

RETAIL

Chatbots help usher in online sales from millennials

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De Grigono chatbot

By BRIELLE JAEKEL

Luxury retailers and brands should be leveraging chatbots to better combat the disconnect in conversion rates for selling online high-end products.

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A survey from Retale has revealed that more than 70 percent of consumers are interested in connecting with a branded chatbot. Consumers are interested in experiences that make their lives easier or offer some sort of value in return, and chatbots can accomplish this.

"Driving sales for high-priced items can be uniquely challenging," said Dan Cripe, chief technology officer at Retale. "However with chatbots, luxury retailers can now approach customers in a more personalized and conversational way at key moments during the decision-making process.

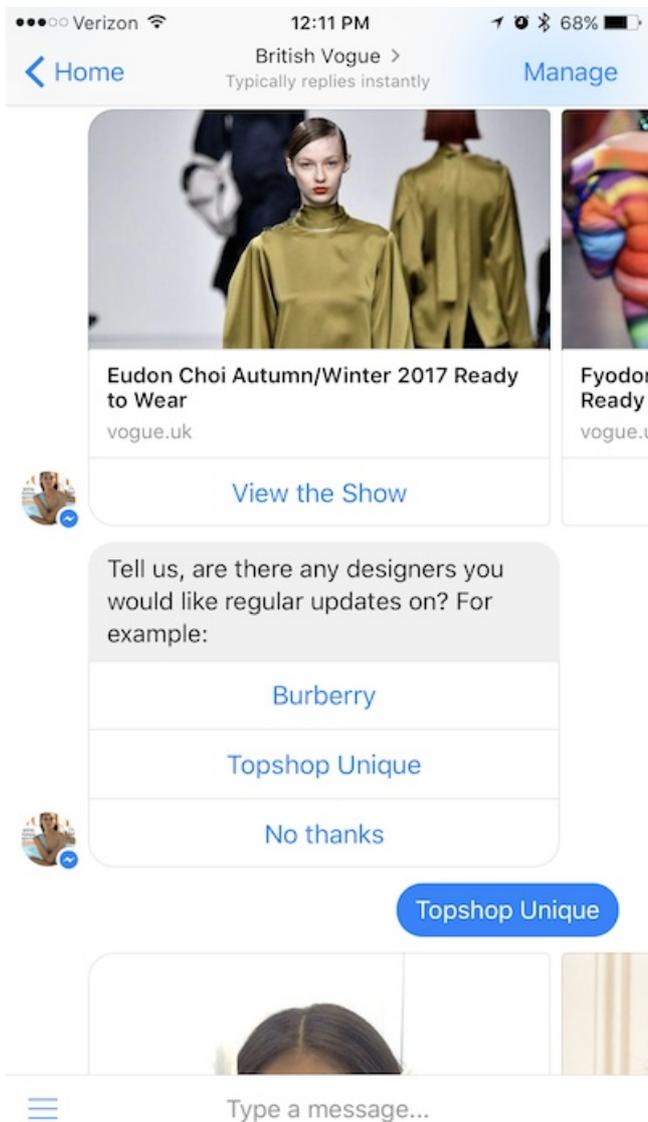
"This has the potential to be a huge lever in converting sales," he said.

The survey interviewed more than 500 millennials within the United States on their opinions, experiences and habits with chatbots in December.

Conversational commerce

Retale's survey shows that 60 percent of millennials have interacted with a chatbot via messaging apps and online. This means they're well-versed in the experience and are most likely comfortable interacting with one in the future.

About 70 percent of the group believed their experiences were positive. However, almost 40 percent of the group said that their experiences were "very positive."

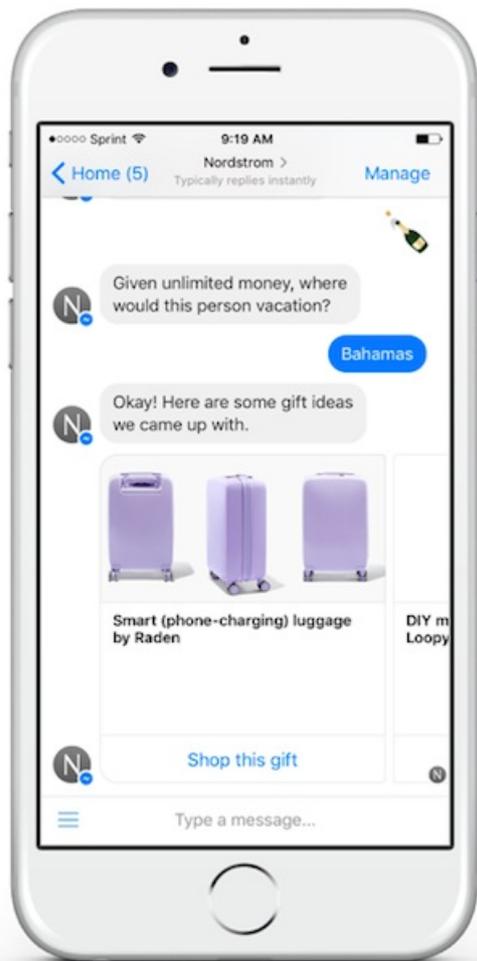


Vogue chatbot

One issue that consumers had with chatbots is their accuracy. Consumers had difficulty with the chatbots understanding what the user was asking or looking for.

With the improvement of technology, this will likely be overcome in the future if brands take this into consideration. About 55 percent of respondents claimed that accuracy was an issue with their chatbot experiences.

Users are also interested in a more human interaction. Twenty-eight percent of those polled said they would have preferred a more natural conversation, reminiscent of human interaction.



Nordstrom chatbot

Twelve percent of respondents had to speak with a customer service representative afterwards.

While the overall feedback is mostly positive, 21 percent claimed to have had negative experiences with chatbots and 6 percent claimed to have very bad experiences.

Consumers are also willing to purchase services and goods from chatbots, with 67 percent saying they are willing to do so. About 36 percent claim they are very likely to do so.

However, 14 percent said they were not interested and 19 percent claimed to be neutral.

Chatbot oncoming

British Vogue exhibited the pervasiveness of chatbots on Facebook Messenger, as it launched its Messenger bot to personalize fashion news for fans.

Through the British Vogue official Facebook and Facebook Messenger account, users can interact with the bot to receive up-to-date information regarding fashion. The new chatbot hopes to make a more impactful impression on readers, as publishing becomes excessively overcrowded and consumers' attention spans get shorter ([see more](#)).

Department store chain Nordstrom also enlisted a conversational agent to help consumers pinpoint the perfect present for everyone on their list.

The retailer timed the release of its first chatbot for the holiday shopping season, programming a series of questions designed to build a profile of the recipient and relevant product recommendations for the gifter. With the pressure of shopping for others, which can lead some to draw a blank on what to get, this bot offers a natural path toward purchase ([see more](#)).

1 thought on “Chatbots help usher in online sales from millennials”

1. **Jnos Szab** says:

February 27, 2017 at 6:04 am

Based on the current status of Chatbots and conversational AI it's really risky for a luxury brand to enter the space of fully automated chatbots.

I believe that human operators shouldn't, couldn't be excluded totally. The near future is more about humans + chatbots operating together. Humans supervising chatbots and AI helping humans to chat faster, more productive. This is how we imagine it at <http://www.chatler.ai>

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