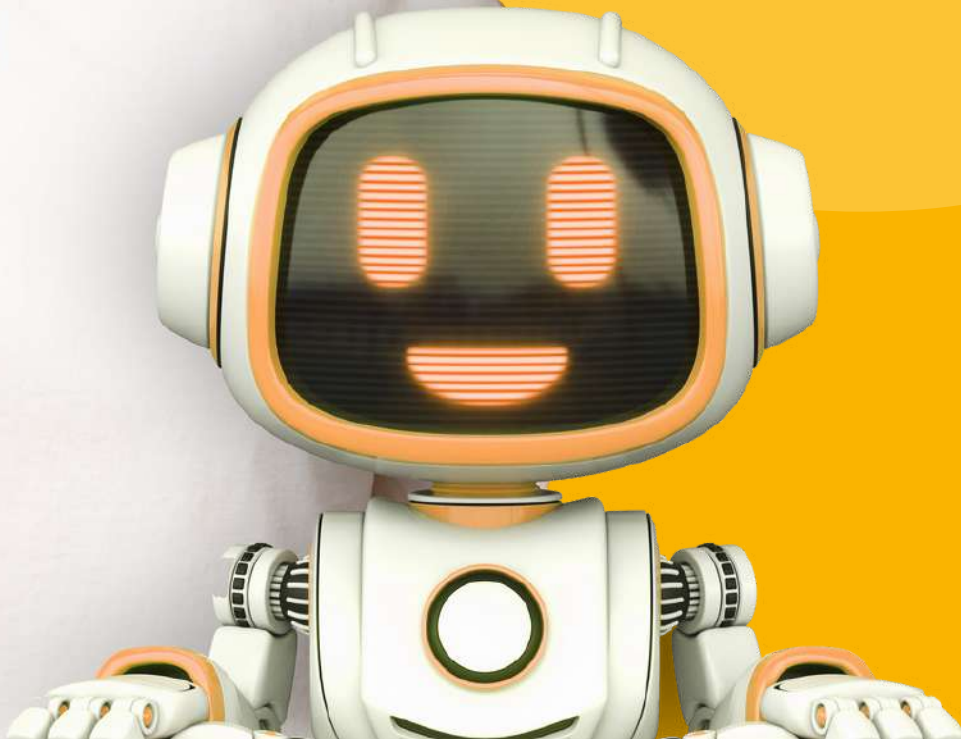
Support professionals are relying on different sources to learn about the latest AI developments. This could be online courses, tutorials, industry news, attending webinars, and even experimenting with new tools.

55% of support professionals are self-taught on the latest AI developments.

How do you keep yourself updated with the latest developments in AI-based customer support?

Category	Percentage
Peer learning	55%
Self-taught	27%
Professional training courses	18%
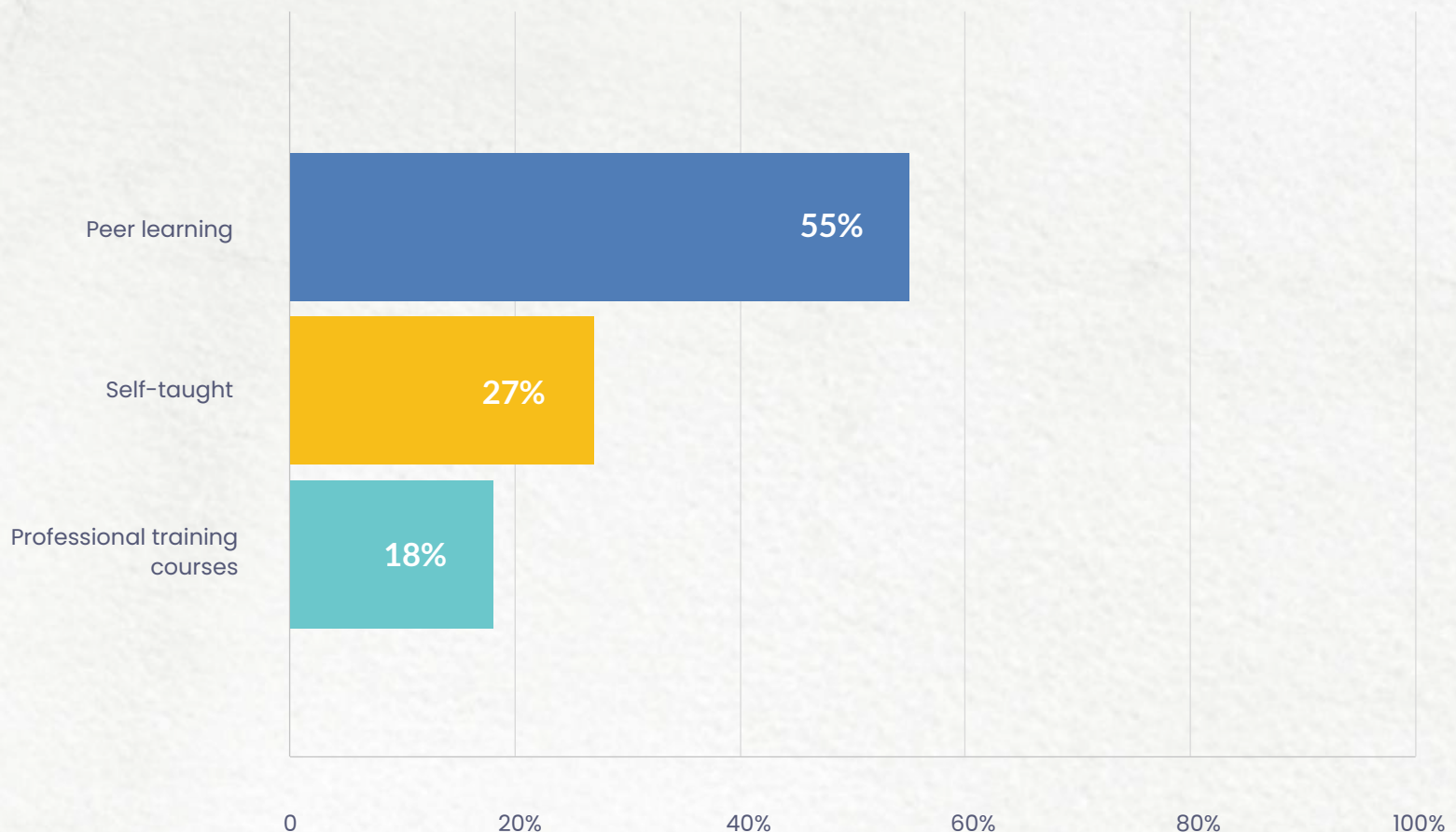
27%

of support experts are learning to use AI from their peers.

This group values the diversity of thought and experiences their peers bring to the table.

**Here's what companies can do to train their staff on using AI tools for support:**

- Begin with basic sessions to help agents get comfortable with AI functions in support software, like using chatbots or searching the knowledge base.

- Support self-taught agents by setting up a knowledge hub of curated learning materials, ensuring easy access to trusted, current info on AI in customer support.

- Create internal forums or a dedicated channel on Slack/Teams for agents to share their insights and experiences with AI tools.

> "
>
> *Social media is a brilliant place to learn as it is immediate and fast-paced, but you have to be wary of the sources. Training courses are also brilliant and usually come from trusted sources, but as advancements in AI are so rapid, courses can quickly become out of date. A mix is probably the smartest way forward.*

James Dodkins

Director, Product Management – Pegasystems
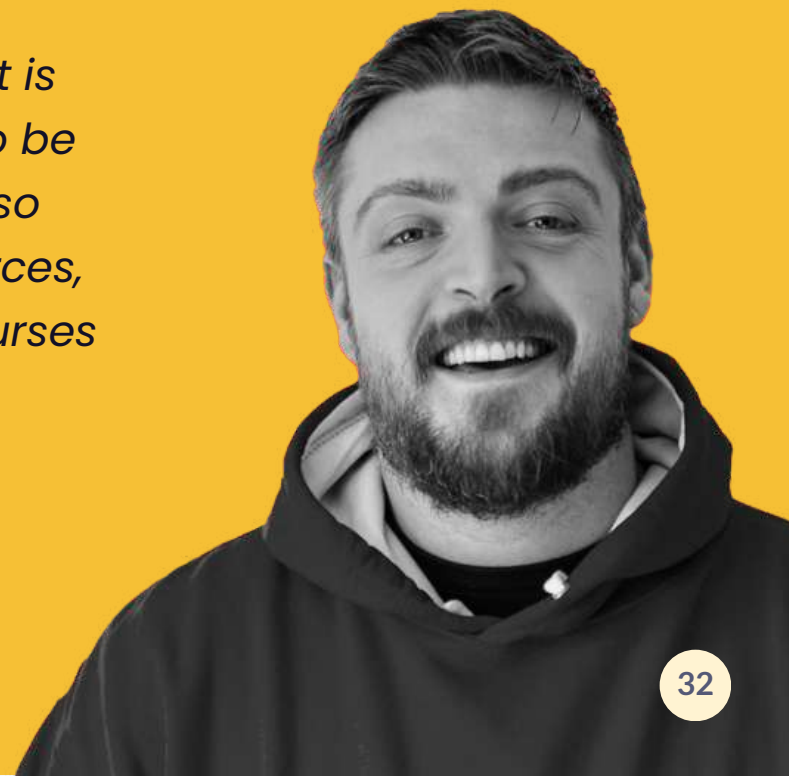
So, what's the verdict?

Our survey shows that AI is becoming a more and more integral part of customer support. At the same time, support professionals remind us that nothing beats the personal touch that only humans can give.

This is where tools like **Hiver** can help. They blend AI with human touch - ensuring that your customers get personalized yet quick support.

It's also important to keep in mind that companies need to offer better training on AI-based support tools to their employees. Unless this happens on a consistent basis, it would be difficult to properly leverage AI.

But from all the key findings, the biggest takeaway is that we're moving towards a future where tech and human agents would work together to make customers feel important and understood.