

**pypestream**

**CX EXPERT GUIDE**

# **The End of Customer Satisfaction:** Why Happiness is the New Baseline



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# Introduction

***There is no future for traditional call centers.***

The way in which consumers seek service and engage with brands has changed. Today's call centers range from the ancient and decrepit to the ultra-modern and technologically streamlined. Despite the differences in functionality, they still rely on the telephone to call and connect with customers. Despite consumers shifting towards a messaging-based communication style, businesses are slow to embrace newer technologies.

Gen-Z is changing the way we expect companies to engage with their customer base. Self-service and chat based communication is fast becoming the number one preferred customer service method. And to attract, engage, acquire, and retain customers in the automation era, businesses need a customer communication strategy that incorporates automation.

## **Executives are facing 3 key challenges:**

1. Offering a self-service, automated platform that is personalized to the customer
2. Satisfying the demand for always-on, 24-7 responsive service.
3. Maintaining call center cost-efficiency.



## **Chatbots allow businesses to automate the 80% of general inquiries**

A solution comes in the form of new technology: Large Language Model (LLM)-powered chatbots and automation.

Chatbots allow businesses to automate the 80 percent of general inquiries that are repetitive. This leads to a smaller volume of inquiries requiring live assistance from agents and reduces operational costs while maintaining – or even improving customer satisfaction ratings. It's this combination of LLM-powered chatbots and human agents that can usher businesses into the automation era while reinventing the call center model.

Pypestream delivers customer experiences that help companies meet the expectations of today's customers through self-service automation rather than chatbots, websites and mobile applications alone.

# The Current State of Customer Service

Every business strives to provide exceptional experiences that increase customer retention and raise their Customer Satisfaction Score (CSAT). The reality, however, is that executing an effective customer communication strategy is challenging. Often, exceptional customer service is limited by the capabilities of traditional service channels (ie: call centers).

Since 2020, customer experience has had such a significant impact on business success and plays a key role in competitive differentiation more than price and even product quality. Providing experiences that meet or exceed the ever-increasing demands of customers could be the difference between success and failure.

Call center performance has a significant impact on a company's NPS® and customer satisfaction ratings. Given the direct and personal connection a call center enables between a business and its customers, the overall experience of the interaction can have a major influence on how that person perceives a brand on the 1-10 Net Promoter Score® scale.

And while call centers work positively by enabling direct connections between businesses and consumers, there are endemic problems for both sides. Businesses are faced with high operating costs and are vulnerable to changing communication trends. Meanwhile, consumers often have to deal with long hold times, outdated Interactive Voice Response (IVR) systems, inter-departmental transfers, and inefficient service.

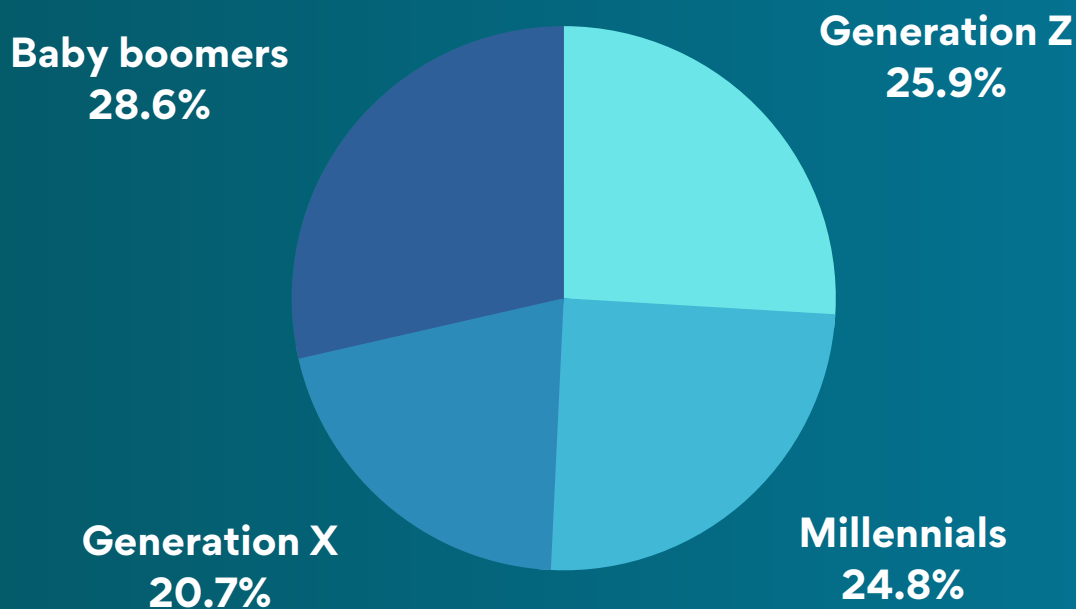
As new technology such as chatbots and intelligent automation emerges, any business that relies on strong customer service can benefit from new innovation.

There is a significant opportunity to gain competitive advantage and lead the market by developing call centers that are not only technologically advanced, but also resolve issues with far greater customer satisfaction.

The ideal result is customer service that improves the relationship with customers while maintaining cost efficiency for the business.

What follows is an outline of the current state of customer service in today's fast-moving, on-demand, and customer-driven world. We also detail how the call center can be reinvented through mobile messaging and intelligent automation to deliver a win-win solution for both businesses and customers.

**The adoption of automation in call centers will change so rapidly that by 2026, 75% of customers will call customer service and support due to loneliness**



In the past, there has been a lot of buzz around millennials, however, it is the next generation, Gen-Z, that are set to truly transform how businesses function today and in the future.

In 2022, it is estimated that Gen-Z's spending power was at \$360 billion in disposable income, more than double what was estimated three years ago<sup>4</sup>. The opportunity for businesses to drive revenue and gain market share with this generation is unprecedented.

### **The driving force for customer support trends**

The way every generation communicates and gets information is changing. When it comes to interacting with brands, the traditional methods (ie: phone-based) are dwindling. More frequently, resolution is coming from self-service methods that may or may not be provided by the company itself.



## Impact the COVID - 19 Pandemic on Call Centers

The COVID-19 pandemic has profoundly impacted call centers across the globe. With the outbreak leading to widespread lockdowns and restrictions, call centers faced unprecedented challenges in adapting to remote work environments while maintaining seamless customer support.

Many call center agents had to swiftly transition from traditional office settings to virtual setups, necessitating the implementation of new technologies and infrastructures to ensure uninterrupted operations. Furthermore, the surge in customer inquiries and concerns related to the pandemic placed immense pressure on call center staff, demanding swift and accurate responses amid the evolving circumstances.

As call volumes spiked and customers sought assistance with a wide array of pandemic-related issues, call centers had to enhance their efficiency and capacity to meet the escalating demands. Amid these challenges, the significance of empathy and emotional intelligence in customer interactions became more pronounced, as callers sought not only assistance but also reassurance during uncertain times.

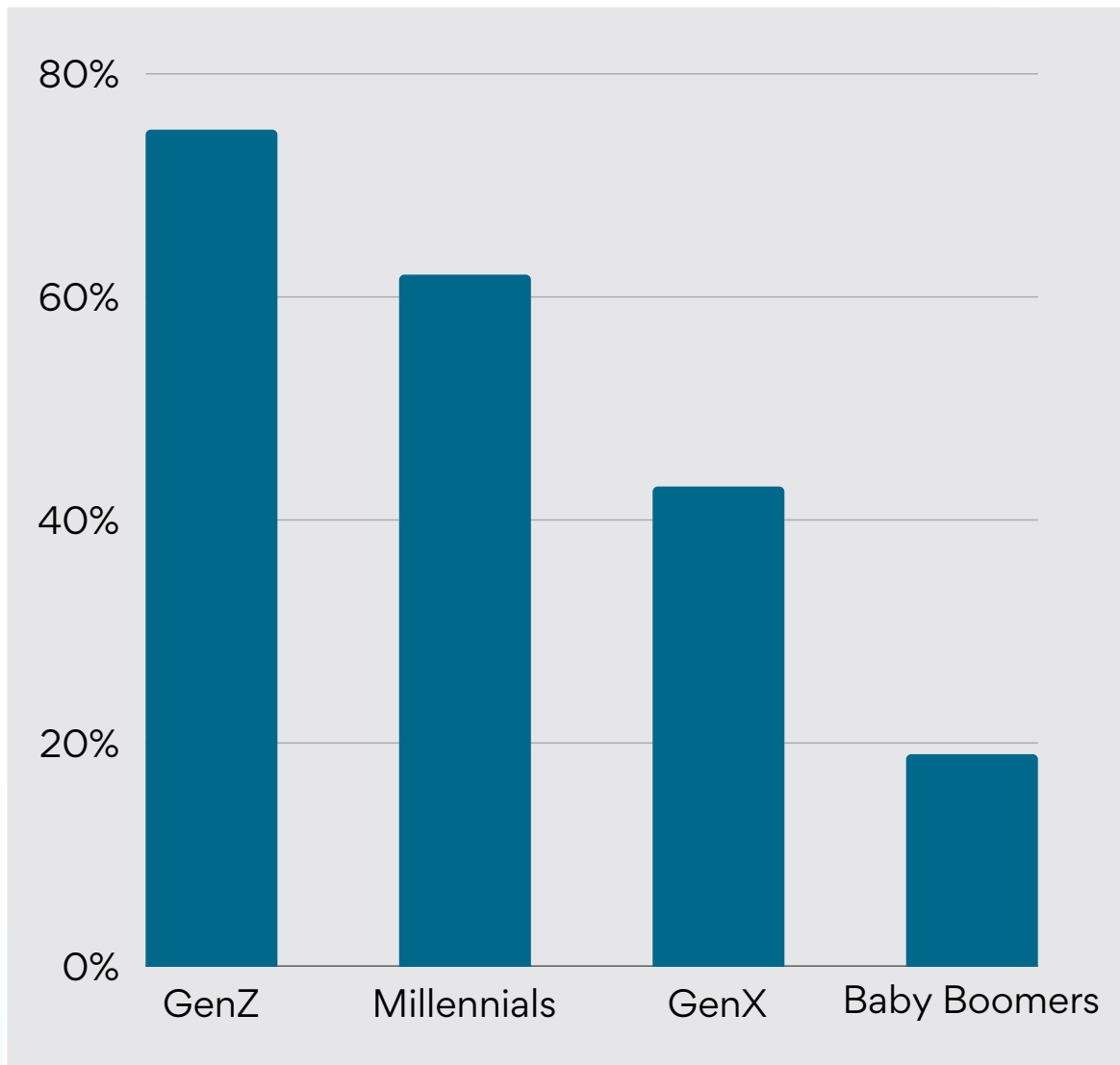
Overall, the COVID-19 pandemic has reshaped the landscape of call centers, prompting them to adapt, innovate, and prioritize customer care to meet the unique demands of this extraordinary global crisis.



## How younger generations communicate with businesses

Younger generations are more likely to start their self-serve journeys outside company-owned channels, according to Gartner, Inc. In fact, 52% of millennials and 44% of Gen Z customers have as much confidence in non company guidance as in customer service guidance.

### Preference for non-company self-service resolutions by generation



## The Challenge of Delivering What People Want

Today's call centers no longer meet customer expectations. From long wait times to frequent departmental transfers and ineffective IVR systems, customer service can be a frustrating experience for consumers.

With the proliferation of new technology and 24/7, on-demand services, the shortcomings of customer contact centers are even more apparent.

The competition is fierce and customers have no forgiveness for poor service. A sub-par experience can destroy a consumer's relationship with a business.

### Frustrating customer service experiences

**67% of customers hang up the phone out of frustration.**

According to consumers, customer service agents **failed to answer their questions 50% of the time.**

### The impact of a bad customer service experience

**78%** of customers ended a business relationship.

**61%** of customers went to a competitor.

## Challenges in Reinventing Call Centers & Customer Loyalty

The shortcomings of the current call center model and its inability to effectively meet the needs of today's customer also represent a significant opportunity for businesses. There has never been a more appropriate time to dissect the call center and explore new ways to increase its effectiveness.

Executives and business owners need to address the following business challenges to ensure the future success of their contact centers:

Increasing customer expectations for an always-on, self-service customer service experience

Accelerated need for digital transformation within customer service processes

Each of these areas needs to be explored to maintain, or even improve, customer loyalty and retention.



## **Challenge 1:** Increasing customer expectations for an always-on, self-service customer experience

### **Solution 1: Conversational AI & Chatbots**

The reason why you see Gen-Z turning to platforms like TikTok and YouTube for issue resolution and product recommendations is because brands are failing to deliver this type of support themselves. Today's consumers expect 24/7 availability, instant responses, and personalization; with an effective conversational platform, like a chatbot, you can meet and even exceed these expectations.

Exceedingly positive benefits of a chatbot:

- **24/7 Availability:** Unlike human agents who have set working hours, chatbots can operate 24/7 without breaks. This ensures that customers can get support and information at any time, even outside regular business hours. This feature is particularly valuable for global businesses with customers in different time zones.
- **Instant Response:** The rapid information delivery, typically 1-minute or less, from platforms like TikTok and YouTube today's customers expect quick responses to nearly every communication they receive. Chatbots can provide instant responses, significantly reducing wait times. Adding in conversational aspects, videos and more, increase your likelihood of customer retention.
- **Consistency:** Although not something customers typically seek out, consistency ensures your customer is getting consistent responses to their inquiries. Human agents cannot always deliver this level of consistency and can cause issues when trying to do the opposite. Chatbots, on the other hand, adhere to predefined rules and guidelines, ensuring a uniform experience for all customers.
- **Scalability:** Another feature not usually sought out by most customers, but has significant benefits. Chatbots offer a scalable solution, as they can handle a large number of simultaneous conversations without losing efficiency and efficacy.

- **Cost-Effective:** Employing chatbots can lead to significant cost savings for businesses. Not just in overhead costs, but by reducing the burden on human agents, companies can redirect those resources in other areas that need attention, further improving operational efficiency. A significant portion of customer service interactions involves answering repetitive questions. Chatbots excel at handling these routine queries, freeing up human agents to focus on more complex and critical issues.
- **Personalization:** Advanced chatbots can utilize customer data to offer personalized recommendations and solutions. By understanding customer preferences and past interactions, chatbots can provide more tailored and relevant responses.
- **Reduced Human Error & Multilingual Support:** Humans can make mistakes, leading to incorrect information being provided to customers. Chatbots, when well-designed and maintained, are less prone to errors, ensuring accurate and reliable responses. For companies with an international customer base, language barriers can be a challenge. Chatbots can be programmed to provide support in multiple languages, enhancing accessibility for global customers.
- **Customer Insights:** Chatbots can collect and analyze customer interactions, providing valuable insights into common problems and areas for improvement. Businesses can use this data to enhance their products, services, and overall customer experience.



**Challenge 2:** Accelerated need for digital transformation within customer service processes

**Solution 2: Implement intelligent automation to transform the customer experience**

The role of automation, bots, and artificial intelligence in customer communication has become essential to long term business success in today's world. As technology continues to develop, more businesses are starting to realize the benefits of automated customer service and how it can drive customer service ratings higher.

Virtual agents that operate through Natural Language Processing, meaning they are able to absorb, identify, and react to a number of different queries. These sophisticated programs and targeted automated strategies provide an efficient solution to handle the high-volume, repetitive inquiries that overwhelm call centers. Businesses are then freed up to devote more time and resources to customers who need one-to-one conversations. They can deliver a far better customer service experience at a far lower cost.

Combining chatbots and human agents for customer satisfaction

As with any emerging technologies, automation and chatbots need to be approached with tact. Currently, the best strategies use both human agents and chatbots. Businesses can test bot technology and assess what's right for them without drastically affecting customer satisfaction.

A good starting point is a website's frequently asked questions. Today, people are more inclined to seek out information themselves than engage with a human agent. Using chatbots to automate FAQs is a cost-efficient test that can form the foundation for larger automation plans as the technology develops.

Chatbots can be used as the front-line customer service interface to answer the majority of repetitive inquiries. This combination helps businesses improve efficiencies without compromising customer satisfaction ratings.

# How to design an effective chatbot

Businesses can improve customer communication and drive customer satisfaction ratings by following a simple five-step process to automation:

## Opportunity Analysis

- Review customer service data
- Examine IVRs and CSR scripts
- Conduct Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis
- Identify all opportunities for automation

## Chatbot Design

- Sketch blueprints including flow designs for all areas
- Identify integrations needed to enable bots

## Engineering and Integrations

- Receive blueprint approval
- Develop bots for intuitive user experience

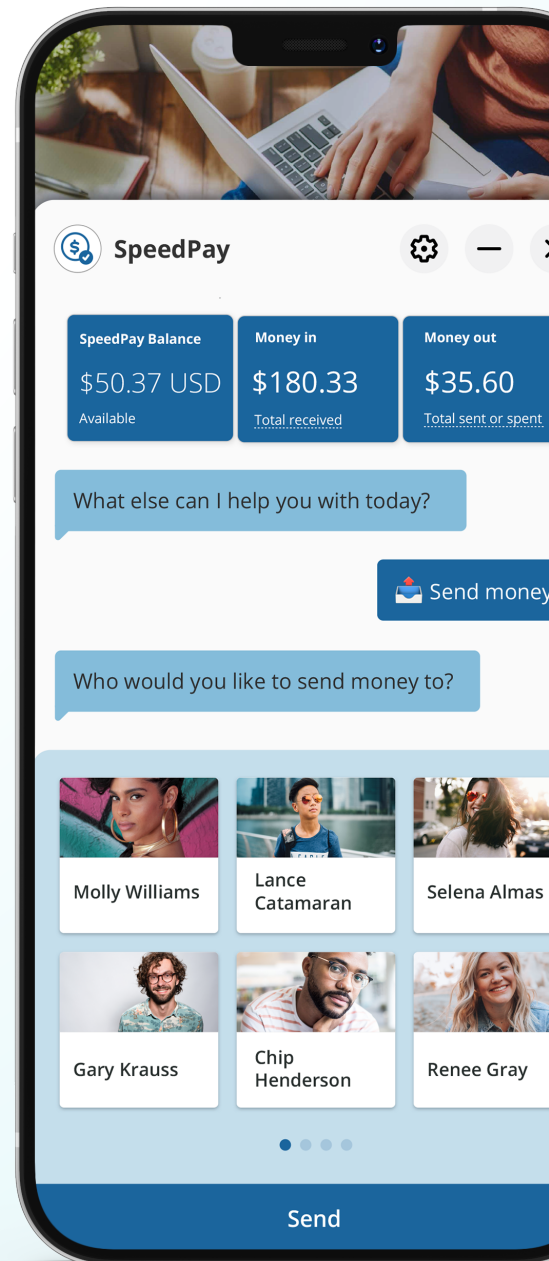
## User-Acceptance Testing

- Demo bots in test environment
- Adjust as necessary

## Activation and Optimization

- Conduct marketing efforts for Phase I onboarding
- Track usage analytics and fine-tune
- Benchmark performance against key performance indicators.

With this approach, businesses are able to automate up to 80% of low-level, repetitive inquiries, saving call center agents for the complex and uncommon issues that require the nuanced knowledge of a live agent. This results in faster issue resolution and more efficient service.



# How Pypestream is reinventing call centers:

We are dedicated to creating a world where customers are empowered to have complete control over how and when they interact with brands. We do this by transforming how brands engage with their customers; through experiential, conversational, and personalized digital engagements.



**300M+**  
consumers



**20+**  
countries



**90+**  
languages

**5x**  
**ROI**  
after 1 year

**IMPROVE  
YOUR  
BOTTOM-LINE**

**85%**  
avg.  
containment  
rate

**REDUCE  
OPERATIONAL  
COSTS**

**88%**  
**CSAT**  
avg. customer  
satisfaction

**FUTURE-  
PROOF  
YOUR  
BUSINESS**

## About Pypestream

We deliver custom AI and automation solutions that elevate customer experiences. The added strength of our in-house experts and actionable insights fuel revenue growth and customer retention.



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