

Expert Group

Conversational Commerce

On the Road to Maturity

Takeaways

1. Conversational commerce allows for a better understanding of specific customer needs, which can help increase customer satisfaction and boost conversion.
2. The rapid development of technology, the emergence of artificial intelligence, and the fact that chatbot tools are now able, or will soon be able, to support the Dutch language will give a big boost to conversational commerce in the Netherlands.
3. The introduction of chatbots will require constant attention, as they will become a key part of business processes. The existing methods and processes will need to be adjusted accordingly, and employees need to be prepared for the changes at hand.

Host

Chair

Conversations between customers and companies through chat messages and voice, supported by smart computers

1. A Brief Introduction – What Is Conversational Commerce?

Conversational commerce involves interaction between customers and companies through chat messages and voice, usually supported by smart computers. It offers companies an easy, direct way to get in touch with consumers and enables them to come to a better understanding of specific customer needs, which will help increase customer satisfaction and conversion and allows companies to learn even more about their customers.

The rapid development of technology, the emergence of artificial intelligence, and the fact that chatbot tools are now able, or will soon be able, to support the Dutch language will give a big boost to conversational commerce in the Netherlands. Consumers are becoming more familiar with chat and voice thanks to the daily use of cellphones, navigation systems, smart devices and domotics (intelligent systems to control your lighting, coffee machine and thermostat, for instance). Consumers tend to have their first experience with chatbots when contacting major companies with a customer service query. The next step is for conversational commerce to start playing a significant role in consumers' entire customer journey for the purchase of products and services. Although currently most applications are text-based, more and more voice applications are cropping up. The recent launch of Google Home in Dutch is an excellent example.

Companies that are already making large-scale use of chatbots have taught us that the introduction of chatbots requires constant attention, as they become a key part of business processes. Initially, employees will tend to see chatbots as a threat if they are not informed properly about the role and purpose of chatbot technology. The existing methods and processes will have to be adjusted, which will also mean that employees have to be retrained. In addition, the automated conversations need to be constantly optimized. Current technology makes it easy to take the first steps in automating simple conversations, but after the initial phase, more time and money will soon be needed. In order for conversational solutions to provide significant added value, they need to be integrated with other systems, which requires large-scale IT efforts.



In short, there are plenty of reasons to take a deep dive into conversational commerce and explore what we can learn from experts and other companies. That's why the expert group has developed a new, unique maturity model, giving companies an easy tool to assess their maturity when it comes to conversational commerce. After asking a number of questions, the model gives various specific, practical tips to help your company take the next step in conversational commerce. Several of the general tips given by the ShoppingTomorrow Conversational Commerce Maturity Checkbot have also been included in this blue paper.

1.1 Definition of Conversational Commerce

There are many definitions of conversational commerce out there, but they are all essentially similar. Our expert group would define it as interaction between consumers and companies that:

- takes place through messaging, chat and/or voice technology;
- takes place through a virtual assistant (chatbot), possibly in combination with interaction with an employee;
- involves a one-on-one conversation characterized by mutual understanding;
- takes place in real time or almost real time;
- focuses on the customer journey of a commercial transaction (orientation, advice, purchase, delivery, service and returns).



1.2 The Market Potential of Conversational Commerce



Conversational commerce has clear potential. Research carried out by HubSpot Research in the United States, Australia and Singapore has shown that 80% of consumers want an answer right away if they have a question about a product or a purchase. For questions about a purchase, 33% indicate that they prefer to communicate via chat, with 42% preferring chatbots for service-related questions. Research conducted by Capgemini in the United States, the United Kingdom, France and Germany, meanwhile, shows that 51% of consumers are already using virtual assistants and that 35% are already using them to make purchases. Capgemini estimates that the value of conversational commerce for retailers will be \$35 billion in 2020.

Although many chatbots are currently still text-based, *voice* technology is set to develop quickly. This is also apparent in the

growing popularity of shopping using the Amazon Echo smart speaker in those countries in which Amazon operates. A survey by Forrester Research reveals that 12% of American households already own this device and 29% of these households actually use it to buy products. The expectation is that more than half of American households will start using smart speaker systems in the next five years¹, and they are set to be even more popular in China. Capgemini conducted a comparable survey in several European countries and found that 35% of the people who regularly use a voice assistant also use it to buy things like groceries and clothing.² The Conversational Commerce Expert Group surveyed Dutch consumers and retail experts to assess the current status of this development in the Netherlands. The findings of this research will be discussed later on in this blue paper.

¹ FORRESTER RESEARCH, 2016

² WWW.CAPGEMINI.COM/RESOURCES/CONVERSATIONAL-COMMERCE-DTI-REPORT/

2. Become Aware – About the Importance of Conversational Commerce

2.1 What Opportunities and Threats Does Conversational Commerce Present?

Easy, direct contact with large numbers of consumers is one of the significant opportunities that conversational commerce offers. Conversational commerce has the following advantages:

- In a conversation, companies can collect more, and more specific, information about customer needs and context.
- This allows them to make more personalized and fitting offers.
- It allows companies to be available 24/7, whenever a customer need arises.
- It enables companies to both engage in a conversation with customers and show them visuals.
- It can facilitate and accelerate repeat purchases.
- Consumers are less likely to ignore legitimate chat messages than other ways of getting in touch, like emails (at least right now this is still the case).
- When employed smartly, conversational commerce can also drive down costs by boosting efficiency. Moreover, this technology is scalable.
- Conversations can be easily logged, so they can be searched or analyzed later on.
- Allowing consumers to use this channel to submit complaints may help protect you against public negative sentiment on social media.

Conversational commerce offers companies the opportunity to learn a lot from and about their customers. A chatbot provides more insight into customers' exact questions and needs than referring them to the online store or FAQ.

However, getting started with conversational commerce also poses various threats. The quality of the conversation is an important aspect. Various factors come into play here:

Common sense is still the key to successfully integrating AI in organizations.

ARTHUR VAN DIEMEN
NEXTAIL

- The quality of the language used by the voice/chat technology. However, it should only be a matter of time before the technology is up to par for the Dutch language, too.
- Replacing 'human-to-human' with 'human-to-chatbot' contact may lead to miscommunication, which can easily result in disappointed consumers. Generally speaking, tolerance of mistakes is not particularly high. That's why it's important, especially in the early stages, to limit the scope of the chatbot and carefully manage users' expectations.
- The channel switch is particularly complicated – both when it comes to technology/access to information and on an organizational level – if you want to retain content, context, conversation and authentication.

The expert group believes that artificial intelligence will become the new normal and that in the next few years, conversational commerce will become an established part of the channel mix deployed by retailers and other consumer companies.

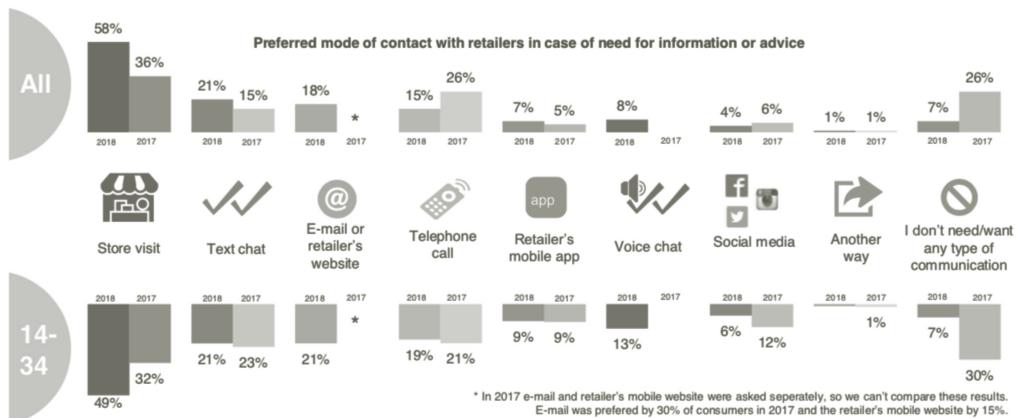
This requires organizations to adopt an even more customer-oriented approach. We found this shift to be a great learning experience, and we are definitely seeing results!

CAROLINA VAN DEN HOVEN
ANWB



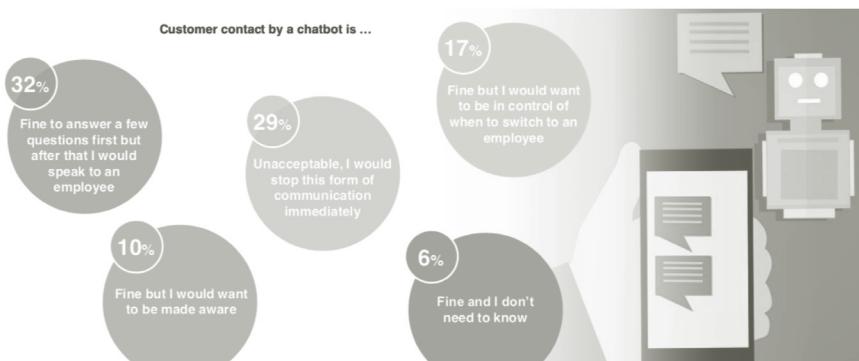
2.2 What Do Consumers Think About It?

How willing are Dutch consumers to have the purchase process take place through conversational commerce? It is difficult to answer this question unequivocally. It may be that ultimately conversational commerce will only be used for a few steps within the overall omnichannel customer journey. Are we talking about voice or chat here, and will consumers be communicating with chatbots or human agents? In order to gauge sentiment in the Netherlands, we joined forces with GfK to survey 500 consumers, asking them about chat as a form of interaction and their willingness to purchase products and services through chatbots.



Preferred method of communicating with retailers for information or advice³

The GfK survey shows that chat is becoming an increasingly popular means of communication. This year, voice formed a separate category, with 8% of respondents indicating that they would be willing to use this channel to communicate with companies. More than 10% of young people indicated that they would be willing to do so, whereas the percentage of young people who prefer text chat has dropped a little. Other striking findings are that the popularity of brick-and-mortar stores has increased markedly and that communicating with companies over the phone has declined in popularity. The younger group of respondents (14–34) indicated that they are just as happy to communicate with companies via chat as by phone. Furthermore, the overall popularity of social media has declined, which may have been fueled by the growing public debate about the protection of personal data.

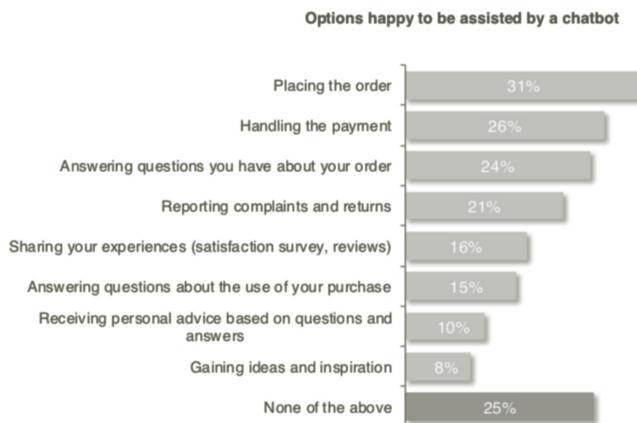


What do consumers think about communicating with a chatbot?⁴

³ 2018 GFK CONSUMER SURVEY

⁴ 2018 GFK CONSUMER SURVEY

The survey also shows that 65% of respondents consider it acceptable to be assisted by chatbots in some way or another, with 29% deeming it unacceptable and 6% not having a clear opinion on the matter. Of that 65%, approximately 85% stated that they do want to have the option of being transferred to a human agent. This supports the conclusion that the expert group drew last year: Never leave your bot alone, and always make sure conversations can be handed over to an employee.



*In which areas do consumers want to be assisted by a chatbot?*²⁵

The image above shows the steps of the customer journey in which consumers are willing to use a chatbot. What is apparent immediately is that making an order and paying for an order are the most popular steps, whereas companies currently tend to use their chatbots for other parts of the journey (advice and service).

2.3 What Do Experts Think About Conversational Commerce?

Aided by the abbi insights research chatbot, the expert group surveyed fifty retail experts, asking them about conversational commerce. About half of these experts stated that, as consumers, they'd had predominantly positive experiences with chatbots, with one-third reporting having had predominantly negative experiences and the remaining respondents having little to no experience with chatbots to date.

Almost a quarter of respondents (24%) indicated that their company has already implemented conversational commerce, with almost half (43%) planning to do so in the future and almost one-third (32%) stating they were not planning on adopting conversational commerce. Furthermore, there is a clear correlation between the respondents' positive or negative experiences with chatbots as consumers and whether or not they are using (or planning on using) chatbots in their own company.

38% of the experts surveyed knew exactly what conversational commerce was, with another 36% being reasonably confident about what it entailed. Approximately one in four retail experts indicated they did not know what conversational commerce was yet. In the follow-up to this survey, we discussed the use of chatbots in the context of conversational commerce in greater detail.

Only 8% of the retail experts surveyed believe that chatbots will not make a positive contribution to customer experience and identify more risks than opportunities. The majority (74%) does believe they can make a positive contribution, with 18% believing they can make a very positive contribution. Better customer service and 24/7 availability, followed by reduced costs and improved customer experience, are seen as the main advantages of chatbots. A much smaller share of the experts surveyed believe that chatbots would primarily contribute by boosting revenue or collecting more customer information.

These retailers were also asked where in the customer journey they thought chatbots could add the most value. In contrast to consumers, they believe that chatbots mainly add value by answering questions about orders and handling complaints and returns, rather than by assisting during the ordering and payment process. Personal advice and inspiration did not score highly either.



Obstacles to the successful implementation of conversational commerce⁶

The image above shows which obstacles to the implementation of conversational commerce were mentioned most frequently by the experts. Top of the list are the constant attention to content and data that conversational commerce requires and the requisite expertise, followed by the current state of development of the technology and integration with existing IT systems.

3. Get Inspired – Best Practices at Home and Abroad



With the theme 'Window to the World' in mind, the expert group set out on a search for best practices in conversational commerce.

H&M's Kik platform is a great example of a retailer using chatbots (see image). Based on a number of questions about personal preferences and by having users respond to various styles, the chatbot can make personalized product suggestions in the chat. Consumers do, however, have to use the regular online store to purchase the suggested items.

If you want to experience for yourself just how far artificial intelligence and chatbot technology have come, a conversation with Mitsuku is definitely worth your time. This bot has won the Loebner Prize for several years running in an annual competition in which chatbots go head-to-head to see which one is most human-like. You can talk to Mitsuku for hours without getting bored: the bot responds and reacts very naturally and will even understand your emotions and mood!

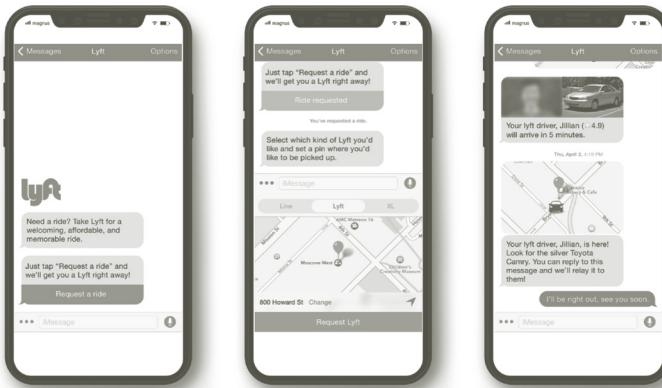
⁶ SURVEY CONDUCTED BY ABBI INSIGHTS AMONG THE SHOPPINGTOMORROW EXPERTS, 2018



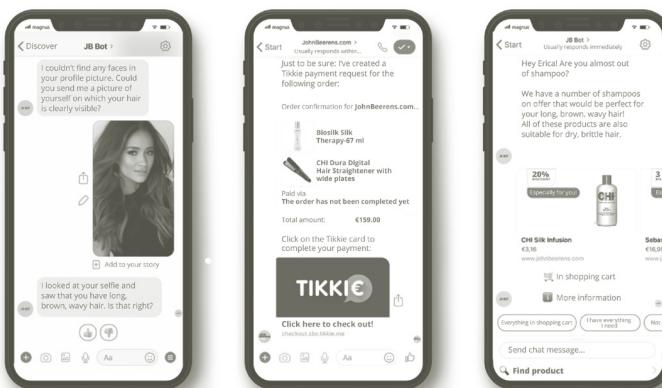
Chat with Mitsuku

At the moment, Mitsuku is just a fancy widget and it is not focused on retail. The American movie website Fandango is a great example of an organization that has implemented conversational commerce across its entire customer journey. During the conversation, users can ask advice about movies, watch trailers, see which films are being shown in their area and even buy tickets via Messenger.

Uber competitor Lyft has also focused its efforts on conversational commerce (see image below). Users can order taxis via chat (for example via Facebook Messenger), as well as via voice, using Amazon Echo. The bot will then send you the location and a photo of your driver, as well as a description of the car. This is how conversational commerce can be used to increase conversion while also improving customer safety.



Various companies in the Netherlands have already started working with conversational commerce. An innovative example of a home-grown initiative is the beauty bot developed by John Beerens. In the conversation with the beauty bot, artificial intelligence is used to analyze the customer's Facebook profile photo (or any other uploaded photo). Based on the photo, the bot will then make a personalized suggestion for a haircare product, before linking to payment app Tikkie for easy payment. By storing information – with the user's permission, of course – in the CRM system, the bot can then continue to make personal offers in the future (see image below).



ASR, an insurance company, has also embraced conversational commerce, transforming their entire homepage into a conversation. If the bot is unable to answer your questions directly, it will at least take you to the right pages on the website and do its best to help you reach your goal.



Whereas these previous two examples focus mainly on chat-based conversational commerce, the recent launch of Google Assistant in Dutch has also seen the first use cases for voice emerge. BB, KLM's bot, can help you find a flight via voice commands, for instance. The actual booking process still takes place on the website or in the app, but it seems to be no more than a matter of time before the entire purchase process can be voice-based. After all, BB is already capable of finalizing the purchase process in Messenger.

This technology is just as suitable for assisting you with your daily grocery shopping: supermarket chains Jumbo (see image) and Albert Heijn both allow customers to fill their virtual shopping carts by voice. More than 10% of the users of Jumbo's current app use its voice function, especially during the work week and at the end of the day. The most popular items are staples such as milk, cheese, bread and eggs.

We talked to Teleperformance's Ricardo Krikke about Sam, Samsung's chatbot

Sam really seems like a real person. How did you design his personality?

"We sat down with a big group of people to decide which well-known characters would be the best fit for a Samsung chatbot in terms of their knowledge and image. We ended up with three names: Q from James Bond, Gyro Gearloose from the Donald Duck universe and Dutch TV personality Luuk Iink. All three are innovative and creative, but they also have a sense of humor. Inspired by these three characters, we designed a unique personality for Sam, which serves as the foundation for the chatbot's appearance and tone of voice."



How do you make sure Sam keeps improving?

"The most important thing is that we constantly monitor conversations and ask customers to rate the conversations based on the question 'How easy has Samsung made it for you to find the answer to your question?' We look at the original intent of all conversations with lower ratings and adjust the conversation in such a way that Sam will be able to recognize and answer the question properly in the future. Sam will always be a work in progress – there's always room for further improvement. We have recently changed how content relating to products is generated

(i.e. filling the PIM) and we are also working on including links with partners, such as mechanics, further down the customer journey."

You work with Messenger a lot. Why?

"Ultimately, the channel doesn't really matter to us, but we have identified a clear trend: private conversations are becoming more popular relatively speaking, while the popularity of public conversations is declining. Messenger allows us to spend more time with the customer on average and has a very different tone of voice; Sam tends to be much more informal. This enables us to build a relationship with the customer, which will allow us to handle future conversations with them much more efficiently."

4. Get Mature – Tips to Take the Next Step in Conversational Commerce

4.1 The Conversational Commerce Maturity Model

Implementing conversational commerce is not a one-off project. It's similar to implementing e-commerce in your company: it will constantly continue to develop and requires continuous attention and adjustment. The expert group has developed a model that gives companies an easy tool to assess their maturity with regard to conversational commerce and shares practical tips to help your company's continued development in this area. The tips are tailored to your company's current level of maturity and will help you to reach a higher level.

Developing conversational commerce involves various areas of your company, which the expert group has divided into the following clusters: customer-facing, organization, and technology & data. Within each of these three domains, there are two main questions/aspects that play a role:

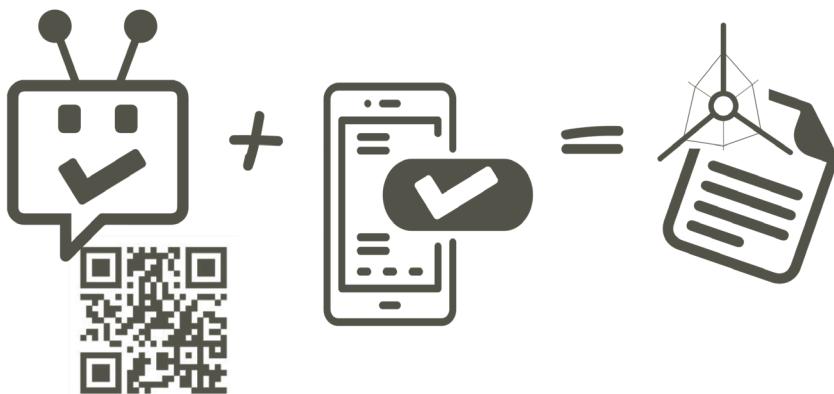
- Customer-facing:
 - * On what sort of *scale* are you planning to implement conversational commerce?
 - * What is the *quality* of the user experience?
- Organization:
 - * How do your organization's processes and *structure* facilitate conversational commerce?
 - * How is *change management* used to guide employees through the process?
- Technology & data:
 - * Which *technology* is used for conversational commerce?
 - * What *data* is available in conversations and what do you do with newly acquired information?

The maturity model asks about ten questions about all six of these aspects in order to determine your maturity with regard to each given aspect and provide appropriate tips. This means the entire model consists of about sixty questions, but you can also start off with a 'quick scan,' which only comprises twenty questions. The quick scan will give you a more general picture of your maturity and will give you slightly fewer and slightly less specific tips.

Give it a try and talk to the Conversational Commerce Maturity Checkbot for recommendations tailored especially to your company!

The questions are asked in a conversation with a chatbot: our Maturity Checkbot. The bot will use artificial intelligence to draw up an advisory report based on that conversation, which it will then send to you by email. This report contains a multitude of practical tips that are directly relevant to the specific

situation of the company that the chatbot talked to. The tips have been drawn up with the utmost care, based on the knowledge and expertise of the expert group. Several of the more general tips have also been included in this chapter.



Scan the QR code to go to the chatbot

4.2 Key Tips on the Road to Maturity

Variety

One way to create pleasant conversations is by varying how the chatbot asks input and gives output. Ask open-ended questions to learn as much about the user's context as possible, but ask multiple-choice questions when there are just a few possible answers. In this case, you can present the various options as attractive buttons, or even as images. Users can also upload photos or give their answer by using a slider, for example when they are asked to rate a product or service. Tikkie, meanwhile, has shown us how you can celebrate the conclusion of a successful conversation by showing a cheering figure, rather than a dull "Thank you for your cooperation."



Give Your Chatbot a Personality

It is important that your chatbot is a good fit with your target demographic and your desired brand image. This goes beyond using the right register (formal or informal, 'pls' or 'please,' 'cool' or 'great') – it's also about how the bot behaves more broadly. That's why it is a good idea to give the bot a name and a distinct personality, which will serve as a guideline for the employees who will be designing and building the bot and feeding it with content. To describe a bot's personality, you can refer to two or three public figures. Describing a bot as a mix of Dutch YouTuber Enzo Knol, TV biologist Freek Vonk and rapper Ali B, for instance, is more likely to speak to the imagination than saying it's supposed to be "sassy, inquisitive and understanding."

Engage in Role Play

Once you have spent some time brainstorming about potential conversations with your colleagues, you will most likely have added carefully-considered flows and content to the chatbot system. To test this content, we recommend doing some role play. Print the content of the chatbot system, cast someone in

your team as the consumer and get the conversation started. Another colleague has to answer all of the consumer's questions, using only the content that has been printed out. This will quickly tell you more about the quality and tone of voice of the conversation.

Personalize

The next step is developing the bot so that it is capable of adjusting its behavior and language to individual users and situations (context). Major insurance companies will not want to approach middle-aged men looking to take out funeral insurance the same way as teenagers who want insurance for their first scooter and want to start zipping around as quickly as possible. In some cases, bots will be able to take a personalized approach based on just the information collected during the conversation, such as the name, objective and location of the user, or the user's behavior in the chat, such as slow or fast typing or clicking, or certain language use. However, personalization will often become even better when it is supported by other sources or systems, such as the CRM system, or even external data, like the weather forecast or climate information about a particular location.

Facilitate Purchases as Much as Possible

Retailers looking to offer chatbot users the opportunity to make a purchase – thereby turning conversation into conversion – have various options at their disposal. The easiest way is to just have the chatbot send a link to the online store. You can also take things one step further by having this link lead to a shopping cart that already includes the product in question and possibly even automatically signing the user in. Of course, the best option is for users to be able to finalize their purchase within the chat.

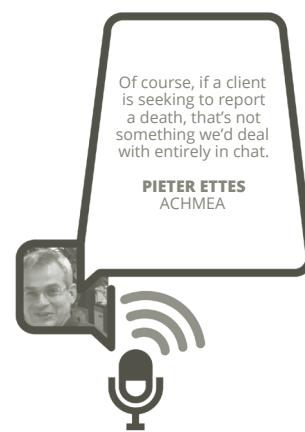
Respect Users' Privacy

In this day and age, we cannot talk about conversational commerce without mentioning privacy and the protection of personal data. We need to point out at this stage that, though we are an expert group, we are no experts in this particular matter, and we urge you to consult a real expert in this area and have your chatbot tested frequently to see whether it complies with the relevant laws and regulations, such as the GDPR. A few general guidelines:

- Clearly state what you will do with the data you collect and ask for the user's permission.
- Direct conversations about privacy-sensitive topics away from the chat if your systems are not able to provide the appropriate level of data security.
- Do not ask for privacy-sensitive information such as bank details or medical information.
- Make sure that conversations can be deleted.

Let Bots and People Work Together

One key principle to keep in mind is that chatbots will be working together with the human agents in the company. It is quite conceivable that chat conversations will start with an intake conversation (where the chatbot asks for the user's name/customer number and their reason for getting in touch), after which the dialog is continued by an employee, especially if the nature of the customer's query is more complex. Intake bots can also hand over conversations to other bots, such as opening-hours bots or returns bots. The conversation itself may also provide reasons for a handover to an human agent, for example when the customer uses certain language or expresses certain emotions. We also recommend that users always have the option of requesting to be transferred to a human agent.



Ensure a Smooth Handover

When transferring customers to human agents, make sure that these employees can review the entire chatbot conversation to avoid having to ask the same questions. You can also make things even easier for them by providing a brief summary (customer name, intention, product in question) along with a suggested answer or solution based on artificial intelligence. This approach helps employees be more efficient, while they will still be able to check that the answer/solution is appropriate before they hit "Send." However, conversations with employees will inevitably take longer than conversations with chatbots, and it is best to clearly communicate this to users when they are transferred. Remember that employees can also hand back the conversation to the bot, for example when a user needs to schedule an in-store appointment at the end of a conversation.

Divide the Work Efficiently

Having bots and human agents work together is key to ensure that your employees will accept chatbots as 'colleagues.' Structuring this cooperation efficiently will allow you to delegate as much of the rote, repetitive work to the bot as possible, so that employees can focus on the more complicated and therefore more interesting matters. In this kind of setup, bots do not replace employees, but instead enhance their added value.

Involve Employees from the Beginning

To increase the acceptance of the chatbot as a colleague, as with every change it is important that employees be involved from the very start. Let employees decide themselves which part of their job can be automated and let them contribute to designing the bot. This will also prepare them for the new roles they will play once the bot has been launched. There are also several very simple things you can do that have proved to be very effective in ensuring broad-based support for chatbots. One of these things is turning the bot into a real colleague: give it a name, celebrate its birthday and share results and examples of successful and failed conversations, as well as funny anecdotes. Above all, always be clear about the fact that the bot allows employees to focus on the more interesting parts of their job.

Talking to Denise Drost-Ridder, Service Innovation Manager at bol.com

How did you encourage customer-service employees to accept the chatbot?

"We emphasized that the chatbot would serve as a coworker, rather than a replacement: the partnership between service experts and bots can empower them both. Having the two work together lets you combine the speed of a machine with the creative personal touch that only people are capable of."

"These partnerships can work in various different ways. Chatbots can be used in a preparatory phase, performing a number of repetitive support tasks, such as asking several standard questions. With this approach, employees act as a moderator of sorts, delegating parts of the conversation to the chatbot. In another approach, the chatbot takes over the conversation in its entirety, until the bot reaches a certain minimum level of certainty and asks a service expert to take over."

"The chatbot is an autonomous 'employee' backed up by human colleagues. In this setup, the chatbot serves as the primary point of contact, and all questions that are too complicated for the bot to handle are handed over to employees. Acceptance starts with the realization that the introduction of a chatbot will impact human jobs, and that designing and setting up a sound system of cooperation will require effort."

What have you done to encourage your employees to see the chatbot as a 'real person'? How far are you taking this?

"Every chatbot has a name, of course, and we celebrate the bot's birthday. Our curiosity also led us to carry out a personality test on one of our first-point-of-contact chatbots. These are all just minor exploratory steps to help integrate the chatbots into our team and increase acceptance."

What advice would you give other companies?

"Don't underestimate the effort involved. Introducing a chatbot has an impact on human jobs, but its real added value lies in the cooperation between computers and people. Make sure that during the design process, you consider the experiences of both the front-end user and the employee to whom the conversation is handed over. Make targeted use of your employees to make chatbot conversations more effective, but also make sure that the way the chatbot hands customers over to a human agent is smooth and pleasant."

Reinvest Cost Savings to Make Improvements

To make sure that chatbots are not seen as a one-off way to cut down on costs, but rather as the transformative investment in increasing customer and employee satisfaction that they are, it can be wise to make clear rules on how to reinvest the savings generated. A major customer-service department, for instance, determined in advance that 1/3 of every euro saved would be reinvested in improving the chatbot, 1/3 would go toward increasing its capacity, and 1/3 would be considered profit. Similarly, you can also agree for a proportion of the savings to be reinvested in training employees who have to carry out more complex tasks.

Measuring Is Knowing

In order to measure the success of the chatbot and to stay motivated to keep improving it, it can be helpful to define and measure a number of KPIs. It goes without saying that these KPIs have to correspond to your envisioned goals, with regard to both the conversation and the company's broader objectives. You could add a simple satisfaction check at the end of each conversation, for instance, as well as measuring how long conversations take and what the conversion rate is. In addition to measuring customer satisfaction, you could also ask users how easily they achieved their goal, resulting in a *customer effort score*. Analyze the bot's scores for each customer objective, so

Make bot-driven
savings sustainable
by continuously
investing in improving
your customer service.

TON DE RIDDER
UDC Lean Consultant
and former Managing
Director of KLM Cygnific



that you can make targeted improvements. It is also wise to record the chatbot's conversations in your CRM system and to compare them with other channels, allowing you to draw up a business case.

Analyze and Learn

You can learn a lot from the chatbot conversations. First of all, you can analyze them to determine why certain conversations come to a dead end, so that you can improve this in the future. Conversation analysis may also show you that some aspects of your online store are not as clear as they could be, or that there is a demand for a product or service that you do not offer yet. The major advantage of conversations based on open-ended questions is that customers are free to elaborate on their needs and wishes, rather than being immediately nudged into one of a given number of predetermined directions. Be aware that insights gained from conversations can also be relevant for other channels, processes and departments.

Go the Extra Mile

Remember that a pleasant conversation is the perfect moment to find out more about a customer or make them a special offer. You can ask users additional questions, for example, such as: "Do you have any other pets?" if someone is looking to buy dog food, or "Would you like me to send you a message when we have a good deal on dog food?"

Build for Reuse

When designing the chatbot, make sure that you facilitate reusability and maintainability from the very start. You can do so by distinguishing clearly between the following aspects:

- **intentions:** user objectives, such as finding a store location, making themselves known or making a purchase;
- **entities:** 'master data' such as products, stores and customer profiles;
- **dialog:** the conversation flow, for example: greeting – intake – product recommendation.

The main benefit of this kind of structure is that you can reuse the various components in several different places. You can use the intake dialog in multiple conversations, for instance, and when customers ask in an advisory conversation which store they can visit to try on a pair of pants, you can call up the 'find branch' intention. That way, if your company opens a new store in the future, you will only need to enter this information in one place within your system.

5. Conclusion: Get on Board and Get Started

Conversational commerce is growing rapidly and is set to become a key component in the channel mix used by retailers. Consumers are using chat and voice more and more frequently, and also want to use these channels to communicate with companies and make purchases. The underlying technology is developing rapidly and is becoming increasingly adept at using and understanding Dutch. Conversational commerce will transform every step of the customer journey, and offers companies the opportunity

to conduct one-on-one conversations with large groups of customers and learn a lot from and about them. In addition, deploying chatbots can also boost efficiency, for example by directing simple queries to these virtual assistants and allowing employees to focus on dealing with more complicated queries. Implementing conversational commerce is not a one-off project: analyzing and improving conversations requires constant attention, as does integrating conversational commerce into your company's business processes and organization. To continue improving and personalizing conversations, you need a lot of content and links with other systems, such as a CRM system. This requires a multidisciplinary approach and a certain amount of stamina, driven by the desire to provide the ultimate customer experience.

Start off small and manage your customers' expectations. First make sure that your chatbot and your employees work well together, and then continue to develop your systems one step at a time. To do so, you can use our unique maturity model, which contains a large number of tips and practical examples for each step in the journey. The most important tip, however, is very simple: don't wait any longer – get started now!

HOST



Wim La Haye
Partner
Bluebird Day

CHAIR



Axel Grootenhuis
Partner
Magnus

Expert group members



Arthur van Diemen
Omnichannel Development Manager
Nextail



Aron Lewis
Omnichannel Manager
vanHaren Schoenen B.V.



Bob Jaspers Focks
E-Commerce Manager
Cavallaro Napoli



Carolina van den Hoven
Online Service Business Owner
ANWB



Esther Elberse
Marketing Relevance Lead
bol.com



Genya van Belzen
Marketeer
Bluebird Day



Gertie Bin
Marketing & E-Commerce Manager
Omoda



Gijs Schuringa
Digital Consultant
Magnus



Hedwig Wassing
Owner
Annacom



Henk-Jan van Henten
Senior Consultant
Magnus



Ivo Fugers
Data Scientist
Ortec



Iwan Banens
Digital Transition Manager
Aegon Nederland



Lars Harmsen
CRO & UX Manager
Beerwulf.com



Mark Pomper
Lecturer in Business Economics & International Business
Stenden University of Applied Sciences Leeuwarden



Martijn Cobussen
Marketing & Communication Manager
Veldsink Groep



Michael Dekker
Marketing & E-Commerce Manager
Amac | Apple Premium Reseller



Nathalie van Ommeren
Marketing & Salesforce Consultant
Self-employed



Nol Florie
Services & Innovation Product Manager
inNolvation



Pascal Ravesteijn
Lecturer in Process Innovation & Information Systems
HU University of Applied Sciences Utrecht



Pieter Ettes
Enterprise Architect
Achmea



Ricardo Krikke
Business Innovations Director
Teleperformance



Rieneke de Weerd
Marketing Innovation & Improvement Project Manager
bol.com



Saffri Holwerda
E-Commerce Manager
Bos Group International



Samet Yilmaz
Technical Director of Innovations
Bluebird Day

Other contributors to this blue paper:

Ahmed Shehade
Student
HU University of Applied Sciences Utrecht, Marketing Management

Jarno Broos
Student
HU University of Applied Sciences Utrecht, Marketing Management

Perry Claassen
Student
HU University of Applied Sciences Utrecht, Marketing Management