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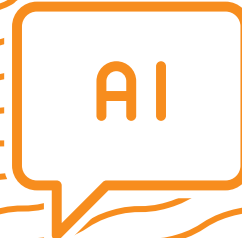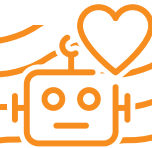
Navigating the future of CX:

Trends, insights and predictions for conversational AI in 2024

Contents

Introduction

As we step into 2024, it's important to reflect on the pivotal developments of the last 12 months that significantly shaped the trajectory of customer experience (CX) and conversational AI. Last year was marked by rapid technological advancements and shifting consumer behaviors thanks to various economic factors, which have influenced how businesses interact with their customers.

The landscape of 2023 was characterized by an accelerated digital transformation, driven by consumers' growing expectations for more personalized, efficient, and engaging interactions. This transformation was not only about adopting new technologies; it helped reimagine the customer journey in an increasingly digital world. Businesses across various sectors recognized the need to integrate advanced AI solutions, such as generative AI, analytics and other automation technologies, to enhance their customer service and engagement strategies.

It's in this context that this guide draws on the combined expertise of our partners, customers and team members to delve into the intricate dynamics of CX and conversational AI as they stand today and where they are headed. We will explore a variety of themes including customer service automation, omnichannel strategies, responsible AI and more, and look at how industries like banking, insurance and telecommunications are responding to the challenges and opportunities presented by this new era of customer interaction.

It is our goal to provide you with comprehensive insights into how your business can leverage conversational AI to create more resonant, efficient and satisfying customer experiences, both now and in the future.

The pulse of customer service

Before we dive into the trends that will drive the CX landscape for the foreseeable future, it's critical to understand the current state of customer service in relation to AI and automation.

In 2023, **we commissioned a survey** that offers insights into consumer attitudes and preferences, particularly in key industries that are at the forefront of customer service evolution.

In the banking and insurance sectors, the survey revealed a critical vulnerability: a significant portion of customers (67% in banking and 62% in insurance) say they would switch providers due to inadequate customer service. This trend extends to telecommunications, where almost half of the customers surveyed (48%) express similar sentiments – a wake-up call for these industries to revamp their customer service strategies.

One of the key findings of the survey points to growing impatience among consumers regarding long wait times. A striking 42% of customers said they were unwilling to wait more than 10 minutes to connect to a customer service representative. This only escalates with longer waiting periods, with 81% considering switching providers after consistently experiencing delays over 30 minutes. This data underscores the necessity for businesses to streamline their customer service processes and adopt more efficient methods of engagement.

81%
considering switching providers after consistently experiencing delays over 30 minutes

Enter conversational AI – a beacon of innovation in this landscape. The survey indicates that 61% of consumers are open to engaging with chatbots and virtual agents if it means reduced waiting times. The readiness to interact with AI-powered solutions reflects a broader trend in customer preferences, favoring speed and efficiency in service delivery. Chatbots, once seen as a customer service afterthought, are now emerging as a vital tool, capable of not only alleviating long wait times but also empowering human agents to tackle more complex issues, thereby enhancing the overall quality of service.

Moreover, the survey sheds light on the amount of time consumers spend waiting for service, with 59% indicating up to 20 minutes a month spent on hold. This time can be significantly reduced with the implementation of conversational AI, illustrating its potential to transform customer service into a more responsive and satisfying experience.

Which of these providers would you decide to switch from if they had consistently bad customer service?

Presentage of respondents
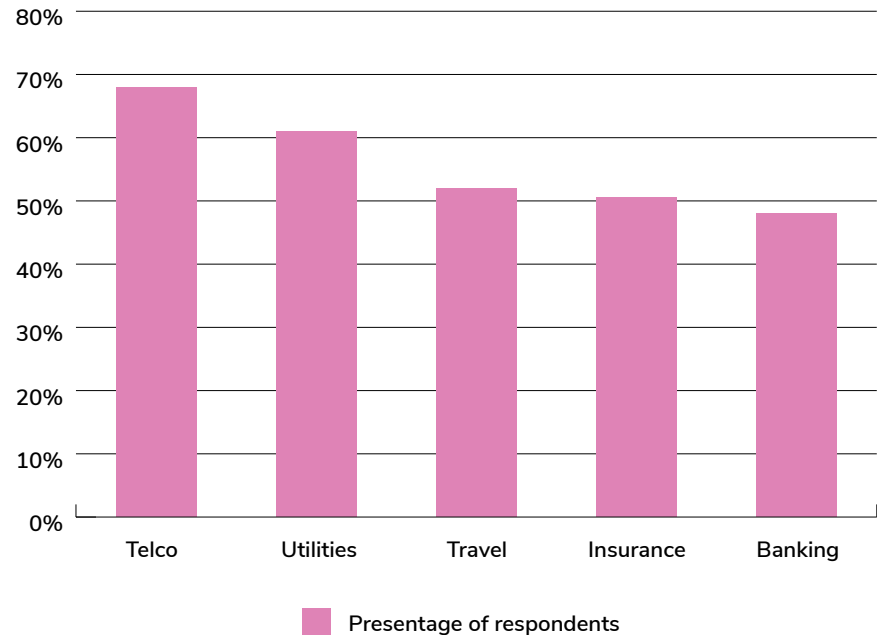
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Customer experience

Successful customer experience (CX) lies in creating moments that resonate deeply with customers. In our increasingly digital world, these experiences are more than transactions; they are the heartbeats of brand loyalty and satisfaction. As businesses strive to connect more authentically with their audience, the role of technology in shaping and enhancing these experiences becomes undeniably central.

71% of B2C and **86%** of B2B customers expect companies to be well-informed about their personal information during an interaction.

-Gartner

97% of consumers and **98%** of contact center managers say customer service interactions impact whether consumers stay loyal to a brand.

-Calabrio

In light of recent disruptions, like weather-related cancellations, strikes, and volcanic eruptions, it's clear that having reliable digital media for real-time information is crucial. We expect a growing trend in airline customer service, utilizing the web for dynamic real-time disruption alerts.

This approach involves interactive web chats for passengers and advanced chatbots with tiered human support, setting a new standard for customer interaction. Additionally, we anticipate the integration of information-centric landing pages, chatbots, push notifications, and targeted email and SMS communications. Targeted communications will support ongoing sales without affecting online sales channels for unaffected future passengers.

Key focuses include prioritizing customer data, proactive service recovery, and ensuring a smooth travel experience amidst challenges. The ultimate goal is to provide efficient service, giving customers a pleasant journey and earning their recommendations while keeping costs in check, thereby distinguishing the airline in the competitive market.

Guðný Halla Hauksdóttir, *Director Customer Service, Icelandair*

Customer service automation

The landscape of customer service is evolving rapidly with the advent of automation. This innovation brings a new dimension of efficiency and effectiveness to customer interactions. By handling routine queries with intelligent systems, businesses are unlocking opportunities for human agents to engage in more meaningful, high-value interactions, enriching the customer service experience.

81%
of customers want more self-service options

-NICE

Organizations see up to
70%
reductions in inquiries after implementing a Virtual Customer Assistant

-Gartner

"Over the next 12-24 months we will witness an ongoing surge in the adoption of generative AI and its applications in customer (or in our case member) service automation. Organizations that choose to invest in and harness the capabilities of generative AI, particularly in natural language processing, will gain a competitive edge. For the upcoming year(s) our focus lies in leveraging AI to optimize the coveted omni-channel experience. By integrating AI into chat, email, voice, IVR, and human interactions, we aim to create hyper-personalized, connected, and automated experiences for our members.

However, it is essential to remember that technology is only as good as the humans behind it. Prioritizing both human experiences and digital experiences equally helps shape our organizational automation strategies to ensure superior delivery of exceptional experiences for our members and employees."

Kelly Wagner-Grull, *Director of Member Experience, Credit Union of Colorado*

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Omnichannel customer service

In an era where customer journeys intertwine across multiple channels, omnichannel customer service stands as a pillar of modern customer engagement. This approach acknowledges the multifaceted nature of customer interactions and strives to provide a consistent, unified experience across all platforms, ensuring no customer feels disconnected or left behind.

70%
of customers expect full context in interactions

-Zendesk

60%
of customers say it feels like they are communicating with separate departments, not one company.

-Salesforce

"As a leader in cloud communications, Vonage sees a significant evolution in the omnichannel customer experience. Anticipated trends in the next 12–24 months include:

- **AI-driven personalization:** AI will continue to revolutionize communication across platforms — such as voice, text, and social media. AI learns from previous interactions and integrates algorithms to deliver more tailored and context-sensitive customer experiences.

- **Seamless multi-channel transitions:** Customers constantly switch between channels, such as from a chat to voice call. Businesses must deliver a seamless experience that maintains context and ensures fluid interactions across these transitions.

- **Predictive customer engagement:** Companies will use big data to proactively address customer needs through predictive analytics. This immediate engagement improves customer satisfaction and loyalty.

- **Enhanced voice and natural language processing (NLP):** Advanced voice technology and NLP will make interactions more intuitive and human-like. The key is accurately interpreting beyond words — to understand underlying intent and emotions.

- **Augmented reality in customer service:** Augmented reality places the customer and business together virtually to better resolve concerns through immersive and interactive experiences.

These innovations can make customer interactions more efficient, insightful, and personalized — and significantly elevate the overall customer experience."

in *Guillaume Calot,* VP Strategic Partner Sales, Vonage

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Responsible AI

The integration of AI into our daily lives brings with it a crucial responsibility to ensure its ethical use. Responsible AI focuses on creating systems that are fair, transparent, and accountable, aiming to enrich human lives while respecting fundamental values and rights. This commitment to ethics is not just a moral imperative but a cornerstone of trust and reliability in technology.

More than **80%** of executives will commit **10%+** of their total AI budget to meeting regulatory requirements by 2024

-Accenture

85% of consumers say that it is important for organizations to factor in ethics as they use AI to tackle society's problems

-IBM

"The evolution of responsible AI is expected to become a central focus in the development and deployment of artificial intelligence technologies. As AI systems become more integrated into various aspects of daily life, there will be an increased emphasis on ensuring these systems are developed and used in a manner that is ethical, transparent, and accountable.

One key area of advancement will be in AI auditing mechanisms. These tools will be designed to assess and ensure compliance with ethical standards, identifying and rectifying biases in AI algorithms. This will help in building public trust and credibility in AI systems.

Inclusivity and diversity in AI development teams will also become more prominent, as it's increasingly recognized that diverse perspectives are crucial in creating unbiased and fair AI systems. Additionally, public awareness and education about AI ethics will likely increase, leading to more informed discussions and decision-making around AI technologies."

Rasmus Hauch, *Chief Technology Officer, boost.ai*

Human-AI collaboration

The collaboration between humans and AI is a testament to the synergistic potential of technology and human intellect. This partnership is redefining the realms of possibility, where AI augments human capabilities, leading to innovative solutions and approaches in customer service and beyond.

Using generative AI in business improves users' performance by **66%**

-Nielsen Norman Group

81% of employees believe artificial intelligence (AI) improves their overall performance at work.

-SnapLogic

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"We are in an exciting time when it comes to AI and for a dreamer like me it is easy to be mesmerized by the possibilities. My area in this field is human-AI collaboration in customer service. I think it shows great promise. In the near future having a personal assistant at work will no longer be restricted to CEOs. AI can assist our service agents in a seamless way and help them provide fast, easy and correct help to our customers. However, I know we have a lot of learning to do and a lot of risks to understand and avoid – and I think that is what the next year will be all about. The race to learn how to harness and utilize AI in a safe and controlled way is definitely on."

Maia Sognefest, Product Manager, DNB

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Customer experience analytics

In the world of business, understanding your customer is key to success. With the aid of conversational AI, companies are now able to dive deeper into customer data, uncovering valuable insights into preferences, behaviors, and feedback. This wealth of information is pivotal in shaping customer-centric strategies and experiences.

72% of brands think they can use analytics reports to improve the customer experience.

-Deloitte

50% of organizations lack effective communication between departments when aligning on CX data and feedback.

-CallMiner

"Today, there's more conversational data available to organizations than ever before, and leveraging that data to uncover insights and create exceptional customer experiences is critical for retention, loyalty, and satisfaction. Through the power of AI and machine learning, CallMiner's industry-leading conversation intelligence platform empowers organizations to deduce intent, sentiment, meaning and more from omnichannel customer interactions at scale.

CallMiner has long been at the forefront of embracing AI in its platform. And the advancements over the past year – ChatGPT, generative AI, large language models – mean AI will continue to make profound and lasting impacts on organizations in 2024. I don't expect AI adoption to slow in 2024, in fact, I expect it to continue to accelerate, particularly for CX use cases. But more business leaders will come around to the idea that generative AI is not a silver bullet – and it is most powerful when used for specific use cases, often along with other AI techniques, to meet specific business needs. I predict that the organizations who 'get it right' will be the ones that effectively balance AI velocity and agility with responsibility and security. Those that do this will find themselves in the position to deliver the most value to their customers and improve the bottom line."

in **Eric Williamson,** *Chief Marketing Officer, CallMiner*

Innovations in natural language processing

Natural language processing (NLP) represents a frontier where technology meets the complexity of human language. The continuous advancements in NLP are progressively breaking down the barriers between human and machine communication, making interactions with AI more intuitive, responsive, and surprisingly human-like.

Global NLP market projected to grow to **$112.28 billion** by 2023 with a CAGR of **24.6%.**

-Fortune

60% of organizations with reported AI adoption are using generative AI in areas including customer care and back-office support.

-McKinsey & Company

"I believe that most of the innovation in NLP will be in the form of tools built on top of large language models (LLMs) and large multimodal models (LMMs), as well as the adoption for new use cases. We will also see companies develop more targeted models for niche markets (industries, languages and use cases).

One of the biggest pains of working with LLMs is the difficulty in testing the downstream products - a lot of tools that attempt to solve this will emerge.

Open-source models will continue to gain on proprietary services and become viable for many use cases, but proprietary services will still provide the most cutting-edge models. We might see dedicated hardware for large transformer models that will make LLM inference cheaper and faster, and innovations in model optimization will provide similar benefits.

Query languages built on top of LLMs will see wide adoption and make inference more controllable. It is unlikely that the biggest weaknesses of LLMs will be solved anytime soon - such as hallucination, prompt injection, and long-term memory. However, we will see iterative improvements in both context size and robustness."

Peter Leupi, *Chief Data Scientist, boost.ai*

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RPA and AI automation

Robotic Process Automation (RPA) and other automation technologies are reshaping the face of business processes. By automating routine tasks, these technologies not only enhance operational efficiency but also open new avenues for customer interaction and service, thereby transforming the customer experience landscape.

62% of brands have increased their investments in self-service.

-Hubspot

34% of consumers say the biggest benefit of self-service is faster response times.

-NICE

"A key trend we've observed is proactive care—an ethos of anticipating customer needs and mitigating issues before they turn problematic. It's a brilliant strategy for enhancing customer experience without inflating costs. For instance, one of our clients in the financial service industry uses AI-powered automation to notify customers about the status of their applications at each step, even when there's no significant update. This strategy has culminated in a 30% drop in status inquiry interactions and a 10% boost in customer satisfaction scores.

We also see business leaders' perception of the customer service department shifting from cost to revenue center. As the quality of organizational data improves, and as integrations become more seamless, AI advances now assist businesses in effortlessly incorporating tailored up-sell or cross-sell proposals into their customer service interactions."

Brad Beumer, *Customer Experience and Contact Center Automation Lead, UiPath*

Customer experience research

CX research is the compass that guides businesses towards customer satisfaction and loyalty. Leveraging AI and analytics, modern CX research methods are unveiling deeper insights into customer behaviors and preferences, enabling businesses to stay attuned to the ever-evolving market demands.

49% of customers who left a brand did so due to poor CX.

-Emplifi

49% of customers had more bad customer service experiences in 2023 compared to the year before.

-Amazon

"Conversational interactions are, by nature, flexible and user-centric. When interacting with conversational AI, users can express themselves in their own words about goals that matter to them. Hence, while service providers of conversational AI can facilitate efficient and engaging conversations, they cannot fully predict how users will behave or what they will ask. This uncertainty is even more relevant in the coming year, as users excitedly engage in flexible and unpredictable natural language interactions with a broad range of AI systems to explore their potential uses and benefits.

Such user exploration is a potential gold mine of insight waiting to be explored. Which emerging conversational behaviours stick? How do these new user behaviours generate value? And how should they be leveraged in engaging and valuable designs and solutions for enterprise conversational AI? Service providers using 2024 to learn from emerging user behaviour will come out on top in the race towards even better conversational AI."

Asbjørn Følstad, *Chief Researcher, SINTEF*

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Voice technology is carving out a significant niche in the contact center. As voice-enabled AI becomes more prevalent, it offers a natural and accessible mode of interaction, bridging the gap between digital and human communication. The rise of voice technology represents an exciting evolution in how customers engage with brands.

Nearly **80%** of consumers still rank phone interactions as their preferred customer service channel.

-Calabrio

The use of voice bots has risen from **24%** to **36%** in the last three years - and the rate of growth is increasing.

-VIER

"2024 is poised to bring about transformative changes, aligning with six pivotal voice-related AI trends:

- **Increased AI investment:** Expect a surge in voice technology and AI software investments in the U.S. and Europe, driving innovation and making it more powerful and accessible for businesses of all sizes.

- **Strategic implementation:** Companies are transitioning from experimental AI use to strategic adoption, focusing on transparency and compliance to maximize voice automation benefits for employees, customers, and partners.

- **Personalization in voice:** Differentiation through personalized AI models, including small Large Language Models (sLLMs), will enhance voice-driven applications' accuracy and relevance.

- **Human-machine collaboration:** Voice automation will revolutionize the workforce by freeing up human resources from repetitive tasks, and helping bridge skill gaps, making it a pivotal topic in HR discussions.

- **AI-enhanced training:** Voice technology, coupled with genAI, will enhance employee training and development, aiding in communication skills and complex interactions, thus boosting business performance.

- **AI and compliance:** With AI's growing role, regulatory frameworks like the EU AI Act will guide its use, ensuring data safety and ethical compliance, crucial for the voice automation innovation space.

These trends indicate a dynamic and promising future for voice automation, where AI-driven enhancements will redefine user experiences, enhance operational efficiency, and ensure responsible and secure usage. Voice technology is not just a trend but a strategic imperative for businesses looking to stay competitive and compliant in the evolving landscape of AI and voice communication."

Rainer Holler, *CEO, VIER*

What's next for conversational AI?

2024 60% of workers will use AI tools to perform their jobs and tasks.

-Forrester

2025 48% of all U.S. adults will use conversational AI via a voice assistant.

-Insider Intelligence

2026 Conversational AI will reduce contact center agent labor costs by $80 billion.

-Gartner

2027 Chatbots will become the primary customer service channel for approx. 25% of organizations.

-Gartner

2028 The conversational AI market is expected to increase to $29.8 billion.

-Markets and Markets

About boost.ai

Committed to delivering outstanding customer experiences, boost.ai stands at the forefront of enterprise-grade conversational AI. Driven to enable unparalleled interactions between people and organizations, boost.ai harnesses cutting-edge technology to push the boundaries of AI responsibly. Its proprietary self-learning AI platform empowers businesses to automate interactions at scale, enhancing efficiency and driving positive outcomes. Trusted by enterprises across various industries, boost.ai's virtual agents consistently maintain resolution rates above 90 percent, automating thousands of interactions daily. Founded in 2016, boost.ai is backed by Nordic Capital and operates from its headquarters in Sandnes, Norway, with global offices in cities including Los Angeles, Copenhagen, and London.

Transform your customer experience with AI

Are you ready to revolutionize your customer experience with cutting-edge conversational AI? At boost.ai, we offer innovative solutions that can transform your customer service into a more efficient, engaging and responsive experience.

Request a demo today and witness firsthand how conversational AI can elevate your customer experience to new heights. Join the ranks of businesses embracing the future of customer engagement.

REQUEST DEMO

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