FORRESTER®

Customers Aren't Mad, They're Just Disappointed

Chatbots Fail To Live Up To Their Potential

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Customers Want To Use Chatbots, But Businesses Fail To Deliver Positive Chatbot Experiences

With 24/7 support and the autonomy to find solutions on their own, it's no surprise that customers want to engage with chatbots. Chatbots are often the face of a business — and therefore, what brand perception is based on. However, customers often encounter friction throughout their chatbot interactions that causes them to seek alternate means of communication, abandon their purchase, and avoid chatbots altogether for future questions. When faced with a positive chatbot experience, customers are more likely to remain loyal to the brand and seek out chatbots again.

In November of 2022, Cyara commissioned Forrester Consulting to explore the current state of chatbots, surveying 1,554 global consumers who have used sales and/or support chatbots in the last six months about their recent chatbot experiences and expectations.

Key Findings

Customers want to use chatbots. Customers like chatbots as they provide 24/7 support, faster response times, and autonomy. However, customers are often met with friction while interacting with them.

Negative chatbot interactions lead to unfavorable business outcomes. Challenges while using chatbots push customers to seek out alternate and possibly more expensive ways of interacting with a brand.

Positive chatbot experiences bring value to customers and businesses. Following good chatbot experiences, customers are more likely to continue engaging with a brand and seek out chatbots again.

Chatbots Are Your Brand's Voice

Customers *want* to use chatbots. A chatbot on a brand's website is the number one way customers who have recently interacted with a chatbot elect to engage with a brand. For these customers, chatbots rank higher than speaking directly with an agent or any other digital avenue.

Though chatbots are often a required starting point, customers use chatbots for a number of other reasons: looking for a simple response (the most common reason), when they can't find what they need, and when they need help outside of business hours. Customers continue to choose chatbots for 24/7 support, faster response times, and the autonomy to find what they need on their own, all of which customers view as the top benefits of using chatbots.

"How do you typically use a chatbot?"

50%
When I am looking for a simple response

49%
When I can't find what I need on a website

49%
If it is the only way to get my question answered

44%
When I need help outside of business hours

39%
As a desired starting point before speaking to a customer service agent

Base: 1,554 global consumers who have used sales and/or support chatbots in the last six months
Source: A commissioned study conducted by Forrester Consulting on behalf of Cyara, November 2022

Chatbots Have A Lot To Learn

As chatbots are often the way customers interact with a brand, it is vital for businesses to ensure a positive chatbot experience. However, this often doesn't happen in practice. Chatbot experiences fall short of customer expectations and frequently leave customers feeling frustrated. When asked about their most recent chatbot experience, customers on average rated it a 6.4 out of 10 — or a 64%, a D grade. Chatbot interactions overall scored poorly as well, with nearly 40% of interactions viewed as negative.

Customers Give Chatbots Low Marks

Please rate your most recent experience using a chatbot on a scale of 1 to 10, with 1 being the most negative and 10 being the most positive:

6.4

Thinking about your overall experience with chatbots, what percentage of interactions are negative?

38%

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Base: 1,554 global consumers who have used sales and/or support chatbots in the last six months
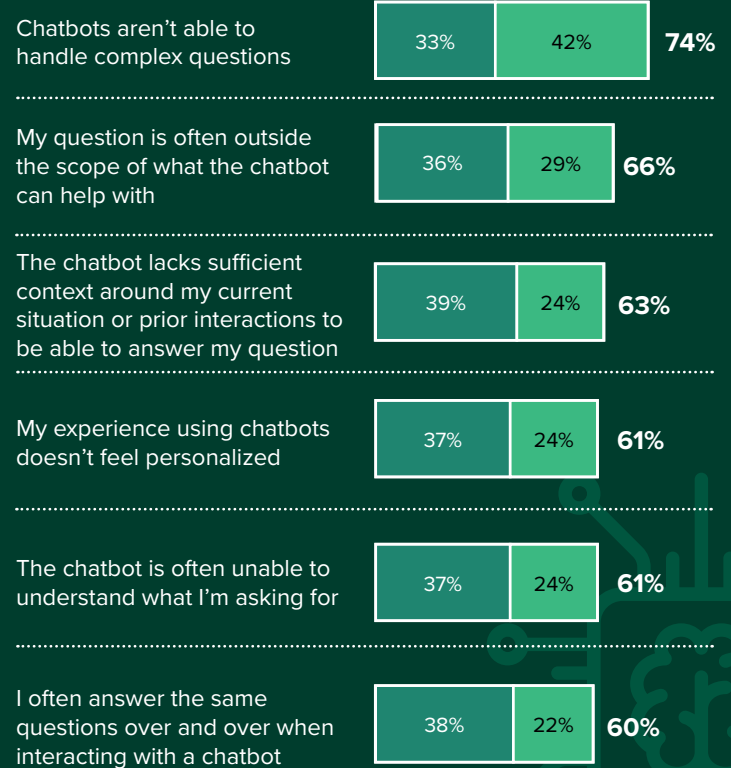Source: A commissioned study conducted by Forrester Consulting on behalf of Cyara, November 2022

Chatbots Today Are Limited And Often Can't Understand Questions

Chatbots often fail to deliver on customer expectations, leaving a poor customer experience in their wake. One issue is their lack of sophistication, with nearly three-fourths of customers agreeing that chatbots aren't able to handle complex questions. Sixty-one percent also agree that chatbots are often unable to understand what they're asking for.

Customers find that chatbots are also very limited in their ability to intake information, with 66% saying that their question is often outside the scope of what the chatbot can help with. Further, 63% find that the chatbot lacks sufficient context or knowledge of prior interactions, and 61% agree their experience doesn't feel personalized. Additionally, using chatbots often sends customers in a seemingly endless question loop, with 60% saying they often answer the same questions repeatedly when interacting with a chatbot.

Chatbots Struggle To Intake Information

● Agree   ● Strongly Agree

Chatbots aren't able to handle complex questions
| 33% | 42% | **74%** |

My question is often outside the scope of what the chatbot can help with
| 36% | 29% | **66%** |

The chatbot lacks sufficient context around my current situation or prior interactions to be able to answer my question
| 39% | 24% | **63%** |

My experience using chatbots doesn't feel personalized
| 37% | 24% | **61%** |

The chatbot is often unable to understand what I'm asking for
| 37% | 24% | **61%** |

I often answer the same questions over and over when interacting with a chatbot
| 38% | 22% | **60%** |

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Chatbots Struggle To Provide Answers And Solutions

Chatbots aren't only challenged in understanding inputs — they also struggle to provide satisfactory outcomes. Customers find that chatbots are often unable to provide accurate answers, with more than half of customers agreeing it is difficult to find a solution to their question or problem using a chatbot, and 48% saying the solution provided by the chatbot doesn't make sense in the context of their question. Customers also struggle to find alternate resolutions to their problems: 51% say they are often unable to connect with an agent even if they've exhausted the chatbot's responses.

Half of customers surveyed said they are **often frustrated** by their experience using chatbots.

Chatbots Are Limited In The Solutions They Provide

● Agree   ● Strongly Agree

It is difficult to find a solution to my question/ problem using a chatbot

33%

20%

53%

51%

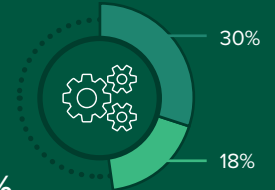I am often unable to connect with an agent, even if I've exhausted the chatbot's responses

33%

18%

I am often frustrated by my experience using chatbots

28%

22%

50%

48%

The solution provided by the chatbot doesn't make sense in the context of my question

30%

18%

Base: 1,554 global consumers who have used sales and/or support chatbots in the last six months
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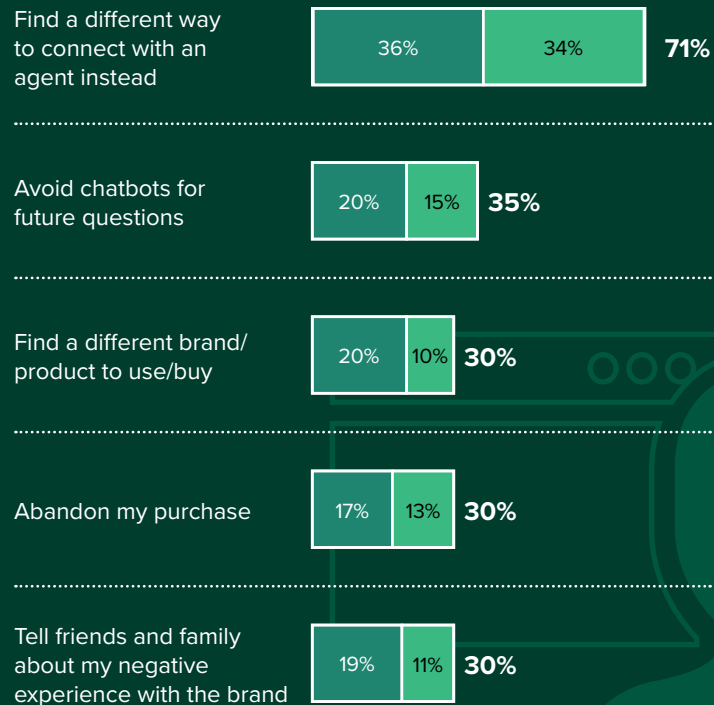
Negative Chatbot Experiences Push Customers To Seek Out Other Means Of Contact

Negative chatbot experiences undermine the very reason companies deploy chatbots in the first place. These negative experiences push customers toward more costly support options. Seventy-one percent of customers say they would find a different way to connect with an agent following a negative chatbot experience, and 35% would avoid chatbots altogether for future questions.

Negative chatbot experiences also have unfavorable cost and revenue implications for companies. Following a negative chatbot experience, 30% of customers said they are likely to use or buy from a different brand instead, abandon their purchase altogether, or tell their friends and family about their poor experience with the brand.

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"How likely are you to do the following after a negative chatbot experience?"

● Highly likely   ● Extremely likely

Find a different way to connect with an agent instead
36% | 34% | **71%**

Avoid chatbots for future questions
20% | 15% | **35%**

Find a different brand/ product to use/buy
20% | 10% | **30%**

Abandon my purchase
17% | 13% | **30%**

Tell friends and family about my negative experience with the brand
19% | 11% | **30%**

Positive Chatbot Experiences Bring Value To Customers And The Business

Alternatively, a good chatbot experience is beneficial for both the customer and the business. For customers, this means 24/7 support, which 69% of customers say is the top benefit of using chatbots, as well as other top benefits like faster response times and the ability to solve problems autonomously.
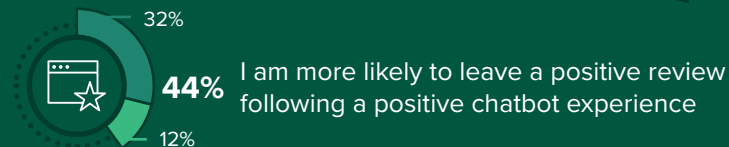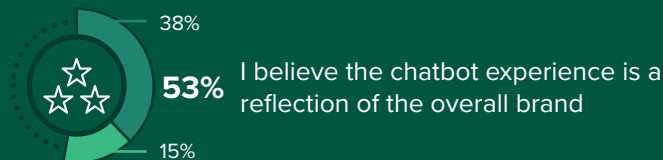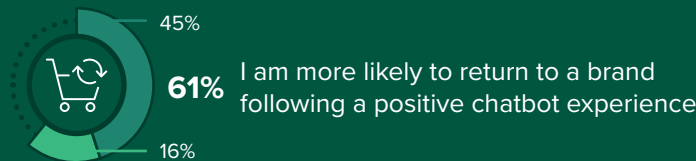
Positive chatbot experiences also bring value to businesses, as 43% of customers say that a positive chatbot experience has a significant or very significant positive impact on their feelings about a brand. Nearly 40% also said that a positive chatbot experience is very important or critically important to their ongoing relationship with a brand. Satisfied customers result in favorable revenue and cost implications for companies. Following a positive chatbot experience, customers are far more likely to return to a brand, recommend a brand to friends and family, and even seek out a chatbot again.

More than half of customers believe the chatbot experience is a reflection of the overall brand.

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Positive Chatbot Experiences Are Highly Valuable

● Agree   ● Strongly Agree

61%
45%
16%
I am more likely to return to a brand following a positive chatbot experience

56%
39%
18%
I am more likely to seek out a chatbot in the future after a positive chatbot experience

53%
38%
15%
I believe the chatbot experience is a reflection of the overall brand

46%
34%
13%
I am more likely to recommend a brand to friends/family following a positive chatbot experience

44%
32%
12%
I am more likely to leave a positive review following a positive chatbot experience

Base: 1,554 global consumers who have used sales and/or support chatbots in the last six months
Note: Total percentages may not equal separate values due to rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of Cyara, November 2022

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Chatbots are often what's leaving an impression on customers and determining whether the customer has a positive association with a brand. As customers continue to prefer interacting with brands through a chatbot, creating positive chatbot experiences becomes increasingly important. Businesses must invest in providing customers with positive chatbot experiences. Businesses that strive to meet customer chatbot expectations enjoy continued customer loyalty, boosts in reputation, and lowered support costs as their customers are less likely to seek out more expensive avenues of communication.

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Forrester's Customer Experience research group

Methodology

This Opportunity Snapshot was commissioned by Cyara. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of global consumers who have used sales and/or support chatbots in the last six months. The custom survey began and was completed in November 2022.

ABOUT FORRESTER CONSULTING

Forrester provides independent and objective research-based consulting to help leaders deliver key transformation outcomes. Fueled by our customer-obsessed research, Forrester's seasoned consultants partner with leaders to execute on their priorities using a unique engagement model that tailors to diverse needs and ensures lasting impact. For more information, visit forrester.com/consulting.

Demographics

COUNTRY	
United States	**28%**
United Kingdom	**27%**
Australia	**25%**
New Zealand	**7%**
Canada	**7%**
Ireland	**6%**

GENERATION	
Silent Generation	**1%**
Baby Boomer	**19%**
Gen X	**30%**
Millennial	**38%**
Gen Z	**12%**

GENDER	
Female	**56%**
Male	**43%**
Nonbinary, genderqueer, or gender-nonconforming	**1%**