

CHATBOTS IN RETAIL

STATE OF THE INDUSTRY AND SUCCESS STORIES

2021



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CHATBOTS IN THE RETAIL INDUSTRY

Why read this report

Key Attributes Covered

Overview

To understand the global chatbot industry- stats, platform ecosystem, and key market trends.

- State of chatbots
- Chatbot platform ecosystem
- Major chatbots statistics
 - Market Stats
 - Adoption Stats
 - Business Impact Stats
- Key chatbot trends

Chatbot Case Studies

To analyze and understand the case studies of chatbot implications across retail industry.

- Chatbots in Retail Industry: A Snapshot
- Case Studies in Retail Industry: Supporting Areas in Customer Journey
- Case Studies in Retail Industry: Result Metrics
- Case studies – In Detail

Notes:

1. List of case studies provided is non-exhaustive.
2. Major case studies focusing business and customer interactions are considered in the report.



CHATBOTS APPLICATION OVERVIEW



THE STATE OF CHATBOTS: AN OVERVIEW

The chatbot market is estimated at US\$430.9 million in 2020, and it is forecasted to reach US\$1250.1 million by 2025.

Global Chatbot Market

(in US\$ Million)



Chatbots are expected to grow at a significant rate, enabling companies to adopt the technology. According to MIT technology review, 90% of the business reported faster complaints resolution with the bots.

Companies are aiming to provide better personalized customer experience and build long-term relations. This has led to wide adoption of chatbots through diverse messaging applications, such as WhatsApp, Facebook Messenger etc.

The chatbot market is highly competitive, owing to the presence of many small and large players in the market. To stay ahead of the competition, companies adopt strategies, such as product innovation, creating innovative use cases, omnichannel experience etc..

Chatbots are increasingly deployed in various industries such as Healthcare, Utilities, Banking and Financial Services, Retail, Vacation/ Travel, Entertainment etc..

As of 2019, Retail, Healthcare and Utilities are the top three industries in the US with high chatbot engagement among the consumers - accounting for 40%, 22% and 21% respectively.

With the outbreak of COVID-19, the chatbot has been increasingly deployed by various organizations to respond to customer queries and other related information. IBM stated a 40% spike in traffic to its conversational AI platform Watson Assistant, between February and April 2020.



North America is the largest market for chatbots, contributing approximately 42% in 2019.



Advancement in technology, rising customer demand for personalized experience, and brands' focus on consumer preferences to better engage their customers - are the key drivers of chatbot industry.

CAGR refers to Compound annual growth rate

Sources: Grand View Research, Industry Articles & Publications, Valorem Reply Analysis



CHATBOT PLATFORM ECOSYSTEM

At a broader level, the two types of companies that provide chatbot solutions are:

- **End-to-end solution providers:** This is usually adopted by large companies in need of a complex chatbot solution and has not invested in building an in-house solution.
- **Self-Service solution providers:** This suits well for smaller businesses with few requirements and a smaller budget for their chatbots. The companies leverage the self-service solution so that they can leverage existing APIs to build a chatbot. This is also used by large firms who may want to use self-service solutions to build their solution on top of an existing framework to save time.

The chatbot platform ecosystem

Common AI Conversational Platforms



Cloud-based Conversational AI Platforms



Messenger Platforms



Chatbot Deployment Platforms



Note: The list of platforms provided is illustrative and is non-exhaustive.



CHATBOT STATISTICS - MARKET

01 Market

37% of AI start-up founders said chatbots and virtual agents would be the top consumer application for AI over the next five years.

- Emerj

Projected value of chatbot eCommerce transactions by 2023 is

\$112 billion.

- Juniper Research

According to Google Trends, interest over time* in chatbots has increased almost **5 times over the last 5 years.**

● Chatbot
Software type

+ Compare

Worldwide ▼ Past 5 years ▼ All categories ▼ Web Search ▼

Interest over time ⓘ



* Interest over time: Numbers represent search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular. A score of 0 means there was not enough data for this term.

Sources: Industry Articles & Publications, Valorem Reply Analysis



CHATBOT STATISTICS - ADOPTION

02 Adoption

US, India, Germany, the UK, and Brazil are the top 5 chatbot using countries. (Chatbots Life, 2019)

Chatbots are popular among both **millennials and baby boomers**. (Chatbots Magazine, 2019)

The willingness to use chatbots for purchases rose from 17.1% to **41.3%** from 2019 to 2020. (Drift, 2020)

eCommerce stores adopting Facebook Messenger along with an abandon cart chatbot have started to boost revenue by **7-25%**. (Chatbots Magazine, 2018)

40% of consumers are interested in branded chatbots. (Uberall, 2019)

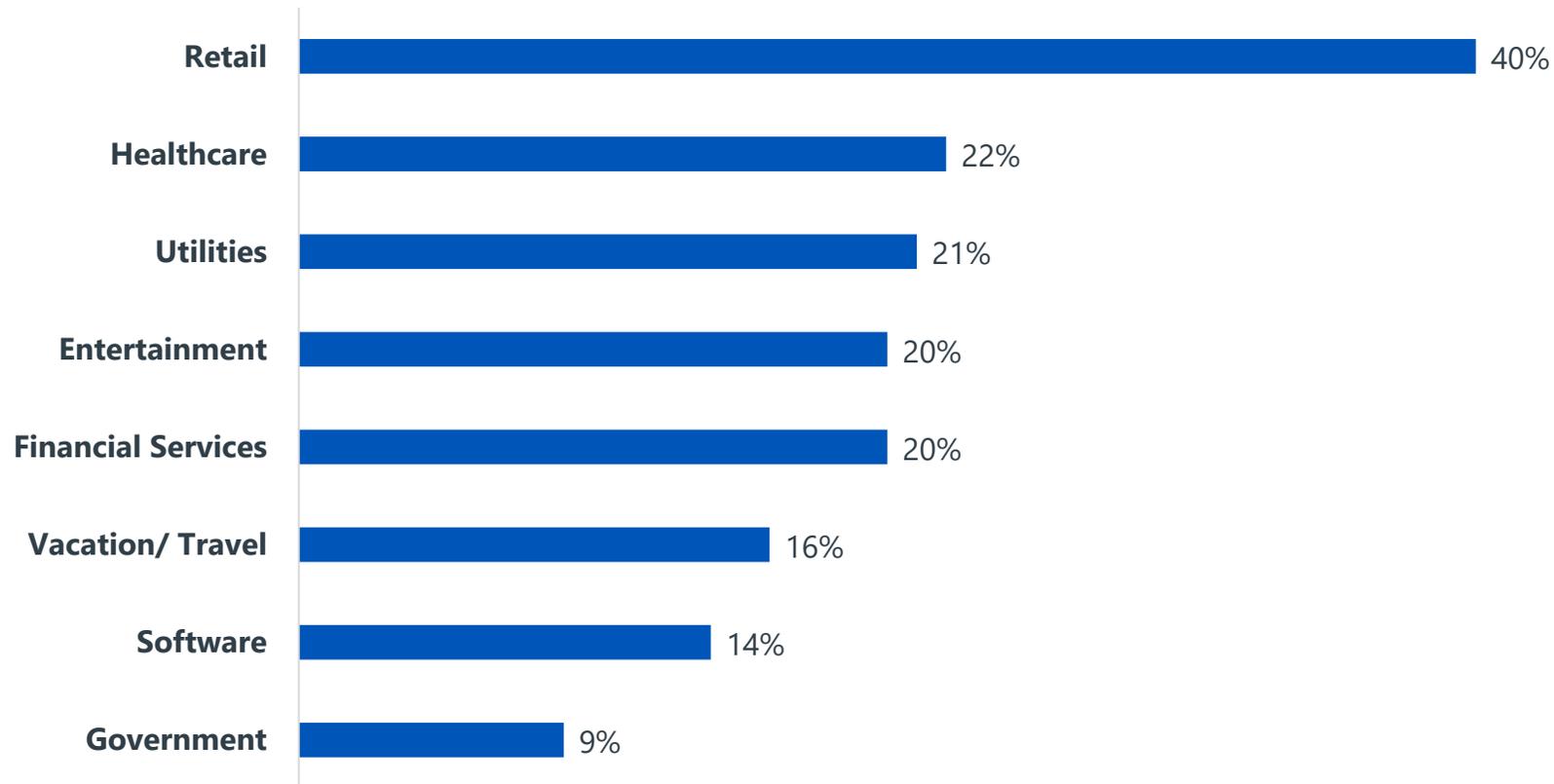
27% of consumers predict they would buy an essential item through a chatbot (Drift, 2018)

By 2021, more than **50%** of enterprises will spend more per annum on bots and chatbot creation than traditional mobile app development. (Gartner, 2018)



CHATBOT STATISTICS - ADOPTION (CONT'D)

Industry Chatbot Engagement Among Consumers (in percentage) in the US, 2019



Retail and Healthcare are the top industries in the US with high chatbot engagement among the consumers



CHATBOT STATISTICS - BUSINESS IMPACT

03 Business Impact

Business leaders say chatbots have increased sales by **67%** on average. (Forbes, 2019)

57% of businesses claimed that chatbot delivers large ROI on minimal investment. (Accenture Digital, 2018)

By 2025, customer service businesses that embed AI in their multichannel platform will elevate operational efficiency by **25%** (Gartner, 2019)

AI and machine learning will handle **40%** of all customer interactions by 2023 (Gartner, 2019)

Consumers and businesses will save over **2.5 billion customer service hours** by 2023. (Juniper Research, 2018)

Business cost savings from chatbots are estimated to be worth **US\$8 billion** by 2022 (CNBC, 2017)



MAJOR CHATBOT TRENDS



Chatbots are expected to become more human

- With advancements in technology, companies are focusing on improving the human aspect of their chatbots – decreasing the misinterpretation of requests, accents or cultural dialect and the intents of the customers. This is to enable chatbots provide a customized experiences unique to each customer; boost customer loyalty and improve perceptions to satisfy consumers & gain positive feedback.
- To enhance the customer experience, sentiment analysis is also leveraged to respond to customer emotions. Using sentimental analysis, chatbots enhance the user experience in - understanding the satisfaction levels of customers; adjusting responses in alignment with customer emotions; and directing angry customers to a dedicated team to deliver personalized customer support.



Messaging platforms to drive growth of chatbots

- Chatbots in messaging platforms enable one-to-one conversions and provide great customer service.
- Brands with such platforms along with chatbot functions can boost brand awareness, sales/lead generation, marketing engagement, and customer support.

There were over 300,000 chatbots on Facebook in 2018.



Customer Experience (CX) is driving chatbots adoption

- Digital disruption is raising customer expectations and consumers are looking for differentiated personalized experiences. Chatbots help companies reduce customer wait time, resolve support cases, handle efficient customer inquiries, provide personalized human interaction etc..
- For example, beauty retailer Sephora uses messenger chatbot service. Features include - Sephora Reservation Assistant (a chatbot that helps clients quickly identify store locations and make appointments) and Color Match (a bot that allows users to scan an image with a smartphone and instantly receive the closest color match from Sephora's range of products).

67% of millennials in the US reported that they would likely purchase products and services from brands with chatbots. (Chatbot Magazine, 2018)



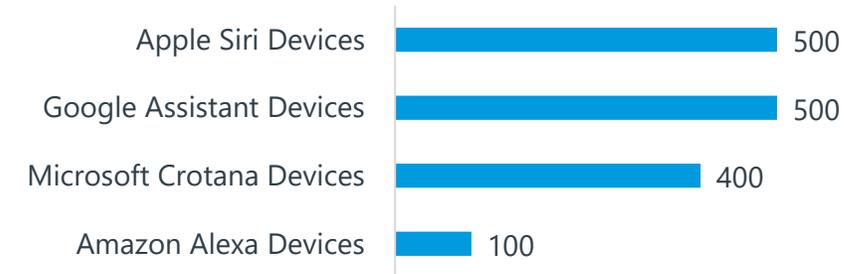
MAJOR CHATBOT TRENDS (CONT'D)

Voice experiences becoming mainstream



- Voice recognition chatbots are becoming popular. According to eMarketer research, more than 111 million Americans use voice-activated personal assistants at least once a month.
- Messaging platforms with both voice and text-based programs are becoming popular and a preferred method to engage with businesses.
- Apple's Siri and Google Assistant lead the market in terms of installed base, with each being present on over 500 million devices.

Voice Assistant Installed Base, 2019
(in million)



Conversational Advertising



- Conversational advertising is the use of automated natural language conversations between business and customers to increase brand awareness, understand purchase intent, convert leads and more.
- A feedback-based approach - including chatbots, live chat, and a targeted messaging helps conversational marketing to create genuine conversations with the customers.



CHATBOTS IN THE RETAIL INDUSTRY



CHATBOTS IN RETAIL: A SNAPSHOT

Chatbots are becoming an efficient way to use AI for retail sales and customer service. Companies are increasingly using chatbots for marketing campaigns and consider it an easy mode to better engage with the customers. With the right approach and implementation, a chatbot can improve the shopper's experience and boost revenue, while saving time and money. For example, a chatbot can help navigate through different categories, find specific products, make suggestions about the right size, and even place the order.

Major companies like Amazon, Walmart, Unilever, Sephora, Alibaba, Kroger, Tesco, L'Oréal etc. have already implemented chatbots – to boost their sales and for better customer experience/ engagement.

Chatbots also collect and analyze information generated by the conversations to better understand the customers' needs and preferences. This conversational data gathered by the bot combined with advanced analytics is used to anticipate users' behavior and place customized offers or marketing messages at the right time.

Major Chatbot use cases in retail:



According to Juniper Research, retail sales from chatbot-based interactions are forecast to almost double every year to US\$112 Billion by 2023 from US\$7.3 Billion in 2019.



RETAIL CHATBOT SUCCESS STORIES

	Awareness & Consideration	Engagement	Conversion	Retention, Loyalty, & Re-engagement
Touchpoints	Digital Marketing, Brand Awareness, Marketing Campaign, Lead Generation	Personalized Experiences, Customer Engagement, In-store Experiences	Increasing Sales & Customer Acquisition	Customer Support Service
Stakeholder(s)	Marketing	Marketing / CX / Sales	CX / Sales	CX / Sales / Customer Service
Unilever	Infobip: Marketing Campaign	Infobip: Enhanced Customer Engagement	Infobip: Increased Sales	
Tesco	Aichat: Digital Catalogue Of Weekly Promotions			Aichat: Handle Customer Queries
Amika		Automat: Delivering Personalized Experience	Automat: Increased Sales & Revenue	
Decathlon	Heyday: Customer Alerts, Customer Data Analysis		Heyday: New Member Registration	Heyday: Handle Customer Queries
Clean & Clear		KRDS Singapore: Delivering Personalized Experience	KRDS Singapore: New User Acquisition	
Ben & Jerry's	Jumper.Ai: Marketing Campaign	Jumper.Ai: Enhanced Customer Engagement	Jumper.Ai: Increased Sales And New User Acquisition	
Unilever		LINE And Kata.Ai: Delivering Personalized Experience		LINE And Kata.Ai: Handle Customer Queries
Wolford	Asksid.Ai: Customer Data Analysis		Asksid.Ai: Increased Sales & Revenue	Asksid.Ai: Handle Customer Queries
Williams Sonoma		Springml: Delivering Personalized Experience		
Michael Kors	FB Messenger App: Product Promotion And Brand Awareness		FB Messenger App: Increased New Users And High Containment Rates	FB Messenger App: Handle Customer Queries
Carrefour Belgium		Fourcast: Personalized In-store Experience		
HelloFresh				Chatfuel: Handle Customer Queries
Lego	Edelman: Marketing Campaign	Edelman: Delivering Personalized Experience	Edelman: Increased Sales & Revenue	
Alibaba		Delivering Personalized Experience	Increased Sales & Revenue	Handle Customer Queries
L'Oréal		Automat: Delivering Personalized Experience		



RETAIL CHATBOT SUCCESS STORIES

Customer	Result Metrics		
<u>Unilever</u>	14 times higher sales	6,335 unique user interactions in first 12 hours	
<u>Tesco</u>	4X increase in digital catalogue views	13% decrease in general enquiries to the customer service team	
<u>amika</u>	3x higher conversion rate	4x higher AOV	30% more online revenue
<u>Decathlon</u>	41% conversion rate (ad click to membership)	346% increase in member acquisition	875% return on their Facebook ad spend
<u>Clean & Clear</u>	30,000 user interactions, of which 25,000 users opted for ongoing services		
<u>Ben & Jerry's</u>	Sales over delivered by 20%		
<u>Unilever</u>	Conversion rate >70%	Monthly active users increased with an average 11% month on month	
<u>Wolford</u>	3% quarterly increase in online sales revenue		
<u>Michael Kors</u>	Retain users with a containment rate of 98.32%	45,000 new users per month	Generated more than 375,000 active users.
<u>Carrefour Belgium</u>	Received 600 interactions from customers in first 10 days.		
<u>HelloFresh</u>	76% decrease in response times with 47% more messages on messenger.		
<u>LEGO</u>	25% of all in-season online sales, with a 6x return on ad spend within certain markets.	8.4x higher conversion rate	
<u>Alibaba</u>	Responded 95% of the customer services on Alibaba e-commerce platforms.	Generated \$31 billion gross merchandise volume (i.E., The dollar value of total transactions).	
<u>L'Oréal</u>	27X higher engagement than email.		



1) amika's ace bot for personalized customer experience and enhancing online sales

Year: 2020

Partner: Automat

Business Requirement:

amika is a Brooklyn-based hair care company that had a very popular live chat platform, but the brand didn't have the human resources to reply instantly and offer a personalized hair care consultation to each visitor. Customers had to wait to get recommendations, which weren't always very personalized. amika's main goals were:

- Generate more online sales via conversations
- Create an intimate connection between the brand and users
- Address customer needs 24/7 with immediate sales experience

Solution:

amika wanted a chatbot solution that could provide customers with immediate and accurate product recommendations, enhancing connection between the brand and its customers. Automat, an AI company that creates virtual salespeople that help retailers sell more online, created "ace", which spoke in amika's brand voice and knew its product line and applications inside and out.

- Ace greets and grabs the attention of visitors with a striking banner and starts a friendly conversation.
- It asks the right questions to each customers and gets to the heart of their problems-just like a salesperson would.
- Based on each conversation, ace customizes amika's website by highlighting products that suit people's exact needs and desires.

Results:

The impact on revenue: In the span of just a few months, ace became an integral tool in amika's ecommerce strategy.

- **3x higher conversion rate:** once customers engage with ace, customers are 3x more likely to buy the products
- **4x higher AOV:** ace gives customers confidence in their product selection. On average, customers who engage generate 4x more revenue for amika.
- **30% more online revenue:** amika saw its traditional distribution channel close because of the pandemic, while saw a surge in online sales directly attributed to ace - up 30% of their overall revenue.

For detail read, please refer [link](#)



CASE STUDIES



2) Unilever's MadameBot for marketing campaigns and new product awareness

Year: 2019

Partner: Infobip

Business Requirement:

Comfort, Unilever's leading fabric softener brand in Brazil, was launching a new line of products: a washing powder and a washing liquid with new and improved capabilities. Unilever was looking for a new and unique approach in their promotional efforts. After some research, Unilever realized that the best way to promote the products was to approach the customers in a way they're familiar with and that would mimic the way such products get recommended organically.

Solution:

Conversational campaign over WhatsApp Business API chatbot: In August 2019, Unilever decided to run a WhatsApp Business campaign where they put up 1,000 posters around Sao Paulo that displayed teaser messages followed by a WhatsApp number. Once interested consumers contacted the number, a chatbot called MadameBot would give advice on how to take care of clothes, and introduce the new products using rich media, such as audio and memes. At the end of the chat, customers received 50% off the new products, along with free shipping. The self-service keyword chatbot was built on Infobip's Answers platform.

Results:

- In the first 12 hours, 6,335 unique users interacted with Comfort's chatbots, exchanging 145,000 messages – far exceeding the expected goal of 600 interactions.
- The conversational campaign resulted in **14 times higher sales** than on ordinary days, forcing the company to add external partners to meet the demands. Additionally, Unilever's call center received many calls praising the campaign.

For detail read, please refer [link](#)



CASE STUDIES

3) Decathlon's chatbot generated an 875% return on Facebook Ad spend

Year: 2019

Partner: Heyday

Business Requirement:

By combining the powers of Facebook Messenger chatbot with a strategic investment in Facebook ads, Decathlon intended to accomplish:

- Keep customers in the loop about the grand opening by allowing them to opt-in for updates
- Register new members for their loyalty program without ever leaving Facebook Messenger
- Alert new members on opening day and encourage them to visit the new store

Solution:

Decathlon partnered with heyday to create a chatbot with the following features:

- Availability: The bot is available 24/7 to sign up new members and help customers shop
- Data collection: Decathlon now has unprecedented insights into their customers' behaviors, wants, and needs
- Omnichannel strategy: With Heyday, Decathlon wanted to provide a seamless shopping experience for their customers

Results:

- 41% conversion rate (ad click to membership)
- 346% increase in member acquisition
- Cost per new member acquired : US\$2.50
- 8.5x reduction in cost of customer acquisition, compared to traditional channels
- 875% return on their Facebook ad spend

For detail read, please refer [link](#)



CASE STUDIES

4) Tesco Malaysia's e-catalogue and customer support chatbot – Talia

Year: 2019

Partner: AiChat

Business Requirement:

To transform Tesco's strategy for its circulars in Malaysia to be less reliant on printed material, Tesco began testing online solutions that would be simple and easily accessible for its customers.

Solution:

To distribute a digital catalogue of its weekly promotions, Tesco worked with Facebook Marketing Partner AiChat to create "Talia", the chatbot. Through Talia the chatbot, Tesco Malaysia could distribute downloadable digital catalogues, as well as allow customers to obtain updates.

Results:

Tesco not only provided electronic catalogues to customers, but also increased customer service efficiency.

Between June and October 2019, it earned the following results:

- 54% of people who contacted Tesco via Messenger viewed and downloaded the digital catalogue
- 4X increase in digital catalogue views from Messenger compared to those from email marketing
- 85% of enquiries were handled by the Messenger-powered digital assistant
- 13% decrease in general enquiries to the customer service team compared to call center hotline

For detail read, please refer [link](#)



CASE STUDIES



5) Michael Kors enhances brand awareness using Facebook messenger chatbot

Year: 2018

Overview:

Michael Kors, a US brand which sells men's and women's ready-to-wear clothes, accessories, watches, jewelry, footwear, and fragrance produced a chatbot solution for its global audience in 2018. The brand had mainly 3 purposes behind creating this chatbot –

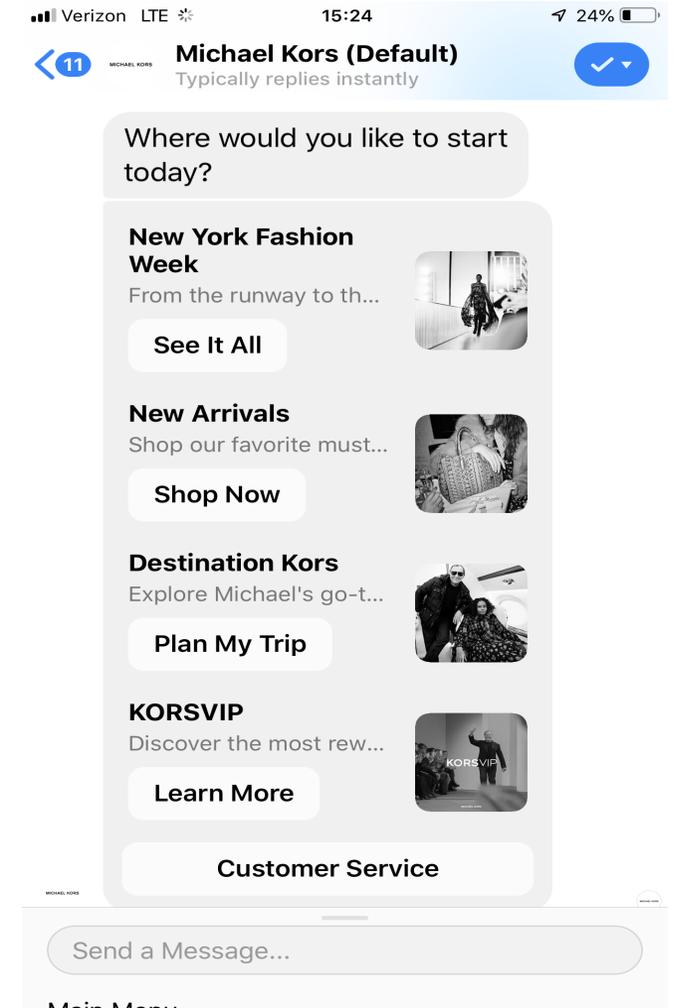
- Increase brand awareness and engagement by delivering personalized customer service.
- Product discovery and ideal storytelling to derive customers' consideration for products.
- And provide general FAQ handling for better customer experience.

The bot allows customers to explore brand content and find answers to their questions, all while keeping them engaged within Messenger. Metrics of success include total users who open a thread or interact with the chatbot, containment rate and percentage of people who get handed off to a customer care agent. Since the Facebook and Michael Kors communities are global, the chatbot was built with tiered experiences, the availability of which is based on a user's location. After selecting a location (U.S. or Other), users are presented with a menu of options which trigger various content journeys. To enhance and tailor the users experience in Facebook Messenger, messages are sent periodically to those who have interacted with the chatbot.

Results:

- With the success of the chatbot – Michael Kors **generated more than 375,000 active users**. They achieved an average of 45,000 new users per month. Not only new users are attracted to the chatbot, but it also continues to **retain users with a containment rate of 98.32%**.
- The chatbot can answer user's questions correctly more than 80% of the time as customers are staying in chatbot rather than having their inquiries directed to a customer service agent.

For detail read, please refer [link](#)



CASE STUDIES

6) Wolford's AI-powered chatbot for enhancing customer experience and brand loyalty

Year: 2018

Partner: AskSid.ai

Overview:

Wolford, a luxury legwear and bodywear company, wanted to enhance its digital presence and find innovative ways of delivering high-level customer experience. To create a luxury customer experience on its e-commerce website, Wolford worked with AskSid.ai (a specialist Conversational AI solution for retail and consumer goods) to develop and deploy an AI-powered shopping assistant chatbot. The AskSid.ai AI engine is built on Microsoft Azure and uses Azure Cognitive Services, Azure Bot Service, and Bot Framework to support knowledge extraction, metadata generation, intent data management, and intent classification for fashion brands. AskSid.ai worked closely with Wolford to contextualize the engine for Wolford's business and ensure that it could support the unique needs of Wolford's customers. Using the AskSid.ai platform, Wolford was able to quickly build and deploy its own dedicated AI-powered chatbot equipped to answer customer questions and deliver great digital shopping experiences.

Products and Services

- Azure
- Azure Bot Service (AI)
- Azure Cognitive Services (AI)

Results:

- Customers have shared a positive feedback indicating that the bot has solved issues for them quickly
- **Wolford witnessed 3 percent quarterly increase in online sales revenue**
- The bot has captured more than 1,000 new product questions that are being used to improve service rep knowledge. The data gathered by the bot combined with analytics to identify trends and anticipate changes in customer tastes and demands—better positioning the company to create well-informed product and marketing strategies that **promote long-term customer loyalty.**

For detail read, please refer [link](#)



7) Clean & Clear's Kimi for personalized service

Year: 2018

Partner: KRDS Singapore

Business Requirement:

Clean & Clear is a prominent skin-care company that is known for their affordable line of dermatology products. Its products are available in 46 countries and cater mainly to young women. The brand wanted to establish themselves as the go to skin expert for teens. They wanted to leverage the digital medium to help achieve their goal in an innovative manner.

Solution:

Clean & Clear partnered with KRDS Singapore to create a facebook messenger chatbot Kimi. Kimi asks the user a few questions to understand the skin type, skin problems and the age group. Post this assessment, she lets the user pick the issues he/she is facing, like pimples, oiliness, dull or dry skin. Once the user has chosen a skin problem, Kimi immediately offers useful tips and solutions to overcome this issue. Kimi recommends the right C&C products that'll help tackle different problems and offered vouchers to the users. Selfie Soundtrack is a feature where the user's selfie is analyzed to determine their current mood (happy, sad, angry) using Google Vision API. Once the mood was determined, Kimi picks and plays a song according to the user's mood using the Spotify API.

Results:

- The chatbot campaign resulted in 30,000 user interactions. Out of these, around 25,000 users have opted for ongoing skin care tips.
- The bot was able to offer 20,000 promo codes, of which, 11,000 were redeemed by users.

For detail read, please refer [link](#)



CASE STUDIES



8) Ben & Jerry's, used the messenger marketing to create an effective campaign

Year: 2018

Partner: Jumper.ai

Business Requirement:

Ben & Jerry's, the ice cream brand, to provide a greater customer experience, they experimented with their first Messenger marketing campaign. They took steps to engage users through Messenger and use the channel to drive real-life coupon redemptions at various locations throughout Singapore. The goal for this campaign was to reach and engage users on the device they are most engaged - their mobile phone - before directing them to locations to test a new flavor of ice cream.

Solution:

Free Samples: With the impending release of a few new flavors of ice cream, Ben & Jerry's wanted to drive awareness and interest in the new offerings. They started by running both organic and paid social posts to drive awareness. Customers who engaged with the posts would be sent a handful of chat messages outlining the new flavors, asking questions on their potentially favorite, and subsequently offering a coupon for a free pint slice of that flavor. Finally, they'd be told where the nearest Ben & Jerry's vending machine was so they could redeem the coupon for their free sample. With the help of jumper.ai, they streamlined this process by introducing a chatbot. The bot not only engaged with fans in a friendly, personalized way, it was also used to capture data.

Chatbot type – Fixed Response

Chatbot goal – Offer free samples in a hugely engaging way

Results:

- There was 5 times more engagement on social over this period with over 13,000 people interacting with the brand. All 5,000 of the free slices were snapped up and **sales over delivered by 20%**.
- Paid media posts allowed the brand to connect with people who weren't fans and encourage them to sample the product.
- Offering a QR code to collect a free sample meant that the brand could capture lots of data that will allow them to target the potential customers.

For detail read, please refer [link](#)



9) AI chatbot behind Alibaba's US\$31 Billion Single's Day sales miracle

Year: 2017

Business Requirement:

Alibaba, e-commerce platform, has more than 550 million active consumers, millions of active sellers, and generates millions of transactions through various Alibaba promotion tools and services each day. Alibaba traditional relied on its customer service to enable shopping transactions and related post-sales services.

The complexity and surge of Alibaba Group's business results in an increasing challenge to the customer service team. For example, from the 1st Single's Day shopping festival in 2009 to 2017, total transaction volume grew from 50 million to 168.2 billion, and the number of sellers grew from 27 to 180,000. Given the rising customer service demand, adding customer service staff was not a long-term solution. Hence, Alibaba opted for intelligent customer service as the sustainable solution in the future.

Solution:

Alibaba launched "AliMe", the artificial intelligence chatbot - an intelligent human-computer interaction (IHCI) based shopping guide and assistant for both sellers and customers. This product is powered by a range of AI technologies such as speech recognition, semantic understanding, personalized recommendations, and deep learning.

Based on the numerous customer transaction data, AliMe can proactively analyze and predict customer service needs and reach out to customers. Based on accumulated data each year, AliMe can have the knowledge base automatically updated in minutes for the first time in the industry and predict the problems each user may encounter in real time. Therefore, AliMe can send users precise service information even before users have even asked for help.



CASE STUDIES (CONT'D)



AliMe bot platform:

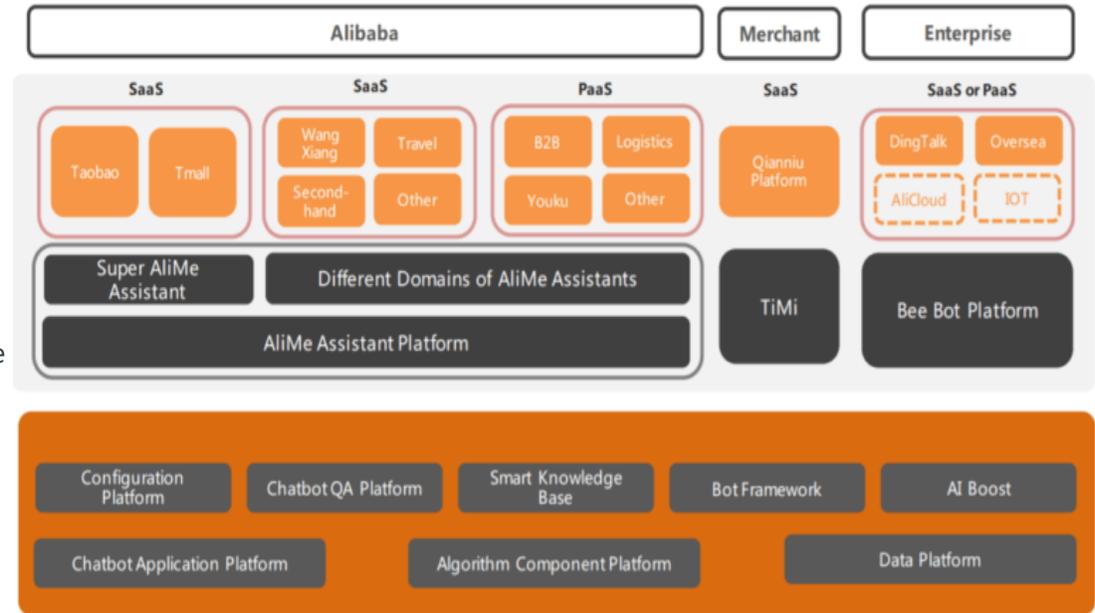
Alibaba aimed to create the AliMe bot platform as a complete set of intelligent human-computer interaction solution as follows:

Face to three domains solutions:

- AliMe Assistant: platform solution for Alibaba business
- TiMi: platform solution for merchants of Taobao
- Bee Bot: platform solution for external enterprises

Supporting two types of infrastructures:

- SaaS: front to end solution, a whole chatbot system including chat user interface
- PaaS: supply AI interfaces capability for developers to help build their systems



Results:

- During the Single's Day shopping festival in 2017, AliMe responded 9 million queries, i.e., 95% of the customer services on Alibaba e-commerce platforms. Alibaba intelligent recommendation system also created 56.7 billion different personal recommendation shopping lists for customers.
- Alibaba could generate US\$31 billion gross merchandise volume (i.e., the dollar value of total transactions), 27% higher than previous year.
- Alibaba was able to expand the intelligent customer service robot outside of its e-commerce platform. Since Alibaba also invested in the leading social media (Weibo), the leading video streaming website (Youku), the leading payment tool (Alipay), and millions of offline retailers, Alibaba can connect all the touch points along the whole customer journey.

For detail read, please refer [link](#)



CASE STUDIES

10) L'Oréal's Beauty Gifter enables customer engagement through Conversational Marketing

Year: 2017

Partner: Automat

Overview:

L'Oréal, a beauty company, recognized the opportunity offered by Conversational Marketing to connect with their customers, get to know them as individuals and promote ongoing relationships.

L'Oréal's digital strategy is based on three pillars: nurture the love that customers have for their brands, get to know their customers and increase the percentage digital sales compared to other channels. They partnered with Automat to launch an innovative messaging chatbot for Facebook Messenger called Beauty Gifter - a chatbot that gets to know each user's needs & preferences and makes personalized product recommendations from 11 different L'Oréal brands.

Beauty Gifter was built to achieve three goals:

- Collect rich profile information such as skin type, age or style
- Collect users' email address to link rich profiles to the CRM
- Provide a pleasant experience

Results:

Beauty Gifter chatbot case studies result show 27X higher engagement than email, 31% rich profiling and 82% loved the experience.

For detail read, please refer [link](#)





11) Unilever's Jemma for product promotion and generate consumer insights

Year: 2017

Partner: LINE and Kata.ai

Overview:

In 2017, Unilever collaborated with LINE and Kata.ai to develop an intelligent virtual friend named Jemma. As a virtual friend, Jemma is designed to capture customers' intent and behavior, give customers better recommendations, provide quick and accurate support, and promote brands under Unilever. Jemma was integrated into LINE Messenger as it is one of the most popular messaging applications in Indonesia at the time, and it fits well with Unilever's demographics.

Through Jemma, Unilever can unlock marketable customers' insights and could do cross-selling to a massive audience.

Results:

- Jemma virtual friend has managed to gather customers' profile with a conversion rate >70%.
- Jemma's monthly active users have increased with an average 11% month on month from each campaign.

For detail read, please refer [link](#)



12) Carrefour Belgium's virtual assistant provide a unique in-store experience

Year: 2017

Partner: Fourcast

Overview:

Carrefour Belgium is one of Belgium's biggest food distributors, with the most geographical presence of all food retailers in the country. Carrefour Belgium wanted to provide the experience and wine knowledge to every customer in the Carrefour stores. This would enhance the customer experience for Carrefour Belgium customers significantly.

Carrefour Belgium and partner Fourcast launched an Alpha version of virtual assistant Sommelier Benoit in three Carrefour stores. With this Alpha version, customers were able to start a conversation with the Sommelier Benoit virtual assistant, made available on a Google Nest Hub device that they could find at the wine section of their Carrefour store.

Results:

- In only 10 days' time, the virtual wine assistant Sommelier Benoit that was present in the three Carrefour stores **received 600 interactions from customers**. This was achieved even without additional marketing around the virtual wine bot. Virtual Sommelier Benoit managed to answer accurately and give the right wine advice in 90% of the interactions.

For detail read, please refer [link](#)



13) Making gift finding easy with a recommendation chatbot

Year: 2017

Partner: SpringML

Business Requirement:

Williams Sonoma is a US-based publicly traded consumer retail company that sells kitchen-wares and home furnishings.

Williams Sonoma wanted a Gift Finder Google Assistant Application to assist their customers finding a gift with a conversational chatbot. They wanted to enable customers to use Google Assistant or Google Home for gift recommendations for any Williams Sonoma brand. Customers could provide basic information about the person they are buying the gift for e.g. gender or age and answer some additional questions such as gift occasion and the price range.

Solution:

SpringML built the Gift Recommendation chatbot using Google Cloud Platform. The technology stack included Dialogflow and Google App Engine. The user interface was Google Assistant. Integrations to Williams Sonoma backend systems were enabled for product information. The final recommendations were provided via a chatbot – either as cards or carousel within Google Assistant or Google Home.

For detail read, please refer [link](#)



14) HelloFresh's 'Freddy' to enhance customer experience and for quick turnaround time

Year: 2017

Partner: Chatfuel

Business Requirement:

HelloFresh is a creative solution for those who are tired of eating out at restaurants, but don't have the time or know-how to plan and cook meals from scratch. This subscription-box service delivers fresh ingredients to door, along with instructions to transform them into delicious meals.

HelloFresh US faced two main problems:

- **High volume of incoming messages:** They needed at least one customer-service agent to monitor incoming Facebook messages round the clock, just to keep up.
- **Slow response times:** It took their support team between six and twelve hours to get through all the necessary steps to resolve a customer issue from one of these messages.

Solution:

HelloFresh's chatbot, Freddy, is used as a customer support bot to cut wait times for customers. Freddy can respond automatically to numerous customer queries, and many customers interact with the bot before speaking to a human customer support representative.

Though Freddy's main job is to help with customer support, the bot also offers a range of options to users, including:

- A reminder service to give users a nudge to complete their weekly food order
- Spotify playlist recommendations to listen while cooking
- Latest news and blog content from HelloFresh

Results:

- **76% decrease in response times, even though they now get 47% more messages on Messenger**

For detail read, please refer [link](#)





15) Increasing sales conversions with messenger bots - LEGO

Year: 2017

Partner: Edelman

Business Requirement:

With a goal of increasing online sales, LEGO (a toy manufacturer company) sought to boost sales by offering consumers gift recommendations that would guide them through the company's vast catalogue.

Solution:

The solution was to enhance the online shopping experience. In order to make that happen, LEGO, with its creative partners at Edelman, developed and rolled out its first bot for Messenger campaign during the 2017 Christmas shopping season. Due on its success, LEGO has since decided to make the bot available to consumers every day of the year. Know as Ralph, the bot enhances the digital shopping experience by quickly helping people choose and buy the perfect gift.

Results:

- Reach of over 2.69 million users
- 1.2 million post engagements, with an engagement rate of over 45%
- Over 50k conversations with potential new customers
- 25% of all in-season online sales, with a 6x return on ad spend within certain markets
- 8.4x higher conversion rate and a 65% lower cost per purchase than other conversion-based ad formats (such as carousels, canvas and collections)
- Ralph joins the LEGO team on a full-time basis

For detail read, please refer [link](#)



CASE STUDIES

Company	Description
	<p><u>Chatbots that drive the exponential growth at Sephora</u></p> <p>Sephora, the French cosmetics company, worked with chat app company Kik in 2016 to build the beauty brand’s chatbot. The virtual personality offers makeup tutorials, skincare tips, video clips and product reviews & ratings.</p> <ul style="list-style-type: none"> • It also launched the Sephora Reservation Assistant (a chatbot that uses natural language processing to interact with clients in identifying store location) and the Sephora Color Match (a chatbot that uses artificial intelligence to pick a color from an image and find a match from its beauty products) on Facebook Messenger. • It also launched a marketing campaign using the chatbot where teens going to the prom submitted 1,500 questions that were answered by the company’s makeup artist. After the live streaming Q&A, viewers were sent back to the chatbot to learn about other prom-related content. • Value proposition: Sephora reported an 11 percent increase in booking rates through the Sephora Reservation Assistant. In addition, it reported an increase in in-store sales, an average spend of US\$50 by clients who have reserved an in-store service via the chatbot. The prom-related project reportedly helped drive ongoing engagement on the chatbot. Kik claims in its case study that it spurred 600,000 interactions.
	<p><u>Chatbot to drive online sales</u></p> <ul style="list-style-type: none"> • The flower delivery company built an e-commerce chatbot that allows customers to order flower arrangements right within Facebook Messenger. It allows customers to choose bouquets, enter delivery information and instructions, write what they would want the card to say, and more. Within only a few months of launching the shopping chatbot, more than 70% of their Messenger orders were from new customers.



CASE STUDIES

Company	Description
	<p><u>Nike’s chatbot boosts conversions from their retail messenger campaign</u></p> <ul style="list-style-type: none">• Nike partnered with Snaps (Platform for Conversational AI) to promote Nike AirMax Day; they pursued a conversational marketing strategy that leveraged a chatbot for retail.• The Nike StyleBot brought the brand’s unique Nike ID platform to Facebook Messenger through an AI ecommerce bot. Customers could style their own shoe designs or browse previously uploaded versions for inspiration. The ability to mix-and-match, create their own styles, and share with friends all through the conversational platform of Facebook Messenger made this shopping chatbot a true success.• By the end of the campaign, the average CTR was 12.5X higher than their other campaigns. Conversions received a huge boost: 4X higher than the brand average.
	<p><u>Aerie increase customer acquisition with their shopping chatbot</u></p> <ul style="list-style-type: none">• Aerie, the clothing and lingerie spin-off of American Eagle Outfitters, has been appealing to millennials and Gen Z with the use of chatbots via Kik messenger. The ecommerce chatbot allow to browse the products based on personal preferences.• The most popular part of the shopping chatbot is that it offers a this or that option. Consumers are shown two different styles of clothing or lingerie and they pick the image they prefer. This helps the bot tailor the items they show the user.• According to their CTO, “Within weeks, our chatbots have acquired more than double the average number of users we add monthly across all social channels combined.”



CASE STUDIES

Company	Description
	<p><u>St. Ives increase awareness and sales amongst women</u></p> <ul style="list-style-type: none"> • St. Ives, a Unilever brand, created a chatbot to increase awareness and sales amongst women. • To increase awareness and sales amongst women, following steps were taken: <ul style="list-style-type: none"> • To reach their desired audience in the Kingdom of Saudi Arabia(KSA) and the United Arab Emirates (UAE), St. Ives worked with Instagram and Facebook. They worked with Facebook Creative Shop to create ads using the “Pitch, Play and Purge” method. • Creating and increasing brand awareness by creating engaging lifestyle ads containing strong brand messages. • Creating a skin profiling quiz on Messenger and getting individuals to participate in it. Here, individuals were asked specific questions as regards their skin types and skin concerns. The product recommendations changed based on the feedback received. • The creation of the #NatureinMe camera filter on Instagram and encouraging women to try it out. • Imputing the “Learn More ”option in ads that redirected clocks to the Instagram Stories Valeria view. Here a personalized virtual experience of trying out the St. Ives scrub on the individual’s skin is created using an Augmented reality filter (AR) • Use of automatic placements features on Facebook to deliver created ads across Facebook and Instagram. Done in Image and video format in live feed, stories, and Messenger. This campaign targeted women between 18-44 years old residing in the United Arab Emirates(UAE) and the Kingdom of Saudi Arabia (KSA). • The results of this campaign were achieved between April 13 – July 26, 2019. <ul style="list-style-type: none"> • Establishment of St. Ives Natural Skincare line as one of the major skin care brands in the United Arab Emirates (UAE) and the Kingdom of Saudi Arabia (KSA). • A 4.7-point rise in the brand’s favorability • An increase in sales in the face category in the United Arab Emirates (UAE) by 2.7times • A 3x increase in sales in the face category in the kingdom of Saudi Arabia (KSA) • A 14-point increase in the ad recalls



CASE STUDIES

Company	Description
	<p><u>Tommy Hilfiger's Video Ad Chatbot</u></p> <ul style="list-style-type: none"> • Tommy Hilfiger, in 2017, partnered with Teads—a France-based video ad tech startup—to launch the world's first chatbot that's integrated with the fashion brand's TMY.GRL outstream video ad. • The bot is accessed via a call to action that pops up on TMY.GRL – an out-stream video advertisement (a native ad that auto-plays whenever a user actively navigates to it). This stimulus is time-of-day sensitive and changes dynamically from 'Good Morning – Chat to Us' to 'Hello – Chat to Us' and encourages viewers to engage. • After tapping the call to action, viewers can browse the brand's latest garments while receiving assistance from an AI bot. To stimulate engagement and provide a more personal curation of products, the bot initially asks a series of questions designed to identify a customer's size and tastes. All have pre-set answers to choose from, keeping the process simple. To purchase products suggested by the chatbot, customers are transferred to Tommy.com, where the items have already been placed in their basket.
	<p><u>Kroger Chefbot: A use case in providing value in social media with bot technology</u></p> <ul style="list-style-type: none"> • Kroger, a local supermarket chain, has introduced a "Kroger Chefbot". The bot works in the following way: <ul style="list-style-type: none"> • Snap a photo of the available ingredients • Tweet your photo to @KrogerChefbot • The bot will send back tasty recipes • Developed in partnership with integrated creative and media agency 360i, and technology partners Coffee Labs Kroger's Chefbot provides a user-friendly conversational solution for breaking away from mundane mealtime routines and unwanted at-home food waste.



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APPENDIX



METHODOLOGY

Valorem Reply Research analyzed data and information from publicly available sources – company websites and company reports, industry reports, analyst reports, government statistics and other third-party sources such as research articles, publications, secondary literature, social media sites, news articles etc..

Data collected are further analyzed and cleaned by removing duplicates and irrelevant information, followed by qualitative analysis to arrive at the findings in the report.

The findings are based on analysis of publicly available information only, and not on information submitted by companies to Valorem Reply.



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