infobip

eBook

Unlocking the potential of generative AI in CX

With research insights by

IDC

GenAI: Shaping the future of customer experiences

Artificial intelligence (AI), particularly generative AI (GenAI), has captured the attention and imagination of the world. GenAI democratized innovation, enabling businesses of all sizes to harness its power.

Unlike traditional AI models, GenAI's unique capability lies in its aptitude for creating new content from existing data sets, such as text, audio, video, images, and code, in response to concise prompts.

This makes GenAI a driving force in overcoming the "sea of digital sameness" by enabling businesses to create highly personalized, dynamic and efficient interactions throughout the customer journey.

According to IDC's Future of Customer Experience Survey, Asia-Pacific C-suite leaders see GenAI as their number one area of investment over the next 12 months.

GenAI-powered interactions hold tremendous promise for brands to deliver an enhanced, differentiated customer experience, particularly with its advanced natural language capabilities to support customer service and enhance engagement and satisfaction.

This eBook takes a closer look at how GenAI is enabling businesses to scale their customer service operations and provide more proactive and impactful customer experiences.

Percentage share of Asia-Pacific* investments

- Generative AI
- Rest of AI

2024
15%
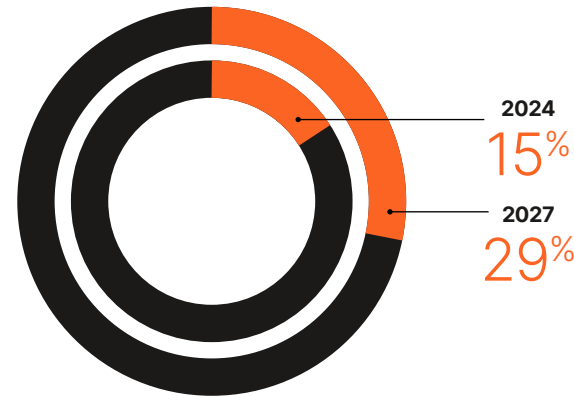
2027
29%

*Including China and Japan

Expansive world of AI

While all eyes are on GenAI, other forms of traditional AI technologies will still account for more than two-thirds of Asia-Pacific's total AI investments by the end of 2027[2].

Other forms of AI include interpretive AI (analysis of images or event data streams) and predictive AI (analysis of large data sets to identify long-term patterns in behavior and detect changes).

Asia-Pacific C-suite leaders see GenAI as their top investment areas for 2024-25[1]

Over 30% of enterprises cite commoditization due to increased competitive digital offerings as the number 1 factor impacting their future customer experience (CX) strategy[1]

Transforming CX challenges into opportunities with GenAI

Asia-Pacific business leaders identified the top 8 external factors impacting their future CX strategies. Leveraging GenAI-augmented solutions, organizations can effectively address these challenges and deliver empathetic customer outcomes and mitigate churn.

Top 8 factors impacting enterprise customer experience strategies

1

Accelerated pace of tech adoption

33%

Advancements in GenAI and digital capabilities transforming CX at a rapid pace

2

Inflationary pressures

32%

Rising costs of CX transformation services and IT vendors creating cost pressures

3

Product commoditization

31%

Increased digital offerings from competitors reducing product and service differentiation

4

Evolving skill sets

30%

Continually changing employee skill sets required to deliver innovative digital experiences

5

Workforce challenges

29%

Staff shortages impacting customer-facing service quality and availability

6

Data explosion

26%

Expanding volume and velocity of customer and market data requiring investments to manage and draw insights

7

Data privacy

25%

Customer data privacy acts and security regulations increasing organizational risks

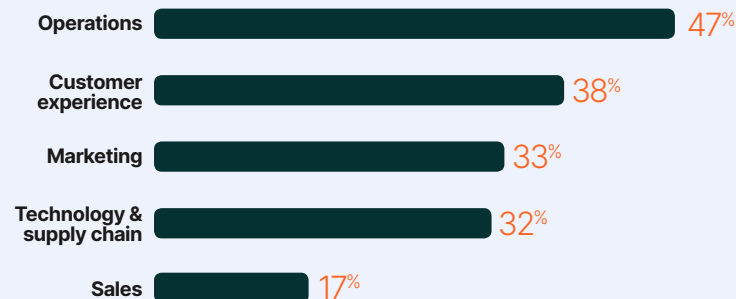**8**

Customer service costs

23%

Increasing costs for customer-facing services resulting in sub-par support experience

Top functional areas where GenAI is prioritized

GenAI is becoming increasingly popular in customer service and support areas. According to IDC research, customer-facing applications such as chatbots are one of the top 2 areas Asia-Pacific businesses are looking to integrate GenAI. Beyond enhancing customer support, GenAI is embraced by a broad spectrum of business functional areas.

Which of these functional areas have the highest priority for new GenAI initiatives in the next 12 months?
(% of respondents)

Functional area	%
Operations	47%
Customer experience	38%
Marketing	33%
Technology & supply chain	32%
Sales	17%

Source: IDC CEO Sentiment Survey, 2024, n=103

■ Customer-facing applications such as chatbots are one of the top 2 areas Asia-Pacific businesses are looking to integrate GenAI.
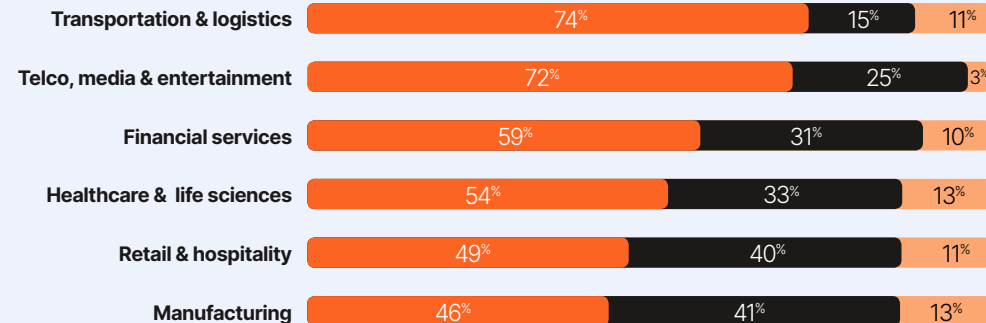
Source: IDC's Future Enterprise Resiliency & Spending Survey — Wave 1, January 2024, (n = 300)

GenAI adoption
(% of respondents)

■ Currently using   ■ Have plans to use/invest in GenAI in next 24 months   ■ Not using but exploring potential use cases

Asia-Pacific follows global industry trends in which transport and logistics, telecoms, media, and financial services are among the top adopters of GenAI.

Industry	Currently using	Have plans to use/invest in GenAI in next 24 months	Not using but exploring potential use cases
Transportation & logistics	74%	15%	11%
Telco, media & entertainment	72%	25%	3%
Financial services	59%	31%	10%
Healthcare & life sciences	54%	33%	13%
Retail & hospitality	49%	40%	11%
Manufacturing	46%	41%	13%

Source: IDC's Worldwide Generative AI Survey, 2023, n=607

■ **GenAI investments in the next 18 months**

Where businesses are planning significant investments in employee training and acquiring advanced GenAI software as well as consulting services
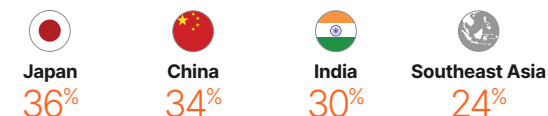
Japan	China	India	Southeast Asia
36%	34%	30%	24%

Source: IDC Future Enterprise Resiliency & Spending Survey — Wave 4, March 2024, n=100 China, n=50 India, n=50 Japan, n=50 Southeast Asia

How GenAI helps with better experience outcomes

GenAI offers a more expansive vision of personalization, one that is not just about businesses delivering curated content. Think empowered customers who curate their own experiences and pursue goal-directed outcomes while equally amplifying value for the company.

Multimodalities

- **Richer data**: Generate marketing content that integrates multiple forms of media (e.g., text, images, videos and audio).
- **Reduce cost**: Lower the costs associated with generating and consuming content across multiple modes of communication/channels.
- **Improve marketing**: Run more effective A/B testing campaigns and scenario planning on different customer engagements for omnichannel success.

Scaled creation

- **Enhanced creativity**: Scale the creation and publishing of high-quality, right-sized versions of product details and purchasing actions for multiple digital channels (e.g., commerce websites, social media, video streams, or mobile apps) in one go.
- **Get more efficient**: Reduce the time to create content and the cycle time from test to implementation. Faster reviews mean shorter time to market, increased volume of transactions and revenue to the business.

Unstructured data

- **Trend identification**: Identify patterns and correlations in unstructured data not available in traditional methods of analysis.
- **Data enrichment**: Ability to automate mapping of unstructured data provides a more comprehensive view of information for faster and better data-driven decision-making.

Conversational capabilities

- **Customer engagement**: Create richer and deeper dialogue with customers using chatbots and multilingual AI voice assistants.
- **Reduce friction**: GenAI's strong interpretation capabilities can lower friction in customer engagement (e.g., direct to customer interfaces) or improve efficiency (e.g., agent augmented service).
- **Augment call handing**. AI-powered conversational assistance helps accelerate inbound time to resolution.

Vast knowledge bases

- **Knowledge discovery**: Quick access to vast knowledge bases supports customer segmentation strategies and creates insights the right way.
- **Hypothesis testing**: GenAI allows businesses to begin with their own strategic goals first. They can then seek the right data that answers their questions, supporting or denying their hypothesis. This is preferable to looking at the data first and then trying to build clusters to form the right segmentation or to examine anomalies between data sets.
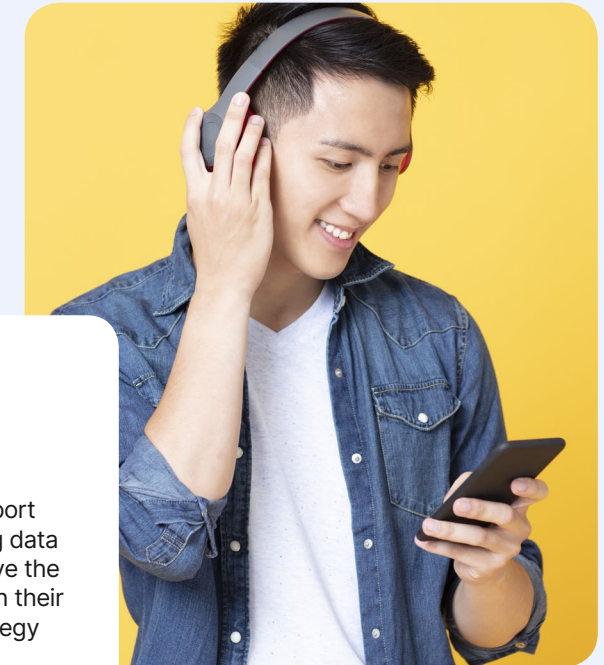
28%

of Asia-Pacific enterprises report that expanding data volume will have the most impact on their future CX strategy

Source: IDC's Future of Customer Experience Survey 2024

Leveraging GenAI throughout the customer journey

Awareness

- Creates personalized product/service recommendations and dynamic advertising content. Adopts conversational chatbots to engage customers and provide instant responses.
- Generates targeted marketing content and messages by analyzing customer data and preferences that resonate with the customer.

Consideration

- Assists in generating tailored product descriptions, explainer videos, and interactive product demos to help customers make informed decisions.
- By understanding the customers' needs and pain points, GenAI can create content that addresses their specific concerns and guides them through the decision-making process.

Purchase

- Helps streamline the checkout process by auto-filling forms, suggesting relevant add-ons or cross-sells, and providing personalized offers or discounts.
- GenAI chatbots can also address customer inquiries and provide real-time order updates, enhancing the overall purchasing experience.

Retention

- Fosters customer retention by creating personalized loyalty programs and customized product recommendations based on purchase history.
- GenAI-powered chatbots can assist customer-support teams to handle customer inquiries, complaints, and feedback, helping to address issues and maintain strong customer relationships.

Advocacy

- Helps generate personalized referral programs, curate user-generated content (e.g., product reviews and testimonials), and develop targeted social media campaigns.
- By understanding customer sentiment and behavior, GenAI can identify and amplify brand advocacy, further driving customer acquisition and loyalty.

CUSTOMER ACQUISITION

Awareness | Consideration

Advocacy | Purchase

Retention

CUSTOMER EXPANSION

Benefits

| Hyper-personalization | Brand differentiation | Enhanced customer experience | Improved customer engagement | Higher conversion rate | Enhanced efficiencies (serve more with less) |

GenAI in action for better CX

Infobip works with brands to build innovative and customized AI solutions for better customer experiences and support. For instance, LAQO Insurance and Apollo 24|7 deployed Infobip's AI experts and chatbot building platform, Answers. The outcome: a seamless digital experience with a lighter workload for customer service agents, and improved customer engagement.

Financial services
## LAQO Insurance

Croatia's first fully digital insurance company adopted Pavle, a GPT-enabled assistant for customer support. Implementing GenAI digital assistance has made it possible to optimize its customer service resources and offer 24/7 personalized support to deliver enhanced client experiences. LAQO's agents can now focus on complex cases and customer acquisition.

| **30%** ✓ of queries are handled by the AI digital assistant | **90%** ✓ of queries are solved with only 3-5 messages exchanged | AI agents can resolve damage claims within ✓ **24hrs** |

https://www.infobip.com/customer/laqo
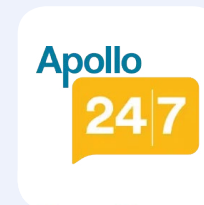
Healthcare
Apollo 24|7

The Indian healthcare platform aimed to create more personalized and digitalized healthcare experiences to improve overall CX for end users. With AI-powered CPaaS and SaaS solutions from Infobip, the platform managed to speed up time to resolution and boost conversion rates.

| **95%** ✓ omnichannel delivery rate | **67%** ✓ chatbot engagement rate | **15%** ✓ conversion rate increase |

https://www.infobip.com/customer/apollo-247

Source: Published Infobip customer case studies

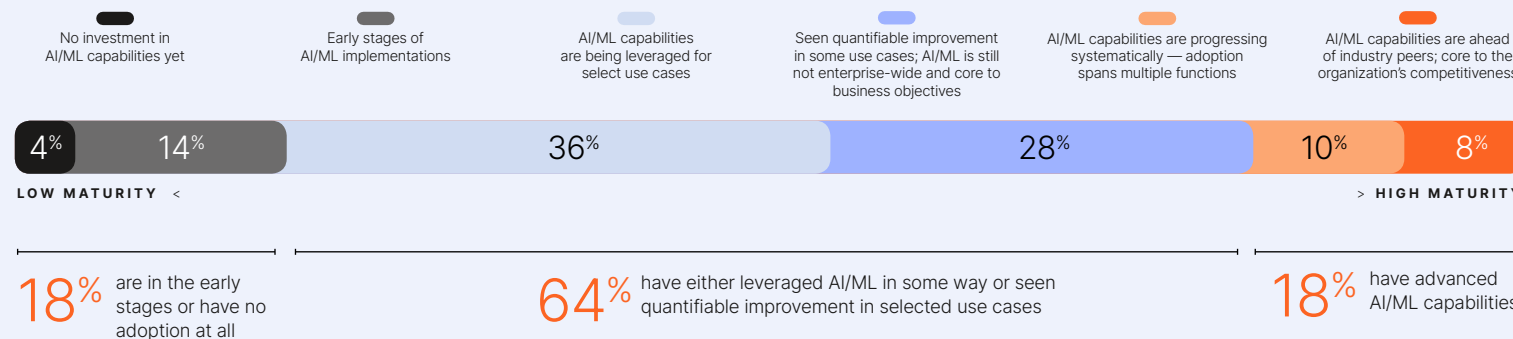# AI promises major potential but adoption is in progress

69%

of CEOs in Asia-Pacific believe that there is a 'significant' opportunity for them to **leverage AI to drive differentiation and new business growth.**

Source: IDC CEO Survey 2024, Feb 2024

State of AI and machine learning adoption in Asia-Pacific

While GenAI use cases will become more expansive, providing transformative potential across various business functions, many businesses are still only in the early to mid-stages of adopting AI and machine learning (ML).

(% of respondents)

- No investment in AI/ML capabilities yet
- Early stages of AI/ML implementations
- AI/ML capabilities are being leveraged for select use cases
- Seen quantifiable improvement in some use cases; AI/ML is still not enterprise-wide and core to business objectives
- AI/ML capabilities are progressing systematically — adoption spans multiple functions
- AI/ML capabilities are ahead of industry peers; core to the organization's competitiveness

| 4% | 14% | 36% | 28% | 10% | 8% |

LOW MATURITY <   > HIGH MATURITY

18% are in the early stages or have no adoption at all

64% have either leveraged AI/ML in some way or seen quantifiable improvement in selected use cases

18% have advanced AI/ML capabilities

■ Southeast Asia is marginally higher (21%) than the overall Asia-Pacific region (18%) in terms of businesses that have reached the advanced stages of AI/ML adoption.

■ **GenAI in production environments still a minority**

Businesses that have successfully deployed several applications/services enhanced by GenAI into their production environments and are now focused on companywide usage

Southeast Asia 5%
India 4%
China 3%
Japan 2%

Source: IDC Future Enterprise Resiliency & Spending Survey — Wave 4, March 2024, n=100 China, n=50 India, n=50 Japan, n=50 Southeast Asia

Source: IDC Data-driven Intelligent Enterprise Survey, 2023, n=300

Next steps in the GenAI journey to better CX

How can organizations unlock the full potential of GenAI to enhance customer experiences? Addressing these key challenges will help them do so, while maintaining control, trust, and alignment with customer value and regulatory requirements.

Staying focused on customer value and outcomes

Ensure the implementation of GenAI prioritizes customer needs and delivers tangible benefits, rather than using the technology for its own sake.

Ensure control of proprietary data

Maintain control over internal data and how it is used, especially in the training of GenAI models, to prevent unauthorized access or misuse.

Work with a partner to manage brand risk and regulatory compliance

Address potential brand reputation risks and ensure the GenAI solutions adopted are compliant with relevant regulations, such as data privacy laws.

Safeguarding customer trust

Establish robust data governance and privacy measures to protect customer data and build trust in how GenAI is leveraged to enhance customer experiences.

"I think GenAI will empower us to create fully automated flows for conversational experiences. Customers can get welcome messages, product recommendations, pre- or post-purchase support, and so on through one automated conversation."

Ivan Ostojić
Chief Business Officer
Infobip

The Infobip Advantage

Global reach and local presence

- 9,700+ global connections
- Connect with over 7bn people and things
- Strong enterprise client base
- 70+ offices on 6 continents

Our local presence enables us to react faster and have everyday interactions with our customers, providing solutions in-line with their needs, local requirements and based on proven global best-practices.

Scalable, fast and flexible solutions

- Best-in-class delivery rates
- High speed and reliability
- Low latency
- In-house developed platform

Our solutions are created to adapt to the constantly changing market and communication trends at speeds and levels of precision and personalization that only an in-house solution can offer.

Remarkable customer experience

- Technical expertise
- Solutions consultancy
- Customer success management
- 24/7 support and network monitoring

We will help you to get up and running in no time, whether it's assisting with integrations, messaging best practices or solutions consultancy.

Own infrastructure

- Locally available services
- Compliance to local regulations
- 40 data centers worldwide

Our worldwide infrastructure easily scales horizontally, leveraging the hybrid cloud model to never run out of resources. Our built-in global compliance engine is constantly updated with the latest in-country regulations and operator requirements.

Gartner®

Gartner® Magic Quadrant™ for CPaaS, 2024
Infobip is named a Leader

JUNIPER RESEARCH

Juniper Research
CCaaS Leader
2022, 2023

OMDIA

Omdia Universe
CPaaS Leader
2022, 2023

IDC

IDC MarketScape
A CPaaS Leader
2021, 2023*

metrigy

Metrigy CPaaS MetriRank report
Ranked as #1 CPaaS Provider 2023

ROCCO

Rocco
Best Customer Engagement Platform 2020
Best A2P SMS Vendor 2018, 2019, 2020, 2021, 2022

TRUST IN ENTERPRISE MESSAGING

HIPAA COMPLIANT

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BUREAU VERITAS Certification

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