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???Rishi Kumar



Retailers everywhere are preparing for yet another uncertain holiday season. On the one hand, the retail industry has shown remarkable resilience in the aftermath of the Covid-19 pandemic. At the same time, retailers are dealing with acute challenges, such as a chronic labor shortage and global supply chain disruptions that threaten product availability. One of the ways retailers are preparing is to support their store associates with technology. Another approach that may help: embrace conversational commerce.

What Is Conversational Commerce?

Conversational commerce refers to the use of messaging apps to support shopping. Those apps range from online chat tools such as Google My Business live chat to voice-based interfaces that use assistants such as Microsoft Cortana, Amazon Alexa, Apple Siri, or Google Messenger. The term really started to take hold in 2015 after bellwether brands such as Facebook made major investments into messaging solutions built on artificial intelligence (AI).

Thanks to advances in AI and consumer usage of chatbots, more businesses have been stepping up their use of conversational commerce. In retail, conversational commerce has been an effective tool to answer commonly asked questions online (e.g., “What are your store hours?”), freeing up store associates to focus on more critical and strategic tasks. There are great benefits for buyers as well as sellers on experiences.

Why Conversational Commerce Matters for the 2021 Holiday Shopping Season

A new survey from LivePerson reveals that conversational commerce can play a decisive role helping retailers adapt to the demands of the 2021 holiday shopping season. According to the LivePerson consumer survey, respondents place increased trust in and will spend more money with retailers that support digital and in-store experiences with messaging and virtual assistants. Specific findings include:

- 75% of consumers said they would purchase more from a website that allows them to message with an expert to ask questions and get help making purchases.
- 63% said they would purchase more from a website that offers a virtual assistant to help.
- 80% said they would message from their phone while in a store if in-store associates were busy or unavailable.

The findings suggest that conversational commerce will deliver a competitive advantage as shopping heats up during the holiday season. For instance, chat functionality will be crucial for retailers answering an expected onslaught of questions about inventory availability especially as retailers manage product shortages caused by ongoing supply chain disruptions. Chat can also answer commonly asked questions that will surge during the holiday season, such as instructions for curbside pickup.

What Retailers Should Do

- **Find the right opportunities**. Chat is an excellent way to support store associates, not to replace them. Think of conversational commerce as a strategic tool to free up the time of your store associates, especially during a labor shortage when their time is at a premium.
- **Rely on chat to learn more about your customers and deliver more personalized experiences**. According to the survey, 64% of respondents approve of retailers using information they shared directly in messaging conversations. Consider conversational commerce as another way to collect first-party data about your customers. This is especially important at a time when Apple and Google are making it more difficult for businesses to track customer behavior across the web.
- **Keep humans in the loop**. The survey says that consumers trust conversational AI with a variety of specific online shopping tasks, especially when informed that they could be transferred to human associates as needed. People want other people to remain in the loop with conversational commerce – especially for more complex tasks such as purchasing.

To understand how AI-based conversational commerce can improve your retailing experience,

contact Centific. We have extensive expertise in all aspects of retail.

For More Insight

- “Three Ways Retailers Can Win in a Post-Covid World”
- “Why Retailers Need an Intelligent and Adaptive Digital Fabric”
- “Five Trends Shaping Retail from 2020-2025”

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