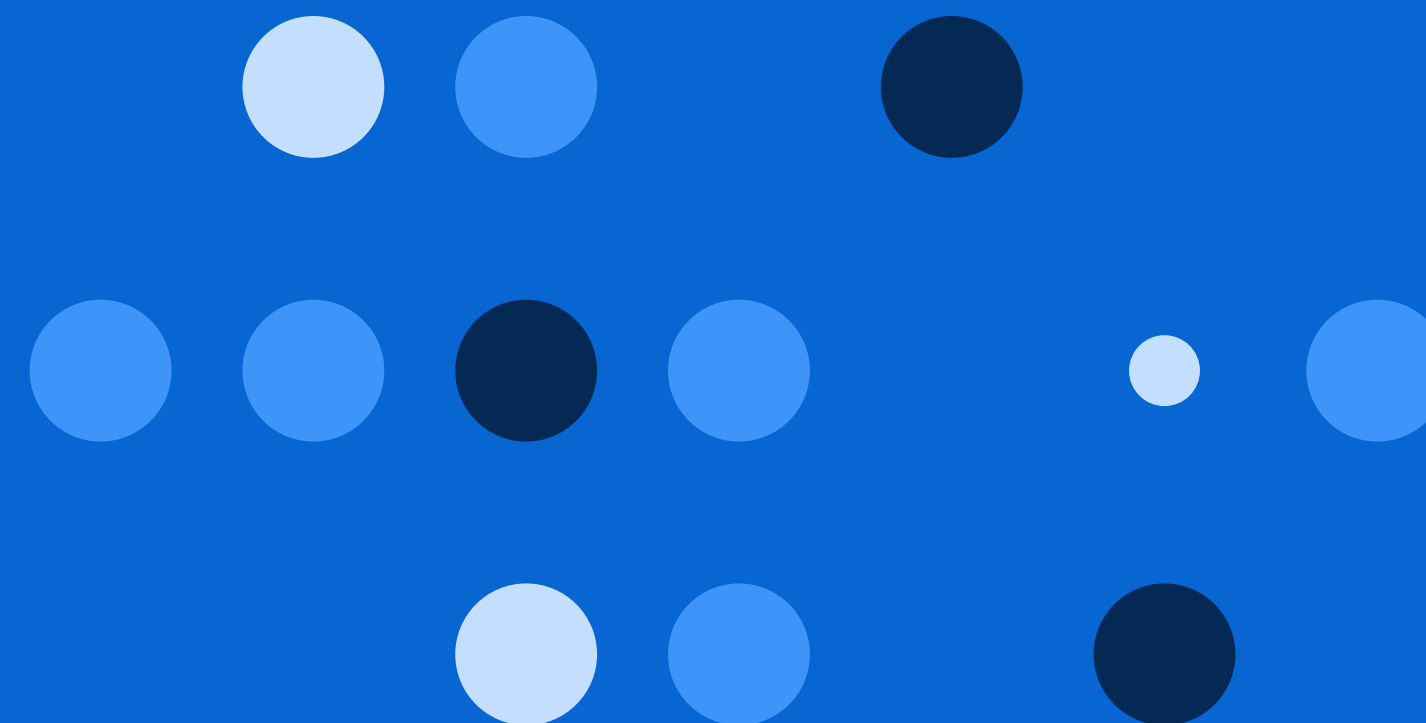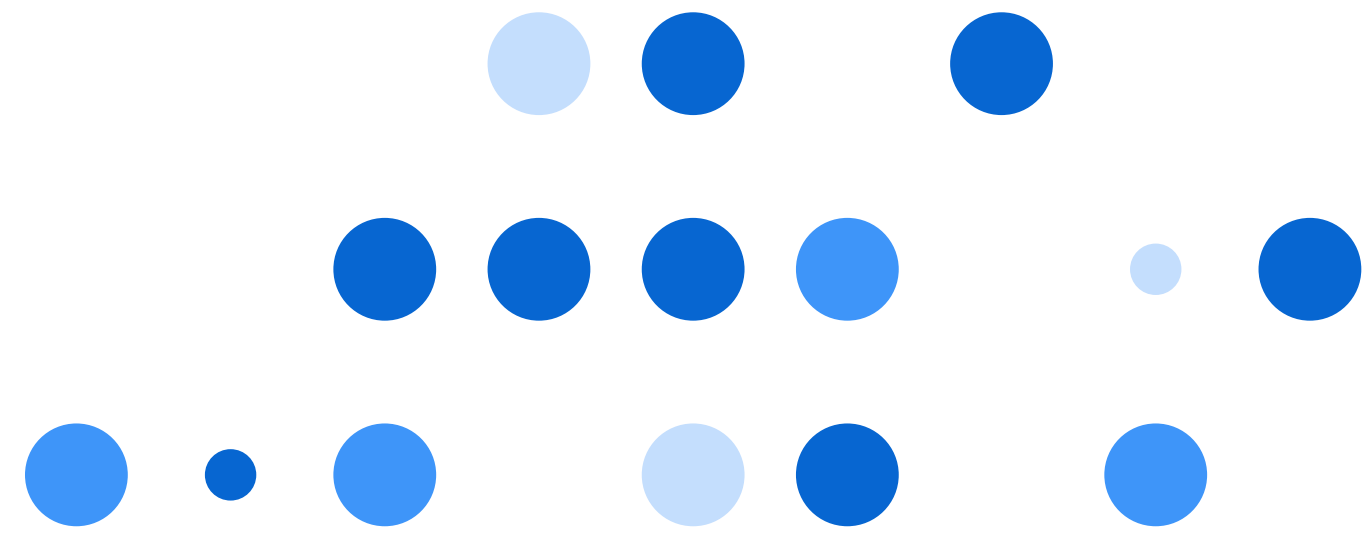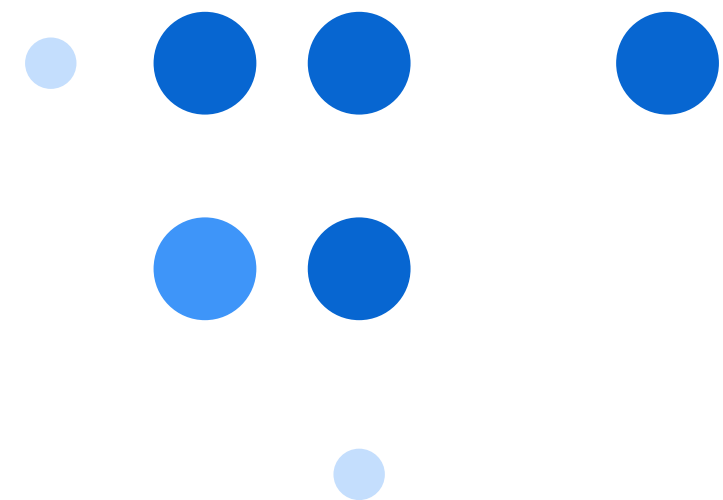# 5 Tips for Using GenAI to Improve Customer Experience

Overview

Intro

01   Do the data dirty work up front

02   Choose your analytics mix wisely

03   Activate AI with governance from the get-go
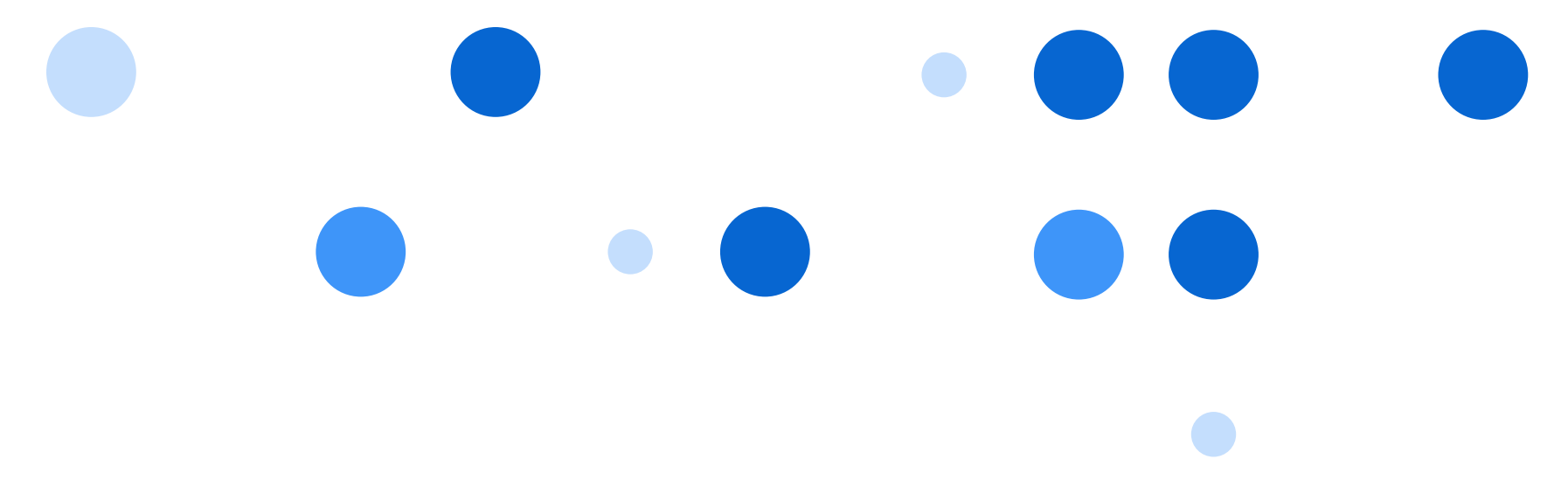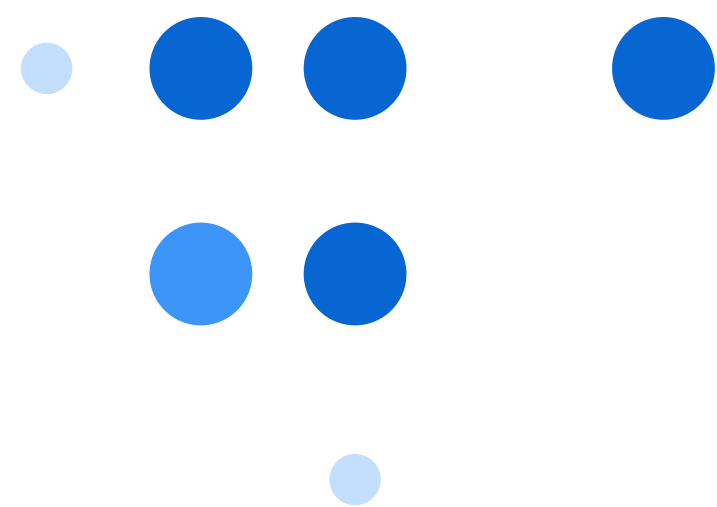
04   Build trust with transparency

05   Get ready for the future of GenAI

Introduction

Can you imagine a world where your business could predict customer needs before they even arise? Where you can automate tasks, generate personalized content and dive deeper into your data with ease – all while improving your bottom line?

Welcome to the world of generative AI. GenAI is rapidly reshaping how businesses work with data, enabling smarter decisions and streamlined processes across industries. Whether you're looking to enhance customer interactions or optimize internal operations, this technology holds the key to unlocking new possibilities.
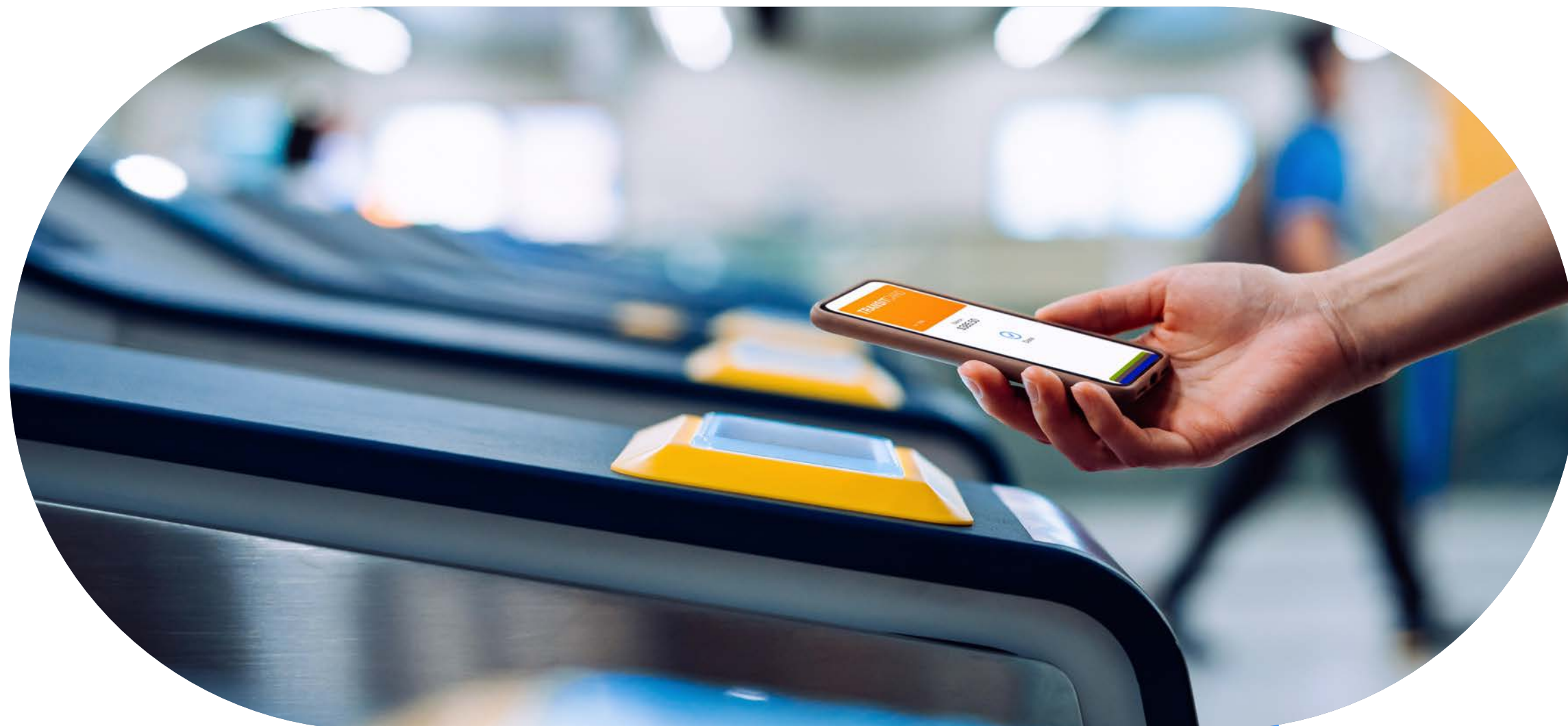
Of course, getting started can feel overwhelming. That's where this report comes in. We're here to offer real, actionable advice to make the most of GenAI. From data management to governance and transparency, we'll cover the five key tips you need to harness the full potential of this powerful tool. Ready to make GenAI work for your business? Let's get started.

01

Do the data dirty work up front

When it comes to GenAI and customer experience (CX), the old saying holds true: You get out what you put in. If you want AI to work its magic, you've got to set it up for success with the right data from the get-go. Companies today tap into various data sources, from customer data and CRM (customer relationship management) systems to operational insights and unstructured content like past marketing materials.

Here's where the dirty work comes in, and the first challenge is **data access and integration**. With data scattered across various systems, getting it all in one place can be a major hurdle. Plus, there's the issue of data silos, where different departments or systems don't communicate, making it harder to pull together all the relevant data. Bringing everything together in a way that makes sense for AI can be a huge headache. Without smooth integration, the LLMs (large language models) that your GenAI sources from won't have a full, accurate picture of your customer and their needs.

Next up: **data governance**. Setting clear rules about who gets access to which data is crucial. Ensuring the right people or systems have access to the right data is key to maintaining both security and accuracy. Proper governance ensures that sensitive information is protected and that your AI models get the most accurate and actionable data possible.

And, of course, there's **data quality**. It's tempting to use every scrap of data you have, but if that data is outdated, irrelevant or messy, it's going to drag your AI-driven decisions down. AI can only work with what it's given, so ensure you're working with clean, up-to-date data that reflects the current state of your business and customers.

The good news? Once you've tackled this dirty work, the results are worth it. By preparing your data up front, you'll find that AI can be a powerhouse for speeding up creative processes like ideation, copy editing, or even photo and video editing. GenAI can help take care of repetitive tasks, freeing up your team to focus on high-level strategy. This upfront investment in clean, organized data will help you save time and create a more effective, personalized customer experience in the long run.

02
Choose your analytics mix wisely

To make the most out of GenAI, it's not just about gathering data – it's about choosing the right analysis at the right time. GenAI uses various types of analytics and machine learning: descriptive, predictive, prescriptive and cognitive (NLP, NLU, NLG). Each type has a distinct role and can significantly shape how AI outputs deliver value.

When starting, focus on **diagnostic analytics**. This helps you understand what's working and what's not, offering clear insights on areas for improvement. Once you're comfortable with this, move to **predictive analytics** to forecast customer behavior or identify your target audience – essential for making data-driven decisions early in the process. Predictions like these can guide marketing strategies and improve engagement.

As your use of AI matures, consider adding **prescriptive analytics**, which combines predictions with AI-generated recommendations to guide decision making. This is where the **human-in-the-loop** approach comes into play – AI can recommend actions, but human expertise ensures those recommendations align with real-world goals.

Larger companies may be able to build a center of excellence for AI, but regardless of organization size, it's essential to take an iterative, data-driven approach. Start small, test frequently and refine your strategies as you go.

By starting with diagnostic insights and gradually layering in predictive and prescriptive analytics, you'll ensure your GenAI tools can focus on both doing the right things and doing things right. This iterative approach leads to more accurate insights and stronger customer engagement, ultimately driving better business outcomes.

"If you don't get the analytical data piece of this right, your work with generative AI will largely be wasted."

– Scott Brinker
Editor, chiefmartec.com

03
## Activate AI with governance from the get-go

As organizations explore the potential of generative AI, it's crucial to prioritize privacy, security and governance from the start. Many companies are testing AI in controlled environments, but concerns about sensitive data often delay broader adoption. According to research conducted by Coleman Parkes for SAS, the **top three concerns** for companies are data privacy, security and governance.

The first step is understanding the regulations that apply in your region, such as GDPR (General Data Protection Regulation) in the European Union. Compliance with these laws is essential to ensure you're handling data appropriately. **Data minimization** is another key practice: Collect only the minimum data needed, and whenever possible, use **anonymous data** to reduce exposure.

"Advancing your data maturity is one of the most important things you can do to deliver on the promises of your AI governance committee."

– Scott Brinker
Editor, chiefmartec.com

- Establishing a **governance framework** is critical for ethical AI use. This framework should include internal guidelines and policies that evolve as new regulations and standards emerge. It's also important to have a dedicated team or committee overseeing these protocols, with a **directly responsible individual (DRI)** to ensure accountability. This team should create a living document of policies that is regularly updated and reviewed.

- When it comes to the data itself, be mindful of its provenance – where it comes from, how it's processed and whether it's being handled responsibly. A strong governance structure can help mitigate risks around data misuse and ensure compliance.

- Ultimately, developing a **well-governed data ecosystem** is vital for the long-term success of GenAI. This ecosystem should be able to trace data lineage, ensuring that data is clean, secure and compliant with regulations. While full data maturity takes time, those who invest in data governance early on will be better positioned to scale AI responsibly and securely, building trust with consumers and staying ahead of regulatory changes.
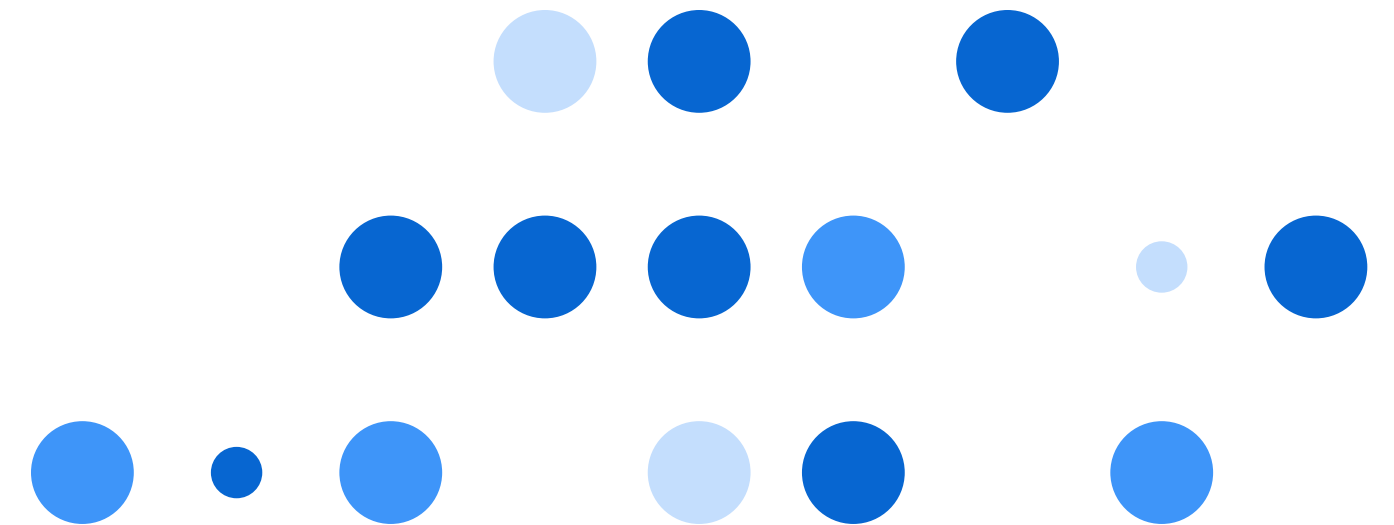
04
Build trust with transparency

Transparency is key when it comes to using generative AI – especially when interacting with customers. According to the latest Edelman Trust Barometer, consumers are more likely to reject AI than embrace it, often due to misconceptions and misunderstandings. To build trust, make it clear when AI is involved and what role it's playing.

For customer-facing interactions like chatbots, don't hide behind the screen. Let customers know they're talking to AI and always offer them the option to speak with a human if that's what they prefer. But it's not just about customer-facing AI – internal use counts too! Whether AI is helping with brainstorming, editing or any other behind-the-scenes work, be upfront about it, especially when it comes to intellectual property and data governance.

Before you roll out AI into production, test, test, test! Use sandboxes or controlled environments to experiment with how AI will perform, whether it's for customer service or content creation. This ensures everything functions as expected and that your AI aligns with your goals. Speaking of goals, make sure you've got clear objectives in mind – whether it's boosting customer engagement or automating processes, knowing your purpose will guide your AI efforts.

Don't forget to keep those feedback channels open! Encourage customers to share their thoughts and keep them informed about any changes in your AI usage. For smaller businesses, transparency is even more important – it's often your authenticity that sets you apart, so don't let AI take away from that trust. Stick to your brand's values and show how AI enhances, rather than replaces, the personal connections your customers love.

At the end of the day, being transparent about AI builds stronger, more trusting relationships with customers, reduces skepticism and makes sure your AI works responsibly, paving the way for smooth and successful AI adoption.

"Pretrained data sets from diverse sources mitigate risk and support responsible AI by rejecting inappropriate content, enabling dynamic AI-led customer engagement."

– Lisa Hopkins
Advertising and MarTech Partners, AWS

05
Get ready for the future of GenAI

GenAI is evolving fast, and it can be tough to predict where it's headed next. The key is to stay flexible and be ready for change. Having strong data management and governance practices in place will help you navigate whatever comes next. GenAI isn't just transforming customer-facing tasks; it's also reshaping internal processes and sparking new ways to drive efficiency and innovation.

Right now, GenAI is mostly helping businesses with foundational tasks, like creating personalized marketing content and customer communications. But the possibilities go beyond that. Here are a few other ways GenAI can make an impact:

- **Data analysis**: Use GenAI to dig deeper into customer behavior and preferences, uncovering insights that can guide smarter decisions.

- **Automation**: Automate repetitive tasks like customer service queries or data entry, freeing up time for your team to focus on more strategic work.

- **Conversational support**: Predict customer needs and offer proactive support, making interactions more seamless.

- **Product improvement**: Analyze customer feedback in real time to continuously improve products and services.

Looking ahead, small to medium businesses have an exciting opportunity to explore GenAI's potential as the technology matures. Beyond basic use cases, we can expect to see more immersive applications, such as predictive analytics and advanced personalization.
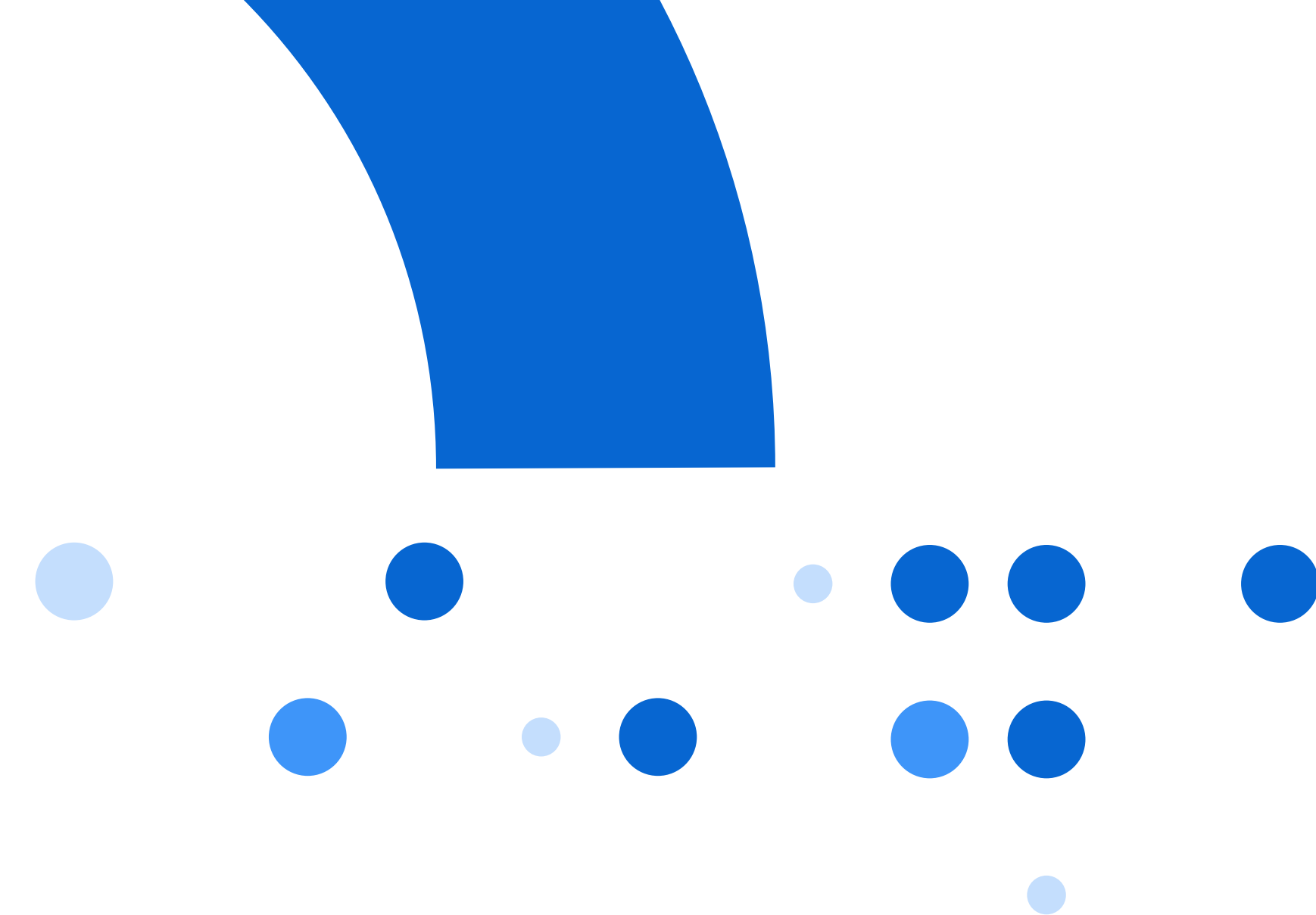
With great tech comes great responsibility. Ethical AI use is crucial – ensure fairness, transparency and privacy in your AI-driven processes. By protecting customer data and being transparent, businesses can build trust and foster long-term success in an AI-powered world.

Industry perspectives

Retail

GenAI is making shopping more personalized, with AI assistants offering tailored product recommendations and dynamic pricing in real time. But what's the key to making it all work smoothly? Strong data and analytics. That's where SAS comes in. With SAS' powerful data and AI tools, retailers can not only predict customer preferences but also streamline their operations to deliver a seamless experience. Whether it's optimizing inventory, understanding buying patterns or enhancing store layouts with real-time data, SAS helps retailers use GenAI to stay ahead of the curve and offer an experience that keeps customers coming back for more.

Telecom, Media & Technology

In telecom, media and technology, GenAI is reshaping customer interactions, from predictive network optimization to personalized content delivery. The secret to maximizing this potential? Robust data and AI solutions. SAS provides powerful tools that help companies enhance customer experiences, optimize networks and drive smarter decisions. Whether it's automating fraud detection, improving customer retention through targeted analytics or boosting network performance with AI, SAS ensures companies stay ahead of the curve. By harnessing the power of data, businesses in these industries can deliver seamless, personalized experiences while driving operational efficiency and maximizing profitability.
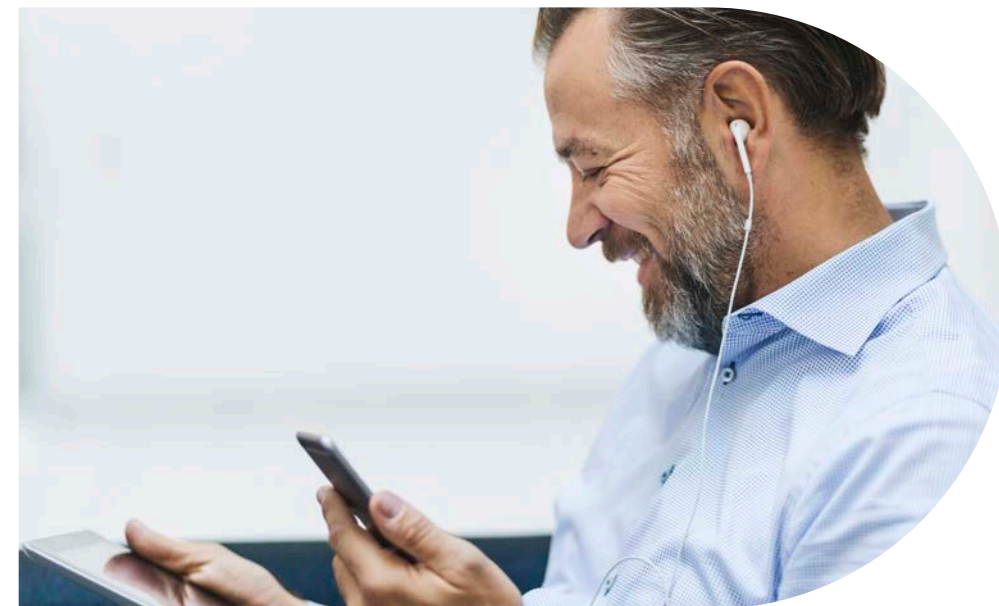
Banking

In banking, GenAI is transforming customer interactions, from automated chatbots to personalized financial recommendations. But with great potential comes the need for smart, secure data management. That's where SAS shines. With SAS' data and AI-driven analytics, banks can dig deeper into customer data, providing personalized services while ensuring compliance and managing risk. Whether it's predicting customer needs, streamlining operations or enhancing security, SAS empowers banks to harness the full potential of GenAI, helping them make smarter decisions and build stronger customer relationships.

Insurance

In insurance, GenAI is transforming how companies engage with policyholders, detect fraud and manage risk. But to harness this potential effectively, smart data management and AI-driven insights are key. That's where SAS comes in. With advanced analytics, SAS empowers insurers to predict customer needs, optimize claims processing and reduce fraud, all while ensuring compliance and transparency. Whether it's delivering real-time personalized experiences, automating risk management or detecting financial crimes, SAS helps insurance companies use AI to enhance profitability, improve customer satisfaction and stay ahead of regulatory changes. By turning complex data into actionable insights, SAS enables insurers to make smarter, data-driven decisions that build trust and drive growth.

Ready to transform your business with data and AI?

This e-book draws on insights from our joint webinar with AWS, where we explored how data, analytics and AI are shaping the future of industries like yours. Whether you're enhancing customer experiences, optimizing operations or driving smarter decisions, SAS and AWS provide the expertise and tools to help you succeed.

Don't wait to put these strategies into action – explore how SAS and AWS can empower your business to thrive in an increasingly data-driven world.

Watch our on-demand webinar

Explore SAS marketing solutions