AVP

AXA VENTURE PARTNERS

Insights

AVP Investment thesis
Gladly

October 2024

We're excited to lead a $40m Series F investment in Gladly, an enterprise customer support software purpose-built for consumer-facing brands that want to offer highly personalized white glove service in a scalable manner.

Thesis #1: Gladly's customer-centric platform is revolutionizing the customer service industry.

Have you ever tried contacting customer support multiple times about the same issue, but each time you have to re-explain the problem? Every time you have to explain yourself is more frustrating than the last. Legacy customer support software creates separate tickets each time you contact a company, and each ticket can be assigned to a different agent. No one is happy in these instances. You as a customer are frustrated with the experience, leading to lower CSAT scores, and CS agents are using their valuable time to transfer data, sort through tickets, and contact customers already being helped by another agent. These legacy systems are creating gaps in the customer experience, as they are unable to keep up with the increased demand for personalized service.

Gladly's core platform, Hero, puts customers back at the heart of customer service, ensuring highly personal experiences. With a unified customer-profile-based view, inquiries are consolidated into a single thread-like conversation, and agents no longer need to cobble together tickets for context. Customers are matched to the agent best fit for resolving their issue.

Furthermore, customer service has expanded to include pre-transaction experiences, where agents may be responsible for answering questions about a product. Gladly's platform enables agents to make hyper-personalized recommendations, capture customers with high purchase intent, and facilitate payments, turning CS into a revenue driver.

Gladly's next generation platform is turning each customer service touchpoint into meaningful, loyalty-building experiences.

Thesis #2: Customer support is becoming automated, but human customer support agents will remain at the core

When OpenAI released ChatGPT in November 2022, many thought this would be the end of human customer support agents. Organizations rushed to implement AI with the promise of massive cost and time efficiencies. However, it quickly became clear that unresolved hallucination issues could cause significant damage to brand reputation without appropriate guardrails. In one instance, Air Canada lost a bereavement fare lawsuit against a grieving passenger, when the chatbot "hallucinated an answer inconsistent with airline policy." [1]

Gladly's AI-powered Sidekick chat helps brands use AI for customer conversations within the brand's guardrails and style guidelines, while sending more complex conversations to humans via Hero. As AI development matures, we believe more and more low hanging tier 1 and tier 2 customer support issues (e.g., where is my order?) will be resolved using AI, driving cost efficiencies in headcount reduction. These efficiencies can be used to upskill existing agents to focus on the long tail of more complex tier 3 issues, and AI can be used as a copilot to enhance the support these agents provide. Gladly's integrated combination of Hero and Sidekick lets brands achieve their goals on both cost and reputation —empowering fewer support agents with more abilities.

Thesis #3: Customer support value chain consolidation will drive better outcomes in the customer and agent experience, as well as cost savings

Many enterprises we spoke with have as many as 7 different systems to enable their customer support organizations – one for phone, one for chat, one for social, one for managing tickets, etc. These systems have limited integrations, and because the channels don't live natively on the agent-facing ticket management software, data and context gets lost between systems, creating friction in the customer and agent experience.

Conversely, Gladly's platform has all-in-one omnichannel capabilities, enabling agents to communicate with the customer via their preferred method. These channels live natively on Gladly's platform and seamlessly feed into their agent facing platform, providing the right context for agents to resolve issues. Enterprises can easily consolidate their tech stack, realizing significant cost savings.

Thesis #4: Customers love Gladly

We have been blown away by just how much customers love the Gladly product and team. At Gladly's annual Connect customer conference, every customer we spoke to was highly referential and absolutely raved about the product and customer service, leading to best-in-class NPS scores and retention metrics. For them, Gladly isn't just another piece of business software but a beloved and essential platform, enabling customer support reps to be the "Heroes" for their brands and their customers.

Led by visionary CEO and repeat founder Joseph Ansanelli, alongside a superhero roster of product, go-to-market, and operational leaders, Gladly truly "walks the walk" as a customer support software company. With this funding, Gladly will continue advance its AI capabilities and expand to new geographies and verticals. AVP is thrilled to partner with Gladly in this next phase of growth.

1. https://www.forbes.com/sites/marisagarcia/2024/02/19/what-air-canada-lost-in-remarkable-lying-ai-chatbot-case/

We invest in great entrepreneurs.

We support outstanding companies.

AVP

AXA VENTURE PARTNERS