

COLUMNS

## How luxury brands can make effective use of chatbots

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The realm of artificial intelligence, chatbots and virtual assistants is a fairly unknown territory to a lot of consumers.

If you mention the word "chatbot" to a group of friends, chances are that unless they are technologically-minded, they might not have a clear idea of what you are talking about, if at all. They might think of a virtual assistant, such as Siri or Alexa. On the other hand, their only perception of bots may be from reading sensationalist stories in the media that bots are weapons of terror set to eventually take over the world.

In truth, neither image is reflective of how a chatbot is used daily by thousands of brands and businesses. A chatbot is essentially just an industry-recognized term for a technological tool used to aid a variety of businesses in a number of purposes, from customer service to internal human resources (HR).

Who is using them?

Luxury brands have dabbled in their use of chatbots, but with varying commitment.

Many brands use artificial intelligence (AI) and chatbots for the launches of collections. Think back to Burberry's launch of its chatbot at New York Fashion Week in 2016. The launch of the bot received great praise from fashionistas around the globe, as the bot allowed them to go backstage at the fashion with the option to ask the bot if they had any questions.

Another major fashion brand to experiment temporarily with bots is Tommy Hilfiger, which also introduced it during New York Fashion Week in September 2016 to announce its partnership with supermodel Gigi Hadid. The main purpose of the bot was to drive traffic to the brand's Web site.

However, the vast majority of luxury brands that have experimented with bots have decided not to maintain them as an integrated part of their ongoing customer service.

Instead, these brands are opting for live chat for customer service, which is an instant messaging setting with a real person.

Why is it that luxury brands are hesitant to adopt chatbots for their customer service? Is it as a result of their unreliable reputation, inconsistent representations in the media and the potential impact the wrong technology could have on their brand with their key audiences?

Chatbot technology can allow your business to run in a considerably more financially efficient way.

At its best, a chatbot can be available 24 hours a day to quickly and effectively solve a customer's query, dramatically reducing the strain on human resources required to satisfy the customer's need.

We all know that customer satisfaction is the absolute minimum standard expected, and arguably today's standard for luxury companies is customer delight. So anything companies can do align with that will mean that customers will come back for more.

By 2020, it is projected that **85 per cent of all customer service interactions** will be powered by machines. It is incredibly important that businesses get it right, and the luxury business is, of course, no exception to this. In fact, it is perhaps more important that luxury gets it right to help protect and enhance brand reputation.

A study by **ubisend** earlier this year revealed that when communicating with chatbots, **68 per cent of consumers** said that reaching the desired outcome is the most important facet of their interaction. This proves that while having a chatbot that uses high-quality, natural language is nice, consumers ultimately just want to get an answer to their question.

So, how can companies implement chatbot technology that is answer-driven?

Do not just stick to the script

Traditionally, chatbots have relied on scripted chat, which is essentially a predefined response to a predefined user question.

Typically, the issue with a scripted approach is that it limits not only the data that the technology can pull to get the customer's answer, but also if a question does not fit the script, the customer gets the dreaded "I don't understand" or "Did you mean" response.

Too often, the result is repeated miscommunication and customer frustration rather than an accurate, helpful and rapid response. An unscripted chatbot means the AI is able to respond better when a response sits outside of the narrow scripts.

Automated training of chatbots

Rather than humans having to manually enter all the questions and answers they can think of, to service every possible communication, automated training dramatically improves an AI's capabilities.

By plugging into an API that automatically and continuously trains the technology, brands also avoid the issue of question variants, since hundreds of variants of a single question can be programmed for in minutes.

Use of suggestions

In the case that the AI has low confidence in answering a question, offering multiple options from a broad set of knowledge is another opportunity to help the customer along the way to their answer.

This is a less frustrating alternative to defaulting to "I don't know" when the chatbot is unsure, as many have been programmed that it is better to give no answer at all compared to giving the wrong answer.

According to **ubisend**, almost 70 per cent of chatbot interactions are based around simple service enquiries such as finding out about opening times, or asking for more information about a product meaning that the broad knowledge will help the end user.

The result is that the chatbot will have much higher engagement and better results.

IN AN IDEAL world, a business would use chatbot technology that can be left alone to accurately answer customer queries. But luxury brands seem a little unconvinced that chatbots have the capacity to provide their customers with a seamless customer experience.

In reality, businesses should treat the technology like any other solution, and design them to achieve their business purpose.

By ensuring that a chatbot is focused on the viable means of actually getting the consumer his or her answer rather than perfecting its "chatty" functionality brands will be far better equipped to have their customers coming back for

more.

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