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CONVERSATIONAL A.I.

CONVERSATIONAL AI

Guide to Effective B2C Communications Strategy

Business-consumer interactions have been a part of the global economic ecosystem ever since it came into existence. The relationship, however, has significantly transformed over the years. Gone are the days when brands' relationships with consumers were only restricted to a one-off transactional exchange under a brick and mortar roof. Today, an organization's interaction with consumers transcends boundaries and is more than just a one-off handover of a product. With the rise of the internet and smartphones use, conglomerates now have the opportunity to interact and leave an impression on customers on a daily basis.

A brand's image, store positioning, and use of media are no longer enough to ensure a steady profitable business. Businesses need to go the extra mile to create unique customer experiences to retain and acquire customers. According to Frost & Sullivan, the trend is only expected to intensify predicting customer experience to emerge as the key brand differentiator over price and product. In fact, exquisite customer experiences have been linked to a 5.7x revenue increase already[1]. With consumer demands undergoing constant and significant changes, it is becoming increasingly difficult for businesses to adapt to their preferences.

[1] Morgan, Blake. "50 Stats that Prove the Value of Customer Experience." Forbes.com https://www.forbes.com/sites/blakemorgan/2019/09/24/50-stats-that-prove-the-value-of-customer-experience/#1d73f91e4ef2 (accessed October 31, 2019)

COMMUNICATIONS –
The Foundation of an Exceptional Consumer Experience

[2] Redbord, Michael. "The Hard Truth About Acquisition Costs (and How Your Customers Can Save You)." Hubspot.com. https://blog.hubspot.com/news-trends/customer-acquisition-study (accessed October 31, 2019)

[3] Gartner. "Gartner Says Marketers Must Focus on Helping Customers in Order to Remain Competitive Today." https://www.gartner.com/en/newsroom/press-releases/2019-04-29-gartner-says-marketers-must-focus-on-helping-customer (accessed November 1, 2019)

[4] Peterson, Taylor. "D2C brands are driving up customer acquisition costs – and it's time to course-correct." MarketingLand.com. https://marketingland.com/d2c-brands-are-driving-up-customer-acquisition-costs-and-its-time-to-course-correct-264293 (accessed November 1, 2019)

Communicating with consumers is a key element in crafting unique customer experiences. Communication is involved at each step of a consumer's interaction with the business - from the introduction of the brand to providing after-sales services and support to customers. In the age of information and choice overload, consumers are anxious about their purchases. Customers satisfaction levels are on a decline with 55% of consumers admitting to trusting brands less than they used to[2]. According to Gartner, 44% of consumers are worried every time they make a purchase fearing they made the wrong choice[3].

It is necessary for businesses to regularly communicate with current and prospective customers to comprehend their needs. Brands should reach out to customers and reassure them of their decision to build strong relationships and mitigate this feeling of purchase uncertainty. Losing out on customers can prove costly with research suggesting customer acquisition to be 5 to 25 times more expensive than customer retention[4].

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of consumers do not trust their brands as much as they used to.

THE CASE OF NO RESPONSE –
Problems with Traditional Approaches

It is now very difficult to engage customers using traditional communications methods such as calls or emails. According to recent data, the average email open rate has fallen to 20% while the average number of calls required to connect to prospective buyers has increased to 18. Moreover, response rates to generic text messages and emails are experiencing a drastic reduction with consumers demanding personalized, ubiquitous communication support from brands. With the consumer demand constantly changing, businesses are finding it difficult to obtain and understand customer requirements and adapt to the changes. A solution to the problem can be deploying a huge workforce to assist each customer. However, the option is not scalable or economically viable.

> **It takes 18 calls on an average to contact a prospective buyer or lead**

Only **20** out of 100 people open a email on an average

CONVERSATIONAL AI –
Revolutionizing B2C Communication

Conversational AI is a sophisticated tool powered with Natural Language Processing (NLP) and machine learning capabilities. This technology personalizes interactions with users to mimic empathetic behavior. Its origins can be traced back to its predecessor Eliza, the first natural language processing program which was built in 1964. The modern-day conversational AI is an advanced virtual assistant with thousands of features that interacts with prospects or customers at every stage of their journey with a brand. The tool comprehends conversations like humans and is capable of handling everything from marketing to providing customer support.

Here is an example of our AI bot leading the conversation between university and a potential student:

Meera AI Conversation

The vital aspects of how conversational AI is reshaping business-consumer communication are:

Personalized Interactions

Client Engagement

Customer Support

Marketing

Customer Feedback & Business Insights

[6] Gallup. "Turning Customers into True Believers." Gallup.com. https://www.gallup.com/services/169331/customer-engagement.aspx (accessed October 30, 2019)

[7] PWC. "Consumer Intelligence Series – Customer Experience." PWC.com. https://www.pwc.com/us/en/advisory-services/publications/consumer-intelligence-series/pwc-consumer-intelligence-series-customer-experience.pdf (accessed October 29, 2019)

[8] Abitbol, Rudy. "Use AI to Create A More Personalized, Profitable Customer Experience" Forbes.com. "https://www.forbes.com/sites/forbesagencycouncil/2018/07/16/use-ai-to-create-a-more-personalized-profitable-customer-experience/#3572a0c85f3a" (accessed October 30, 2019)

[9] Smooch. "State of Messaging 2019" Smooch.io. https://smooch.io/state-of-messaging-2019/ (accessed October 30, 2019)

Personalized Interactions

Personalized conversations are vital to winning consumers' trus. Every interaction between an organization and a customer influences their perception of the company laying down the foundation of brand's experience. The advanced solution communicates with the customers using its natural language processing capabilities and crafts unique contextual replies. The feature is pivotal to attracting new customers and managing their expectations from a brand. In fact, 84% of customers prefer brands that address them as a specific individual and not a targeted marketing or consumer group[5].

Client Engagement

Engaging customers is central to a business's success. By regularly connecting with customers through different communication channels, brands can fuel customer loyalty and improve retention rates to increase profitability. Conversational AI tools are empowering businesses to engage with customers at every level of their journey at lower costs. Creating a highly engaged consumer base is highly profitable for businesses accounting for 23% of the premium share in revenues, profitability, relationship growth[6].

Customer Support

Quick response time and query resolutions are becoming increasingly important across sectors. Exceptional customer support not only boosts retention rates but enables easy upselling of services and products. As many as 86% of customers are willing to spend more when for incredible customer support and experience[7]. With the advanced AI assistants, brands are scaling customer support affordably while bringing down query resolution time. Research by Gartner predicts that AI will be handling 85% of the customer interactions by 2020[8].

Marketing

With the internet reaching an information saturation, it is becoming necessary for companies to get quick attention of prospects and leads. Conversational AI is offering an automated way to quickly connect with prospects and leads on an emotional level. The smart tools enable companies to scale prospecting cost-effectively by reaching out to leads through non-intrusive communication channels. By automatically engaging leads instantly, the intelligent tool boosts the chances of conversion. Based on the data available, 44% of customers are already using conversational AI to make purchases while 75% of businesses have incorporated them into their systems[9].

Customer Feedback & Business Insights

Gaining customer feedback is integral to identifying flaws in business operations and optimizing procedures in line with customer expectations. However, customers are reluctant to respond to feedback through emails or calls. AI assistants are designed to automate the process of customer feedback collection and analysis. The virtual assistants interact with customers through personalized, interest-based conversations and gather constructive feedback on products and services. The set of data can then be analyzed to identify customers' perception of the brand and their expectations. The advanced tools can also be customized to generate detailed reports on specific areas of customer service and experience.

Industry-specific Conversational AI Implications

The introduction of numerous messaging platforms with a collective user base of 4.1 billion have opened up an extensive platform for businesses to communicate with their customers[10]. With conversational AI built to leverage these platforms, companies across sectors are investing in the technology. Conversational AI market is expected to be valued at USD$ 15.7 billion by 2024[11]. The technology has had a significant impact across industries in a short period since its introduction.

[10] Vatatmaja, Sherry Comes, Timothy Murphy. "Conversational AI Makes its Business Case" Deloitte.com. https://www2.deloitte.com/us/en/insights/focus/cognitive-technologies/conversational-artificial-intelligence-makes-its-business-case.html (accessed October 31, 2019)

[11] Vatatmaja, Sherry Comes, Timothy Murphy. "Conversational AI Makes its Business Case" Deloitte.com. https://www2.deloitte.com/us/en/insights/focus/cognitive-technologies/conversational-artificial-intelligence-makes-its-business-case.html (accessed October 31, 2019)

[12] McKinsey & Company "How to Win Tomorrow's Car Buyers – Artificial Intelligence in Marketing & Sales" Mckinsey.com https://www.mckinsey.com/~/media/mckinsey/industries/automotive%20and%20assembly/our%20insights/winning%20tomorrows%20car%20buyers%20using%20artificial%20intelligence%20in%20marketing%20and%20sales/how-to-win-tomorrows-car-buyers-artificial-intelligence-in-marketing-and-sales-final.ashx (accessed November 1, 2019)

> **The conversational AI market is booming and is expected to be valued at USD$ 15.7 billion by 2024**

Real Estate

The real estate industry is communication-intensive and requires realtors to constantly engage clients. Conversational AI is equipped to automate engagement at various stages of prospecting and customer journey. Right from generating and filtering leads, AI assistants are being used to push promotional offers, schedule property showings and handle customer queries. Conversational AI allows companies to scale consumer base quickly and at low costs. The technology is expected to redefine the real estate experience through deploying smart text messaging. With profit-margins decreasing, conversational AI is estimated to play a key role in proliferating the bottom-line for realtors and real estate firms.

Automotive

The rise of the digital era and the internet has had a significant influence on the way consumers make buying decisions. As many as 80% of customers today use internet as the primary source of research for buying a new or second-hand vehicle[12]. With the emergence of the ACES (autonomous driving, connectivity, electrification, shared mobility) trend, the dealership consumer interactions are only expected to become more frequent. Constant engagement with prospects for simplifying and guiding them on their buying decisions has become vital to establishing dominance in the automotive market. The cutting-edge

conversational AI technology is built to simplify the initial stages of customer journey. Smart text messaging is used in lead generation, customer support, test-drive scheduling, after-sales and pre-sales customer interactions.

Education

Virtual AI-powered assistants are being widely used in the education industry to boost enrolment rates, student recruitment, and parent-institution communication. Through personalized conversations, smart chatbots are providing instant support to students and parents by answering their queries regarding admission procedures. Conversational AI is also being leveraged in the education industry to notify students and parents about exams, events, and career fairs.

Insurance

The insurance industry is undergoing a radical shift with customers embracing digital channels and preferring companies that offer services online. With AI-powered chatbots insurance companies are transforming the customer experience to fulfill their expectations. Conversational AI assistants become involved at each step of consumers' interaction with insurance companies. The smart AI bots are answering routine customer questions, assisting them in finding the

[13] Genpact. "Creating Winning Customer Experiences in Banking". Genpact.com https://www.genpact.com/downloadable-content/insight/creating-winning-customer-experiences-in-banking.pdf (accessed November 1, 2019)

[14] Baker, Ted. "Study: Chatbots to drive US$ 112 Bn in Retail Sales by 2023" Mobilemarketer.com https://www.mobilemarketer.com/news/study-chatbots-to-drive-112b-in-retail-sales-by-2023/554416/ (accessed November 1, 2019)

[15] Juniper Research. "Chatbot Conversations to Deliver $8 Billion in Cost Savings by 2022" Juniperresearch.com https://www.juniperresearch.com/analystxpress/july-2017/chatbot-conversations-to-deliver-8bn-cost-saving (accessed November 1, 2019)

right plan, providing self-help options, and helping companies generate quality leads. Leveraging chatbots is allowing the insurance industry to improve its three most important key performance indicators – revenue, customer experience, and employee performance.

Banking

Like other industries, the banking sector is also experiencing a paradigm shift in communications strategies to empower customers and improve operational efficiencies. As many as 73% of customers around the world have admitted to wanting banks to introduce new and convenient ways of communication. According to a recent study, 28% of bank customers choose online banking when registering for an account[13]. Consequently, conversational AI has become a must-have tool for the financial industry to ensure institutions remain profitable and customer acquisition rates continue

to sustain through periods of economic uncertainties.

Retail & Ecommerce

In case of retail and e-commerce conversational AI introduced a new term known as conversational commerce. Brands are actively integrating live chat features by leveraging AI to provide a superior shopping experience. AI-powered ecommerce chatbots are expected to bring in USD$112 billion worldwide in sales this year[14]. Retail goliaths such as H&M, Sephora, and Domino's Pizza are some of the early adopters of the technology who are personalizing digital experiences for their customers. Using smart text messaging platforms, companies are able to follow up on incomplete orders, suggest new styles or advise about new products. With technology like Meera.ai, any retail client can scale their sales conversion 2x-3x times.

MEERA CONVERSATIONAL AI – Helping Companies Enter the New Era of B2C Interaction

The advent of the digital communications era has completely changed the way customers connect with businesses. Convenience and quick service are priorities for the customers, and it is becoming increasingly important for businesses to evolve their communication strategies to stay relevant in quickly changing marketplaces. Research suggests utilizing conversational AI instead of scaling teams will help

companies save more than USD$ 8 billion per year by 2022[15]. Meera.ai, a cutting-edge conversational AI tool, was formed with an intent to help brands automate repetitive and time-intensive processes and personalize client experiences. The intelligent text messaging programs are designed to boost sales funnel efficiency, enhance customer service, generate qualified leads, automate meeting scheduling, and scale prospecting affordably.

With its customizable features, the AI-powered assistant can be tailored to serve any industry and is a handy tool for companies to scale business at affordable costs while delivering outstanding customer experience.