

ebook

5 priorities for customer service leaders in 2025

Proven strategies to realize the full potential of people-first AI



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Enhancing engagement: How AI will redefine customer experience in 2025

Despite the rapid evolution in how companies interact with their customers, the core of what customers value hasn't changed: an exceptional experience. If a brand falls short, customers won't just walk away—they'll make their dissatisfaction known, warning family, friends, and even social media followers about the poor interaction.

Most brands get only one chance to get it right. According to Forbes, 64% of customers said they'd find others to do business with if the company doesn't provide good customer service, no matter how much they enjoy the product. Even more concerning, <u>13%</u> of unsatisfied customers will tell 20 or more people they are unhappy with their experiences.

The rise of AI and AI agents has introduced a new wave of customer expectations. In this era, companies that swiftly adopt AI and seamlessly integrate it into their customer experience (CX) strategies are gaining a competitive edge. They're seeing real, measurable benefits from AI-powered solutions, from enhanced customer self-service to improved agent productivity.

Al provides a unique opportunity to engage with customers quickly and personally, responding to their needs in ways that were previously unimaginable. It's no longer just a tool—it's a game-changer for

customer service.

Looking ahead to 2025, the mission for customer service leaders is clear: leverage AI to drive meaningful, measurable improvements in service delivery.

So, how can leaders approach this challenge effectively?



Invest in AI agents to provide friendly, human-like conversational experiences

When it comes to customer support, three factors define success: a positive tone, accurate answers, and timely responses. All agents bring the best of both worlds together, seamlessly blending empathy and efficiency to deliver superior service experiences.

Al agents are a revolutionary advancement in customer service technology. These intelligent tools emulate human conversations, offering instant, 24/7 support across multiple channels. By managing high volumes of inquiries, they significantly reduce response times while enhancing overall customer satisfaction.

The impact of AI agents is profound. By 2025, Gartner predicts <u>80%</u> of customer service and support organizations will be applying generative AI technology in some form to improve agent productivity and customer experience. These tools are already taking a considerable load off human agents, resolving routine inquiries and allowing teams to focus on more complex tasks.

According to Metrigy, AI will handle up to 65.7% of inquiries by 2025, and contact centers without AI will

need 2.3 times more staff to keep up–underscoring the competitive edge of AI integration.

Already, we've seen some positive signs of its impact - our customers are getting faster responses, and the AI agent has been able to handle several low-level queries, freeing up our team to focus on more complex issues. Data so far suggests a 10% decline where we have deployed AI agents, in customer interactions via chat that need an agent.

Simon Birch

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Customer Services Manager, Hobbycraft

But how do customers feel about interacting with AI? The latest survey by <u>Forbes</u> reveals that while only 30% of consumers are familiar with the term "AI agents," 78% are eager to engage with them. In fact, 59% of customers believe AI will improve future customer service, reflecting growing trust in these technologies.

The rise of AI agents can be attributed to their remarkable ability to deliver human-like, personalized interactions that resonate with users. They maintain context in multi-turn conversations, detecting emotions like frustration or confusion to tailor their tone and responses accordingly. By efficiently handling follow-ups and escalating complex issues to human agents, they ensure consistent, high-quality interactions that drive satisfaction.

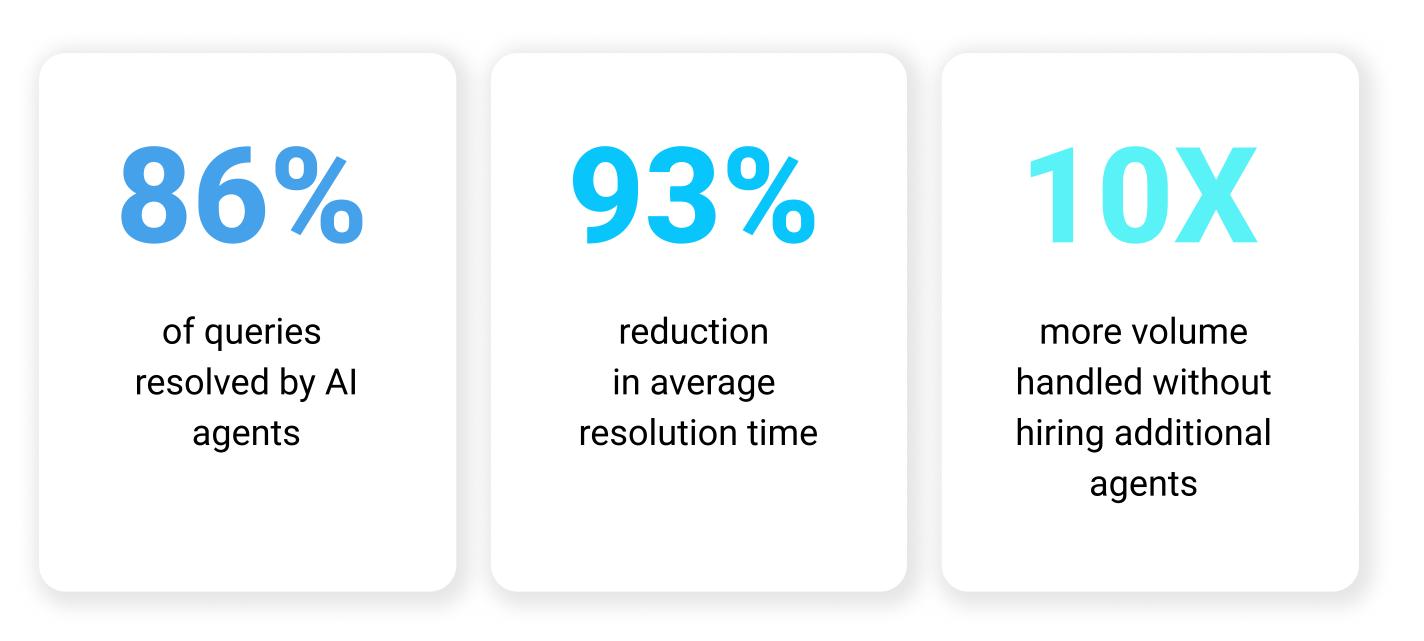
In short, AI agents are not just tools; they're a strategic necessity for scaling customer service with empathy, precision, and speed.

<u>Hobbycraft</u>, a UK-based arts and crafts retailer, has seen a 25% increase in customer satisfaction leveraging AI agents, a 30% reduction in response times across channels, and 82% of tickets are resolved at first contact.

Why should you act on this priority?

Freddy AI Agent delivers seamless resolutions, improving satisfaction

and efficiency



Source: Freddy AI Agent: Smart, secure & autonomous support that's always-on



Provide omnichannel experiences to keep your customers heard and connected

Today's customers <u>overwhelmingly</u> expect to interact with brands across multiple channels, but they demand one thing above all: consistency. When support is inconsistent in speed, knowledge, or availability, it doesn't just frustrate customers—it pushes them straight to competitors offering a better experience.

Despite the clear importance of omnichannel platforms in delivering seamless support, they remain underutilized. According to a recent CX Network report, 55% of CX practitioners identified enhancing user experience across devices and channels as a top goal for 2024. However, only 11% prioritized building an omnichannel platform to achieve it. Similarly, while 37% aimed to reduce handle times and lost inquiries, many overlooked how omnichannel integration could address these challenges directly.



Every incoming ticket is 100% qualified, and each act is linked to the customer file, which allows us to give agents a complete vision and better serve the customer.

Frédéric Pilloud Digital Director, Digitrips

A well-executed omnichannel strategy is not just a "nice-to-have"—it's essential for meaningful customer engagement. An omnichannel strategy ensures support no matter where your customers are and empowers agents to anticipate needs, personalize experiences, and resolve issues faster. The impact is undeniable. Companies with robust omnichannel engagement strategies report <u>10%</u> year-over-year growth, a 10% increase in average order value, and a 25% boost in close rates.

<u>Digitrips</u>, a leading B2B and B2B2C travel company managing approximately 750,000 trips annually across France, Belgium, and Italy, faced challenges in handling a surge of customer requests through disparate channels like email, ticketing, live chat, and chatbots.

While omnichannel adoption is often seen as a sign of CX maturity, it's important to note that omnichannel is not exclusive to fully mature organizations. While more mature companies typically have the resources and strategic alignment to implement a seamless omnichannel experience, organizations at different stages of CX development can also benefit from adopting an omnichannel strategy.

Jennifer Petersen

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Senior director, product management for Freshwork

To enhance operational efficiency and customer experience, Digitrips adopted Freshworks' generative AI-powered omnichannel platform. This integration streamlined all communication channels, providing agents with a comprehensive view of customer interactions. As a result, the company achieved a 73% improvement in response time, with 69% of tickets resolved in less than 24 hours, and maintained a 99% chat satisfaction rate.

A unified agent workspace will help agents rapidly engage with customers, improving resolution time.

For businesses aiming to stay competitive in 2025 and beyond, embracing omnichannel is no longer optional—it's the key to delivering exceptional, connected experiences that customers expect.

Why should you act on this priority?

A well-executed omnichannel strategy drives significant growth in customer engagement and business outcomes

30%

reduction in ticket average handling time with unified agent workspace

(Source: <u>The Total Economic Impact of</u> Freshdesk Omni 2024)

82%

customer satisfaction score was achieved by Decathlon, even as ticket volumes surged 17x

(Source: <u>Customer Service Benchmark</u> <u>Report 2024</u>)

\$1,255,156

cost savings through deflection to self-service and lower-cost channels

(Source: <u>The Total Economic Impact of Freshdesk Omni 2024</u>)

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Priority 3

Boost agent productivity by offloading repetitive tasks to AI copilots

Over the past decade, customer expectations for fast and personal support have surged. As a result, customer service teams face intense pressure to tackle high query and issue volumes without compromising the speed or quality of support.

Despite attempts to ease their workload through various tech solutions, 43% of support agents say they are overwhelmed by the number of systems and tools needed to do their job, and 62% report that their systems provide unnecessary information, according to <u>Gartner research</u>.

Take the case of Monos, a Canadian luxury luggage brand. As the company grew, Monos was under pressure to handle a growing volume of tickets without overloading their agents. Imagine the stress, workload, and burnout!



Al frees up agent time to analyze data to identify gaps within the business and solve them, which is more fulfilling for our employees.

Jacen Cabading

Senior care specialist at Monos

Monos isn't alone; customer service leaders globally recognize the struggle of keeping their teams happy and productive. In fact, a recent Freshworks' survey found that 70% of decision-makers experience higher agent attrition due to poor agent experience, with 65% of them indicating that their agent attrition has increased by 15% to 30% in the past 12 months.

To ensure team members stay motivated, engaged, and empowered to handle their everyday responsibilities, customer service leaders must prioritize how they support their agents and admins.

Fortunately, recent advancements in technologies such as generative AI have tremendous potential in automating repetitive work to help agents get ahead of their workload. Generative AI-powered assistance can empower agents to deliver faster and more empathetic support that garners customer trust.

> Generative AI can continually learn from all of the interactions your agents have with customers. If you are using a copilot, it can help your team give a personalized experience by understanding customer tendencies. Imagine the benefit of being able to answer customer questions before they even think about asking them!

Dan Medina

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Director of customer service operations at iPostal1

Gen-Al-powered agent assist tools like Al copilots can act as agents' personal assistants by crunching large amounts of text to create quick responses or summaries while suggesting the next best steps for faster resolutions. Gen Al also offers advantages to team administrators and supervisors, who can use natural language prompts to automate repetitive tasks like setting up workflows and creating agent profiles.

With AI copilots, Monos went from struggling to reply to 200 emails with 15 agents to managing 3,000 emails and 600 chats per day with a team of 31.

Why should you act on this priority?

Freddy AI Copilot helps automate mundane tasks, improving agent productivity and customer satisfaction



increase in agent productivity using AI copilot

> (Source: <u>Customer service</u> <u>benchmark report 2024</u>)

56%

less agent time spent summarizing tickets

(Source: <u>Freshworks Value</u> <u>Engineering Assessment</u>)

70 hours saved by each agent per year with automation



admin hours saved annually with automated ticket assignment

(Source: <u>Forrester's TEI study of</u> <u>Freshworks Customer Service Suite</u>)

(Source: Forrester's TEI study of Freshworks Customer Service Suite)

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Fuel customer loyalty through meaningful interactions

Over the past decade, business leaders have come to realize the importance of retaining existing customers for predictable growth. <u>Research by Frederick Reichheld of Bain & Company</u> reveals that a mere 5% increase in customer retention rates can lead to a 25-95% boost in profits.

Positive customer experiences significantly influence brand loyalty and customer retention. About <u>43%</u> of U.S. and U.K. customers say a previous positive experience with a brand is a key factor while making new purchases. Additionally, 83% of customers express increased loyalty to brands that respond to and resolve their complaints.

With Freshworks' CRM and customer service products, we are able to get a holistic view of our customers, have better governance over sales productivity, pipeline, and in turn move our business forward.

Brian Shia

Head of corporate solutions at Lalamove

When companies prioritize delivering exceptional customer experiences, they can extend customer lifetime value (CLV) by influencing repeat purchases and strategically positioning more upsell opportunities. According to a <u>McKinsey</u> report, loyal customers are 64% more likely to buy more frequently and 31% more willing to pay higher prices.

Organizations are better able to deliver value-added experiences when they smash the silos between their customer-facing teams, namely their customer service and sales teams.

Take Lalamove, a fast-growing on-demand delivery platform based in Hong Kong. The company faced a challenge common to many organizations—disconnected sales and support functions that hindered customer engagement. By adopting a 360-degree customer view, the company eliminated data silos and integrated sales and support operations, leading to faster deal closures and more personalized follow-ups.

The results were striking. By creating detailed customer profiles and providing a unified view of customers to their sales and customer service teams, Lalamove saw a 24% rise in sales conversions and a 58% increase in customer engagement.

In 2025, empower your customer service team with contextual insights that extend beyond issue resolution to help guide purchase decisions that directly contribute to business growth.

Why should you act on this priority?

A unified view helps agents and sales teams drive growth through informed conversations and upsell opportunities

85%

customer retention rates achieved during Black Friday sales with outstanding customer experiences

(Source: <u>Monos-Freshworks</u> <u>case study</u>) 24%

increase in sales conversions and 58% increase in customer engagement with a unified sales and customer service solution

(Source: <u>Lalamove-</u> <u>Freshworks case study</u>)



increase in sales revenue via chat with a consolidated view of customers' past interactions, purchases, and preferences across sales and customer service teams

(Source: <u>Blue Nile-</u> <u>Freshworks case study</u>)



Transforming customer service from cost center to strategic advantage

Customer service (CS) has long been seen as a cost burden — a necessary function to resolve issues, often with little recognition of its broader impact on business outcomes. However, this outdated perception is no longer sustainable. In an age where customer expectations are rising and loyalty is harder to earn, businesses must shift their mindset and recognize CS as a strategic imperative that drives growth, loyalty, and customer satisfaction.

Here's the real problem: outdated processes, disconnected systems, and overworked agents lead to slow responses and frustrated customers. The result? Forrester's survey reveals that businesses bleed money – to the tune of \$200K annually in lost agent productivity alone. It's a costly cycle that hurts both operational efficiency and customer satisfaction.



The future of AI agents is moving from 'react and respond' to 'anticipate and act.' It's about AI that's proactive, smarter, and a step ahead, enabling work to be smoother, freeing up time, and boosting decisions with data-driven insights.

Mika Yamamoto

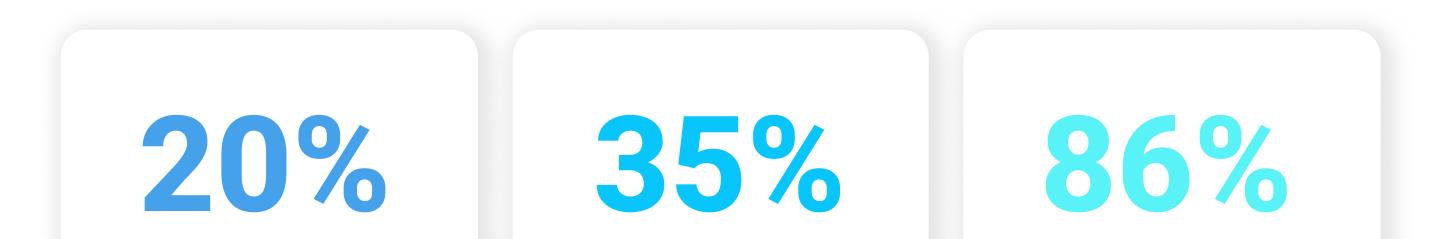
Chief Customer and Marketing Officer at Freshworks

The answer lies in creating a complete view of your customer. Thirty percent of CS leaders say that having a unified view across channels is key to delivering great experiences. Imagine knowing exactly what your customer needs, across all touchpoints, and resolving issues before they even have to ask. That's the power of integrated insights. Technology, especially AI, plays a pivotal role in this transformation. AI empowers CS leaders with proactive insights, augments agent productivity, and enables self-service options for customers. The survey highlights that 39% of decision-makers plan to double down on AI to streamline processes and improve decision-making. AI doesn't just address immediate pain points; it helps businesses plan for the future by creating scalable, efficient service models.

Transforming customer service into a strategic pillar means equipping agents with the right tools to deliver exceptional experiences. As they become more empowered, businesses see faster resolutions, stronger loyalty, and sustainable growth. When CS shifts from a reactive function to a proactive growth engine, it creates lasting value that drives innovation and efficiency.

Why should you act on this priority?

Harnessing the full potential of AI can help transform customer service into a catalyst for growth



of digital budgets in most industries are allocated to analytical Al highlighting why leaders are doubling down on data-driven approaches

(Source: McKinsey)

of CS agents believe that AI helps them turn a poor experience into a positive one

> (Source: <u>Freshworks'</u> <u>AI Workplace Report</u>)

CSAT achieved by understanding critical service metrics and quickly addressing customer and agent pain points

> (Source: <u>Jupiter Money-</u> <u>Freshworks case study</u>)

Conclusion: From promise to fruition: Embrace Al-powered customer service to drive real business results

2024 may have been the breakout year for generative AI, but 2025 is shaping up to be the year businesses start seeing real returns on their AI investments. With sky-high expectations and an ongoing push to strengthen AI infrastructure, leaders are determined to prove the value of their AI initiatives.

According to the <u>Freshworks Global AI Workplace Report</u>, 61% of business leaders have ramped up AI adoption in 2024, signaling a clear commitment to leveraging this technology. Employees are feeling the impact too—40% of customer service agents now consider AI bots and agents indispensable, while 74% report a more positive view of AI due to its enhanced capabilities.

From improving agent efficiency and productivity to boosting customer satisfaction, AI is set to revolutionize customer support in 2025, delivering tangible results and transforming how businesses engage with customers.

To top it off, modern customer service solutions like Freshworks make it incredibly easy for businesses to see these AI breakthroughs in action at their own organizations.

Customer service leaders can harness the power of built-in AI capabilities in one comprehensive solution—without extra effort evaluating, integrating, and maintaining additional AI tools.

In 2025, businesses will have a trusted ally in AI to scale great customer and agent experiences while nurturing lifelong relationships.

About Freshworks

Freshworks Inc. (NASDAQ: FRSH) provides people-first AI service software that organizations use to deliver exceptional customer and employee experiences. More than 68,000 companies, including American Express, Bridgestone, Databricks, Fila, Nucor, and Sony choose Freshworks' uncomplicated solutions to increase efficiency and loyalty. For the latest company news and customer stories, visit <u>www.freshworks.com</u> and follow us on <u>Facebook</u>, <u>LinkedIn</u>, and <u>X</u>.

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