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Gartner for Customer Service Leaders

# Revolutionize Customer Service with GenAI

Insights from Industry Peers



Customer service and support leaders are under pressure to leverage generative AI (GenAI) in their organizations. They can learn from peers currently experimenting with GenAI to understand how those peers are approaching use cases, deployment and funding.

# Overview

## Key Findings

- Most customer service and support leaders experimenting with GenAI are pursuing multiple use cases simultaneously, with real-time speech and text translation as the top use cases currently being implemented. The median number of use cases actively pursued simultaneously is seven.
- Customer service and support leaders who have put a use case into production report receiving the benefits they sought: increased productivity, enhanced customer experience (CX) and reduced cost.
- Customer service and support leaders who have put a GenAI use case into production are more likely to permit employee experimentation within established guidelines than leaders who are still implementing, experimenting or planning their GenAI investment.
- When asked what portion of their functional budget will be allocated to GenAI initiatives, most (72%) of service and support leaders report they'll spend 3% to less-than-10% of their functional budget on GenAI investments.

## Recommendations

- Decide which use cases to pursue by prioritizing GenAI use cases that improve productivity or efficiency. Use the ROI from this investment to make the case for additional funding.
- Maintain a two-way dialogue with customer service reps about how technology is changing their role and how GenAI tools can help them work. Focus groups can help uncover reps' feelings about new technological capabilities and identify opportunities for reskilling and upskilling.
- Work with vendors to realize GenAI's benefits quickly and safely. Use best practices to adopt foundational models that can be safely adapted for enterprise contexts, and only take on the cost and risk of training your own model if you have experience and a business justification for doing so.
- Accelerate innovation while mitigating risk by implementing clear guidelines for employee use of GenAI. Coordinate with IT, legal and other groups responsible for AI trust, risk and security management (TRiSM).

# Data Insights

## The State of GenAI in Customer Service

Sixty percent of customer service and support leaders report they are under pressure from leaders in their enterprise to adopt GenAI.<sup>1</sup> Yet, much remains unknown about how to capture the value of this technology and what benefits to expect.

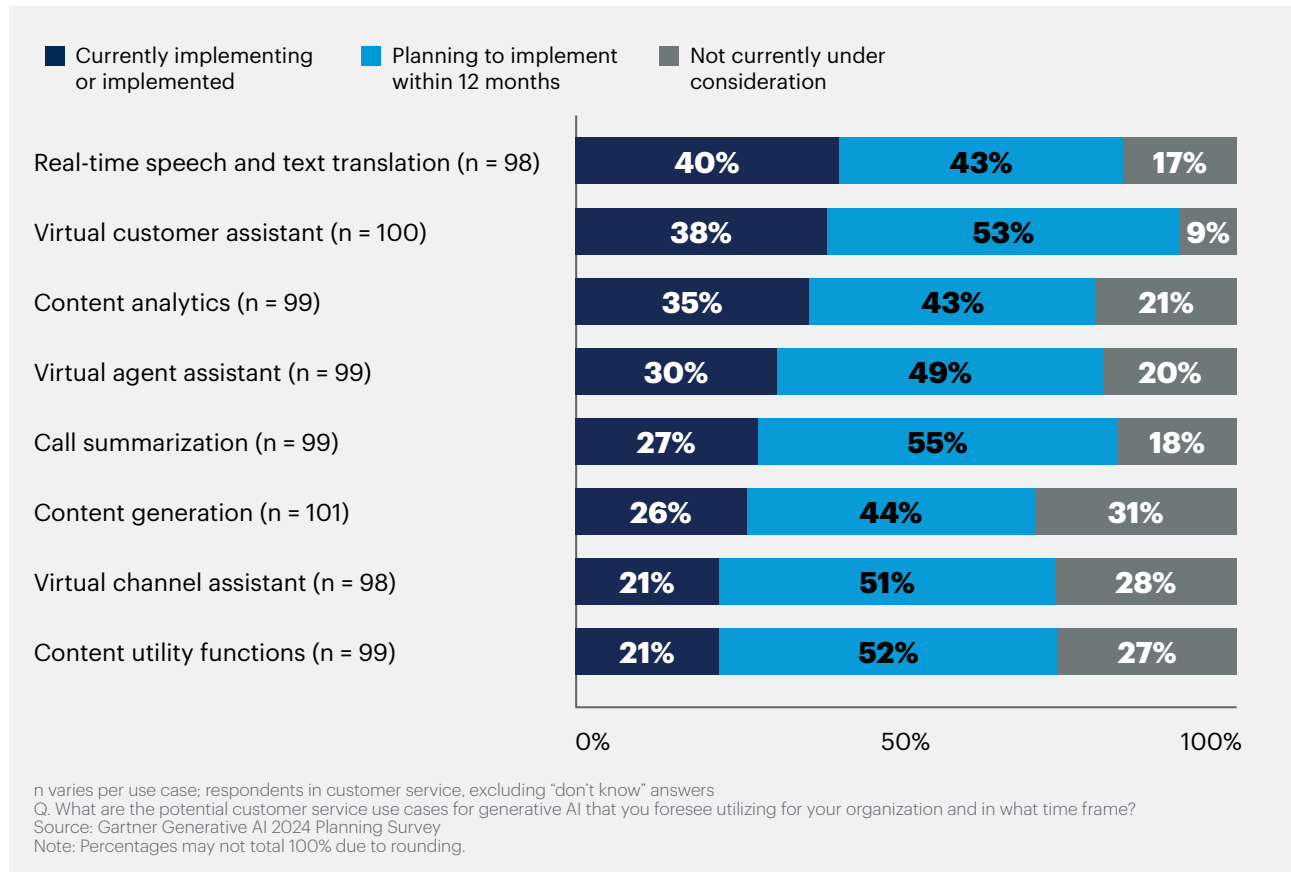
To help inform service and support leaders' decision making, we conducted a survey to examine GenAI use-case implementation and impact. The respondents consisted of 822 business executives, who indicated they will begin or continue to implement GenAI within the next 12 months (note: this survey was fielded in late 2023). This report analyzes the responses of the 102 service and support leaders who participated.<sup>2</sup> All data appearing in this report originates from this survey, unless otherwise specified.

## Leaders Pursue Multiple Use Cases Simultaneously

Rather than focusing their investment on one use case at a time, we found that customer service and support leaders are pursuing most of the popular GenAI use cases simultaneously. When looking at the use cases implemented or soon to be implemented (within the next 12 months), leaders are pursuing a median of seven out of the eight use cases listed in the survey. Isolating the use cases leaders have already implemented or are currently implementing, the median number of use cases pursued is two.

Of the eight use cases listed in the survey, the top use cases currently being implemented are real-time speech and text translation and virtual customer assistants (see Figure 1).

**Figure 1: Customer Service Use Cases for Generative AI**



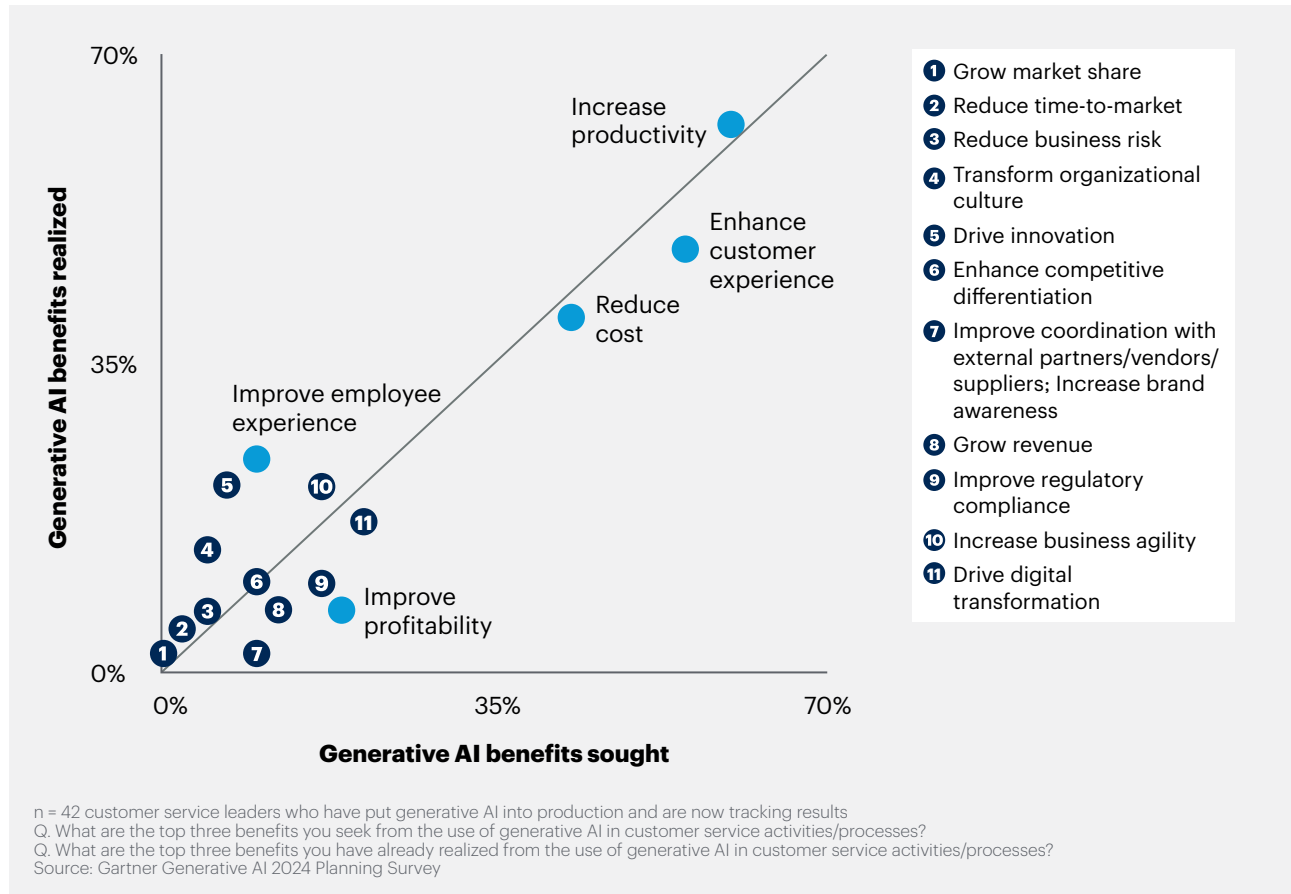
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Begin your GenAI investment with internal-facing use cases, in which there is still a human-in-the-loop to check for accuracy. Once you've built confidence from internal-facing use cases, then pursue customer-facing GenAI solutions.

**Leaders Mostly Receive the Benefits They Seek**

When we asked customer service and support leaders to list the Top 3 benefits they were, or are, seeking from their GenAI investments, they prioritized increasing productivity, enhancing CX and reducing cost. When we looked at the benefits realized by the 42 service and support leaders who have already put a use case into production, we found they most commonly cited the same three benefits (see Figure 2).

**Figure 2: Top Benefits Sought vs. Realized From Generative AI**  
 Percentage of respondents — sum of top 3 ranks



The benefits realized largely map to the benefits sought, but there are a few areas where leaders sought more of a benefit than they realized and vice versa. While 19% of leaders listed “improved profitability” as a top benefit sought, only 7% listed it as a top benefit realized. Conversely, while only 10% of leaders listed “improved employee experience” as a top benefit sought, 24% of leaders listed it as a top benefit realized.

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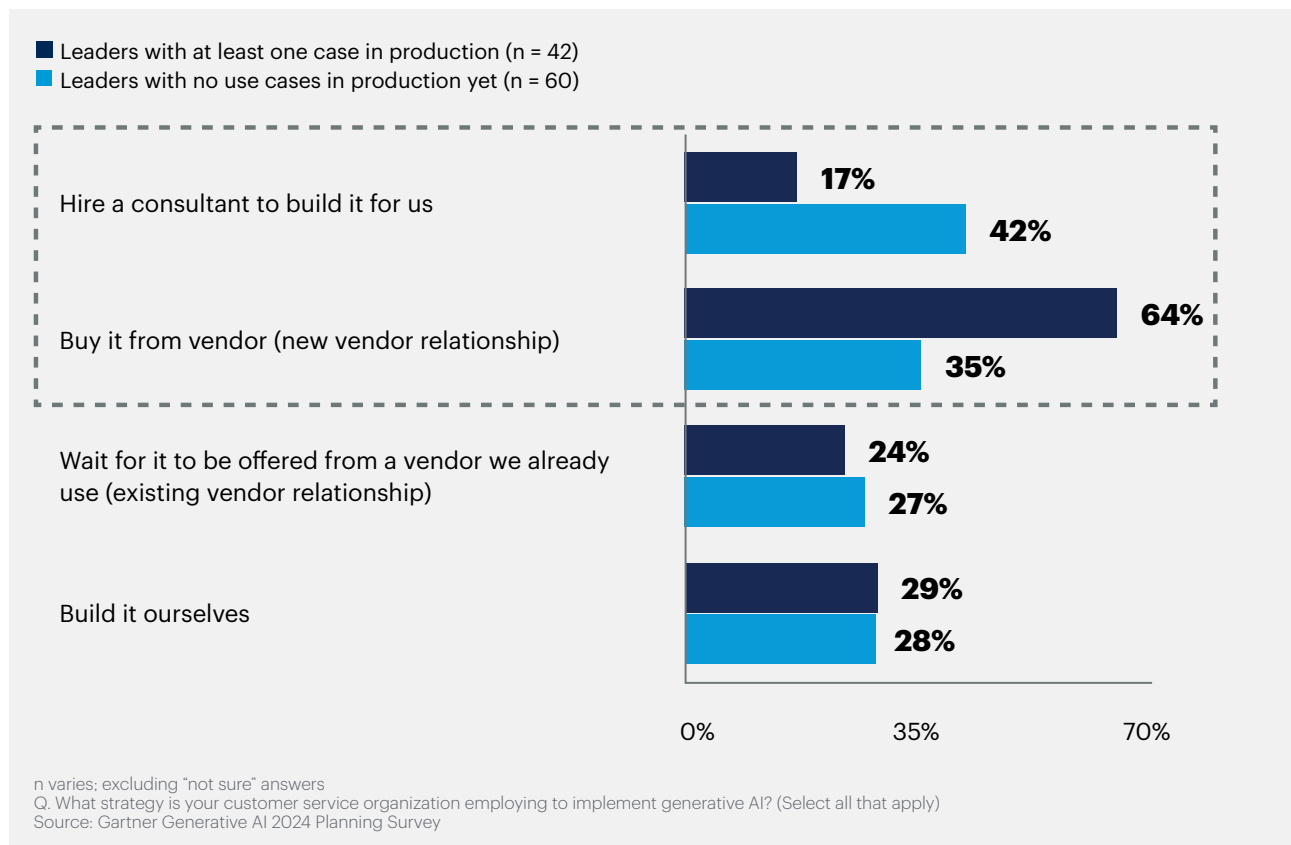
Leaders may overlook how GenAI can improve employee experience because there’s been so much hype about GenAI taking employees’ jobs. (For a realistic look at the job landscape in the wake of GenAI, Companies need to be transparent with agents about how GenAI will impact their work and have a formal method for gathering and responding to employee feedback when rolling out new GenAI tools. Doing so helps employees embrace GenAI as a tool for eliminating value-eroding parts of their work, not perceive it as an existential threat.

### Early Deployers Are More Likely to Buy From Vendors

Leaders can take different approaches to deploying GenAI. They can build a solution, either with the help of hired consultants or internal talent. They can also buy a solution, either by partnering with a new vendor or waiting for it to be offered by a vendor with which they already have a relationship. Most companies mix and match their approaches, as appropriate, for different use cases.

Leaders who have already put at least one use case in production are more likely to report having bought a GenAI solution from a vendor with which they had no preexisting relationship (see Figure 3). Leaders who have not yet put any use cases into production are more likely to say they are hiring a consultant to build a solution.

**Figure 3: GenAI Implementation Strategies By Speed of Deployment**  
Percentage of respondents



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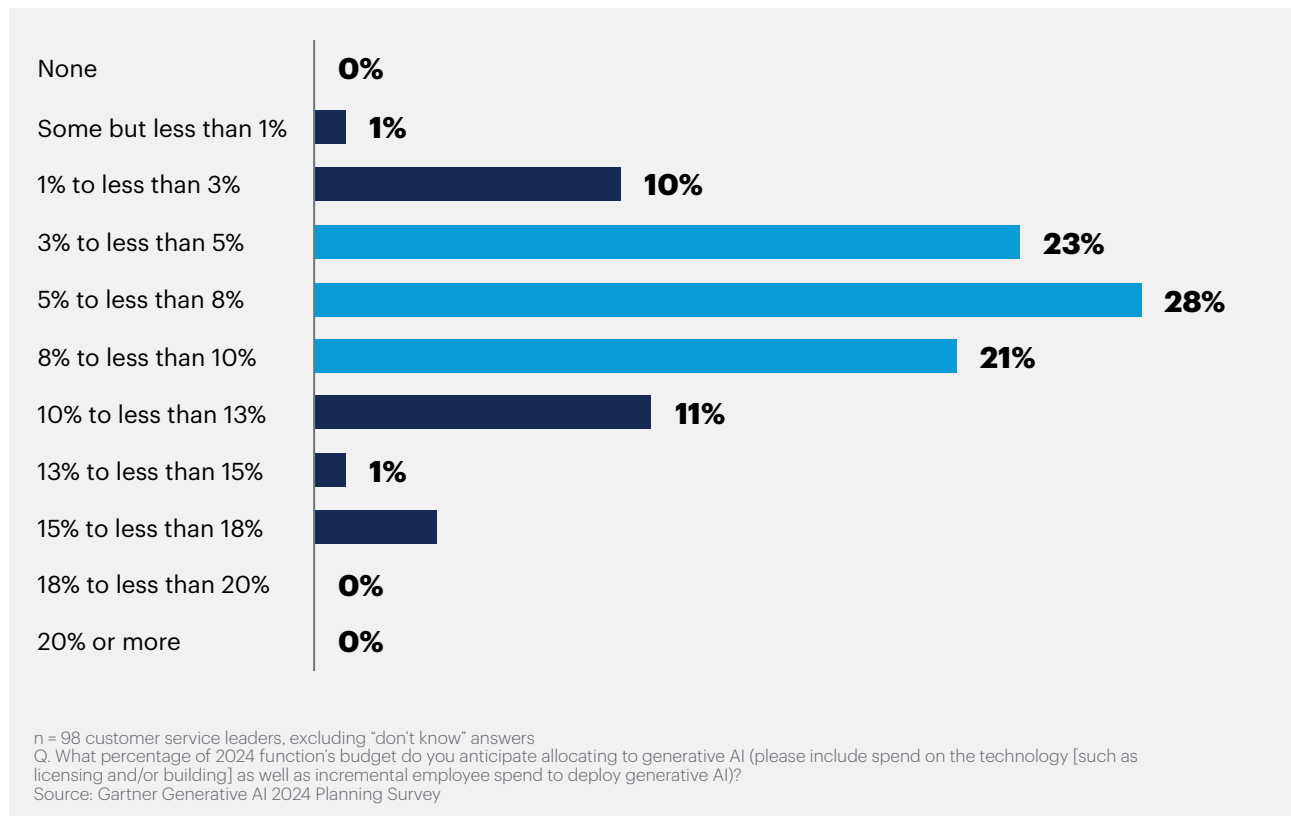
Work with a vendor to deploy a GenAI solution quickly and safely. Speed has multiple benefits. Quick wins from an early GenAI solution can help you garner funding for more ambitious GenAI initiatives. The confidence and experience you gain from a managed service solution will prepare you for deploying a homegrown solution, if you choose to pursue it later in your GenAI roadmap. A quick deployment also helps establish the customer service and support organization as a first mover within your company.

### GenAI Investments Supported by Functional and Central Budget

The amount of budget customer service and support leaders plan to allocate to their GenAI investment varies. Out of their total functional budget, most leaders (72%) report they'll spend 3% to less than 10% on GenAI (see Figure 4).

**Figure 4: 2024 Functional Budget Allotted to GenAI**

Percentage of respondents



When it comes to funding their GenAI initiatives in 2024, most service and support organizations will also receive some financial support from a centralized budget. Out of the total cost of their GenAI initiatives, leaders expect their organization's corporate budget to cover a median of 11%, leaving the remaining 89% to be covered by a functional budget (or other sources). Ten percent of leaders report that 100% of their GenAI spend will be covered by a central budget. Only 2% of leaders report they receive no central funding for GenAI projects.

### **Gartner Insight**

Securing funding for technology initiatives is a persistent problem for service and support leaders. Fortunately, GenAI has shifted many executive leaders' risk-reward assumptions.

Executive leaders who have historically seen the service and support organization as a cost center have — thanks to GenAI — realized its potential as a site of innovation. In our research on the 2024 Top Priorities for Customer Service and Support Leaders, this opportunity to secure funding was a common theme.

**“Generative AI has so much potential, and that potential is understood by leaders outside customer service and support. Before, pushing for investments was a bottom-up effort: I would say, “I need this,” but my need was competing against every other function’s need. Now, the executive leadership team is saying, “We hear other companies are being transformed by GenAI. What are you going to do?” I am being asked instead of having to push for that attention to my priorities.”**

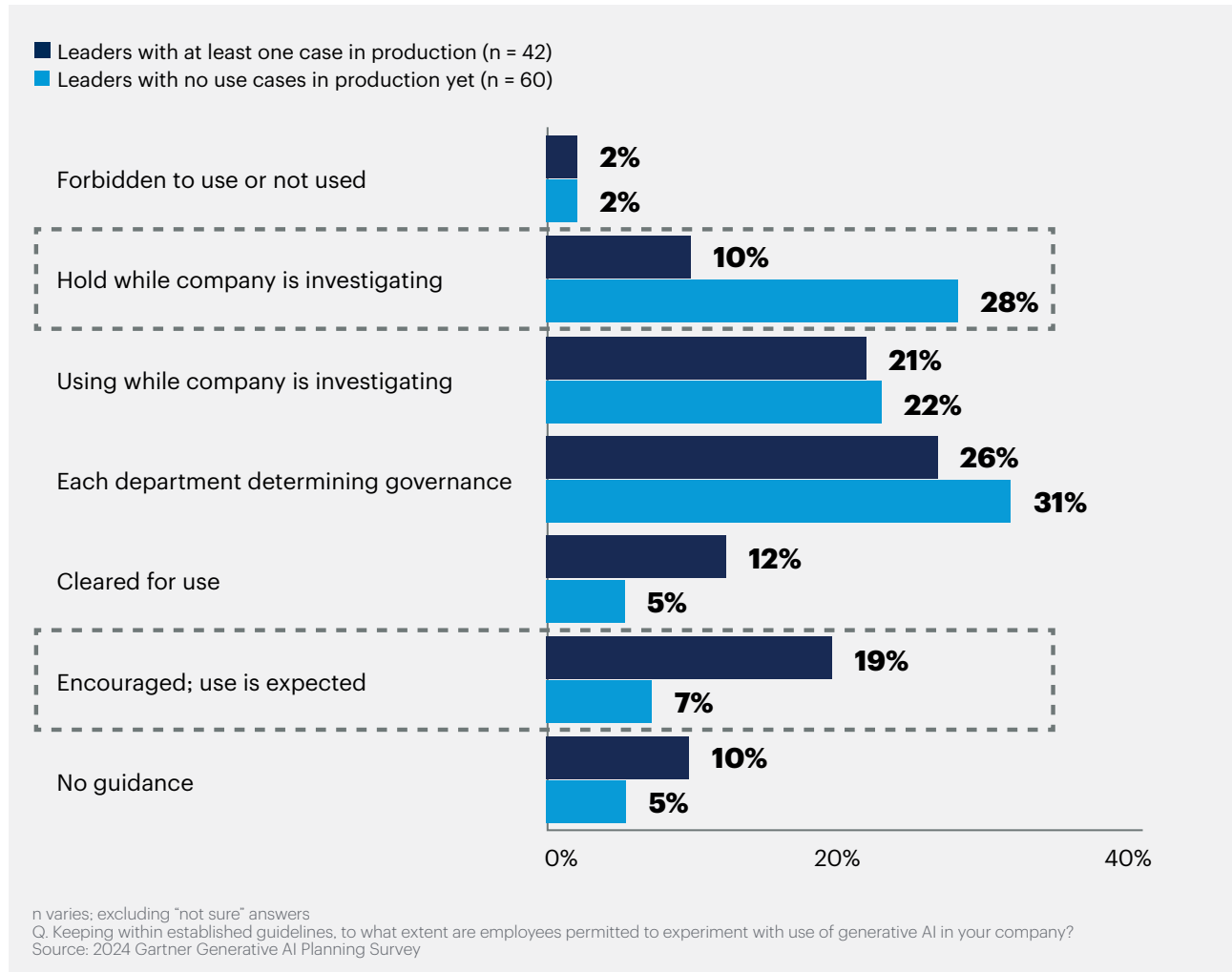
B2B Customer Service and Support Leader [3]

### **Early Deployers Are More Likely to Encourage Experimentation**

Senior leaders regularly debate how much freedom to allow employees when it comes to using GenAI in the workplace. Some organizations have forbidden employees from using the technology or asked them to put their use on hold. Others have encouraged it.

There's a clear relationship between speed of deployment and attitude toward employee experimentation. Leaders who have put at least one use case into production are less likely to put employee experimentation on hold than those who have not put a use case into production (see Figure 5). They are more likely to encourage employee experimentation within established guidelines and are likely reaping the benefits of bottom-up innovation as a result.

**Figure 5: Stance on Employee Experimentation With GenAI**  
 Percentage of respondents



**Gartner Insight**

Policies forbidding the use of GenAI in the workplace aren't always effective. In our 2023 future of work survey, we found that 19% of employees who had used GenAI in their work in the last 12 months had done so at an organization that had prohibited its use.<sup>4</sup> More importantly, forbidding experimentation misses an opportunity to learn from employees. Twenty-one percent of leaders who have deployed a GenAI solution listed "drive innovation" as one of the top benefits received.<sup>2</sup> GenAI is not just an innovation, it is an innovation that begets innovation.

To reap the benefits of bottom-up innovation while managing risk, we suggest leaders work with IT, legal and other control groups to implement clear guidelines for employee use of GenAI.

## Evidence

<sup>1</sup> Gartner Customer Service and Support Priorities for 2024 Survey.

<sup>2</sup> Gartner Generative AI 2024 Planning Survey.

<sup>3</sup> Gartner CSS Priorities for 2024 Interviews.

<sup>4</sup> 2023 Gartner Employee Perspectives on the Future of Work Survey. The 2023 Gartner Employee Perspectives on the Future of Work Survey was conducted to understand employee expectations and belief (both concerns and/or hopes) regarding various future of work trends.

# Actionable, objective insight

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## eBook



### Start Your Generative AI Adoption Process

Learn how to improve your service using GenAI capabilities.

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## Tool



### Customer Service AI Use Case Prism

Discover how to reduce operating expenses and improve the CX.

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## Guide



### Top Predictions for Customer Service Leaders

Uncover the challenges and benefits of adopting customer service AI strategies in service operations.

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## Template



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Learn how to develop a clear, concise and measurable strategic plan.

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