

RETAIL

Consumers seek improved fluency, adaptability from chatbots

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More than half of respondents from a new survey said they would like to use a chatbot to connect with an employee for advice or to get support for finding specific products. Image credit: Unsplash

By KATIE TAMOLA

As COVID-19 restrictions are continuously lifted, many shoppers may still stick to online shopping, continuing to rely on tools such as chatbots.

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According to a **new survey** from cloud search technology program Lucidworks, more than half of consumers in the United States and United Kingdom say they use chatbots often or all the times when shopping online. However, consumers are actively seeking more fluent chatbots that can provide additional capabilities beyond service and support, including product recommendation and identification.

"Brands should leverage chatbots to go beyond rote Q&A, and allow the chatbot to provide a higher level of service," said Peter Curran, general manager of digital commerce at **Lucidworks**, Seattle. "That includes surfacing product information, content like do-it-yourself guides and even customer reviews.

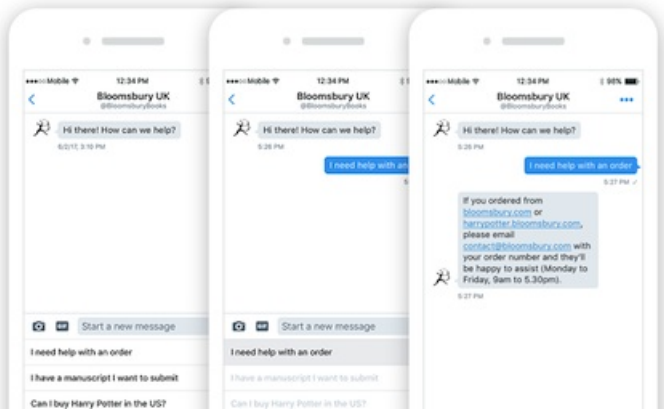
"The survey revealed that shoppers are hesitant to return to stores, and brands have to power more well-rounded chatbots to make every conversation as effective as possible," he said. "Brands must be able to provide a level of personalization in the chatbot and create a dialogue when necessary to help steer shoppers when they're lost, as great chatbot experiences, like a great conversation, are a two-way street."

The report is based on a May 2021 survey of 800 respondents about shopper behavior and preferences in the U.S. and U.K.

Opportunity online

Luxury retailers now have ample opportunities to implement new and innovative approaches, including chatbots, that will ensure an excellent customer experience.

Consumers using chatbots are looking to have several disparate needs met.



Consumers are seeking more from brand chatbots. Image credit: Bloomsbury

Seventy percent of shoppers use a website's chatbot to connect with customer service, and more than half said they would like to use the chatbot to connect with an employee for advice or to get support for finding specific products. Forty-eight percent of shoppers said they would like to utilize a chatbot to check product compatibility or to receive additional product information.

As more consumers turn to chatbots, they report desiring more fluency and adaptability from the services. Forty-three percent of U.K. shoppers said they feel that chatbots understand them rarely or never.

Brands should consider investing in machine learning and natural language processing to extend a chatbot's functionality, so shoppers can ask questions in what feels like a more natural and stress-free fashion. With more natural chatbot services, consumers will receive immediate, relevant and contextual answers, which could lead to an overall better consumer experience and brand loyalty.

Brands can also improve chatbot offerings by capturing and applying customer signals as data from chatbots can support brands' strategic decision-making. According to a Forrester survey, only 37 percent of organizations already use the data for this purpose.

A more efficient chatbot allows easier access to product information, customer reviews and how-to guides, once again increasing the chances that consumers exhibit brand loyalty.

Offering product recommendations can also be immensely beneficial for both brand and consumer, as related recommendations often motivate consumers to explore, discover and purchase items they may have otherwise not encountered.

Seventy-eight percent of the survey's respondents reported interacting with product recommendations, with almost half of the shoppers often interacting with product recommendations and 30 percent always interacting with them.

About six in 10 consumers say every visit or often they buy recommended items they did not initially plan on buying, with that number being higher in certain age groups. Sixty-three percent of 1834-year-olds and 67 percent of 3554-year-olds always or often buy recommended items that they did not initially plan on buying.



IWC chatbot using Facebook Messenger. Image courtesy of IWC Schaffhausen

When asked what kind of suggestions they looked for online, 35 percent of respondents said suggested or similar searches, 29 percent said suggested content including do-it-yourself guides, expert recommendations and product videos, 22 percent said suggested products that customers also bought and 12 percent said suggested categories.

The top three places customers interact with recommended products on the website are the product page at 60 percent, homepage at 50 percent and shopping carts at 38 percent.

Social media continues to be beneficial for brands as well, as half of shoppers noted they prefer to see

recommended items on social media and in emails. Seventy-one percent of respondents also said they always or often click on a post or ad on social media for recommended products that feel relevant to them.

What about in-person offerings?

While COVID-19 restrictions continue to be lifted, many consumers do not believe they will immediately return to in-person shopping.

About a quarter of consumers, 24 percent, plan to avoid in-person shopping as much as possible, while 35 percent say they plan to visit in-person stores less than they did before the pandemic.

Thirty-two percent of consumers say they plan to visit stores the same amount as they did before the pandemic, while 9 percent say they are eager to shop in-person and will go into stores more often than they did before the pandemic.

According to the latest pandemic-era consumer sentiment report from Resonate, 33 percent of consumers believe that it will take more than one year to return to a state of normalcy post-pandemic. Although many consumers' attitudes seem to reflect some level of optimism, the report highlights the fact that different people will always have different comfort levels, calling for brands to meet them where they are ([see story](#)).

Per Lucidworks, 46 percent of consumers prefer for bricks-and-mortar stores to keep stores the same, but retain some of the COVID-19 safety protocols including social distancing and contactless payments.

Whether consumers continue to rely on online offerings or are eager to return to stores, they will always continue searching for quality products.

According to the survey, the top three reasons shoppers are loyal to a brand is high-quality products, great product recommendations that understand who the consumer is and what they like and excellent customer service.

A recent survey from business advisory network BDO found that 10 percent of retailers say superior technology is their top competitive differentiator, down from 25 percent in early 2020. The innovations developed during the pandemic will be valuable, but to propel business forward, retailers will need to double-down on investments that integrate their digital and physical shopping experiences ([see story](#)).

"Stores can improve the in-person experience for shoppers and employees by providing associates with applications that are enriched with assisted-selling features, including proactive recommendations based on a combination of what the shopper is looking for in the moment and their previous behavior, as well as a continuously updated inventory catalogue," Mr. Curran said. "Brands should bring shoppers' online and in-store personas together to create connections between channels.

"Associates have the insights to guide shoppers to complete their goals, and will consumers feel recognized and cared for across every channel," he said.