

A New Approach to Support Through Conversational AI: *Meet Sven*



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Executive Summary



The Problem

IKEA's customer reviews on Trustpilot average just **1.5 stars** from nearly **26,000 reviews**, with **76%** being 1-star. A significant portion of these negative reviews highlights customer service issues, and within these, most complaints focus on long wait times on hold, which range from 15 minutes to over 2 hours.

This frustration leads to abandoned calls, unresolved issues, and a loss of trust in IKEA's brand.



The Solution

We propose Sven, a conversational AI-powered customer service assistant, which will:

- Eliminate wait times by providing instant responses to routine inquiries.
- Automate up to **70%**¹ of customer queries, as demonstrated by AI-powered systems in similar industries, allowing human agents to focus on complex cases.
- Operate 24/7 in multiple languages, ensuring accessibility and convenience, meeting the **90%**² of consumers who expect immediate support.



The Impact

Sven will bring measurable improvements in both customer satisfaction and operational efficiency.

- Wait times will be removed, as Sven will provide instant responses to customers simultaneously, regardless of demand.
- Customer satisfaction will increase; **80%**³ of consumers who interact with AI chatbots report a positive experience.
- Operational costs will decrease, as AI can reduce customer service expenses by up to **30%**⁴.
- IKEA will rebuild trust and improve its reputation as a customer-first, innovative brand.

Objective

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What are the main **problems**
we are **solving**?

Status Quo: *Poor Customer Service*

IKEA's current customer support system is inefficient and leads to poor experiences. Long wait times, inconsistent responses, and overwhelming agent workloads are eroding customer trust and loyalty.

1.5

Bad



26K reviews

5-star



4-star



3-star



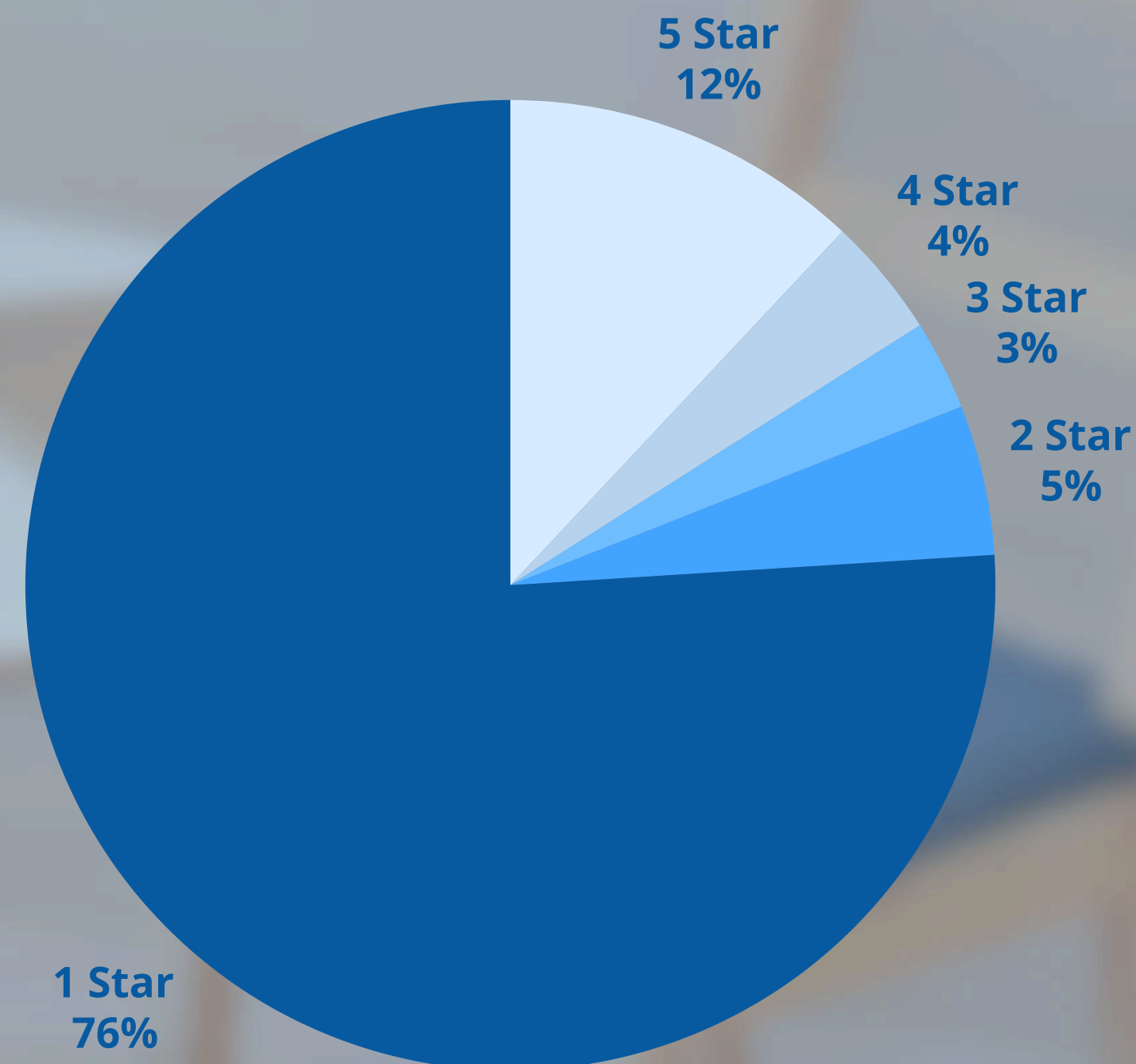
2-star



1-star



Ratings on [Trustpilot.com](https://www.trustpilot.com)



Status Quo: *Poor customer experience*

Although **90%**⁵ of customers, expect immediate* assistance when calling, current wait times range from **15 - 120 minutes on hold**.⁶ With **73%**⁷ of customers expecting seamless support but only **33%**⁷ of businesses delivering, a solution is urgently needed to eliminate frustration and improve customer satisfaction within IKEA's phone system.

An overwhelming **95%**⁸ of respondents cite customer service as important in their choice of and loyalty to a brand. Data has shown that **61%**⁸ of customers switch companies due to experiencing frustrating customer service. IKEA has **76% of reviews being 1-star**,⁶ with the top complaints regarding **dismissive and unhelpful** customer service.

Inconsistent customer support leads to **repeated calls** and **wasted time** for agents and customers. Thousands of IKEA customers report **receiving conflicting** information on standard issues such as order tracking and returns.

*60% of customers define "immediate" as 10 minutes or less. Source: [Help Scout](#)

Sources: 5: [Help Scout](#), 6: [Trustpilot](#), 7: [Tidio](#), 8: [Microsoft](#) (State of Global Customer Service Report)



Unsatisfied Customers: *Real Review*



2024 Fall Challenge



I want to give 0 stars!



I don't know about you but I like a company to value its customers, IKEA clearly don't. **You only need to look at all the terrible reviews on Trust pilot and the lack of replies from IKEA.**

My experience today with **3 different customer service agents** made it abundantly clear that IKEA do not give a flying @&*% for its customers. I ordered a pax wardrobe for delivery, instead IKEA delivered a few sets of drawers! I **contact IKEA customer service** thinking this would be rectified quickly and professionally but was shocked to find that the agents were completely unconcerned, didn't seem to think I was being inconvenienced and repeatedly did not listen to what I was telling them.

I have now cancelled my order and will not be returning to this awful company.

Date of experience: *December 13, 2024*



Recommendation

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Our **solution** to the **problem**

S

Smart: Sven uses AI to quickly understand customer questions and provide accurate solutions.

V

Voice-Enabled: Sven interacts naturally through voice, creating a smooth and human-like conversation.

E

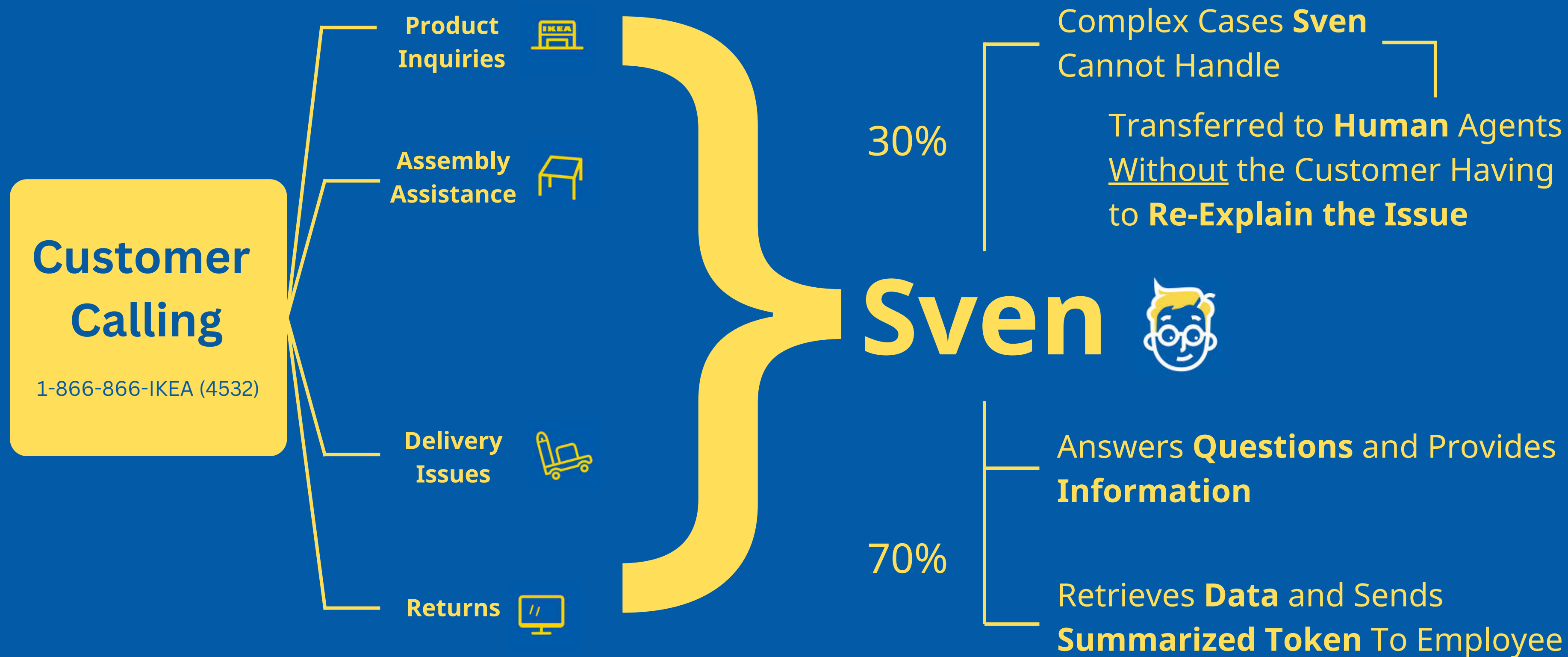
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Navigator: Sven guides customers step-by-step to solve problems like order tracking, returns, or assembly instructions.



Hi, I'm Sven!

The Process



From **Generative AI** to **Conversational AI**

Our **solution** to the **problem**

Inefficient and Frustrating Current System (Generative AI)

- **Confusing Process:** When customers call IKEA's support number, they are asked:
 - Step 1: Customers are asked if they want to receive an SMS link to the chatbot.
 - Step 2: They must press buttons—1 for mobile or 2 for landline—to continue.
 - Step 3: They are asked to press 1 again to confirm sending the SMS link.
- **Disconnected Experience:** Customers receive a link that redirects them to a website containing the chatbot, a confusing and difficult process, especially for those who lack proficiency with technology.
- **The Troubleshooting Loop:** All the Chatbots and Artificial Service Representatives only have one solution and its to troubleshoot, so if you have a real issue, you either forget it or spend hours more re-explaining this issue to a real customer service agent.
- **Frustration Builds:** Customers looking for help quickly face delays and repetitive or contradictory prompts, leading to dissatisfaction.

Our Recommendation: Conversational AI (*Sven*)

- **Seamless Support:** Sven engages customers immediately on the call without the need for links or website redirection.
- **Human-Like Conversations:** Sven provides natural, context-aware responses, making interactions feel more personal and engaging.
- **Faster Resolutions:** By keeping customers within the same channel, Sven eliminates unnecessary steps and reduces frustration.
- **Improved Customer Experience:** Customers feel heard and valued, building trust and improving satisfaction with IKEA's support system.



Leading companies utilize **personified** AI assistants to deliver seamless, **human-like** customer experiences that drive satisfaction and efficiency.

BANK OF AMERICA

Case Study

Erica is the Bank of America's AI-powered personalized assistant, accessible through the mobile app. Erica **leverages AI and data analyses** to improve customer experience.

Over the course of the past year, Erica has accumulated a total of over **2 billion interactions** from **42 million users**.⁹ Over **98%** of clients receive the answers from Erica in **44 seconds**.¹⁰ Bank of America estimates that Erica has contributed to a **19% increase in earnings**.¹¹



Why Sven is better

Sven not only has the potential to **exceed** the **statistical success** seen with Erica, but it will improve ease of use for customers. Sven is **fully conversation** through traditional phone, which **neglects the need for app** installation. Additionally, no sign in is required, simplifying the process for customers. Sven's adaptable approach to various levels of complexity fosters a **straight forward interaction**. Sven will also demonstrate a more **human-like friendly approach**, solidifying brand identity and increasing trust.

Implementation Plan

Defining **Sven** scope (e.g., **returns**, **delivery tracking**) with IKEA's IT team and **ElevenLabs** and preparing **customer support data** for AI training.

Phase 1: Research & Planning (6-8 Weeks)

Launching **Sven** into a pilot market (Ex. San Francisco) and tracking **key metrics**.

Phase 3: Pilot Launch (12 Weeks)

Phase 2: Development & Testing (10-12 Weeks)

Training **Sven** using customer support data, and developing a conversational flow. Then integrating **Sven** into IKEA's **toll free-phone** number for preliminary accuracy testing.

Phase 4: Full Rollout (4-6 Months)

Globally scaling **Sven** with multilingual support, and **training agents** to manage complex cases when necessary.

Phase 5: Monitoring & Optimization (Ongoing)

Continuous tracking of key performance indicators and refining responses based on feedback or malfunctions.

Key Performance Indicators

1. Response Time:

Average first-response time reduction to below 5 seconds for **Sven** queries.

2. Query Resolution Rate

Automate and resolve 70% of routine inquiries without human intervention.

3. First Contact Resolution

Achieve a 90% resolution rate on the first interaction for AI-handled queries.

Do Customers *Feel Heard*?

What do customers *truly want* from IKEA's support experience?

What Customers Want:

Quick Resolutions: Customers expect seamless support when facing issues, without delays or complex processes.

Human-Like Interactions: Robotic responses create frustration; customers want empathetic and personal assistance.

Effortless Access: Customers dislike being redirected multiple times or forced to navigate confusing systems.

What Customers Get:

Long Wait Times: Customers typically face long hold times or delays, especially during peak hours.

Inconsistent Service and Unresolved Issues: Customer support agents often lack knowledge on specific issues and give unclear information, leading to customers repeating issues with different agents.

Lack of Empathy: Customer support agents often feel transactional, giving scripted, emotionless responses.

Why Sven is the Best Solution:

Real-Time Conversations: Unlike traditional call agents or chatbots, Sven offers an interactive, human-like experience that resonates with all demographics, including Gen Z.

Multichannel Potential: While primarily focused on phone calls, Sven's AI framework can be integrated into IKEA's digital customer service ecosystem.

Cost-Effective Scale: More agents is expensive and unsustainable; Sven handles high volumes efficiently, while human agents focus on complex cases.

Key Financial Statistics



Current Customer Support

Estimated Annual Cost:
\$341M–\$683M

Includes expenses for human agents, training, and overhead.

High dependency on human labor increases **inefficiency and delays**.



Post-Sven Cost Savings

Reduced staffing: **1,642–3,285 agents** after Sven implementation.

One-time implementation cost: **~\$1M** (IT, training, and AI setup).

Estimated annual cost post-AI:
\$86M–\$171M



Return on Investment

Estimated Annual Savings:
\$256M–\$512M

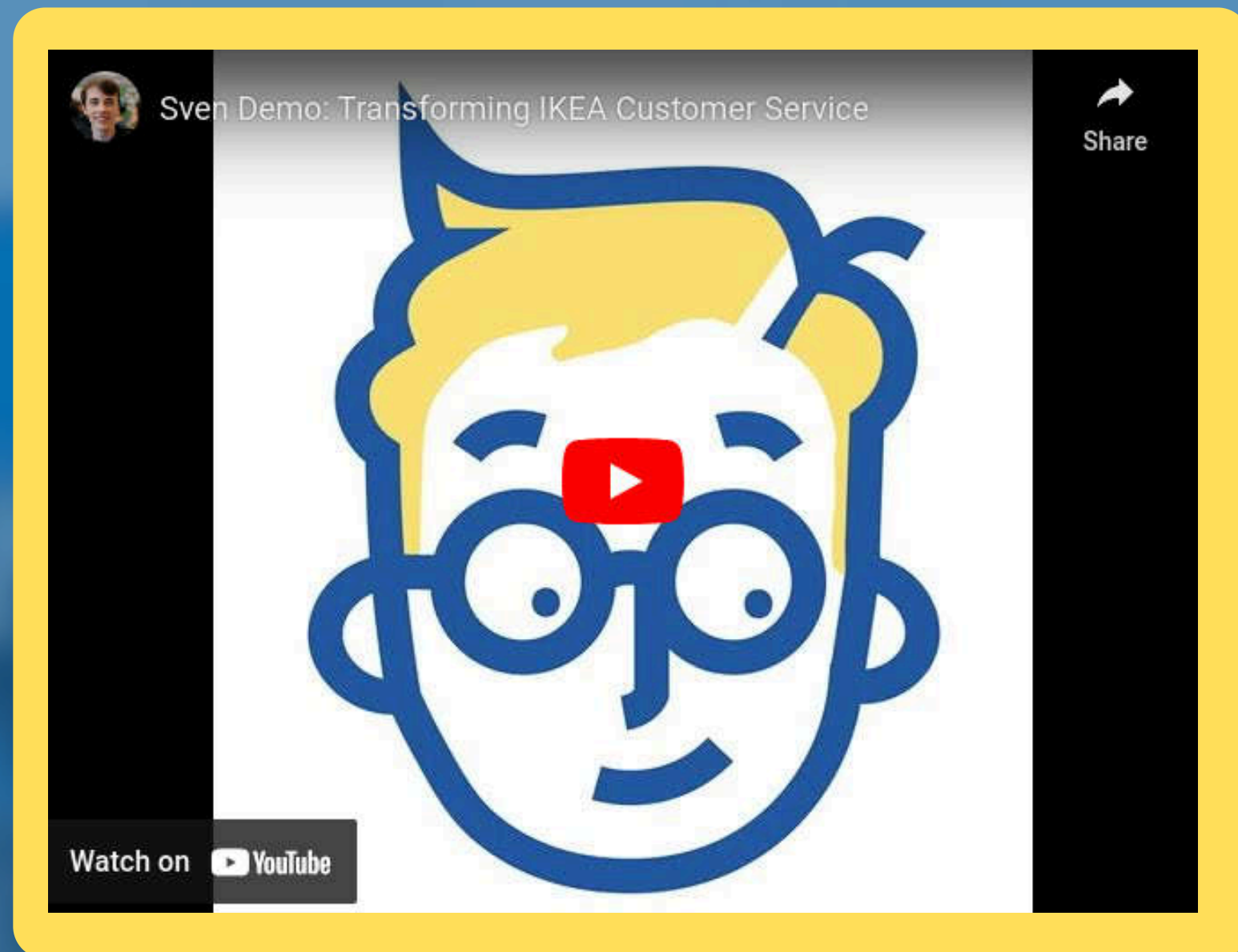
ROI: **25,589%–51,209%**

Savings per **\$1** invested: IKEA earns **\$255–\$512** in cost reductions.

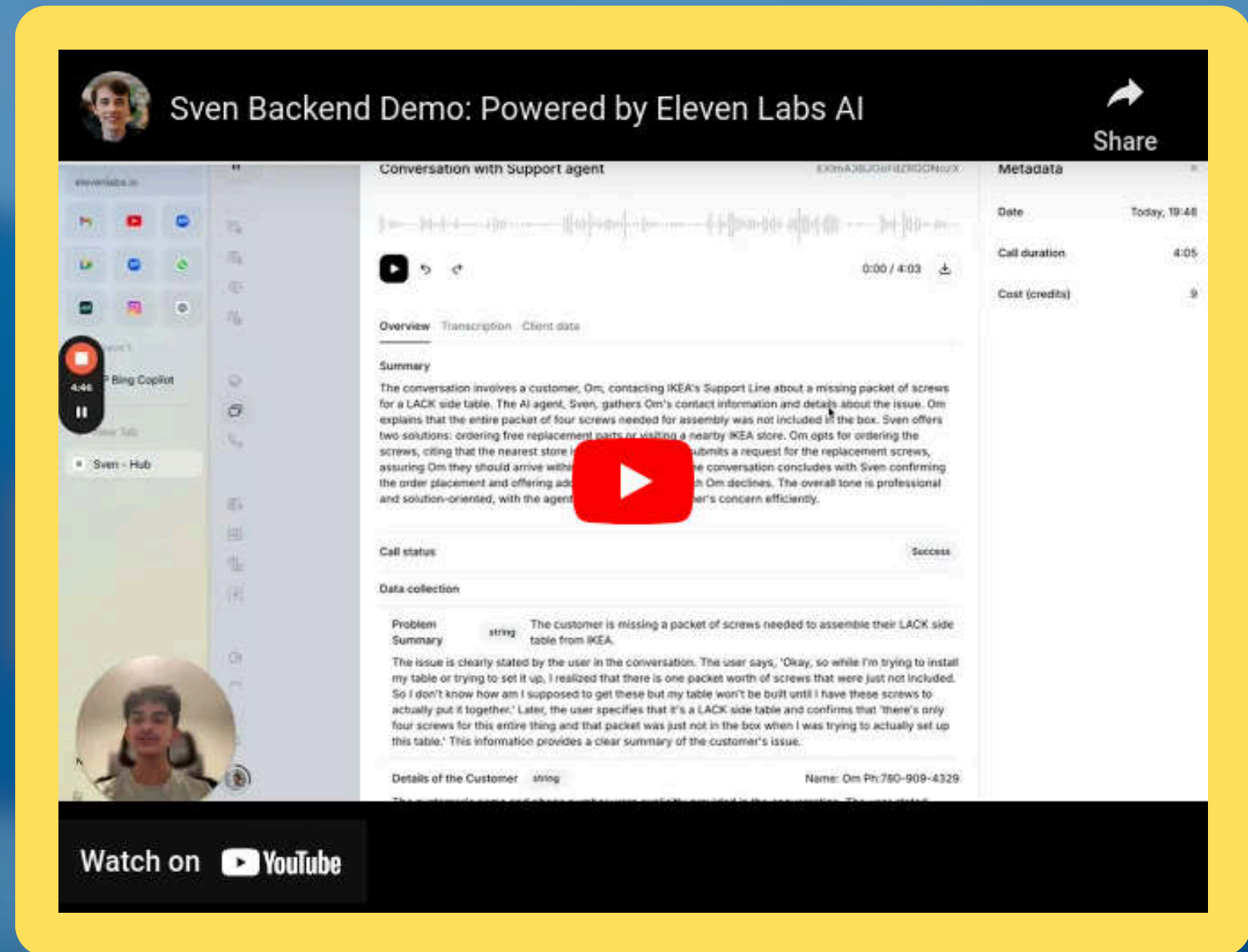
In 5 years, a total of **\$1.2B - \$2.5B** would be saved.

How Does Sven Work?

Recording of Sample Conversation with Sven



Explanation of the Back End of how Sven works



Try Sven For Yourself!: <https://bit.ly/TestSvenAI>