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Conversational commerce: What it is and how to use it

February 1, 2017



Brian Heikes is vice president of product at 3Cinteractive

By **Brian Heikes**

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Online and mobile shopping is one of the most popular methods of buying what you need. But even with personalized content recommendations, personal shoppers and a host of other technological improvements, much of it still feels very impersonal.

Brands know that many millennial customers value the experience as much as they do the price, and those that are focused on the experience have found a new tool that helps them create a personal relationship with their customers at scale.

Enter conversational commerce and the era of the chatbot: a new breed of customer interaction that allows brands to connect with their customers on a personal level while creating a more natural interaction that mimics the physical world.

Although still relatively new to the scene, this technology is bringing marketers and consumers closer together by bridging the communication gap between a brand and its customers.

What is conversational commerce?

The name is not exactly self-explanatory.

Conversational commerce enables transactions to occur between brands and customers via messaging interfaces such as SMS or through WhatsApp, Facebook Messenger and other mobile messaging platforms.

Think of it as a conversation with the butcher at your local meat counter.

In the bricks-and-mortar environment, you stand on opposite sides of the counter and chat about what you want. When you are done, he cuts your meat and hands it to you. When you add technology to the mix, the same thing occurs. However, instead of chatting across the counter, you are chatting across text messages.

The challenge is doing this at scale.

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It is easy to serve one or two people at a time, just like the traditional butcher does. However, when you want to scale that to hundreds or thousands who want to browse and order, you need to leverage the benefits that technology bring to the table.

Chatbots, or bots, and artificial intelligence (AI) software is used to tailor the conversation toward each individual customer's needs. This can be based on historical data patterns for the user, preferences that they have expressed, recommendations the brand has, or any number of other criteria.

With the proper design, the result of using these chatbots is a customized experience that improves the customer's experience and eases customer service options for the company.

Chatbots allow brands to respond more quickly to customers while reducing their spending on customer service associates.

Why should brands add chatbots to their strategy?

Increased customer satisfaction, reduced costs to scale and improved ability to engage customers across mediums from social media, Web sites and applications to messaging are just a few of the reasons that this technology is being adopted globally.

The WeChat platform in China has stood out for a number of years as a leader in enabling businesses to engage with customers in this fashion. Now the rest of the world is catching up.

Popular brands are starting to implement conversational commerce into their marketing and customer service strategies.

This is in part because the experiences are now more reliable than was possible a few years ago.

SMS and MMS were limited in what they could communicate. But times and technology have changed and new opportunities have emerged.

Facebook, Kik, WhatsApp and others have now enabled users to interact with businesses on their platforms. This is known as application-to-person (A2P) messaging.

Companies have deployed chatbots that can assist customers with tasks such as simple questions about a brand or product, scheduling appointments and even making payments for products and services.

Starbucks, which has been an innovator in mobile commerce, has shared its plans on joining the conversational commerce revolution.

In early 2017, Starbucks is planning on rolling out a new feature for its mobile app.

My Starbucks Barista will be an AI-enabled conversational ordering feature that will allow customers to place orders by voice command or messaging. This will complement its existing interface where you have to browse through menus to select the coffee you want to buy.

The expectation is that it will be easier to tell your phone you want a "Grande Non-Fat No Whip Iced Peppermint White Chocolate Mocha" than it is to pick all those options from menus covering the infinite choices available to you.

The coffee and beverage brands hope that this new feature "will improve ordering efficiency and encourage stronger customer loyalty and engagement," according to Retail Dive.

Are chatbots a good fit for your brand?

Chatbots have shown promising results many scenarios, but these conversational commerce helpers may not be right for every business.

Here is the thing with chatbots: they are a relatively new technology when it comes to the marketplace.

Like any new technology, most consumers have never interacted with a bot and therefore may be hesitant when it comes time to engage with one.

But the more chatbots engage with customers, the more accurate and efficient they will become, improving the consumer's overall shopping experience.

Consumers across all age groups are now using technology such as SMS messaging to connect with brands. And while over 50 percent of consumers are interested in interacting with businesses via messaging, only about 25 percent currently do so.

Whether it be text messaging, Facebook Messenger or some other messaging app, consumers have become comfortable having electronic conversations with a business.

In addition to being confident enough with current technology, shoppers are now looking to solve their own problems through self-tutorials and frequently asked questions (FAQ) pages.

With that in mind, think about how a chatbot could assist both you and your customers.

If you are looking for a way to start using bots to interact with your customers, an easy entry point may be through automating some of your routine customer service queries.

Take the frequently asked questions that your customers commonly ask, and set up a bot to handle those. This will give you a feel for what your customers' reactions will be before you invest in building more complex tasks that require the development of new software.

CONVERSATIONAL COMMERCE with the help of AI just might be the future of customer interaction.

Soon, more consumers will be turning to their mobile devices to ask questions or buy goods as opposed to seeking out a sales associate.

With proper planning, some integration into their existing systems and a little help from technology, brands can delight their customers and increase their sales, just chatting to them.

Brian Heikes is vice president of product at [3Cinteractive](#), Boca Raton, FL. Reach him at bheikes@3c.com.