help*shift*

State of Customer Service Automation 2019

Insights and trends based on analysis of 75 million customer service tickets and 71 million bot interactions

Table of Contents

Dear Reader,

I joined Helpshift as CEO because I strongly believe that when it comes to customer service, consumers care most about ease of communication and having their time valued. To deliver upon this expectation, I recognized the need for brands to have a customer service solution that could provide an experience that values customer time, while alleviating the need for staffing live agents around the clock to handle all customer requests. (Because that is really expensive — and for many brands — unattainable).

Today, the key lies with smartly leveraging automation. When brands use automation tools to make the customer experience better, the results can be amazing. I'm not talking about chatbots that try to engage in human-like conversations with customers (those often require massive amounts of training data and still render poor results). I'm talking about purposeful bots and artificial intelligence that augment agent conversations in the contact center.

We've developed our automation strategy at Helpshift so that brands can begin automating routine workflows quickly and effectively. Brands are now able to deploy Helpshift bots within days — and see the impact within weeks.

The staggering results in this report show how quickly leading B2C brands are able to automate large percentages of their customer service requests as they scale and support more customers. The report also reveals some interesting findings about key metrics like CSAT, time to resolve, and time to first response in a bot-based world.

It's an exciting time to be innovating in the customer service space, and I hope you find these insights useful as you build a modern digital customer service organization.

Sincerely,

Linda Crawford

CEO, Helpshift

Methodology
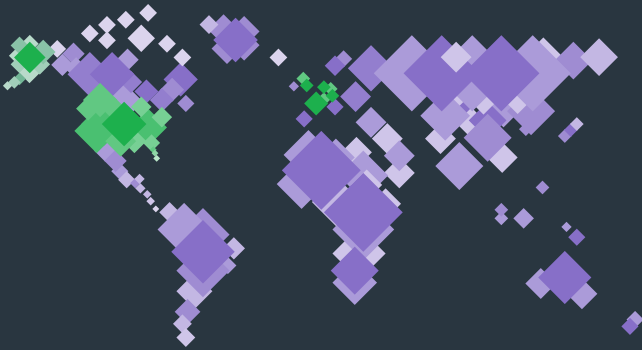
2,353

Helpshift performed a survey between July 21 – August 13, 2019 of 2,353 consumers across the United States, United Kingdom, Netherlands, Germany and France.

75m

Additionally, Helpshift aggregated and anonymized internal data from more than 75 million customer service tickets.
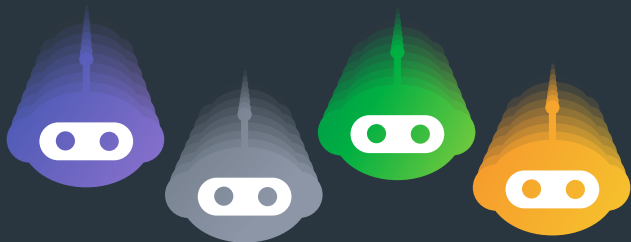
71m

71 million bot interactions worldwide were analyzed since November 2018 to contribute to these findings, spanning retail, finance, gaming and IoT industries.

Executive Summary

Combine Agents and Automation for the Ultimate in Customer Service

Customer service platforms today are largely built for the benefit of the brand — to streamline their support operations. Unfortunately, this has resulted in disconnected channel experiences and long wait times for customers. Considering that customer service is one of the most important touch points between a brand and a consumer, customer service leaders need to turn this around.

In the midst of growing consumer demands for fast, personalized customer service, brands and consumers alike are realizing the value of automated technologies like artificial intelligence and machine learning. In fact, automation can deliver care that is far more efficient and personalized than what conventional wisdom suggests — largely because of its ability to augment agents.

We analyzed 75 million customer service tickets and 71 million bot-sent messages for this report. Of note is that this dramatic volume occurred in just six months. In fact, as we saw a rise in messages sent by bots, we saw a decrease in the number of messages sent by agents — even as they handled more issues in aggregate. Plus, our study found that brands can scale massively using bots while keeping customer satisfaction (CSAT) and agent count fairly flat.
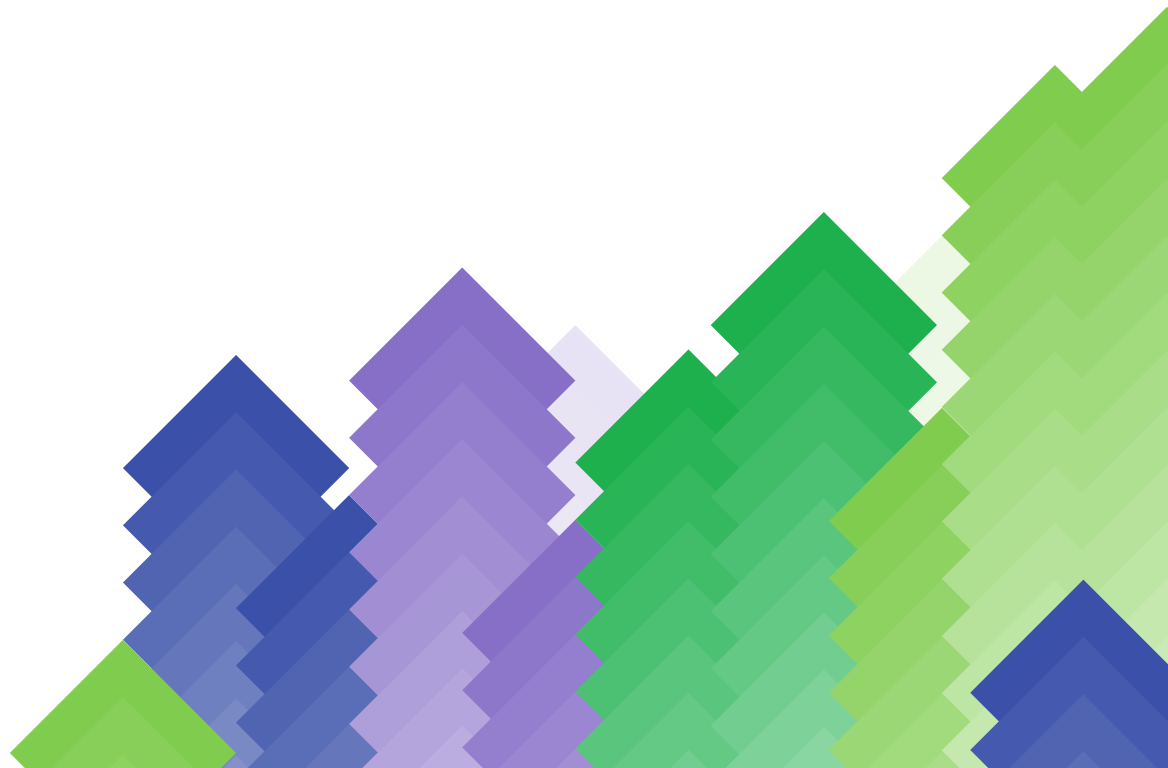
Here's an overview of how the trends we noticed are driving customer service forward.

1

Consumers are more trusting and confident in automation/chatbots.

Over the six-month period we analyzed, monthly issues handled completely by chatbots rose more than 20% (an increase from 39% to 59% of issues being handled by chatbots). That's alongside a 24% increase in messaging-based issue volume — and within those issues, bots sent 71 million messages. Hand in hand with automation levels rising, we saw that twice as many consumers this year are willing to interact with chatbots.

+20%

increase of messaging-based issues being handled by chatbots

2

The majority of consumers say customer service is improving.

Fifty-four percent of respondents say customer service has gotten better in the past year. Compare this to the 43% of respondents who felt this way in 2018. Considering automation is becoming more commonplace, the signs are clear that it can play a key role in boosting customer satisfaction while enabling brands to see a fast time to value.

54%

of respondents say customer service has gotten better in the past year

3

The combination of automation + agents is ideal.

This power duo enables more efficient issue resolution, leading to the highest levels of customer satisfaction (CSAT). When comparing CSAT across bot-only, agent-only, and agent + bot interactions, we see the highest CSAT for the agent + bot combination. When bots handle up-front interactions and agents then take over when available, it's a recipe for success.

Highest CSAT for the agent + bot combination

Read on for a deeper dive into these trends and other insights you can harness to improve your customer service quotient.

State of Customer Sentiment: Chatbots and Customer Service Channels

Chatbot-Enhanced Messaging is Rising in Popularity

Customers today want their issues solved efficiently, with as little effort as possible on their part. But it's often impractical and too expensive for customer service to staff 24/7 live support.

That's why messaging as a channel is taking off. The efficiency of this channel is enabled by chatbots that can respond immediately to initial consumer outreach and collect information up front. While agents are freed up to respond to urgent issues first, they are also equipped to respond better and more quickly once they pick up the thread from chatbots for less urgent issues. At the same time, consumers are gaining confidence and trust in bots as a means to satisfying their expectations for efficient resolution.

83% of respondents would make messaging their primary means of contacting customer support if they could be guaranteed an immediate response, compared to 76% in 2018.

By taking advantage of the right customer service platform, brands can support this growing consumer channel preference.

83%

of respondents would make messaging their primary means of contacting customer support if they could be guaranteed an immediate response

Twice as many consumers will engage with chatbots.

30% of respondents reported that they would knowingly engage with a customer support chatbot because "chatbots are very helpful." This is double the number of 2018 respondents who stated this. In fact, the research also revealed a 19% year-over-year drop in the number of consumers who found chatbots annoying. Simply put, more consumers are willing to engage with bots than wait for a live representative.

30%

of respondents reported that they would knowingly engage with a customer support chatbot because "chatbots are very helpful"

25% rise

The proportion of consumers for whom chat-based messaging is the preferred method of contacting customer support for complicated issues has risen by 25% in the past year.

With bots offloading agents of routine issues and collecting up-front information, agents can focus on handling more complicated issues via messaging.

24% more

The British are the biggest fans of messaging.

24% more British respondents than Americans and 33% more British than Dutch rate it their top method for reaching customer support.
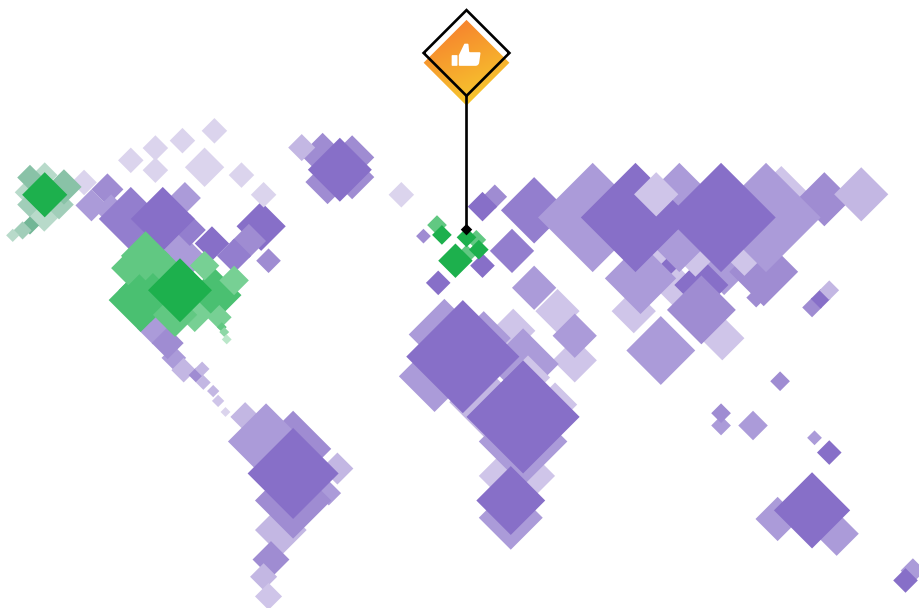
Brands Are Increasingly Using Automation to Satisfy Consumer Demands for Efficiency

The View from 10,000 Feet: How Bots Support Higher Ticket Volume

Brands can call upon three options to handle their customer service issues:

Agent only: In this scenario, no bot is involved.

Agent + bot: A bot collects information up front and, once available, the agent takes over to resolve the issue.

Bot-only interactions: A bot handles the entire interaction with the customer.

Our study found that more brands are using bots to achieve high levels of automation. Bots respond instantaneously to customer queries, and by following a predefined workflow, can respond to and even resolve user queries with the most appropriate course of action. That might be surfacing a piece of information for the customer, pointing the customer to a knowledge base article, or involving an agent.

What do we mean by automation?

Automation can incorporate quite a few things in the customer service world. When we talk about automation in this report, we're referring to the ways Helpshift's customers use bots. This includes automating workflows, collecting routine information from consumers, suggesting knowledge base articles, classifying issues, routing inquiries and sending automated messages after a given period of time. No matter how bots are used, they can help augment and improve human capabilities.

When breaking down those 71 million bot interactions across 6 months, we found that:

1 **Monthly messaging-based issues handled only by chatbots increased more than 20% (from handling 39% of issues to 59% of issues).**

Total issue volume increased by 24% (from Q1 to Q2 2019), and bot interactions increased by 51% in that same time period.

+24%

Total issue volume increased by 24% (from Q1 to Q2 2019)

2 **CSAT held steady.**

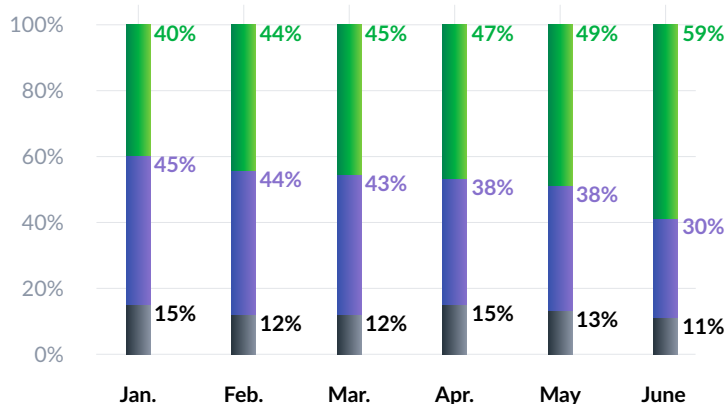Even in the midst of a dramatic rise in issues and automation, CSAT levels remained largely unchanged (less than ⅕th of a point drop) across all messaging-based issues.

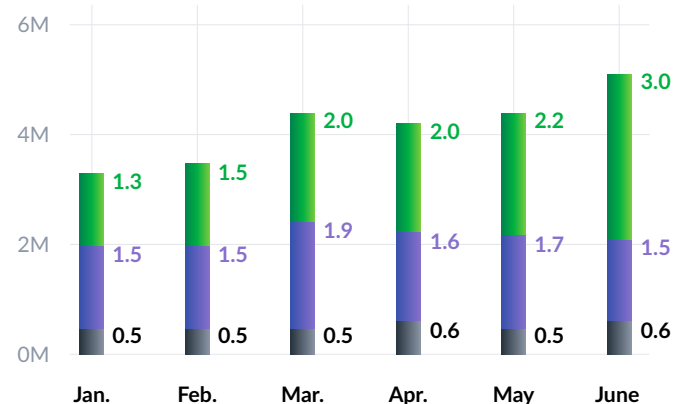## < 1/5th

CSAT levels remained largely unchanged (less than ⅕th of a point drop)

Monthly % Issue with Bot Activity

Messaging-based Issue Count per Month (in Millions)

◆ Agent + Bot   ◆ Agent Only   ◆ Bot Only

The Impact of Agents and Bots Working Together

Eliminating the Need to Put Customers on Hold

When bots assist agents, the result is more productive agents. That's because bots offload agents of certain interactions with customers. In turn, agents send fewer messages per ticket, allowing them to work on more tickets. The bottom line: brands do not need to massively scale their agent headcount to handle higher volume.

As the numbers below show, in aggregate, agents handled more issues during the 6-month period. However, they took on a small percentage of the total increase in issue volume because bots handled the majority of it.

62%

Long hold times are the biggest annoyance about contacting customer support, with 62% of respondents reporting this makes them dread doing so. Messaging changes the game.

The total number of distinct messages sent by all chatbots (i.e., chatbot outbound) increased an average of 35% from Q1 to Q2.

In comparison, agent outbound increased just 8% during that time frame. So, even as the volume of issues rose dramatically, agents did not significantly increase their issue load.

+35%

increase in the total number of distinct messages sent by chatbots from Q1 to Q2

Total Agent vs. Chatbot Messages

Month	Chatbot	Agent
Jan.	8.7M	6.1M
Feb.	9.5M	5.2M
Mar.	11.9M	6.8M
Apr.	11.8M	6.6M
May	14.4M	6.5M
June	16.4M	6.5M
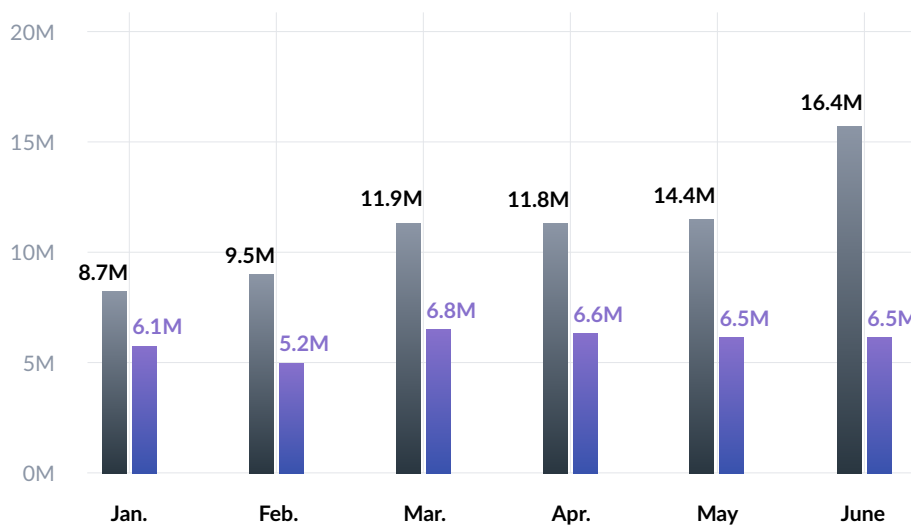
◆ Chatbot   ◆ Agent

9% increase

The average number of distinct messages per ticket sent by chatbots (i.e., outbound messages per ticket) rose by 9% from Q1 (2.32) to Q2 (2.52).

13% decrease

The average number of distinct messages per ticket sent by individual agents (i.e., outbound message per ticket) dropped by 13% from Q1 (1.41) to Q2 (1.22).

Average Agent vs. Chatbot Messages per Issue

	Jan.	Feb.	Mar.	Apr.	May	June
Chatbot	2.24	2.40	2.32	2.36	2.43	2.78
Agent	1.57	1.32	1.33	1.31	1.27	1.09

◆ Chatbot   ◆ Agent
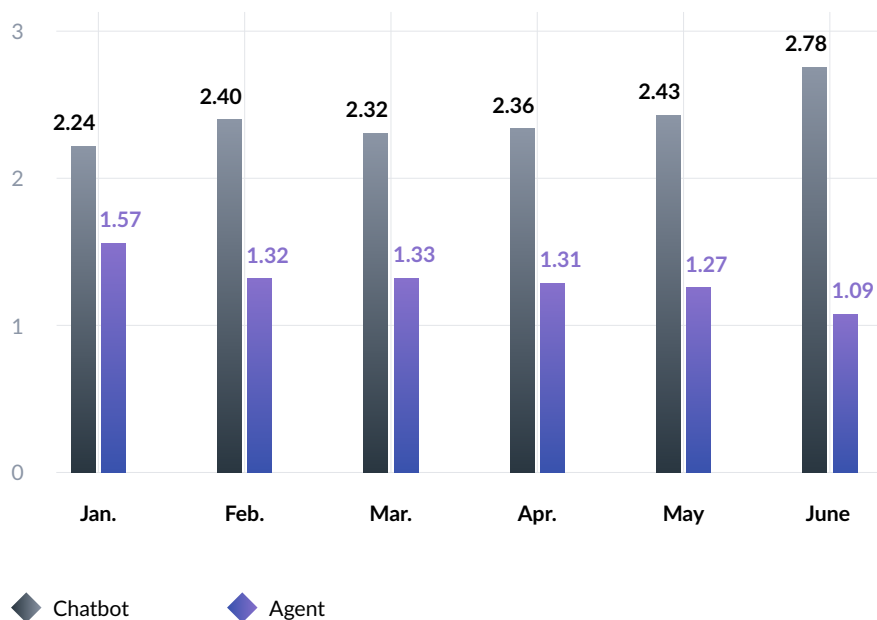
The data shows that bots can improve overall service, allowing organizations to achieve a fairly consistent CSAT without significantly ramping agent headcount as they grow. (Note we looked at CSAT on a scale of 0-5, 0 being the lowest and 5 being the highest.)

7% higher

4.40

Issues that agents and bots worked on together resulted in the highest CSAT at 4.40, when averaged across 6 months. This is 7% higher than the average CSAT across all messaging issues, and 1% higher average CSAT than tickets that did not invoke a bot.

Average CSAT Breakdown

◆ Agent + Bot   ◆ Agent Only   ◆ Bot Only
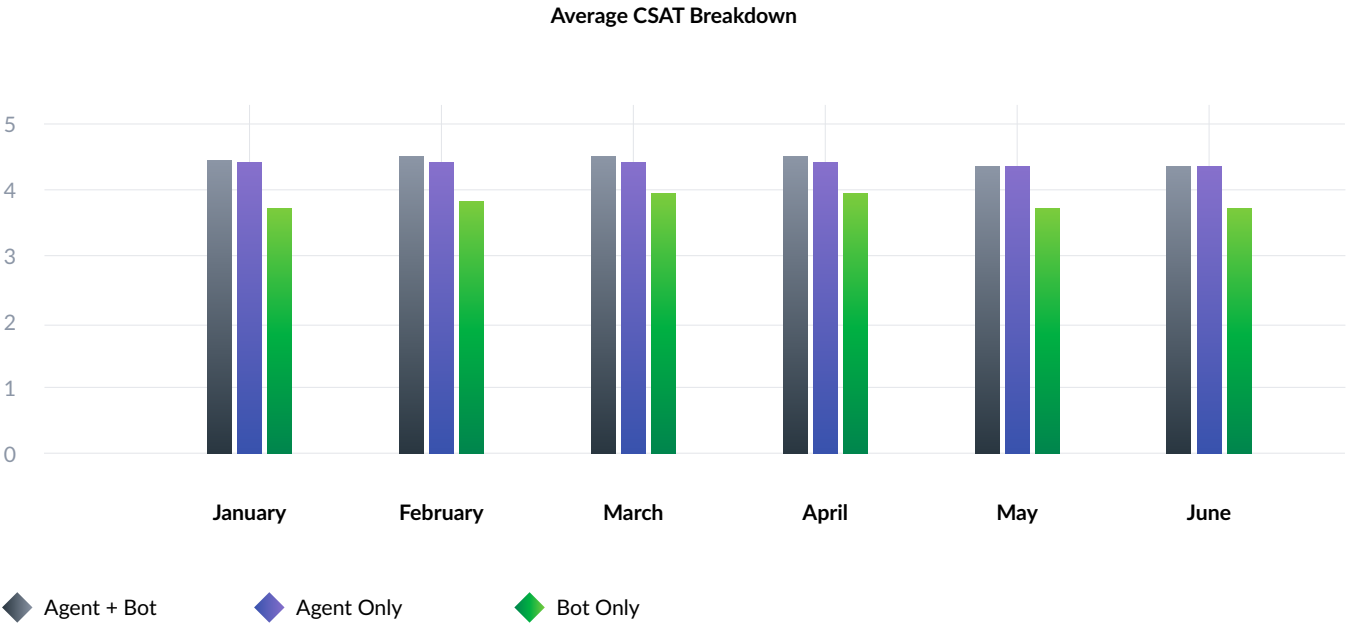
In addition to enabling higher CSAT, the combination of agents and bots allows for an instant time to first response (TTFR). Agents can respond to urgent issues more quickly with bots taking over the lower priority — or more routine — issues. This gives agents more bandwidth for responding to urgent and VIP issues more quickly and resolving complex issues more efficiently — a trend we see reflected in the lower TTFR and time to resolve (TTR) for agent-only interactions:
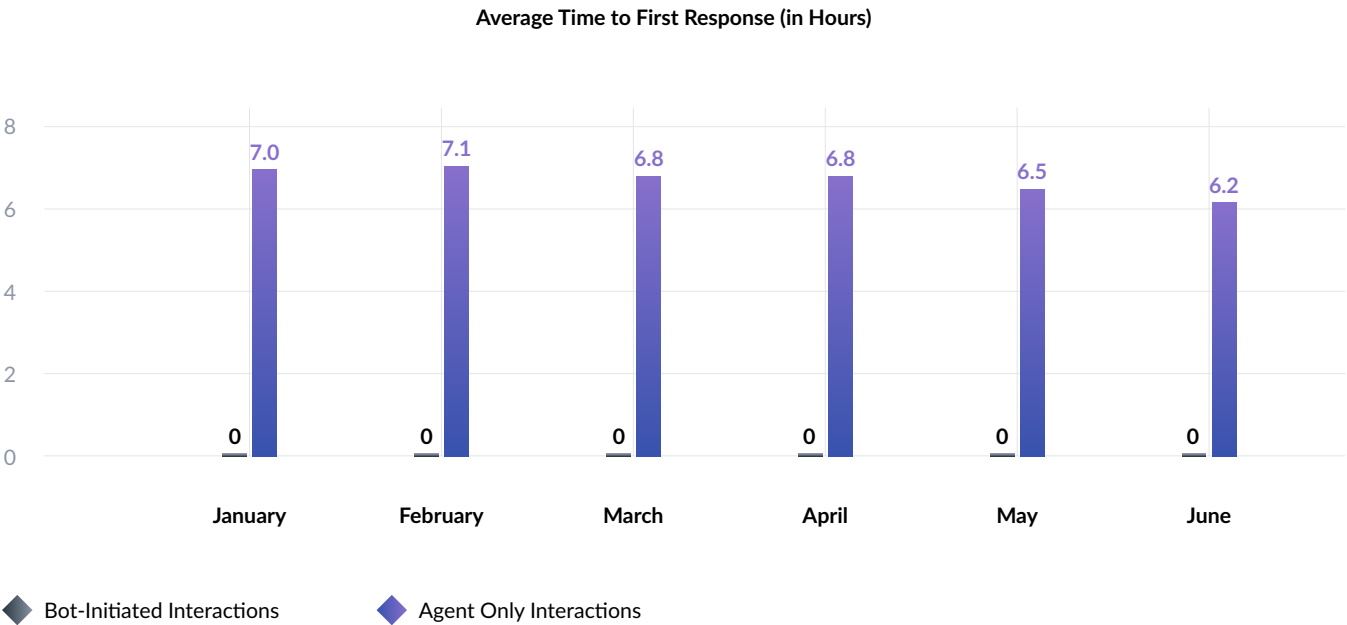
6% decrease

Average TTFR for agent-only issues decreased by more than 6% from Q1 to Q2. In other words, they responded more than 6% faster.

Average Time to First Response (in Hours)

	January	February	March	April	May	June
Bot-Initiated Interactions	0	0	0	0	0	0
Agent Only Interactions	7.0	7.1	6.8	6.8	6.5	6.2

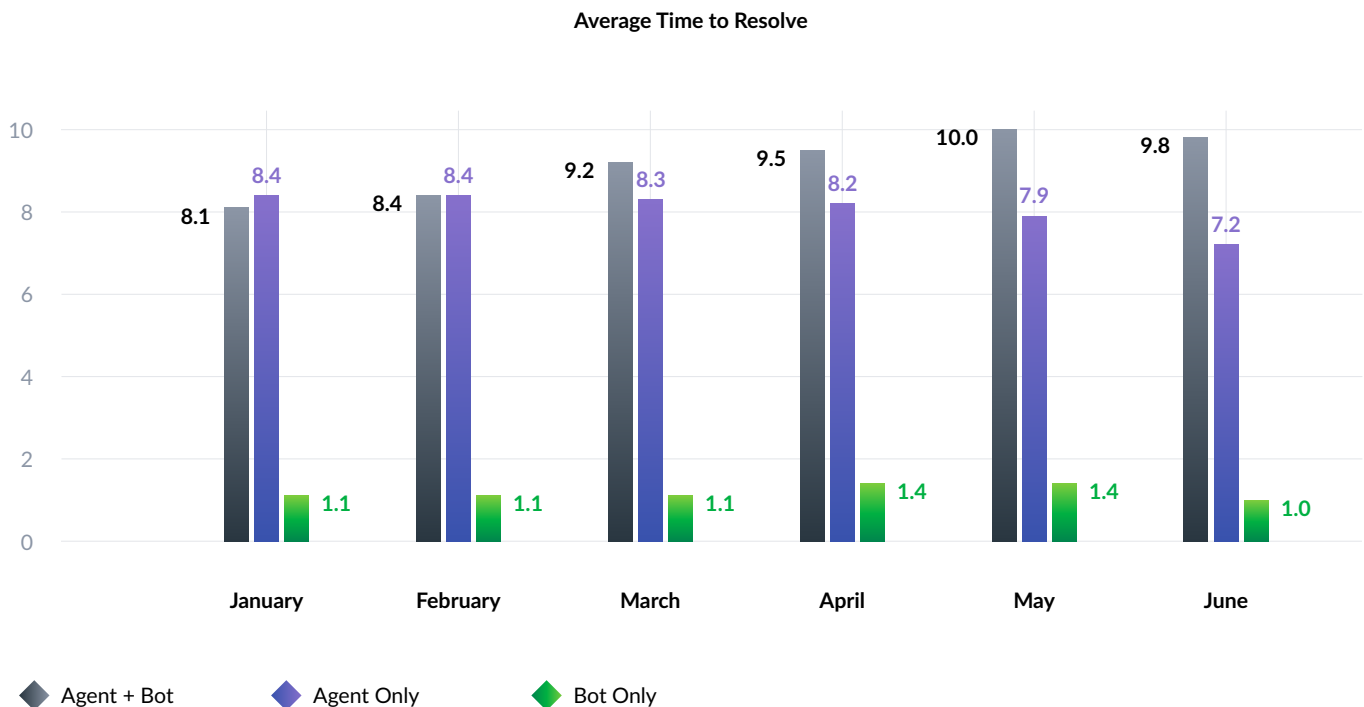◆ Bot-Initiated Interactions   ◆ Agent Only Interactions

7% decrease

Average TTR for agent-only issues decreased by 7% from Q1 to Q2 – i.e., they resolved issues 7% faster.

Compare this to a slightly slower TTR for agent + bot – going from 8.6 hours in Q1 to 9.8 hours in Q2. That's because the bot collects information up front but only pushes urgent issues to the top of the agent queue, resulting in a longer resolution time for less urgent issues.

The data validates the fact that customers value efficiency when it comes to customer service. In other words, they are happy when they're not wasting their time on hold even if the process in aggregate is slower. **No wonder the agent + bot option is where we see the highest CSAT, even if it takes slightly longer to resolve issues.**

Average Time to Resolve

Month	Agent + Bot	Agent Only	Bot Only
January	8.1	8.4	1.1
February	8.4	8.4	1.1
March	9.2	8.3	1.1
April	9.5	8.2	1.4
May	10.0	7.9	1.4
June	9.8	7.2	1.0

◆ Agent + Bot   ◆ Agent Only   ◆ Bot Only

# Messaging as a Channel: Where Bots and Automation Thrive

Driving the Highest CSAT while Handling the Most Volume

Now let's look at the impact of automation when we compare customer service across four common channels: email, messaging, live chat, and web forms.

This research — and the experience of brands using Helpshift across channels — shows that messaging is the best channel for taking advantage of bots. Unlike live chat, which depends on conversations happening in real time (i.e., being synchronous), most consumer communication is now asynchronous. Asynchronous enables an ongoing conversation without both parties being available in the moment.

While it's true that bots are used in live chat, they're less effective in that channel than in messaging. That's namely because one of the primary bot use cases is collecting information when agents are unavailable. If a brand deployed enough live agents, they could call upon bots in live chat to minimize the time for each interaction. However, the impact is not as dramatic as when bots are used in the messaging channel.

But don't take our word for it; the proof is in the data: messaging achieved the highest average CSAT at 4.1, even though the TTFR and TTR were not as fast as in live chat, and messaging saw the highest volume of tickets (and automation) among all four platforms.
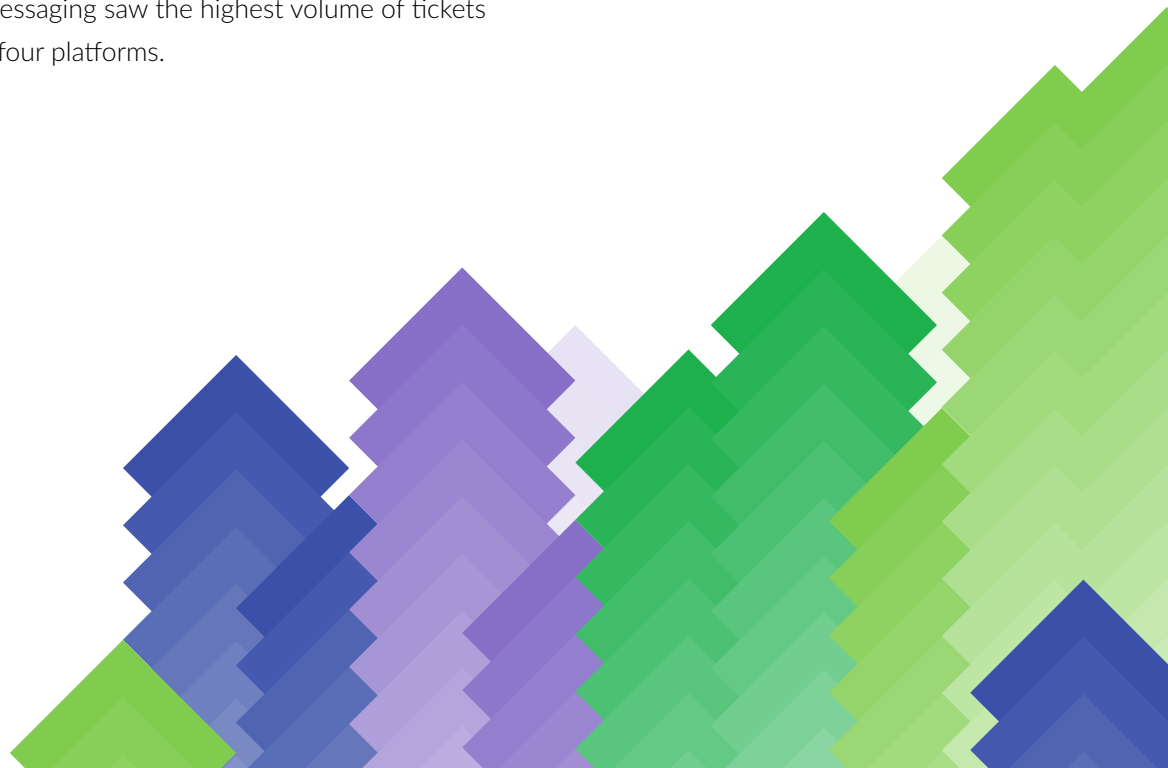
3.38 hrs

Relatively, messaging saw the second lowest TTFR at 3.38 hours.

5.73 hrs

Messaging averages the second lowest TTR among all platforms, at 5.73 hours.

The fact that the highest CSAT is associated with this TTFR and TTR underscores that response and resolution time isn't the most important variable. Instead, what's most important is being mindful of the customer's time and handling issues efficiently. Brands can achieve this balance by calling upon bot-powered asynchronous messaging, where customers are not kept waiting on hold.

Average CSAT by Channel

Channel	CSAT
Messaging	4.1
Web Chat	3.5
Email	3.3
Web Form	3.2
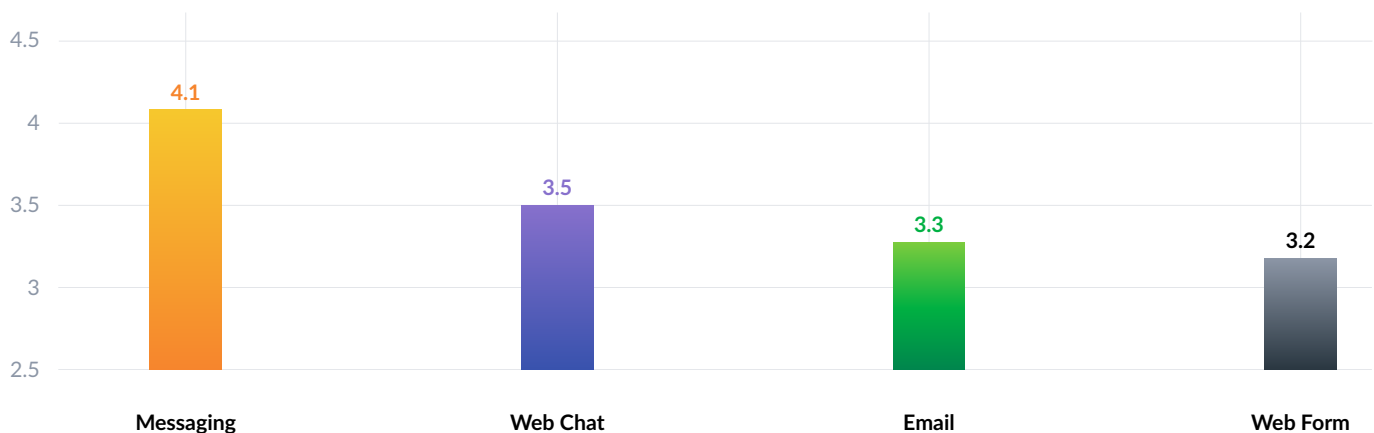
Deep Dive: The Power of Messaging + Automation in Practice

Easily Scaling for the Holidays

Knowing that the holidays trigger a surge in customer service issues, we also studied how retailers used digital customer service to manage issue spikes in November and December 2018. Even as they handled a massive influx of tickets, retailers maintained – and even slightly improved – CSAT.

Please note that the majority of these retailers are only using essential automation tools like time-based responses and automated routing, as opposed to bots automating the full workflows.

47%
Average ticket volume during the holiday period was 47% higher than the non-holiday period (January – June 2019)
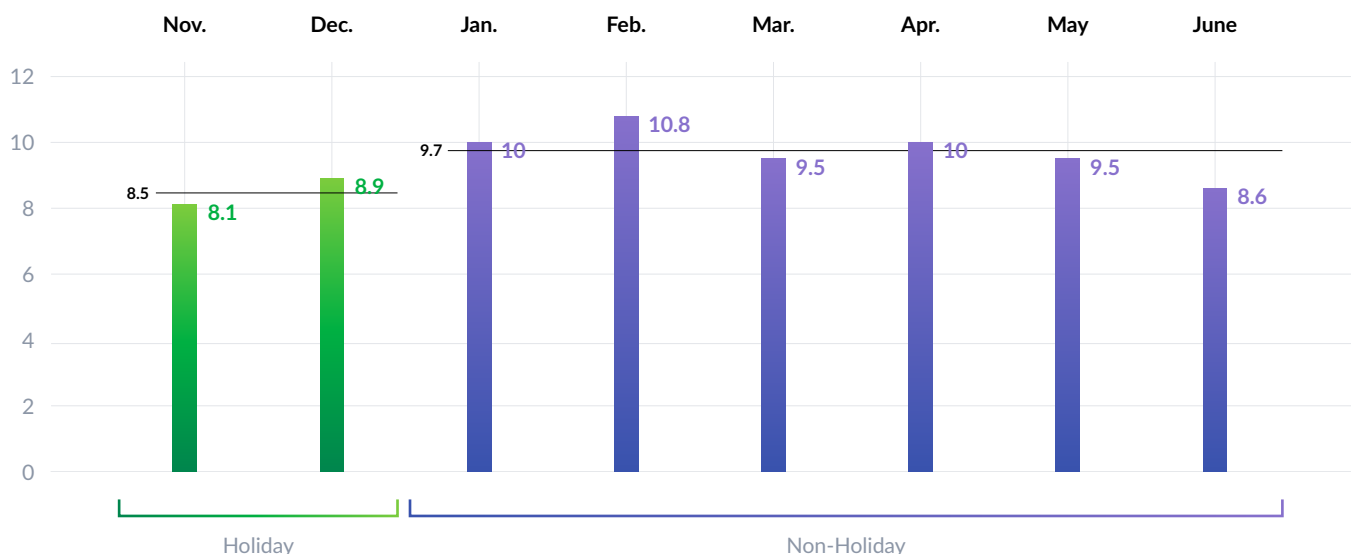
.43%
Average CSAT during the holiday period was 0.43% higher than the non-holiday period

13%
Time to first response (TTFR) during the holiday period was 13% lower (i.e., faster) than during the non-holiday period

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Average TTFR Hours by Month

Month	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
TTFR	8.1	8.9	10	10.8	9.5	10	9.5	8.6

(8.5 reference at Nov., 9.7 reference at Jan.)

Holiday: Nov., Dec.
Non-Holiday: Jan. – June

30%

Number of agents during the holiday period was 30% higher than during the non-holiday period

9%

Time to resolve (TTR) during the holiday period was 9% lower (i.e,. faster) than during the non-holiday period

For the 2018 holiday period, the National Retail Federation estimated that between 585,000 and 650,000 seasonal workers would be hired.[1] Amazon alone planned to hire 1,750 part-time, seasonal, remote customer service associates to ramp up for the 2018 holidays.[2] These seasonal agents require resources beyond their hourly wage — they require training and onboarding — and are also more difficult to hire from the get go.

Average TTR Hours by Month

Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
9.4	10.2	10.9	11.8	10.6	11	11.2	10

9.8 — 10.9

Holiday   Non-Holiday
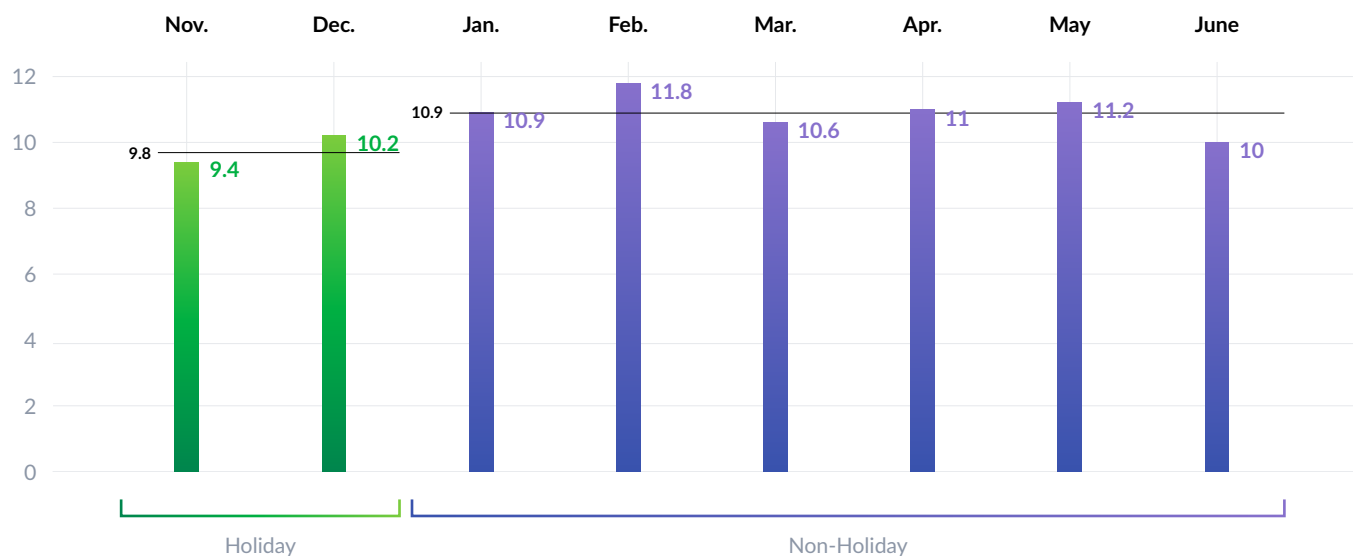
[1] Source: As Holidays Near, Retailers and Call Centers Ramp Up Seasonal Hiring   [2] Source: Amazon Set to Hire 1,750 Remote Customer Service Associates This Fall

Retailers were able to handle so many more issues faster by calling upon messaging and automation. This becomes especially apparent when we compare the Cyber Monday (November 26-28, 2018) metrics to the overall holiday period (November and December 2018) averages.
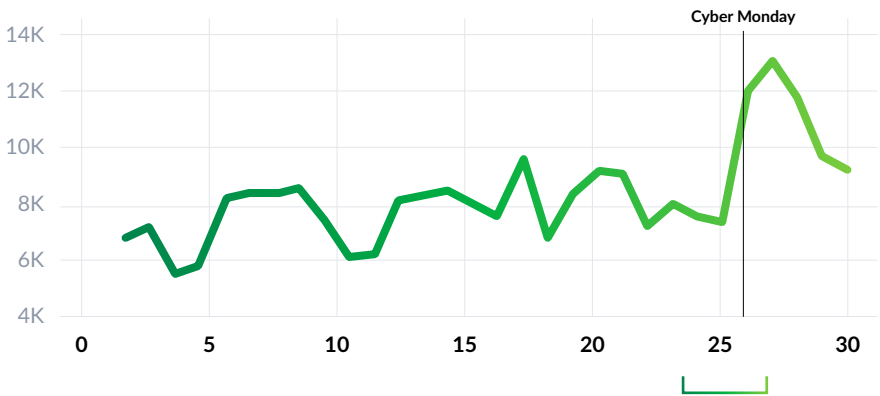
During the Cyber Monday period, the average ticket volume was 55% higher than the average holiday ticket volume.

For context, Cyber Monday ticket volume was 167% higher compared to the non-holiday period.

55%

higher average ticket volume during Cyber Monday
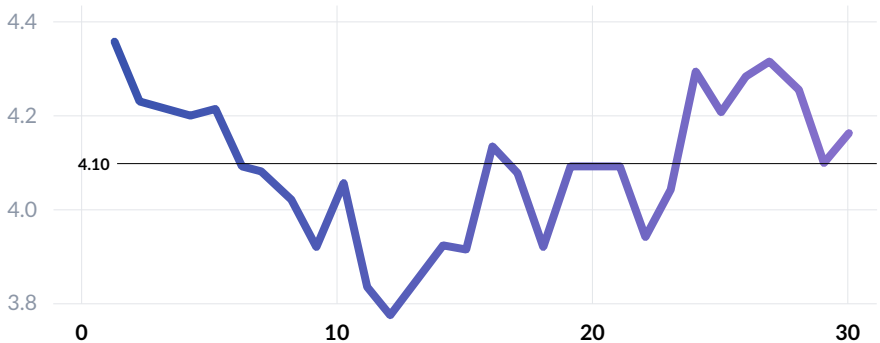
Issue Count by Day (November 2018)

Average CSAT was 4.34 during Cyber Monday, 6% higher than the average holiday CSAT of 4.08.

6%

higher average CSAT during Cyber Monday
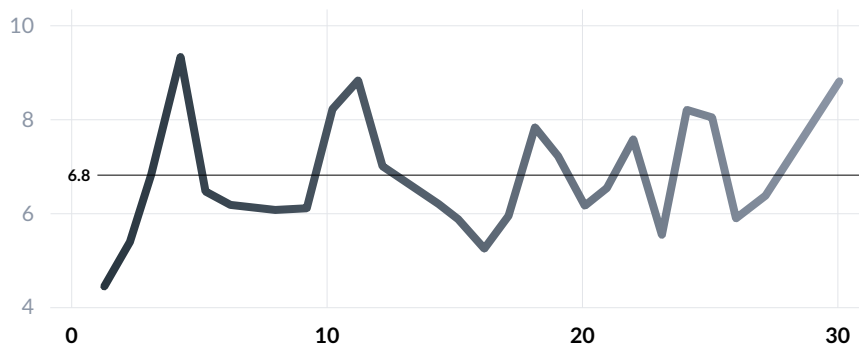
Average of CSAT by Day

Average TTFR during Cyber Monday was 6.4 hours, 10% lower than the average holiday TTFR of 7.13 hours.

10%

lower average TTFR during Cyber Monday
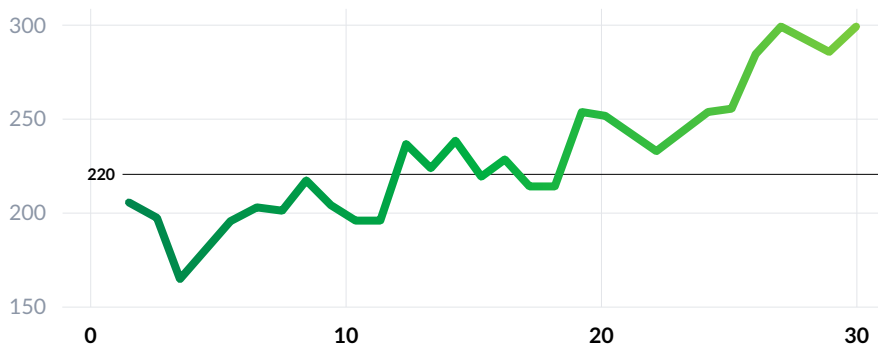
Average of TTFR Hours by Day

The average number of agents during Cyber Monday was 276, just 19% higher than the holiday average of 232.5.
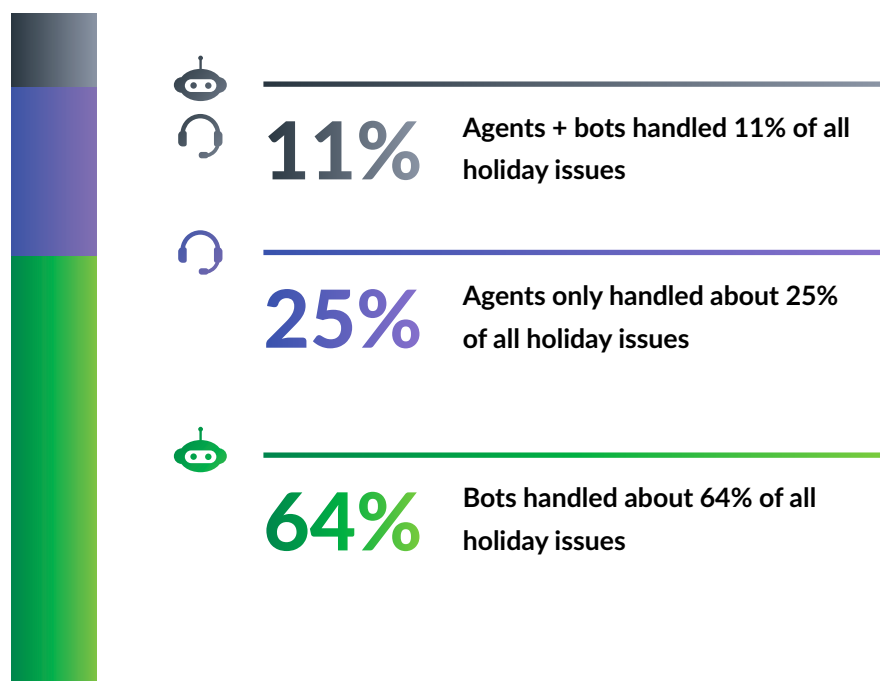
19%

higher average number of agents during Cyber Monday

Number of Agents by Day

Spotlight: A Retailer Using High Levels of Bot-based Automation During the Holidays

We also closely studied the experience of one retail brand calling heavily upon bots to handle the surge in customer service issues during the holidays (November and December 2018). The retailer handled a 300% increase in volume with only 20% more agents – and achieved a high CSAT in the process.

11%
Agents + bots handled 11% of all holiday issues

25%
Agents only handled about 25% of all holiday issues

64%
Bots handled about 64% of all holiday issues

4%
Average agent + bot CSAT was 4% higher than the agent-only average CSAT
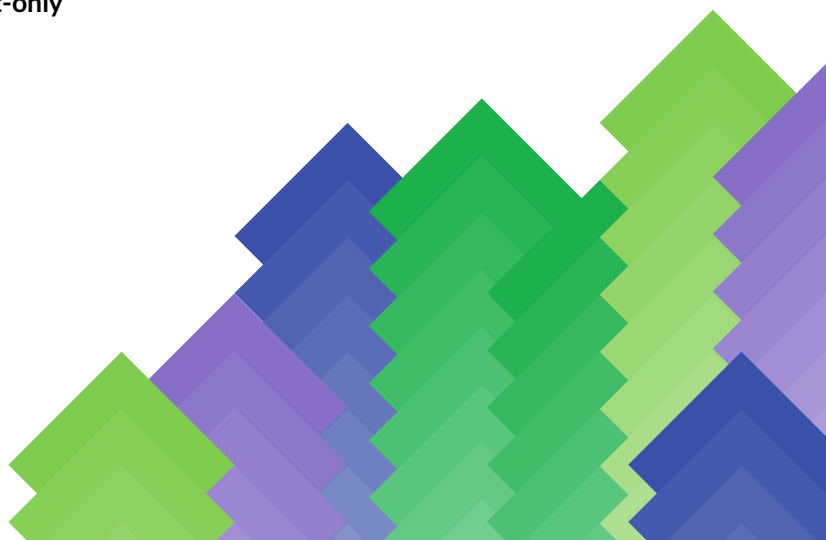
How do these findings align with consumer expectations and trends? A few key stats to ponder:

1 **96%**

In 2019, 96% of consumers told us it is important being able to return to and pick up a customer support conversation where it left off. Not only is this a vast majority of consumers, it's greater than the 92% who agreed in 2018. This is a capability unique to messaging and connected customer service.

2 **11%**

Millennials are the primary demographic that prefers messaging during the holidays — 11% higher than other generations who stick with traditional methods. Retailers wanting to stay modern should cater to this preference.

3 **25%**

When it comes to country preferences, Germans are more willing to use technologies like messaging during the holiday rush — over 25% more so than Americans, British, French or Dutch.

Conclusion: Aim for the Sweet Spot — The Intersection of Humans and Bots

What should you take away from this year's findings?

The message is clear: Consumers value efficiency above all else when seeking customer support. If chatbots can make the support experience more efficient, consumers are glad to have them involved in the process. Knowing this, brands that want to excel in customer experience should start leveraging platforms that facilitate the intersection of humans and bots. The days of bad bot experiences are in the past, and it's time to move forward. Especially considering growing consumer trust in chatbots — and significant impact and benefit of using automation for customer service — your brand should make plans to augment its agents with chatbots.

As mentioned earlier, twice as many respondents this year over last reported that they would knowingly engage with a customer support chatbot because "chatbots are very helpful."

Contrast that with this finding:

13% decline YoY

Unhelpful responses from chatbots continue to be the second biggest annoyance, reported by 35% of consumers in 2019 (a 13% decline since last year).

With that in mind, your brand should thoughtfully "program" its chatbots to answer questions effectively, without getting caught up in conversational AI technology that tries to emulate human interactions.

That being said, Helpshift's customer service platform is uniquely solving the problem that is automation that frustrates customers. Helpshift applies AI at the beginning of a conversation to identify the issue type, classify it, and offer up any knowledge content that may help the customer — without the risk of getting a customer caught in a frustrating loop of not being able to get help. Then automation bots use a predefined approach to present customers with effective guided self-service workflows until they reach the point of requiring a human agent (when necessary). Essentially, each step in the decision tree is an option selected by the customer, and the selection dictates the flow for the specific use case. In this way, they augment agents while enabling customers to better self serve. These bots can be built with a low-code platform, so it's easy to scale and see fast time to value.

The bottom line: By automating to increase efficiency for your customers and brand, you can satisfy customer expectations and drive better results in the process.

Interested in taking the next step?

Check out the Ultimate Guide to Digital-First Customer Service to get started on your automation strategy.

Download Now

helpshift

The Ultimate Guide to Digital-First Customer Service

Why You Need to Start Now and How to Do It

About Helpshift

Helpshift's next-generation digital customer service software enables B2C brands to scale their support while offering differentiated experiences through phone, web, in-app, email and messenger app channels. Helpshift's innovative asynchronous messaging model across these channels gives people back their time, keeps conversations in context and allows humans and automations to work together to solve problems faster. The Helpshift platform embeds knowledge and AI to let customer service organizations best utilize a mix of automated service, self-service and human-assisted service. Serving over 450 businesses worldwide, including Xfinity Home, Microsoft, Tencent and Supercell, Helpshift is headquartered in San Francisco, with offices around the globe.

To learn more about Helpshift, visit **helpshift.com** and follow **@helpshift** on Twitter.

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