



# The State of AI in Customer Service

2023 REPORT



# Table of Contents

INTRODUCTION	How AI is impacting customer service: The 5 trends support leaders need to know – and how to get ahead of them	3
TREND 01	Investment in advanced AI for customer service is accelerating – and there’s a huge opportunity for early adopters	7
TREND 02	The role of humans in customer service is evolving, not diminishing	14
TREND 03	Efficiency is more critical than ever – and AI is the key	24
TREND 04	AI and automation are transforming customer experience – and providing a competitive advantage	31
TREND 05	There’s an “AI readiness gap” – CS leaders are more enthusiastic about AI than CS practitioners	36
CHECKLIST	Customer service is about to change for the better – are you ready? 💡 4 steps to get started with AI for customer service	42



# How AI is impacting customer service

The 5 trends support leaders need to know – and how to get ahead of them

We're in the early stages of an AI revolution that will reshape entire industries – and it's clear that customer service will be among the very first spaces to be affected. As someone who has operated in the technology sector for over 35 years, and mostly in some form of customer support role, I have literally never been more excited than I am right now around the potential to transform the customer support experience through technology.



Declan Ivory

VP OF CUSTOMER  
SUPPORT, INTERCOM



This quantum leap forward in generative AI will dramatically reduce the overhead of deploying and managing AI for customer service. It is now a reality that this technology can be used at scale across the entire customer journey, so the question is no longer “Should I use AI or not?”; it’s “When and how will I use it?”

To get a snapshot of the industry at this remarkable moment, we surveyed over 1,000 global customer service professionals to find out how they’re adapting to these changes and incorporating them into their customer service strategy. We asked them how they plan to leverage AI and automation, what opportunities they hope AI will bring, and also about their fears – great disruption can bring excitement and anxiety in equal measure, after all.

This report is full of insights drawn from our survey and packed with actionable tips that will help you unlock the power of AI and improve how you deliver customer service, creating better experiences for your customers and your team.

Read on to discover how AI and automation are shaping the future of customer service. The opportunity ahead of us is incredible, and that future starts now.

**Declan Ivory,**

VP of Customer Support, Intercom







# Our research reveals that:

## 01 Investment in AI for customer service is accelerating – and there’s a huge opportunity for early adopters.

After seeing what recent AI advances are capable of, future-ready support leaders have already started thinking about how to integrate AI-powered technology into their tech stack, with 69% planning to invest more in AI in the year ahead.

## 02 The role of humans in customer service is evolving, not diminishing.

Over three-quarters (78%) of support leaders say they expect AI to transform customer support careers in the next five years, creating new opportunities and forging brand new job roles.

## 03 Efficiency is more critical than ever – and AI is the key.

At a time when business resilience is more important than ever, 66% of support leaders are excited about leveraging AI and automation to increase the efficiency of their team in the year ahead.

## 04 AI and automation are transforming customer experience – and providing a competitive advantage.

These days, customer experience is the great differentiator, and customers’ expectations of support will be completely transformed by AI. In fact, 73% of support leaders believe that customers will expect AI-assisted customer service in the next five years.

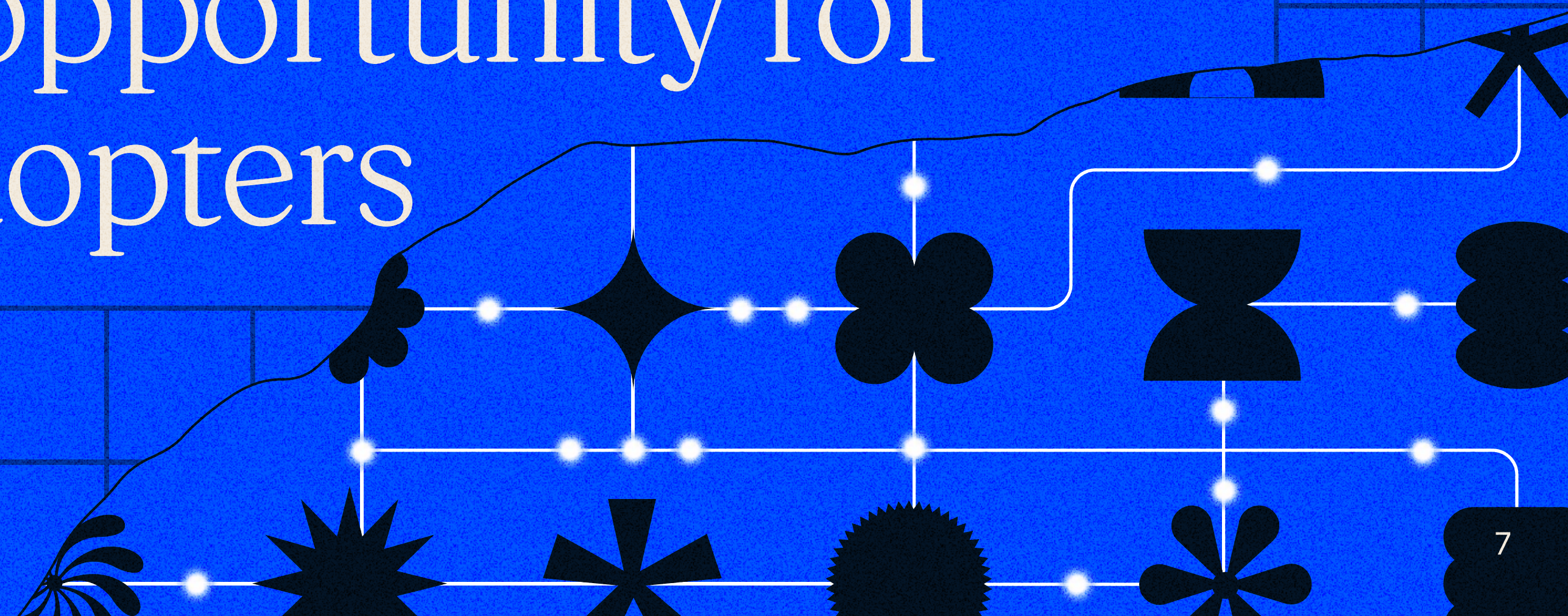
## 05 There’s an “AI readiness gap” – CS leaders are more enthusiastic about AI than CS practitioners.

While over two-thirds of support leaders are confident that customers are ready to interact with an AI chatbot, less than half of support practitioners feel the same – which means there's an opportunity for leaders to share their enthusiasm around AI for customer service with their teams and ensure they're bringing them along on the journey.



# TREND 01

Investment in AI for customer service is accelerating – and there's a huge opportunity for early adopters



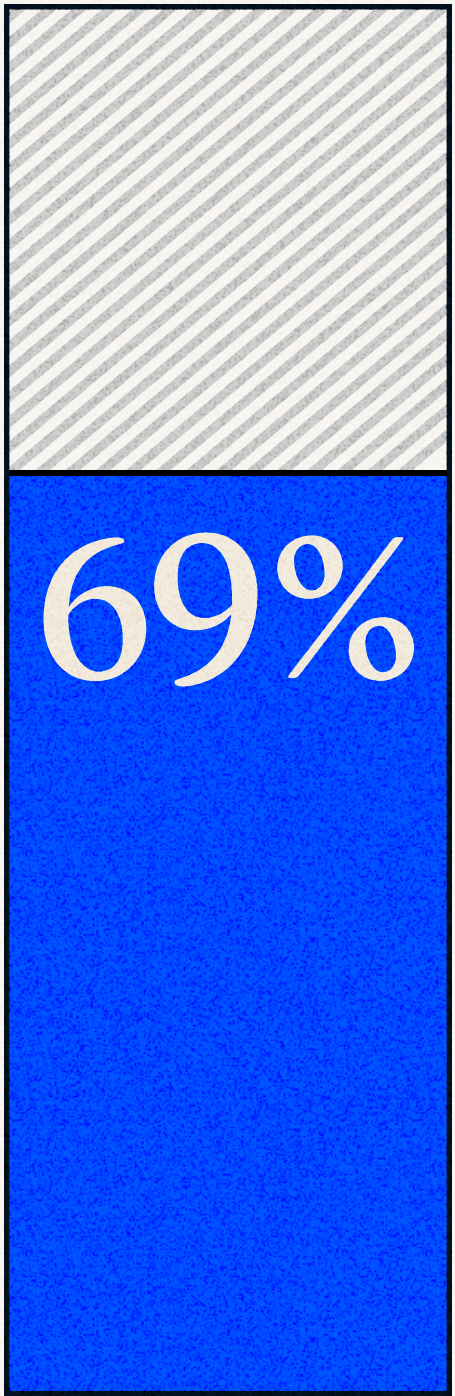


Recent advances in AI are set to have a huge impact on the customer service industry – and our research shows that many forward-thinking support leaders are ready to dive in.

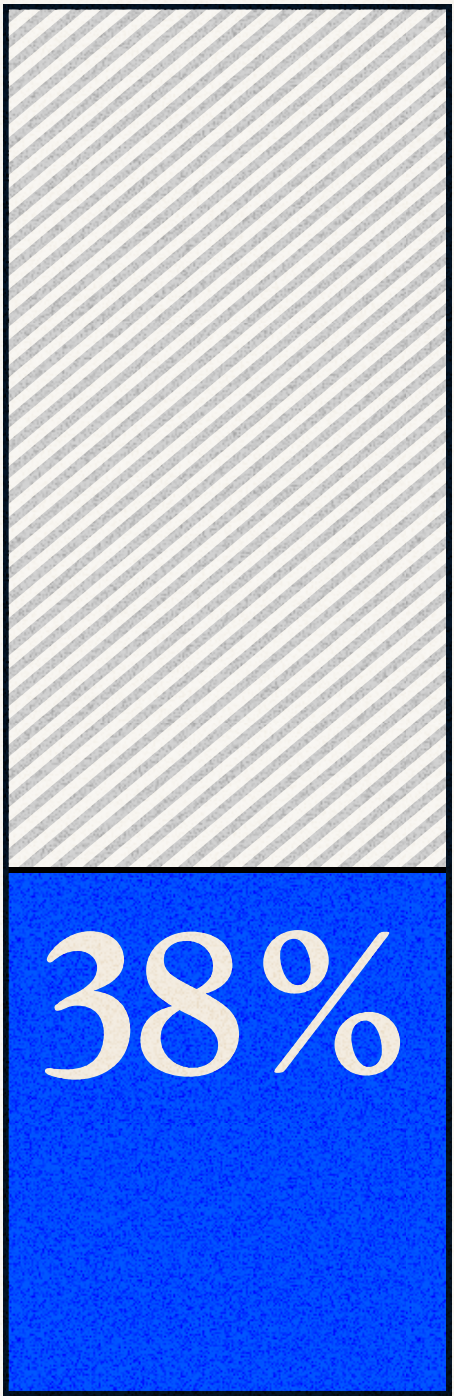
We found that more than two-thirds of support leaders are planning to invest more in AI in the year ahead. But so far, only 38% have already invested in AI technology similar to ChatGPT. This means that there’s a huge opportunity for early adopters to stand out, make a real impact – and gain a competitive advantage.

# The investment gap

Many teams plan to invest in AI in the coming year – but there’s immense opportunity for the teams who get there first.



of support leaders plan to invest more in AI in the year ahead



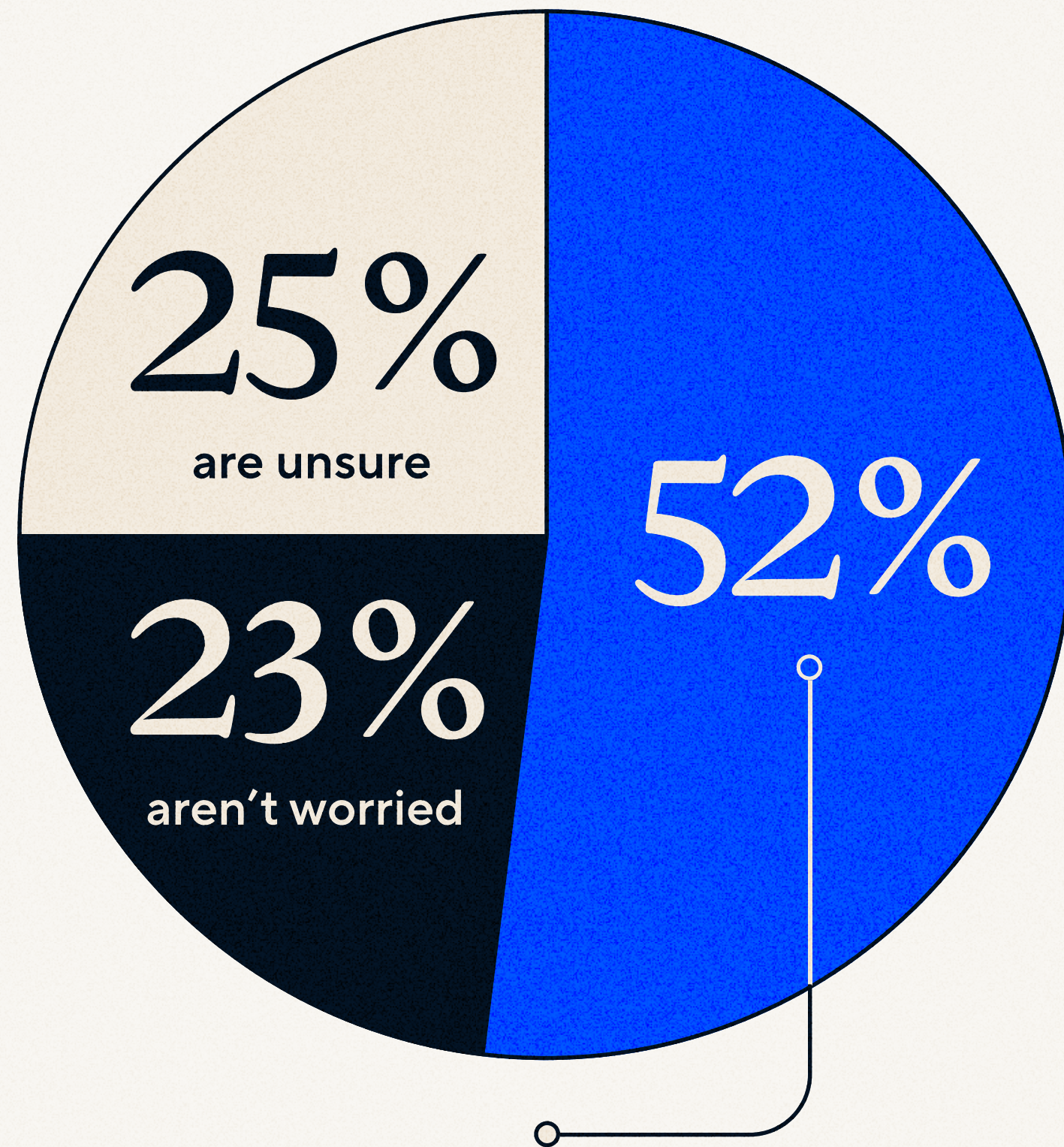
of leaders have already invested in AI technology



According to our research, 55% of support leaders say that ChatGPT has made them more likely to invest in AI in the year ahead.

Not only that, but 52% say that ChatGPT has made them worried that they’re behind when it comes to implementing AI solutions.

## The ChatGPT effect



of support leaders say that ChatGPT has made them worried that they’re behind when it comes to implementing AI solutions



As for the benefits, two-thirds of support leaders were surprised at how advanced technology such as ChatGPT is.

After seeing what it’s capable of, support leaders are excited about the possibilities AI presents for customer service, such as:

- ◆ Faster responses
- ◆ More consistent responses
- ◆ Saving money on training
- ◆ Summarizing conversations

The common thread? All of these opportunities empower teams to work more quickly, cost effectively, and resiliently, without sacrificing quality.

## AI opportunities

We asked support leaders what AI possibilities they were most excited about – here's how they ranked them:

60%

Faster responses

45%

More consistent responses

42%

Saving money on training

32%

Summarizing conversations

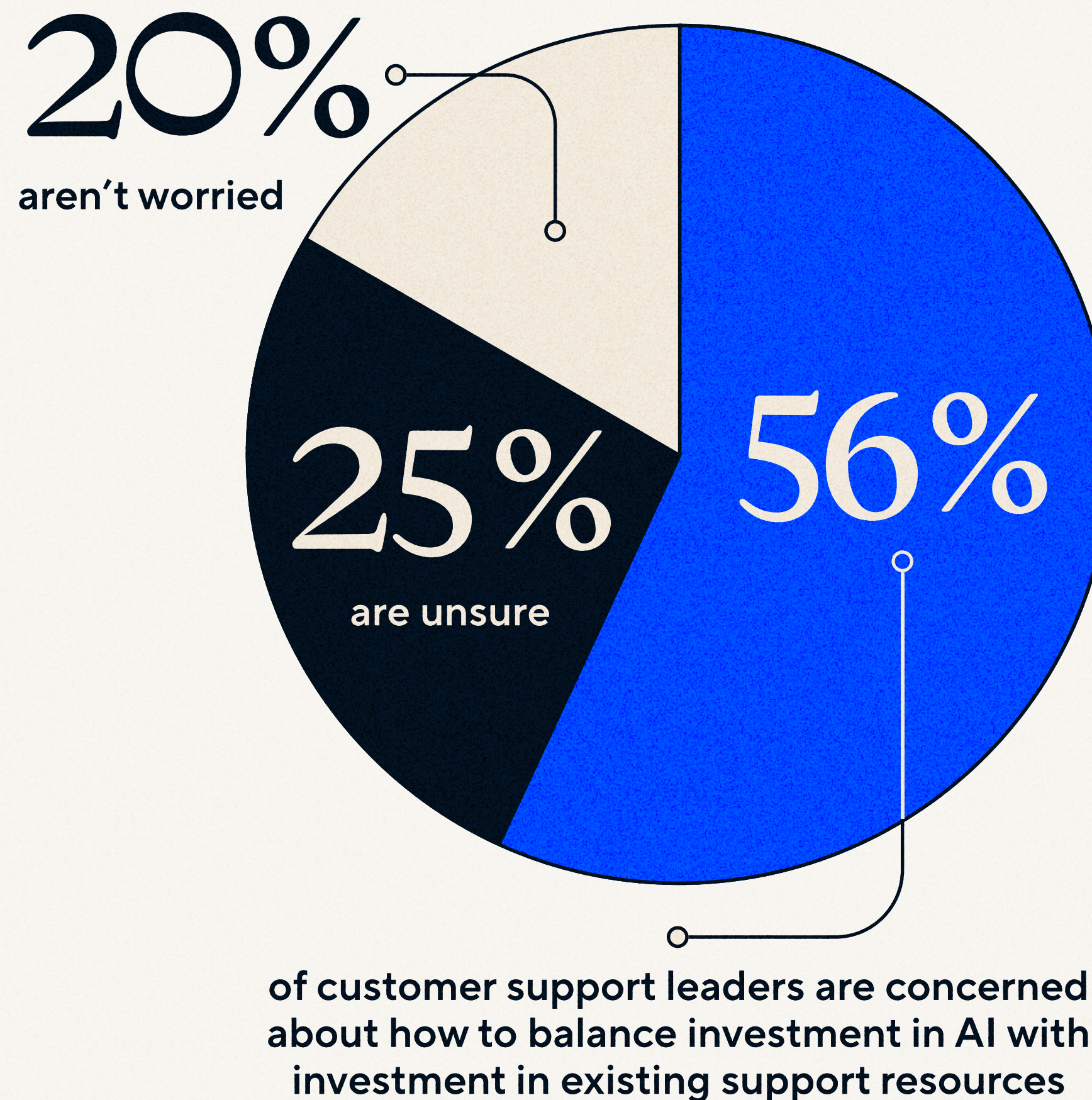


While leaders are excited about the opportunities that investing in AI will bring, more than half are concerned about how to balance investment in AI with investment in existing support resources.

Setting up a great automation strategy takes time, so for support leaders who are in firefighting mode, stepping back and allocating resources away from the frontline and into an AI strategy can feel like a significant challenge. But for those support teams that do invest in AI for customer service, there is a significant ROI to be made.

One way to prove the value of AI and automation in both the short and long term is by calculating the time and cost savings it will bring to your team. By translating the benefits into hours and dollars, you can be confident that your investment is paying off.

## The opportunity cost





“The AI landscape is constantly and quickly evolving, and solutions not yet dreamt of will be available in the short term. Investing time in both preparation for new AI applications in customer service and focusing on upskilling team members to think more strategically about AI in CS will mean that when those new opportunities come, value can be realized instantly. AI efficiencies and opportunities stack; there's often a building block approach required to creating ROI, and the earlier we begin, the earlier that value can be fully realized.”



Scott Donnelly

HEAD OF CUSTOMER &  
DIGITAL OPERATIONS

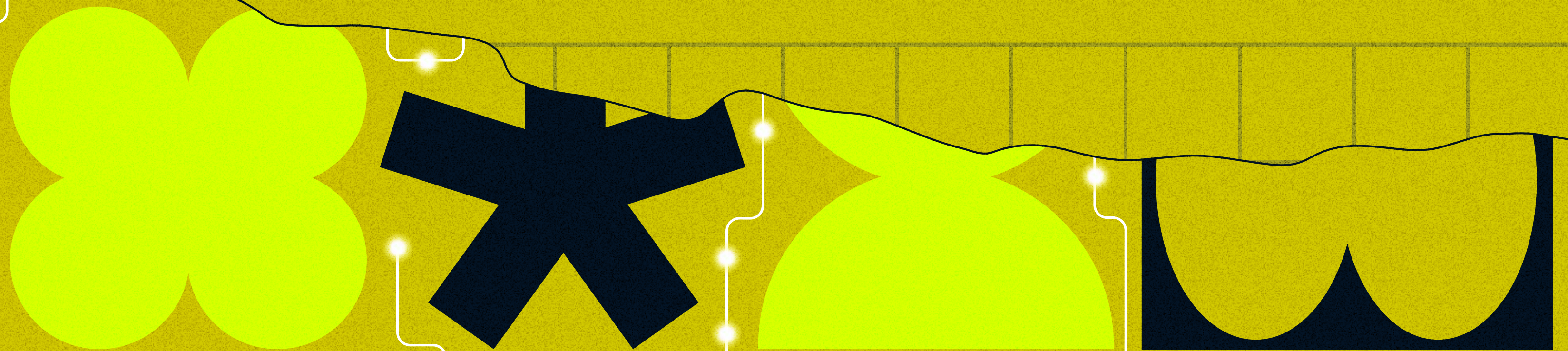






# TREND 02

The role of humans in customer service is evolving, not diminishing





## It's the biggest question on everyone's mind at the moment: are robots going to steal my job?

We're confident humans will continue to play a pivotal role in customer service, but the roles as we know them today will change significantly – for the better.

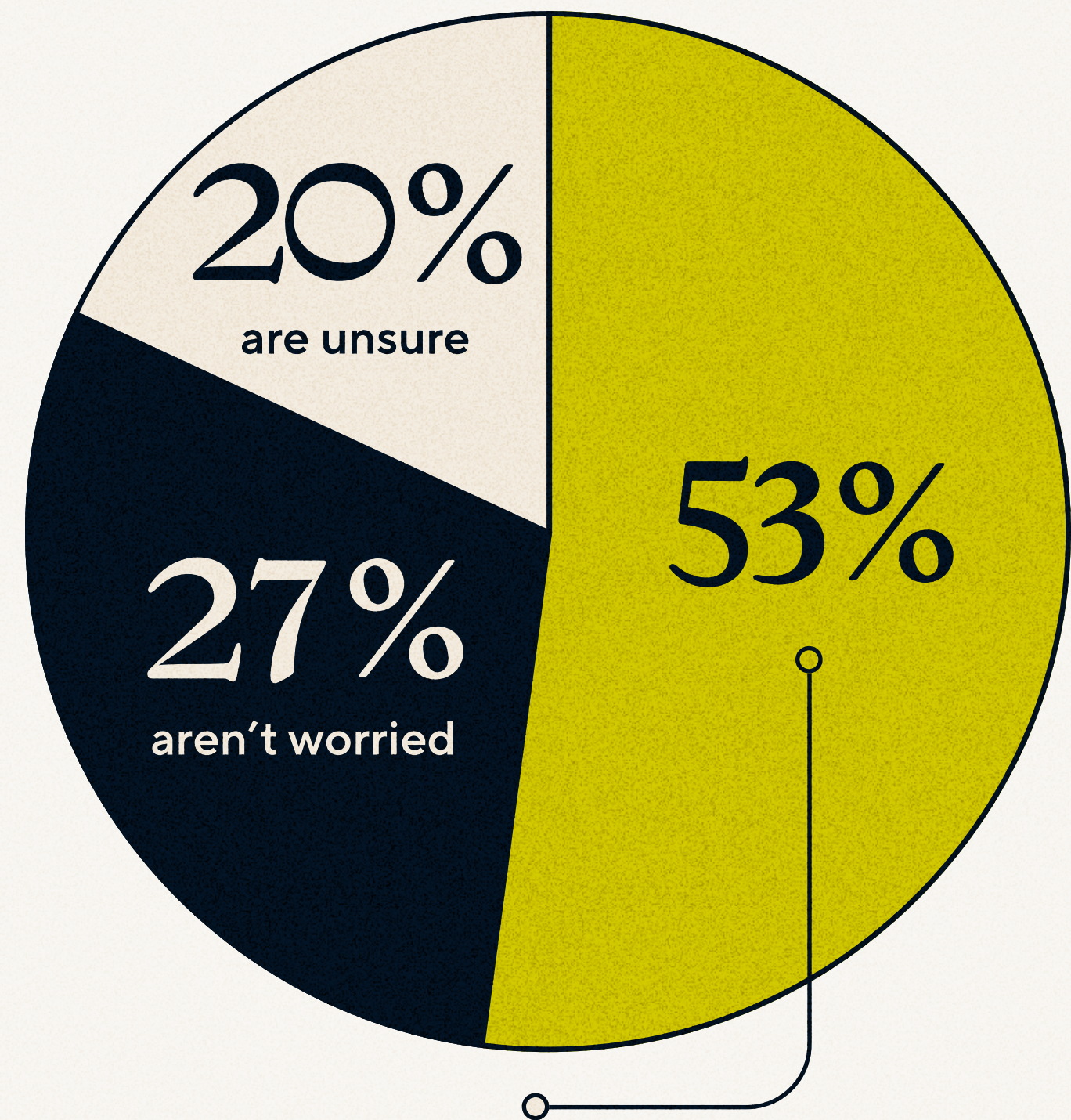
While support teams recognize the potential ahead, it's natural that these uncharted territories might bring a bit of anxiety as well as excitement.

Our research shows that just over half (53%) of support teams are worried about the potential negative impact of AI on the customer service industry. Wariness of new technologies is completely normal – just look at the response to the computer when it first became more mainstream in the 1980s and many feared it would eliminate jobs. As we now know, computers haven't taken over; they still rely on humans to operate them, and have created countless new jobs that would have been unthinkable before.

We see the same thing happening with AI. Humans and technology (such as AI and automation) are the future of customer service. There is no either/or – only both.

## AI concerns

Customer service teams are divided on the potential negative impact of AI.



of support teams are worried about the potential negative impact of AI on the customer service industry



“Combining automation and human support, blending those two together, allows our teammates to do what they do best – be creative, be empathetic, and do the things that only humans can do, and that's find unique solutions to difficult problems.”

**di.** DENTALINTELLIGENCE



**Sam Miller**

CUSTOMER SUPPORT  
OPERATIONS MANAGER



# AI vs automation in customer service: What's the difference?

**Automation in customer service** is the use of technology to perform repetitive tasks and processes. Examples of automation in customer service include simple chatbots, routing rules, and auto-generated article suggestions.

**AI in customer service** is the use of advanced machine learning or natural language processing tools to, for example, interpret more sophisticated queries and generate contextualized responses.



# For customer service teams, AI-powered bots should be thought of as co-workers that can:

✦ Quickly resolve queries to reduce your workload

✦ Leverage existing help content to provide fast, accurate answers to customer queries

✦ Collect information upfront so you have all the context you need

✦ Seamlessly pass conversations to support reps when additional help is needed or the bot doesn't know the answer

✦ Take care of manual and repetitive tasks to free up time



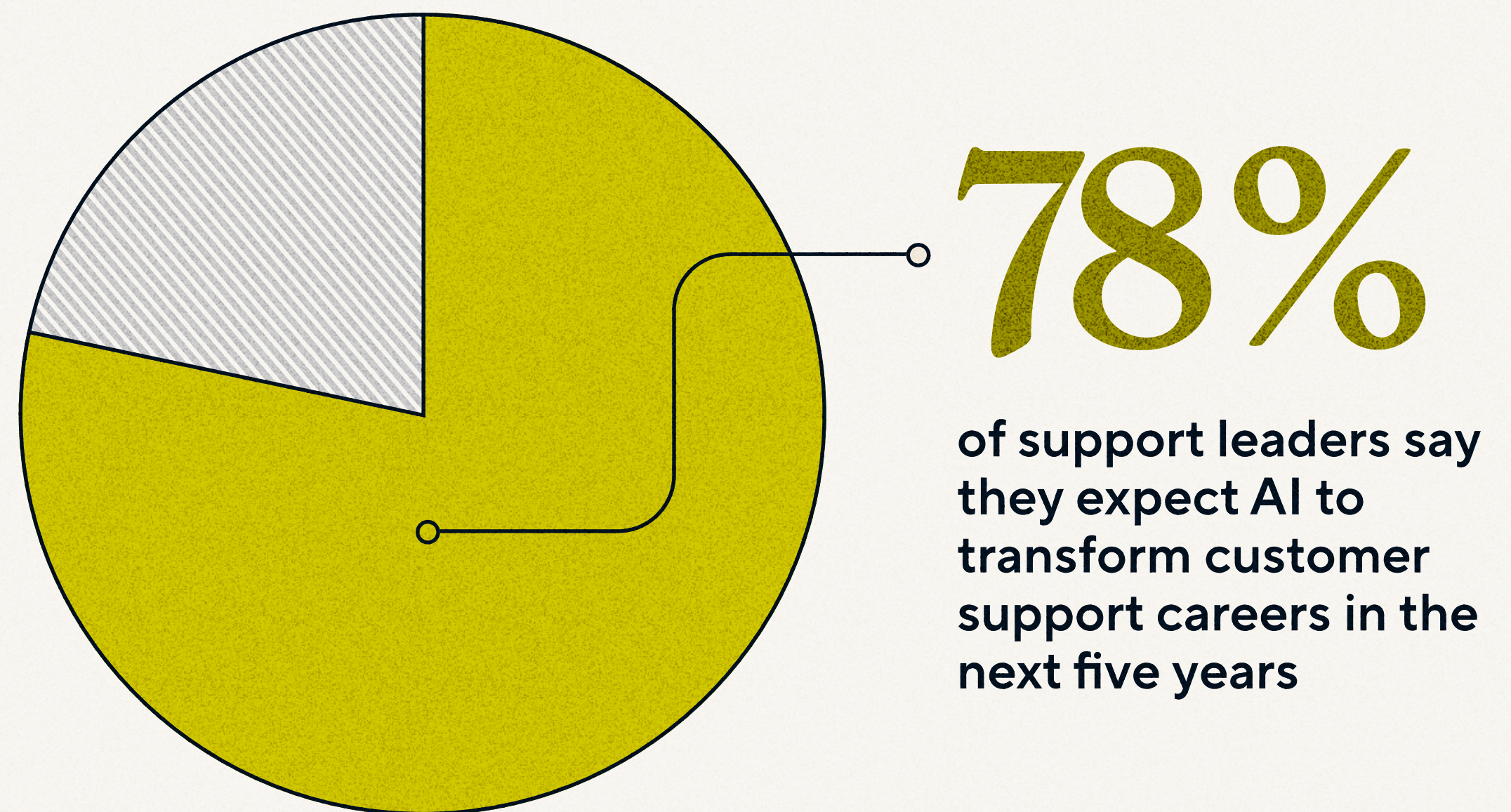
There's huge potential for AI to ease the burden on support teams, which will also help to reduce burnout and attrition.

Our research shows that more than three-quarters of support leaders expect AI to transform customer support careers in the next five years. Many believe that AI will create new opportunities and roles for support reps, such as chatbot developers, conversation designers, and AI chatbot strategists.

So ultimately, while we may start to see a shift in what the role of "customer support rep" looks like, we predict that these changes will present major opportunities for support reps to advance their own careers, explore fulfilling new avenues within the customer support space, and have an even greater impact.

## Career change

AI will transform customer support careers – for the better.





## Future roles

We asked support teams what roles they anticipate being created by AI – here are the new jobs they most expect to arise:

58%

Chatbot developers

51%

Chatbot analytics

49%

Chatbot data collection

39%

Conversation designers

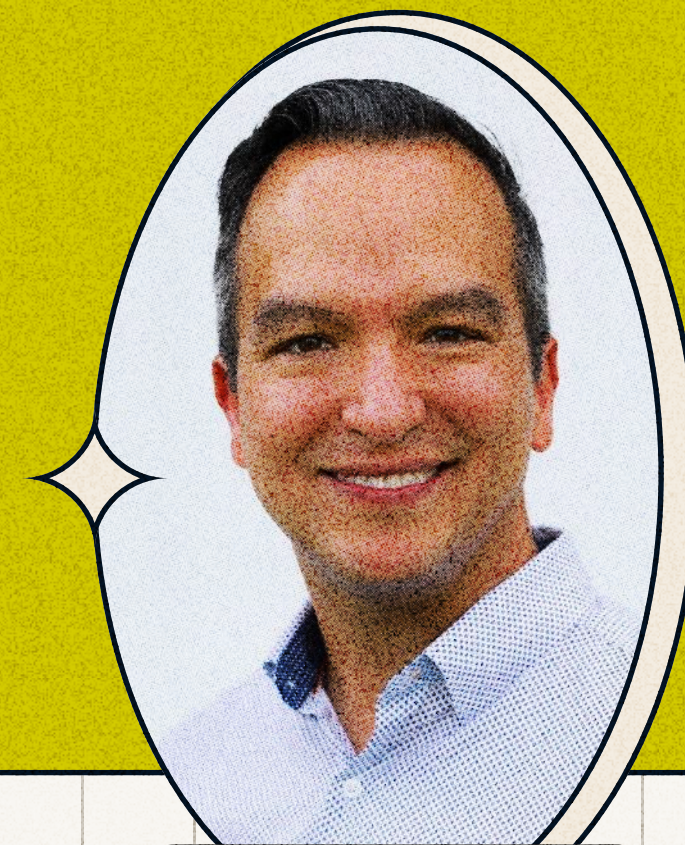
38%

Chatbot strategists



“All this emerging technology that empowers support agents to spend less time doing mindless button-pushing is ultimately a better experience for our support team, for our customers, and it helps people get through life with a little bit more joy.”

**logikcull**



**John O'Hara**

**DIRECTOR OF  
CUSTOMER EXPERIENCE**

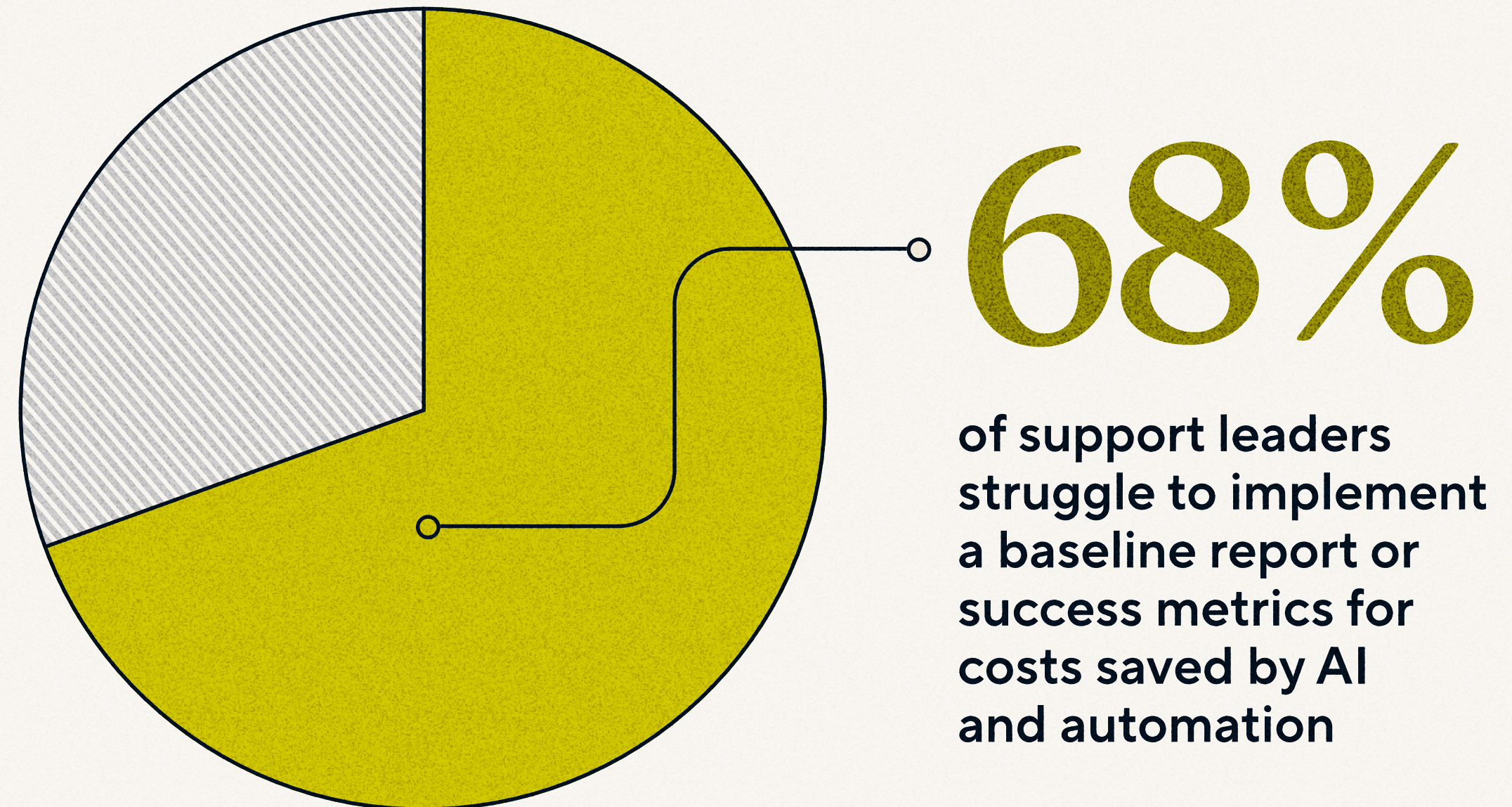


This transformation in the nature of customer service work is going to require careful monitoring to ensure standards are being maintained – but that’s not a trivial task. Right now, measuring the success of AI and automation is a challenge, with over two-thirds of support leaders struggling to implement a baseline report or success metrics for costs saved by AI and automation.

Understanding and reporting on these successes is critical, so this is an area where forward-thinking support leaders and practitioners should consider investing in upskilling.

## Choosing the right metrics

Measuring the success of AI and automation will be a crucial area of focus for support leaders.



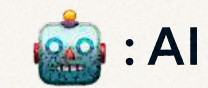


## Tip

### AI, automation, or human?

What's the best way to handle each of the following tasks?

Key








: AI



: automation



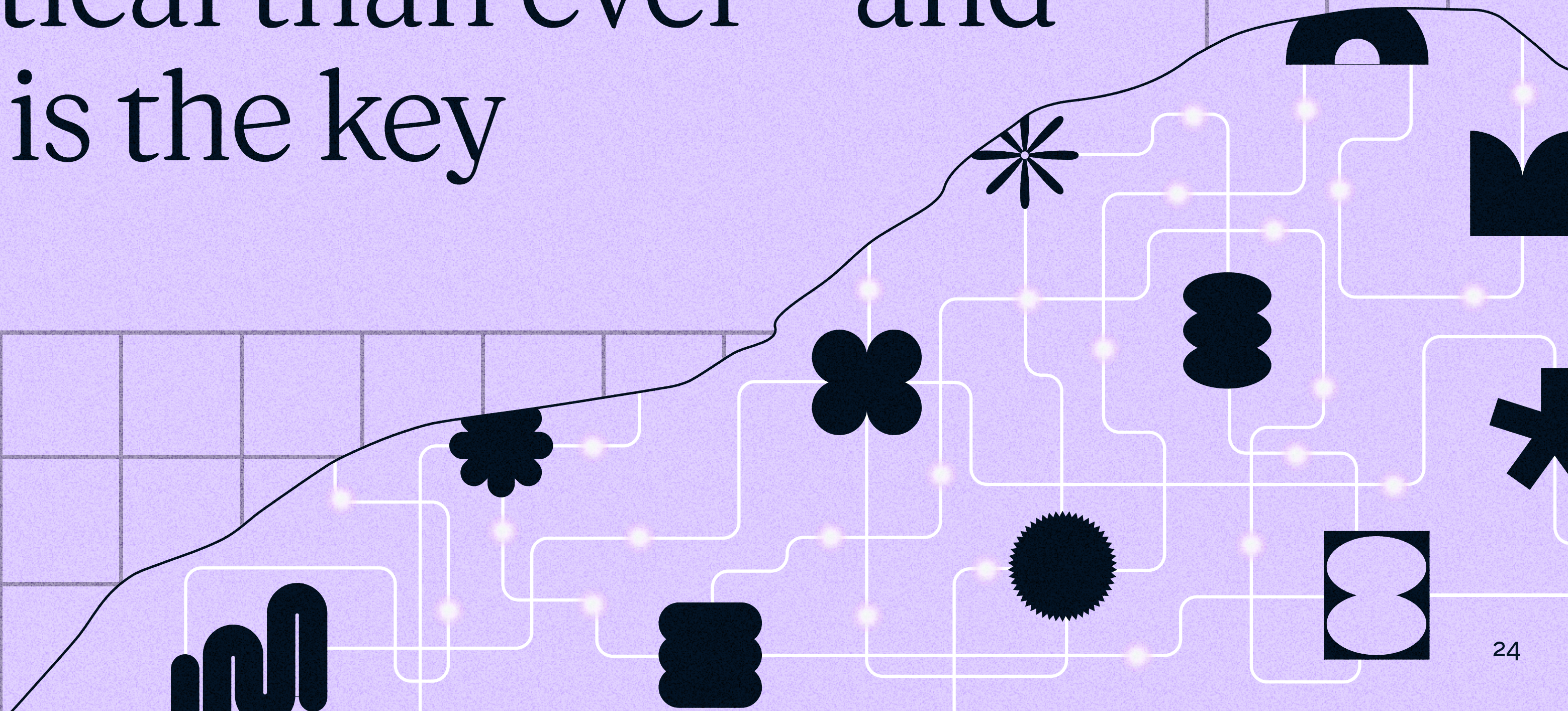
: human

Task	Best fit	Why
Routing conversations		Automation can quickly and effortlessly route conversations to the right team or person, so teammates don't need to spend time manually reading and tagging conversations.
Summarizing conversations		Let an AI-powered bot quickly summarize your conversation thread into a quick paragraph with all the important information, so your team doesn't need to scan through days' worth of messages for the key context.
Quickly resolving simple queries		AI-powered bots are great at resolving simple (and sometimes even not-so-simple) queries, reducing conversation volume for your support team.
Resolving queries		For more complex queries, an advanced AI bot will know when it's time to pass the conversation over to a human support rep – but not before gathering helpful information upfront to make their job easier and faster.
Handling emotionally complex or sensitive queries		This is where humans excel – and build meaningful, long-term customer relationships.



# TREND 03

Efficiency is more  
critical than ever – and  
AI is the key





## AI will create a huge opportunity for support leaders to significantly improve efficiency.

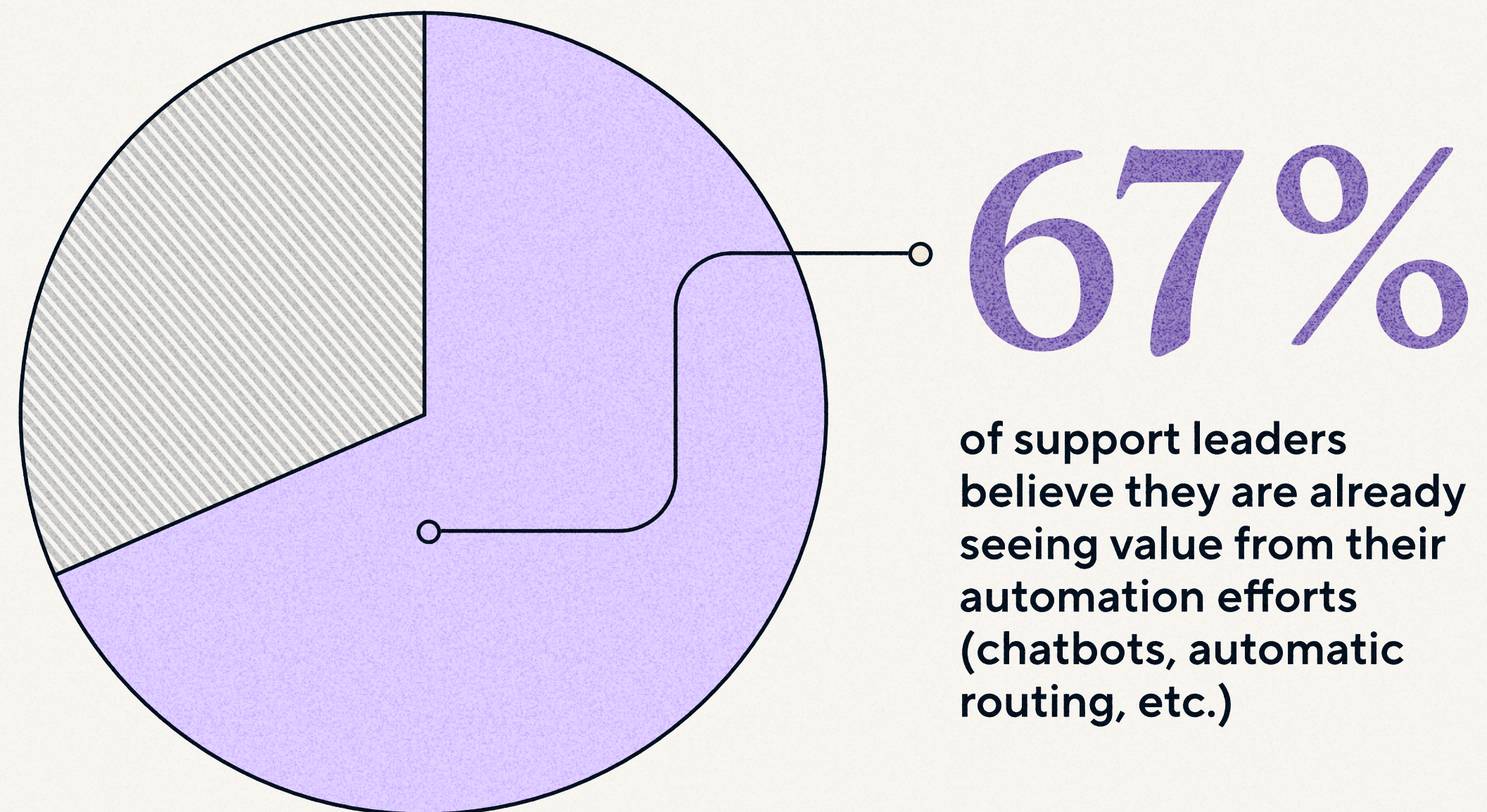
By helping them to save money and get the most out of their existing resources, early adopters can play an active role in keeping their business resilient (and competitive) without compromising on customer happiness.

Many support teams are already using some form of automation – and more than two-thirds of support leaders believe they're already seeing value from it.

Automation has helped support leaders and practitioners to save time, optimize their workflows, and become more customer-centric by using features like simple chatbots and automatic routing to drive impressive results.

## Automation returns

Support leaders that are already leveraging automation are seeing the benefits the technology has to offer.





**“Team burnout is often caused by the repetition of answering the same questions, rather than the volume of work. Using chatbots and conversation tags in Intercom, we can identify common questions and provide proactive solutions. Since implementing the bots and doing deeper analysis of customer interactions, we were able to increase efficiency by 75% and free up our team to focus on more complex or unique issues.”**

**REBAG**

**Geronimo Chala**

Chief Consumer Officer





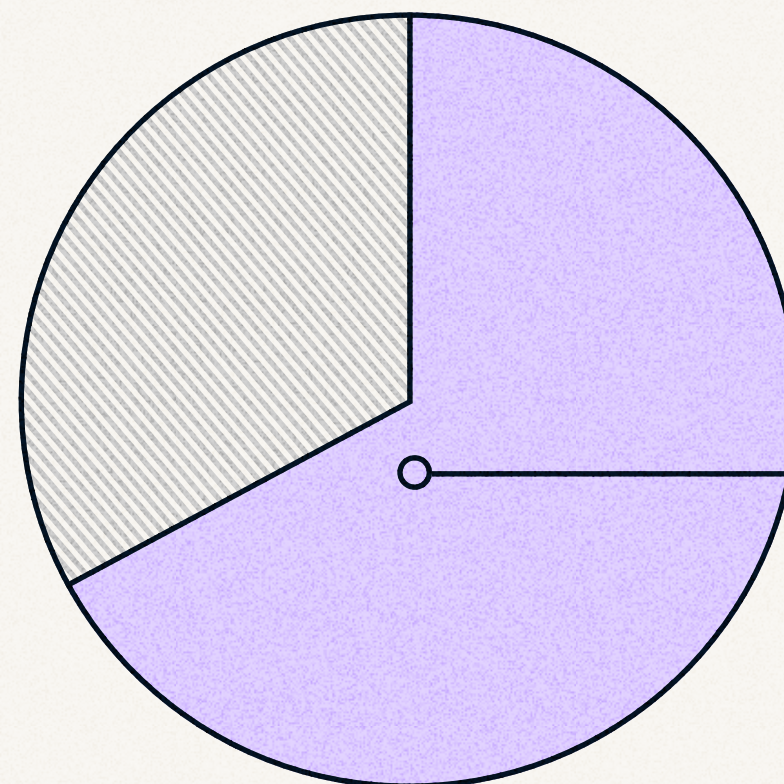
The new advances in AI tech present an even greater opportunity for teams to increase their efficiency and delight customers.

Our research shows that two-thirds of support leaders are excited about leveraging AI and automation to increase the efficiency of their team in the year ahead.

These efficiency enhancements will have long-term effects: 60% of support leaders are expecting to reduce support costs over the next five years by adopting AI.

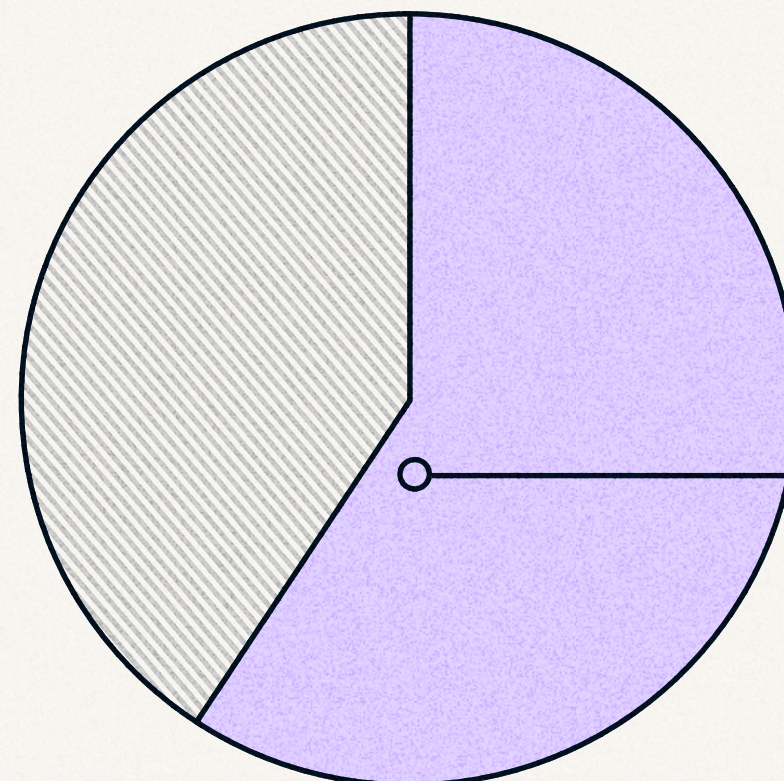
## New efficiencies

Support leaders are excited about the efficiency gains AI will bring.



66%

are excited about leveraging AI and automation to increase team efficiency



60%

expect to reduce support costs over the next five years by adopting AI



Leaders are also anticipating improvements to their core customer service metrics, from time to resolution and cost savings to customer effort score and CSAT.

# Metrics on the move

We asked support leaders which metrics they expect to change as a result of AI – here’s how they ranked those most likely to benefit:

45%

Time to resolution

39%

Customer effort score

36%

Cost of the support organization

22%

Customer satisfaction (CSAT)



So how are AI and automation facilitating customer service and helping support teams to become more efficient? Support leaders say they're already enabling faster, round-the-clock support, better customer experiences, and reduced manual work.

By incorporating these new capabilities into their customer service workflows, support leaders can proactively improve their team's bottom-line impact, delighting both customers and business leaders alike.

# The power of automation

We asked support leaders how AI and automation are currently facilitating customer support in their organization – the main ways they highlighted are:

44%

24/7 support

37%

Faster support

29%

Better customer experiences

28%

Fewer manual tasks such as summarizing conversations



## Tip How to use AI to unlock more efficiency

### Key

TTR: Time to resolution | FCR: First contact resolution  
 CSAT: Customer satisfaction | CSO: Cost of the support organization  
 CES: Customer effort score

Unlock	How	Improve
<b>24/7 support</b>	<ul style="list-style-type: none"> <li>◆ AI allows you to offer always-on support around the clock without burning out your team, so customers can get personalized, accurate answers at any time of the day or night.</li> </ul>	<ul style="list-style-type: none"> <li>• TTR</li> <li>• FCR</li> <li>• CSAT</li> <li>• CES</li> </ul>
<b>Faster support</b>	<ul style="list-style-type: none"> <li>◆ Transform issue resolution by using generative AI to quickly resolve most queries.</li> <li>◆ Automatically capture crucial information and context upfront so your support reps can solve the problem more quickly.</li> <li>◆ Reduce the time support reps spend per message by using AI to quickly update the tone, rephrase sentences, or even expand from bullet points.</li> </ul>	<ul style="list-style-type: none"> <li>• TTR</li> <li>• FCR</li> <li>• CSAT</li> <li>• CSO</li> <li>• CES</li> </ul>
<b>Better customer experiences</b>	<ul style="list-style-type: none"> <li>◆ Use AI to reduce the time and effort it takes for customers to get a resolution, leading to greater satisfaction.</li> <li>◆ Ensure customers always receive accurate information they can trust.</li> <li>◆ Remove the need for customers to repeat themselves to different reps or team members by using AI to automatically generate comprehensive summaries.</li> <li>◆ Automatically transfer customers to a human support rep for tricky queries that AI can't solve.</li> <li>◆ Use AI to take care of the simpler queries to free up team resources for higher impact, more complex queries and VIP customers.</li> </ul>	<ul style="list-style-type: none"> <li>• CES</li> <li>• CSAT</li> <li>• TTR</li> <li>• FCR</li> </ul>
<b>Fewer manual tasks</b>	<ul style="list-style-type: none"> <li>◆ Make handovers a breeze by using AI to instantly generate a summary of an entire customer conversation to date. Whether handing over tickets, stepping in for a sick colleague, or logging bugs or feature requests with product teams, AI-powered summarization saves time and helps new stakeholders to get up to speed quickly.</li> </ul>	<ul style="list-style-type: none"> <li>• TTR</li> <li>• CES</li> <li>• CSAT</li> </ul>



# TREND 04

AI and automation  
are transforming  
customer experience –  
and providing a  
competitive advantage



**We already know that these days, customer experience (CX) is the great differentiator for many businesses.**

But as customer expectations are constantly evolving, support teams are tasked with navigating these changes to provide great experiences.

AI adds a new dimension to this challenge. Almost three-quarters (73%) of support leaders believe that customers will expect AI-assisted customer service in the next five years.

Not only that, but 72% of customer support leaders think that AI offers companies a competitive advantage.

## AI expectations

Customer support leaders know that AI and automation will reshape expectations of customer service – and give them a competitive edge.

**73%**

**believe customers will expect AI-assisted customer service in the next five years**

**72%**

**think that AI offers companies a competitive advantage**

**71%**

**believe that AI and automation will have a positive impact on the customer experience within five years**



As AI becomes more mainstream and customers grow familiar with its capabilities – like its ability to offer fast answers and automatically resolve the majority of common questions – it makes sense that they’ll start to expect this level of fast, efficient support as standard. What’s more, they’ll expect this level of service on every channel they use to interact with your company. And when AI-powered customer service becomes table stakes, an AI solution that prioritizes safety, trust, and quality will be critical.

Overall, almost three quarters (71%) of support leaders believe that AI and automation will have a positive impact on the customer experience within five years. And our research suggests that they’re right. Customer support teams already using AI and automation are reporting:

- ◆ Improved customer experiences
- ◆ Higher CSAT scores
- ◆ A greater ability to achieve their key performance indicators (KPIs) and service-level agreements (SLAs)

As customer expectations continue to evolve with new and emerging technologies, the support teams that embrace these advances in AI and automation will be better positioned to win, retain, and delight their customers. Businesses that don’t will risk getting left behind.

## Benefits of AI

Support leaders that use AI and automation are reaping the rewards.

**61%** have seen improvements to their customer experience over the past year

**58%** have seen improvements to their CSAT scores

**66%** are achieving their KPIs and meeting SLAs thanks to the technology



“The results we have seen with [Intercom’s AI-powered chatbot] Fin are groundbreaking, double-digit gains in engagement and resolution rates. Never have I seen a piece of technology so seamless to integrate, just a few clicks and you suddenly have a 24/7 new teammate!”

  
zapiet



Sam Forde

MERCHANT  
SUPPORT MANAGER







# TREND 05

There's an "AI readiness gap" – CS leaders are more enthusiastic about AI than CS practitioners



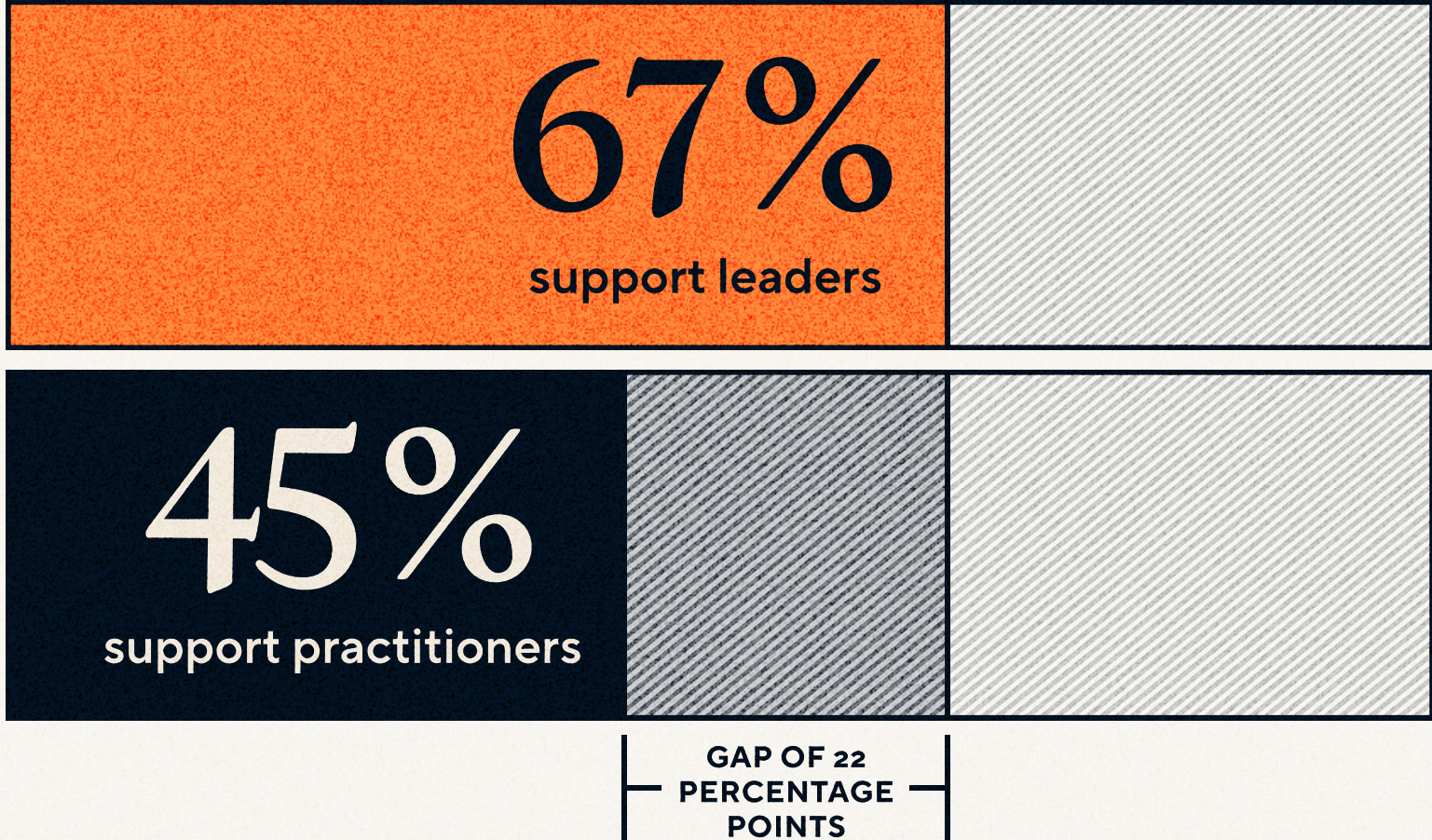
# Support leaders are clearly excited about the possibilities that advanced AI and automation will bring to their customer service offering – but what about practitioners?

While frontline support representatives are aware of the opportunities ahead, leaders need to share their enthusiasm with their teams to ensure they're bringing them along on the journey and supporting them through the changes.

For starters, your team might be feeling cautious – so help them see the benefits. While over two-thirds of support leaders are confident that customers are ready to interact with an AI chatbot, less than half of support practitioners feel the same.

# Mind the AI gap

Support leaders need to educate their teams about the benefits of AI and automation to build confidence and include them in planning and rolling out an AI-first support strategy.



Percentage of support leaders and practitioners who agreed with the statement: "I am confident that customers are ready to interact with an AI chatbot"



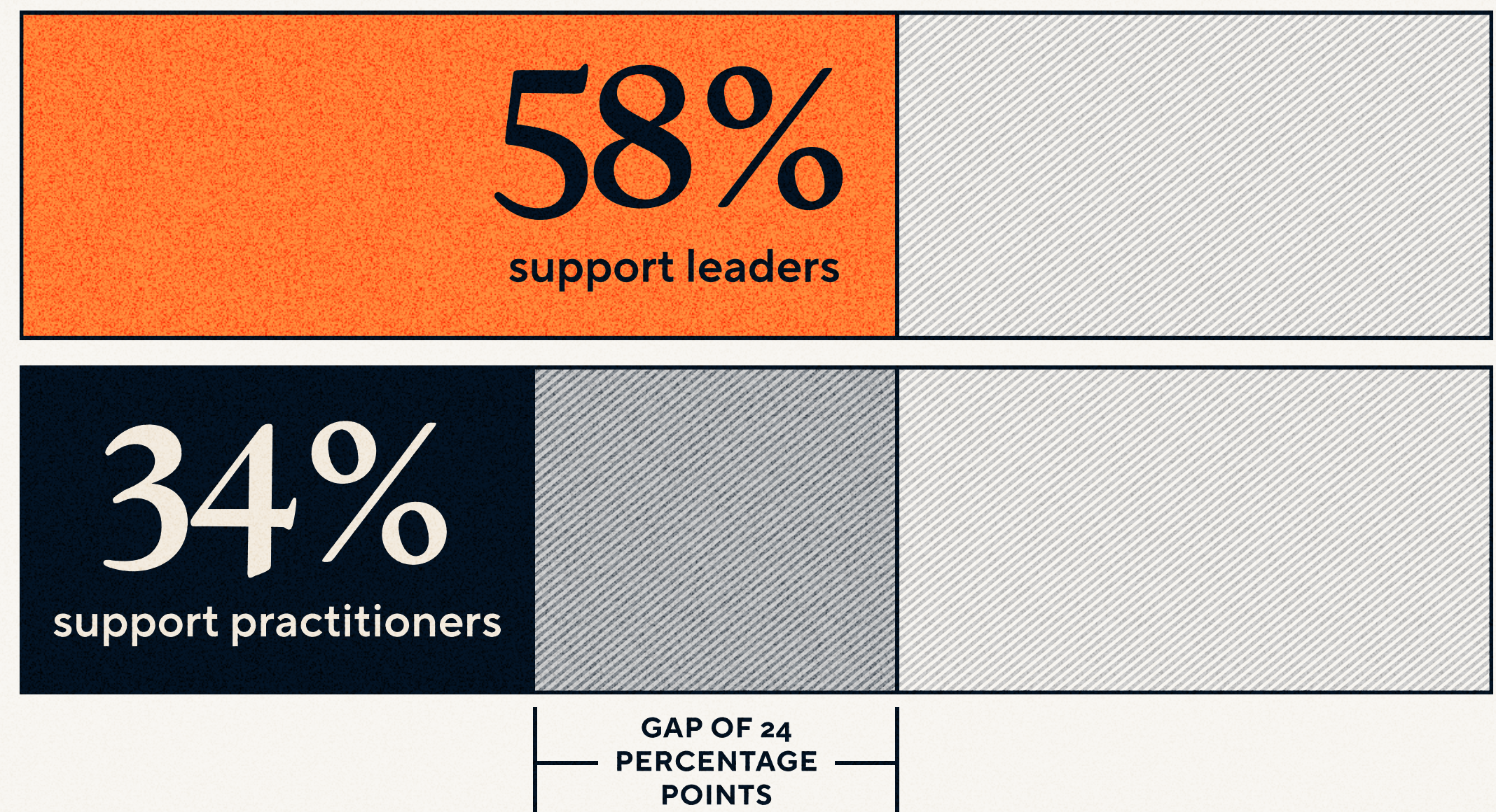
Similarly, although 58% of leaders believe an AI-powered support experience would inspire customer trust, only 34% of customer support practitioners agreed.

Support practitioners' slightly higher sense of caution may stem from previous interactions; in the past, support reps may have been left to pick up the pieces after customers have had negative or frustrating experiences with far less advanced chatbots.

It's also possible that support practitioners haven't experienced these new technologies for themselves. We found that 66% of support leaders were surprised at how advanced ChatGPT is, while 42% of practitioners responded that they were unsure or hadn't used it – so they might not realize how effective and natural it is.

## Customer trust

Support leaders will need to be aware of the wide disparity in the perception of customer trust in AI chatbots, and consider how to bridge that gap among their teams.



Percentage of support leaders and practitioners who agreed with the statement: "I believe that an AI-powered support experience would inspire customer trust"



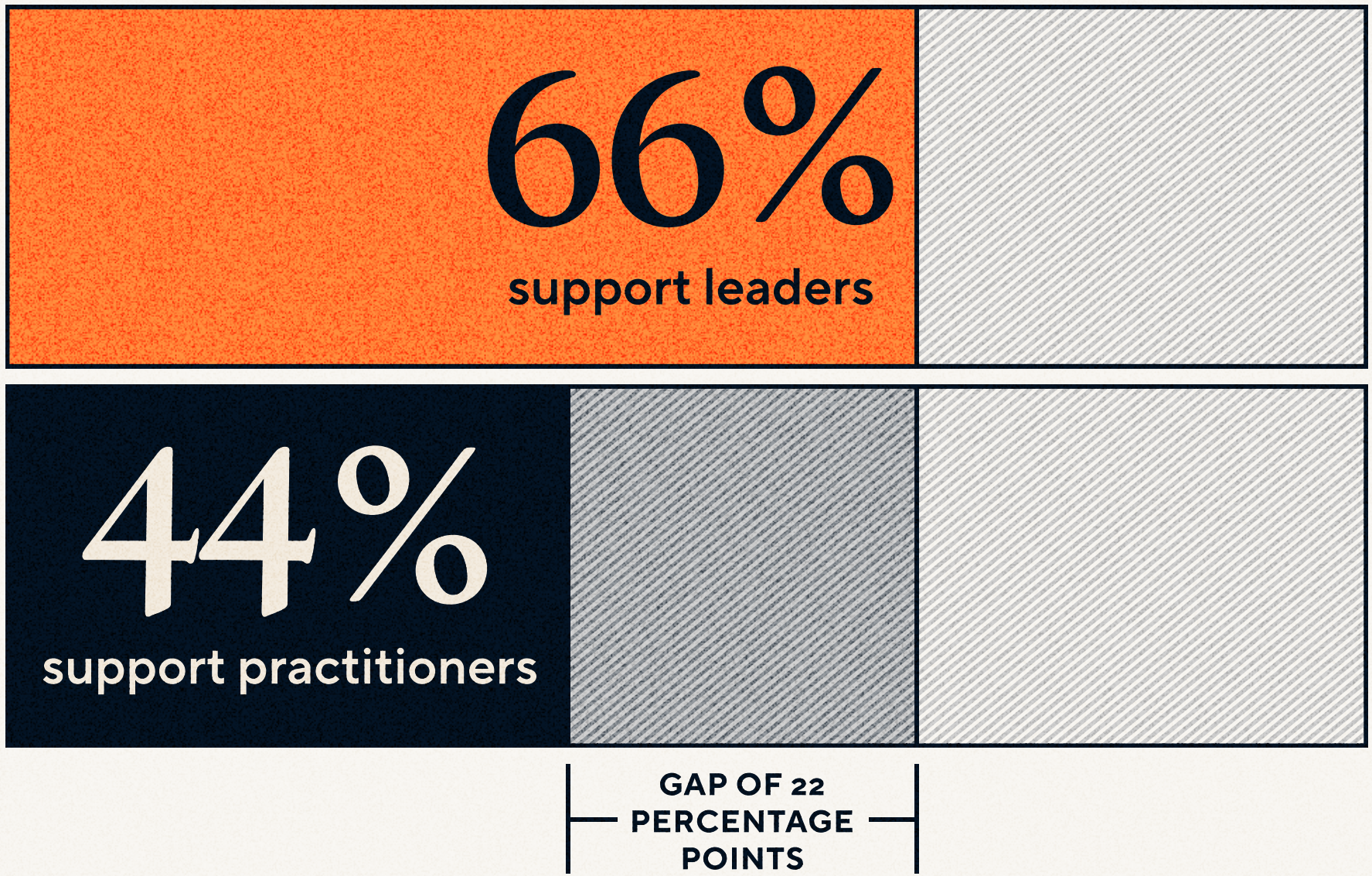
Not having clear visibility over their wins so far might also explain why fewer support practitioners are excited about leveraging AI and automation to increase team efficiency than leaders are. We found that 66% of support leaders are excited to leverage the technology to increase team efficiency in the year ahead, while only 44% of support practitioners said the same.

Our research also showed that 67% of leaders believe their company is already seeing value from their automation efforts, in contrast to 43% of support practitioners – this points to a significant gap in perception about the impact of automation that support leaders should be conscious of and work to address. In such a reactive, fast-paced environment, we know it can be hard to find the time to reflect and celebrate successes as a team. But we recommend that support leaders highlight the value already created by AI and automation, as well as the new opportunities it has opened up for support teams.

By building trust, reassuring them about the importance of their roles, and supporting them throughout, you can ensure your support practitioners are as excited about the future as you are.

# AI excitement

Support leaders should share their excitement with their teams and ensure they're bringing them along on the journey.



Percentage of support leaders and practitioners who agreed with the statement: "I am excited about leveraging AI and automation to increase team efficiency in the year ahead"



**"We were quick to pledge that no one would lose their job as a direct result of AI, which instantly calmed fears. We outlined what we thought would happen – that hiring would slow, that the tickets our team worked on would tend to be higher in complexity, and in turn, our people would naturally become a more elite team. The age of playbook and script followers is over, we need dynamic problem solvers."**



**Daniel Bunton**

Head of Customer Support



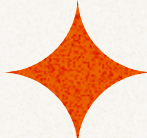


# Tip

## How to bring your team along on the AI journey

Encourage your team to try AI for themselves – for example, by setting up bot flows or creating help center content for AI-powered bots to leverage – and listen to any concerns they might have. Customer support reps have first-hand experience about what customers want, need, and expect, so it's important to listen to their feedback. Not only will this help you to create smoother, more productive AI-powered workflows, but it will also ensure your team feels like an important part of the process.

## 3 conversations to have with your support team:

 **Do you have any concerns about bringing in AI and automation?**

How can I help you to feel confident and supported as we make the change?

 **Where do you see opportunities to use AI and automation to improve our current workflow?**

In your experience, what are some current pain points for our team? Which tasks can be automated?

 **How do you want your career to grow?**

Are there new areas you'd like to get more experience or training in? As new roles emerge, check in with your team to see where they want to develop their skills and if there are particular growth opportunities they're interested in.



# Customer service is about to change for the better – are you ready?



The recent advances in AI present a once-in-a-generation shift for the entire customer service industry – for the better. As a result, customer service is about to get more efficient, more powerful, and more impactful than ever before.

Customer service leaders who embrace these changes and take advantage of new opportunities will be in a prime position to not only elevate the customer experience, but also advance their business, increase their influence, and grow their team's careers.

Heading up the customer support team at Intercom, I have had the privilege to get early access to some of the innovation that we are driving in this space. I have been surprised and delighted to see what's already possible – and what's to come.

There has never been a more exciting time for customer service.

Enjoy the AI voyage ahead,  
**Declan Ivory**



## 4 steps to get started with AI for customer service

### 1. Identify the business outcomes you are trying to achieve by applying AI to your support operations.

Create a strategy or plan that builds towards these outcomes, and develop a “return on investment” model that helps to build a business case for investing in AI. Share this strategy or plan with your team as early as possible and, in fact, have them contribute to the final version, where this is practical. The support team knows the customer problems and challenges better than anyone, and they will also need reassurances around their roles moving forward. In an AI-first world, this should be a positive story that excites and empowers the team, even in a situation where you are trying to optimize costs as part of the strategy.

### 2. Think about your technology stack and the best ways to integrate AI.

There are and will be many options available for applying AI, but consider solutions that are getting the balance right between driving innovation and providing the controls and safeguards that any new technology should prioritize, and that offer comprehensive integration capabilities. Even if the solution can be deployed as a standalone tool, you will want to integrate down the line or build the standalone solution into a fully functional customer service ecosystem.

### 3. Prove the technology quickly – get some early wins to underpin the assumptions in your strategy.

The barriers to trying AI are reducing all the time. The latest generative AI solutions can literally be deployed in minutes if you have access to the right knowledge. Start tracking your successes so you can measure what works and identify opportunities to refine your strategy for even more wins – which are now easier to achieve than ever.

### 4. Really think about how you build and manage the knowledge that an AI solution will need to access to automate issue resolution for your customers.

Create or expand your help center; consider other sources of public information that you would like an AI solution to access; think about how you ensure the accuracy and quality of this information. AI, despite the “intelligence” tag, will only work well if it has access to the best information available about your product or services.





# Automate conversations with the power of AI



Discover how Intercom's AI-powered chatbots and automation tools can help you to reduce support volumes and increase customer satisfaction in minutes.

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