

Chatbot fails: 6 reasons they break and how to fix them.

Plus the ROI of real-life
conversation design.



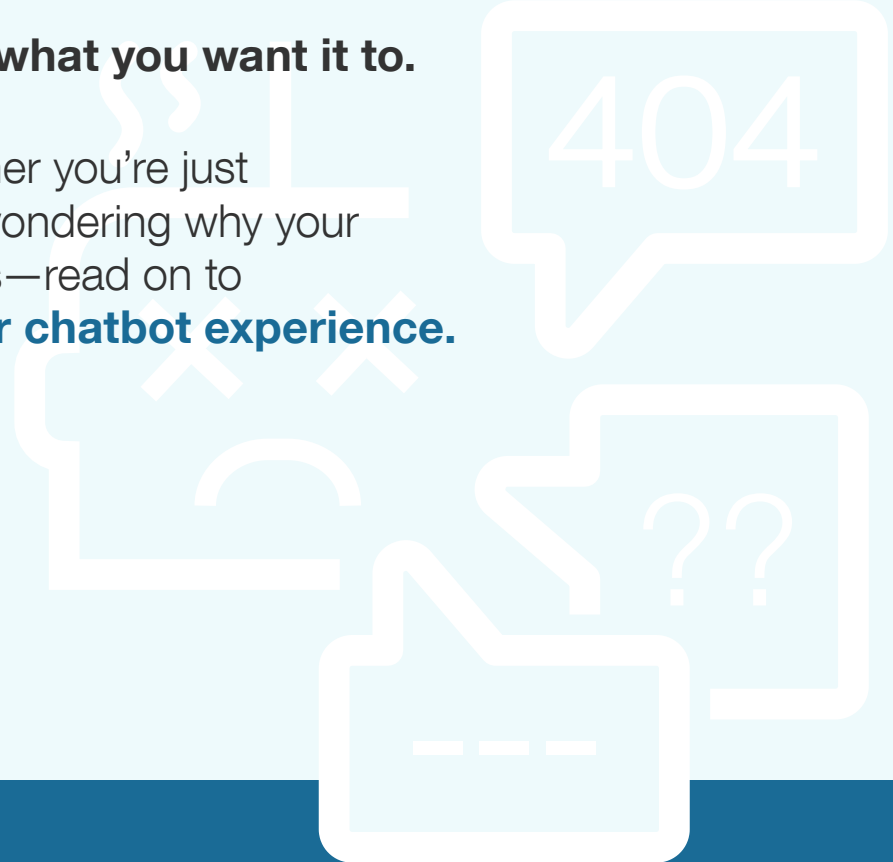


So, your chatbot isn't working the way you thought it would...

If you're reading an eBook about why your chatbot isn't working, chances are you already know what a chatbot is.

And, chances are, **it's not doing quite what you want it to.**

Wherever you are in your journey—whether you're just considering implementing a chatbot or wondering why your current one isn't living up to expectations—read on to **learn what it takes to deliver a stellar chatbot experience.**





There's no doubt that chatbots and virtual assistants can deliver a better customer experience and reduce costs. But, as smart enterprises are realizing, you can't just spin up a basic one and expect it to work.

To get real value, it's vital to understand what customers want and then design conversational experiences that meet those needs.

The problem is that all the media hype has led us to believe that you can replace a human with a bot. But that's simply not true (and won't be for some time to come, thankfully). You can't expect a basic chatbot to meet your customers' expectations when they're looking for a human touch.

Why they fail...

In most cases, the reasons chatbots fail is that organizations have overlooked one or more of these critical areas:

- **Their business objectives**
- **The science of customer interaction**
- **The nuances of language**
- **How to handle hard-to-answer questions**
- **Branding the chatbot**
- **The ability for the chatbot to learn and grow**

Without these considerations, organizations will soon find themselves with a very disappointing experience.



Reason #1: Human language is hard!

Despite being a program intended to simulate conversation, most chatbots just can't manage it.

Generally, they're scripted or FAQ-based. So, if a customer asks a question, the bot gives them a menu of preprogrammed answers to choose from—and that's not conversational, is it? And, if the chatbot doesn't have a menu, there'll be issues with understanding the request and the customer will get stuck in that endlessly frustrating loop of "I don't know the answer."

Machines need to be taught how humans think, and that needs to include the kind of information that isn't usually accessible through APIs.

After all, human language is complicated.

Getting expert advice, or discussions that include conflict, can be particularly challenging because understanding what was said depends on nuances, perception and knowledge between the people who have that conversation.

Please select an option from above.

ARGH!

Let me see the main menu.

Please select an option from above.

What the...

How bout the original menu?

Please select an option from above.

I GIVE UP!

Human language is variable and ambiguous, so most machines can parse words but not context—yet.

“She never told him that she loved him.”

Take the sentence above for example; it has seven different meanings, depending on which word you emphasize.

You probably read it and understood it in a specific way—but look at all the different ways it can be interpreted, and the context each option could imply:

- 1. **SHE** never told him that she loved him. → **(But someone else did.)**
- 2. She **NEVER** told him that she loved him. → **(Zero times in their entire relationship.)**
- 3. She never **TOLD** him that she loved him. → **(She showed it but never said it out loud.)**
- 4. She never told **HIM** that she loved him. → **(But told everybody else.)**
- 5. She never told him that **SHE** loved him. → **(But that someone else did.)**
- 6. She never told him that she **LOVED** him. → **(Only that she liked him and thought he was funny.)**
- 7. She never told him that she loved **HIM**. → **(She said she loved someone else.)**

No wonder your chatbot doesn't always understand your customers!

Never stop learning and improving

Just like children, chatbots need the ability to continuously learn the nuances of language and adapt based on what they've learned.

In machines, that's called artificial intelligence (AI). And in customer engagement, that's called conversational AI.

But don't fall into the trap of thinking that your chatbot will eventually be able to answer every query your customers have. You can design chatbots in a way that they pass requests to a human agent including the context they might need to continue the conversation.



Reason #2:

You implemented your chatbot without a business objective.

If you implement a chatbot without a business objective in mind, there's a real chance you'll just end up wasting time and investment on a technology that doesn't deliver and even worse creates such a bad experience that your customers might just leave.

Sit down and think about what your business wants...

This is going to sound overly simplistic, but it really is this straightforward: take the time to determine your business objective. (Preferably before you implement the chatbot—but it's better late than never.)

This is vital, because it helps you and your team understand what success looks like. Common objectives include:

- Automating customer service
- Improving customer experience
- Streamlining live agent operations
- Adding to your business intelligence or
- Generating leads by gathering contact information

...and then adapt accordingly

Your objective could change the scope of your chatbot and the amount of expertise you'll need to give it.

The chatbot's expertise

1. Your objective will determine whether you use the chatbot for sales, account assistance, technical assistance, or order support. (Whichever it's equipped to handle, make sure your customers know that upfront, to avoid frustration and wasted effort.)
2. It'll also guide you in choosing the right product or offering expertise. You don't have to offer a chatbot for every single solution, but make sure the chatbot pops up where it should, in the right context on your website.

Breadth and depth

1. Broad

PRO knows a wide range of information

CON learning conversations takes a long time, and you risk low accuracy

2. Narrow

PRO has a deep knowledge in specific areas

CON only useful for a segment of customers

3. Focused with targeting

PRO automates what customers are asking for based on insights into current interactions



Reason #3: Customer engagement is more complicated than you think!

Understand how your customers want to interact

Study your customer analytics and learn how users prefer to interact with you—then decide how the chatbot can meet these preferences.

- Does your customer want a chatbot that responds through text or through voice?
- Would your customer be looking for a human to talk to? Then plan on using the chatbot to route them to the right skilled agent.
- Does your customer want to complete transactions with the help of a chatbot?
- Does your customer appreciate personalized, data-driven responses, or do they prefer generalized, to-the-point answers?

Once you've established how your customers want to interact with your brand, you can then find the best place in the customer journey to place it.

- Is the chatbot for very specific uses, such as checkout or shipping queries?
- If the chatbot is limited in scope, be strategic about the placement—don't make it available at every stage.
- If you do want to use it for everything, consider using the chatbot to route your customers to the right page or to the agent with the best skill set or best-fitting answer.





Reason #4: Your chatbot (and your customer) gets stuck in a loop.

Odds are, there's going to come a time when your chatbot can't help your customer. Maybe it doesn't have the expertise, or the customer doesn't quite know what they should be asking.

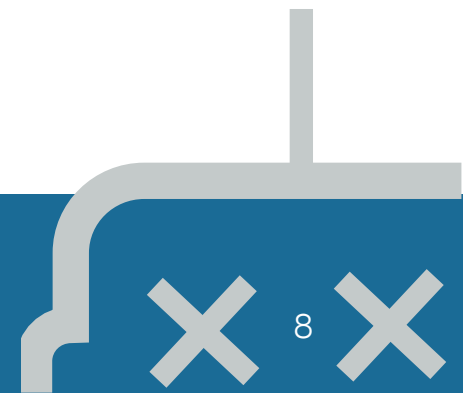
To avoid your customer getting stuck in a frustrating cycle of "I'm sorry, I don't understand the question", you need to establish ways to escalate an interaction to a real person.

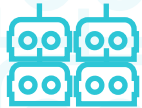
Here are a few pointers for an escalation strategy:

- **Agent availability:** Whether you use the chatbot as a routing engine or agents are the safety net, always check live agent availability first. If there aren't any available, let the customer know how long they'll be waiting.
- **Chatbot scope:** Make sure your customer knows which questions the chatbot can answer, and make it seamless to move to an agent if they have a query outside its scope.

- **Incomprehension:** It's easier said than done, but the whole experience should be passed on to a live agent within the same interface if the bot is not understanding the customer—don't make them switch channels or start all over again.
- **Prioritization:** If the NLU interprets the customer's intent as urgent, if the customer seems to be frustrated, or if your data indicates they're a high-value customer, route the interaction to a live agent immediately. Sentiment analysis can help understand if the user is unsatisfied or not—and prevent them from further frustration if answers already indicate they're annoyed.

Your chatbot can be designed to capture unexpected behaviors, recover gracefully and even collect data to improve the experience in the long run.





Reason #5:

Your chatbot is like all the rest.

As chatbots become more popular with businesses, it's not enough of a differentiator just to have one. Avoid just giving them generic, stock answers, and offer enough value to your customer to make it worth their while to use it.

Differentiate the chatbot—make it yours

The problem is that most of today's deployments sound the same. There's no differentiation from other brands. Take smart speaker skills, for example: no matter which business you're talking to, the voice is the same and the answers all come from the same generic playbook.

Tip: Make sure your customers know they're talking to a chatbot, not a human being. Also, explain your chatbot's scope clearly, so your customers aren't disappointed by their experience. (You can do this with or without establishing a persona.)

Things to keep in mind when branding your chatbot:

The chatbot's tone:

Think about what you're trying to be for your customer. Professional and efficient? Funny and entertaining? Somewhere in between? What does the customer already expect from your tone?

Personalization:

Financial Services customers might find it weird if the chatbot 'knows too much', but some other verticals will expect higher levels of personalization.

The chatbot's persona:

Comprehension, response quality and ease of use are critical experience factors to designing your chatbot, but it's often useful to give them a specific persona—especially if you're aiming for friendly. You can establish a persona with:

- Name of the chatbot
- How the chatbot greets the customer
- Tone and approach with responses
- Use of social intents so the chatbot can respond appropriately
- Imagery and visual branding



Reason #6: Your chatbot isn't learning.

It's not enough to just give your customers a basic chatbot and leave it at that. It isn't even really enough to give them a carefully built and tailored chatbot.

Your chatbot needs to be able to learn and improve.

Never stop optimizing

Whether your chatbot is stand-alone or can escalate to an agent, monitor your interactions for trends, anomalies and good learning experiences (for bots and humans alike).

- **A quick look:** Shortly after deployment, observe how those first questions perform—do any of them escalate more often than you expected? How could the question-answer pair be rephrased?
- **Deeper dive:** Should some questions be broken out into two? Which questions have direct answers, and which questions need a few more questions to clarify the meaning? Or, does it make more sense to include multi-intent detection, so your customer can ask several questions within one prompt?
- **Planned assistance:** Would it make sense to help the chatbot with a human agent acting as a coach behind the scenes? (This can be especially useful at the beginning of the interaction.)

Successful conversation automation relies on detailed performance measurement. As well as using call and chat transcripts to build the chatbot's intelligence, you should continuously evaluate them against metrics such as containment and abandonment to optimize the NLU and responses.

Useful metrics

The big question is “what should I track to optimize effectively?” There are a variety of relevant metrics, but these are the top four to consider:

- The number of automated contacts, compared to assistance requests across channels, and as a percentage of overall traffic.
- Your CSAT: survey customers for qualitative and quantitative insights.
- The historical trends of chatbot engagement: does it go down or up?
- Intent trends help you understand customer demand and adjust accordingly.



**It's broken.
Now fix it.**

If your experience looks like this...

I need help setting up my new phone.

Please select from the following options:

- Personal Account
- Business Account
- Shop
- Sales and Deals
- Plans
- My Account
- Service

Main menu.

Please select from the options listed above.

MORE CHOICES!!!!!!!

Then it's time to change it to this!

I need help setting up my new phone.

Hi Kevin. I'd be happy to help. Is this for the new iphone you just received?

Yup. Is there a video I can watch?



New phone set-up.
youtube.com

I'm here if you need me.



The ROI of real-life conversational design

Here's a recap of key takeaways from this ebook (and a few examples of how we can help you get your chatbot up to par):

#1

Today's AI technology is capable of helping businesses achieve real ROI if they use it for the right business objectives.

Proof Point - Through conversational AI, a popular telecom brand saw a **25% reduction in online support costs**.

#2

Use existing data to understand how your customers want to interact. Nuance intent detection algorithms and conversation analysis can help.

Proof Point - Jetstar added mobile support and Facebook Messenger to their channel mix, and the chatbot contact volume increased by more than 50%.

#3

Differentiate the chatbot—make it yours.

Nuance has been designing successful conversations for more than 20 years. It's what we do, so we can work with you to design the right experience for your business.

Proof Point - IP Australia delivers a strong digital-first experience, resulting in a **15% reduction in calls to the contact center**.

#4

Never deploy a chatbot in a silo – always enable a way to continue.

Seamlessly connect the chatbot and human agents through one platform.

Proof Point - For a popular online insurance provider, the combined presence of the chatbot and live chat **means each dollar spent results in a ~\$24 incremental lifetime revenue**.

#5

Never stop optimizing. Meaningful and actionable insights are important for an efficient optimization strategy.

Proof Point - Telekom Deutschland achieved a **75% increase in automation** through IVR optimization.



Ready to learn more?

See how 8 companies are winning big and delivering real business results with chatbots/virtual assistants and live chat.

Get the ebook.

Find out why Opus Research rates Nuance as a top performer for intelligent assistant and chatbot vendors.

Get the report.

See why Forrester Research ranks Nuance #1 in chatbots/virtual assistants for enterprise customer service.

Get the report.

Learn more about our customer engagement solutions powered by AI.

Visit our infohub.

We're here to help.

Great technology is always a key factor for customer engagement, but without knowing how to use it, it won't get you very far.

You don't need to be an expert—you just need to know who to ask. Get in touch with one of our digital engagement experts at CXexperts@nuance.com.



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NUAN-CS-3669-01-EB, Jan 10 2019

