



LivePerson Expert Guide

# Becoming Conversational



# Executive summary

Our lives, our work, everything we do is built on conversations. More and more of those conversations are taking place through messaging – on consumers' own time through the devices and apps they most prefer. It should be as easy to interact with a brand as it is to communicate with friends and family. Yet, many brands are not meeting consumers via messaging, forcing them instead to call into frustrating interactive voice response (IVR) systems, self-serve on complicated websites, or download mobile apps.



**Conversational solutions allow brands to meet consumers in their channel of choice with a scalable personalized solution for customer care, marketing, and sales**

Conversational solutions are asynchronous and driven by artificial intelligence (AI), providing a way to manage multiple customer conversations at once, at the customer's convenience and at scale. They rely on embracing an automation-first mentality but don't fully replace human interactions. Most of all, they are built to delight customers.

This Expert Guide explains what Conversational solutions are, their benefits, how to effectively implement them, and how best to measure them.



# Introduction

Consumers' communication preferences have changed dramatically in the past decade. The number of monthly texts sent has increased by more than **7,700%<sup>1</sup>**. US smartphone users send and receive five times more texts than they make and receive calls.<sup>2</sup>



## Consumers are less willing to

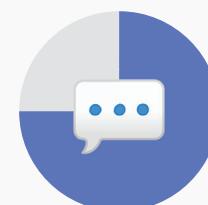
- Wait on hold for a call agent.
- Navigate an IVR system.
- Email an inquiry and wait for a response.
- Attend to web chat windows.

At the same time, e-commerce has proven to be an ineffective way for consumers to purchase products and services. Less than **5%** of people who visit a website actually buy something, with just **11%** of retail sales coming from e-commerce.<sup>3</sup>

What consumers really want is a way to ask their questions and get an answer via a communication platform they prefer. They want to be able to ask follow-up questions as they occur to them and have more natural conversations.

For brands, this represents a transformation. In the financial services sector, three-quarters of calls to contact centers began as a visit to the website. With **268 billion** calls to call centers each year amounting to costs of **\$1.3 trillion**, businesses need to look for more efficient ways to not only service their customers effectively but also delight them in the process.<sup>4</sup> As businesses, brands, and products become more and more commoditized and homogenized, service will become increasingly important. In fact, by 2020, customer experience is predicted to overtake product and price as the most important way for a company to differentiate itself.

LivePerson believes the best way to service customers is to meet them where they are — in messaging channels. By the end of 2018, people were sending **100 billion** messages per day on Facebook Messenger, WhatsApp, and Instagram.<sup>5</sup> In fact, texting is the most used function on smartphones. A recent Pew study revealed that one-third of Americans prefer text to all other forms of communication.



**+75%**

of US consumers say receiving a text message is the fastest way to reach them for important service updates and purchases

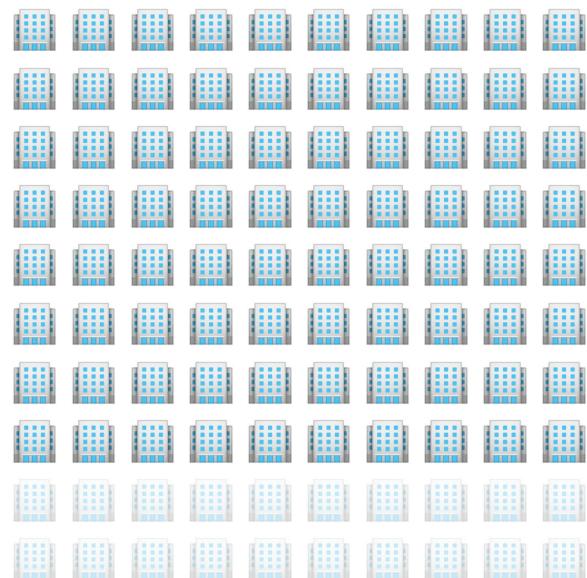
Source: International Smartphone Mobility Report by Infomate, 2015

1. Statistic Brain Research Institute, 2018, 2. International Smartphone Mobility Report by Infomate, 2015 , 3. Statistica,

4. IBM, October 2017, 5. Facebook Q3 2018 earnings call

# **Conversational solutions are an opportunity for brands to practice the customer-centricity they preach**

Companies at the forefront of innovation are bringing their brands closer to the customer via conversations on the platforms they already are on such as messaging, voice devices, and social media. These conversations become the voice of the customer, and the feedback gained helps optimize or innovate new products and services. This is the future of the customer experience. Messaging connects us to friends, family, and our colleagues. Increasingly, it also connects us to companies. This guide offers a deeper dive into the world of Conversational solutions: what they are, how they do it, what the benefits are, and how to measure the business input.



**80%**

of companies agree that customers increasingly expect relevant, personalized information across the customer journey

Source: Forrester Consulting research  
commissioned by LivePerson



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# What are Conversational solutions?

Conversational solutions make it easy for consumers to ask questions, buy products and services, and get help by texting from their favorite messaging app or speaking through their voice assistant. They work throughout the customer journey – from consideration to purchase through to support. What this really means is that customers no longer want to interact on the brand's terms, whether that means calling the brand's IVR, downloading the brand's app, or visiting the brand's website. Ultimately, the goal is to create more seamless, convenient, and personalized experiences on consumers' preferred messaging platforms.

As technologist Chris Messina points out, the language around Conversational solutions are social, not technological. We talk about "adding," "inviting," "contacting," and "messaging" with friends, family, and colleagues. Conversation feels inherently more accessible to more people, which will accelerate its adoption. This represents a transformation in how businesses build a relationship with their customers. In the following pages, we outline what makes Conversational solutions unique from other marketing, commerce, and customer service platforms.



## What makes Conversational solutions unique

- |                           |                                     |
|---------------------------|-------------------------------------|
| They're asynchronous.     | They improve jobs.                  |
| They're AI-powered.       | They're built to delight customers. |
| They're automation first. |                                     |



## They're asynchronous

Synchronous communication – like phone calls and web chats – are session-based, with a specific beginning and end, during which the customers must be tethered to the channel. It requires the consumer to be fully engaged in the conversation as it's happening, yet there are many reasons we might need to pull away: a meeting is starting, dinner needs to be made, the game is on, or the kids have a question about homework. Asynchronous communication allows consumers to interact with businesses on their terms, to get answers to questions when they need to, to check back in with further questions, and to choose when and how they interact with a company. “Everyone gets distracted,” explains Niraj Patel, Managing Director, AI at digital transformation consultancy DMI. “Yet, no one wants to wait when they have a question. From a conversational point of view, once people try it, they love it.”



### Asynchronous communication

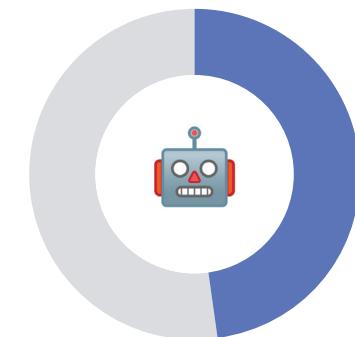
- Allows customers to interact or inquire on their own time and terms.
- Promotes continual, sustained engagement.
- Is more efficient for brands.
- Isn't restricted to finite sessions.

## They're AI-powered

A recent Gartner study forecasts that by 2021, **15%** of all customer interactions will be completely handled by AI-driven virtual assistants. This represents a **400%** increase from 2017. It is AI that makes Conversational solutions at scale possible. AI can be used to help consumers through their entire customer journey including discovery, consideration, transaction, post-purchase care, and re-engagement. The business use cases include service inquiry resolution and personalized recommendations. For example, LivePerson partnered with a US telecommunications brand to implement AI capabilities. The brand developed a process by which selected leads are routed to the closest retail store based on a consumer's address. Store associates receive these leads on mobile devices and can send the consumer SMS text messages with promotional offers.

**48%** percent of all messaging conversations include automation, and **8%** are completely handled by automation.

Source: LivePerson data



## They're automation first

Automation is the key to scaling conversations, but in many organizations, the messaging operations are separate from the automation/bot programs, often with different stakeholders. We recommend the opposite approach. We believe your best bot and conversational designers are your strongest agents. They know how to speak with your customers and should be involved in the bot development process. Automation should be introduced from launch, but it need not be all-encompassing or overwhelming. Automation should start with the intent: a customer's desire to change their relationship or state with a brand. For example, variations of "I want to check on my order" can be used in an "order status" intent. In the beginning, simple automation with no back-end integrations such as routing, after hours, or pre-/post-customer surveys can be introduced. To scale, start by picking use cases with high inquiry volumes or intents of high value to your brand.



**Automation should be introduced from launch,  
but it need not be all-encompassing or overwhelming**

## They improve jobs

Conversational solutions don't mean you won't need your contact center staff. They do, however, change the role that humans play in the model and create a hybrid workforce. While today's contact centers rely heavily on human agents to resolve customer queries, Conversational solutions shift their role. Rather than spend their time on the phone answering individual calls one-by-one or a couple of chats at a time, Conversational solutions allow agents to handle many more asynchronous conversations at a time and become escalation points for queries the bots can't handle. Agents are able to focus on higher level resolution challenges, rather than spend their time on questions that can more easily be automated. Additionally, launching a bot differs from software deployments in one key way: Bots must be continually trained and optimized. To do this, a new role, bot manager, needs to be created. So, while some agents will shift into higher impact conversations and serve as escalation points when bots are not able to resolve an issue, others will need to evolve into bot managers. When voice agents move to dedicated messaging as their channel, brands typically see an improvement of **30%** to **50%** in agent attrition and **2x** improvement in operational efficiency — a double win.



**With bots, we can further increase our efficiency, freeing up our agents to handle the conversations that require a human touch.**



CARLOS LOURENCO

Senior Manager, Ecommerce Contact Center & Order Management Operations  
The Home Depot Canada

## They are built to delight customers

Conversational solutions are a new way of communicating and building a relationship with customers. It's important to launch in an environment where the priority is innovation, constantly aiming to deliver and optimize great conversations. The focus is on ensuring that conversations are resolving intents, that customers enjoy the conversational experience, and that the end-to-end conversation is more effective and efficient than a voice call.



**The focus is on ensuring that customers enjoy the conversational experience**



**Our customers should be able to bank with us when they want and how they want. An increasing number choose to use digital channels as a convenient way to interact with us. We will continue to adapt our services as our customers' needs change, to provide banking services on their terms.**



WARREN BUCKLEY  
Global Head of Contact Centers  
HSBC



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## Benefits to consumers

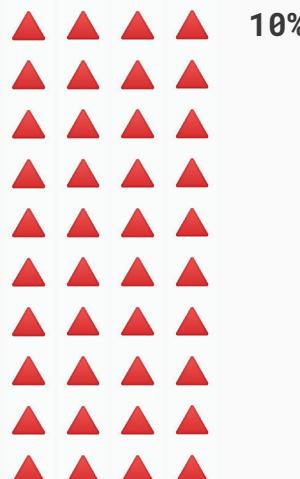
For consumers, the convenience of being able to communicate with brands on their own time and chosen device translates to higher customer satisfaction rates (CSAT) and net promoter scores (NPS). For one bank client, the average CSAT rate for messaging is **95%**.

For another client in the travel and hospitality industry, NPS rose **17%** when it moved from chat to messaging. The Cosmopolitan resort in Las Vegas found that customers who had engaged with their bot prior to checkout were **33%** happier than those who hadn't. The lack of hold times and not needing to navigate an IVR typically leads to an increase in customer satisfaction. Consumers are also guided through recommended next actions, and the emergence of voice services mean that they can use voice assistants such as Alexa to communicate with brands.

When we talk about Conversational solutions, however, perhaps even more important than CSAT is a meaningful connection score, which is a real-time measurement of sentiment in the conversation while it's happening. Smartly built bots are able to recognize sentiment within a conversation – including frustration – and are better at resolving issues. If the Meaningful Conversation Score begins to decline during a conversation because a customer is irate (using ALL CAPS or excessive exclamation marks), the bot can escalate to a human agent to resolve the issue in real time.



For a telco company, **70%** of customers chose the “Message Us” button rather than the “Call Us” button, indicating an overwhelming preference for messaging as the platform of choice for communication.



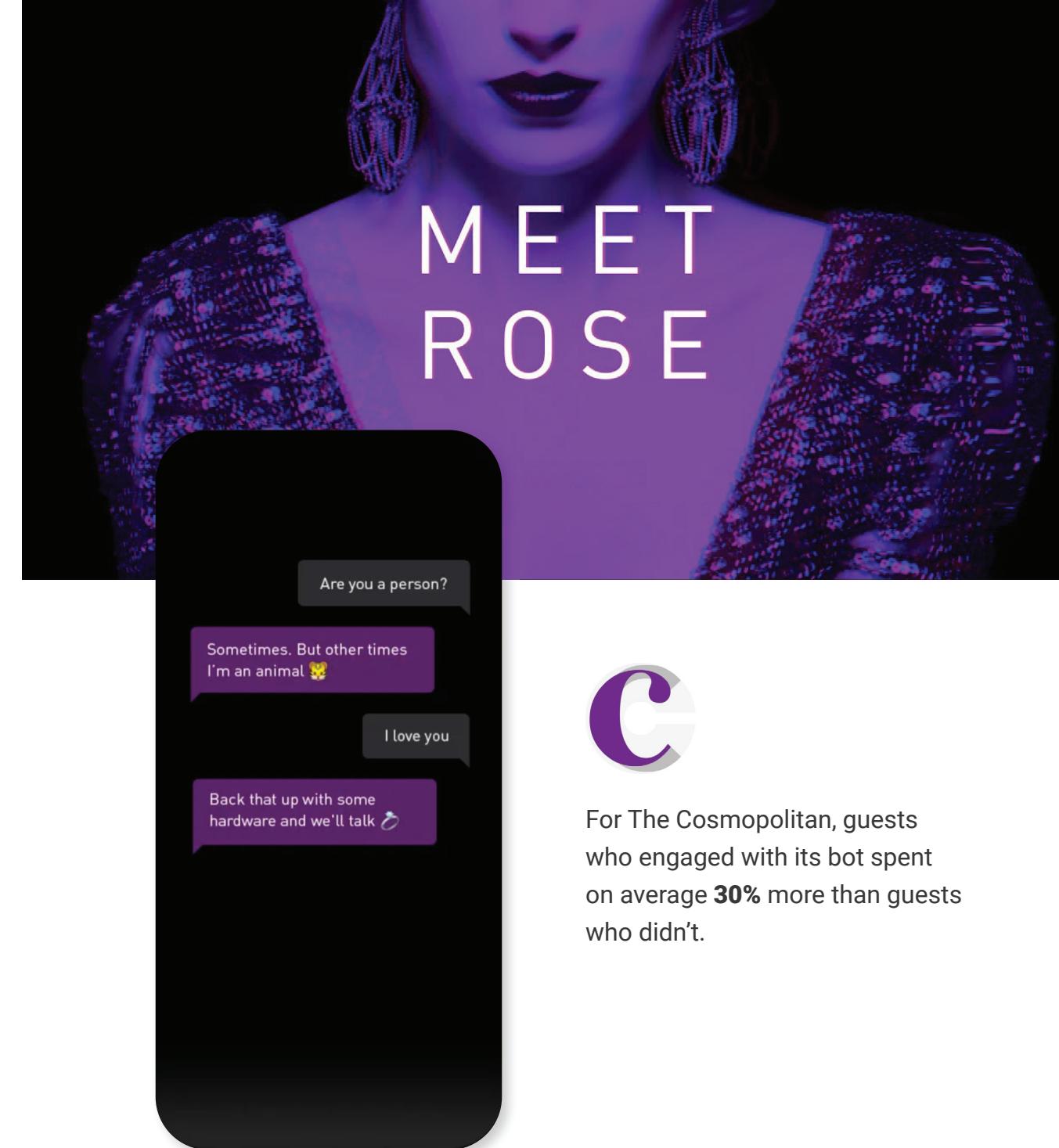
Escalation rates were reduced from **10%** to **0.28%** at a major wireless carrier with Conversational solutions

## Benefits to businesses

While the data supports the benefits of Conversational solutions for consumers, the impact also affects the organization. For a business, the benefits can be considerable. The hotel mentioned above also found an **80%** bot containment rate for guest inquiries, leading to substantial cost savings.

First call resolution (FCR), on average, is **85%** for clients using Conversational solutions, with some exceeding **90%**. For a major telecom company, messaging productivity was 2x-4x that of voice. The company also experienced a **30%** deflection rate from voice calls to digital messaging. With that kind of performance, it's possible to realize a **15%** annual savings on contact center costs.

In addition to cost savings, brand loyalty can be increased as well as an increase in average order size. For The Cosmopolitan, guests who engaged with its bot spent, on average, **30%** more than guests who never interacted with it. In a 2019 Forrester study, three-quarters of respondents who use AI, automation, and chatbots reported achieving higher-than-expected revenue growth, and half said their customer satisfaction scores were higher than planned in the previous 12 months.



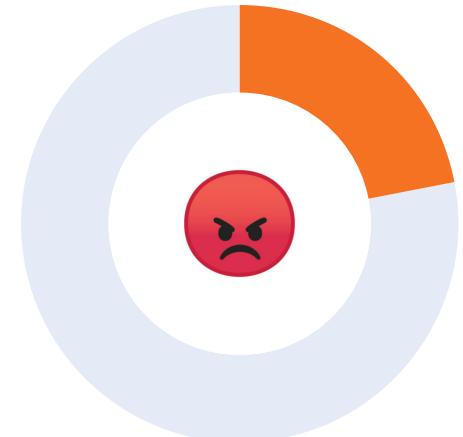
For The Cosmopolitan, guests who engaged with its bot spent on average **30%** more than guests who didn't.

## Benefits to employees

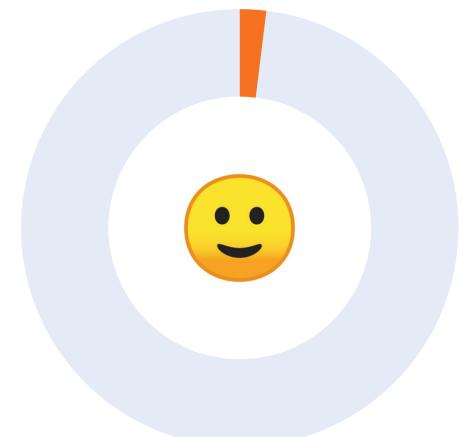
The benefits are not just cost savings and increased revenue. There is also a significant positive effect on employees. As mentioned, the role of the customer service agent shifts dramatically as companies embrace Conversational solutions. Without the use of bots, agents at one retailer were averaging about **70** conversations with customers per day. When bots were instituted, the agents became bot managers and were able to oversee **200** conversations per day. While you might expect the increase in conversations to result in lower employee satisfaction, in fact, the opposite happens.

More and more, companies are recognizing the potential value in automating the more rote tasks currently performed by humans. In a recent study, Forrester Consulting found that four out of five companies agree that automating routine interactions would allow staff to focus their time on where it has the highest impact: complex customer interactions and innovation.

Because agents are freed from some of the more mundane tasks — such as resetting passwords, looking up an order, or checking an account status — they're able to focus on more challenging and thus more satisfying work. As agent satisfaction increases, attrition decreases. For one telco company, agent turnover dropped from **22%** on voice to **2%** on SMS messaging.



For one telco company, agent turnover was at **22%** on voice



And dropped to just **2%** after making the switch to SMS messaging

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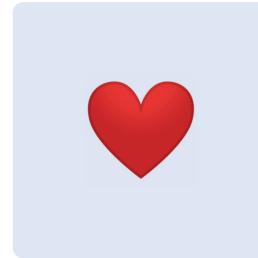
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## What are the organizational components?

At scale, Conversational solutions will impact many different functions within an organization. To set your organization up for success, think about the roles each department would play in the development and rollout of Conversational solutions capabilities and which departments are best to draw from. For Conversational solutions to be successful, they require a cross-functional team.



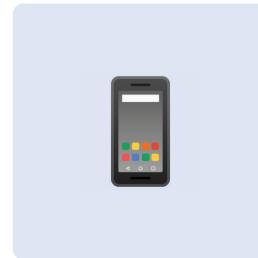
Customer care



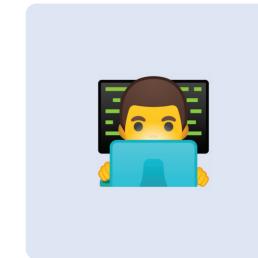
Marketing



Product



Digital



IT



Legal

## Customer care

One of the most significant shifts that needs to occur as companies transform into conversational businesses is the evolving role of agents. Interacting with consumers through asynchronous messaging requires new skills and metrics. Bots and automation introduce new ways of working for contact center agents.

Building a bot isn't a "set it and forget it" initiative. Building effective bots requires input from agents. They are the front line for customers. They are the employees on the phone with the customer every day. They understand better than anyone what customers need.

To build bots that truly delight the customer, agents should not only write the underlying rules of engagement and interactions but also become elevated to the role of bot managers over time. They don't just manage interactions but also provide performance reviews for the bots. Long-term, customer care shifts from call centers to bot management centers.



**The future lies not in a single person answering six calls per hour, but in allowing agents to manage multiple conversations at a time**

## Marketing

The marketing department needs to represent the voice of the customer. They also need to think about how to incorporate the brand voice into the language and personality of a bot. Many brands are beginning to use Conversational solutions to market to new audiences through conversational advertising and Proactive Messaging. Marketing will want to measure customer growth from Conversational solutions, along with new key performance indicators (KPIs), including conversion and revenue.

## Product

The product team is responsible for incorporating messaging into the brand's digital products to enhance the customer experience. Product teams will also benefit from reporting on conversational interactions, providing real-time insights into consumer intent and buying behavior.

## Digital

The digital team is often heavily involved in bot creation and its ongoing management and understanding how Conversational solutions work within the overall omnichannel strategy. It is also where conversational design typically resides.

## IT

The IT team will be responsible for integrating Conversational solutions with existing marketing and customer service technologies and is critical in reviewing and selecting providers as well as performing security reviews. IT will also work on developing new bots, configuring artificial intelligence and analyzing performance, and any platform customization.

## Legal

Including the legal team at the outset helps ensure companies are in compliance with regulatory rules, which is particularly important for financial services and healthcare companies. This team also helps the rest of the stakeholders understand the privacy dimensions of Conversational solutions.

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## The technical components for Conversational solutions

As companies consider their transformation into a conversational business, they should look for a partner with the infrastructure, services, and APIs to extend and build new capabilities and services that suit the needs of the business. The availability of prebuilt frameworks optimized for each industry help ease the transition into Conversational solutions. Availability, security, and operability should be world-class, always assuring companies and their customers solid stability and performance.



**To truly transform into a conversational business, it's essential that a brand can provide a high-impact conversational experience on any channel of a consumer's choice**

Conversational solutions can run on any messaging or social platform or a voice assistant such as Alexa or Google Home. It maximizes choice for the consumer and works in the living room, the car, the office, or anywhere.

To do that, look for a partner that supports not just core essential messaging channels such as SMS, Apple Business Chat, Google Rich Business Messaging, and WhatsApp. Increasingly, support for social media and other messaging services such as Twitter and Instagram will become the platforms of choice for consumers. Companies should also look for a partner whose software development kits (SDKs) are easy to use, high performance, and flexible.

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# How does conversational design impact UX?

From a user experience perspective, conversational design is the new web design. That doesn't mean that visual design is obsolete. On the contrary, visual design is still crucial to creating meaningful conversations, but it also requires new practices, new interaction patterns, and new interfaces. For designers, one of the questions they must confront is: how does visual design evolve when consumers are engaging with a brand over longer periods of time, on the go, and potentially hands-free? Questions become even more complex when voice is added to the equation.

**A conversation flow will usually entail the following steps:**

- 1** **Communicate;**  
[Customer communicates intent such as booking a room]
- 2** **Route;**  
[System determines intent and routes to a human or bot]
- 3** **Address;**  
[The conversational experience reflects the brand]
- 4** **Resolve;**  
[Company resolves intent and satisfies the customer]

One best practice companies should adhere to is letting their customers know they are talking to a bot rather than a human. Providing transparency isn't just good for the customer. There is an unintentional upside: when people know they are speaking with a bot rather than a human, they tend to modify their text. They use less slang, they become slightly less colloquial in their conversation, and they tend to become more clear in their language to ensure the bot understands their request.

 **The only competitive strategy is one obsessed with understanding, engaging, serving, and delighting customers. Customer experience must be a core company strategy, and customer engagement operations must deliver experiences in line with customer expectations at every touchpoint.**

FORRESTER CONSULTING STUDY  
COMMISSIONED BY LIVEPERSON

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# Best practices to build organizational buy-in

As with any new or transformational technology, fear of the new, internal resistance, or inertia can slow down progress. There are several steps an organization can take to build consensus and gain internal momentum.

First, a business needs an owner for Conversational solutions — one who is personally committed and can act as a mobilizer and internal evangelist. This person also needs to be responsible for shepherding the steps toward Conversational solutions through internal approvals.

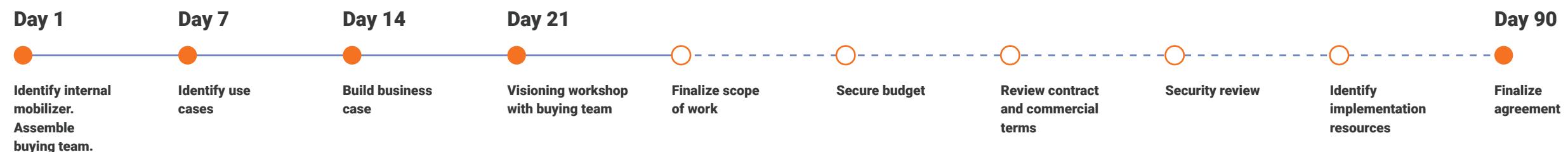
Second, that person needs to build the business case. The benefits discussed above can help address the concerns that may arise within an organization. He or she also needs to align cross-functional teams to achieve consensus.

The typical time frame to build consensus for the decision to move forward with Conversational solutions is 90 days, including developing the business case, driving cross-functional departmental alignment, and securing final approvals.

## Successful mobilizers typically have the following traits



- Recognize the importance of implementing Conversational solutions.
- Are personally passionate and invested.
- Understand and can influence internal and cross-functional departments.
- Are willing to drive the required approvals.



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## The power of AI & automation

We've mentioned the importance of upholding an "automation-first" mentality when it comes to Conversational solutions, but what does that actually mean? For most companies, when they think about automation, they base their solution on a 100% automation assumption, asking which of their journeys can be fully automated. They then ask which journeys have the largest impact in terms of feasibility and number of inquiries. They typically set up a team of people to manage an operation, for instance, checking order statuses or booking a hotel room. Once the team is in place, they begin to identify how the hand off of labor will impact the organization. With additional bandwidth, companies then think about what can be done with that time and resources. While this may seem to make sense, it treats automation as an afterthought rather than a starting point.



**Automation first starts by asking, "What are my brand's critical conversations?" Second, "How can I affordably build Conversational solutions to identify customer lifetime value and attrition risk?"**

Automation first asks what parts of the operation are too complicated for bots and require human intervention or expertise. Automation first leverages massive conversational data sets to rapidly bootstrap automations, understand intents, and build high impact goal-oriented dialogs that are optimized for specific industries.

The benefits to an automation-first approach is an increase in efficiency and speed and reduced costs. Benefits of automation for LivePerson customers include: **30%** increase in average order value, **33%** increase in customer satisfaction, and **90%** containment on targeted customer journeys. Leveraging automation also frees personnel to work on higher value and more interesting projects. Keep in mind that "automation first" doesn't mean "people second." On the contrary, automation first means new roles and skill sets for employees. It also means that a business can take practical, incremental steps towards greater efficiency and stronger customer engagement.



**+30%**  
in average  
order value



**+33%**  
in customer  
satisfaction



**90%**  
containment on targeted customer journeys

## Scaling Conversational solutions

To enable brands to massively scale Conversational solutions and increase agent productivity, they must lead with automation. It's critical to build a bot engineered for thoughtful conversational design that is tailored to the brand, the channel, and the specific use case. One way to do this is through a service that allows a company to easily access multiple tools such as conversation builders, prebuilt automations, and natural language understanding (NLU) services.

**"To successfully serve your customers well, you have to be there when they want you, in a channel that the customer wants to use. Our long-term relationship with LivePerson allows us to do that, through every type of messaging, integration of our bot, and many other digital solutions.**



ALICE FRYATT  
Head of Digital Customer Support Delivery  
RBS



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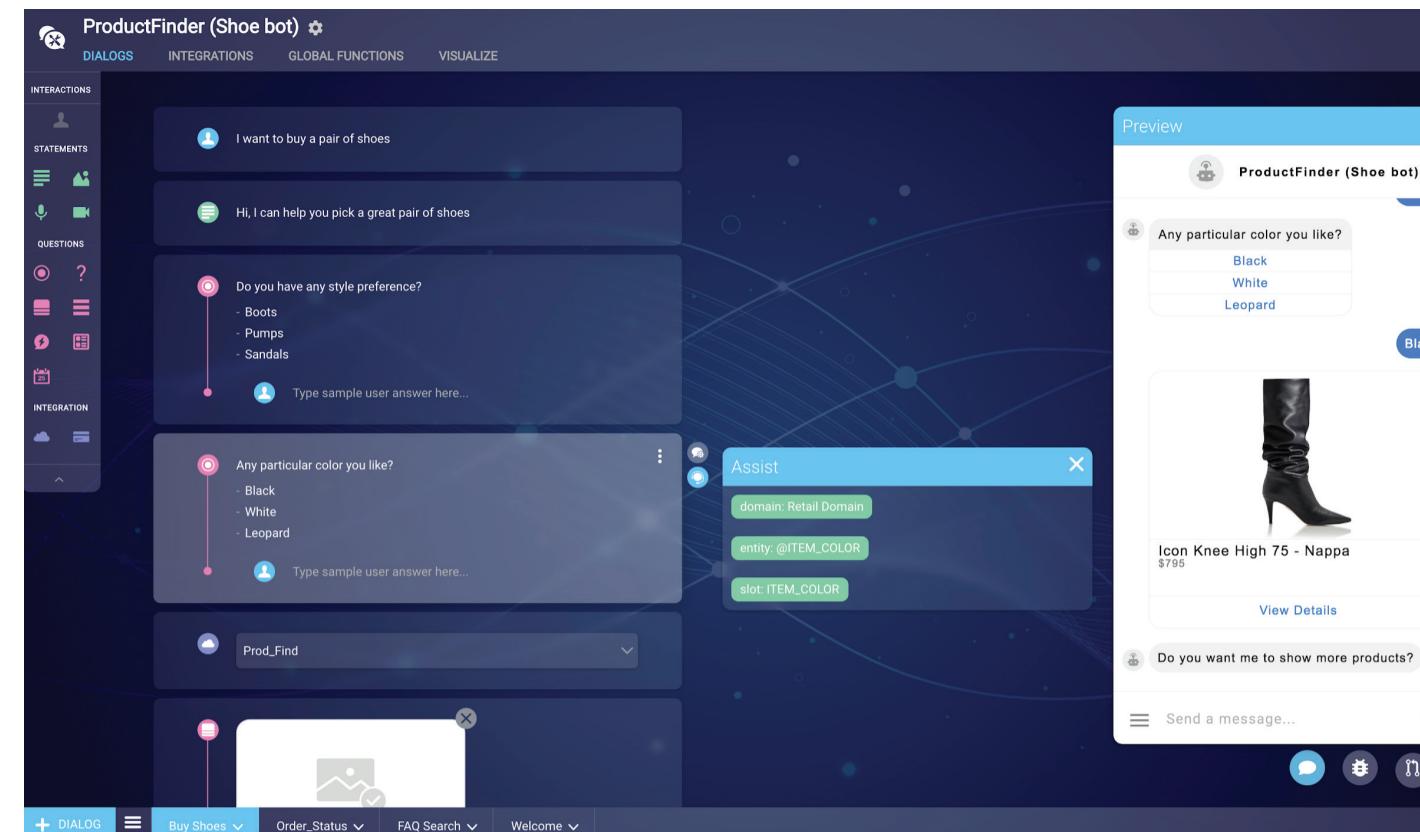
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# LivePerson's Conversation Builder™

Building a conversational bot needn't be overly complex, nor does it always require intense technical resources. Conversation Builder™ is a tool LivePerson offers that focuses on dialog design by starting first with transcripts for fast onboarding. It also includes advanced dialog management, global intent detection, API integrations, and complex error handling. One challenge for bots has traditionally been supporting new intents if a customer changes topics midstream. Conversation Builder can elegantly handle support for intent switching. Conversational Builder can be used by nontechnical teams to build and update simple bots as well as developers to enable complex conversational flows and deep integrations into enterprise back-end systems.

## Conversation Libraries

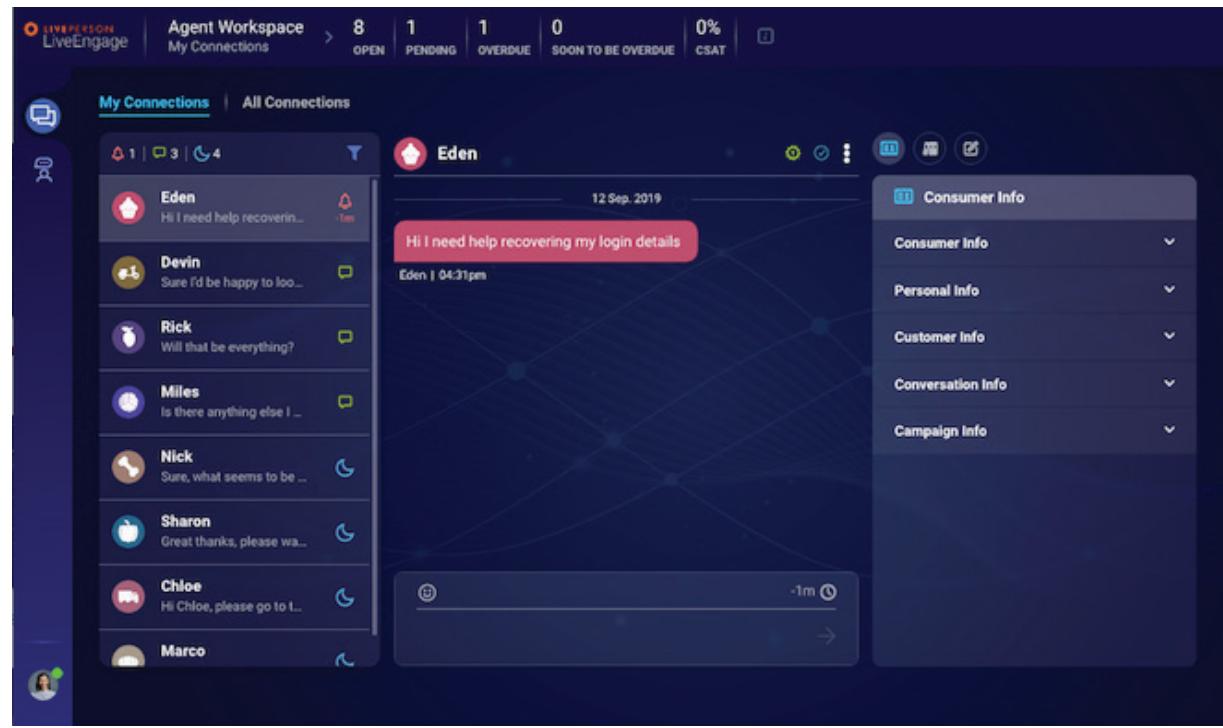
There are certain intents that are unique to a specific vertical. For instance, one common intent in retail may be looking up expected delivery dates for an order while in insurance, it may be checking the status of a claim. Using the institutional knowledge gained from working across multiple verticals, LivePerson's Conversation Libraries deliver prebuilt bot templates for key industry verticals.



LivePerson's Conversation Builder

## Managing conversations

Building a bot is a first step. While there are tools that help with the heavy lifting of building the bot, the ongoing management of a bot or multiple bots can be more complex. Contact centers are already equipped to handle queue management, agent capacity, and routing. Marketing teams are heavily involved in brand management, stewarding the look, feel, and voice of a brand in communications with customers. Integrating Conversational solutions into that workflow requires technology that is built for large-scale contact centers with asynchronous messaging tools that run operations with maximum efficiency.



Conversational Cloud Workspace

## Conversation management

Best-in-class conversation management doesn't just integrate into contact center operations. It provides a smarter agent workspace that allows agents to easily manage multiple concurrent messaging conversations, automatically surfacing the conversations that require attention. It also empowers managers to view team performance and metrics at a glance, including bot agents. Finally, business managers are able to use real-time conversational data and actionable insights to react to unforeseen market demand and critical exceptions.

Agents and managers need to be able to focus on the most important customer needs. A technology provider that understands this will include tools that allow a brand to perform configurable bulk operations, advanced rich content authoring, increased workspace extensibility, real-time reporting, and AI integration to help agents focus on the more pressing customer problems.

A best-in-class management tool should include important ops metrics such as:

System resolved rate	Time to first
Agent CSAT	Abandon
Responses per conversation	Resolved conversations per hour
Queue time	+ more

# LivePerson's Conversation Orchestrator™

Conversational solutions can only scale with the assistance of AI to help automate common questions and routine customer inquiries. Yet, it should be a two-way street with bots able to recognize when to escalate to an agent and agents able to use automation to help complete requests. Ideally, a brand-optimized AI analyzes each step of a conversation to assess consumer intent and find opportunities to help, taking context and history into consideration.



**In a fully conversational business, the majority of conversations will be routed to automated agents and will never require human intervention**

However, if a conversation is escalated to an agent based on declining sentiment or a consumer request, all the conversation details should be available in a structured format for an agent as a warm and seamless hand off — the consumer should never have to repeat himself or herself.

LivePerson's AI engine, Conversation Orchestrator, can recommend the best next actions for a conversation based on intent, customer profile information, recent interactions, operational performance, and other contextual data. Conversation Orchestrator can route conversations to the bot or human agent best suited to handle the inquiry and uses machine learning to assess effectiveness and improve over time.

The screenshot shows the Conversational Cloud Agent Assist interface. On the left, there's a sidebar titled "Visitors" with "My Connections" and a count of 6. It lists "Agent Conversations" with users like Rebecca Klein, Marian Reed, Christian Allen, Sylvia Long, Tony Ramos, Clifford Blair, and Glen Ferguson, all showing "Last text in the chat". Below that is a "Bot Conversations" section with Susie Massey. The main area is a chat window with a message from "Rebecca Klein" at 03/22/19, 12:08pm: "Or fire pit you are looking for, wood burning, propane, gel fuel, or natural gas?". A response from "You said" at 3/14/19, 4:09 PM follows: "natural gas". Another message from "Rebecca" at 3/14/19, 4:10 PM: "Ok! There are a variety of natural gas fire pits. Price ranges from \$150 to \$5,000. Do you have a price range in mind?". A message from "You said" at 3/14/19, 4:12 PM: "No, but I'm looking for one that's portable". A response from "Rebecca" at 3/14/19, 4:14 PM: "Gotcha! I found one for you. Check out the link below." This is followed by an image of a "Real Flame Brenner" fire pit from "hayneedle.com". A message from "You said" at 3/14/19, 4:16 PM: "Great, what are the dimensions on this fire pit?". A "Maven Recommendations" box appears with the text: "Here's a couple responses that might work. This firepit is available at the Lamar store and the Guadapule store. Which would you like to order from? There are 3 different sizes for this fire pit." At the bottom, there's a "Write a message" input field and a toolbar with icons for attachments, a smiley face, and a send arrow.

Conversational Cloud Agent Assist

## LivePerson's Intent Manager™

Intent Manager uses NLU to detect and analyze conversational intent in real time. Intent Manager works with Conversation Orchestrator AI to route conversations to the best human agent or automation. Through a powerful real-time dashboard, Intent Manager also allows managers to track conversational trends, detect areas for agent training, and uncover new journeys for automation.

Intent is a starting point for Conversational solutions. Going beyond intent requires recognizing other elements of the dialog. This includes agent solution paths and contact resolution statuses so that brands can precisely identify areas of inefficiency that can be improved.



Intent Manager

## Analytics and optimization

As your Conversational solutions program develops more advanced capabilities, the elements recognized should be integrated into existing analytics and contact center management capabilities.



### These include integrations with the following

- Report builders
- Capacity management
- Queue prioritization
- Routing optimization
- Workforce management

There are a broad range of optimization opportunities. The insights and analytics functions help brands manage their optimization, spanning from measurement strategy to insights to action. Specifically, they begin to deliver KPIs for a range of brand strategies and test management. One telecommunications company recognized via real-time analytics of intent that there was an outage in a region faster than their network operations center was able to. In another example, Aramark instantly saw there was a high demand by fans for a beer that wasn't on the menu in a particular stadium. For the next game, Aramark ensured the IPA in demand was added to the menu, increasing beverage sales substantially.

## Open Platform

Another important component of Conversational solutions is creating an infrastructure that is flexible and open enough to provide extensibility across a company's ecosystem. A platform that integrated with front-end interfaces, back-end enterprise systems, and third-party automation extends the power of Conversational solutions.

LivePerson has found that its clients want greater visibility into system events. The ability to control bot or agent routing decisions or calling out to external functionality to tailor the experience to each brand's needs are commonly requested use cases. Being able to extend the functionality of your Conversational solutions partner platform is critical to embracing a comprehensive transformation. LivePerson enables this with a Functions as a Service (FaaS) capability, allowing businesses to more easily integrate back-end systems for the customization of conversational flows.



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# Measuring Conversational solutions

Messaging introduces new KPIs for many companies based on the asynchronous nature of customer interactions. There are three distinct areas of KPIs companies will want to track for Conversational solutions:

## Agent efficiency

Agents are able to handle many more messaging interactions per hour compared to voice or chat. The Closed Conversation per Login Hour (CCpLH) goal for Conversational solutions should be **2x** the rate for voice interactions. If your average hold time for voice interactions is **20** minutes (the equivalent of **3** CCpLH), your goal for messaging should be **6** CCpLH.

## Customer experience

There are several measures to ensure high-quality customer experience through Conversational solutions. CSAT surveys can be triggered after conversations are closed – the goal for messaging interactions should be **90%** or higher. Meaningful Connection Score can be used to measure sentiment in real time during a conversation. Companies should strive for an average MCS of **35** or higher. NPS can also be used to track customer satisfaction but will vary depending on the company and industry.

## Scale

Tracking Conversational solutions's overall impact can be achieved by looking at a number of different KPIs. Consumer Usage by Channel will vary depending on the company, use cases, and messaging channel. Containment Rate measures the percentage of inquiries that were contained in the original channel and did not require an additional interaction through a separate channel (typically voice) after a certain period of time.



**Companies should target containment rates of at least 80% or higher for messaging**



**Our ambition is to be the airline most loved by customers. That's why we have embraced messaging and are meeting our customers' needs in their channel of choice, on their terms. Our CSAT scores are fantastic, Advisor Engagement is higher than ever before and we have considerable efficiencies on the horizon. We are truly flying high.**



DAVID SAINES  
Operational Change Manager  
Virgin Atlantic

## Measuring AI & automation

Automation is a tool and how it is deployed is tied to the outcomes a business is trying to achieve. Be specific and map out how to get there. No single bot can be all things to all people. From the outset, a business should figure out what it wants the AI to do, and make sure it does it well.



### The road map should include a number of specific milestones to guide the way

The road map should include a number of specific milestones to guide the way, and allow a business to calibrate true progress levels, or identify where it may be falling short and which resources are lacking. According to Matt Smith, Conversational AI practice leader at consultancy Cognizant, companies “*know what they want it to look like when it’s in place, but they don’t know the complexities or understand the level of effort required.*”

In building a road map, factor in time to plan and build the integrations with the data sources needed to create a great consumer experience. For example, a company may need to integrate CRM, a stock system, or a shipping system for a bot to be able to answer questions about order status or shipping times. This will help to avoid the “I don’t know” answer that many consumers associate with earlier chatbots that disappointed them.

These milestones should include real-world testing before a wider launch – an essential step. The famous military axiom that “no plan survives first contact with the enemy” is relevant here, with the metaphorical “enemy” being consumers who interact with a chatbot differently than the AI’s creators had imagined. This can only be uncovered in real-world tests and not in a lab.



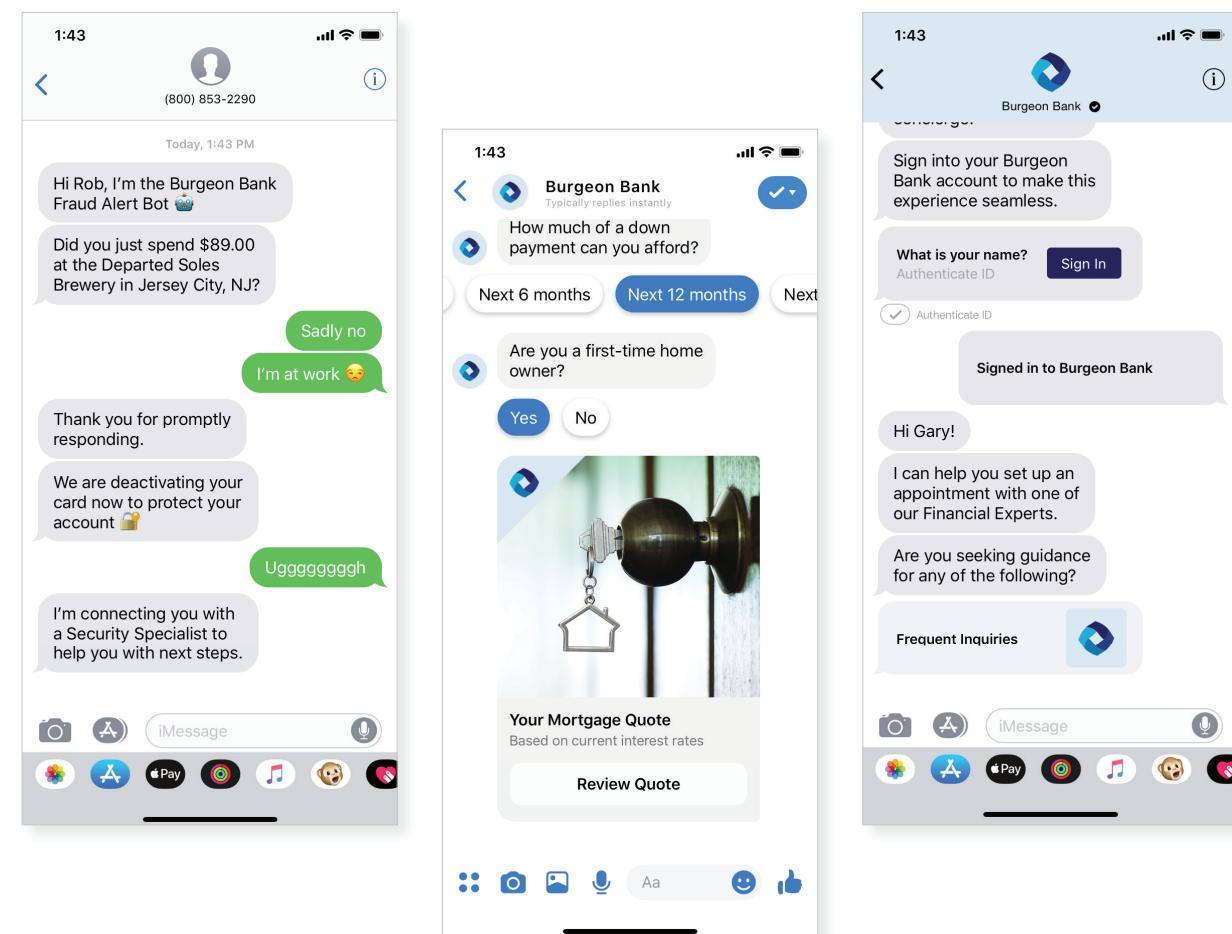
# Transforming your organization into a conversational business

Conversational solutions can be used across a business's operations, to better handle customer service interactions through conversational care, to target and acquire new customers through conversational marketing and sell and upsell products and services through conversational sales. The breadth of applications of Conversational solutions means that there's no one path to take as companies embark on the journey to becoming a fully conversational business.

It's critical to select a provider that can offer operational expertise and an end-to-end framework to help optimize Conversational solutions. Beyond the platform and technology operations, businesses must be able to understand their customers' intents and deliver amazing conversational experiences that ultimately increase customer loyalty.

Conversational solutions aren't just about replacing voice interactions with messaging. They introduce a fundamental shift in the approach to customer journeys and how consumers interact with brands. For some businesses, Conversational solutions may start as a cost reduction project to shift analog conversations to digital. As maturity with messaging and automation grows, brands will be able to unlock more use cases and customer journeys, expanding efficiencies and – ultimately – driving revenue.

At LivePerson, through our experience of helping leading enterprise brands implement Conversational solutions, we've developed a methodology that helps customers build best practices and align stakeholders to successfully move from synchronous to AI-powered asynchronous message, at scale.



## Planning

As mentioned before, a cross-functional team is critical to the success of Conversational solutions. The planning process helps align stakeholders around key guiding principles. Understanding the customer is central to the planning process and being able to answer “why are they engaging,” “what are they trying to do,” “where can things go awry,” and other key questions is paramount. In doing so, you are able to rank customer journeys in terms of complexity and value that helps determine initial and subsequent use cases to target for Conversational solutions.

The type of use case will often determine which messaging channels a brand enables. Having a comprehensive Conversational solutions plan also helps prioritize any development and integration resources.

## Metrics

As mentioned before, Conversational solutions introduce a new set of metrics to measure agent performance and contact center operations from the perspective of messaging and asynchronous interactions, as opposed to voice calls or chat sessions. We discussed these KPIs in an earlier section.

There are additional measures introduced by Conversational solutions that businesses will want to track beyond contact center operations. These are related to the journeys determined in the planning phase and focus more on business outcomes:



### re·ten·tion

The customer will maintain existing business



### en·rich·ment

The customer will purchase additional products/services



### ad·vo·ca·cy

The customer will recommend the brand

## Staffing

Conversational solutions also introduce new competencies and characteristics required of agents. The ways of working will change because of the nature of asynchronous messaging and new expectations of consumers. New roles are created by the introduction of automation:



### Conversation Designer

Creates bot use cases and scripts dialog



### Conversation Analyst

Reviews intent performance and correlates intent to outcomes



### Bot Manager

Oversees the quality of conversations in real time

Manager roles also change as automation and a focus on outcome-based metrics become commonplace in the contact center. Managers will shift from coaching to a specific KPI to coaching to a competency associated with the right business outcome (retention, enrichment, and advocacy).

## Tools

New tools are required to ensure high-quality conversational interactions. For agents, workspaces and interfaces that surface important conversations and make it easy to handle them are critical, along with the ability to receive escalations from bots as well as hand conversations over to bots. For managers, real-time dashboards highlighting team performance are key, along with the ability to identify and drill down into specific conversations for coaching.

The right planning, staffing, metrics, and tools are fundamental to helping map a brand's transformation to becoming a fully conversational business. As stated before, it can take different routes, but you want to make sure you are working with a provider who — in addition to the right technology — can help guide your business through the right stages.

## Conclusion

As consumer preferences for communication shift toward messaging, brands need to meet their customers on the platforms they are already on. This makes adopting Conversational solutions imperative. Because as messaging continues to shape the ideal customer experience of the future, brands who do not follow will be left behind.

However, implementing conversational solutions represents a transformation. But with a strong understanding of what Conversational solutions are and their benefits, as well as an overall objective, a realistic road map, and an understanding of the resources needed, brands can be well on their way.

There are significant benefits to Conversational solutions that range from cutting costs to driving revenue. Though messaging can be deployed from care to marketing to sales, taking on too much at once can lead to early failures, souring stakeholders on its potential. By adopting a more incremental approach, learning what works, and iterating on success, companies can more fully realize the value of their investment in Conversational solutions, and customers benefit from a superior experience.

 **The frustration of endless robotic phone menus and transfers from rep to rep can ruin a customer's experience – so we ended it. Now with T-Mobile Team of Experts, our customers can get assistance when and how they want to – including via messaging. We were one of the first companies to launch asynchronous messaging in 2016, and we've continued to build out this capability across a variety of digital channels. Our customers love the convenience of messaging us like they do with their friends – it's the primary way most of us communicate every single day.**



NICK DRAKE

Executive Vice President, Marketing and Digital Experience  
T-Mobile

## About LivePerson, Inc.

LivePerson makes life easier for people and brands everywhere through trusted conversational AI. Our 18,000 customers, including leading brands like HSBC, Orange, GM Financial, and The Home Depot, use our conversational solutions to orchestrate humans and AI, at scale, and create a convenient, deeply personal relationship – a conversational relationship – with their millions of consumers. LivePerson was named to Fast Company's World's Most Innovative Companies list in 2020. For more information about LivePerson (NASDAQ: LPSN), please visit [www.liveperson.com](http://www.liveperson.com).

