Contact Center pipeline

CONVERSATIONAL AI

BY ANDY O'DOWER, TWILIO

HOW CONVERSATIONAL AI IS REWIRING CONTACT CENTERS

They can become (*finally!*) revenue, not cost, centers.

NOVEMBER 2026

BY ANDY O'DOWER, TWILIO

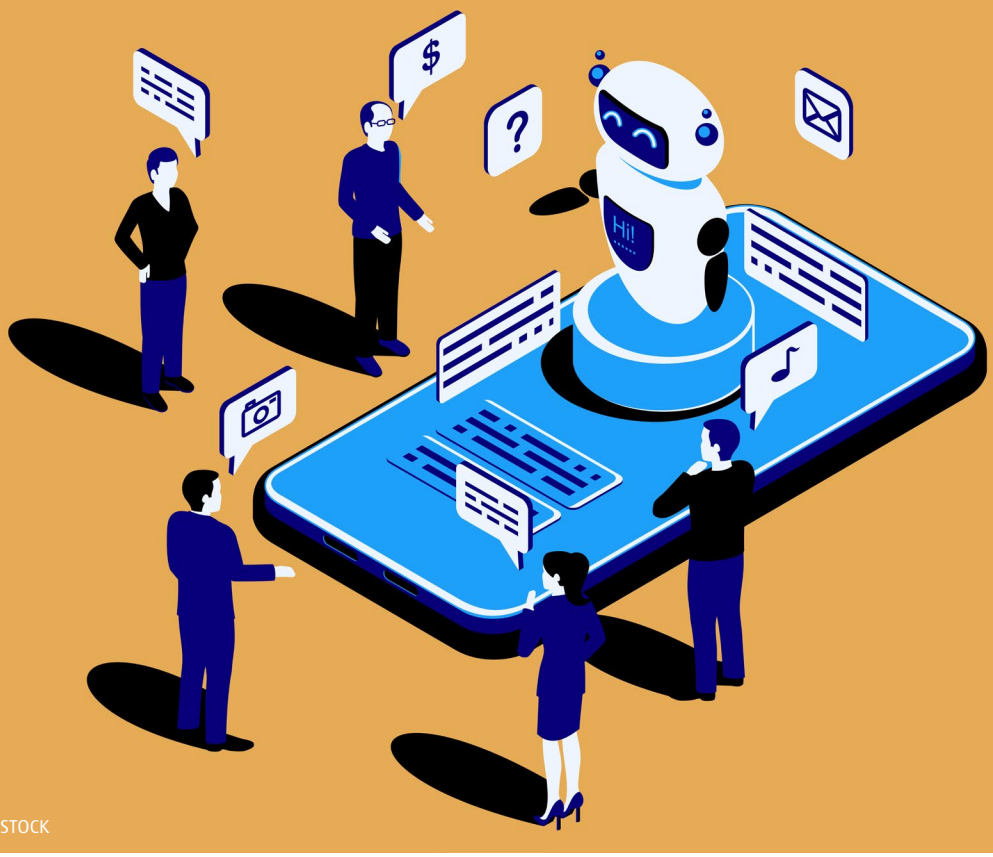


ILLUSTRATION PROVIDED BY ADOBE STOCK

HOW CONVERSATIONAL AI IS REWIRING CONTACT CENTERS

THEY CAN BECOME (*FINALLY!*) REVENUE, NOT COST, CENTERS.

Over the past 60 years, contact centers have evolved far beyond their analog origins of room-sized switchboards and crowded bullpens of elbow-to-elbow operators.

Today, these sophisticated digital hubs serve as brands' customer nerve centers, providing service and support while orchestrating holistic, deeply personalized experiences.

Now, conversational AI is driving the next generational step change in how customers interface with brands, shifting contact centers from passive inbound cost centers into proactive outbound engines of revenue generation.

But this transition doesn't come without its challenges. Enterprises can struggle to connect models with live communication channels, like real-time voice, or provide agents with unified data and context, forcing their customers to start from scratch and repeat themselves with every interaction.

This can be compounded by the inability for businesses to intervene during live interactions, where insights about negative sentiment or churn risk are surfaced afterward. And often too late for deal-saving interventions or agent support while customers are still engaged.

In a future of high automation and high augmentation, how can companies mature their conversational AI strategies—from frontline technology to backend culture—to reduce friction, enhance collaboration, and empower more intelligent, intuitive customer journeys?

> ***...HOW CAN COMPANIES MATURE THEIR CONVERSATIONAL AI STRATEGIES...?***

PILOT TO PRODUCTION, MONEY SAVER TO MONEY MAKER

This time last year, most contact centers were still tinkering at the edges of conversational AI, running slow, small-scale pilots of a few thousand calls to gauge customer reaction and operational efficiency.

But 12 months later, tinkering has turned tactical as enterprises and independent software vendors (ISVs) have pivoted from proofs of concept to production at scale, ingesting hundreds of thousands of minutes into their models.

In other words, we're crossing a genuine conversational chasm.

This acceleration is happening across industries with historically heavy contact center volumes—healthcare, hospitality, retail, financial services—bending the curve from pilot to production, particularly in voice AI.

Targeting low-risk, low-touch use cases at the bottom of the complexity pyramid such as billing questions, balance checks, and password resets, some brands are now offsetting the majority of their inbounds.

Take Chime, a financial technology company that now delegates a staggering 70% of customer support inbound chats and calls to AI agents.

According to Vineet Mehra, Chief Growth and Marketing Officer, automating simple, low-empathy use cases has reduced the company's costs by 60%, boosted Net Promoter Scores, and become what he says is an unbelievable driver of customer satisfaction.

"So [this is] an example of cheaper and better at the same time really reinventing a workflow that we used to have," Vineet recently shared on the Marketing Beyond Podcast.

This is catalyzing a seismic shift. Contact centers are shedding their legacy identity as reactive cost centers and emerging as proactive growth drivers. One where conversational AI isn't merely a deflection tool but is now a powerful engagement system.



In this new environment, intelligent agents, armed with deep contextual data, can flag issues and fix account discrepancies *before* customers ever pick up the phone or enter the chat. While also uncovering new revenue streams through tailored product or service suggestions.

NOT OUT OF THE UNCANNY VALLEY YET

For all this momentum, there remains a delicate interplay between proprietary data, technology performance, and customer perception, any one of which can throw a stick into the conversational AI spokes.

AI agents that misunderstand or misinterpret due to poor context, feel unnatural or impersonal due to weak underlying technology...or fail to win hearts and minds by not resolving issues...risk nudging customers down the slippery slope straight into the headsets of human operators.

> ***MANY CUSTOMERS SIMPLY BELIEVE THEIR PROBLEMS ARE TOO COMPLEX FOR AI TO HANDLE.***

Conversational AI also does come with risks. Intelligence without governance creates liabilities (i.e., who authorized that specific refund?), and systems often lack built-in identity verification. This makes it difficult to distinguish between authorized agents, humans, or malicious actors.

And having the ability to seamlessly transition to a human agent based on sentiment or other triggers *must* be a foundational piece of any successful conversational AI deployment.

The reality is there's still plenty of meaningful work ahead. Many customers simply believe their problems are too complex for AI to handle.



In our survey of nearly 5,000 consumers and more than 450 business leaders, we found that while most consumers (72%) would gladly use an AI agent if it could guarantee a faster resolution than a human, only 39% describe them as helpful. In fact, nearly half (49%) say AI never resolved their issue at all.

I fell into this mindset recently when I made a restaurant reservation with OpenTable's AI agent.

I arrived early and grabbed a seat at the bar, only to receive a text message a while later saying I'd missed my reservation. I debated calling the restaurant to clarify I was already there but questioned whether an agent could follow the nuance of the situation.

Until the gap between expectation and experience narrows, brands and their contact centers must tread carefully to ensure agents are sources of clarity and confidence, not friction and frustration.

That requires an "and," not "or," approach that gives agents both character and context: advanced voice and speech technology paired with customers' comprehensive digital signals and behavior.

CULTURAL SHIFT AT THE CORE

Conversational AI is becoming the new website, the primary way customers explore and, more importantly, interact with businesses. But for brands to embrace AI agents as true ambassadors, they must not only raise the bar for what success looks like but reimagine it entirely.

If AI promises to be the quickest, smartest operator in the contact center, should it only be measured by call containment or speed to resolution of discrete issues?

It should be a comprehensive approach, one that evaluates AI agents on a level playing field with their human counterparts. This includes key metrics like first contact resolution (FCR) and customer satisfaction (CSAT), as well as more bottom-line impact ones like churn reduction and overall cost-to-serve.

Instead of viewing AI merely as problem solvers, brands should also evaluate these agents as true concierges: capable of wowing customers with deep historical knowledge, real-time context, and unforgettable experiences.

However, achieving this requires more than a shift in mindset; it demands a cultural transformation as well. It means breaking down traditional silos between contact centers, Marketing, and Sales; connecting the dots between inbound and outbound activities and sharing customer insights often trapped in internal aisles.



> ***INSTEAD OF VIEWING AI MERELY AS PROBLEM SOLVERS, BRANDS SHOULD ALSO EVALUATE THESE AGENTS AS TRUE CONCIERGES...***

When teams and departments openly exchange these fragmented pieces of customer memory, they can solve inquiries faster, suggest better, more relevant products and services, and create more seamless and unified customer journeys.

SUPER AGENTS, SUPERB OPERATORS

Much like the ACD, IVR, CTI, and cloud-based platforms that came before it, conversational AI is the next major technological leap, ushering in a new era for contact centers.

It allows AI agents to automate the mundane while augmenting the memorable. A coach, a researcher, a marketer, and a customer archivist can now whisper in the ears of human operators, helping them show up and show out with greater speed, accuracy, and empathy than ever before.

As the curve from experimentation to deployment continues to bow, the brands pulling ahead understand this isn't just another customer service tool but a complete customer experience (CX) transformation, one reliant on cultural evolution as much as technological innovation.

The result is unprecedented hybrid harmony, turning every interaction into a moment that reinforces to customers why they fell in love with your brand in the first place.



Andy O'Dower is VP, Field CTO at Twilio where he helps customers build the next generation of customer engagement. Andy brings extensive entrepreneurial, technical, and business backgrounds. He has founded and scaled platforms, B2B SaaS, and B2C products for thousands of customers and millions of consumers at Wowza, Snapsheet, and Curiosity.

PREMIUM CONTENT + RESPECTED CONTRIBUTORS FOR CONTACT CENTER PROFESSIONALS

ENABLING A NEW GENERATION OF CX AND EX PROFESSIONALS to create successful customer management strategies, develop cutting-edge technologies, refine the skills necessary to advance their career, and build a culture that advances the contact center within the organization—that's what we do.

Since 2009, **Contact Center Pipeline** has leveraged the insight of today's notable CX and EX thought–leaders, along with our advisory board, expert magazine authors, blog contributors, and industry insiders; keeping our audience ahead of the trends transforming the contact center and customer sales, service, and support industries, improving outcomes, and the way companies engage with their customers.

Contact Center Pipeline Magazine is published monthly digitally and in print. For more information and to subscribe, visit our website.

Contact Center Pipeline

INSIGHT AND INSPIRATION FOR CONTACT CENTER PROFESSIONALS

© COPYRIGHT 2026, CONTACT CENTER PIPELINE, INC. ALL RIGHTS RESERVED.

REPRODUCTION IN WHOLE OR IN PART WITHOUT WRITTEN PERMISSION FROM THE PUBLISHER IS PROHIBITED.
THE VIEWS EXPRESSED HEREIN ARE THOSE OF THE AUTHORS AND/OR SPONSORS AND DO NOT NECESSARILY REFLECT THE OPINION OF THE OWNERSHIP OR MANAGEMENT OF CONTACT CENTER PIPELINE, INC. OR PIPELINE PUBLISHING GROUP, INC.