Humans and AI in Unison: Driving the new era of customer experience

GENESYS™

Executive summary

At events, in headlines and during conversations, artificial intelligence (AI) continues to be a hot topic. Everywhere, consumers are inundated with news and speculation about AI's potential to change the world. Opinions oscillate between positive and negative — from helping employees increase their productivity to replacing their jobs, from improving medical outcomes to mitigating cybersecurity risks, and at the most extreme an uprising of the machines.

While most consumers aren't sure what AI is capable of today, recent technology advancements and more widely known examples of AI like DALL-E and ChatGPT have made what was once science fiction become a reality.

The Humans and AI in Unison: Driving the new era of Customer Experience report sets out to understand consumer sentiment on the future of AI and its role in CX. It will help guide businesses forward as they develop strategies and further implement technology to meet increasing and evolving consumer expectations.

Most consumers aren't fully aware when AI is working in the background to support many of their experiences today — whether it's delivering product recommendations, displaying the most relevant content in people's social feeds, safeguarding against fraud or more. Research shows that one of the most recognizable engagements consumers have with AI is through customer service bots. However, for decades, too many of these bots have had limited capabilities. This has led to poor experiences, earning them the notorious reputation of being "dumb" and incapable of actually helping anyone.

"Dumb" bots are becoming a thing of the past, however. As the technology matures and becomes increasingly connected, we see consumers' perceptions shifting — each younger generation becomes more accepting of using bots for customer service.

Notably, consumers are excited by the potential of AI to improve how organizations engage with them. Some benefits are shorter hold times, faster resolutions, 24/7 customer support and more. But bots are just one of the many representations of AI in modern customer experience today.
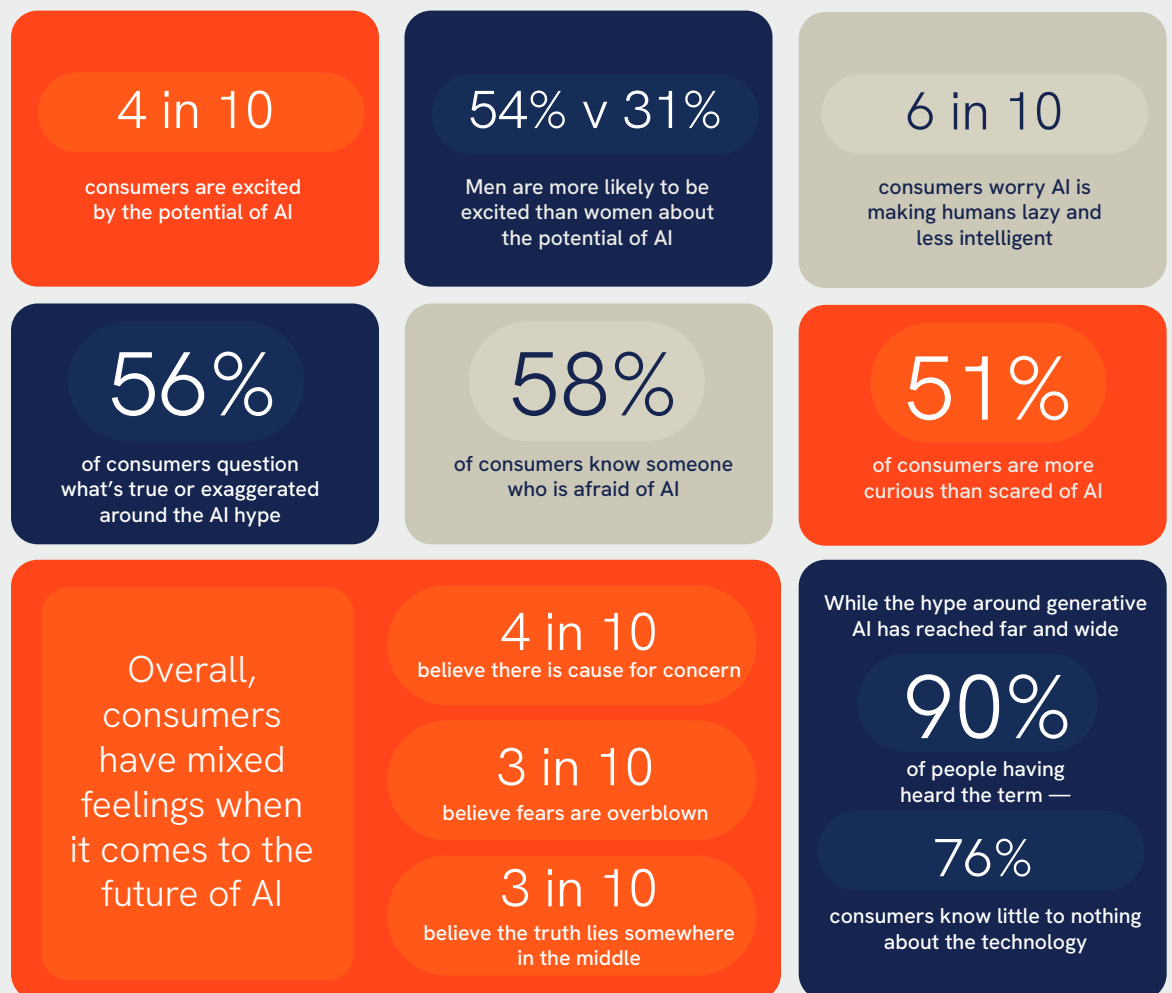
Finding the right combination of AI-powered support — from AI assisting agents in the background to a fully automated interaction — will be essential for organizations to meet customer preferences while optimizing their own workforce and operations. And by using AI's ability to orchestrate more fluid engagement, unifying the customer journey across touchpoints, organizations can transform their CX to deliver the experiences and outcomes consumers want. And, ultimately, that will earn a consumer's lifelong loyalty.

Methodology

Genesys conducted this research using an online survey prepared by Method Research and distributed by RepData among n=1,000 adults (age 18+) in the United States. The sample was equally split between genders, with a spread of age groups and geographies represented. Data was collected from October 31 to November 6, 2023. Respondents were provided with ten pre-selected celebrities, as well as the option to write in their top celebrity choice

Consumers are increasingly curious about AI's potential

ChatGPT captured consumers' attention in 2023, opening their eyes to just how far AI technologies have come and demonstrating its readiness to alter how we live and work. With more than half of consumers questioning what's real and what's overhyped, their sentiment on AI runs the gamut — curiosity, fear, excitement, uncertainty and beyond.

4 in 10
consumers are excited by the potential of AI

54% v 31%
Men are more likely to be excited than women about the potential of AI

6 in 10
consumers worry AI is making humans lazy and less intelligent

56%
of consumers question what's true or exaggerated around the AI hype

58%
of consumers know someone who is afraid of AI

51%
of consumers are more curious than scared of AI

Overall, consumers have mixed feelings when it comes to the future of AI

4 in 10
believe there is cause for concern

3 in 10
believe fears are overblown

3 in 10
believe the truth lies somewhere in the middle

While the hype around generative AI has reached far and wide

90%
of people having heard the term —

76%
consumers know little to nothing about the technology

Even for younger generations, who historically have been viewed as early adopters of technological advances, the majority admit to not being familiar with this groundbreaking technology.

Respondents who know little to nothing about generative AI
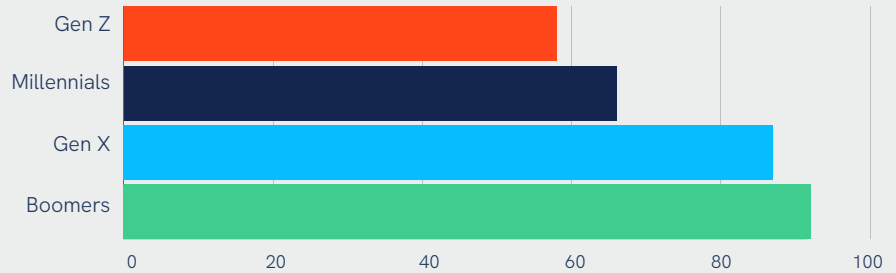
Among boomers, half believe that fears aren't exaggerated — those same feelings quickly drop with each younger generation.

Respondents who believe fears around AI aren't exaggerated
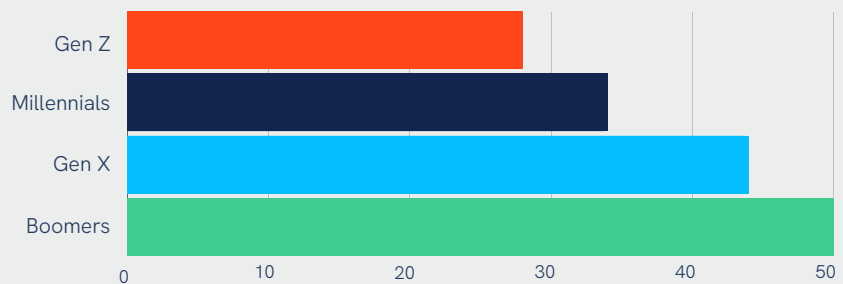
Without a clear understanding of what AI is capable of, consumers will continue to have mixed emotions about the technology.

## More fluid experiences drive acceptance of AI in younger generations

In customer experience, 82% of consumers rank speed — whether it's shorter hold times or having their issue resolved quicker — as one of the most valuable benefits AI offers them. The ability to access customer service 24/7 ranked a close second (81%).

Though AI-powered bots are the way to provide the around-the-clock service consumers want, whether people want to receive help from them or not varies. After dealing with fragmented interactions for decades, older generations are fed up with the experiences they've had with bots. But as algorithms are refined and data is seamlessly connected across business functions, a more fluid experience is emerging. The result: Younger generations are increasingly becoming more comfortable with using bots for service.

Despite this trend, many consumers across generations are concerned about the possibility of a human-less future in customer experience.

- Overall, 72% of consumers are worried that organizations using AI for customer service will make it impossible to reach a human agent.
- Boomers (88%) are the most concerned; however, this steadily decreases by generation — with a 33 percentage point drop by Gen Z.

Respondents who are concerned about being able to reach a human agent
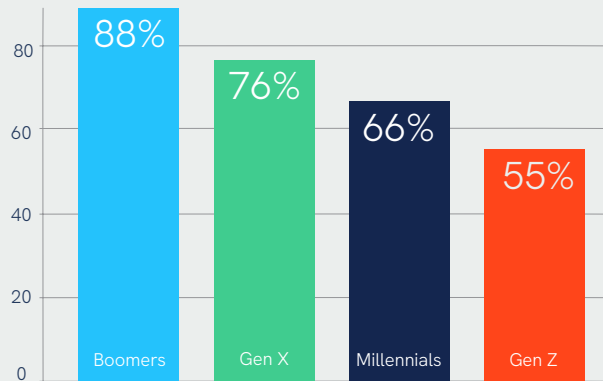
Half (50%) of consumers believe that by 2030 no one will care if they're interacting with a bot or not. Overall, the younger the generation, the more they believe people will embrace the help of AI-powered bots.

Respondents who believe most people will embrace AI-powered bots
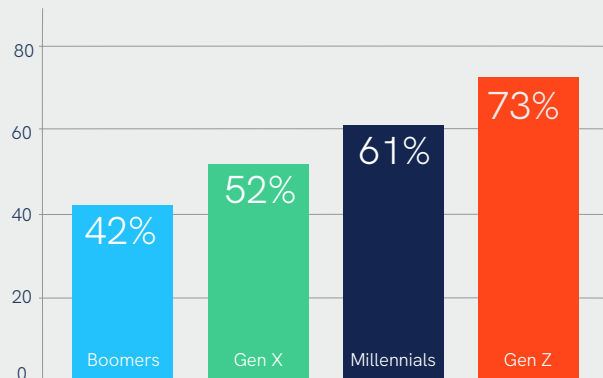
Something all generations agree on: When it comes to working with a virtual agent, they have no hesitations — as long as their issue is resolved quickly (72%).

As Gen Z drives the next wave of consumer spending, organizations need to have AI-powered technology in place to enable the delivery of the quick and convenient experiences the generation has come to expect. But it's equally important to provide personalized experiences for all generations by using AI to orchestrate consumer journeys. By connecting data across the customer experience continuum, AI enables consumers to engage on their channels of choice while ensuring experiences are equally empathetic as they are convenient.
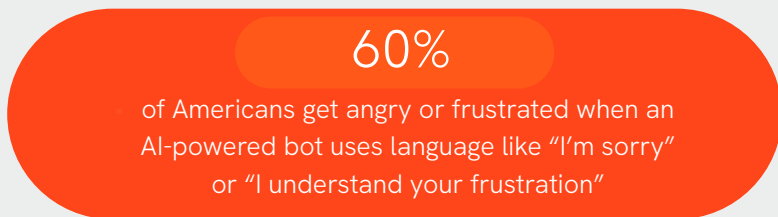
Consumers are particular about their virtual agents

Seven in 10 consumers feel at ease or indifferent when interacting with AI-powered bots. But, as AI becomes more conversational, the potential for it to be mistaken for an actual human grows. Not wanting to be fooled, most consumers want to be notified when they're dealing with a bot.
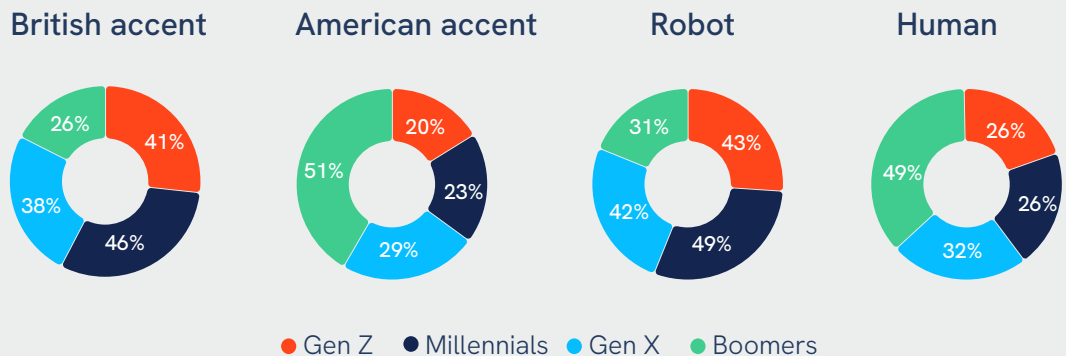
Perhaps for the same reason, they prefer that the bots don't show human characteristics. And, despite their preference that bots sound "robotic" — many consumers wouldn't mind having a little fun by interacting with one that sounds like a favorite celebrity.

- 63% of people feel like they can detect a bot immediately
- 80% of people say there should be a mandatory notification alerting you if you're speaking to an AI-powered bot or digital assistant instead of a human

Additionally, respondents don't want bots giving off too many human characteristics:

60%
of Americans get angry or frustrated when an AI-powered bot uses language like "I'm sorry" or "I understand your frustration"

- With the exception of boomers, consumers feel more comfortable dealing with a bot that sounds like a British robot. Boomers prefer a bot that sounds lifelike and has an American accent.

British accent
- 26% Boomers
- 41% Gen Z
- 38% Gen X
- 46% Millennials

American accent
- 20% Gen Z
- 23% Millennials
- 29% Gen X
- 51% Boomers

Robot
- 31% Boomers
- 43% Gen Z
- 42% Gen X
- 49% Millennials

Human
- 26% Gen Z
- 26% Millennials
- 32% Gen X
- 49% Boomers

● Gen Z   ● Millennials   ● Gen X   ● Boomers

Given the option for celebrity-voiced AI, some consumers wouldn't mind the novelty:

- Over one-third of consumers wish bots sounded like their favorite celebrity. The top three choices were:

1. Actors/musicians	2. Social media influencers
	3. Podcasters
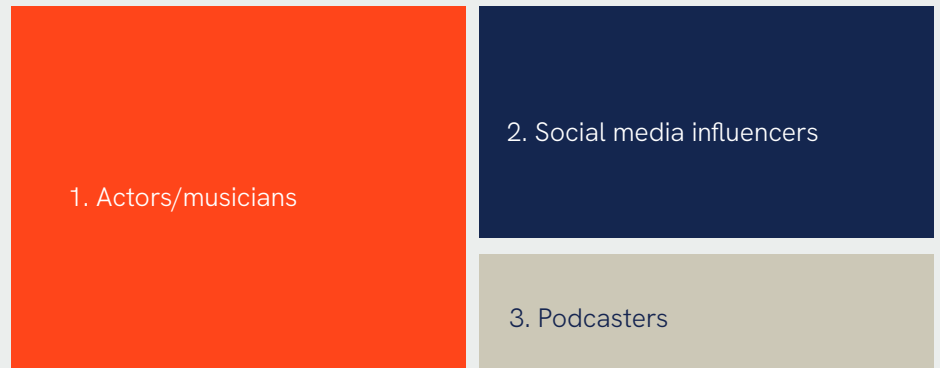
When asked which celebrity consumers would most want to have voice their bot, there was a clear winner: Morgan Freeman was the top choice across every generation.

Top five celebrity voicebots

1. Morgan Freeman
2. Ryan Reynolds
3. Taylor Swift
4. Emma Stone
5. Ryan Gosling
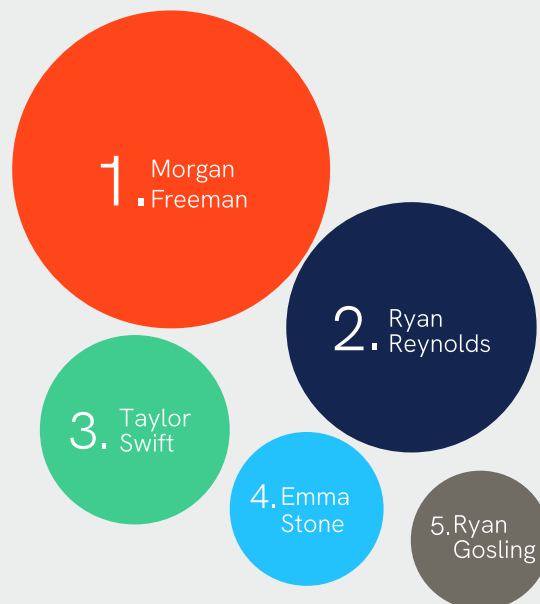
Whether through a robot or celebrity voice, organizations need to ensure their bots deliver fluid, personalized experiences that meet the needs of the consumer. An entertaining bot experience that fails to address a consumer concern could disenchant them and impact the bottom line.

Bot or not, every generation wants the right interaction at the right time, through the right channel and at speed

Despite increasing adoption of digital channels, the 2023 State of Customer Experience report from Genesys found that speaking to a live agent on the phone is still the most preferred method of customer service. While consumers feel more comfortable sharing personal information with another person, they don't think every customer service inquiry warrants human engagement.

This is where bots can really drive value, providing the quick resolutions consumers are looking for, or allowing consumers to resolve an issue outside of regular business hours when it's most convenient for them.

6 in 10
consumers are more comfortable sharing personal information with a human agent than a bot

- If that personal information is embarrassing, the percentage of people who would prefer to divulge the details to a bot increases 3X.

The top three customer experience scenarios in which consumers would prefer to talk to a human are:

1 Asking for medical advice

2 Asking for financial advice on specifics about their personal finance

3 Rescheduling a flight

The top three customer experience scenarios in which consumers are most comfortable interacting with a bot are:

1. Resetting passwords

2. Asking a product question while online shopping

3. Scheduling a day-to-day appointment such as a haircut or a dental appointment

Eight in 10 consumers say a 24/7 customer service bot should be able to set up a callback with a live agent at the next available time during business hours.

**7 in 10
(69%)**

consumers are comfortable with AI-assisting human agents, but don't want to interact solely with a bot

Using AI to its full potential in customer experience means striking the right balance between human and AI interactions across any digital channel. Understanding consumer preferences and being able to connect them to the right agent — human or virtual — is central to delivering the right experience at the right time for consumer of any generation.

The right combination of human and AI support means winning experiences

Consumer views on bots are telling — and can provide businesses with valuable insights to help them navigate the complexity and nuances involved in delivering experiences that not only satisfy but delight consumer. But AI in today's CX powers more than just virtual agents; it provides an opportunity to unify experiences in a way that wasn't previously possible.

As the technology continues to advance and permeates everyday experiences, businesses should focus on providing a winning combination of human and AI support to meet consumer preferences while optimizing their own workforce and operations.

Where to start: Three focus areas

1. **Orchestrating experiences**: Experiences need to be connected — no matter where they start or end. AI has an integral role in orchestrating customer journeys, helping to remove silos between departments or channels and allowing data to flow across the entire experience. This gives agents — human or virtual — the information they need to provide superior, end-to-end customer experiences at scale.

2. **Upleveling experiences**: Connect consumers to the right agent — virtual or human — depending on the need, the first time. Take in real-time data to meet the needs of all generations, anytime and anywhere. AI can ensure agents are served up information instantly, without a need to search for it, so that inquiries are resolved quickly and correctly.

3. **Personalizing experiences**: Ensure the right experience is delivered at the right time with more personalization. AI-powered solutions can recall user preferences and interaction history to help consumers feel remembered and appreciated. Ultimately, this drives consumers loyalty and improves business outcomes.