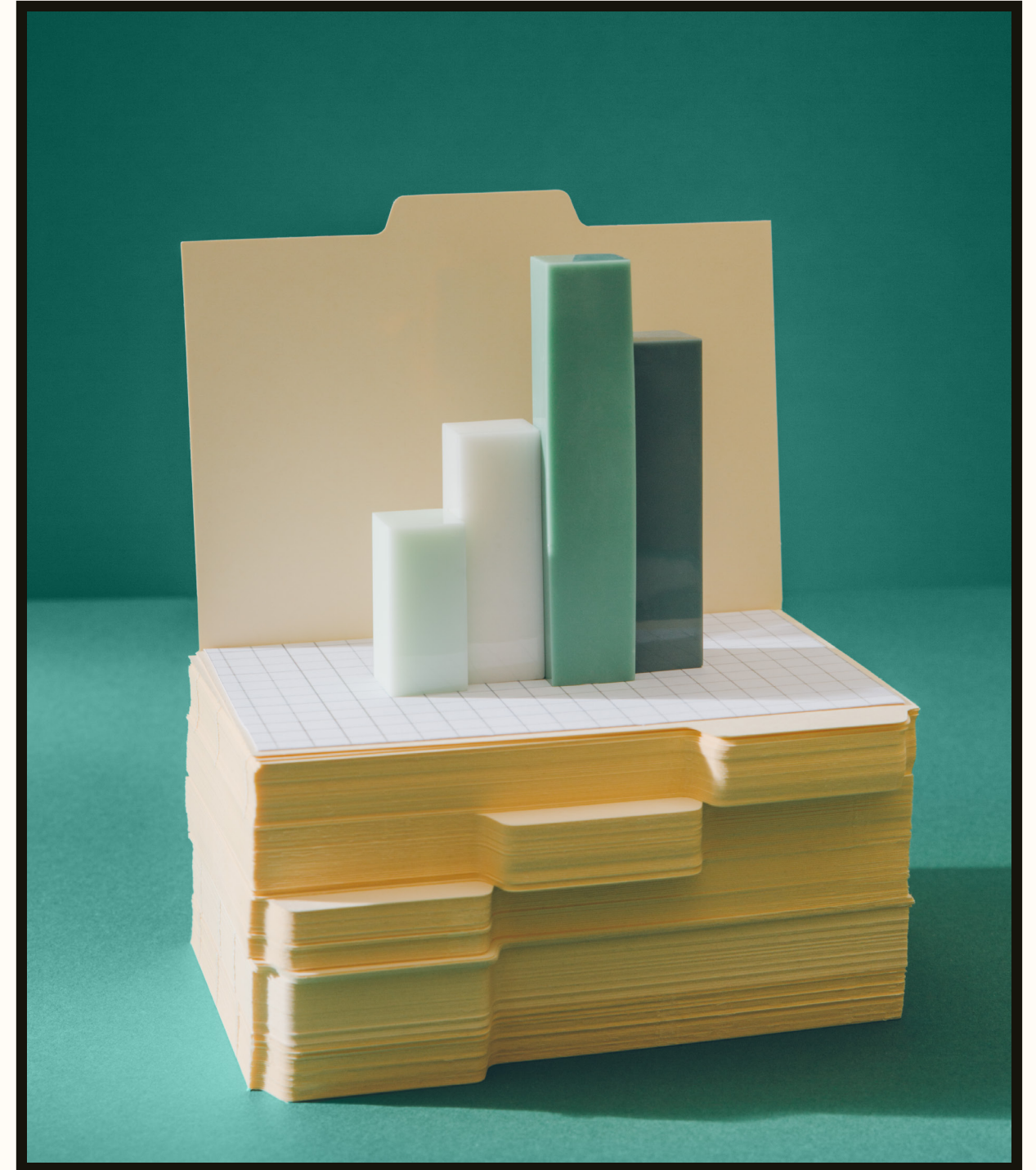# Transform your CX and overcome economic downturn with AI

zendesk

Introduction

Over the past few years, businesses around the world have demonstrated incredible resilience and agility during rough, unpredictable conditions–from multiple lockdowns, geopolitical conflicts, a global supply chain crisis and much more. The businesses that emerged successful out of these macroeconomic conditions were the ones who listened to what their customers needed, and adapted their strategies and operations accordingly.

Now, yet again, companies must demonstrate that same resilience in an uncertain economic environment, where cutting costs–wherever possible–is on every businesses' mind. On top of that, these same businesses are expected to deliver

top-level customer experiences, as the latter has become a major differentiating factor in today's marketplace. According to our CX Trends report 2023, over half of consumers are actually willing to walk away from a company after one bad experience. And for multiple bad experiences, that number increases to over two-thirds.

The best of both worlds with AI

The good news is that investing in the right AI capabilities has proven to generally be one of the most efficient ways companies can both cut down on costs and improve their CX, even during an economic downturn. At least that applies to two-thirds of business leaders, who agree that AI will drive large cost savings over the next few years, according to Zendesk's CX Trends 2023 report. Investing in AI can help businesses cut down on their costs and spending while also generating revenue,

Agility at work

When explosive growth threatened to derail the customer support function of Unity Technologies, the company optimized the way it used its support platform to provide a viable self-service option. The results? Unity saved $1.3 million and earned a 93 percent CSAT score.

When Spartan Race, the world's largest obstacle race and endurance brand, had to reduce headcount during the pandemic, its remaining agents couldn't keep up with the volume on live chat support. The company upgraded its support platform to offer support through other channels, increasing help center views by 40 percent and boosting its CSAT score. While at it, Spartan Race added an ecommerce integration with Shopify that resulted in a 27 percent increase in sales.

When Dorm Room Movers consolidated its systems into Zendesk Suite and the unified Agent Workspace, it was able to provide a seamless omnichannel experience that leaned on real-time and asynchronous messaging for faster and more personalized service, leading to a 79 percent increase in conversion rate.

allowing many businesses to grow despite the current macroeconomic conditions.

Not only is investing in AI a great way to improve organizations' efficiency, but it's also what many customers are craving. In fact, many of them have interacted with some form of AI in the past year, leading the majority of consumers of consumers to believe that AI will improve customer service quality and efficiency.

On top of that, almost half of consumers believe companies that use AI actually provide better CX than companies who don't. And with 73 percent of leaders saying they feel increased pressure from customers to deliver great CX during an economic downturn, investing in AI capabilities to improve service interactions is no longer an option.

Providing a high-quality customer experience isn't easy in an uncertain marketplace, even for the most adaptable companies. In this guide, we break down five distinct challenges CX teams are experiencing in the face of economic slowdowns, and some meaningful ways AI can help weather the storm.

We'll show you how to be vigilant with every resource–people, budget, time–without sacrificing the quality of the customer experience. We'll also share stories of how some of our customers have adapted and remained unflappable as they faced change– and how you can, too.
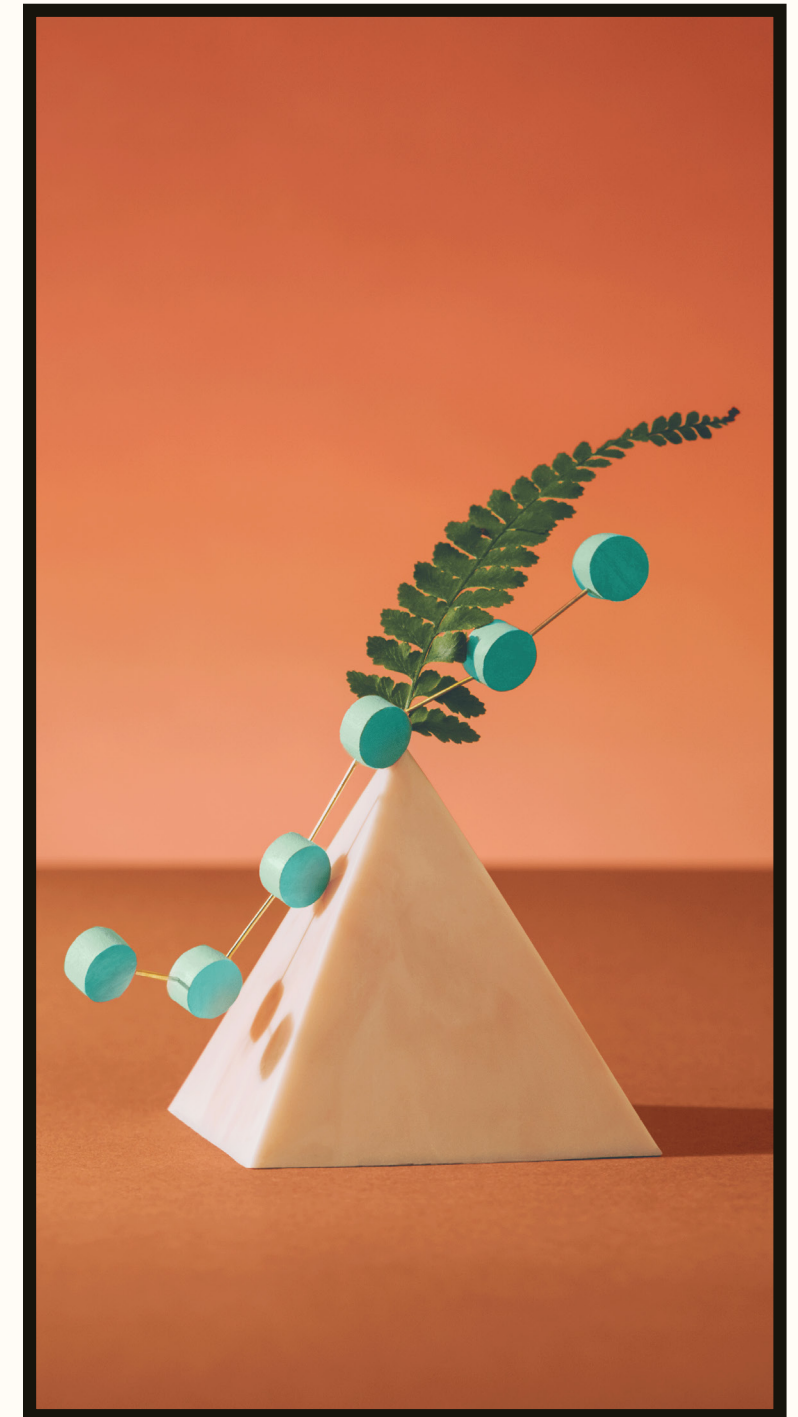
Challenge 1
Contain operational costs

With most organizations (65 percent) aware of the power customer service has on customer retention, all eyes are now on service agents. Companies across the globe must look for a way to reduce spend and somehow increase the productivity of their service center without additional headcount.

One of the most effective ways to do so is by making smart investments in artificial intelligence capabilities within customer service centers. In fact, for 72 percent of leaders, expanding the use of AI/bots across the customer experience is an important priority over the next 12 months.

Combining AI and automated solutions with personalized, human customer support can help give customers what they need, precisely when they need it. This is largely due to bots' ability to solve repeat issues while also maintaining a personalised touch and offering 24/7 service, reserving human talent for higher-value tasks. Optimizing your service with AI also means organizations can automatically classify, prioritize and route issues to the right agents or group of agents, saving time on each request. As a result, most (72 percent) leaders plan to increase their AI/bots budget in relation to CX in the next year.

Action to take

Invest in or optimize automated customer support technology to improve employee productivity and operational efficiency.

How Zendesk can help

Reduce operational costs and eliminate redundant, low-value tasks with <u>bots</u> that come trained and pre-configured to detect the most common types of customer issues, eliminating the manual work of training a bot to identify what your customers want.

Make agents much faster and more accurate in their work with **macro suggestions**, which are applied to a ticket or conversation based upon the context of the conversation.

For more complex issues that a bot can't address, our **AI guides your agents to solve requests faster** by gathering key information about customers, including the issue type, insights and important customer context.

Provide intelligent triage that uses intent detection, language detection, and sentiment analysis to classify incoming requests and allow teams to power workflows based on these insights.

Customer stories

LIBERTY.

Liberty uses AI to deliver faster, personalized service experiences

Liberty London, a UK premium department store retailer, needed a modern customer service solution that enabled them to deliver personalized service to their customers.

The UK retailer now uses Zendesk AI to automatically classify and route incoming tickets to the right agents at the right time. With Zendesk's intelligent triage, AI takes the pressure off when the teams get busy and helps deal with ticket backlog, reducing manual triage and removing bottlenecks across customer service operations.

Using AI has resulted in a 9 percent increase in CSAT score year on year and more one-touch tickets, taking off the plates of agents and allowing them to focus on more meaningful tasks. It also drastically reduced the time it takes to give a first reply to a query (down by 73 percent). Plus, Liberty has made their self-service popular with their customers, allowing them to cut agent-related costs and save $21,461 last year alone.

Customer stories

Unity

Unity Technology reduced operational costs, saving $1.3M

Unity is the world's leading platform for interactive, real-time 3D content, supporting creators across the gaming, animation, automotive, and architecture industries. After experiencing explosive growth from 2019 to 2020, it decided to optimize the way it used Zendesk to scale support without taking on more staff.

Adding Zendesk automations and self-service options helped Unity deflect ticket volume, reduce handle time, and build time-saving workflows across its support team, including FAQs that inform Answer Bot and encourage seamless self-service. When a spike in support tickets led Unity to fraudulent activity from invalid users, it once again invested in another automated solution: an ad fraud web form via Zendesk. One agent can make a one-touch decision that handles 95 percent of those tickets.

In 2021, Unity deflected almost 8,000 tickets due to self service enabled by Zendesk, amounting to $1.3 million in savings and a 93 percent CSAT score.

Challenge 2
Slow spending growth

Another way organizations are currently controlling costs is by slowing down their spending, especially when it comes to hiring more staff, which can be particularly rough on service teams. With most leaders (73 percent) indicating their customer service requests have increased in the last year, how are service teams expected to keep up with customer expectations?

Investing in your self-service center will be key for handling ticket volume, as it empowers customers to help themselves while agents focus on more complex requests. And while self-service is already popular, it can be difficult to deliver relevant, personalized options to customers at scale, which can have an impact on their adoption.

As such, companies should look into incorporating AI/bots into their self-service offerings as it can help make knowledge bases more optimized for a specific customer base, make certain articles easier to find and bots on self-service pages can also help recommend certain articles based on customers' needs.
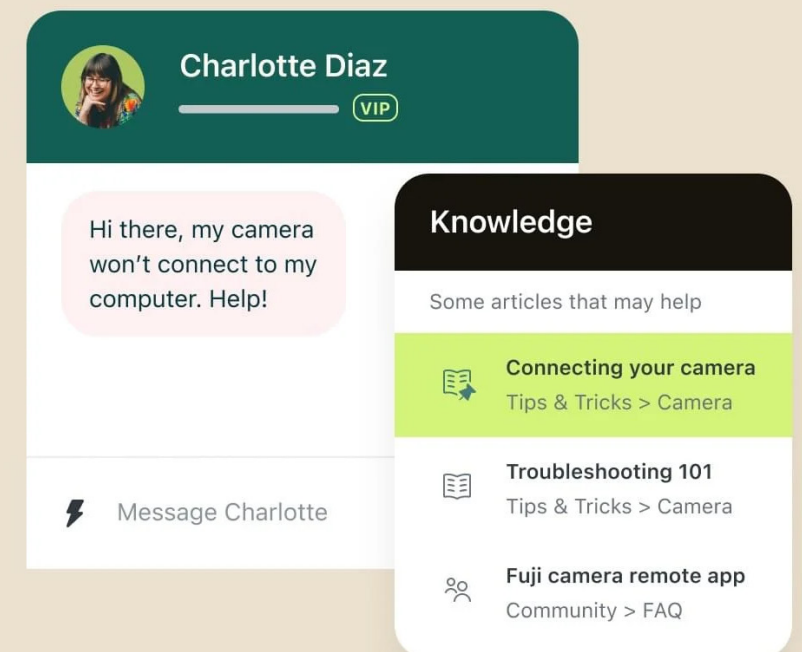
Action to take

Add automations and bots to your existing self-service center to help decrease ticket volumes and boost your support agents' productivity.

How Zendesk can help

Provide **suggested knowledge articles** which use text matching to find knowledge based articles that can help the customer self-serve or give the agent information that may assist them in helping the customer.

Offer **omnichannel, conversational service** to customers while keeping interaction history and other useful context within a **unified agent workspace**, so agents can provide **personalized responses** faster.

Continually improve your **self-service resources** through **content cues** by analyzing the performance and popularity of your knowledge articles and suggesting admin reviews and updates based on article effectiveness.

Customer stories

Virgin Pulse avoided a 25-30% increase in annual staffing costs

As the largest global wellbeing solution provider, Virgin Pulse serves 14 million members across 190 countries. The company uses Zendesk to provide an omnichannel support experience through phone, email, chat, Answer Bot and social channels Twitter and Facebook. To help manage its 15-20 percent growth year over year, Virgin Pulse has invested time and resources into maximizing the use of its support site, powered by Zendesk.

An e-services team created more than 2,000 FAQs and continuously reviews and updates articles so members can self-serve as much as possible. Before the support site was upgraded, the company was tracking 90,000 FAQ views each month. That number shifted to 275,000 views per month after the team created a more robust knowledge library — an astonishing increase of x 2.5.

If Virgin Pulse hadn't implemented a self-service strategy, the company estimates that it would have had to increase its support budget by 25-30 percent over what it spends today to handle the increased support volumes.

Customer stories

LUSH

Lush improved productivity by 50%, saved $208,000+ in cost efficiencies in one year

UK-based ethical cosmetics retailer Lush has more than 1,000 stores in 49 countries. Continuity of customer service is a priority and keeping all 170 agents in 21 markets covering 15 languages was a job for Zendesk.

When it rolled out the platform in 2016, just before the busiest Christmas the digital team had ever experienced, the stabilizing force ensured strong, seamless customer service across the board. The company was able to identify potential customer issues in any market and make changes quickly, resulting in a 50 percent increase in productivity and savings of $208,387 in cost efficiency. The customer experience was also improved, earning a CSAT score of 91.8 percent.
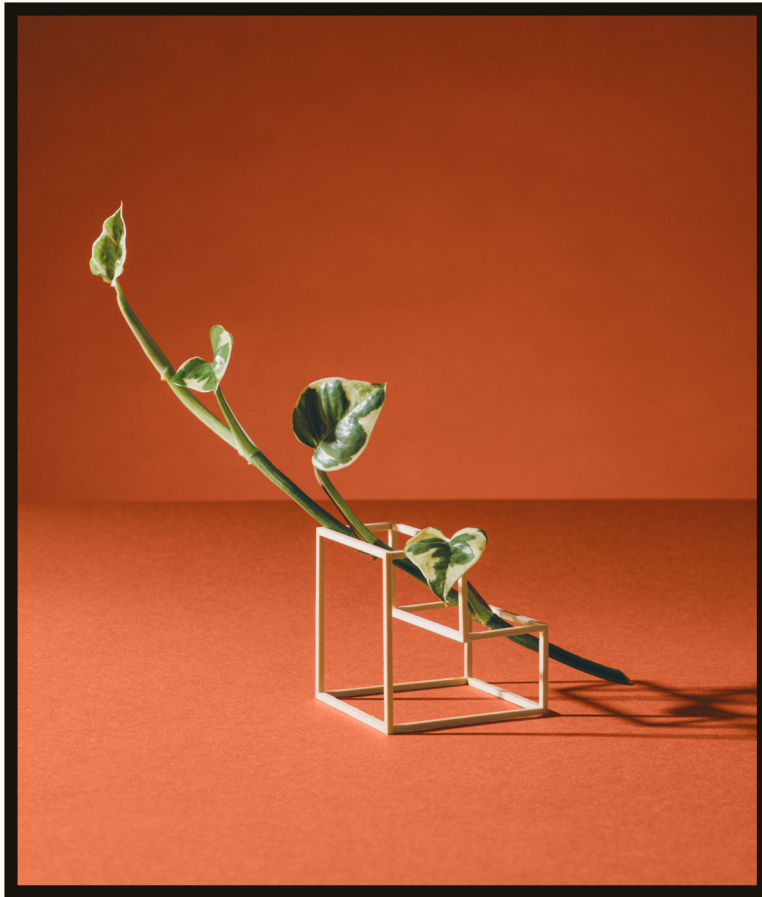
Challenge 3
Grow revenue

Here's a data point that proves that CX leaders know to be true: an IBM and Adobe study found that "organizations who elevate CX digital transformation to the status of a formal business priority reported three times higher revenue growth".

Integrating a support platform into business operations, including sharing key customer data across the organization, opens up a new channel of revenue growth. When live agents have the historical context they need to provide personalized service, they can turn simple customer interactions into opportunities to upsell, introduce new products, and further establish brand loyalty.

This has the potential to be particularly revenue-generating when applied to high-value customers who respond to feeling valued with a personal touch.

Need more proof? We asked Forrester Consulting to examine the potential return on investment (ROI) that enterprises might realize if they used Zendesk. They interviewed seven of our customers and concluded that, over three years, a composite organization could expect to earn $31.2M at a cost of $8.1M. This adds up to a net present value (NPV) of $23.1M—and an ROI of 286 percent.

Action to take

Turn customer service into an engine for growth by integrating CX into business operations and using your customer support platform as a launchpad for growth.

How Zendesk can help

Integrate with core business applications to inform your support platform or key customer data. This provides agents with the context they need to resolve customer questions quickly, deliver proactive support and turn interactions into revenue-generating opportunities.

Quickly and easily add digital channels, such as live chat, phone, email ticketing, and a knowledge base to deflect common questions as you need them. Stay up to date with the latest channels by simply toggling a channel on or off without heavy developper customizations.

Customer stories

Helios X

HeliosX agents convert 20% of chats into sales

HeliosX oversees the work of six brands that each provide a unique service — from personalised dermatology products to prescription delivery — and have one common goal: to make healthcare easily accessible and affordable for all.

All six HeliosX brands use Zendesk analytics to make definitive decisions using data. Within a year of streamlining all brands to Zendesk, HeliosX reduced staffing costs by more than 50 percent while also increasing efficiency and performance and maintaining a 96 percent CSAT score.

Increased sales and more revenue followed. MedExpress has increased customer chats into sales conversions by 20 percent. ZipHealth uses SMS to generate revenue by making it easier to verify customer identify, causing a 20 percent increase in pending carts resulting in a completed sale and a dramatic reduction in time spent handling those cases. Dermatica customers get a VIP consultation experience by being connected to a dermatologist who can provide immediate advice.

Customer stories

Spartan Race added a new retail channel and grew conversions by 27%

Spartan Race is the world's largest obstacle race and endurance brand. More than five million participants race in events around the world and the company produces television specials, operates a gym and sells its own clothing and athletic gear.

When the pandemic hit in 2020, Spartan Race was forced to reduce headcount and lacked sufficient agents to keep up with the volume on live chat. A quick solution was to upgrade to Zendesk Suite, which allowed the brand to offer omnichannel support through email, chat, phone, bot, social media, web form and a help center. An additional Shopify integration resulted in a 27 percent increase in sales.

Today's team of 75 support agents are well equipped to handle more than 36,000 monthly tickets. Spartan Race has increased self-service by 46 percent and help center views by 40 percent, effectively keeping operational costs down and customer satisfaction up.

Challenge 4
Turn agents into inside sales reps

During challenging times, it's important to have an 'all hands on deck' mentality. With the right platform, a service organization can make valuable sales on its own. They're in the business of resolving issues and building relationships for long-lasting customer loyalty.

With access to historical customer data and shared metric, plus ease of collaboration with internal teams through integrated messaging tools, agents can get a complete view of the customer. This allows agents to forge strong connections that offer sales opportunities–including cross-selling, up-selling, facilitating repeat purchases and driving revenue growth by building loyalty.

And that's not it. While human agents need to have a full view of the customer in order to identify selling opportunities, AI capabilities can also equip non-human agents with the same abilities. With the right data and context, bots can proactively make recommendations based on a customer's preference, website behavior and previous conversations. Chatbots can also provide additional product information, reminders about abandoned baskets and offer discounts at the point of checkout, significantly contributing to an organization's sales.
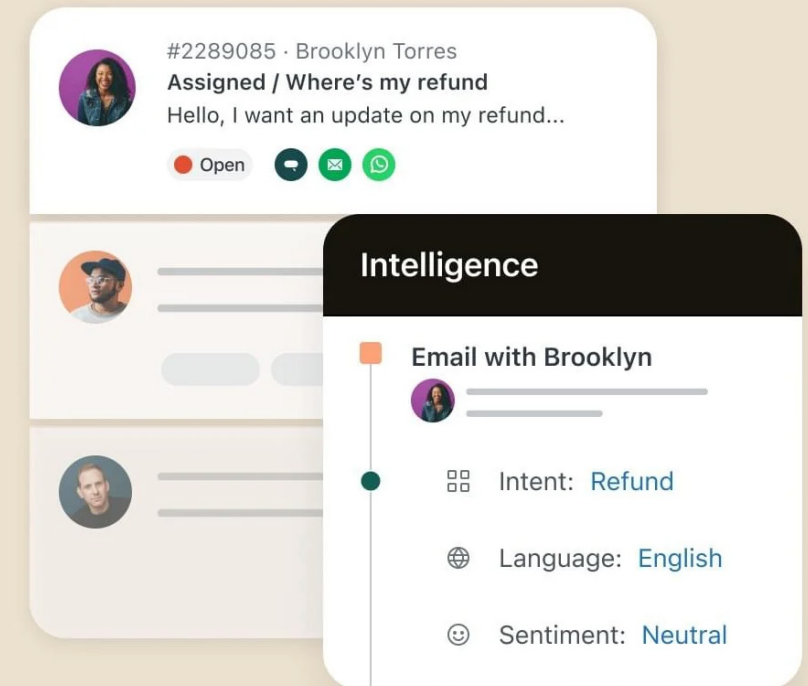
Action to take

Convert inquiries into new sales, upsells and cross-sells from prospects from both human agents and chatbots.

How Zendesk can help

Minimize churn and increase repeat purchases by resolving customer questions quickly and personally.

Turn customer interactions into revenue-generating opportunities through integrated business data and proactive support engagements.

Provide agents with visibility into customer history to allow them to proactively connect with site visitors to boost conversation rates and average order values.

Drive incremental revenue growth through proactive purchase recommendation and interactions with automated bots.

Provides agents with AI-powered insights showing the customers intent, sentiment and language.

Customer stories

chupi

Chupi agents drive €1 million in incremental sales

Dublin-based and online jewelry company Chupi specializes in solid gold heirloom pieces and a VIP customer experience. The company invested in Zendesk at the onset of the global lockdowns in 2020 to help new employees onboard remotely and quickly adapt to the platform. As the team got to know the platform, they turned on Zendesk features to meet new trends. As an example, live chat became the way to manage one-touch queries, quickly earning the team a 98.6 percent CSAT rating.

All calls, tickets and DMs from Instagram and Facebook go straight into Zendesk, which provides agents with the full story behind each customer enquiry so Chupi can provide consistent, personalized service. It wasn't long before the company recognised how to turn customer support enquiries into sales revenue by 'selling quietly and with kindness', through escalating a ticket in Zendesk and booking a virtual jewelry consultation service where customers see individual pieces and follow up with a post-consultation package. Those sessions have a conversion rate of 65 percent.

In 2020, Chupi had a 300 percent increase in carebased sales, resulting in one million euros in sales directly from the customer care team.

Customer stories

Dorm Room Movers

Moving from tickets to conversations, sales conversions increased by 79%

Dorm Room Movers offers storage, moving, and shipping services for college students in the United States. Since its launch in 2007, the company has moved over 85,000 students and handles more than 1K messaging conversations per month.

The move to offering support via messaging, alongside options for self-service that include automated article suggestions and thoughtful bot-to-agent hand-off, means the team can provide seamless omnichannel support across email, text, messaging, voice, and social media channels—all without writing a single line of code.

Initially, agents had to switch between dashboards to view and respond to conversations across separate email, phone, and chat systems. Once everything was consolidated into the Zendesk Suite and Agent Workspace, the company could group customer interactions as live conversations, active, or waiting on a response—thereby navigating the real-time and asynchronous landscape.

With this unified view, Dorm Room Movers can provide faster and more personalized service. Having the ability to host and manage real-time conversations across channels has been a gamechanger for the company. The support team is both interacting with movers as it builds relationships with customers. During peak periods, the company can send out batched messaging instead of having to respond to customers individually, and this positioning has enabled the team to drive a significant increase in conversions.

Challenge 5
Retain your customers

Is there anything more gratifying–and profitable–than customer loyalty? According to research from Bain & Company, increasing customer retention rates by five percent can boost profits by more than twenty five percent over time. Those are significant numbers, particularly during times of market uncertainty and upheaval.

Increasing customer lifetime value (LTV) is a critical strategy for many companies looking to boost revenue while managing costs. It's much less expensive to continue to please existing customers than to acquire new ones. The easiest way to retain your customers is by keeping up with their latest expectations, which are mainly around AI and how it can improve speed and personalization. For 61 percent of customers, the faster a company can personalize their experience, the more likely they would be to use their services or purchase from them.

That means providing consistent, personalized service across all channels so that customers get the answers and resolutions when and how they anticipate. Integrating data throughout the organization, including customer feedback, ensures that the complete customer history is available no matter who is providing the service.

Action to take

Double down on service that feels personal to retain your customer base.

How Zendesk can help

Increase customer LTV by providing seamless and personalized service across all digital channels.

Share customer feedback and related data across the organization through flexible platform integrations to fuel informed, data-driven decision-making.

Boost customer acquisition and loyalty, as well as profitability.

Customer stories


BlendJet uses AI to save 30% in productivity

Since creating the first portable blender in 2017, BlendJet has become the most popular brand of blenders on social media and number one in direct-to-consumer sales. The company has millions of customers in nearly every country in the world. Its ever-expanding customer experience team got a boost when it partnered with Zendesk and TypeGenie, empowering the team to respond to 30 percent more tickets and cut down on response time during the busiest periods.

Building strong customer relationships is important for BlendJet and the team wanted a customer support platform that

would allow it to provide personalized, long-term service. BlendJet manages tickets through email, contact forms, phone, and social media and the customer service team uses Zendesk solutions for reporting and performance. From this data command central, it can easily monitor service levels and work to improve CX.

BlendJet integrated TypeGenie, an AI autocomplete product that enables agents to automate repetitive typing, within Zendesk during the pandemic. This integration has proven to save agents time, offer a consistent tone of voice across all messages, and maintain the same quick response times.

Customer stories
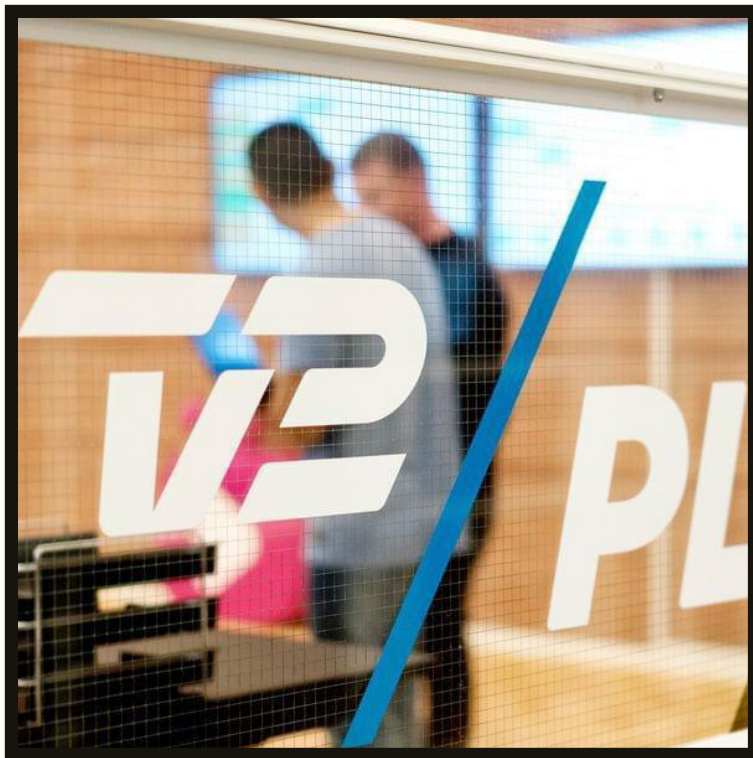
TV2 earns 438% ROI after 2 years of using Zendesk

As the biggest commercial TV station in Denmark, TV2 broadcasts programmes and news over six channels and offers a streaming service, which is partially produced in-house. When it comes to customer service, TV2's overall strategy is to stay ahead of the curve. One of the ways it does this is to help customers help themselves via AI. Using Zendesk as its support platform and data hub, TV2 has all the intelligence it needs to provide smart customer service with timely, accurate responses and an overflowing help center (think articles, videos, guides).

With 3 billion calculations daily on its customer data, TV2 has insights that helps it predict what customers are going to do next. The company can proactively act on churn, approach customers with tailored offers (e.g. TV show recommendations based on viewing history) and optimize email marketing.

With Zendesk, TV2 has boosted their CSAT score from 77 percent to 93 percent while growing its customer base by 45 percent. The ROI of Zendesk was 212 percent in its first year; after the second year, it was 438 percent.

"I was able to implement AI immediately without any developer support. The fact that we can just switch it on is something we never thought possible"

Jimmy Jean-Louis, Service Desk Manager at Freese and Nichols

"Zendesk AI allows us to focus on things like quality and coaching, instead of wasting time reading a ticket and manually categorizing."

Ian Hunt, Director of Customer Services at Liberty London

Conclusion

Meeting the moment with Zendesk

When humans feel threatened, we react by fighting, fleeing or freezing. But as organizations, we have another option: to flourish.

When faced with any kind of change, whether it's happening in real-time or on the horizon, businesses have an opportunity to pick a pathway forward that will lead you into a new era. Instead of fighting reality or clinging to dated practices, companies can choose to be curious and adapt with new and innovative strategies.

Zendesk is ideally suited to help companies manage uncertainty and forge ahead with confidence. We were born as an alternative to bloated and costly customer service software, and we have evolved to become easy to set up, learn, use and maintain. With our latest product offering, Zendesk AI, we help manage current business challenges right away and support your longer-term with greater agility and the best total cost-of-ownership in the industry.

To learn more about how Zendesk can help your CX organization manage cost, achieve growth and drive retention, check out zendesk.com/roi

Join the companies who have already unleashed the power of AI across their CX, with Zendesk AI.

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