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EBOOK

Conversational Commerce

The Customer Experience
of the Future

CONTENTS

The customer experience:

It's what keeps people engaged with your business and prompts them to purchase your products and services.

Online platforms provide new ways to connect with customers, offering a significant increase in convenience. These technologies have forever changed the way people shop, and even changed the methods through which they communicate with businesses.

However, technology hasn't changed how people want to feel during an interaction.

Your customers want to feel like their voices are heard and their questions will be answered quickly and correctly. Traditional customer experiences relied on two-way communication that built a relationship between the customer and the company. "Mom-and-pop" shops were popular because the customer felt valued, and over the course of years, trust was established and maintained through repeated, meaningful interactions.

Technology provides new ways to connect with the customer, but often, customers are left wondering who—or what—is on the other end of the line. If it's an automated system, can it handle the conversation with the empathy, understanding, and intelligence needed to make the customer feel valued while solving their issue?

Conversational commerce aims to replicate and automate that deep level of communication between company and customer found in traditional, face-to-face interactions.

With rapid growth, global expansion, and the ability to do business 24x7, businesses can't afford the size of staff it would take to provide exceptional, immediate, one-on-one support. Conversational commerce experiences are the goal, but scaling the experience is difficult. Chatbots answer this challenge with artificial intelligence and machine learning that recreate the person-to-person connection on your digital channels. AI-powered chatbots can be designed to be:

Affordable

at scale, with the ability for a single solution to work around the clock, answering every customer interaction immediately.

Intelligent

with built-in empathy and advanced computer learning to continually improve the experience.

Personal

to provide two-way communication, relying on automated hand-offs to live agents when necessary to increase customer satisfaction.

What is Conversational Commerce?

Conversational commerce is a two-way discussion between a business and customer through messaging and chat apps where a relationship is established, ideally leading to a value-based transaction. With conversational commerce, customers can chat with your company, ask questions, get advice and personalized recommendations, read reviews, and complete purchases—all within the messaging app or using a virtual personal assistant (like Amazon Alexa or Google Home). These experiences can be delivered through chatbots, AI, human agents, or a combination of each.

It's not **who** answers the customer, but **how** they're answered that counts.

The definition of conversational commerce reads as if there are people on either end of the line.

However, the goal of a conversational solution is to provide personalization and convenience throughout the entire customer lifecycle. This is typically delivered through messaging, virtual agents, and live agents when required. It's not who answers the customer, but how they're answered that counts.
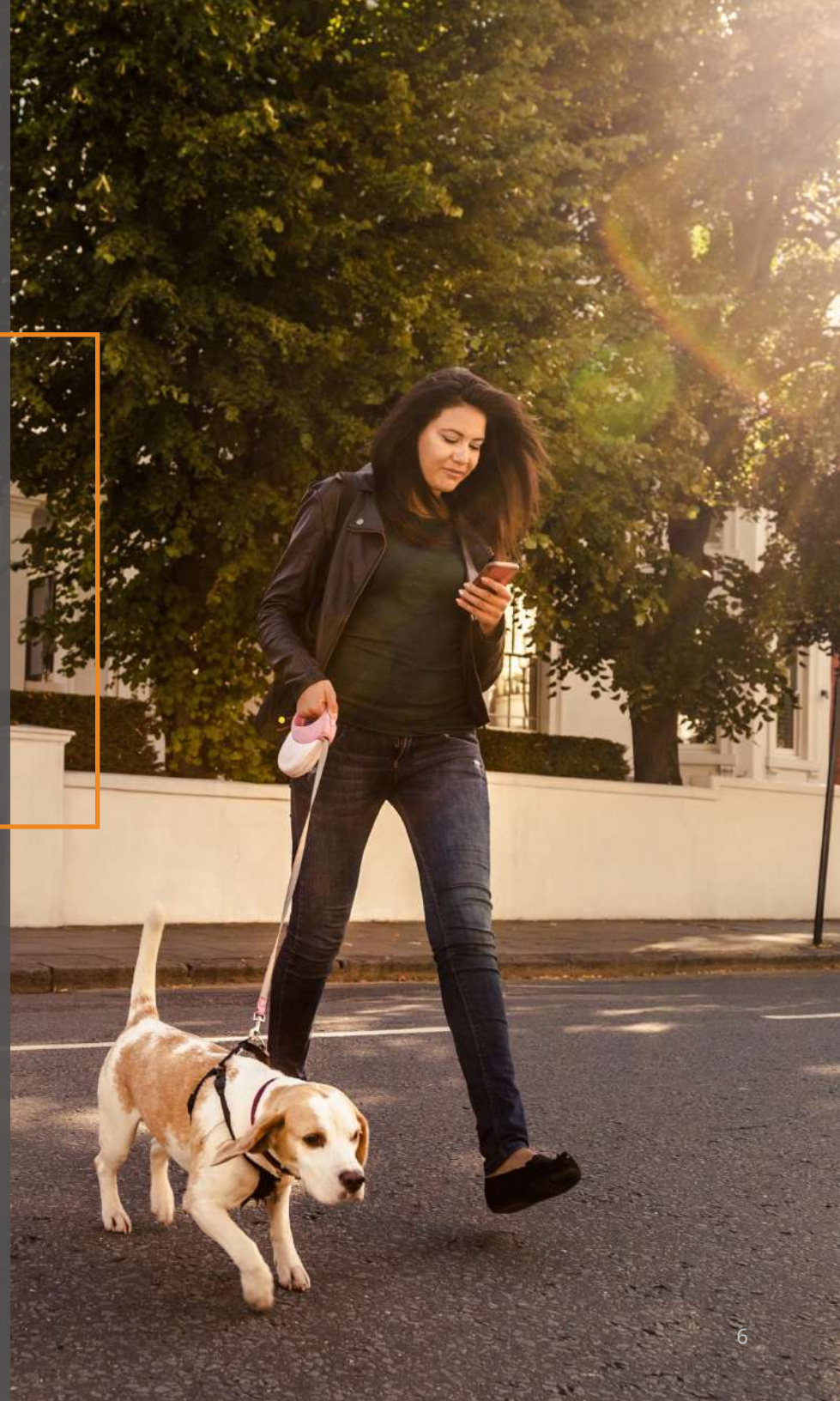
Effective conversational systems are:
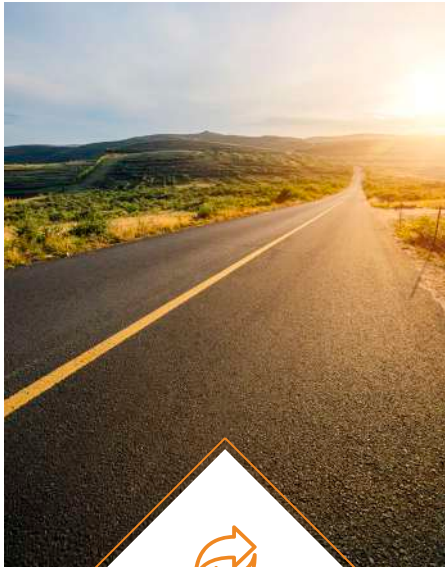
Seamless

The conversational system integrates into all customer interaction platforms, including voice, text, chat, social media, and whatever comes next. The user doesn't have to change their habits to interact with the conversational system.

Predictive

The conversational system uses past interaction successes to predict the flow of conversation and make decisions in advance to respond faster to customer questions.

Empathetic

A conversational commerce engine understands its limitations, and strives to facilitate satisfying interactions. It listens for voice, tone, and word choice, and hands off to a live agent to avoid customer frustration.

Intelligent

Conversational systems are computer learning systems that improve with continued use.

The Value of Human Connection

There are many chatbots on the market today, and many other ways to automate customer engagement. Conversational commerce isn't about replacing humans with technology—it's about building value into the customer experience with technology solutions that come as close as possible to reproducing human connection. These systems use natural conversation, provide intelligent responses that carry the conversation forward, and exhibit empathy to nurture the customer relationship.

Can You Teach a Computer to Empathize?

Empathy—when taken in the context of customer communications—means understanding the importance of every transaction to the consumer. They're calling or messaging for a reason, and the result of the transaction holds value for them. To exhibit empathy, the agent who answers the call or text—whether human or virtual—must listen to not only the words used by the customer, but also their tone of voice.

AI-powered conversational chatbots are evolving systems that are continually improved to exhibit greater empathy. They understand differences in dialect, and they listen for phrases and tones that indicate frustration.

They use predictive analysis and past experiences to hand-off calls to live agents before the customer experiences dissatisfaction. If the system waits too long, and the customer becomes agitated, it learns and incorporates that transaction into its predictive data set so that it can do better the next time it encounters a similar scenario.

How Smart is Your Chatbot?

A conversational chatbot takes human communication intelligence to the next level. It doesn't just ask canned questions in a single language; by taking into account the dialect, spoken or typed language, slang, idioms, and more, the system understands the intent behind the words.

Additionally, a conversational virtual agent understands that people communicate differently when writing versus speaking, and it interprets meaning based on the communication mechanism used by the customer. Regardless of communication channel or customer point of origin, a conversational system comes to the right conclusions and guides the customer to the answers they need.

Would You Talk to a Machine?

According to Amazon's sales numbers on Alexa and Echo, the answer is "yes."

As of January 2018, in the United States, consumers have purchased 31 million Amazon Alexa and Echo units combined, and 14 million Google Home devices. Personal assistant devices are popular tools for everything from making grocery lists to playing music to conducting research. Users see the limitless potential of these devices.[i] They've expressed interest in expanded capabilities, with requests that include language learning and personal development.[ii] Because these systems hold natural conversations, responding intelligently to vocal requests, they present a convenient, natural platform that helps people organize and enhance their lives.

MYTH
Conversational commerce is just an automated method of listening to your customers.

FACT
Conversational commerce enables two-way communication between customer and company, including seamless hand-offs between automated and agent-assisted transactions.

Stop "Telling" and Start Communicating

People expect conversations to flow both ways, with answers that fuel follow-on questions, and responses that inform and carry the conversation forward. Virtual agents communicate "with" your customer, not "at" them. Through value-based transactions, conversational chatbots:

Learn from your customer
The AI running behind the communication engine listens to your customer's questions and concerns, categorizes and analyzes their needs and intentions, and saves the information to improve future transactions, with the current customer and others.

Respond to their questions
Armed with a rich history of successful communications, your conversational system responds proactively, helping to advance the conversations while avoiding the need for customers to repeat themselves.

Build a relationship
By communicating in this two-way exchange, your customer feels heard, validated, and valued. They appreciate the fluidity of the system and its ability to help them achieve the resolution they desire, whether it was the result of the automated system or a live agent.

Conversational Feedback for Enhanced Experiences

INDUSTRY EXAMPLE

Customer feedback, when shared on your site, social media, or other public forums, generates valuable earned media that helps generate brand credibility. Many companies send reminder emails to leave feedback within a pre-defined timeframe after a purchase. Often, the process for leaving feedback requires the customer to navigate away from what they are doing and fill out long forms that might not reflect the natural feedback the customer wants to give. Other times, customers ignore these requests altogether, due to their interruptive nature.

With conversational commerce, you meet your customer where they are and offer them the chance to give feedback with minimal disruption. Your conversational system can "see" that the customer is on your site or a social media platform, and it can remind them quickly that their feedback is appreciated. The customer can then engage in a two-way dialogue with the conversational system that can generate and post their feedback.

With conversational commerce, the transaction is simple, elegant, and natural, but a lot is happening in the background. The conversational system recognizes when a customer comes on to the company website or social media channel, and prompts them to review a specific recent purchase, complete with pictures and pricing information. The customer can then engage in a natural, two-way communication discussing the product, the in-store or online experience, and any other topics pertinent to the feedback. The conversational system adjusts questions based on customer responses, and then generates feedback that can be forwarded to review sites, sales channels, and analytics systems.

In both cases, the company gets the feedback they desire, but with a conversational system, the interaction is natural and nondisruptive, and the customer feels valued and heard.

Traditional Request for Feedback

1. Open the email

2. Scan through all the different transactions you are eligible to review

3. Decide where and how you wish to respond

4. Click a link to leave a review

5. Wait for the webpage to load

6. Fill out your name and information

7. Fill out your review by answering a static set of questions

8. Hit submit

9. Repeat steps 4-8 for all reviews you wish to leave

This is a *lot* of responsibility put on the customer

Conversational Request for Feedback

1. Respond to the message when prompted

2. Have a natural conversation

Not Your Average Chatbot

	Simple Chatbots	AI-Powered Chatbots
Text-based or voice answering system	X	X
Handles basic requests and answers simple questions	X	X
Learn from interactions		X
Uses intelligent follow-up questions to clarify the customer's intent		X
Responds conversationally with an attempt to eliminate redundant or frustrating questions		X
Mimics human interaction to solve complex problems or drive toward the user's desired outcome		X
Understands dialect, tone, slang, accent, and more to communicate with a diverse customer base		X
Knows the difference between spoken and written conversation patterns and reacts appropriately to every situation		X
Can communicate with both humans and computers to make intelligent decisions on the fly		X
Exhibits empathy and knows when a human should be involved		X
Performs automatic hand-offs with live agents that feel seamless		X

It Just Keeps Getting Better

AI-powered chatbots use advanced computer learning to continually improve the customer experience. Through Natural Language Understanding (NLU) and Natural Language Processing (NLP), virtual agents are capable of learning from their interactions. They continually refine their actions and tune their responses, so that past successes inform future conversations. Because NLU and NLP are rapidly advancing technologies each software release provides a more fluid and natural automated conversation.

Reach More Customers than Ever Before

When a customer wants to place an order, or if they have an issue, they're not thinking about their preferred method of contact. They simply want a resolution. Allowing them to communicate via the tool that's already in front of them enables immediate access that customers appreciate. Providing a consistent experience across all communication channels elevates customer satisfaction even higher.

While phone and email communications continue to decline in use, especially among younger consumers, messaging apps are gaining in popularity. Conversational commerce offers companies unprecedented opportunities to reach customers on their channel of choice, including messenger apps, without having to reinvent the system for every platform. Businesses can easily communicate with customers through the apps of their choice, and customers don't have to search for a communication mechanism; they simply start talking, texting, or messaging.
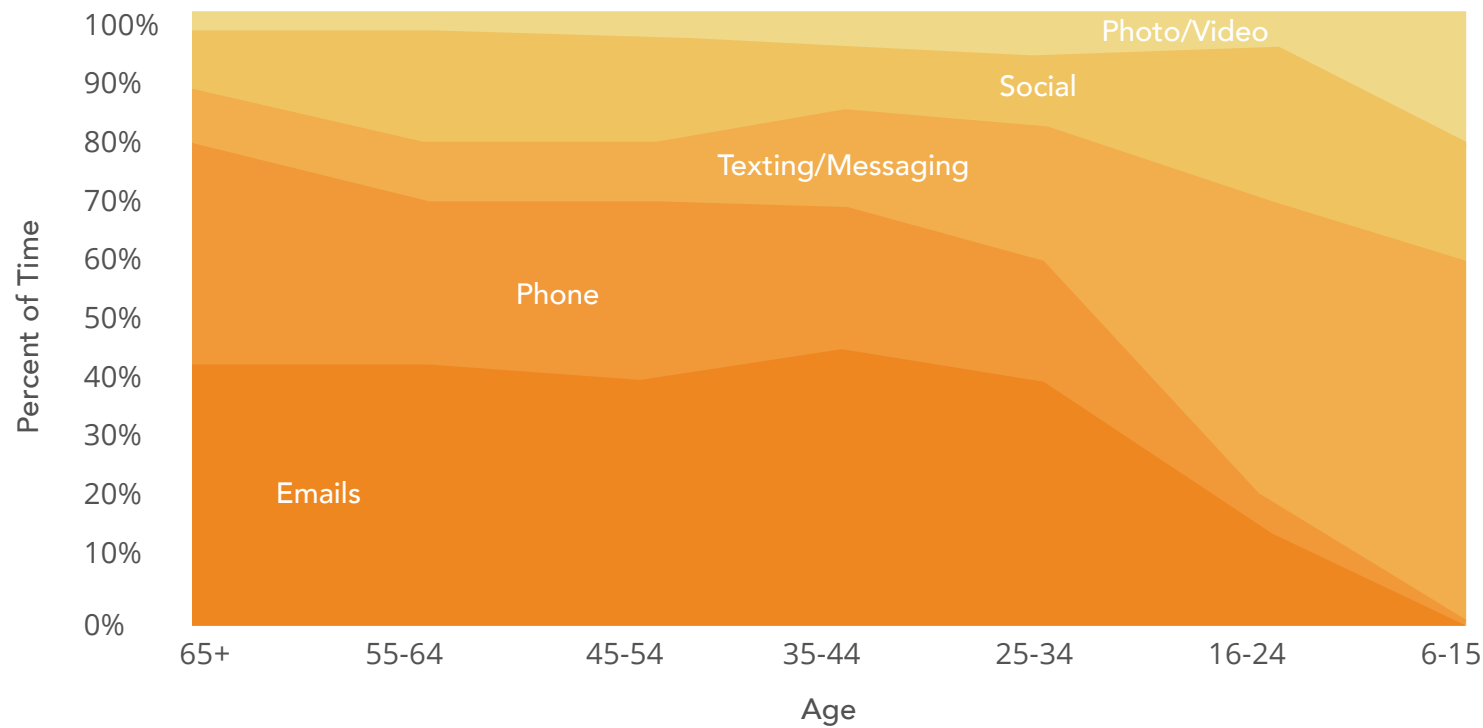

Figure 1: The channels where communications are conversational are surging in popularity, especially with younger demographics.

Do More with Less

Most customer communications can be answered by an automated system—at least for initial contact. With conversational commerce mimicking human interaction, many issues can be resolved without the need for a live agent. Through a natural series of questions and responses, the conversational system rapidly produces a correct response, resulting in fast service and deeper customer satisfaction.

Improved Resource Utilization

Your agents are standing by to answer the hard questions. If they are made to answer every question that comes through, they'll spend most of their time providing basic information and solving issues with known resolutions. Meanwhile, the callers who have complex issues grow frustrated as they wait on the line.

AI-powered chatbots rapidly answer simple questions, solve many complex problems, and employ empathy and understanding to gauge when human intervention is required quickly. Customers reach live agents faster, and the system provides the agent with the background information supplied by the customer so that they don't have to repeat themselves. Once resolved, the agent can end the transaction, or hand the customer back to the conversational system to complete a sale or provide further information. In this workflow, your agents' time is used for the greatest benefit of both your customer and your company.
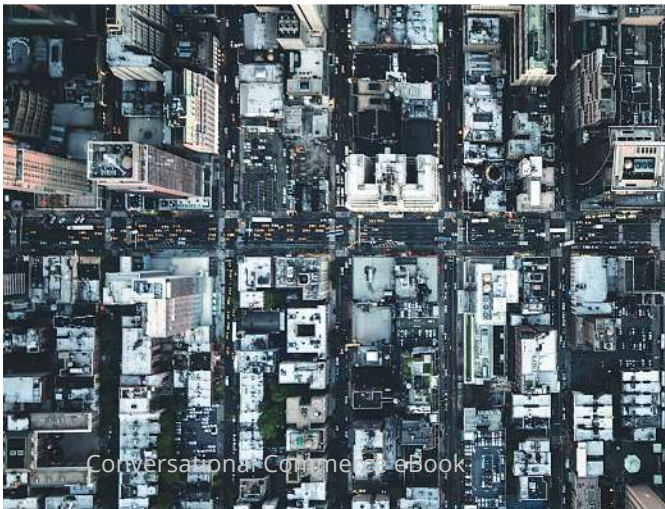
Enhance the
Customer Relationship

With conversational commerce,
your customers:

Reach your company through their
chosen communication channel

Receive the same level of exceptional
customer service, regardless of
whether they receive an answer from
the automated system or a live agent

Trust the resolutions they
receive through your system

These high-value
transactions result
in greater customer
retention and a better
brand reputation.

Take Communication to the Customer for Better Business

You may be thinking that conversational commerce looks great on paper—if not a little futuristic—but you're probably wondering, is it worth the cost? Even if you're convinced, you may need to sway decision makers or shareholders that conversational commerce is worth exploring.

The typical phone conversation costs companies an average of six to 15 dollars per call versus one dollar per interaction on a messaging app. That's a 24.5 percent year-over-year increase in ROI, and messaging also has the highest Net Promoter Score of any customer service channel.

Messaging Versus Voice by the Numbers

With over 2 billion people using messenger apps globally and 2.5 billion people using smartphones, your customers are a text message away. Companies that enable conversational commerce are experiencing greater engagement, lower costs, and higher profits.

Up to
$14 savings
per call[iii]

Up to a
25% increase
in annual revenue[iv]

24.5% YOY
increase in ROI[iii]

73% of US-based people prefer texting for digital correspondence[v]

95 to 98%
of texts are read immediately after the receipt[v]

Industry Leaders Speak Out About Conversational Commerce

"

All of the big trends in commerce over the past couple of decades have been in moving to where your customers are. Rather than forcing your customers to come to you, you go to where they are. The next generation of that is conversational commerce. It is inevitable that everyone is going to have to incorporate conversations inside of Messenger, and into social media platforms, in order to sell things more effectively."

— Phil Libin
Founder,
All Turtles and Evernote

"

Our chatbots are already performing better than email when comparing organic growth, read rates, and click-throughs. We know that fans want to feel close to their favorite artists, and this solution helps us connect them in a way that's authentic. Email just doesn't provide the same opportunity to show off your personality."

— Jeremy Kutner
VP of Web & Mobile,
Warner Music Group

"

By analyzing shoppers' habits, a conversation can be sparked regarding new deals or complementary products."

— Dennis T. Elder
Director of Technology,
Bigfish Creative Group

Conversational Commerce and Your Business

PART TWO

Chances are, your business already uses a complex configuration of customer relationship management software, telephony answering systems, order processing solutions, websites, social media channels, and more. Your live agents have touchpoints into all these systems to provide information and answers when customers reach out.

Where Do Conversational Commerce Systems Fit?

Your conversational commerce solution needs to weave seamlessly into your current systems without the need for reinvention at every integration point. Through API integration, conversational commerce acts as the glue between your enterprise systems so that customers experience fluid transactions, and hand-offs between virtual and live agents happen seamlessly. When your live agent takes over, they should have access to the entire transaction to that point, and they should understand the customer's pain point that necessitated human intervention. With the right implementation of a conversational commerce engine, your customer may not even realize when these hand-offs occur.

Hi Jane. It looks like you left an item in your shopping cart. Would you like to finish placing your order?

I was just looking.

Would you like to see some customer reviews of the boots you were looking at?

I wasn't sure if they'd fit.

Past reviews indicate that those boots have a 90% sizing accuracy. If you'd like, I can find a local store that has those boots in stock so you can try them on.

Conversational Commerce Scenarios

Did the check I wrote to my lawn service post this week?

I see five checks posted this week. One of them is to Happy Yard Maintenance. Would you like to see that check?

Yes, please.

displays check

That's not right! It was supposed to be $40, not $400!

hands off to live agent in the background

Hi, John. This is Mandy. I can help you clear up the issue of your check amount.

Welcome to your hotel room. Once you get settled in, please let me know if there's anything you need.

I forgot my toothbrush!

We can have one brought to your room. Would you like that now, or with your next service?

Now, please. I was planning to go out tonight.

Can I recommend some local attractions?

Conversational Commerce for Retail

In the retail world, omnichannel delivery is crucial for success. In-store and online experiences must be consistent, including prices, sales, and communications. AI-powered chatbots are a seamless way to put valuable information directly in front of the customer. Through location services, apps, and messaging, virtual agents can reach out to customers as they are walking through the store to offer them incentives, point out new merchandise, and remind them of items they've viewed previously. With online experiences, virtual agents can find items in stock and recommend an in-store pick-up for faster delivery, and they can recommend items that are frequently purchased together to increase sales.

Beyond the Retail Use Case

Don't let the word "commerce" fool you. Conversational systems and virtual agents are valuable for any enterprise that handles a large volume of customer transactions or interactions.

Retail digital touchpoints are an increasingly important channel for winning customer loyalty. We forecast they will influence 49 percent of total US retail sales (and 31 percent of total European retail sales) this year.

—Forrester

High-Touch/Low-Frequency Transactions

Businesses in travel and healthcare, and agencies such as the DMV, interact with customers periodically. However, those transactions can be complex and are typically highly important to the customer. AI-powered chatbots help these organizations answer complex questions, predict best-scenario solutions, and remain empathetic to the importance of the customer outcome throughout the entire transaction.

Government

For DMV, DES, border patrol and other government agencies that interact with the public, virtual agents provide answers to frequently asked questions, both simple and complex, to free up agent availability to handle those issues that require in-depth analysis.

Healthcare

For hospital procedures, medical imaging, and lab scheduling companies, virtual agents can handle complex transactions, including insurance verification, required test and exam scheduling, pre-op/post-op questions, and multi-faceted scheduling, while offering the patient enhanced privacy.

Travel/Hospitality

For hotels, airlines, travel/expedition management companies, and other travel and hospitality businesses, virtual agents provide consistent, 24/7 booking and travel arrangement services. The conversational system also provides customer support during and after travel, with immediate problem resolution.
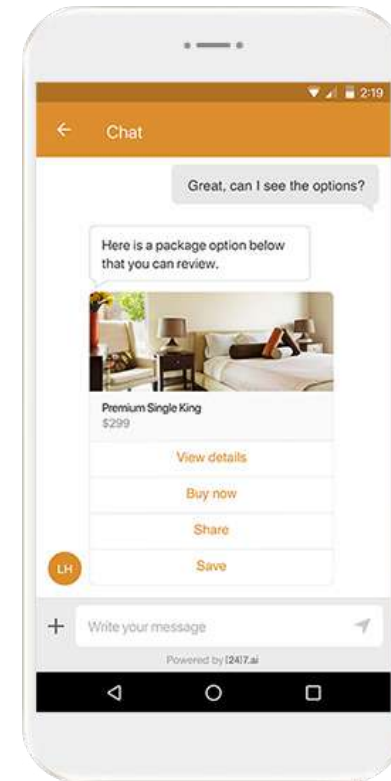
Low-Touch/High-Frequency Requests

Many businesses, such as banking, telecom, and insurance, handle frequent customer interactions. AI-powered chatbots enable businesses to automate routine customer issues, such as billing and account status checks, while also providing a foundation for complex customer interactions, including requests for new or updated services, policies, or equipment.

Banking/Finance

Consumer banks and lending institutions use conversational commerce to answer questions and perform functions from simple requests like, "check my balance" "transfer funds" or "pay my bill," to complex requests such as, "I'd like to convert my 401k to an IRA."

Telecom

Cellphone, WiFi, and television service providers employ virtual agents so customers can establish service, upgrade components, verify service areas, make payments, make changes to service contracts, and more.

Insurance

For personal or casualty companies servicing vehicle, home, or business policies, conversational commerce allows customers to complete routine billing payments, and can also provide 24x7 support for filing claims.

Industry Spotlight: Retail

Virtual agents help retail stores provide consistent omnichannel customer experiences that build relationships and brand trust. Retail leader Kohl's implemented a conversational solution that uses predictive analysis to help customers find deals, locate the nearest store, and track online orders. Sephora's conversational system helped them increase their booking rates by 11 percent.[vi]
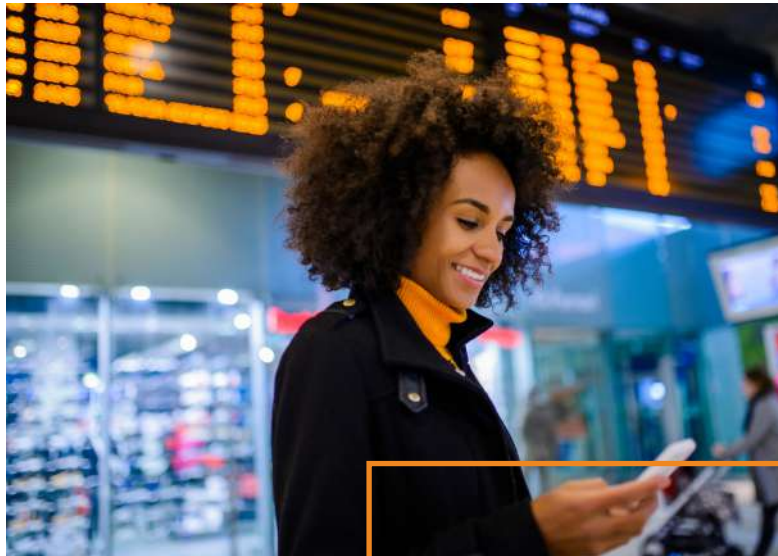
Industry Spotlight: Telecom

DISH, a leading telecom provider, is using chat technology to enhance their customer service experience. Customers can use the chat feature on the company's website to register for services, ask questions, and receive support. DISH customers can also use Apple's Business Chat messaging service to chat with live agents, makes changes to their account, schedule appointments, and order sporting events or pay-per-view movies. [vii]

✈

Industry Spotlight:
Travel

Hilton is using conversational commerce and AI-powered chat technology to optimize their digital concierge experience. While browsing Hilton's website, customers can easily engage with the virtual agent, tell it where they are looking to go, and after answering a few more simple questions, be offered a list of hotels to suit their preferences.

Industry Spotlight:
Personal Shopping Services
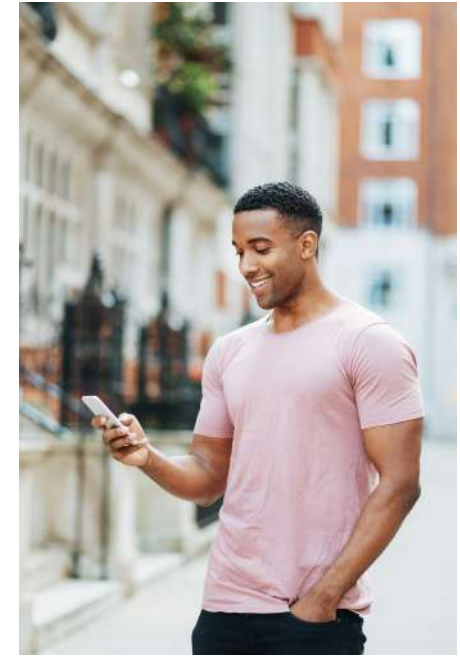
Virtual personal shopping services are a new phenomenon that has been enabled by conversational commerce. A personal shopping virtual agent provides one-on-one service at scale. 1-800-Flowers introduced this type of service with their virtual assistant, Gwyn. As Gwyn interacts with customers on the website, she learns their tastes. By asking pointed questions about the intended recipient, occasion, desired price, and sentiment, she helps customers navigate an inventory of thousands of choices to provide a streamlined and satisfying set of items that match their criteria. The first quarter that Gwyn was in place, the company experienced a 6.3 percent increase in revenue, with 70 percent of customers ordering through the virtual agent. [vii]

Conversational Commerce and Your Strategy

At the end of every transaction with your business, the customer should feel satisfied. Whether they are talking to a live agent, messaging with a virtual agent, or a combination of both, they should feel that their questions were answered as quickly and accurately as possible.

You can find potential integration points for conversational commerce by analyzing which communications can be easily automated.
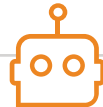
Common Integration Touchpoints

Troubleshooting Common Customer Issues	Account Access and Information	Virtual Assistants	Website Ordering Help	Appointment Reminders

Common Workflows for Integration

Appointment Scheduling	New Service/ Customer Account Setup	Financial/Loan Applications	Insurance Policy Pricing

Five Times When a Live Agent Should Always Take Over

1
Preferred Customers

Longstanding or subscription-based customers may be automatically transferred to a live agent.

2
Frustrated Tone or Angry Words

Empathy-driven hand-off based on real-time analysis of interactions.

3
Strong Accents

If the caller can't be understood by the system, it's time for a live agent.

4
Unrecognized Requests

Sometimes, the caller stumps the system with an unrecognized request. An early hand-off results in less frustration and better customer satisfaction compared to repeated attempts at guessing what the caller means.

5
Repeated Request for a Representative

If a customer is insistant, it's best to hand them off to a live agent.

Choosing Your Conversational Commerce Solution

Make it Multichannel

Channels die out. People move on. Your system should be quickly and easily portable from one channel to the next without rework.

Guard Rails Are a Must

Remember the adage: garbage in, garbage out. Make sure your system learns from the best interactions and not the worst to achieve the best customer relationships possible.

Slips in Seamlessly

Your conversational commerce solution should integrate easily into the customer's lifestyle by making use of systems they already use rather than requiring them to change their habits and behaviors.

Secure and Compliant

When dealing with customer communications, it's critical that your solution is built on secure transaction protocols to the best extent possible and is compliant with all applicable laws and regulations, including GDPR, HIPAA, PCI, and others.

[24]7.ai: Mature and Capable Conversational Commerce

[24]7.ai provides a single AI platform for speech and digital to ensure seamless conversational commerce. Build your solution once and deploy on any channel to create a personalized, predictive, and effortless customer experience that enhances the customer relationship.

Situationally Aware

[24]7.ai solutions learn from your customers and quickly assess their needs to provide fast answers.

Delivers Consistency

[24]7.ai virtual agents integrate seamlessly, following the customer across channels to elevate the effectiveness, efficiency, and experience of every transaction.

Enabled by Prediction

Through predictive modeling, [24]7.ai uses customer behavior to determine intent for informed decision making.

Armed With Insights

[24]7.ai virtual agents provide deep insights into customer satisfaction and system effectiveness, so you can continually improve performance and increase ROI.

For more information, and to start enhancing your customer experience with conversational commerce, visit www.247.ai

[i] https://searchengineland.com/analyst-firm-google-home-gains-ground-amazon-echo-44-million-total-units-sold-290544
[ii] https://www.cnbc.com/2018/06/26/study-what-people-actually-ask-amazons-alexa.html
[iii] [24]7.ai Messenger Positioning
[iv] https://chatbotsmagazine.com/the-complete-guide-to-conversational-commerce-e47059293efa
[v] https://www.studyfinds.org/millennials-gen-z-communicate-texting/
[vi] Forrester, 2018
[vii] https://www.techemergence.com/7-chatbot-use-cases-that-actually-work/
[viii] https://www.engadget.com/2018/07/20/dish-customer-service-apple-business-chat/

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About [24]7.ai

[24]7.ai is a customer experience software and services company that is redefining the way companies interact with consumers. We help businesses attract and retain customers, and make it possible to create a personalized, predictive, and effortless customer experience.

For more information visit: http://www.247.ai