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**Execs In The Know**

# Artificial Intelligence for CX: Exploring Consumer Perceptions

In partnership with: 



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# INTRODUCTION

Though artificial intelligence (AI) has penetrated many areas of daily life, there is still much to understand about the implications of this technology. Its impact is already being felt in the home, in the workplace, and in the routines of most consumers. But what is current experience — especially as it applies to customer care and the wider customer experience (CX)?

This report, *Artificial Intelligence for CX: Exploring Consumer Perceptions*, draws on surveying of more than 200 U.S.-based adult consumers who were asked about their opinions, habits, and concerns when it comes to AI for CX. The results paint a picture of expanding acceptance, distinct wants and expectations, and specific concerns as companies evolve and grow their use of AI-powered technologies.

Select results from this report include:

- 55% of consumers would interact with an AI-powered virtual agent if it meant a faster, easier resolution to a customer care issue.
- 45% of consumers thought it was appropriate for brands to use AI to assist customers in resolving their customer care issues.
- 41% of consumers have an improved opinion of companies that are expanding their use of AI-powered technologies (whereas 17% have a decreased opinion).
- If resolving a customer care issue using an AI-powered solution, consumers' top channel preference would be Online Chat (38%), followed by Text/SMS (18%), and Email (12%).

Included in this report are Practitioner Perspective from CX leaders and technology advocates Todd Montgomery (Bodi), Lisa Diehl (Freshpet), and Matt Zurcher (M Zurcher Consulting). Special thanks to these individuals for their insights and expertise. Additionally, this report begins with a noteworthy commentary from industry veteran Chris Van Wagoner, Director of Customer Lifecycle and Community at research partner Gladly. Be sure to check out Chris' poignant thoughts on AI for CX on page 4.

# SPONSOR COMMENTARY





## THE ERA OF IRRATIONAL LOYALTY



**By Chris Van Wagoner**

*Director of Customer Lifecycle and Community, Gladly*

The customer service sector has undergone a profound transformation driven by the rise of artificial intelligence (AI). We've seen how this advanced technology has reshaped the service landscape by efficiently handling customer inquiries, bookings, and support issues and offering round-the-clock service and instant responses, all without the need for human assistance. Companies are challenged to rethink how they deliver service as the stakes are higher than ever with intense competition in the market.

In this competitive landscape, customer loyalty is the top driver and predictor of company sales, profitability, customer behavior, repeat purchases, and retention. But, we believe traditional loyalty based on a good product or service alone isn't enough anymore. Brands must aim to achieve irrational loyalty built through genuine human-to-human experiences.

As the shift toward AI solutions in customer service becomes inevitable, the key question to ask ourselves is, "How can we achieve irrational loyalty when the technology lacks true empathy?"

### SECOND-WAVE AI ADOPTION

I've seen and read about several companies across various sectors rushing to incorporate AI into their operations, often with mixed results. The temptation to leverage AI fast to stay "ahead of the game" has unsurprisingly led to numerous superficial and sometimes counterproductive AI initiatives.

This trend is especially prevalent in the CX space, where the allure of automated, hyper-personalized interactions that drive down operational costs is strong. However, without a solid foundation and a clear understanding of AI's capabilities and limitations, these efforts can quickly devolve into gimmicks. For instance, remember when a certain airline faced backlash for its chatbot giving passengers bad advice?

As familiarity with generative-AI capabilities have expanded, discerning CX practitioners have been more conscious about what they need in an AI partner and which key performance indicators (KPIs) they should zero in on to measure the impact of AI on customer satisfaction (CSAT) and brand loyalty. Data from this research highlights this fact. Case in point: while 34% of consumers indicate that AI has improved their customer experience, 39% feel it has worsened it. These numbers reflect a healthy skepticism among consumers regarding AI.



AI is at a pivotal juncture in its development. It's essential to recognize that AI is only effective when it is intuitively implemented alongside the needs of the customer. When harnessed correctly, AI is a powerful tool that can complement and enhance human efforts, leading to a more personal and effective customer service experience that fosters deeper loyalty rather than risking it. Furthermore, when you partner with a CX provider that isn't simply reacting to technology trends but is instead driving a vision of the future with a broad understanding of engagement and loyalty, companies will be much better equipped with the appropriate AI tools needed to streamline resolutions and deepen relationships.

### **PUT PEOPLE AT THE CENTER**

People are experiencing a range of emotions around AI, including fatigue, fear, and, for many, indecision and indifference. This report shows that most consumers (51%) are undecided about the ultimate outcome of AI's development and use, and one in ten don't feel educated enough to state an opinion. This level of indecision can easily turn into a negative stance if brands rush to implement AI and end up providing subpar customer experiences as a result.

As data in this report indicates, the key to overcoming AI fatigue, breaking through indecision, and setting your brand apart lies in truly listening to your customers. Understanding their feelings, current interactions with AI, and what they want from it can all help guide you in creating meaningful and positive AI-driven experiences.

### **BEST OF AI AND AGENTS**

A common misconception about AI is that it can instantly replace human interactions. This misconception further assumes that customers prefer a quicker resolution over the deeper care and empathy that come with agent-led support interactions. The reality, however, is far more nuanced.

Data indicates that consumers prioritize accuracy and consistency over speed when interacting with AI-powered solutions. While "Faster Service" is often touted as a critical benefit of AI, it does not appear to be the top concern for customers. In fact, even if AI solutions provide real value, a significant portion of consumers (45%) would still prefer to interact with an actual person.

Additionally, whether consumers are "Aware" or "Unaware" of AI, they expect brands to primarily invest in AI tools for "Improved Agent Training and Coaching."

Now is the ideal time to leverage the strengths of both AI and human agents to deliver superior customer experiences. For example, imagine a customer service interaction where an AI assistant quickly gathers relevant information and provides initial support, seamlessly transitioning to a human agent when deeper engagement is required. This not only enhances efficiency but ensures that customers receive the personalized attention they deserve.

### **CHANNEL-AGNOSTIC CX**

Consumers overwhelmingly prefer AI-powered interactions via online chat, choosing this option more than twice as often as other channels like text/SMS, email, and phone. This highlights that consumers have distinct preferences for which channels they want to use to interact with AI versus human agents.

With 45% of consumers preferring to interact with human agents over AI, it's essential to be equipped with the right tools to manage all these conversations, whether with agents or AI and seamlessly across any channel, in real-time, from one centralized platform. This ensures that your customer needs are met efficiently and effectively, regardless of their preferred communication method with your brand.



## AI EDUCATION

As I mentioned earlier, while most consumers are undecided about the ultimate outcome of AI's development and use, this doesn't mean they don't have their concerns.

Data suggests that there is a lot of work to be done to change consumer perceptions and ease concerns about AI technology. Brands have the responsibility to provide this foundational education. The greatest concerns lie with "inaccuracies and biases" and "security risks," as well as significant worries about "job losses" and "ethical implications."

## COMPREHENSION AND ACCURACY

When it comes to AI, consumers are less concerned with human-like empathy or friendliness and more focused on functionality — specifically, better comprehension and accuracy.

In short, your customers want their interactions to be managed with empathy and compassion. Their primary concern is whether AI can emulate those behaviors as opposed to simply focusing on speed and operational efficiency.

For brands, this means adopting a measured approach to AI implementation. Rather than rushing to automate every aspect of customer service, the focus should be on specific, well-defined use cases where AI can deliver immediate value. Start by automating routine tasks such as appointment scheduling, order tracking, and answering frequently asked questions. Taking an incremental approach, gradually expanding AI's scope, and refining the strategy based on real-world experiences will build confidence in AI's capabilities along the way.

## TRANSPARENCY AND ACCOUNTABILITY

This report shows that consumers overwhelmingly support companies investing time and resources into understanding the ethics and risks of AI technology.

Brands must be transparent about their ethical AI practices. AI systems should be fair, transparent, and accountable. Safeguards must be implemented to prevent bias, protect privacy, and maintain the highest standards of security. As AI technology continues to advance, the stakes for both companies and consumers will only increase.

## SUMMARY

Customer service is one of the many sectors transforming itself through the power of AI, which handles inquiries and support efficiently but lacks true empathy. To stand out in a competitive market, brands must achieve irrational loyalty through genuine human interactions. As we navigate this dynamic landscape, it's important to remember that AI is not a panacea but a powerful tool. When trained and integrated effectively, AI can revolutionize the way we serve our customers. By embracing AI's potential with open minds and a commitment to learning, we can build a solid foundation for long-term success.



**By Chris Van Wagoner**

*Director of Customer Lifecycle and Community, Gladly*

Through 20+ years focused on CX, Chris Van Wagoner has honed his customer-centric mentality to address some of technology's most complex consumer challenges. Whether it was leading some of the first online customer support interactions at eBay or helping small businesses compete with D2C giants at AdRoll, Chris has dedicated much of his career to helping brands realize possibility.

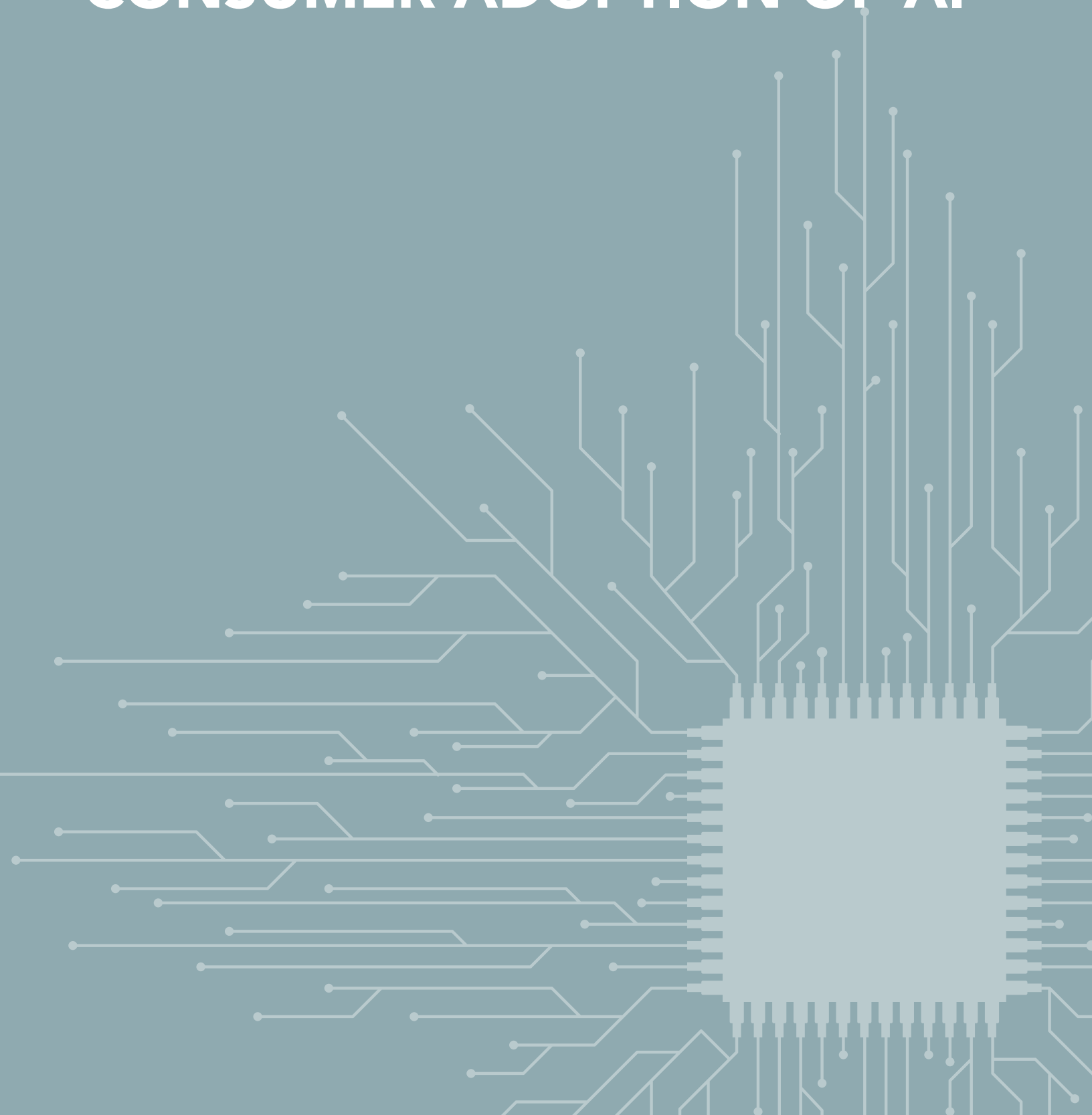
As the Director of Customer Lifecycle and Community at Gladly, Chris has transformed how CX leaders connect and collaborate — establishing [connect.gladly.com](https://connect.gladly.com), a free resource to CX leaders where they can share insights, access industry research, or uplevel their teams with more than 250 skill development courses. Under Chris's leadership, this initiative has improved customer interactions and enabled a deeper commitment to the mental health and professional satisfaction of support teams.

# SURVEY RESULTS





# CONSUMER ADOPTION OF AI

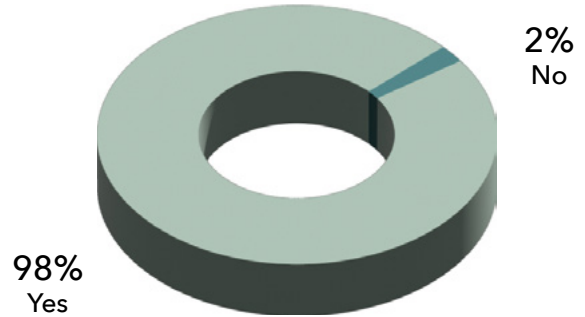


CONSUMER USE OF INTERNET-CONNECTED DEVICES AND GENERATIVE AI

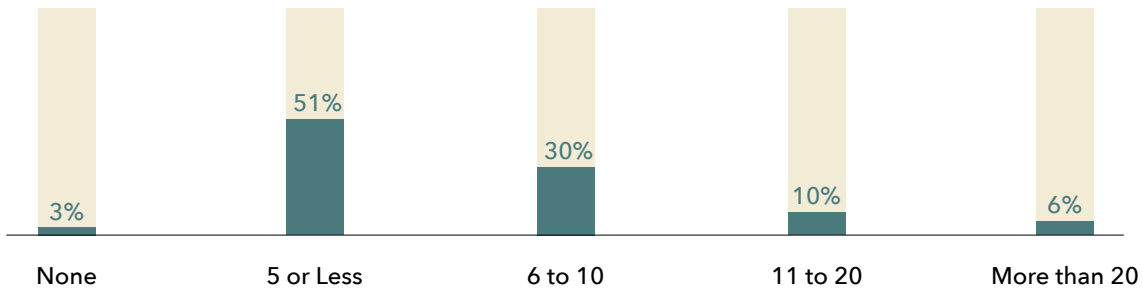
Do you use a computer, tablet, smart phone, or other internet-connected device on a daily basis?

One precursor of AI adoption among consumers is their daily use of internet-connected devices. In 2021, the Pew Research Center found that 85% of Americans went online daily.\* Fast forward three years, and this year's AI for CX research reveals a dramatic increase in the use of the internet and internet-connected devices, pegging the daily use of internet-connected devices at 98% of adult Americans.

\*Source: <https://www.pewresearch.org/short-reads/2021/03/26/about-three-in-ten-u-s-adults-say-they-are-almost-constantly-online/>

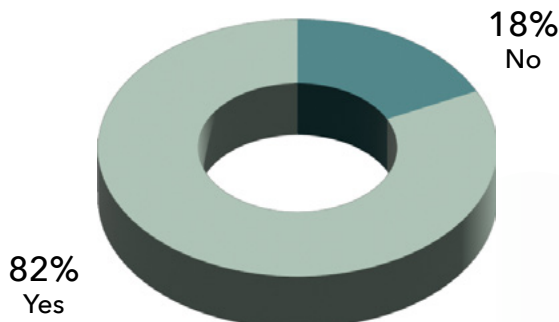


Including smart phones, smart televisions, computers, tablets, appliances, smart devices (like thermostats or door bells), etc., how many network-connected devices do you have in your home?

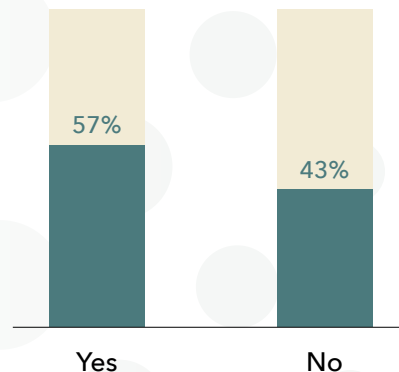


In addition to the widespread use of internet-connected devices, surveying results indicate 46% of U.S. consumers own six or more internet-connected devices, including smart phones, televisions, computers, Internet of Things (IoT) devices, and similar. Furthermore, 82% of consumers have some previous experience with generative AI technology, while 57% use generative AI applications in their daily lives. Although daily use of smart devices was consistent across all demographics, use of generative AI applications was concentrated within younger consumers with 62% of those 18 to 44 years using such applications daily, compared to only 36% of those 60 years and older.

Have you ever used an AI-powered technology like ChatGPT, Alexa, or Siri?

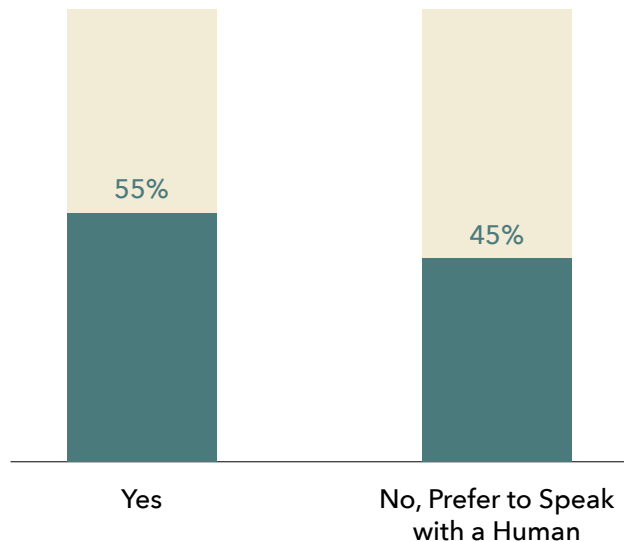


Do you use AI-powered applications in your daily life, such as ChatGPT, Siri, or Alexa?



**Would you be open to interacting with a virtual agent powered by AI to resolve a customer care issue if it meant you could get a resolution more quickly and easily?**

While results at the bottom of this page suggest consumers believe AI has led to a slightly worse brand experience, a not-so-insignificant majority of consumers would opt for interacting with an AI-powered virtual agent if it meant a quicker and easier resolution. The key to this response might be the guarantee of a quicker and easier resolution. Perhaps consumers feel they are not always getting that with current AI-powered solutions. It's also worth noting that even if the AI-powered solution is providing real value (speed and ease), a significant portion of consumers (45%) would still opt for an actual person.



**How receptive have your customers been to AI-powered solutions, and how have you encouraged adoption and acceptance?**

We launched "Ask BODi AI" on our support site home page in March of 2024 and I'm very happy to share that we've deflected 36% of our initial agent contact requests to BODi AI.

Our BOT crawls our Knowledge Base (KB) and creates customer-friendly responses that are able to answer customer questions 60% of the time without requesting a live agent. Of course, we needed to ensure our FAQs were accurate and up to date to provide the best source data for the AI responses. We reduced risk by only leveraging our internal KB and minimized expense by utilizing our messaging provider to deploy the tech required to test out this new capability.

To drive customer engagement with this new tool, we placed it next to our contact options on our BODi Support Site, and we "advertised" this option in our social media posts. Next up is to add self-service functionality and deploy AI for our agents to assist with handling calls. Finally, because we were the first AI application launched within the BODi organization, we've demoed our AI BOT to other internal business partners to encourage leveraging of our capabilities to expand beyond customer service.



**Todd Montgomery**  
EVP, Customer Engagement and Support

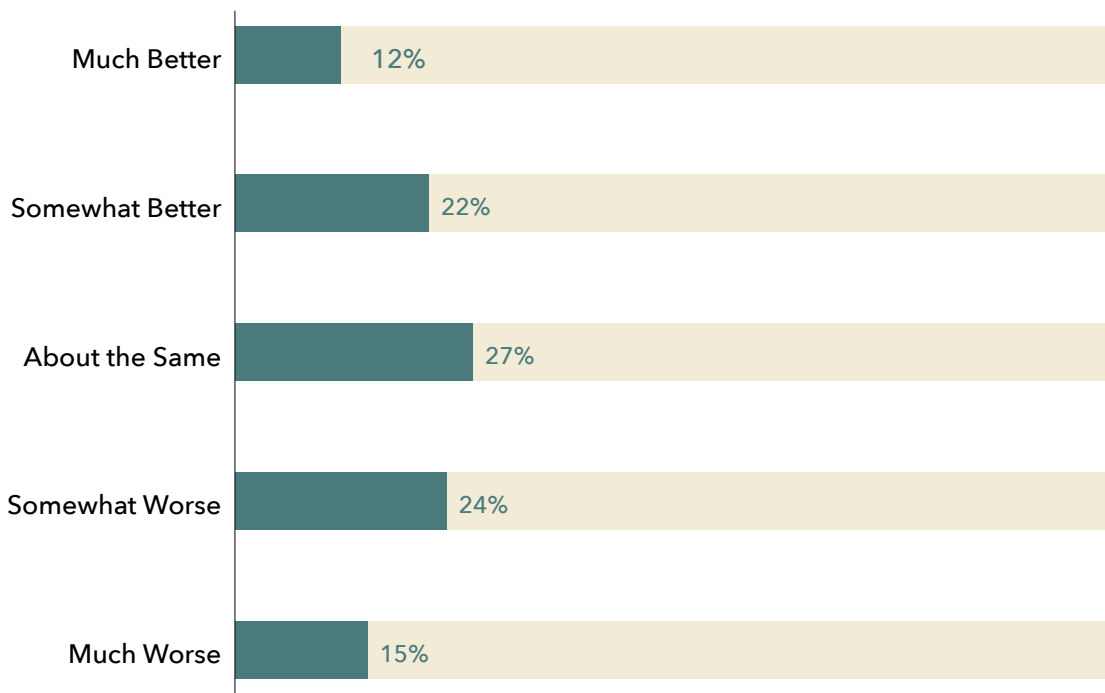




## THE IMPACT OF USING AI FOR CUSTOMER CARE

A total of 34% of consumers indicated the use of AI among brands has led to a better customer experience, while 39% indicate it has led to a worse experience. The numbers are close, but they undoubtedly depict a healthy dose of skepticism for AI among consumers. Results on the following page hint at what some of the problems might be, with results suggesting a mix of both perceived and practical concerns.

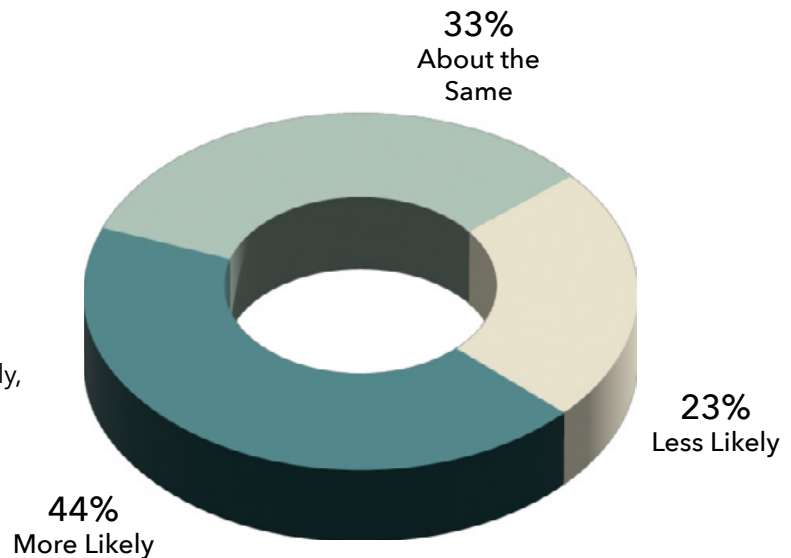
**In your opinion, has the recent increase in the use of AI among brands (including things like customer care) led to a better or worse customer experience?**



## CONSUMER ADOPTION OF AI THE FUTURE USE OF AI-POWERED TECHNOLOGY

Are you more or less likely to use AI-power technology in the future?

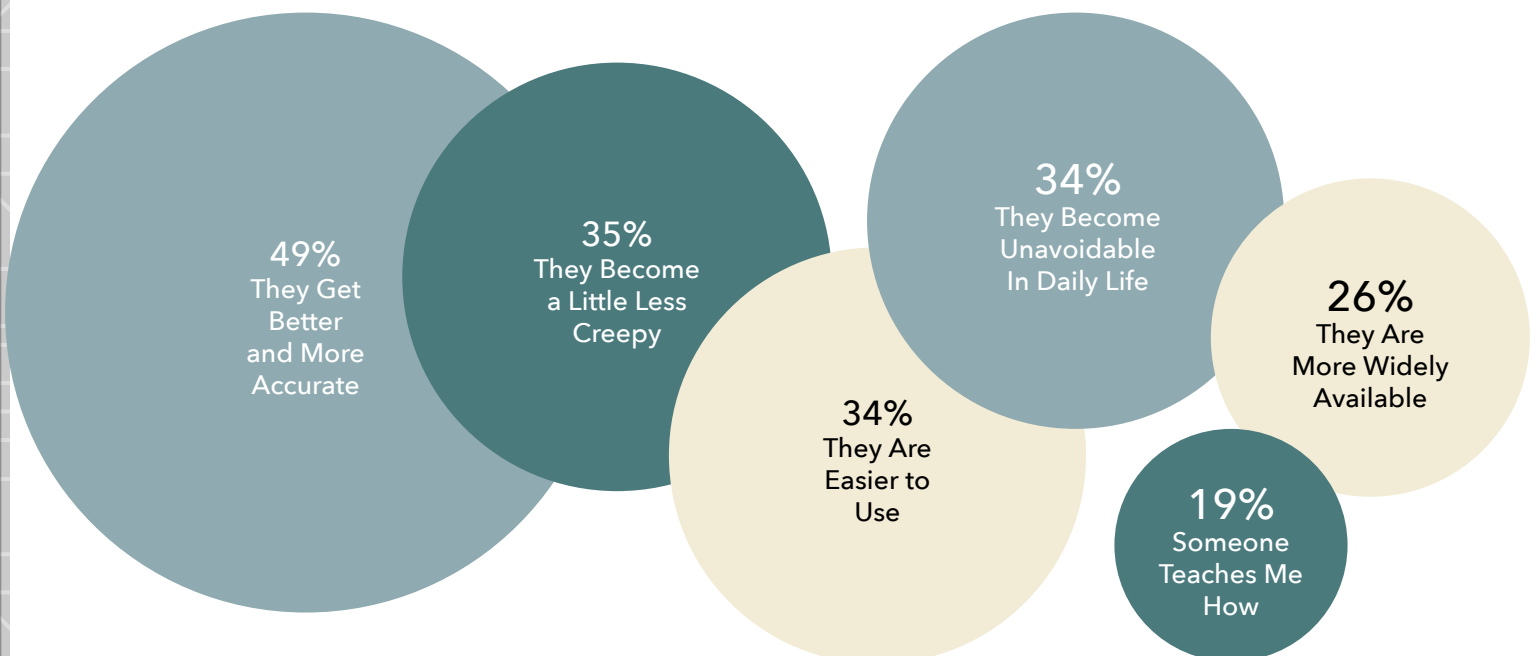
When asked if they were more or less likely to use AI-powered technology in the future, the largest portion of consumers responded with "More Likely." That said, the use of AI-powered technology might not be a matter of choice, as 41% of consumers who answered "More Likely" also indicated the reason for that increase in use was due to the technology becoming "unavoidable" in daily life. But clearly, consumers perceive AI is here to stay, which should prompt brands to strongly consider AI solutions if they are not already playing in the space.



On the topic of what would make them more likely to use AI solutions in the future, more than half of consumers pointed to issues concerning the quality of the technology, including responses like, "They Get Better and More Accurate" and "They Are Easier to Use." In addition to the below responses, six percent of survey participants indicated "Other," and took the time to write in a response. Most of these dozen or so other responses dealt with ethical and security issues, with multiple nods toward the impact on jobs. A sampling of verbatim from these responses includes:

- "There is less impact on jobs."
- "The ethical questions are all sorted out."
- "They can prove AI is a secure technology."
- "Rules are put in place governing when and how AI can be used."

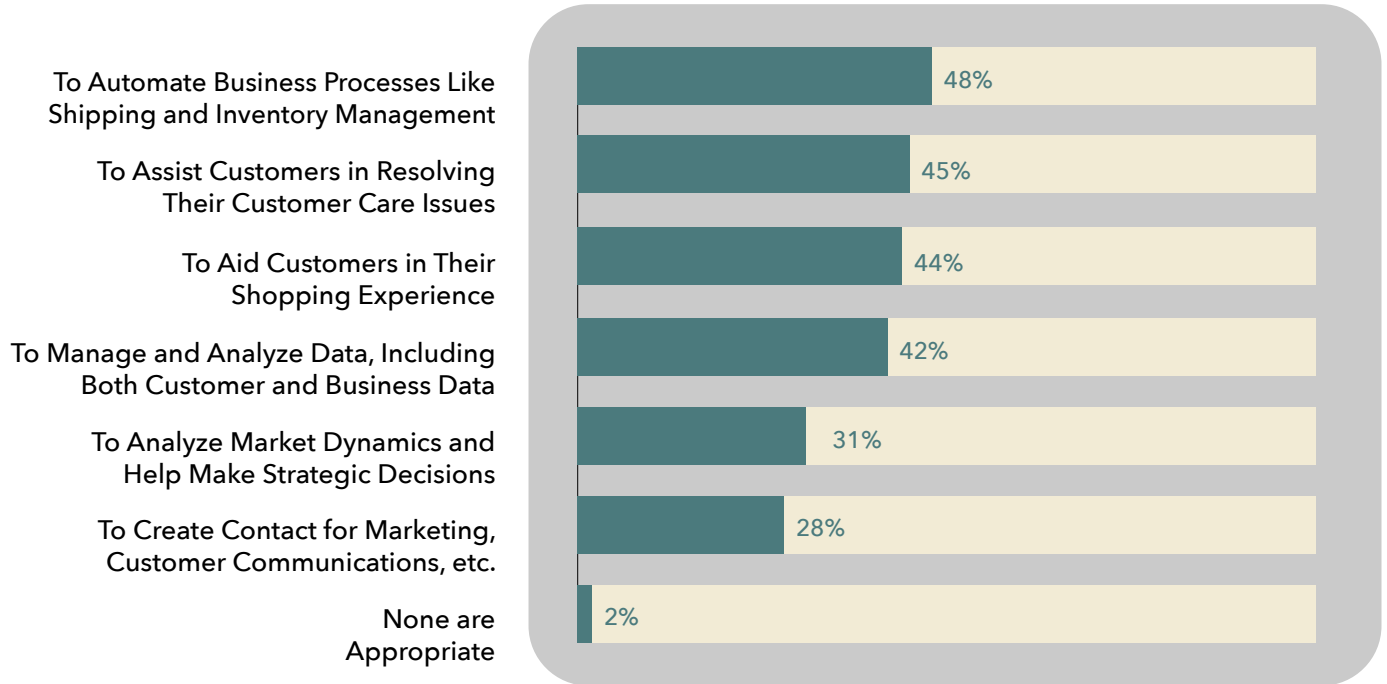
What would make you more likely to use AI-powered technologies in the future? (Select all that apply.)



## THE APPROPRIATE USE OF AI AND CHANNEL PREFERENCES FOR AI

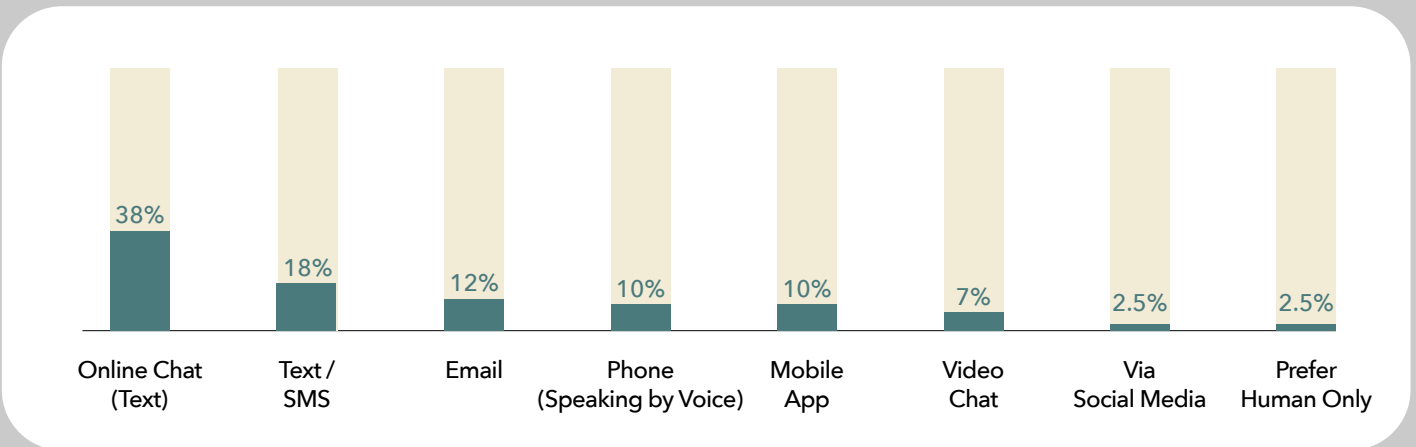
Interestingly, consumers who were open to any use of AI-powered solutions and technologies by brands were equally open to that use across a range of use cases. The two areas where consumers were least open to the use of AI-powered solutions and technologies was in market analysis and decision-making and content creation. Although it's unclear exactly why, it may be that consumers perceive themselves as targets of these activities in ways that maybe don't directly add value to their experiences.

**In your opinion, which of the following scenarios are appropriate for brands to utilize chatbots, generative content, and other AI-powered solutions and technologies? (Select all that apply.)**



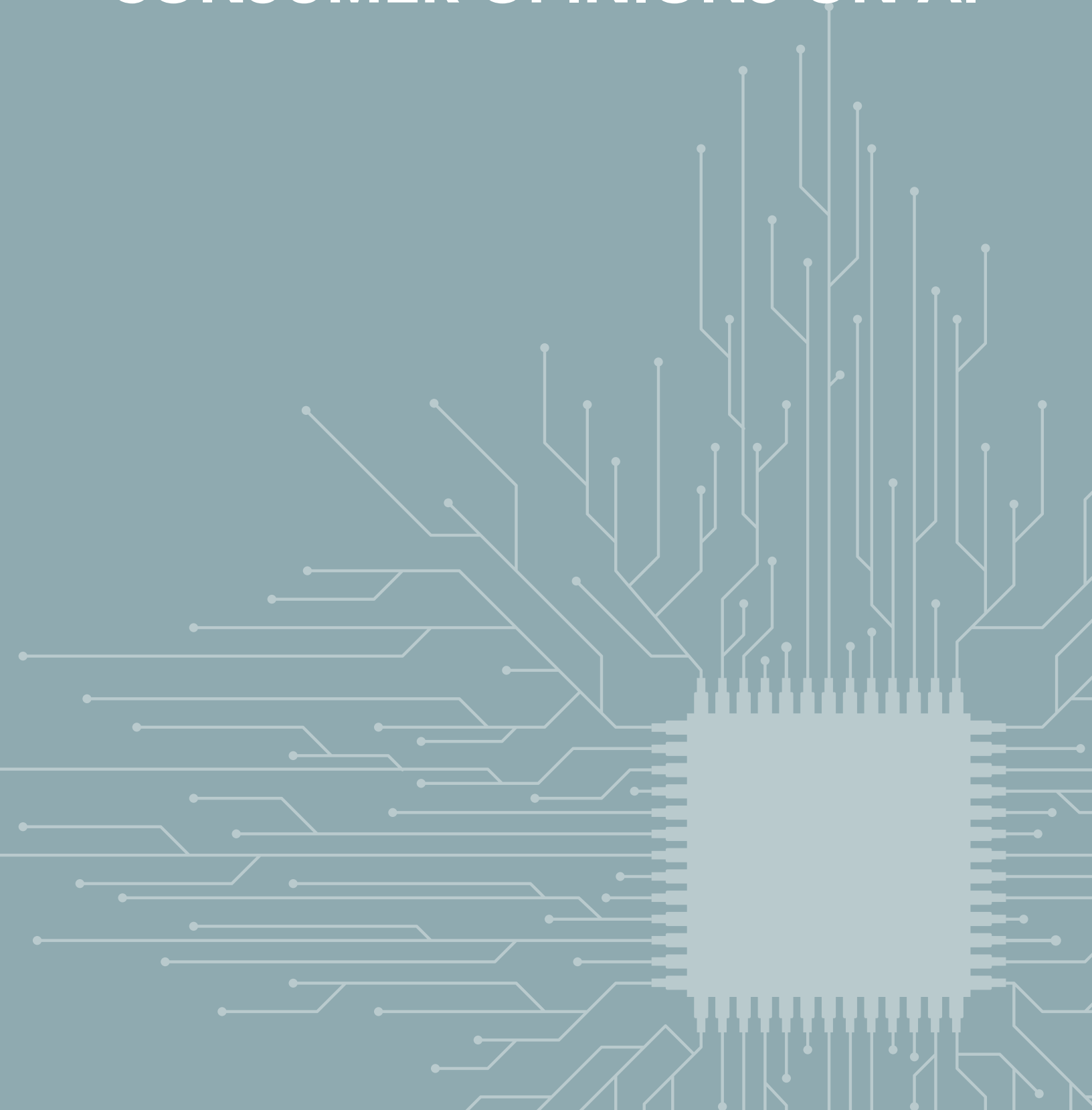
Overwhelmingly, consumers would prefer to interact with an AI-powered virtual agent via Online Chat more than two-to-one versus all other channel options. Consumers were least receptive to Social Media and Video Chat channels, while about two-and-a-half percent of consumers would prefer human only interaction.

**If you had to resolve a customer care issue by interacting with a virtual agent powered by AI, which would be your preferred method of communication?**





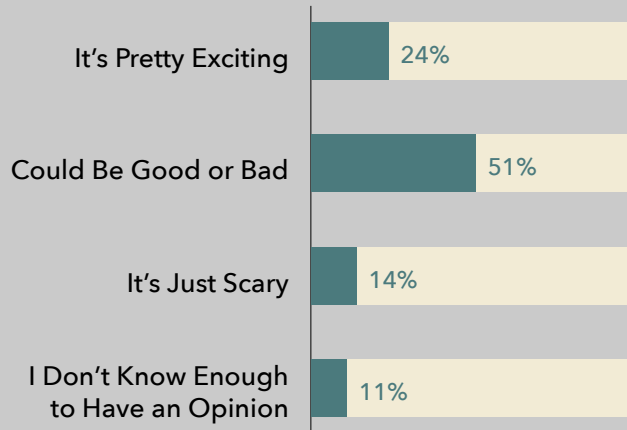
# CONSUMER OPINIONS ON AI



FEELINGS ABOUT AI AND THE COMPANIES THAT USE IT

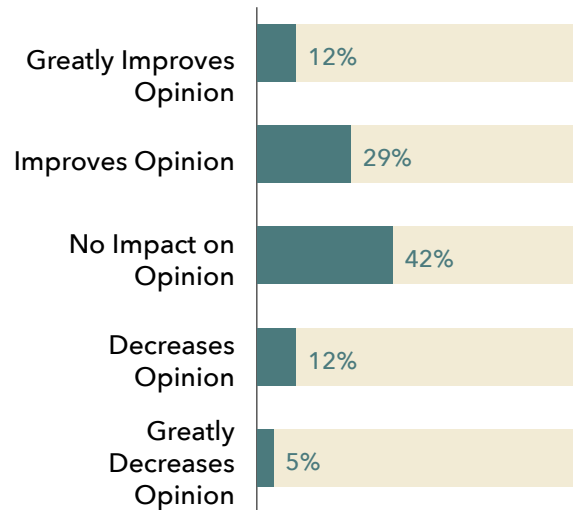
What is your general feeling about AI, its development, and its use?

Most consumers (51%) are undecided about the ultimate outcome of AI’s development and use, with another one in four consumers having a positive take, while 14% of consumers consider such developments as “scary.” Furthermore, one in ten consumers don’t feel educated enough to state an opinion. As brands develop and deploy AI technologies, they’ll not only need to emphasize how AI makes customers’ lives better, but will also need to stay in the loop on AI macro trends, breakthroughs, and prevailing opinion.



How does hearing about a company expanding this use of AI-powered technologies influence your opinion of that company?

Forty-one percent of consumers have an improved opinion of a company if they hear of that company pushing deeper into the use of AI. Additionally, almost half (42%) of consumers indicate their opinion is unaffected by hearing such information. That's 83% of consumers with opinions that are either unaffected or positively affected by news of company making greater use of AI. On the other hand, 17% of consumers indicate that greater use of AI is a detraction.



What are your feelings toward the use of AI by companies to improve their business outcomes?

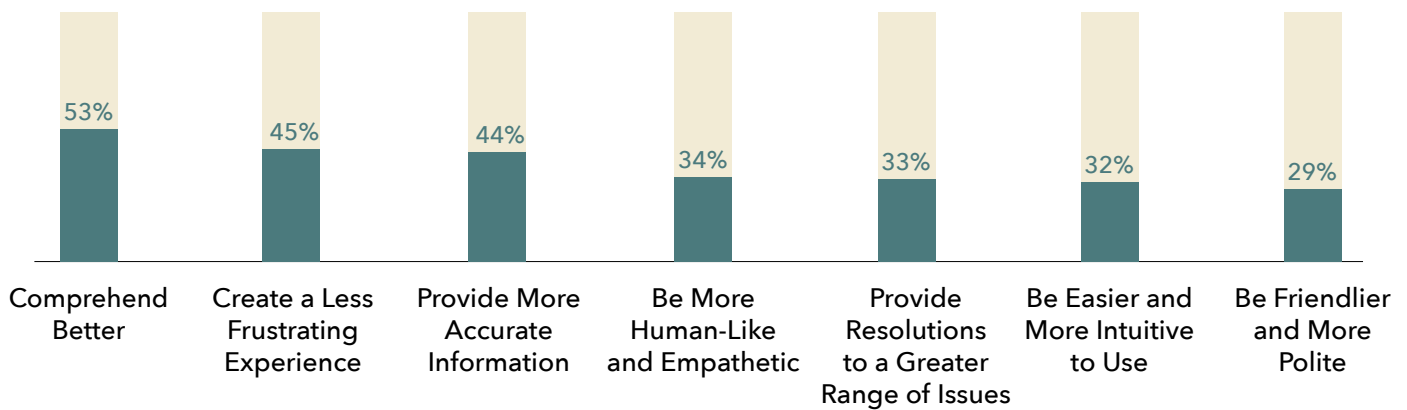


When asked about their concerns with companies deploying AI to improve business outcomes, nine percent of respondents answered 100 (Great Concern), compared to only three percent that answered 0 (No Concern). Fifty-five was the average across all responses, indicating a moderate amount of concern with AI’s use across consumers. Among those 45 years and older, the average response was 60, while among those ages 18 to 29, the average response was 42.

## IMPROVING AI-POWERED SOLUTIONS AND WHERE TO INVEST

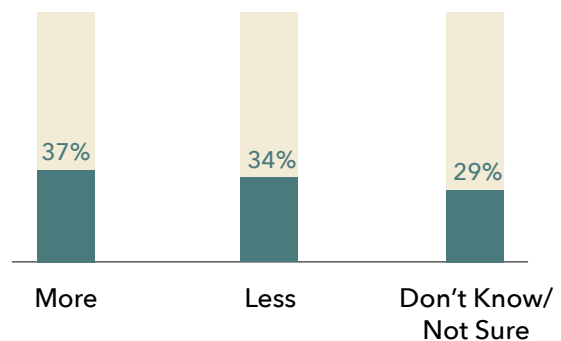
When asked in what ways AI-powered customer care solutions needed improvement, consumers focused less on the characteristics of a persona (i.e., human-like empathy or friendliness) and more on functionality (i.e., better comprehension and accuracy). The functionality trait that ranked lowest in the results, “Be Easier and More Intuitive to Use,” indicates that AI tools are generally designed well from an interface perspective. In other words, there are good examples currently in the market. Companies should invest the time to understand and learn from best-in-class AI-powered solutions when developing and launching new entrants for their own customers.

### In your opinion, in what ways are AI-powered customer care solutions most in need of improvement? (Select all that apply.)

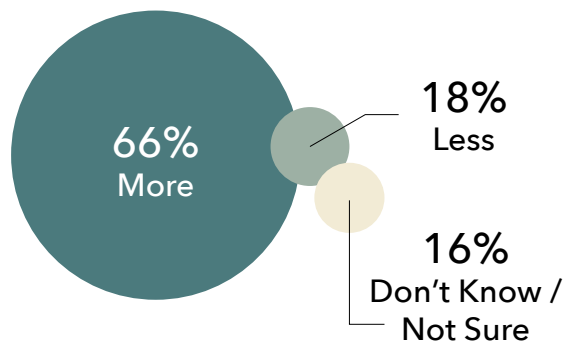


### Do you think companies should be investing more or less into finding new ways to use AI-powered technologies?

Among consumers with an opinion on the matter, only a slight majority feel companies should be investing more into finding new ways of using AI-powered technologies. These results echo findings highlighted in the following pages, with the greatest consumer concern for AI coming in the areas of inaccuracy/biases and security risks. Of interest is the fact that nearly one-third of respondents are unsure about this question, indicating there are a lot of consumers who can be won over to the power and value of AI if companies are able to get their messaging and implementation correct.



### Do you think companies should be investing more or less into investigating and understanding the ethics and risks of AI as a technology?



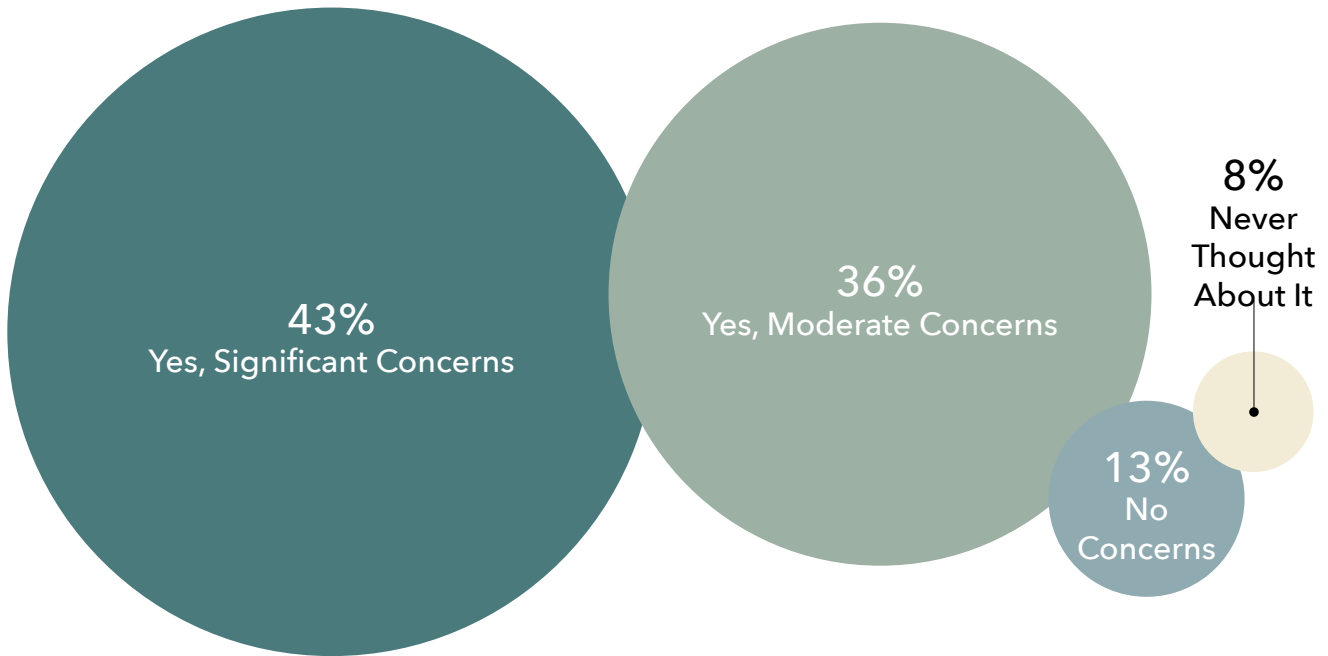
Overwhelmingly, consumers support companies investing the time and resources needed to understanding the ethics and risks of AI technology. In practice, this means creating an internal committee tasked with developing and enforcing principles and guidelines, monitoring the external environment for key developments, and collaborating with third-party stakeholders like government agencies and other businesses. As AI technology continues to advance, the stakes for both companies and consumers will only increase. For companies anticipating large investment in the AI space, they may want to consider creating a “futurist” role within the company, helping to guide decisions on all things related to AI and future technologies.



## EXPLORING CONCERNS ON INACCURACIES, BIASES, AND SECURITY RISKS

The potential for inaccuracies and biases, along with security risks, were the two areas of most concern among consumers when it comes to the wider use of AI-powered technologies. That said, significant differences emerged between males and females when looking only at those with or without concerns, with 20% of males indicating “No Concerns” versus only 13% of females.

**Are you concerned with the inaccuracies and biases that might occur with the wider use of AI-powered technologies?**



### What has led to the issues with inaccuracies and biases that might occur with the wider use of AI-powered technologies?



Wow! Not since “omnichannel” has there been a buzzword that has captivated the business world like AI. It feels like every CEO thinks that unless AI is omnipresent within the company, they will certainly be doomed. I think some of this rush has led to AI being implemented too quickly and, more important, has led to companies trying to have AI do too much. Take chat as an example. Chat certainly isn’t an expansion of AI, but I do think that within chat, people are being pushed to increase deflection, reduce head count, and save costs. I have recently seen a rogue chatbot reply with answers that made my skin crawl. The information the bot created was totally wrong, and it happened because it pieced together bits of information. And in this case, it was especially bad because the critical error in the information provided was about pricing (much lower than actual). While part of that issue lies in the knowledge base, part of it also lies with the chatbot providers. There is an arms race to create a worldly AI chat product, and some providers are coming to market far too soon. Bottom line: It is critical for CX leaders to first set appropriate expectations, then be diligent and thoughtful in how AI is implemented so inaccuracies are limited.

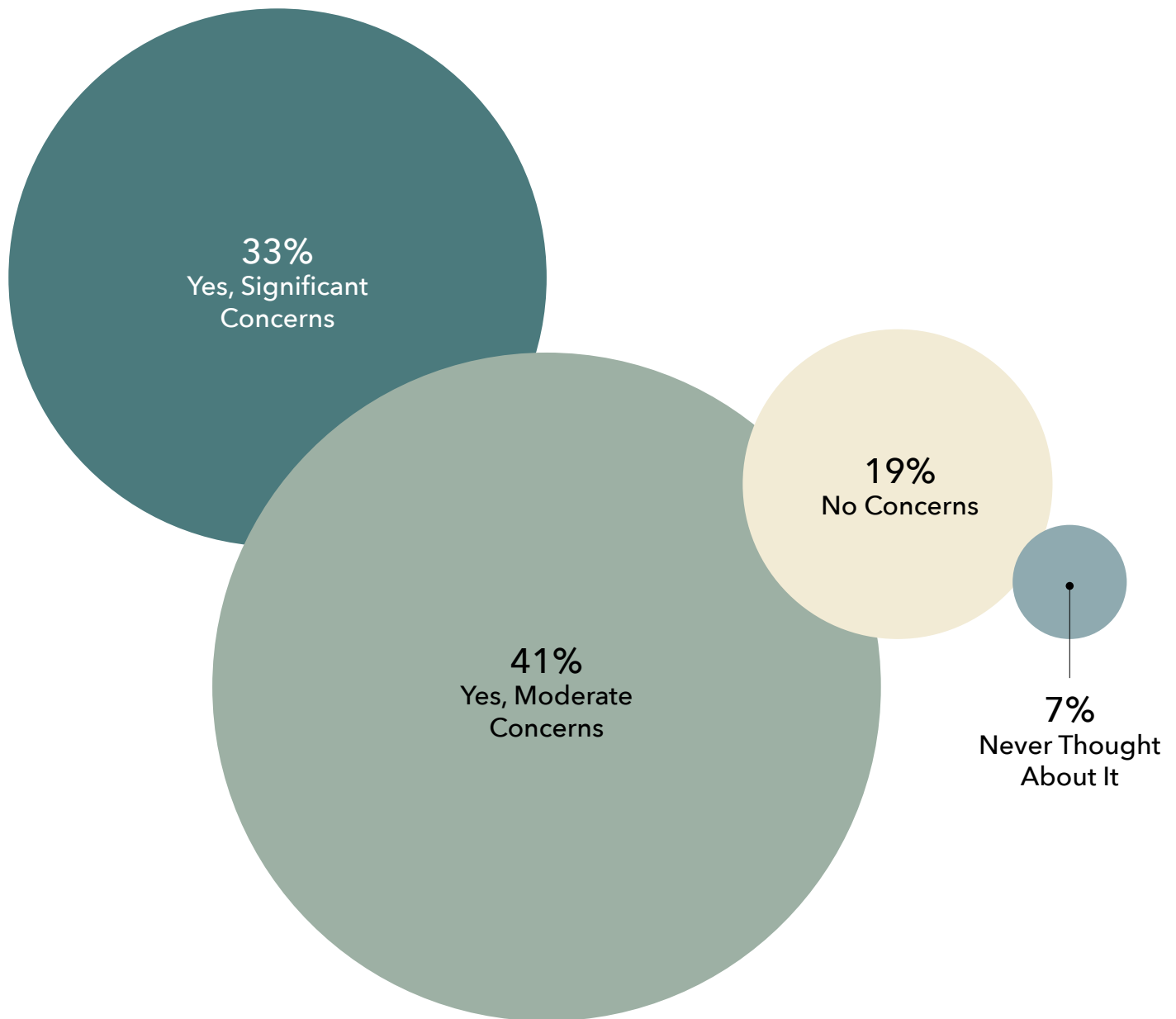
**Matt Zurcher**  
Owner/Founder



## EXPLORING CONCERNS ON ETHICS AND IMPLICATIONS OF AI

Compared to other aspects of AI, survey respondents had the least amount of “Significant Concerns” for the “Ethics and Implications” of humans advancing the pursuit of AI. Although it’s not the most concerning aspect of AI for consumers, it is an area where they think it’s important for brands to invest time and resources in developing an understanding, as indicated in a result on the following page where only six percent of survey respondents do not consider such pursuits to be important.

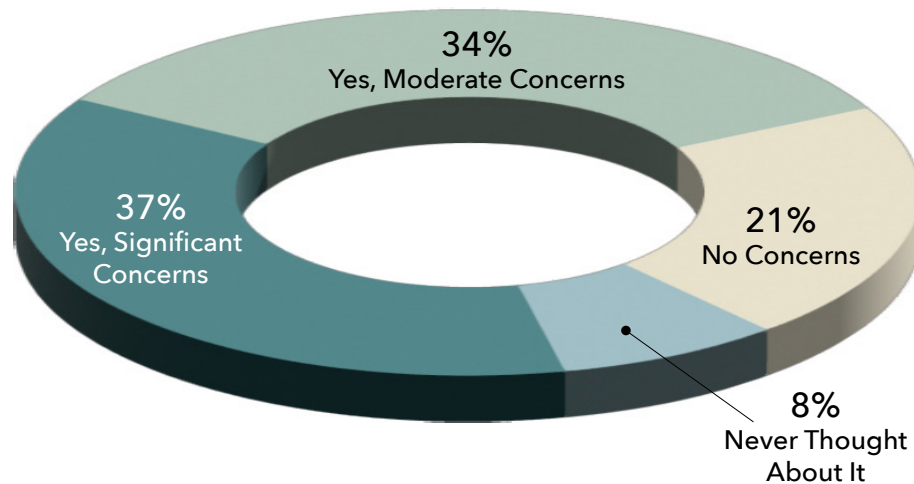
**Do you have any concerns about the ethics and implications of humans advancing the pursuit of AI?**



## EXPLORING CONCERNS ON JOB LOSSES

Job losses resulting from greater use of AI-powered technologies was of least concern to survey respondents. It was also the only attribute with the smallest delta between younger and older Americans, with 20% of those ages 60 years and older having “No Concern” compared to 23% of those ages 18 to 44 years. Where a notable delta did occur is among those with differing household incomes. Among those in households with incomes of \$50K or less, 19% expressed “No Concerns” about potential job losses as a result of the greater use of AI compared to 29% among households earning \$100K or more.

### Do you have any concerns about any potential job losses resulting from greater use of AI-powered technology?



### Has the introduction of AI-powered technology resulted in a downsizing of head count, or simply shifted head count elsewhere in the organization?

AI-powered technology is here to stay and will only grow stronger and more impactful over time. Change is inevitable, and humans will continue to adapt.

One of my favorite features on our website is our chatbot, “Scout,” a consumer-care tool that fetches and provides answers to consumer inquiries from our knowledge database. Younger Millennials and Gen Z, who are growing up in the digital age, prefer to avoid phone calls. They want a simple way to submit their questions and receive quick responses. Our AI-powered chatbot is the perfect solution. It addresses inquiries in real-time and immediately elevates any questions it can’t answer to a consumer-care agent.

Scout has had an immediate impact on my team’s productivity. By addressing commonly asked questions, Scout allows my team to focus on more complex inquiries. Every day, I review Scout’s analytics and examine the questions it couldn’t answer. We often use these unanswered questions to expand our knowledge base, ensuring Scout can handle similar inquiries in the future. It’s very much like training a puppy.

AI-powered chatbots, virtual assistants, and automated response systems can handle a large volume of consumer inquiries which could reduce the need for some human interactions. This is especially true for tasks such as answering frequently asked questions, processing transactions, and basic troubleshooting.

While AI can efficiently manage many routine tasks, it may not yet match the nuance and empathy that human agents provide, especially in complex or emotionally charged situations. Consumers may feel frustrated or dissatisfied if the service seems impersonal or inadequate.

From my perspective, there is potential for a hybrid model where AI supports human agents rather than replacing them entirely. AI can handle routine tasks, allowing human agents to focus on more complex and value-added interactions. This model can improve efficiency while retaining the human touch in consumer care. Training your agents to handle more complex issues and deep human interactions will set them up for success and reduce the risk of job loss.



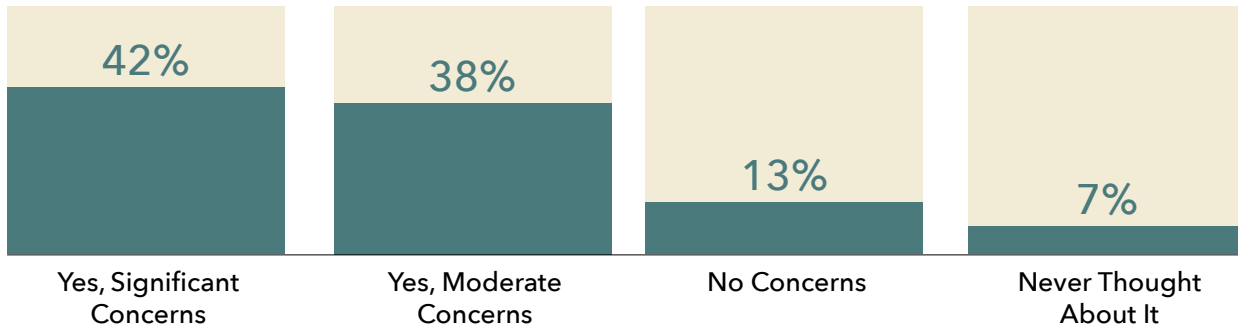
**Lisa Diehl**  
Director, Customer Care



## EXPLORING CONCERNS ON SECURITY AND CONSOLIDATED CONCERNS

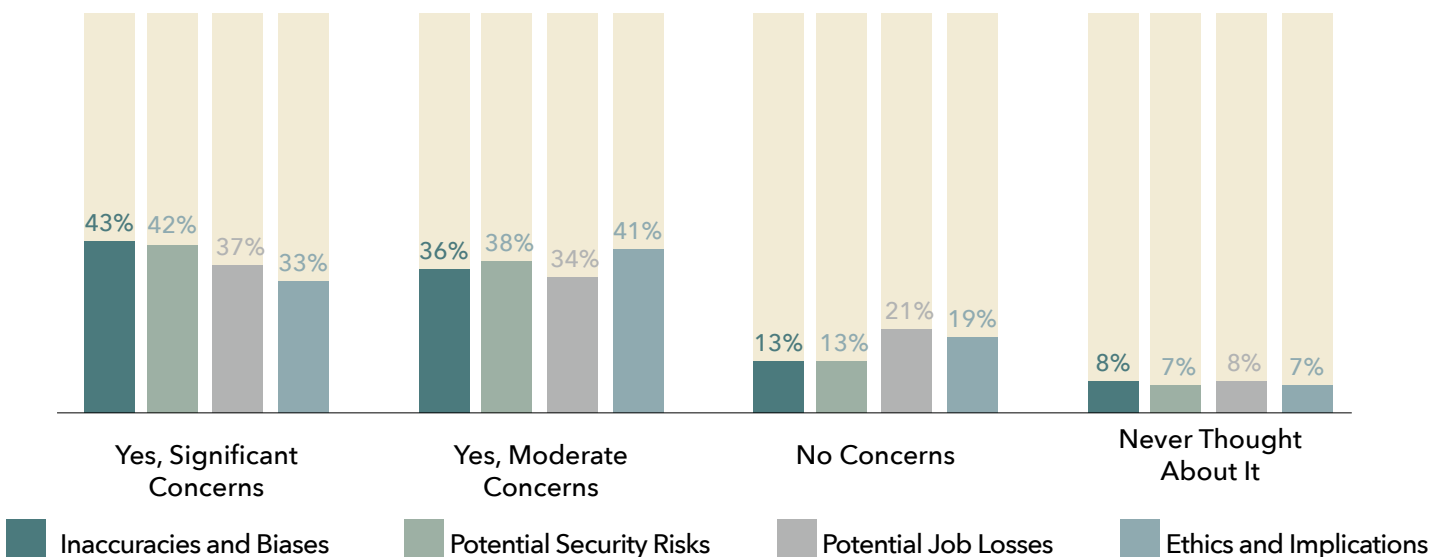
Security risks associated with AI-powered technology was of primary concern among both men and women. Concerns were also far more concentrated in older Americans, with 17% of those ages 18-44 years indicating “No Concern” compared to only six percent of those ages 60 and older. Security concerns are especially problematic when using AI-powered solutions in ways that involve sensitive information like financial accounts, medical records, or other information that’s typically kept private. Brands that deal in such information can expect more education and easing of concerns for their customers to adapt to AI-powered solutions.

### Do you have any concerns about any potential security risks of AI-powered technology?



With a combined view of consumer concerns for the development and deployment of AI-powered technologies, it’s clear that the greatest concerns lie with inaccuracies/biases and security risks. That said, there is significant concern across the board. Across all categories, at least 71% of consumers express some level of concern. Furthermore, within demographics, woman tended to exhibit slightly more concern than men, while those ages 60 years and older were significantly more concerned than those ages 18 to 44 years. Men expressed the least amount of concern for “Job Losses” (63%), while women expressed the least amount of concern for “Ethics and Implications” (71%). Both groups were most concerned about “Security” (77% for men and 76% for women). Clearly, there is a lot of work to be done in changing consumer perceptions and easing concerns toward AI technology, and much of this work will undoubtedly fall on the shoulders of the companies deploying such technologies.

### Do you have any concerns about the following aspects of humans developing and deploying AI-powered technology?

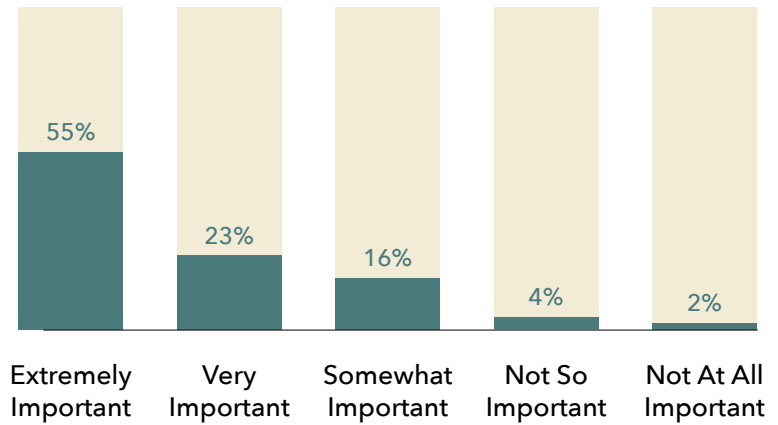




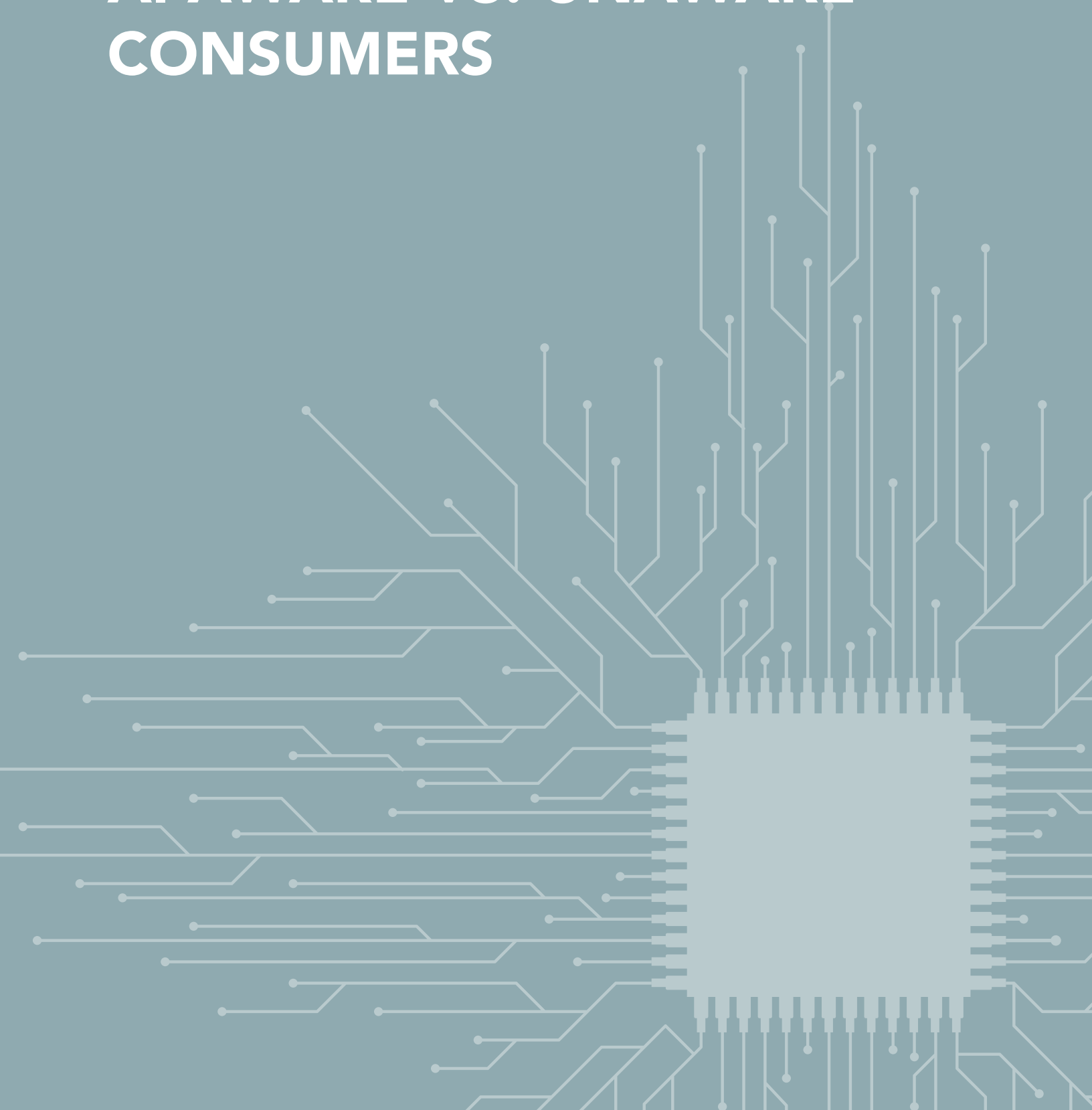
## IMPORTANCE OF UNDERSTANDING THE ETHICS OF AI

**If a company was to consider deploying AI, how important is it that it have an understanding of the ethics behind AI technology?**

While “Ethics and Implications” is the least of consumer concerns for AI technology (as indicated above), 78% of consumer survey respondents indicated that it’s either “Extremely Important” or “Very Important” for companies to have an understanding of the ethics behind AI technology. Given the weight of these results, it further stresses the importance of devoting the necessary resources to both understand the prevailing consumer sentiment on AI while also developing an appropriate set of principles and guidelines to govern the use of AI technologies.



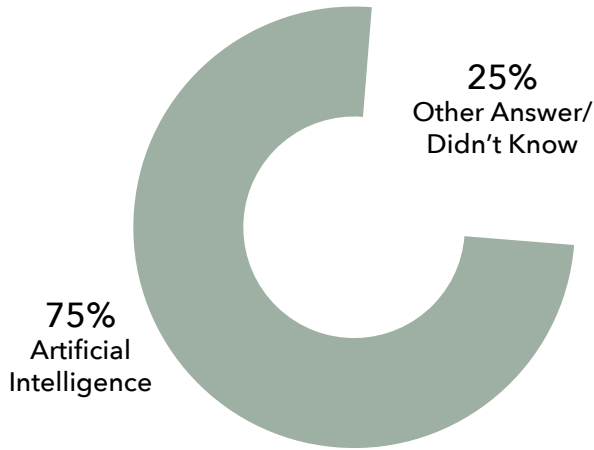
# AI AWARE VS. UNAWARE CONSUMERS



# AI AWARE VS. UNAWARE CONSUMERS

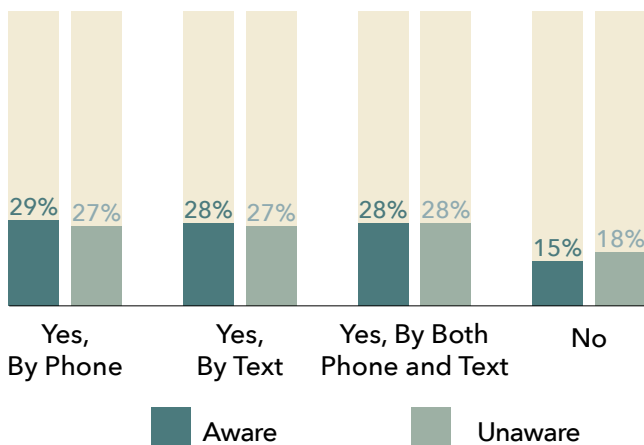
## CONSUMER USE OF SELF-HELP SOLUTIONS

In regards to CX, what does "AI" stand for in the following context: AI-powered CX solutions?



In a screening question meant to subdivide survey participants into two groups of consumers, one group with some amount of AI awareness and one group with none, 75% of consumers could correctly identify what AI meant in the context provided. Interestingly, results were remarkably consistent across both age and gender demographics. In fact, the only demographic to show a decrease in awareness were those respondents with a household income of \$50K and below, where AI was provided as a response by only 70% of respondents.

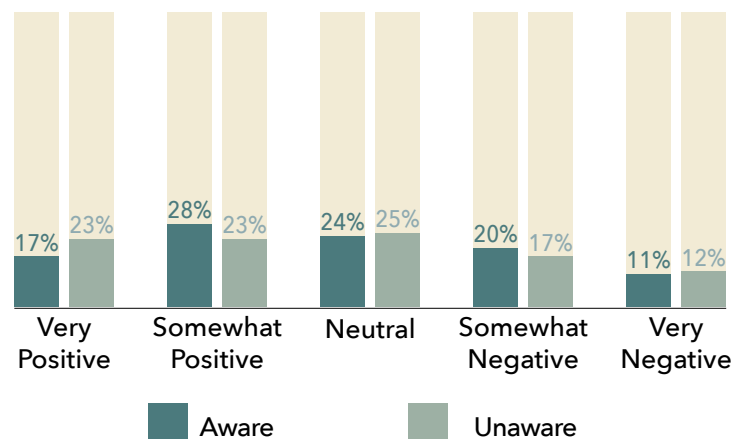
To your knowledge, have you interacted with an AI-powered CX solution in the past 12 months, either by phone or in text-based communication?



Regardless of awareness, consumers understand well how pervasive AI-powered solutions are in their CX interactions, whether the interactions be by phone or text-based. This is especially interesting considering the degree to which consumers prefer their AI interactions be text-based (pages 14 and 27), with only 17% of all consumers preferring a voice-based communication option (either phone or video chat) among the general population. Brands should consider these results as they roll out new AI-powered solutions, as well as manage and evolve existing programs.

Belying the somewhat negative impact consumers believe AI has had on the overall customer experience (page 12), most consumers feel they typically have a positive or at least neutral, experience when interacting with an AI-powered solution. Furthermore, responses from consumers defined as being "Unaware" generally described a more positive experience, with 23% indicating they typically have a "Very Positive" experience compared to only 17% of those consumers who were defined as "Aware."

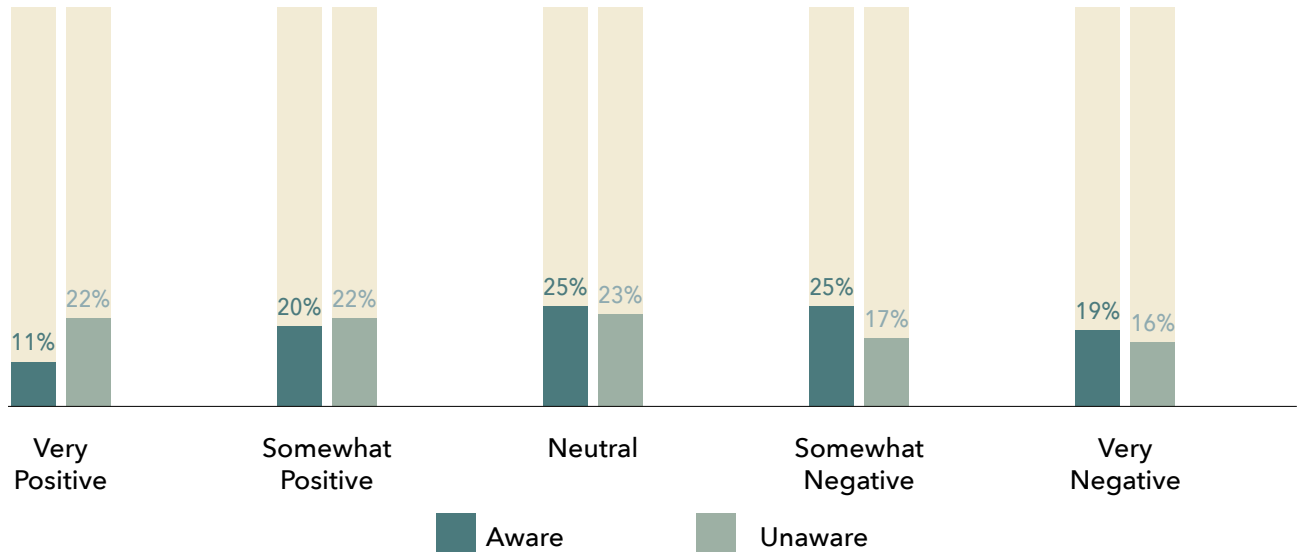
What type of experiences do you typically have in your interactions with an AI-powered CX solution?



## AI AWARE VS. UNAWARE CONSUMERS USE OF SELF-HELP SOLUTIONS AND IMPROVING CX

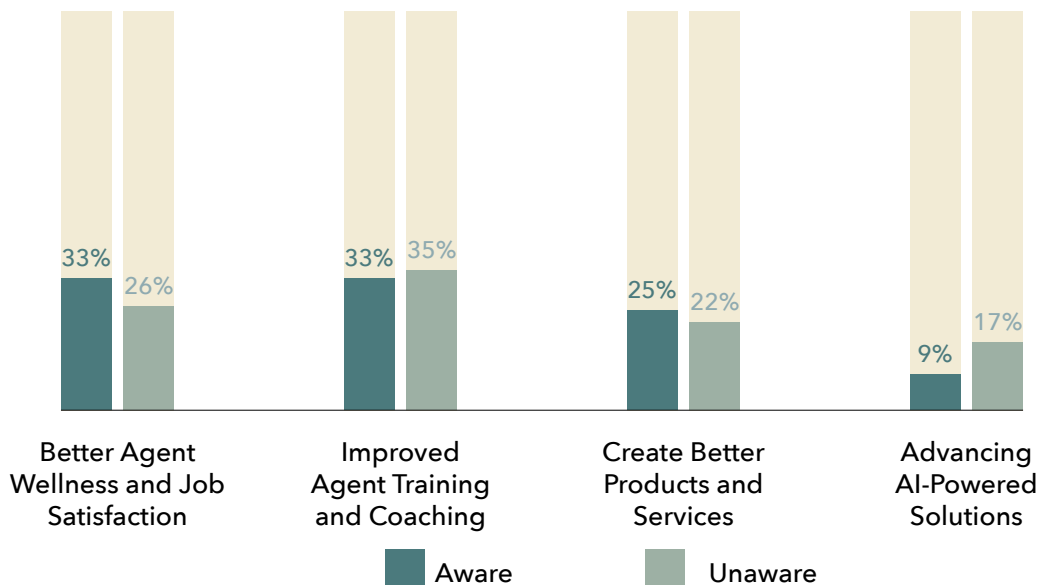
In another result highlighting a divergence between consumers being “Aware” and “Unaware” of AI, consumers defined as “Unaware” have a significantly more positive outlook on companies using AI to interact with consumers to resolve customer care issues. In fact, 44% of “Unaware” consumers have a positive feeling on such actions, while only 31% of “Aware” consumers feel the same. Furthermore, negativity is higher among “Aware” consumers at 44% compared to 33% of “Unaware” consumers.

**How do you feel about companies using artificial intelligence (AI) to interact with consumers to resolve their customer care issues?**



Across “Aware” and “Unaware” consumers, “Improved Agent Training and Coaching” was the most popular option for where brands should be investing their time and money to best improve the overall CX, coming in at a combined 68%. Comparatively, “Advancing AI-Powered Solutions” received a combined result of only 26% supporting the notion that consumers value improving live support over advancing AI-powered support.

**Generally speaking, where should brands invest their time and money to best improve the overall customer experience?**



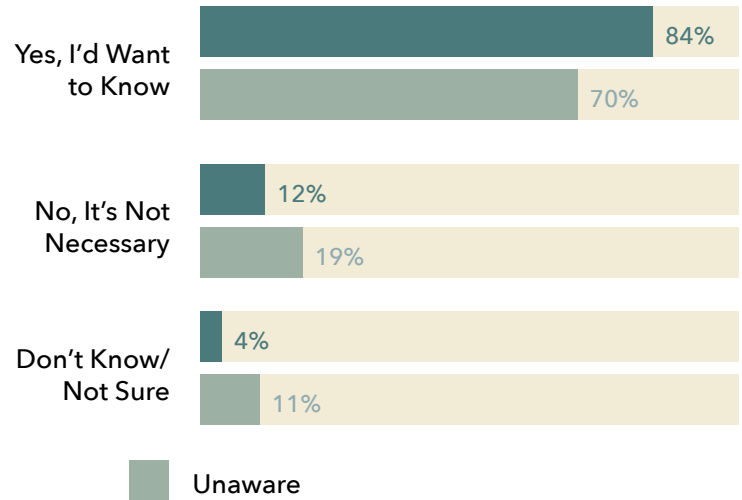


## AI AWARE VS. UNAWARE CONSUMERS

### IDENTIFYING AI AND CHARACTERISTICS OF IMPORTANCE

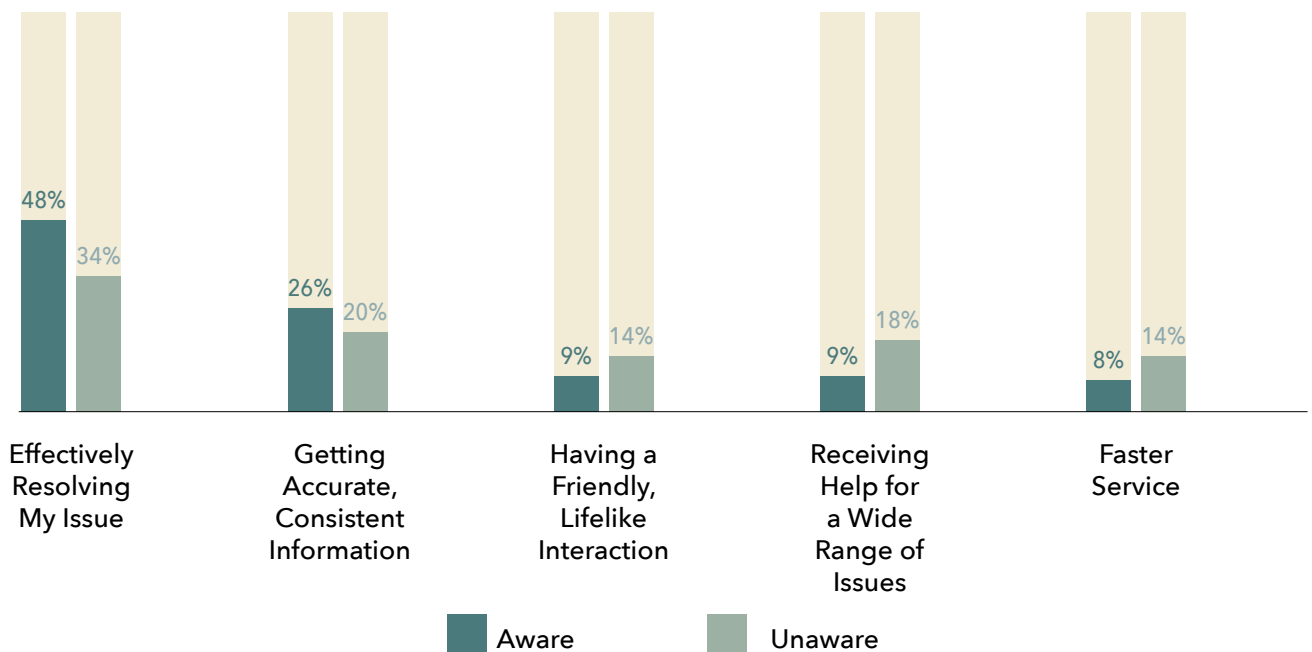
**Should you interact with an AI-powered virtual agent, do you think the interaction should start with a notification that you are speaking with a non-human entity?**

Most consumers think brands should make efforts to identify non-human entities at the start of an interaction. While this opinion was more strongly held by "Aware" consumers (84% versus 70% for "Unaware" consumers), the result was universal enough that brands should strongly consider these results as they design customer journeys with their AI-powered solutions.



Aside from receiving an effective resolution to their issue, consumers are most concerned with getting accurate, consistent information when interacting with an AI-powered solution. Interestingly, consumers are least concerned with "Faster Service," which is often cited as one of the most notable benefits of deploying AI-powered solutions. Given that AI solutions inherently speed up interactions, companies should consider focusing on creating accurate and consistent solutions that resolve for the widest range of issues to support the desires of the largest group of survey respondents.

**When interacting with an AI-powered CX solution, which characteristic is most important to you?**

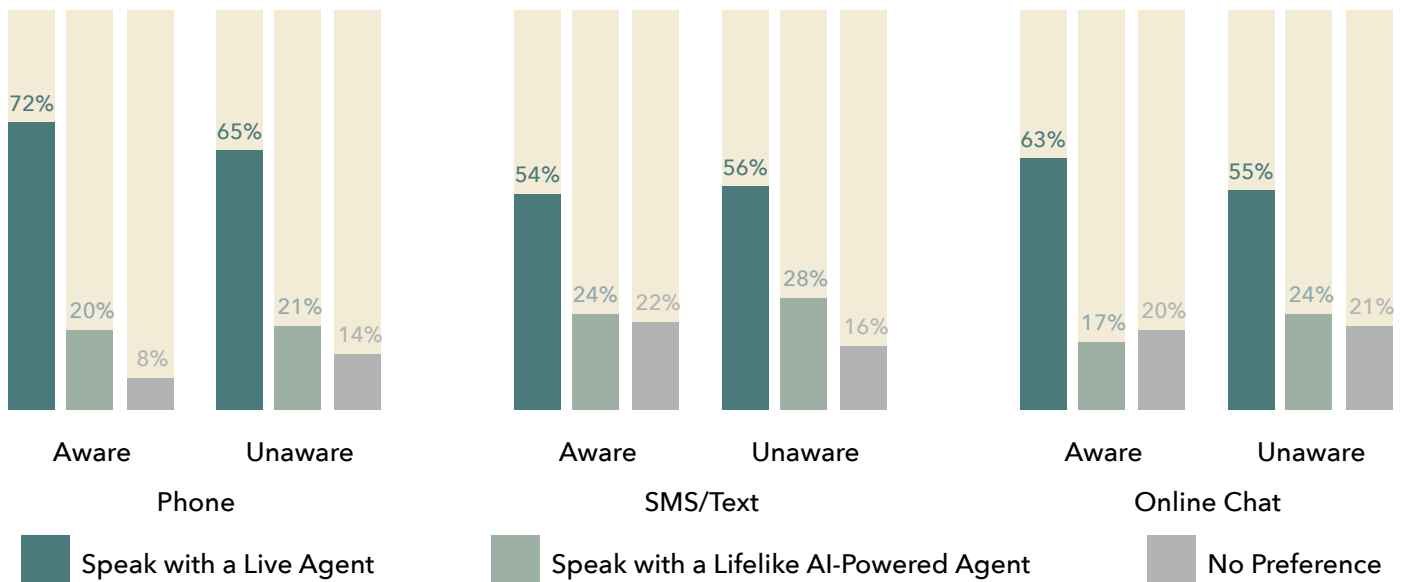


# AI AWARE VS. UNAWARE CONSUMERS

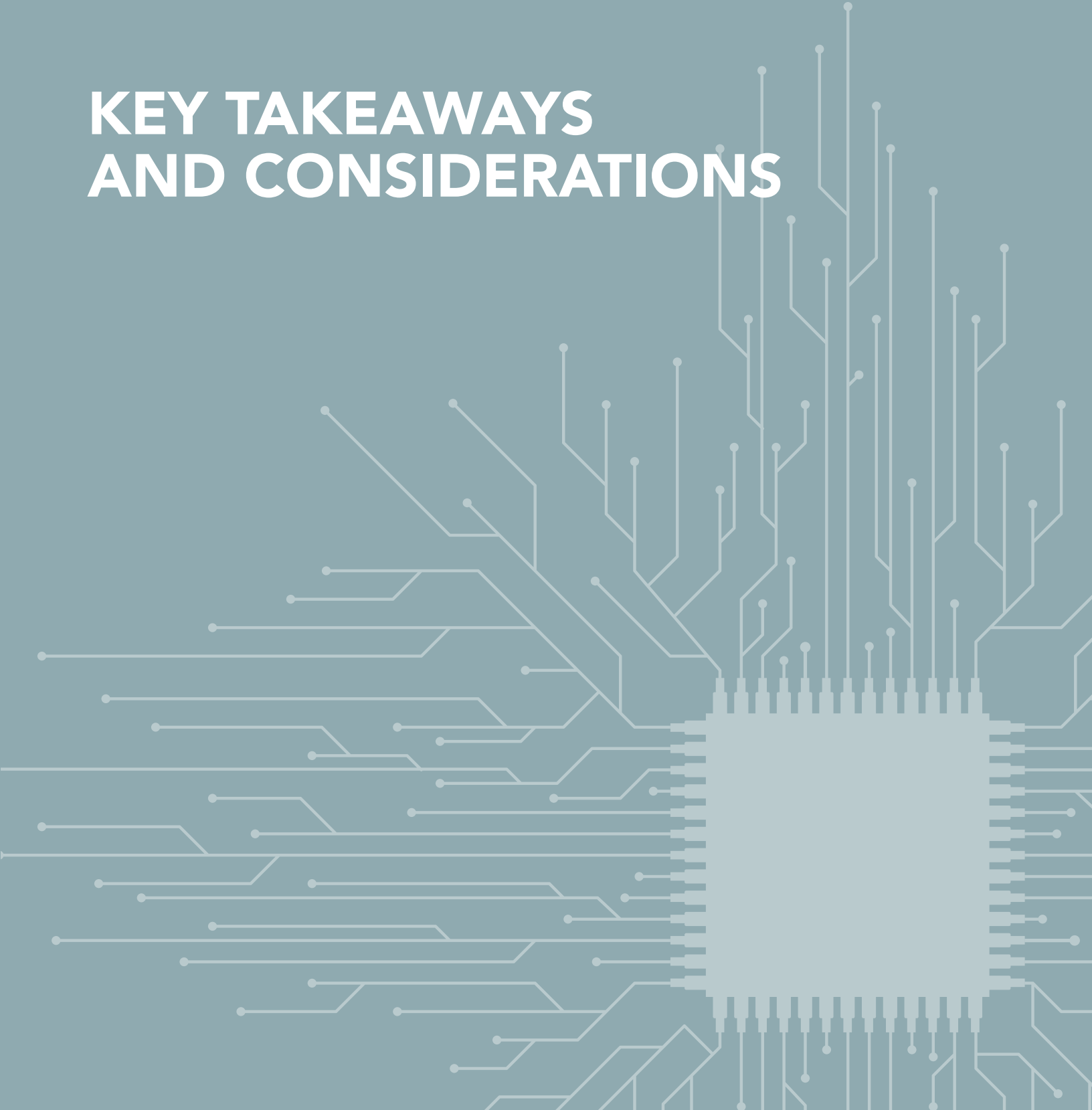
## CONSUMER AI PREFERENCE BETWEEN AI AWARE AND UNAWARE CONSUMERS

Like results on page 14, results below show consumers generally lean toward text-based solutions when it comes to interacting with an AI-powered agent. Beyond this, though, results depict a consumer base clearly more interested in speaking with a live agent versus an AI-powered agent. The reason for this is likely multifaceted. Most notably is the differing preference among differing age demographics. Individuals above 60 years of age were 20-30% more likely to want to speak with a live agent compared to their 18-44-year-old counterparts. Previous experience is also a likely driver, with many companies rushing AI-powered solutions in the early days of the COVID-19 pandemic. Finally, it's clear that many consumers carry concerns for AI-powered solutions, as indicated on page 16. The best way to overcome these concerns is to encourage consumers to try such solutions, and ensure those experiences run counter to prevailing concerns and biases.

**Which would be your preference if you had to resolve a customer care issue with a brand, knowing your issue would be quickly and satisfactorily resolved in either case, by channel?**



# KEY TAKEAWAYS AND CONSIDERATIONS



# CONCLUSIONS

Regardless of consumer sentiment and adoption habits, AI-powered CX solutions are here to stay. In fact, they are not just here to stay ... they are here to evolve, mature, and improve. The brands that thrive in this new environment will be the ones that monitor and measure the experience, as well as listen to and address the concerns of their customers.

Like any other CX technology, successful implementation and customer acceptance often means putting the customer at the center of the strategy. Brands must be careful not to view AI merely as a means of cutting costs or even speeding up the care process for their customers. This might result in solutions missing the mark when it comes to what consumers really want out of AI for CX which is accuracy, consistency and, above all else, the functionality to actually resolve a wide range of their customer care issues. This remains true across both consumers with awareness of AI and those without. Of course, AI technology is a long way off from functioning completely autonomously, which means humans will remain an important part of the plan for a long time to come. In fact, most consumers (54% to 72%, page 27) still prefer to speak with a live agent, even if an AI-powered solution could quickly and satisfactorily resolve their issue. Because of this, brands should consider the ease with which their customers can seamlessly transition from AI assistance to human assistance in the event a customer is first guided to an AI-powered solution.

But consumers aren't only concerned with access to live assistance. Although many consumers (41%, page 16) indicate they'd have an improved opinion of a brand if they heard they were expanding the use of AI technology, 78% think it's either "Extremely Important" or "Very Important" for brands to better understand the ethical implication behind the technology (page 22).

Furthermore, consumers have significant concerns about biases, inaccuracies, and security risks when it comes to AI-powered technologies. Because of this, companies need to understand that their investment in AI doesn't only go so far as the technology itself — the initiatives must also be supported by a deeper understanding of outcomes (for both customers and employees), constant monitoring and measuring, and an understanding of the actual experience provided by each specific solution. Is the technology accurate and correct? Is it consistent? Is it easy to use? Does the technology effectively resolve a wide range of issues? At this point in the journey, these are the things consumers care about most, and these are the things that should be top of mind for every CX leader who is leading the charge on AI.





**Execs In The Know**

# ABOUT EXECs IN THE KNOW

Execs In The Know brings together customer experience (CX) leaders from across industries in an effort to advance the conversation and set a new agenda for delivering amazing experiences for consumers. As a global community of the brightest minds in CX, Execs In The Know provides opportunities to learn, share, network, and engage to innovate. Operating under the motto, “Leaders Learning From Leaders,” Execs In The Know facilitates many opportunities for community engagement, such as its bi-annual national Customer Response Summit and private online community, Know It All “KIA.” There are also exclusive, laser-focused engagements like industry briefings and executive roundtables. Execs In The Know also guides and informs the industry with a rich tapestry of CX-related content that includes *CX Insight* magazine, industry research, webinars, blogs, and much more.

Learn more about Execs In The Know at [ExecsInTheKnow.com](https://www.ExecsInTheKnow.com).

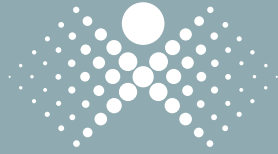


## ABOUT GLADLY

Gladly is the only AI-powered customer service software built around people, not tickets. Unlike traditional ticket-based systems, Gladly uses the customer as the core record. We bring together everything you know about your customers and every interaction you've shared — across channels, both agent-led and AI-driven — into one continuous, lifelong conversation, resulting in more personal experiences and empowered support teams.

Gladly was founded with the vision of a happier world where customers are back at the center of customer service. Today, Gladly is proud to call over 300 of the world's most loved brands customers, including Nordstrom, Warby Parker, Crate & Barrel, Ralph Lauren, Tory Burch, Rothy's, and more.

Learn more about Gladly at [gladly.com](https://gladly.com).



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