

There's been more than a [90% increase](#) in chatbot activity since 2019.

By the end of 2024 alone, the global chatbot market is expected to reach [nearly one billion](#).

You can't escape it. Artificial intelligence (AI) is everywhere, and the chances of it going away are slim. You're at a point where you have to decide if you want to use AI in your business or not.

The launch of the internet and the smartphone presented businesses with the ability to reach an ever-growing, infinite pool of potential customers, no longer restricted by geographical limitations.

Customer service systems *must* evolve if companies want to reap the countless benefits of having access to such a large audience. The volume of demand, speed of responses, timezone complexities (while still providing high-quality service) are almost impossible for a human to sustain long-term.

So, how can AI help customer service efforts? Chatbots are projected to be able to save businesses [several billion hours](#) of work over the next several years, in addition to saving [hundreds of millions](#) of dollars.

If that wasn't intriguing enough, delegating these often-repetitive roles (like answering the same questions) frees up your employees to serve on a higher, more creative and purpose level, improving employee morale and retention rates.

Whether you've been reluctant to jump on the AI train (from [Terminator](#)-based PTSD or otherwise) or just haven't looked into using AI chatbots for customer service much before now, you've come to the right place.

In this article, we're going to take a closer look at chatbots and artificial intelligence, how they work, , the benefits of integrating these programs into your daily systems, and how they can transform your work.

What chatbot is, and how it works

Chatbots are artificially intelligent computer programs designed to simulate virtual conversations with human users on websites, social media and other applications.

If you've ever seen a little "Chat with us!" icon in the bottom right corner of a website, that's an AI customer service chatbot waving its virtual hand, letting you know it's there to help. Sometimes a chatbox automatically pops up on your screen as soon as

the page finishes loading and maybe already has a message there, inviting you to ask your questions or engage with it in some way.

There are different kinds of chatbots, but they all generally consist of the same technological foundation, the same key components that enable them to “work.” For example, Natural Language Processing (NLP) is a type of artificial intelligence that equips computers with the ability to interpret the human language.

What does that mean? There are varying levels of artificial intelligence incorporated into chatbots to help them function; one of the most fundamental types of chatbot is a question-answer bot.

This type of bot doesn’t use the most sophisticated AI program, but it has access to a vast knowledge base (like a structured data source) in order to retrieve the information or answer relevant to the user’s queries. It uses NLP to identify the main topic or root query within the user’s sentences, and then search through their predefined sources of knowledge to retrieve the proper information.

While question-answer bots are commonly used in a variety of scenarios where users are seeking quick answers, there are many other different types of chatbots out there, depending on what your needs are. The exact specifics of a chatbot’s architecture will depend on the type of technology, its level of complexity and the overall goals of the company and the individuals using it.

How can AI help customer service?

Chatbots and artificial intelligence have already made their debut in the business world, but now companies in just about every industry can no longer avoid looking at the ‘new kids on the block.’

These new technologies have already monumentally shifted the various ways that businesses, well, do business.

For example, [over 70%](#) of buyers expect the ability to chat to be readily available on the company website.

The conversion rate of chatbots is high, and in 2023, chatbots [generated over \\$100 billion](#) in the ecommerce industry, a number that live agents have not been able to match.

Additionally, the majority of consumers now expect near-immediate responses in chats, and [over 50%](#) of consumers confirm that waiting too long for a response is a main reason they decide against buying.

Here are five other unique (maybe even surprising) ways chatbots can enhance your business.

1. Providing multilingual support

With many clients comes many responsibilities, including recognizing that not everyone in your customer base speaks the same language. While English is a secondary language to many individuals, offering your customers the ability to communicate and shop in their preferred language goes above and beyond the bare minimum service.

2. Handling FAQ responses

They say there are no stupid questions, but there certainly are repetitive ones. No matter how many places you add a piece of information on a platform, the size of font or level of boldness it is, there will always be more than a few people who still ask the question. Answering the same question a million times with the same response speed and level of eagerness is where chatbots shine.

With human customer service often comes long wait lines. People can only reply to so many chats at one time, and sometimes those conversations go on for a long time if they have trouble locating the proper information or answer. Chatbots have the ability to handle an infinite amount of chats simultaneously, as well as the ability to retrieve correct information near-immediately.

3. Delivering 24/7 support

While half the world sleeps, half of the world is awake, and in the digital age, that means virtual shopping (and customer service) can and does take place not only every day, but every hour of every day. Many companies can't afford to or don't want to hire a 24/7 customer service team, and for good reason — they don't have to.

Chatbots are able to provide customers with the assistance they need whenever they need it. Questions can be answered, returns or refunds can be started, packages can be tracked, any time of day or night.

4. Booking appointments

Nothing can take the place of a highly attentive, smiling front desk concierge in a brick-and-mortar business, but unless they're planning on managing online appointments as well (at all hours), a chatbot still has a role to play. Many peoples'

experience with a business is virtual first, and if that experience is good enough, it's all they need to make their first purchase or book an appointment. Provide the means.

5. Enhancing user experience

24/7 service and choose-your-own-language features are just two of the ways that chatbots and artificial intelligence can improve your customer's user experience. In addition to the use of natural language, chatbots and artificial intelligence have the ability to curate a fully personalized user experience.

Recognizing user patterns and preferences, remembering past conversations, adapting responses based on user feedback and even offering customizable interfaces (such as allowing users to change the chatbot's appearance) all contribute to an excellent user experience.

Deciding to use chatbots and artificial intelligence in your customer service efforts is a big change, and change does, well, change things. It can be hard to take that first step.

As [Harvard recently said](#), though, while AI won't ever replace humans, the humans who choose to utilize AI will quickly surpass the ones who don't.

Conclusion

Chatbots and artificial intelligence are powerful, and they have the potential to radically transform your business. One of the biggest mistakes anyone can make when faced with implementing chatbots and artificial intelligence is believing that these programs are the answer to all of their problems.

Like any other form of technology, there are limitations. Chatbots can save you a lot of time and money, but that doesn't mean you should immediately start thinking of ways to reduce your human workforce. The success of AI lies in merging artificial intelligence with the invaluable element of human touch that provides the ultimate customer experience to your clients.

When properly fused together, integrating the technological ease of artificial intelligence with the human talent of creativity and compassion provides you with the key to a successful customer experience.