

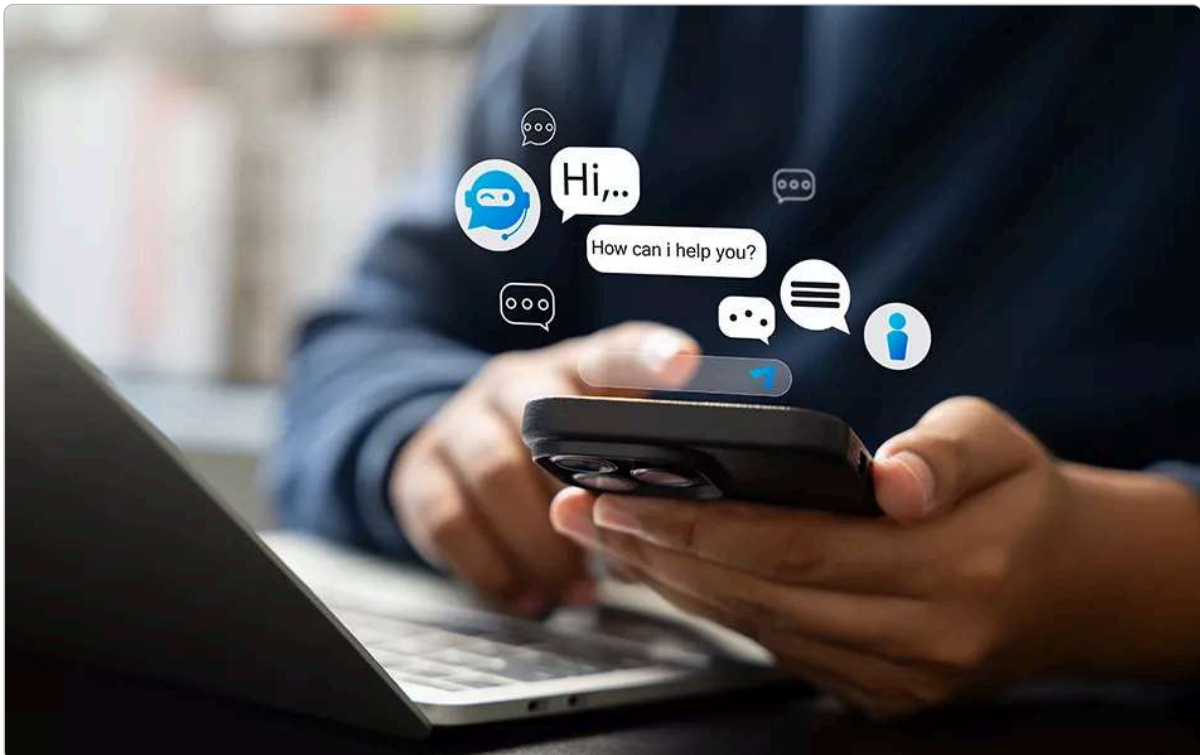


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For some time, chatbots driven by Artificial Intelligence (AI) have been heralded as the next step forward for retail businesses in effectively managing customer service; however, new research has revealed that there is still a long way to go before consumers are satisfied. | Source: Shutterstock

AI Chatbots: Far from a customer service silver bullet

Posted June 30, 2026 | By Samuel Ord

For some time, chatbots driven by Artificial Intelligence (AI) have been heralded as the next step forward for retail businesses in effectively managing customer service; however, new research suggests there is still a long way to go before consumers are entirely satisfied with this operational shift.

German technology company Parloa has released the findings of a survey of 1,001 US consumers on a range of issues related to AI chatbots. Among the principal findings was that one in three consumers would rather switch brands or businesses than be put on hold.

More than 60 per cent of those surveyed said they will repeat themselves only once before abandoning an automated customer service experience, while a further 11 per cent will leave the first time they are asked to repeat anything.

More than half of respondents (56 per cent) suggest they will work within an automated system for fewer than three minutes before asking to speak with a person.

Only 14 per cent of consumers say they completely trust future AI systems to handle complex customer service requests better than humans, while another 37 per cent of respondents expect that adding more automation will produce worse outcomes before better ones.

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Unsurprisingly, more than 83 per cent of participants said that service experience directly impacts their loyalty to brands and businesses and Latané Conant, chief marketing officer at Parloa, said this was perhaps the most important finding of the survey.

"When four out of every five consumers say service directly impacts their brand loyalty, that should sound alarms for experience strategists - especially those tasked with revenue goals," she explained.

More than 84 per cent of participants said they were willing to continue using automated programs in the future if they reliably resolved issues. In 2024, a survey by Gartner found that 53 per cent of customers would consider switching to a competitor if they found out a company would use AI for customer service.

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