



A Cost-Benefit Analysis of Implementing an AI Chatbot for Your Business

Better customer experiences can become reality with AI chatbots!



Foreword

In today's competitive landscape, businesses are constantly seeking ways to improve efficiency, reduce costs, and enhance customer satisfaction. Artificial intelligence (AI) chatbots are emerging as powerful tools that can address these needs across various industries. It is becoming obvious that businesses and teams that adapt to using AI, test strategies, and invest in bringing it into day-to-day operations are winning. They are using their unique data at an increased scale with richer insights while maximising value on various fronts for both customers and employees.

As we lean into 2024, there are two trends relevant to this whitepaper that are starting to become crystal clear!

The first is that businesses of all sizes are seeing the longer-term strategy of starting to invest in some form of digital transformation initiative. This seems to be because business leaders, decision-makers, and heads of departments are starting to notice it's not out of reach for them in terms of expense. While at the same time realising how much data they have through various channels that can explain their situation in critical, richer formats that lead to innovative ideas, richer insights on customers, better spending inside the business, and improved products.

The second is the desire for personalisation. AI is being used at an increasing rate daily in businesses, industries, communities, social groups, and public sectors of all sizes, complexity, and niches. And with that, it is becoming clear that consumers want increased personalisation. Applications of AI such as the chatbots we are going to be going into detail on in this whitepaper are a way you can meet the increasing demand by businesses and consumers to be spoken to, marketed, and communicated to directly.

In this whitepaper, you will find expert commentary, visualisations of data from research and surveys The AI Journal has conducted, and use case scenarios on AI-enabled chatbots. The ideas it can give you may be very different from the ones that it will give someone else. Because of that, we've aimed to give various scenarios, considerations, and questions in which AI is being used within chatbots and what you can think about for wider digital transformation initiatives that will increasingly likely include AI.

Using this whitepaper as a pulse on what is happening with the ways AI is being implemented, it's my wish for this whitepaper to give you clarity with higher returns on the investment decisions you are making with AI. It's for these reasons that it gives me great pleasure to provide you with our findings on the cost-benefit analysis of AI chatbots.

Thank you to everyone who took part in the surveys, the contributors, and the supporting team who added valuable commentary, and to you for taking the time to delve into this whitepaper!



Tom Allen
Founder and CEO
The AI Journal

Foreword

Welcome to the white paper: "The Cost-Benefit Analysis of Implementing an AI Chatbot for Your Business." Allow me to set you on a journey towards discovering the deep potential Artificial Intelligence (AI) offers, in completely changing the ways you will start interacting with your customers as business dynamics change.

The coronavirus essentially forced upon the world a tectonic shift that would affect the very nature of how organisations work and interact with their customers—certainly for the near, if not more distant, future. The pandemic accelerated the transformation of infrastructure, making the AI era possible today that is changing industries. Automation, AI generation, and generic content are now all around us. The question that remains is whether it's still possible to engage customers effectively and humanely.

The paper jumps straight into the question and sets its sights at providing an insight into the transformative potential unlocked in using AI to drive personalized, efficient, and predictive customer experiences. On the same note, AI-enabled chatbots bring a lot of potential in business scenarios—helping to take customer satisfaction to a new level, earning brand loyalty, growing revenues, and ensuring operational efficiencies on the way.

In the coming sections, an extended cost-benefit analysis will be given regarding the tangible positives and challenges that the implementation of an AI chatbot may potentially bring. We will lead you through the complex landscape of AI-driven customer engagement by drawing on real-world examples and expert insights, unraveling its potential to impact your organisational bottom line through 2024 and beyond.

So come along with me on this fascinating journey, as we explore how AI chatbots can help unleash the power to build lasting connections with your customers, drive operational excellence, and take your business to success in this AI-powered era. Welcome to the future place where technology and humans come together to create remarkable customer experiences.



Leon Gordon
Founder and CEO
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Headline Numbers

98%

Responded that AI chatbots reduced business operational costs

91%

Responded its important for AI chatbot strategies to align with business goals

88%

Think 24/7 availability of an AI chatbot is important for improving customer engagement

88%

Say that they have used an AI chatbot in the past 3 months

83%

Agree that AI chatbots can significantly increase lead generation

75%

Think a high emphasis needs to be placed on investing in hardware and infrastructure for AI chatbot deployment

What are chatbots and are they worth adopting into a business?

For years, customer service was synonymous with long phone queues, robotic scripts, and frustrating hold music. But in the age of instant gratification, businesses are discovering a revolutionary solution: chatbots. The move towards these AI-powered assistants isn't just a fad; it's a strategic response to a multitude of pain points that were plaguing traditional support models.

AI chatbots have become integral virtual assistants, leveraging natural language processing (NLP) and machine learning algorithms to redefine customer interactions. These intelligent agents transcend conventional customer service by providing real-time support, instant query resolution, and continuous availability. In the AI-enabled business landscape, uninterrupted engagement is now imperative.

Chatbots can be leveraged to scale your operations internally and externally by operating 24/7, ensuring unwavering support for internal ticket requests or customer support irrespective of time zones or holidays. Gone are the days of frustrating holding music and waiting around. Chatbots operate around the clock, 365 days a year, unfazed by time zones or holidays. Customers get instant support, no matter their location or the hour. This seamless availability fosters trust and loyalty, ensuring no need to wait for that crucial support, ever.

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Chatbots have been used now for many years to answer customer queries online in a scalable way, increasing employee productivity and customer satisfaction. However recent advances in generative AI have changed the chatbot game. Large language models (LLMs) are a cornerstone of generative AI and have reinvigorated chatbots with a more inherent and fluid understanding of questions asked, able to respond more naturally, making them an ideal interface for a broad mass of users.

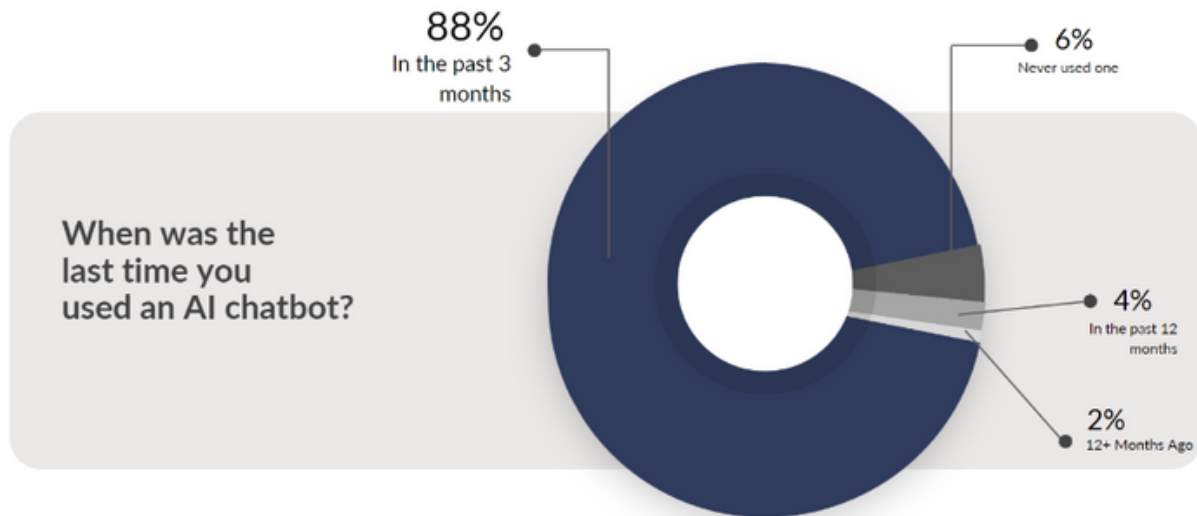
General chatbots like ChatGPT offer some level of utility and novelty for both businesses and consumers, harnessing general internet knowledge. However, businesses can reap the real benefits of AI chatbots by integrating them with their enterprise knowledge repositories and business systems to provide rapid contextual responses to employee and customer queries.

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Scott Richards

SVP of software engineering
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A driving force behind the increasing adoption of AI chatbots is their substantial impact on operational costs. As you can see in the graphic above, the survey conducted by The AI Journal with 516 responses found that 88% of people have used an AI chatbot in the past 3 months compared to only 6% never knowingly using one. Automation of interactions, queries, and tasks can lead to a significant reduction in infrastructure costs while giving your human workforce valuable time back to lean into where their strengths are.

This cost efficiency is particularly noteworthy in an era where businesses continually seek avenues to optimize operational budgets and enhance overall efficiency. But it's important not to look at it as always saving money or reducing expenses. Chatbots are a way to spend the money you are going to have to spend to be in business more wisely.

Customer satisfaction, a cornerstone of successful business operations, experiences a transformative boost through the deployment of AI chatbots.

The immediacy of responses and personalized interactions offered by chatbots contribute to an elevated customer experience, reducing frustration and bolstering overall satisfaction levels to get customers to buy into your brand and become more loyal.

Imagine a world where support feels like a personalised conversation, not a robotic script. Chatbots can be trained to understand individual needs and preferences, offering tailored solutions and proactive assistance. This human-like touch eliminates frustration, reduces wait times, and leaves customers feeling heard and valued. Satisfied customers become loyal advocates, spreading the word about your exceptional service.

And think of it this way, the happier the customer is, the more data they are likely going to give you. The more they will tell you about their problems, bottlenecks with an IT project, challenges to getting their product seen by more customers, or where they would like to see your business improved for better value for their money. Whether you take on board that data is a different story, but it creates a much clearer picture for your business on various levels.

Let's build on that point because it's important to understand what actionable insights you can turn this data into. AI chatbots have the great benefit of being invaluable data collectors, capturing a treasure trove of customer interactions and preferences. This data serves as a strategic asset for businesses, offering insights that extend far beyond the realm of customer service. It becomes a foundation for informed decision-making in service and product development, enabling businesses to stay agile and responsive to evolving market demands and trends.

Simplyhealth has recently partnered with Salesforce to implement AI Chatbots into their business. The partnership has allowed them to empower their agents to automate time-consuming tasks and transform efficiency with conversational AI. Salesforce AI is already credited with resolving around 10% of Simplyhealth emails that were sent during November and December 2023.

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Gen AI could vastly improve customer service capabilities for a Health insurer. For example, an AI-powered chatbot could assist customers in navigating their health insurance policies and answering inquiries about benefits, claims, and coverage in real-time. The chatbot could also guide customers in managing chronic conditions and making recommendations for care coordination. With the ability to analyze vast amounts of data, Gen AI could identify patterns and offer personalized recommendations for preventive care, resulting in better health outcomes for customers.

If we look at the telecommunications industry, Gen AI could greatly enhance customer service capabilities. An AI-powered chatbot could assist customers with queries such as billing, coverage, and service issues, providing immediate assistance. The chatbot could also analyze customer interactions to identify issues that need escalation to the appropriate department or personnel. With its advanced learning capabilities, Gen AI could detect common issues and proactively address them before customers even contact the company. This, in turn, could improve customer satisfaction and reduce churn rates, ultimately leading to increased revenue for the company.

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Julio Hernandez

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Quantifying the costs of an AI chatbot

Building on from that last point, it's important for anyone whether in a private, not-for-profit, or public-sector business to analyse the costs. Because it's important to know what it's going to take. And it might not just be the costs financially. We're talking about the time and energy to get focussed on what outcomes are going to be achieved by implementing a chatbot and embarking on a digital transformation initiative. Remember, the bigger the company, the more it's likely going to cost on all 3 fronts – time, money, and energy. So let's dive into the nuts and bolts of bringing an AI chatbot on board for your business.

Emergn has estimated in its research that AI is going to be involved in 98% of all products/services/offerings by 2028. Now that might be false by the time, we get to 2028 and it's a prediction, not a fact. It might be 100%, 99%, 97%, or lower. However, it still shows how many people and businesses are investing in AI for the future to make it a part of their day-to-day operations. And businesses implementing chatbots to improve customer and employee experiences are going to be contributing to that number.



GenAI and AI collectively have taken the world by storm. As with most accelerating technologies and innovations, our clients are asking us how to think about AI and the opportunities and risks that it represents.

Globally, CEOs are responding to this opportunity. In the KPMG 2023 CEO Report, 70% of CEOs agree that despite economic uncertainty, generative AI (GenAI) is their top investment priority. One of the top areas of interest around GenAI and AI more broadly, is often on improving Customer Experience while doing so more effectively and efficiently.

The challenge as evidenced by KPMG's 2024 Global Customer Experience Excellence reports is that companies are struggling to get it right at this juncture; in fact, There has been a general downward trend across many markets when looking at the overall market Customer Experience Excellence (CEE) metric (-3%). Companies' ability to meet Expectations (-4%) and respond to customer interactions with Empathy (-4%) represent the largest declines. As companies respond to the shifting economic landscape, technology has become a lower-cost substitute - and often a poor one - for human interaction.



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A big part of the heavy lifting in a chatbot is going to come under the topic of what software you use, develop, or build. This is likely the part that will be the costliest financially. And that's whether you build it in-house or use a third party that specialises in building them. When you are thinking about the cost of implementing a chatbot or building one from scratch, a way you can look at it is as if you are bringing on a new team member. There is a resemblance to it. You are bringing on board a virtual team member who is going to work with you at scale, 24-7, and take increasing amounts of work off your plate as it scales in the business.

Once the build or implementation part is complete, there are going to be maintenance fees. These are aspects that sometimes get missed because as you scale the chatbot to deal with more requests and automate more processes it's going to increase the cost. And depending on the success and ROI you get from the chatbot for those tasks, you might end up building a second, third, fourth, or tenth chatbot to focus on specific tasks. This again will put up the pricing and costs that need to be thought about.

When looking at training and talent development, it's not a do once and stop. This is a consistent learning process that the team needs to be on. Constantly being a student to understand how you can maximise the best value out of what you are doing not just with the chatbot, but any digital transformation journey whether that has an AI focus or not. This is something that starts on day one and never ends. And if you are thinking the only training you need to be doing is with the chatbot, the strategy for training likely needs to be reconsidered.

A priority is ensuring the company and its employees are on board with the initiative. For example, [**a study of 2,500+ HR and internal communication leaders conducted by Arthur J. Gallagher & Co.**](#) found that 1 in 10 (13%) did not know if their organisation was using AI. 50% said they were skeptical or fearful of using AI. That's not a surprise seeing as people don't know if they are using it, why they are using it, haven't been trained on it, or have no roadmap for why they are adopting it. Training the team with continuous improvement and learning programmes is a must for AI of any sort, including chatbots.

The part that can be overlooked is that the chatbot needs to learn as well. Remember how we said it's similar to onboarding a digital assistant? Well, it needs to know, learn, and get familiar with whom it's serving, responding to tasks it automates, or queries it is solving. The chatbot will be on a learning journey as much as you and the team will be on one. The more the chatbot learns, there will likely be increased accuracy and speed for the tasks it's assigned to do.

There are ways you can speed this process up. And the easiest, fastest way is in the data. The more data you are giving to this chatbot, the better it's going to understand you. Similar to how we understand each other as people, the more we know about them, the more we paint a picture of them. And it's going to be the same for the chatbot. But the data the chatbot is using runs a lot less risk of being forgotten about.

Now, how you train your team, people, and chatbot is a different story.

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If you consider technology a cost, your mindset is framed toward 'technology pain'. Instead, think 'technology gain' where your investment in an AI-powered conversational chatbot will pay for itself many times over. Over 53% of customers feel they wait too long to get business replies.

A rockstar AI chatbot can be available 24/7 to meet your client's digital needs when you are not. With 86% of consumers saying they would happily engage with an AI-powered chatbot to get the answers they want in their time, this is a demand you need to meet.

However, replying to queries is only one function of an AI-powered chatbot. Upselling, discounting, lead generation, product recommendation, survey, product ordering, cart abandonment, and exit intent bots are all valuable business assets you need to explore.



Kieran Gilmurray

CEO

Digital Automation and Robotics

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Thinking about who you might need to hire, which falls under the cost of talent, is something to think about. When you start seeing the success of the chatbot which will come with a fair few learning curves, you might find yourself with new customers with bigger projects that need more account managers, more product development to make the chatbot better, the people that will need to be hired to maintain the requests, invest in new markets for the products you sell. All of this comes with a cost on new hires which comes with loaded questions that we won't cover in this whitepaper but need to be considered.

Remember the data part we said as well. Some costs need to be considered with how you handle the data. There are going to be costs if you don't properly format, manage, and input your data.

Putting all these puzzle pieces together, implementing an AI chatbot can involve a bit of an upfront investment. However, much like making a savvy business move, the returns can be substantial. Think of bringing on a chatbot as hiring a superstar employee that you can tailor to specific tasks that never let you down. There's a cost, but the right one can be a game-changer for your business to take you to the next level.

So, when you see those costs associated with AI chatbots, visualize the potential – a 24/7 support champ, cost savings, and a tech-savvy addition to your team. It's an investment in the future of your business, and the future looks chatbot-friendly.

How You Can Measure The Benefits Of Your AI Chatbot

So, picture it as if you have already welcomed an AI chatbot into your business, its processes, its dealing with customers, and taking tasks off your and other team members' hands. And you might be seeing some promising information or data from the start. But that's just the start.

And remember that it's a good idea to look at implementing an AI chatbot, or any digital transformation initiative as a constant journey. Not a race. Yes, there may be times when deadlines and completion are a part of a bigger picture. Overall, it's an ongoing process that will never end.

This is where making sure what is happening is tracked, measured, and optimised.

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The challenge with KPIs and ROI on chatbots is that the thinking is wrong. Motivating a one-time investment in a chatbot that should pay off itself in a defined period is a solution looking for a problem. The real power isn't in shoehorning new KPIs to justify their existence but in leveraging them to supercharge the metrics you're already focusing on.

The right KPI is not tied to the solution - the right KPI is the one you're hopefully already using to gauge the success of how you run your business. True value emerges when chatbots enhance established business metrics. If you're using Net Promoter Score (NPS) as the key metric for customer satisfaction, then a chatbot's success should be measured by its ability to uplift NPS, thereby improving customer loyalty and reducing acquisition costs.

If low cost is what drives your competitive advantage, then a chatbot should lower the cost of operations more than it is estimated to cost to develop and operate it.

The key is not to invent new metrics for chatbots but to align their performance with the critical indicators already driving business success.

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Fredrik Hagstroem

Chief Technology Officer
Emergn

If you haven't thought about what KPIs to be tracking or a framework similar to the one above, these areas mentioned below are great places to start. Not saying these will be the ones you exactly use, but can get your mind thinking about what questions you need to be asking. From that will assist in determining what actions are important to track with something such as a traffic light system to highlight the priorities.

First up on our KPI taster course is optimised spending!

And not only money but time and energy. You may hear this elsewhere as lower spending. Businesses spend money to keep the doors open. Whether it's spending on suppliers, your employees, customer lunches, software and SaaS applications, and countless others. And it's likely your business is not much different either. Sure, the amounts might be different depending on the margins of sales, number of employees, number of customers, etc. But one way or another there will be spending.

Where you spend that money and how you spend that money creates a different story. With an AI chatbot in place, it's likely your employees who were used to manually handling customer requests will now be gone. And if this person a rockstar member of the team no longer has a job for them likely isn't a wise option. Think about where they can now spend their time on new projects, opportunities, and challenges. It can open up numerous avenues for what to spend that energy on.

Or taking a financial situation think about it for customer service costs. Not necessarily the person responsible for going back to the customer, raising the ticket, flagging the problem, which will likely still be needed depending on the situation.

Think about how costs can be optimised with infrastructure, having 24/7 support without having to employ or put a member of the team on night shifts, or maybe just opening up that avenue regardless of anyone ever working in that position. The magic of a chatbot is that it can scale, collect data to provide insights, and reduce errors. All of this allows you to put more money or the same amount into actions and processes that deliver results.

Second, is the heartbeat of any successful business, customer success.

This is with existing customers in this example, not new customers. So think about how long to get a ticket resolved, direct them to the right person, how to send them the right products, know about the problem in detail for when you're onsite with them, or how to resolve a complaint. And the best part is that you can meet the customer where they are no matter the time zone or location and communicate with them in their local language to make them feel heard and listened to.

Think about it, AI chatbots enable the opportunity to have data pouring in 24/7 to understand your customers better, create more value, and build optimised channels to communicate with them. This is a formula that successful businesses are always looking to improve on. It's because it naturally leads to customers wanting more, to spend more, while having the satisfaction they are understood and listened to.

Conversations an AI chatbot can capture might be ones you would never had yourself. And that creates opportunities for collecting feedback, data, customers, and brand awareness you never would have had otherwise. Take this a step further and you can imagine how you can use AI chatbots to conduct surveys and place feedback forms to understand how the conversation went, at the end of the conversation for example.

Don't forget that this can be tracking the inquiries that are happening when they are happening, the average handling time of a query, and much more. This all adds to being able to craft a unique customer experience while also optimising your spending from the data being collected and squeezing the most out of the working hours in a week.

Once applying all the data your chatbot is collecting, whether it's only for customers or backend running tasks as an assistant, this can be a valuable stream flowing with data to give a healthy pulse check on the business. It can be used to create a Net Promoter Score to understand how well you are listening and delivering while also being valuable marketing material and a reason why other businesses should trust working with you.

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AI brings with it the ability to do many things including analyze, create, search, and interact. In the context of customer service, consider that AI can be used to analyze customer interaction and feedback to deliver insights into why customers are calling, how they view the experience they are receiving, and identify opportunities for improvement. Armed with this knowledge, one can create FAQs for common issues and prioritize them accordingly, develop personalized interventions to improve the experience at the individual level and suggest the next best actions for customers and employees.

We often see companies starting with an “intelligent agent” targeted towards the employee to help them do their job more effectively with customers vs starting directly with the end customer digital interaction. Additionally, by leveraging AI's ability to search, the agent can have rapid access to knowledge that will help at the moment for a specific intention and customer improving FCR and effort. At the interaction layer, GenAI can be used to improve personalized outreach, provide intelligent voicebots in real-time with better human-like qualities (empathy), and deliver better messages in the right language.

The result is a better experience delivered with higher effectiveness and more efficiency. As this example demonstrates, it is the combination of different types of AI capability/power that results in the improvement. The same would apply to thinking about how to orchestrate the experience across the front office including marketing, sales, service, and commerce.

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Julio Hernandez

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A third example of a KPI is tracking lead generation and relevance or quality.

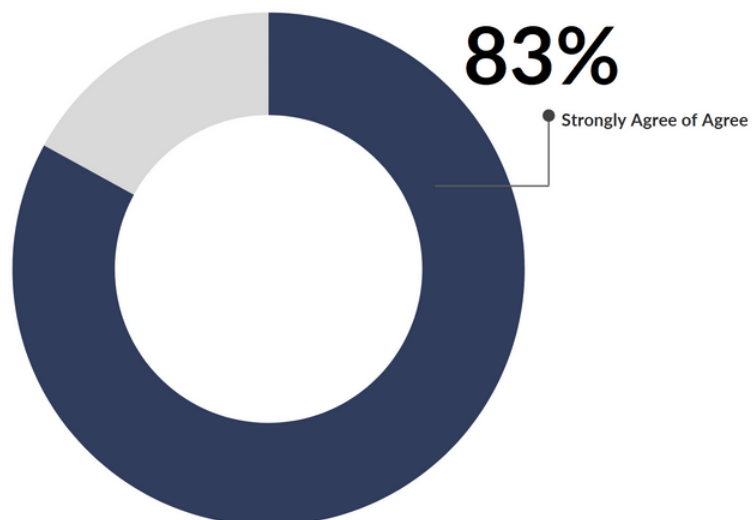
This is a great aspect to analyse the success of a chatbot if a key outcome is to generate more sales. Examples of the reasons why are people not interacting on the website, not finding the answers to questions, want a channel to quickly purchase a product from your site, asking qualifier questions to free up your sales team members' time, or maybe capturing information so in the first meeting they already get a sense that they know who they are buying from. There are numerous examples and reasons why an AI chatbot can be a great investment for lead generation.

All the reasons why in the paragraph before will be the actions or granular pieces of data to capture that will paint a picture of your bigger Lead Generation KPI. It essentially creates a digital sales team and/or qualifying team that works around the clock. This opens up all sorts of new opportunities. And remember the more data you are capturing the more improvements, adjustments, and pivots you will be able to make to the sales process. This likely leads back to KPI two where they feel heard and understood making them an easier fit for being a customer and leading to successful tracking of the KPI.

These are examples of what businesses and teams can put into play to scale the success of the AI chatbot. It does not necessarily mean these are the ones that you use for your AI chatbot. Each outcome a project or initiative has will be different. And likely because of that the goals that want to be attained will be different meaning there will likely be different KPIs or different contexts to the KPIs. ***That's why giving focus to the strategy, outcome, and business roadmap must be a priority.***



In your opinion, can AI chatbots significantly contribute to lead generation efforts for businesses?



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A Blueprint That Creates Exceptional ROI From Your AI Chatbots

We've looked at what the costs can be, the roadmap for your business to think about, and putting in benchmark systems for measuring success. Now it's important to consider how to maximise the efforts you are putting in. When you are running a digital transformation initiative of this scale, it can compound quickly. And we want to make sure it's compounding returns for your business in the right way.

If you look at the chart on the next page, you will see that 91% of the respondents we asked voted on how AI chatbot strategies need to align with business goals. A great way to think about this is as if you are setting the GPS coordinates for a business, project, or campaign success. Like how a plane rarely flies without a destination, you want to have clear goals for where you are going.

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Getting an exceptional ROI from the deployment of AI chatbots relies on unlocking the vast repositories of data most enterprises hold. This information is typically under-utilized because the information is siloed and buried deep within documents or software systems, and sometimes requires special skills to query. Advanced chatbots can unlock this information for regular users using a pattern called Retrieval Augmented Generation (RAG). Documents relevant to the user's natural language question and appropriate to their level of access are retrieved from a vector index and then supplied as context to an LLM.

This allows the LLM to respond to the user's question with a factual answer based on contextual knowledge. Other chatbots can integrate with the company's structured data sources to enable regular business users to access the business intelligence they need from analytic databases without writing a single SQL statement, getting training in a specialized BI tool, or involving a data analyst. These specialized AI chatbots increase employee productivity and reduce frustration for customers by getting them the answers they need, when they need them, with the minimum amount of input.

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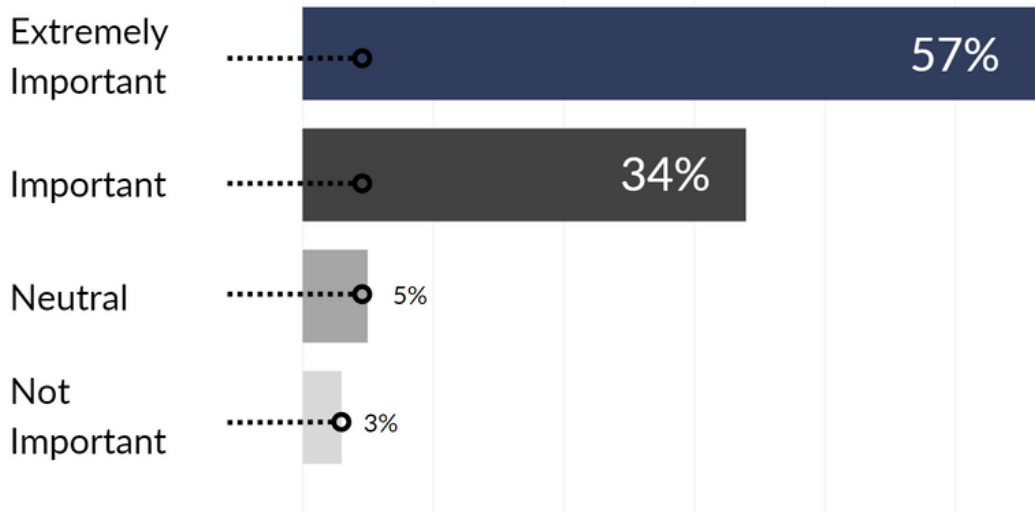


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How important is it for AI chatbot strategies to align with the overall business goals of an organization?



Source: The AI Journal
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Defining desired outcomes from the chatbot and making sure your chatbot's capabilities are custom-tailored to achieve those specific business goals can be the difference between making the project a box office hit or a flop. It's about ensuring that every conversation, and every interaction, aligns seamlessly with your strategic objectives and delivers recurring, compounded value that makes the upfront investment worth it.

This means thinking about your AI chatbot and the solutions it can offer for different channels inside or outside of the business. Similar to how we mentioned earlier in this whitepaper you are hiring a new member of the team. You want to create an infrastructure for the AI chatbot that aligns with your desired budget on implementation costs which can cover training, software, and time testing while at the same time matching your current technical expertise and meeting the customer requirements. Let's look at 3 examples together.

The first example is **considering the user experience**. This is a key to making a successful AI chatbot. This is arguably the heart and soul of the AI chatbot's existence. If it's not visually appealing, can't be understood how to function, and doesn't have clear indications of what it can do, you will likely hit user engagement problems. The idea is that when people, whether that's customers, employees, or someone who landed on your site leave the person thinking "Wow, that was easy and pleasant". This feeds back into our conversation on how to measure the success of the AI chatbot. And having a great user experience is going to be a key part.

The second is to think about the **importance of the term that has been labeled 'Human in the Loop'**. Although an AI chatbot has the capabilities to automate processes and conversations, there is a time when the human touch can't be matched.

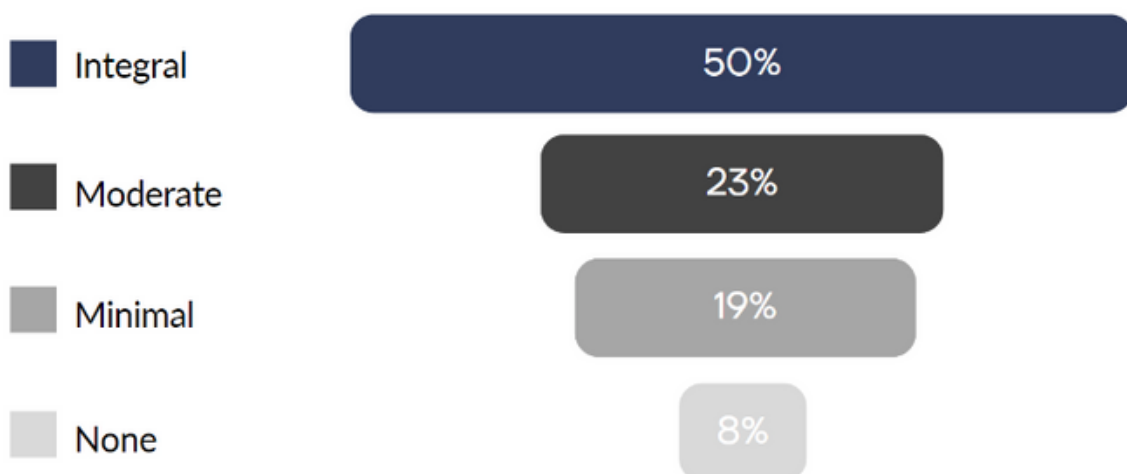
There's a great example that Salesforce explained on how its **Einstein bots have helped Simplyhealth handle 35% of all customer traffic through live chat**. That's impressive but at the same time, there's 65% that isn't being handled with the Einstein live chat. To take it a step further the poll that The AI Journal ran showed that 50% think humans are an integral part of chatbot interactions. This indicates although AI-powered chatbots are making headway, speaking to a person will still be what people want, especially for more sensitive and specific matters, for some time.

Having a human in the loop, which is a term for having someone ready to assist when the conversation or action can't be handled by the chatbot, can act as a safety net. Because it's a way where if the person was just left to the chatbot, they might not get their customer inquiry dealt with which can damage the relationship.

Similar to how people get frustrated when being left on hold for long wait times that can go into the hours or not getting a response within the same working day or week, it can be frustrating not being directed to someone who can help them with a purchase, a problem with their account, or have more information to make the purchase.



What role do you think human involvement should play in AI chatbot interactions to ensure optimal outcomes?



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Your starting point for any conversational AI bot is the end user. Your AI bot's success and the consumers of your conversational digital experience are the starting and end barometer of your success. It does not matter how technically delicious your solution is under the hood, it is ONLY when an AI bots rubber hits the road will its journey be judged a success or a horrible bumpy ride.

Understand your customer's intents and deliver an incredible, personalized, frictionless experience as you fulfill those needs. If you can successfully do that, then your customers will come back time and time again. Don't, and they won't.

Conversational AI bots work - 80% report measurable improvements in customer satisfaction, service delivery, and contact center performance BUT only if you deliver an excellent digital experience.

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Kieran Gilmurray

CEO

Digital Automation and Robotics

The third for a successful recipe and robust blueprint for implementing an AI chatbot, or when going on any digital transformation journey is **having continuous improvement**. This again ties back to what we looked at together in section 3, although those are the actions to take to measure the success. This is where you have the foundations, pillars, and framework for ensuring it is consistently done where the KPIs are always acted on and have time carved out for them. If the actions listed aren't implemented, considered, or adapted it is a waste of time, a loss of efficiency in the business, and a misuse of employee's time and energy.

Having a robust blueprint for any AI-focused initiative such as using chatbot(s) isn't just a set of instructions. It's a dynamic playbook for having foundations for an initiative with success principles that can deliver exceptional ROI. It's about aligning with your business strategy, choosing the right solutions wisely, crafting an impeccable user experience for who is using it and what they are familiar with, constantly improving the product and processes, and recognizing the irreplaceable value of human input. Expanding on their blueprint and adapting it to your business's unique situation, you are set to not only adopt AI chatbots but thrive and scale the success once you do.

What's Next For Implementing Your AI Chatbot?

AI chatbots can be an asset for businesses of all sizes, offering significant cost savings, improved customer satisfaction, and increased operational efficiency. By carefully considering the costs, measuring the benefits through relevant KPIs, and implementing the chatbot strategically, businesses can maximize the ROI of this transformative technology.

01

What are the potential security risks and ethical considerations?

AI chatbots can raise security and ethical concerns related to cybersecurity risks, data privacy, disinformation, transparency, bias, and accountability. It is essential to address these concerns to ensure responsible and ethical use of chatbot technology.

02

What are the best practices for integrating LLM chatbots into customer support?

It is important to follow best practices to effectively integrate LLMs into customer support, this can include data protection and privacy policies, ensuring training data is high quality, ethical considerations, and ensuring human involvement.

03

How can LLM chatbots impact the sales process and customer journey?

By integrating LLM chatbots into the sales process and customer journey, businesses can leverage AI technology to enhance operational efficiency, improve customer interactions, increase sales, and provide personalised support while ensuring a seamless experience for customers throughout their journey.

04

How can we keep improving our LLM chatbot implementation?

To continually improve the implementation of LLM chatbots it is key to define clear goals, craft clear dialogue flows, ensure the quality of training data is routinely checked, create feedback loops to enhance the quality of LLM responses over time, and prioritise ethical considerations and biases within the training data.

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Customer Recommendation

“

Kudos to the AI Journal team for providing a service that every B2B Technology Marketer can take advantage of immediately. I am very pleased with the high-quality research, content development, and demand-generation services that the AI Journal delivers. I've worked with them on two reports so far and am hoping to kick off the next one shortly.

”



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Customer Recommendation

“

We were under pressure to deliver the LLM chatbot ahead of COP28, our timeline was very short and very ambitious. Which is why we ruled out doing it ourselves. The expectation was that Onyx Data as experts in this toolset deliver for us. We achieved exactly what needed to be achieved, it was a full success. The team at Onyx knows how to engineer solutions, but many consultancies only know theoretically these things.

”



Dr. Markus Müller

Engineering and AI Manager
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