



# How AI and machine learning is improving live chat for customers and businesses

This paper outlines how the latest in AI/machine learning can help optimise 'live chat' channels to improve the speed of resolution, provide more relevant responses and streamline the chat optimisation process.

## Problem Statement

Many companies are implementing live chat because it offers a better experience for some queries and some customers as well as cost savings for companies compared to voice. Indeed the channel has been growing 87% pa according to CustomerThink<sup>1</sup>.

BoldChat found that top reasons given for why live chat is preferred are immediacy of responses (71%), ability to multi-task (51%) and customers don't like talking on the phone (22%)<sup>2</sup>.

However canned responses, complex queries or poor staffing can lead to the opposite experience, with channel switching, repeat calls and abandonment or even churn. Misunderstandings can happen more frequently than a telephone conversation, and with both customers and agents multitasking, there is plenty of room for error. Offshore chat operations are often compounded with cultural issues and misunderstandings too.

Many businesses who deploy live chat do so with conflicting reasons i.e. is it to serve customers' channel preferences or save money. It is frequently treated as an 'alternative' to voice.

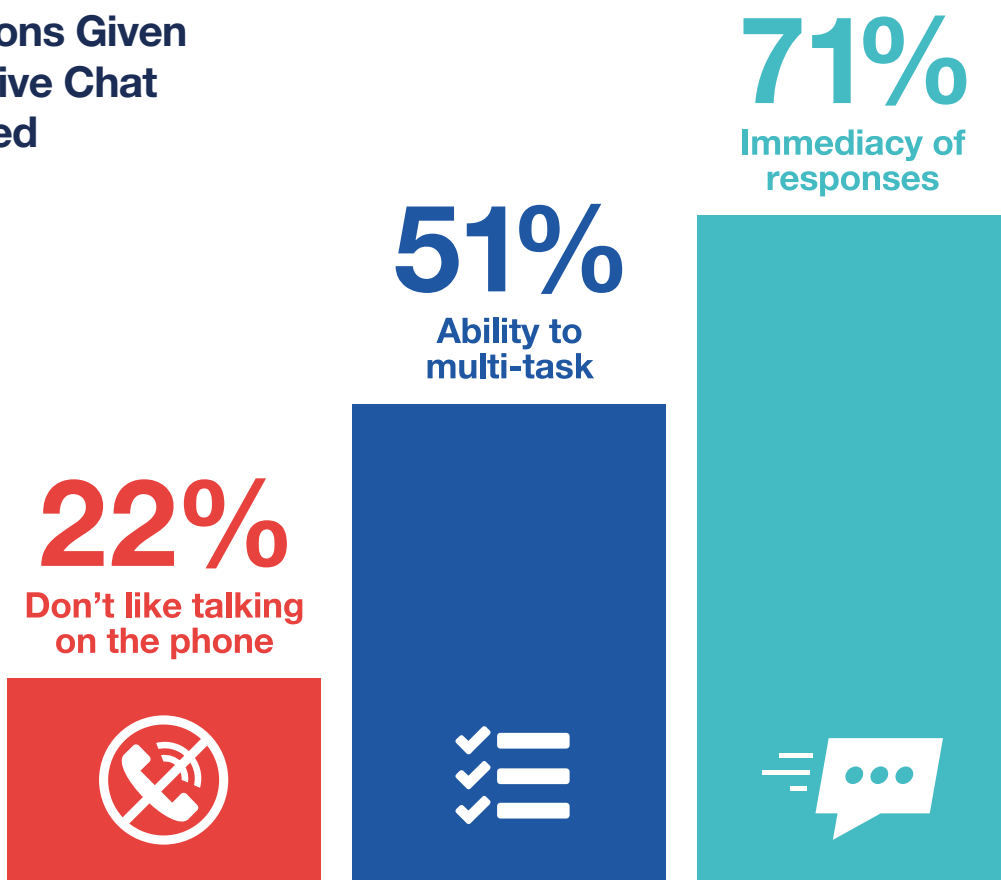
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## Top Reasons Given for Why Live Chat is Preferred

Source: BoldChat



## Solution

New techniques in AI and machine learning make the analysis of live chat both easy and immediately actionable. One such tool is PrediCX which is from the University spin-out Warwick Analytics. PrediCX is a machine learning platform that generates adaptive and highly customisable models specific to a particular chat stream. Its 'special sauce' is its ability to invite a non-technical human to assist with tuning the models in a rapid and efficient way.

Models can be automatically generated to auto-tag the chats with the customers' intent topic (or topics), sentiment and also emotional intent (e.g. if they're considering leaving or expressing some other actionable emotion).

The models can be used to drive insight specific to the customer in the moment (i.e. automation and next best action) enhancing the overall customer experience. They can plug natively into chat software APIs to automatically classify tags tuned to the specific requirements of the business.

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## Case Study

A leading FinTech business was experiencing hyper-growth and looking to improve its FCR (First Contact Resolution rate). Its primary channel was chat as it appealed to a certain demographic who preferred that medium.

Within a couple of days, PrediCX had generated a fresh, more accurate and more granular topic model and emotional intent 'root causes' of why customers had to re-contact the company. After previously trying to improve their model for months without effect, the FinTech business was able to action changes within a couple of weeks to make a massive step change in its FCR. It was able to move on to its next business challenge, as well as implementing auto-tagging, freeing up the agents from the several seconds of manual work (ACW, After Call Work) which was not done particularly well and only one tag at a time even if there were multiple issues.

One other benefit was that the business was able to move away from relying on customer satisfaction surveys, which were unreliable, increasingly infrequently completed, and had not proven useful in resolving business issues.

References: <sup>1</sup> <http://customerthink.com/5-customer-service-figures-defining-2017/>

**Live chat is here to stay and businesses can embrace the channel with all its benefits for both customers and themselves by using the latest machine learning technology to make its business continually better and its customers continually more satisfied.**

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