

IN ✨ ✨
CUSTOMER
EXPERIENCE ✨

— 2021 REPORT





CUSTOMER EXPERIENCE TRENDS AND TRANSFORMATION

——— 2021 Report

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EXECUTIVE SUMMARY

Across industries as diverse as healthcare, retail, telecom, and financial services, one thing is consistently clear: customer experience is critical. Businesses invest heavily in customer experience because even incremental improvements can have a big impact on growth and retention. The COVID-19 pandemic represented a major acceleration to pre-existing trends. We've jumped ahead several years. Customers now expect **personalized experiences, 24 hour support, and instant access** to the brands they do business with, and enterprises who can differentiate themselves become leaders.

Enterprises look to a number of technologies to improve customer experience, and one of the fastest growing solutions is conversational AI.

Conversational AI offers two crucial benefits: **the ability to automate two-way natural language conversations with customers, and the ability to understand customers' needs through analyzing conversations.**

In 2021, Rasa engaged Dimensional Research to survey engineers, product leaders, and executives building virtual assistants. Customer experience emerged as the top use case among enterprises using conversational AI, along with these key findings:



Customer-facing virtual assistants vastly outnumber other use cases, with the need for 24-hour support driving development

72% of organizations leverage their assistants for customer-facing operations, although larger organizations reported using assistants for internal operations as well. Of those leveraging assistants for customer service, **64%** were motivated by providing **24-hour support** to customers.



Investments in conversational AI are increasing

55% of respondents expected their conversational AI budgets to increase in the coming year, and **13%** said they expected it to **increase significantly**. Businesses that have already taken steps toward building virtual assistants are **doubling down** on that investment.



Many organizations are still at an early stage of conversational AI maturity

About one third of organizations surveyed are currently **in production with virtual assistants**.

The top barrier reported is a lack of experience building virtual assistants, showing that companies are still in the process of developing the people, processes, and patterns needed for successful deployment.



Customer satisfaction is the top metric for measuring the success of a virtual assistant

70% reported that **customer satisfaction metrics** were used to track the success of virtual assistants, indicating that value to the customer outweighs immediate business benefits like cost savings.

RESEARCH METHODOLOGY

The primary research goal was to understand the awareness, attitudes, and experiences of individuals experienced with conversational AI.

The survey was fielded to a mix of independent technology stakeholders plus Rasa internal sources. Responses were captured between March 31 and April 13, 2021. A total of **442 qualified individuals** completed the survey. All had professional responsibility for conversational AI and are currently using a conversational AI platform. A wide range of roles, company sizes, and regions were represented.

About Dimensional Research

Dimensional Research® provides practical market research for technology companies. Dimensional partners with clients to deliver actionable information that reduces risks, increases customer satisfaction, and grows the business. Dimensional researchers are experts in the applications, devices, and infrastructure used by modern businesses and their customers.

Interviewed companies



BONOBOS

BOOT BARN



carhartt

Casper

COLE HAAN

The Container Store

Crate & Barrel



CVS

Dillard's

DSW
DESIGNER SHOES WAREHOUSE



EXPRESS



FOSSIL
GROUP



GRAUPEL

HERSHEY'S



INDOCHINO



KOHL'S

LA BOY



LIVE NATION

L'OCCITANE
EN PROVENCE

lululemon **athletica**

LUSH
FRESH HANDMADE COSMETICS

★ macy's

MICHAEL KORS

Microsoft

NORDSTROM

PANDORA



PERRY ELLIS

PET SMART

RALPH LAUREN



Saks Fifth Avenue



SEPHORA



sleep **number**



SWAROVSKI



tapestry

TJX
THE TJX COMPANIES, INC.

T-Mobile

TUFT & NEEDLE

ULTA
BEAUTY

UNTUCKit

verizon



Walgreens

Walmart

WARBY PARKER

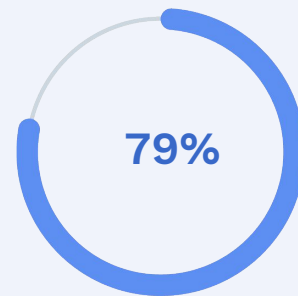
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Customer service ranked the #1 use case for virtual assistants

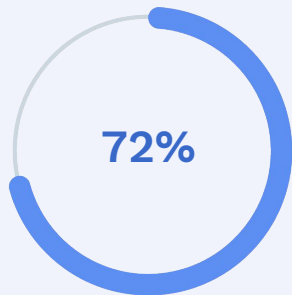
While virtual assistants are deployed to solve an array of problems, customer-facing use cases—customer service in particular—are the clear leader.

One notable finding is that many large organizations are also employing virtual assistants for internal use cases, such as automating helpdesk and HR functions. In some cases, internal use cases may serve as pilot programs to build conversational AI expertise and test technologies before putting a virtual assistant in front of customers.

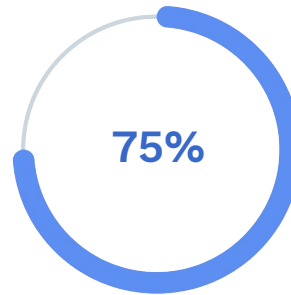
Of those developing customer-facing use cases,



79% reported that their assistant performed **customer service duties**.



72% of participants reported using virtual assistants in a **customer-facing capacity**



38% described their use case as **contact routing** and **37%** reported using their assistant for **customer intake**, which combined adds up to **75%** of respondents who use virtual assistants automate and **streamline customers' first point of contact.**

Customer facing use cases for virtual assistants



n= have customer facing virtual assistants

24-hour support and cost savings top the **list of motivations**

What's leading companies to invest in virtual assistants?

The top reason reported was the need to provide **24-hour support**, selected by **64%** of respondents. The rise of around-the-clock support coincides with customers' growing preference for self-serve support options.

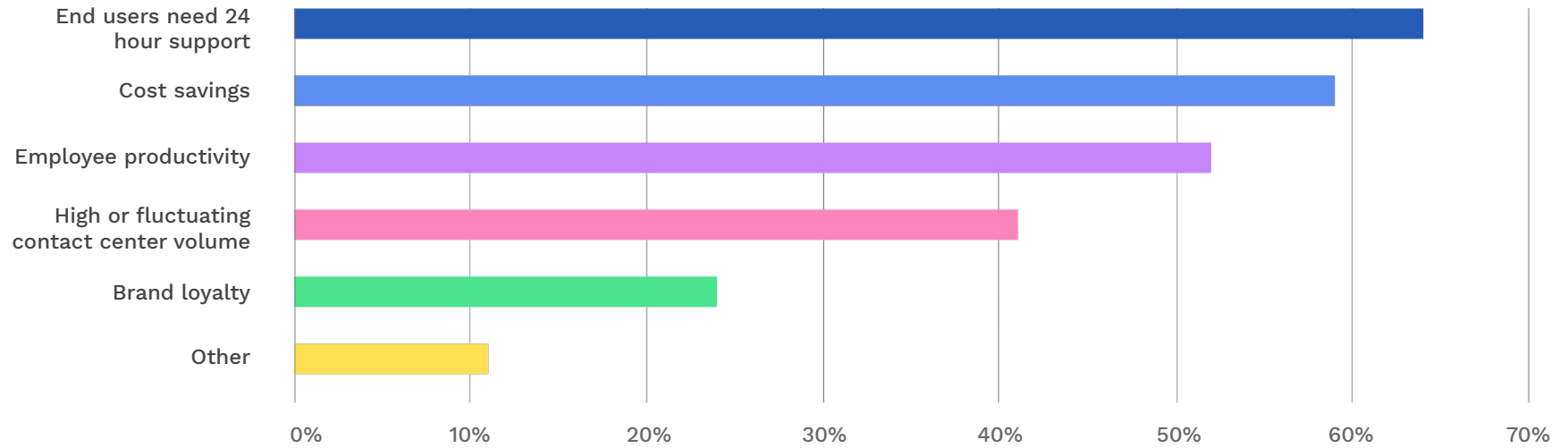
Customers are more willing than ever to adopt automated support channels for the convenience of immediate assistance.

But 24-hour support isn't the only reason businesses are implementing virtual assistants.

Cost savings ranked a close second, selected by **59%** of respondents. Many organizations field thousands of contacts each week for simple requests, many of which lend themselves to automation. Companies adopting virtual assistants can **net substantial savings** by removing simple requests from agents' support queues, **freeing human agents** to take on more challenging problems.

Taken together, these two motivations illustrate why so many businesses implement conversational AI: **virtual assistants offer value to customers and to organizations in equal measure.**

Business motivation for implementing virtual assistants in companies



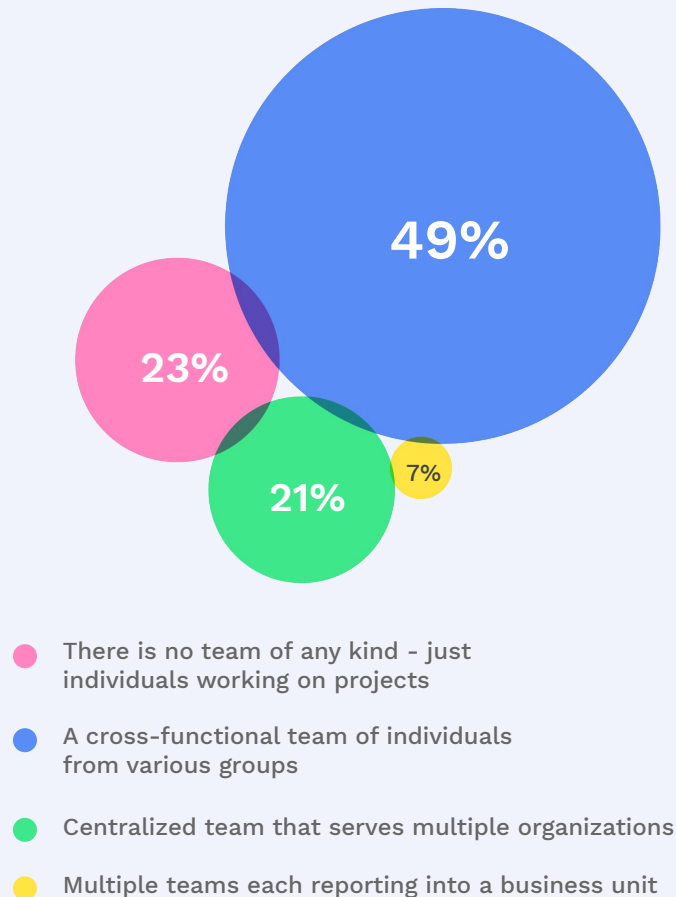
The enterprise conversational AI landscape

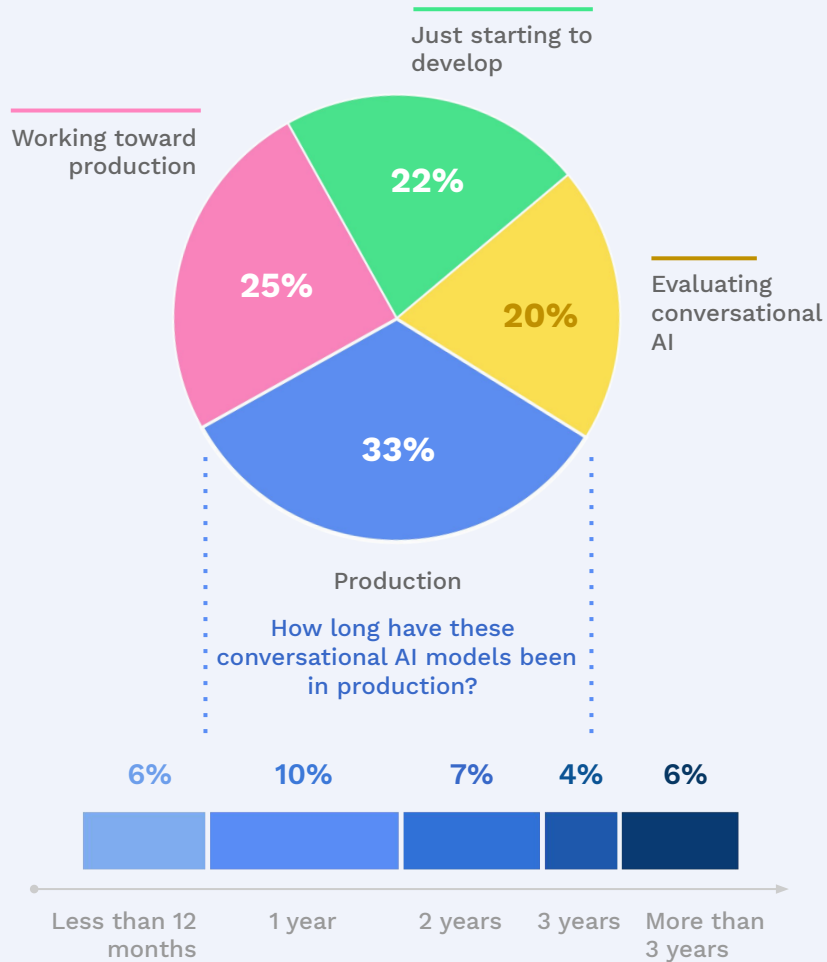
Many maintain multiple assistants

While the majority (39%) reported having 1-2 virtual assistants in their organization, a full 53% reported having **more than 3**. Of those, 16% have more than 10 assistants.

Nearly 75% of respondents report having a conversational AI team

49% of organizations reported that assistants were delivered by a single cross-functional team, while 21% reported a centralized team structure that served multiple orgs. 7% reported multiple teams assigned to different business units, a figure that correlated with having multiple virtual assistants within the organization.





Many organizations are still at an early level of conversational AI maturity

A third of those surveyed said that their virtual assistants are currently in production. Of the **30%** in production, about half (**16%**) have been in production for less than two years.

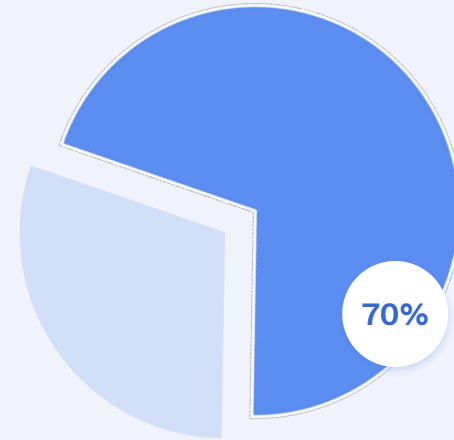
Experience and technology are the primary challenges to conversational AI adoption

41% reported that limited experience building virtual assistants was a barrier, a figure that reflects the relatively short period of time many organizations have been in production. Those who took the survey reported using a range of conversational AI platform technologies, including homegrown or custom solutions, and technology limitations came in at a close second, at **40%**.

**How long have these
conversational AI models been
in production?**

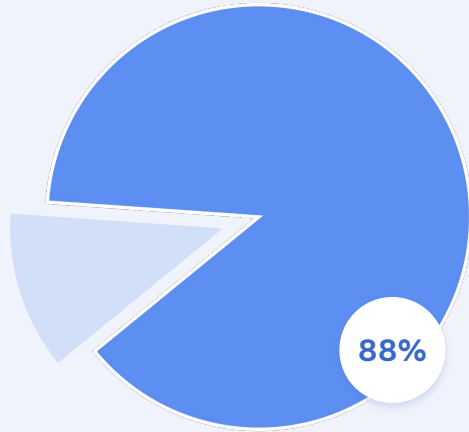
Conversational AI in CX: Rising trends

Across our research, a picture emerges pointing to conversational AI's growing role in customer experience strategy. While businesses initially identify virtual assistants as a way to save operational costs, customer satisfaction is actually the top metric used to track the assistant's ongoing success.



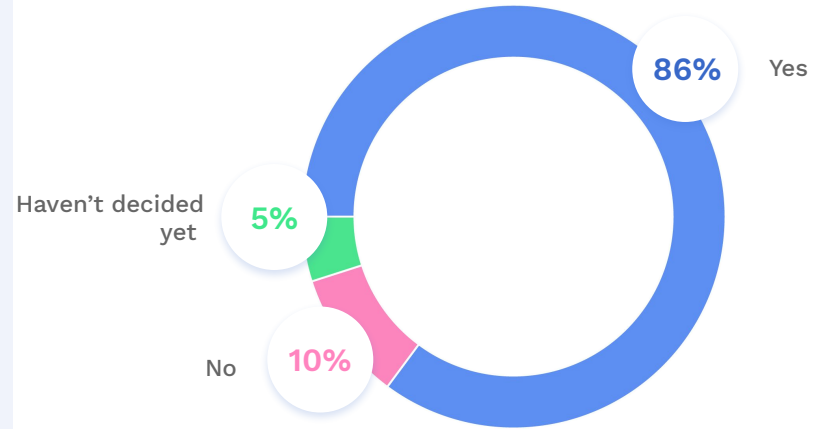
→ **70% of organizations use customer satisfaction to measure the success of conversational AI initiatives**

And, conversational AI is only becoming more prevalent. While many organizations are still in development or early production with conversational AI, a wide majority of organizations plan to **increase their investment** in virtual assistants.



→ **88% expect their use of virtual assistants to increase in the next five years**

Another standout trend is the **rapid adoption of voice**. Once seen as futuristic technology impractical for everyday use, voice is becoming mainstream. Almost half (**47%**) of respondents incorporate voice today, although only 1 in 5 (**18%**) are in production with it. Those already using voice are committed to further investment.



→ **86% of organizations plan to expand their use of voice for conversational AI**

SUMMARY

Customer experience is the sum total of many small interactions: Being helped quickly, without waiting in line. A personalized greeting. Getting help without having to wait until the next business day.

However, as businesses grow, these types of interactions become increasingly difficult to provide. Human-staffed call centers are expensive and complex to scale, while self-serve options like website portals often don't solve the customer's problem—leading customers back to the call center. For customers, assistants provide a way to express what they need using natural language and get help immediately. For enterprises, assistants provide an effective and scalable way to automate customer inquiries.

It's little surprise that research shows that customer service is the number one use case for virtual assistants.

Our 2021 survey of conversational AI practitioners shows that while barriers remain to getting assistants in production, many are already seeing returns on their investments in terms of customer satisfaction, retention, and offset costs.

What's on the horizon?

As more companies increase their investment in conversational AI, we expect to see virtual assistants grow rapidly in sophistication and capabilities. In turn, innovation will become a competitive necessity.

Companies who establish conversational teams and master conversational technologies today position themselves to set the standards for customer experience in coming years.

About Rasa

Rasa is the leading conversational AI platform, enabling enterprises to build a next-level customer experience.

Rasa's platform was built to create enterprise-grade virtual assistants, allowing personalized conversations with customers - at scale.

Rasa's conversational AI platform allows companies to **build better customer experiences by lowering costs through automation, improving customer satisfaction, and providing a scalable way to gather customer intelligence**. Rasa's platform is powered by Rasa Open Source, which has seen more than 10 million downloads since launch, and is supported by a friendly, fast-growing community learning from each other and working together to make better text- and voice-based AI assistants.

Rasa runs in production everywhere from startups to Fortune 500s, and provides the data privacy, security, and scalability needed by enterprises of every size. Rasa is privately held, with funding from Accel, Andreessen Horowitz, Basis Set Ventures, and others.

Rasa was **founded in 2016** and has offices in **San Francisco, Berlin, and Edinburgh**, in addition to remote employees based around the globe.

Developers at leading companies use Rasa



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