



Jumpstarting the Gen-AI Journey in CX: 7 Mistakes to Avoid

A Xerago Whitepaper

Understanding Cross-Device Journeys

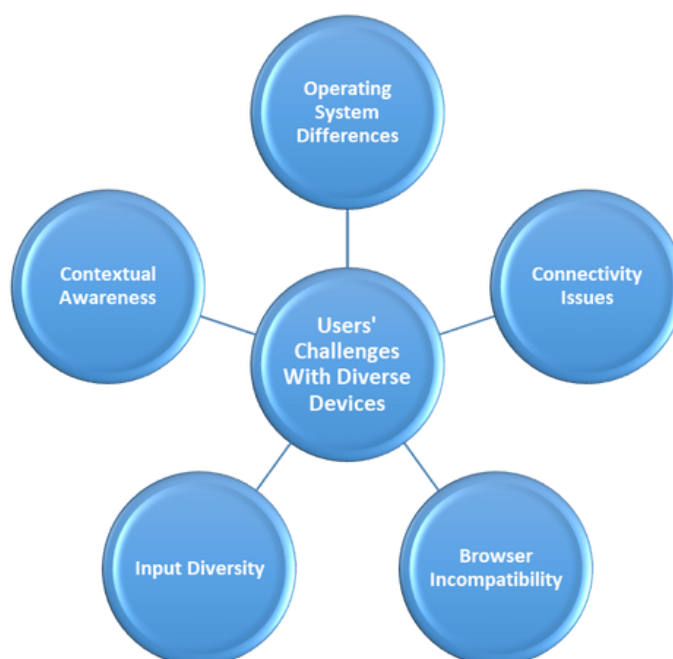
A. Definition and Significance of Cross-Device Journeys

"Cross-device journeys encapsulate the comprehensive user experience as individuals navigate seamlessly across an array of digital platforms and devices. This includes, but is not limited to, the fluid interaction observed on smartphones, tablets, laptops, and desktops."

The significance of understanding cross-device journeys lies in the evolving nature of user behavior. Users expect a consistent and coherent experience as they navigate through websites, applications, or services on different devices. A failure to meet these expectations can lead to frustration, abandonment of tasks, and a negative perception of the brand. It is crucial for businesses to grasp the intricacies of these journeys to deliver a seamless, accessible, and inclusive user experience.

Cross-device design is important both for inclusivity and compliance. Inclusivity ensures that individuals of all abilities, including those with disabilities, can navigate and interact with digital content. Compliance, on the other hand, involves adhering to accessibility standards such as the Web Content Accessibility Guidelines (WCAG), which not only promote inclusivity but also mitigate legal risks and uphold ethical practices in the digital landscape.

Challenges Faced by Users with Diverse Devices and Assistive Technologies



Abstract:

Generative AI (Gen-AI) holds unparalleled potential to revolutionize the customer experience (CX) landscape, seamlessly integrating into every interaction. From customer calls, meetings to chats, AI technology has the capability to provide continuous support. By harmonizing with human agents, the collaborative potential between AI and humans presents boundless opportunities to craft a more dynamic and fluid CX experience. Gen-AI has shot to the top of executive agenda and CX professionals are eager to capitalize on them. However, to deliver real value it must be implemented with a thoughtful strategy and measurable outcomes in mind. This whitepaper explores seven critical mistakes companies must avoid when jumpstarting their Gen-AI journey.

Introduction:

2023 has been the year of Gen-AI bringing the power of this technology to the general public eyes. While AI has always been a top tech priority of business, the proliferation of Gen-AI models and chat interfaces has propelled Gen-AI into the limelight. Particularly, in the CX landscape, Gen-AI holds immense potential in customer-facing initiatives, revolutionizing interactions by providing personalized, responsive, and intuitive experiences.

As CX executives are expediting Gen-AI implementations, it's important to remember that there are no shortcuts to success. There have been a myriad of AI success stories and other chatbots like Bard and Chat-GPT that have been successfully extended with proprietary enterprise data. At the same time, there have been cases where harnessing Gen-AI models has gone horribly wrong.

For instance, take the recent case of [Air Canada](#) that suffered losses when its chatbot hallucinated fake policies to a customer. While the court case did not cost much in terms of financial liabilities, it led to a huge setback for the company's customer service reputation.

Thus, it's important to not rush into Gen-AI implementations without assessing its common pitfalls. Many organizations endeavor to embrace Gen-AI, only to grapple with the complexities of implementation, often finding themselves entangled in a quagmire.

While majority of business leaders are prioritizing Gen-AI investments, 66% of executives are ambivalent or outright dissatisfied with their organization's Gen-AI progress.

Source - BCG

With that in mind, here are seven common mistakes companies may be making in their Gen-AI strategy – and ways to avoid those mistakes. But before that, let's explore the prevalent risks of deploying Gen-AI in the customer experience landscape.

Risks of Deploying Generative AI in Marketing and CX

While Gen-AI presents immense opportunities, it's necessary to acknowledge potential risks associated with this technology:

- **Data Biases and Ethical Concerns:** AI models are trained on existing data, which can perpetuate societal biases if not carefully monitored. Businesses must ensure their Gen-AI implementations are fair and unbiased.
- **Lack of Transparency and Explainability:** The inner workings of complex AI models can be opaque. For responsible marketing practices, understanding the reasoning behind AI-generated content is crucial.
- **Security Vulnerabilities:** AI models can be susceptible to manipulation or hacking. Robust security measures are essential to protect sensitive customer data and ensure the integrity of AI outputs.
- **Over-reliance on Automation:** Replacing human interaction entirely with AI-powered chatbots can create a sterile and impersonal customer experience. The human touch should remain a vital aspect of CX strategy.

7 Mistakes to Avoid in your Gen-AI Journey

Mistake 1: Jumping in the Bandwagon without a Clear and Coordinated Strategy

It is easy to get swept up in the excitement of futuristic technologies, but vital that any plan for Gen-AI adoption contains a clear vision, with milestones and metrics outlined for success. There are several ways Gen-AI can deliver impact in your customer-facing or customer-touching initiatives. Without a clear and coordinated strategy, most companies end up piloting isolated use cases and realizing pockets of value but missing the bigger picture. To fully harness Gen-AI, organizations need a deliberate strategy that coordinates efforts across customer-facing operations for maximum impact.

Key Components of Gen-AI Strategy

| Vision | Value | Risks | Adoption |
|---|---|---|---|
| <ul style="list-style-type: none">• Business goals• Future Scenarios• Use case identification | <ul style="list-style-type: none">• Business impact• Success metrics | <ul style="list-style-type: none">• Change management• Regulatory• Security• Legal and Ethical | <ul style="list-style-type: none">• Value map and use case prioritization• Governance and tech stack |

Mistake 2: Misaligned Use Cases: Focusing on the Wrong Applications

Gen-AI offers a vast array of capabilities, but its effectiveness hinges on selecting the right applications for your specific needs. Implementing Gen-AI for the wrong task can lead to wasted resources, underwhelming results, and even potential harm. Therefore, it's best to carefully evaluate which CX areas or marketing challenges can be most effectively addressed by Gen-AI. For instance, Gen-AI excels at personalizing content and automating repetitive tasks, but complex customer inquiries might still benefit from human interaction. Before full-scale implementation, conduct a pilot project with a well-defined use case to assess Gen-AI's effectiveness and identify potential roadblocks.

Companies should prioritize potential AI use cases based on their impact, followed by an assessment of associated risks, and finally, considerations related to data-readiness. The evaluation involves determining the availability, permissions, accessibility, and cleanliness of data for a specific use case. If these criteria are not met, the company opts to explore alternative use cases before initiating the AI implementation process.

Prioritize Use Cases by:



Impact



Risk



Data-Readiness

Mistake 3: Implementation Bottlenecks: Getting Stuck in the Pilot Stage

Many companies get bogged down in the pilot stage, endlessly testing and refining Gen-AI models without ever scaling up to achieve business impact. While it's good to focus on pilot experiments, organizations need to scale beyond the proof of concept phase and create a path to production. This will enable them to develop capabilities and roll out the technology in a methodical way.

Here's how to avoid this mistake:

- **Set Clear Milestones:** Establish clear milestones for your pilot project with defined success metrics. This ensures you're not endlessly tweaking without a clear path to production.
- **Develop a Scalable Architecture:** Design your Gen-AI implementation with scalability in mind. Consider factors like data storage, processing power, and integration with existing systems to ensure a smooth transition to full-scale deployment.

Mistake 4: Doing it Alone: Lack of Expertise

The increasing demand for skills across various industries, coupled with a limited talent pool, poses a challenge for businesses looking to internally assemble a proficient team through strategic hires. According to a survey, a prime challenge hindering the adoption of Gen-AI is shortage of skills and talent. Thus, most companies will need to rely on a partnership model to develop domain-specific capabilities and build maturity.

When selecting a Gen-AI partner, organization should consider:

- **Strategic experience:** There may be several niche Gen-AI partners, but how well do they understand the enterprise IT and infrastructure complexity? It will be immensely helpful to work with a partner that understands these complexities and can handle multiple technology initiatives concurrently with the Gen-AI roadmap.
- **Outcome-driven approach:** The outcome-driven approach prioritizes achieving specific, measurable goals rather than focusing solely on outputs or activities. In the context of Gen-AI implementation for CX and marketing, this means starting with well-defined objectives, such as improving customer satisfaction or increasing brand loyalty. The entire strategy then revolves around selecting and implementing Gen-AI solutions that have the highest probability of achieving these desired outcomes. This ensures that Gen-AI is not deployed for the sake of novelty but rather as a strategic tool for driving tangible business and customer experience improvements.

Mistake 5: Ignoring Legal, Ethical and Regulatory Risks

Underestimating the legal, ethical, and regulatory risks associated with Gen-AI can swiftly translate gains into losses. Failure to ensure data privacy, uphold ethical principles like fairness and transparency, and comply with relevant regulations can lead to hefty fines, reputational damage, and even legal repercussions. This disregard not only jeopardizes your business but also erodes consumer trust and undermines the potential benefits of Gen-AI for society as a whole. Therefore, prioritizing responsible deployment, adhering to ethical frameworks, and remaining compliant with evolving regulations is paramount for any organization venturing into the realm of Gen-AI.

Remember, ethical and responsible practices are not just a box to check, but an essential foundation for building trust, mitigating risks, and fostering sustainable success with Gen-AI.

Mistake 6: Over-reliance on Custom Gen-AI Models

While the allure of building customized Gen-AI models specifically tailored to your needs is understandable, it can often be an expensive and time-consuming exercise. Developing and maintaining robust, high-performing Gen-AI models requires significant resources, including access to vast datasets, specialized expertise, and ongoing maintenance. For many organizations, especially those starting their Gen-AI journey, these resources might be limited. Fortunately, a plethora of pre-trained and readily available Gen-AI models exist, offering access to powerful capabilities without the hefty development costs.

By evaluating these pre-trained models and fine-tuning them to your specific needs, you can often achieve significant benefits while saving time and resources. This allows you to focus on integrating and adapting existing models, rather than starting from scratch, ultimately accelerating your Gen-AI implementation journey and maximizing the return on your investment.

Mistake 7: Lack of Human Oversight and Collaboration: Replacing Humans with Machines

Gen-AI is a powerful tool, but it's not a replacement for human expertise and empathy. The most successful CX strategies leverage the strengths of both AI and human interaction. The recent experiences some companies have had with conversational-AI chatbots is relevant here. While these chatbots are adept at handling routine customer inquiries, complex customer issues and concerns are best left to human agents.

Thus conversation chatbots must be trained with a human in the loop approach to hand over sensitive and complex customer queries to human agents. Else, they may risk leaving customers frustrated, disillusioned or worse misinformed, as in the case of the Air Canada example above.

- **Focus on Human-AI Collaboration:** View Gen-AI as a tool that empowers human customer service representatives and marketing professionals. AI can handle routine tasks, freeing up human expertise for complex problems and personalized interactions.
- **Continuous Improvement:** Constantly evaluate and refine your Gen-AI implementation based on user feedback and performance metrics. Ensure your AI models adapt and improve over time.

Conclusion

The advent of Gen-AI has ushered in a transformative era for customer experience. While the potential benefits are vast, organizations must tread cautiously to avoid common pitfalls in their Gen-AI journey. This whitepaper has shed light on the risks associated with deploying Generative AI in marketing and CX, emphasizing the need for a strategic and measured approach.

In essence, the Gen-AI journey is not merely a technological evolution but a strategic initiative that demands a nuanced understanding of its potential and risks. By learning from common mistakes and embracing best practices, organizations can embark on a Gen-AI journey that not only enhances customer experiences but also propels them toward a future of innovation and sustainable success.



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