talksuite
Part of the **People First®** platform

What is a chatbot?
A guide for business leaders

What is our aim?

Just a few years ago, the idea of interacting with a bot would have seemed like sci-fi nonsense, or at best a fun gimmick. Yet today, chatbots are taking the business world by storm, revolutionising the way we interact with technology.

Fast forward a couple of years, and chatbots could play a central role in our daily lives – according to Gartner, by 2020 the average person will have more interactions with a bot than with their spouse!

Whether you think this is a good thing or not, one thing is clear: **chatbots look set to dominate the market.**

If you are reading this guide, chances are you're considering investing in a chatbot. While this is a big step to take, we believe it is not only beneficial but also necessary, in order to keep up with growing consumer demand.

This guide aims to answer any questions you may have around chatbots, and provide you with all the information you need to take the next step.

What is a Chatbot?

As the name suggests, chatbots are bots that you interact with, either through text or speech, using popular consumer channels, like SMS and Facebook Messenger.

Think of them as digital helpers, available 24/7 to guide you through online processes, answer your questions, and point you in the right direction.

Chances are you've already spoken to one – perhaps without even realising it. And if you haven't yet, you surely will.

How do chatbots work?

Chatbots vary greatly in ability and application. Simple chatbots react to prompts using pre-programmed responses, making them suitable in highly structured interactions, but unable to perform in more varied exchanges.

Intelligent chatbots, on the other hand, use machine learning and natural language processing (NLP) to learn on the job. The more data they process – that is the more interactions they have – the more effective they become at understanding, interpreting and responding to a wide range of requests.

Why are Chatbots proving so popular?

Because a change is needed. The internet has placed a world of information at our finger tips, yet when you think about it, finding what you need is often a slow and frustrating process. How many times have you visited a website only for the piece of information you need to be missing, hidden or buried?

The same can be said for most online transactions. We know what we want, but there is often a lengthy process of refining search parameters and clicking through screens to get there. In today's world of instant gratification, traditional online experiences no longer cut it.

> **Chatbots represent a much needed transition away from complicated and time-consuming processes and towards something more natural.**

In 2015, mobile messaging app usage surged past social media usage, demonstrating the power and popularity of text messaging as a mode of communication. Chatbots tap into this, allowing users to interact with technology in a way that comes naturally to them.

Chatbots make the process of getting what you want – be that information, answers, or a product or service – quicker and easier than traditional website-based processes.

Quicker because they eliminate the wasted time spent searching for information, or following long-winded transactional processes.

Easier because they allow users to access information or complete processes using text or speech – something that comes naturally to us all.

Are Chatbots the new apps?

The number of available apps has exploded in recent years.

There's now an app for pretty much anything you can think of. But the process of downloading and switching between countless different apps can be time consuming and frustrating, resulting in 'app fatigue' and the need for a better, more natural way of interacting with technology.

Bots can be where your employees and customers are: Facebook, SMS, Skype. This means you're not forcing them to download yours.

> Chatbots act as a single port of call for your digital needs. So you can play music, check the weather forecast and call a friend, simply by asking a chatbot.
>
> It's no wonder **chatbots look set to replace apps completely in the coming years.**

Benefits for Customers

According to Gartner, 85% of customer interactions will take place without a human by 2020. This reflects the changing expectations of customers, who now demand the following from their online experiences:

- Smooth transactions
- Instant access to information
- 24/7 customer support
- Natural interactions with brands
- Instant answers to questions

- Less noise
- Proactive communications

If you aren't offering these things, your customers will simply look elsewhere. Think about it this way: the harder a customer has to work to get what they want, the less likely they are to bother trying. Particularly if other companies are offering a smoother service.

Chatbots revolutionise online experiences and the way customers interact with brands by:

- Guiding them through online processes
- Helping them to locate, choose and buy products and services
- Offering instant answers to questions
- Helping them to find the specific information they need
- Providing 24/7 customer support

This ultimately means happier customers, and in turn increased sales.

Benefits for Employees

Expectations are changing in the workplace, too. The modern employee now expects a consumer-grade user experience when interacting with business systems.

This includes:

- Processes that are hassle-free, slick and intuitive

- Instant access to information

- The ability to manage their own personal admin

- Natural and personalised interactions with technology

Yet in many organisations, employees still spend half their time battling against clunky legacy systems, or navigating time-consuming and tedious processes.

Say an employee wants to book leave, check when their next meeting starts, and find out what's being served in the canteen.

Traditionally, this meant switching between various different systems, each with its own look and feel, and each requiring a certain level of expertise to navigate around. This can be exhausting and time-consuming.

With a chatbot, employees have a single go-to interface, allowing them to book a holiday, cancel that meeting and check out the menu simply by asking the bot.

Chatbots are transforming the way employees interact with technology by:

- Simplifying work-related processes

- Improving information flow

- Improving access to information

- Allowing employees to handle their own personal admin

- Providing a single interactive layer over disparate systems

The result is employees that are happier, more productive and more engaged.

Benefits for CEOs

As a CEO, you are responsible for the overall direction and success of your company. In order to stay relevant and competitive, you need to react to trends and keep up with technological change.

While some new tech can safely be placed in the 'fad' category, chatbots look set to dominate long into the future. Business Insider predict that by 2020, 80% of business will have some sort of chatbot automation implemented, while Mindbowser found that 96% of businesses believe that chatbots are here to stay.

Investing in a chatbot can bring the following benefits for your business:

- Your business remains relevant and competitive in a changing marketplace

- Happier customers, resulting in more sales

- Happier, more engaged employees

- Improved information flow and streamlined processes

Benefits for HRDs

Chatbots simplify internal processes and devolve work-related admin from HR staff to employees and managers. This serves to empower individual employees, while liberating your HR department from the constant flood of employee requests.

Here are just some of the ways a chatbot could revolutionise the HR function:

- Improved information flow

- Better access to information for employees

- More efficient internal processes

- Employees are empowered to manage their own HR admin

- HR department spends less time dealing with employee requests and more time doing strategic, value-driven work

Benefits for CFOs

Not only do chatbots simplify the lives of users, they also have a significant impact on the bottom line. By acting as a go-to helper for customers and employees alike, chatbots free up support staff – be they customer services agents or HR professionals – to focus on more high-value work.

Here are just some of the ways a chatbot can boost revenue:

- They are truly scalable – unlike us humans, one chatbot can handle a growing number of requests

- They reduce labour costs

- Deploying a chatbot to sit over existing platforms is much easier and cheaper than upgrading individual systems

- They are available 24/7 to generate leads and complete sales

- Happier, more engaged customers means increased revenue

- Happier, more engaged employees means increased productivity and reduced turnover

What industries are Chatbots used in?

Chatbots are incredibly adaptable and can be built to perform a wide range of transactional tasks, but they are proving particularly effective in the following areas:

- Customer services

- Customer engagement

- User experience

- Internal communications and HR

As these areas suggest, the use of chatbots is not limited to any particular industry. Their adaptability ensures that they can have a market-wide impact. Here are just a few examples of how chatbots are revolutionising different industries.

Financial services

In the finance industry, chatbots are improving the customer experience by providing 24/7 support, faster on-boarding, and extended advice around personal banking and investments. But their handiness doesn't stop with the customer – chatbots are also being used to support brokers on the trading floor, as well as helping banks track financial crime and money laundering.

According to Juniper, banks could automate up to 90% of their interactions using chatbots by 2022, saving them between $0.50 and $0.70 per interaction.

Retail

In addition to offering customers real-time support, chatbots can be used in a number of ways to connect with customers, generate leads, and push through sales. For example, chatbots can help the customer find the perfect product, before guiding them through the buying process – just like a human retail assistant would in-store. This helps to make the online shopping experience more personal and engaging.

What industries are Chatbots used in?

Healthcare

In the healthcare industry, 24/7 advice and support is often essential. The ability of chatbots to provide information, book appointments, and triage patient issues quickly and efficiently makes them the ideal solution for healthcare providers. In the future, many predict that chatbots will completely replace the need for human doctors in diagnosing health-related conditions.

Insurance and legal services

Chatbots can serve as a first port of call for customers, speeding up application processes and on-boarding. Given the right information, they can provide insurance estimates instantly. And when connected to databases, they can even provide lawyers and customers with instant access to relevant cases and legal information.

Hospitality

The hospitality industry is inherently customer driven. Here more than most industries, customers expect a positive, friendly and helpful service around the clock. This makes chatbots the ideal solution, as they can assist customers in the booking process, answer queries, or offer a platform for providing instant feedback.

Transportation

The traditional process of buying a flight or train ticket can be lengthy, complicated and frustrating, as we click through a series of static screens, each with its own search parameters and boxes to tick. Chatbots simplify this process by distilling it down to a back-and-forth conversation. In addition, they can offer real-time support and updates around special offers, traffic, delays, and any other travel-related issues that may affect the customer.

Choosing the right chatbot

If the examples above show us anything, it is that chatbots can be built to handle pretty much any transactional process you can think of. The right chatbot for you depends on your business needs and the processes involved.

There's no point investing in an intelligent chatbot if all you need is a simple bot that offers multiple-choice questions in order to triage a customer services issue. On the other hand, if you want a chatbot to handle a range of complex HR issues, you'll need something that can interpret natural language and multiple requests.

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Before embarking on your chatbot adventure, consider the following things:

- What do you want to achieve?

- What parts of your business need improving?

- What are your competitors doing better than you?

- What do your customers or employees find frustrating about your current service?

Understanding what you need will help you choose or build the right bot.

In order to know how your chatbot is performing, you will need to come up with a set of metrics to measure success. For example, if you are deploying a customer services bot, you might look at the number of interactions, the number of cases resolved, response time, or customer feedback ratings. All of these will paint a slightly different picture of the bot's performance.

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Introducing Talksuite

With a bot-building platform like People First's Talksuite, you can build a tailor-made chatbot to suit your own particular business needs.

Talksuite acts as a kind of chatbot toolkit, providing the framework and foundation for designing, building and deploying bots that are advanced, easy to use and scalable. They can be layered over existing systems and augment existing processes, providing a friendly interface between your employees and the systems they use. This vastly improves the user experience as well as information flow.

With Talksuite, you can build bots that:

- Simplify and streamline clunky business processes
- Act as a single interface over multiple systems to deliver a simple, friendly experience
- Go where your audience is: your app, website, SMS, Facebook Messenger, Skype and more
- Push insightful information and actions to your end user

Talksuite can make any bot imaginable, but the types of bot we know work really well are:

- Ones that allow employees to discover and complete internal processes and tasks:
  - HR-related tasks like absence and expenses management
  - Calendar or CRM integration to outline and help manage time
  - Pulse surveys and internal feedback systems

- Bots that attract and engage end users:
  - Retail bots that manage orders, get delivery notifications and push out trends or recommended items
  - Banking bots to help manage money and push insights to help with budgeting
  - Automate customer service channels to deliver a better end-user experience

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