

The future of customer service: Turning AI from hype into reality



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Revolutionizing customer service: Unleashing the power of generative AI




The best customer interactions are personalized and instantaneous. Now, imagine if you could automate all of those interactions. Your customers wouldn't have to wait to get their questions answered, service agents would be more productive, and business operations would flow more seamlessly.

Thanks to generative AI, all of this is possible.

Generative AI represents a paradigm shift in artificial intelligence and goes beyond traditional rule-based systems to surface contextual and meaningful resolutions. In fact, [70%](#) of organizations are currently in exploration mode with generative AI.

From intelligent chatbots that provide quick and personalized support to creating interactive reports with critical business insights, generative AI is opening a world of possibilities to enhance customer and employee experiences.

In this playbook, we'll show you how generative AI can be used to:

-  Automate customer interactions and support to deliver personalized resolutions
-  Empower support agents to provide fast and accurate responses at scale
-  Generate insights automatically to help drive data-backed decisions to optimize operations



SECTION # 1

Automate self-service with AI-powered chatbots

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Providing 24/7 self-service across channels helps tackle the challenges of long customer wait times and growing agent workloads.

The director of digital customer experience from a [leading U.S. financial services company](#) agrees: “Customers are moving into these channels of preference to engage with brands—Apple Business Chat, WhatsApp, Facebook Messenger, or within our mobile app. Customers have told us this is like having customer service in their pockets. All the messaging history and context is there—it’s persistent and familiar.”

Enhance your self-service capabilities with AI-driven chatbots designed to handle simple, repetitive inquiries with tailored responses. This reduces reliance on customer service agents, allowing them to focus on resolving more complicated issues that require greater attention.

Generative AI works by understanding natural language inputs from your customers and is trained to deliver personalized solutions. So what does this mean for your customers, support agents, admins, and business?

i) Fast and personalized customer resolutions:

Long wait times and interactive voice responses (IVRs) have evolved into real-time resolutions powered by intelligent chatbots.

Even though chatbots can help you handle a high volume of support queries, customers still expect personalized experiences that are contextual, empathetic, and engaging.



The combination of chatbots and AI allows for far more advanced bots that can mimic human conversations, leveraging NLP, natural language understanding (NLU), AI, and ML technology to understand the intent of a query and offer solutions.



Colin Crowley

Senior Director of Customer Success at Freshworks

To deliver personalized chat support, we recommend that your AI is trained using these data models:

A. Large language model (LLM):

Chatbots driven by generative AI offer smarter conversational experiences. These chatbots are trained to understand and mimic human language. They can also recognize the preferences of customers with different backgrounds and cultures, helping them sound more empathetic.

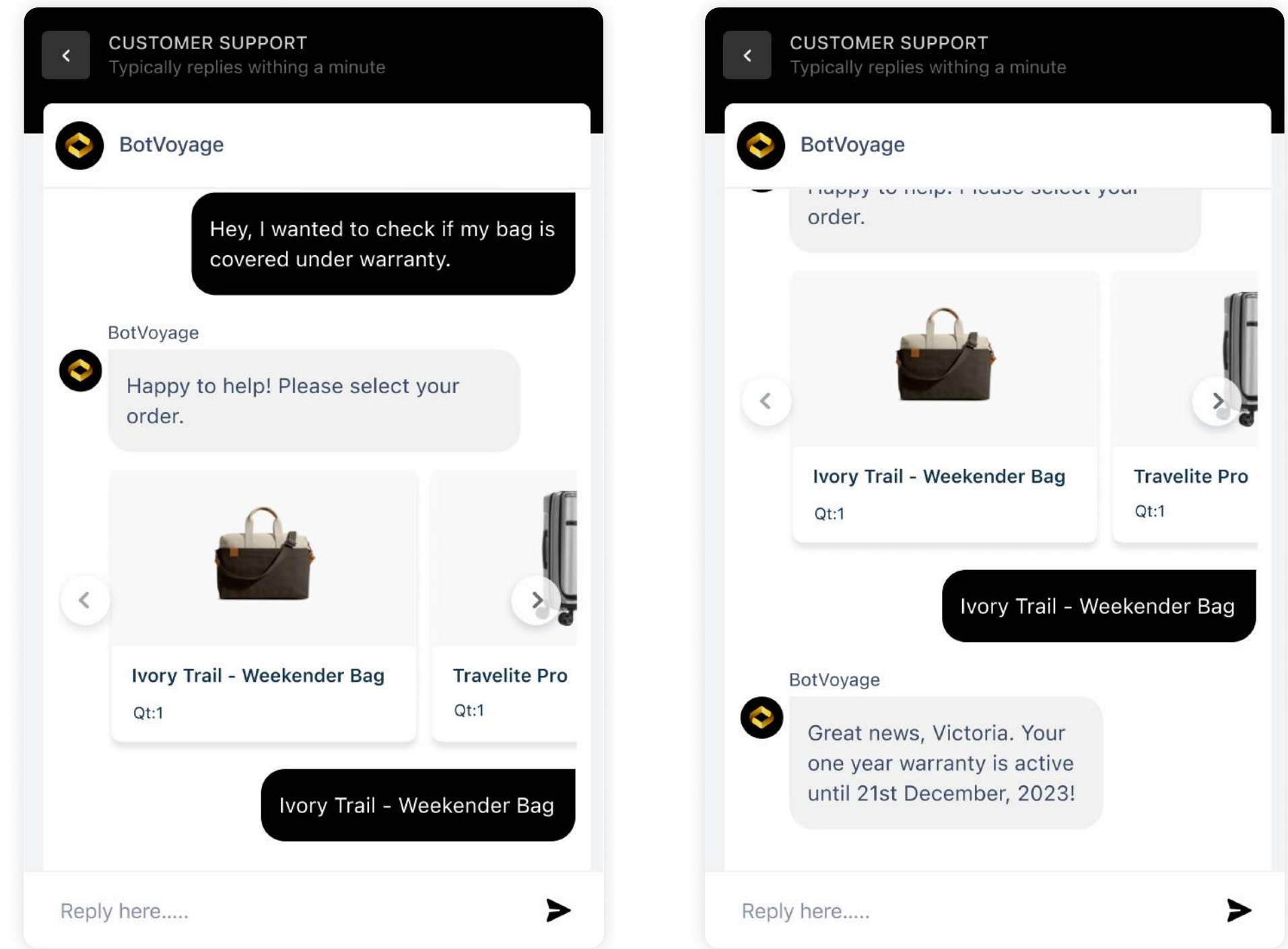
B. Business data:

Quickly analyze customers' purchase and support history and get the next-best action for improved interactions. For example, AI can recommend the best resolution to a specific customer query based on historical customer service data.

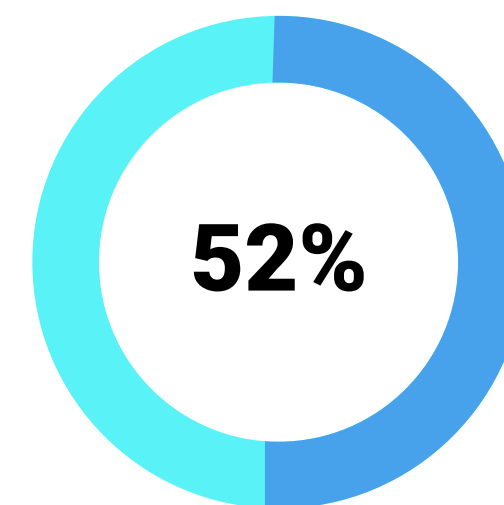
AI trained on support data can understand the nuances of each inbound request, guide agents to the next best action, and follow up with a thorough analysis of each conversation for continuous improvement in agent performance.

ii) Reduced workload:

The implementation of self-service chatbots automates resolutions by addressing simple and repetitive customer queries. This significantly lessens the burden on customer service agents, enabling them to dedicate their attention to more complex customer problems.



Example of automated self-service using chatbots



of businesses surveyed by Forrester have built and leveraged automation capabilities to enable bot-automated resolutions for customers, which can guide them to their desired solution.

Source: Forrester survey¹





PhonePe, India's largest digital payments platform, wanted to resolve queries quickly while providing consistent customer service. They accomplished this by automating common inquiries using chatbots.

As a result, PhonePe was able to automate over 850 support scenarios—resolving 80% of their customer service inquiries without human intervention. Bots helped PhonePe achieve higher CSAT scores than traditional service channels.

[Source](#)

One of North America's largest financial services companies handles a wide range of customer queries, some easier to respond to than others. By implementing bots to provide instant responses, such as retrieving account balances without manual intervention, the company saved over 10,000 hours of agent time.

“We have employed our virtual assistant to respond to simple questions. We have a confidence scoring system, and if the questions are too complex for the bot to answer, it seamlessly transfers the conversation to a human agent with the context and history for a more emotive conversation. This transfer is extremely seamless in that the customer has to perform no action at all—it all happens in the same chat window for them.”

Director of Digital Customer Experience

A leading U.S. financial services company

[Source](#)

iii) Scalable support:

AI-powered chatbots can be deployed on many messaging platforms and in multiple languages. The best part? You don't need a village of developers and designers to get the chatbots up and running.

With the help of generative AI, admins and support leaders can build chatbots by using natural language instructions. With a simple prompt, the system can automatically generate the necessary steps, triggers, and even API connections. In other words, new bot flows can be created entirely by AI.

AI can also provide bot flow recommendations based on past engagement patterns, easily identifying topics that deliver the highest deflection rates. As customers become increasingly self-sufficient in resolving their queries through self-service, agents can focus on tackling more complicated issues.

When customers want to speak directly with an agent, AI can seamlessly transfer conversations to the right agent with the context required to boost interaction. This ensures that all the tickets and conversations are assigned, leaving no customer waiting for long.

Key benefits of self-service automation with AI-powered chatbots:

- 1 Customers receive prompt resolutions on the channels of their choice. Generative AI makes conversations feel more personal, conversational, and engaging.
- 2 Businesses can scale their support faster, control operational spending, and build stronger customer relationships.
- 3 Admins can implement chatbots without a dedicated team of developers and designers.
- 4 Agents get to focus on more complex queries and leave chatbots to handle simple and frequently asked queries.



SECTION #2

Unlock agent productivity and boost efficiency with generative AI

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In customer service, AI delivers the most value when it maximizes the efficiency of your support teams.

According to a Gartner report², AI helps improve:

- Employee productivity by reducing average handle times (AHT)
- The quality and accuracy of interactions by creating reusable knowledge base content

So, while self-service helps reduce agent workload, AI helps agents to:

i) Engage contextually:

A tell-tale sign of a frustrated customer is having to describe their issue over and over while agents sift through multiple conversations across several apps—playing catch-up instead of resolving their queries swiftly.

AI makes this process easier and more efficient. It can access customer data and context to provide agents with the next best actions to resolve the customer query. With this insight into customer preferences and inputs from AI, agents can deliver resolutions that are relevant and in real time.

ii) Engage proactively:

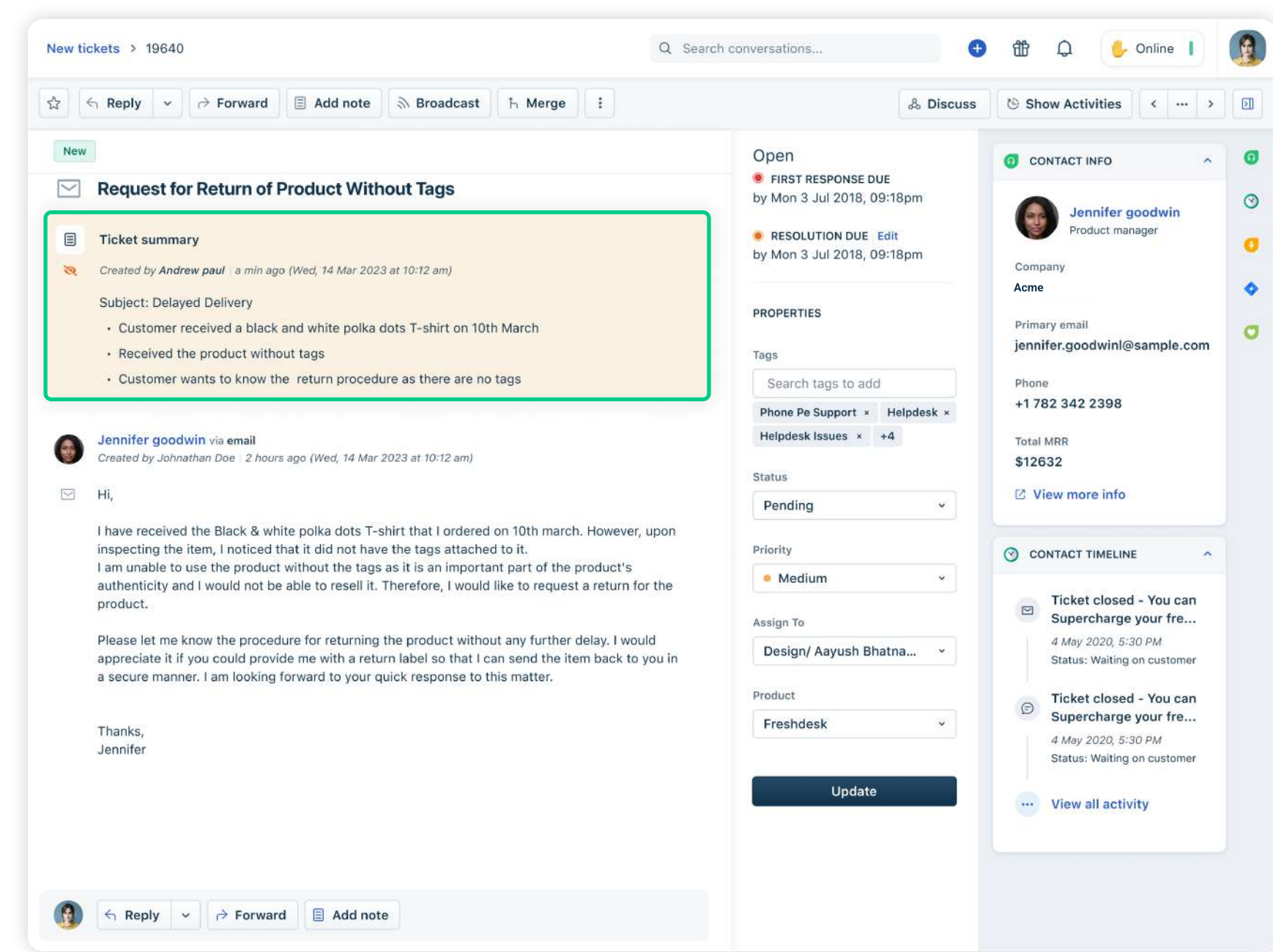
AI can also identify customers who are showing signs of wanting to make a purchase or discontinuing their service. This analysis allows agents to proactively reach out to customers, providing accurate and relevant support instead of just responding to existing customer problems.

While agents are empowered to interact with customers contextually and proactively, **here's how generative AI can work as their personal assistant:**

i) Amplify agent productivity:

Generative AI-powered features can help agents reply faster and deliver quick, consistent responses by:

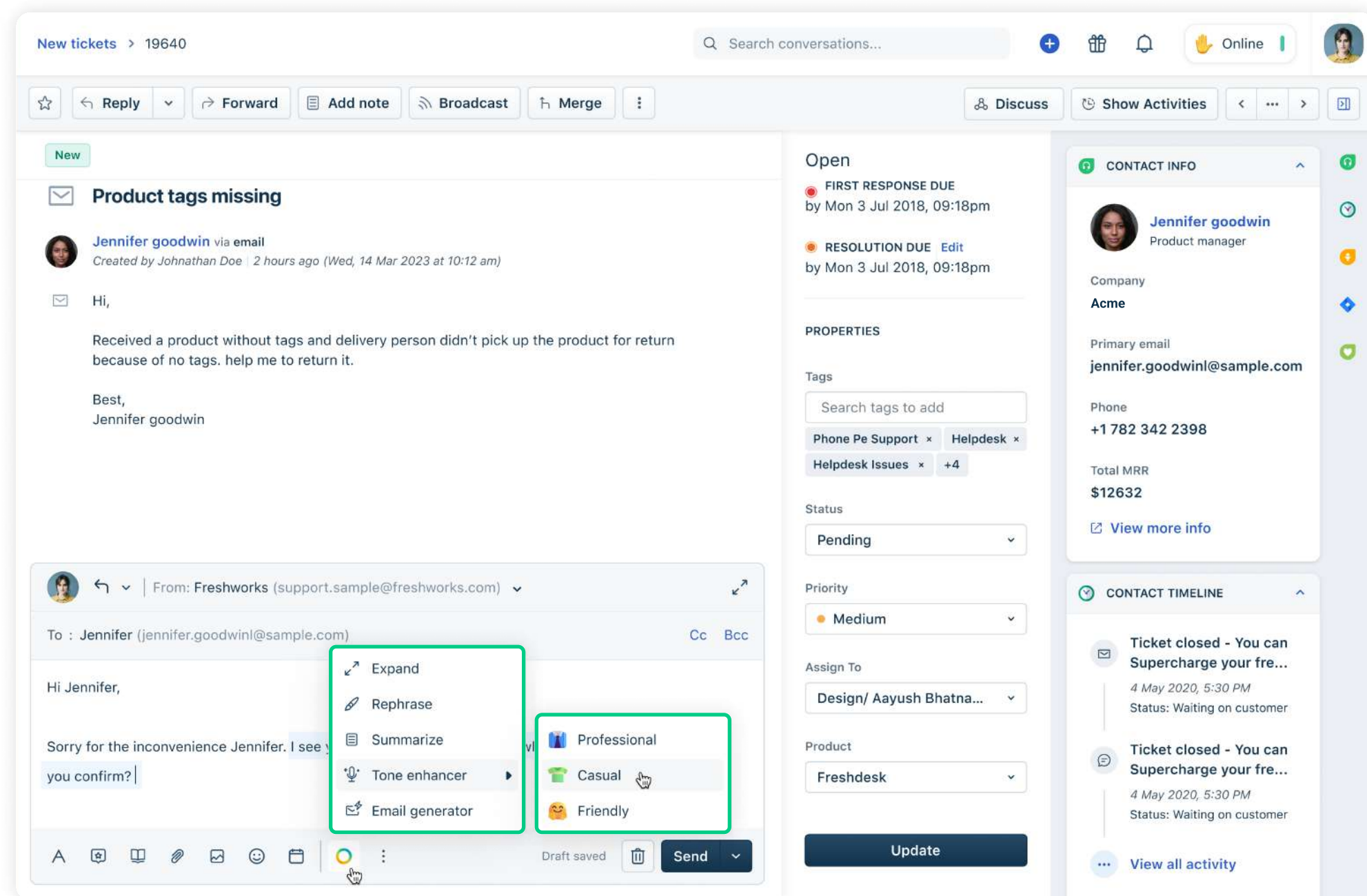
- **Summarizing customer interactions.** AI can summarize support conversations, saving agents the time and effort of reading through an entire conversation or email chain. For instance, in Freshworks' recent [generative AI beta program](#), agents using the conversation summarization function gained 57% time savings.



Example of AI-powered conversation summarizer


- **Predicting support responses.** AI can predict agents' replies and complete their sentences with a click.
- **Creating knowledge base articles.** With just a few prompts, generative AI can help agents create comprehensive knowledge base articles without spending time on extensive writing, copy editing, and formatting. Agents using this feature during the Freshworks beta release saved an estimated 67% of their time.

- **Improving the tone of replies.** Generative AI allows support agents to quickly type out a reply, replace informal language with more formal alternatives that match the brand voice, and provide a clear response to customers. For example, during Freshworks' Freddy AI beta program, agents utilizing the rephrase feature served their customers more quickly, with an estimated **50%** time savings.
- **Converting agent notes into comprehensive replies.** Agents can quickly jot down short notes, and AI can help transform them into formal replies to customers.



Example of AI-powered Tone enhancer

“Generative AI can help with interactions between businesses and customers. A customer support agent could leverage generative AI to craft a response to a customer inquiry and match the tone needed to respond in the right way. Even if the support agent needs to make some changes to the message, AI has given them a prompt to start from.”



Prasad Ramakrishnan
CIO and SVP, IT at Freshworks

ii) Resolve queries faster:

AI can help agents close tickets and conversations faster by:

- Following up with customers. AI can prompt customers to reply with automated follow-up messages in case they are slow to respond, helping agents close queries faster.
- Auto-resolving queries. AI helps close tickets and conversations based on specific keywords such as “Thank you,” marking the end of the conversation. For example, agents using this feature during the Freshworks beta release had a [27%](#) reduction in manual tasks, helping them close tickets faster.



[AI-powered features] free up agents' time and reduce the unnecessary workload and stress that can lead them to burnout. It's crucial to have human oversight in place to review and edit responses to ensure that the information provided is accurate and not causing harm to customers or the brand's reputation.



Prakash Ramamurthy

Chief Product Officer at Freshworks

iii) Surface real-time support insights:

AI boosts the effectiveness and quality of support with real-time insights, such as:

- **Recommendations for next steps.** AI suggests the next best actions agents can take to resolve customer queries during the interaction.
- **Guidance for continuous improvement.** AI can serve as a crucial component in improving the quality of support delivered. It can offer real-time guidance to agents during and after every customer interaction. What's more, AI can automatically conduct thorough evaluations and provide valuable insights to your team, potentially reducing the need to hire a dedicated quality assurance team or manually review a significant amount of customer interactions.

Key benefits of empowering agents to work alongside AI:

- 1 Businesses can see reduced onboarding and training costs thanks to improved agent efficiency and productivity.
- 2 Agent productivity can increase due to faster resolutions and more queries resolved per agent.
- 3 Customers can receive faster responses and improved quality of support.
- 4 Leaders can receive an automatically-generated analysis for each customer conversation, helping to train agents on how to improve their responses for better customer experiences.

SECTION #3

Optimize operations and drive business growth

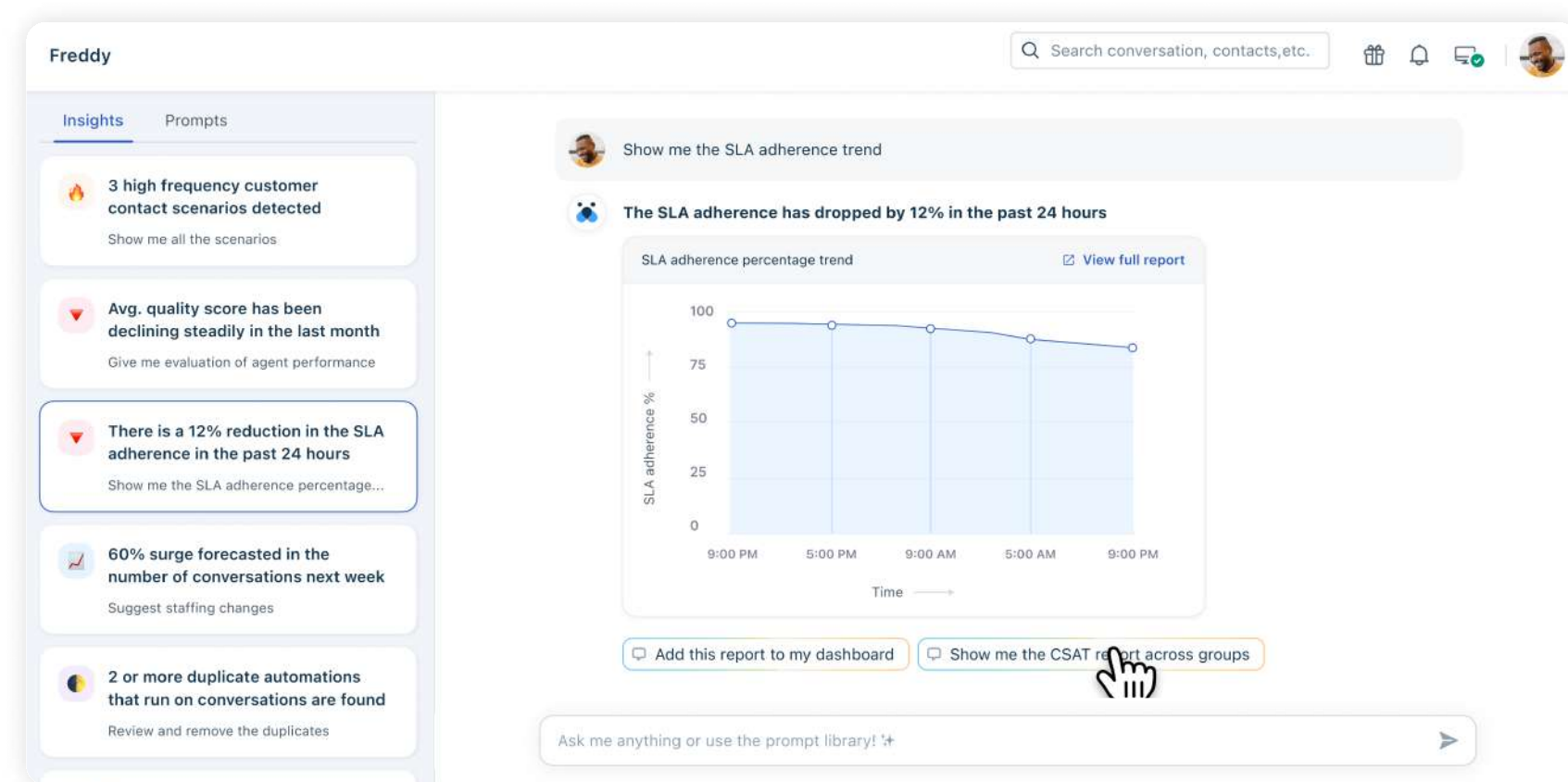
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Delivering seamless customer experiences requires a lot of behind-the-scenes action. From identifying areas of operational improvement to addressing them and closely monitoring the progress, it is a constant endeavor to keep the gears running smoothly.

If you're worried that adding AI to your existing tech stack might burden the system, fear not. Here's how AI can streamline your operations:

i) Make data-backed decisions to improve operational efficiency

It is crucial for leaders to determine the immediate and long-term focus areas for their teams. However, this process can be time-consuming, especially when relying on an analytics team to collect and analyze data before generating useful insights. With AI, you can significantly expedite and enhance this process. AI can continuously analyze your performance data, identify important insights that require your attention, and suggest optimizations to enhance performance. You can easily interact with AI using natural language prompts.



Example of how you could interact with AI-generated insights

ii) Work smarter and faster with AI

With generative AI, admins can work faster by simply typing out their requests in language prompts. Based on these prompts, AI can automatically perform various actions on their behalf—from building chatbots to setting up automation and workflows.

Admins can easily accomplish all these tasks by conversing with the AI using natural language. This reduces time-consuming manual work while building, deploying, and testing new processes that improve operational efficiency.

With AI features embedded in the customer service software, admins could gain full control. In some cases, AI features can even be turned on or off with a click.



Key benefits of optimizing business operations with AI:

- 1 Leaders can streamline operations and get insights quickly to make data-driven decisions without scaling costs.
- 2 Admins are empowered to set up new operational processes and get them up and running in no time.
- 3 Agents can focus on assisting customers thanks to simpler processes and fewer administrative tasks.
- 4 Customers receive a seamless and consistent customer experience every single time.



We're officially in the era of AI-first software, and over the past year, Freshworks has rolled out several new product updates to help our customers benefit from it. From increasing agent productivity by automating simple tasks like cancellations and refunds to making experiences across the entire customer lifecycle more personalized, AI continues to enhance our products and bring value to our customers.



Paddy Rathinam

Chief Revenue Officer at Freshworks



Now is the time to get more from AI— your springboard for improved customer service and business growth

With the rapid increase in support queries and growing expectations for personalized and instant engagement, customer service efficiency is critical.

Success is reserved for those who can align cross-functional teams around customer expectations to deliver accurate resolutions fast and at scale. AI enables businesses to enhance customer experiences by automating self-service, empowering agents to be more productive, and optimizing business processes.

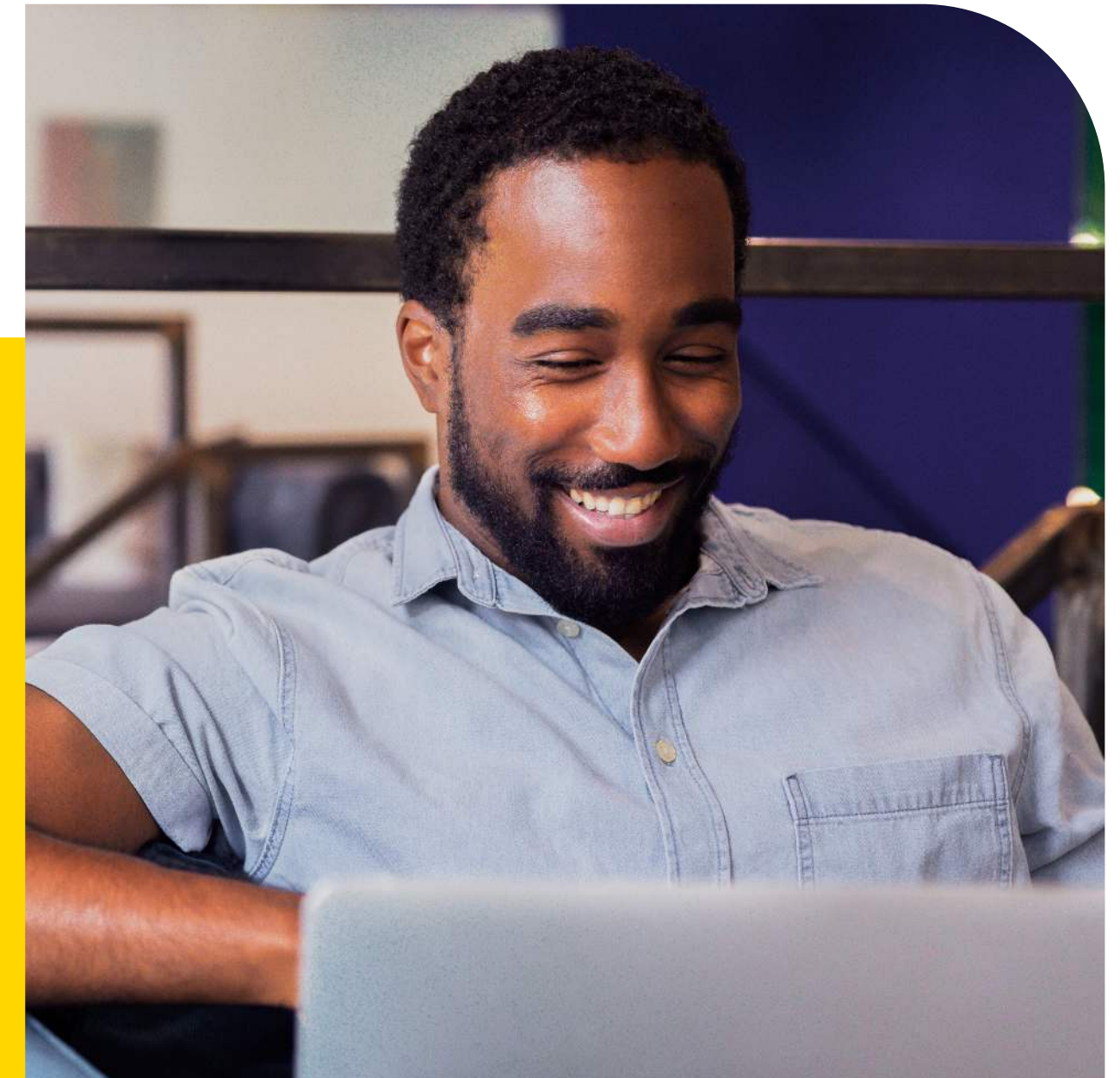
At Freshworks, AI is more than a buzzword—it is ingrained in our DNA, and we are committed to leveraging its potential to transform customer service. We believe in building world-class products for the Fortune 5 million, not just the Fortune 500.

Freddy AI powers our products with a unique combination of our in-house AI capabilities and the generative AI technologies from leading AI service providers to drive value for customers, agents, leaders, and admins.

Step into the future of customer service with Freddy AI!

[Book a free demo](#)

[See Freddy AI in action](#)



Appendix

¹ Forrester survey: “Freshchat Thought Leadership Program—Conversational Engagement Maturity,” Forrester Research Inc., January 2023

² Gartner report: “How Can Generative AI Be Used to Improve Customer Service and Support?”

About Freshworks

[Freshworks Inc.](#), (NASDAQ: FRSH) makes business software people love to use. Purpose-built for IT, customer support, and sales and marketing teams, our products empower the people who power business. Freshworks is fast to onboard, priced affordably, built to delight, yet powerful enough to deliver critical business outcomes. Headquartered in San Mateo, California, Freshworks operates around the world to serve more than 63,000 customers, including Allbirds, Blue Nile, Bridgestone, Databricks, Klarna, NHS, OfficeMax, and PhonePe.



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