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The Impact of Live Chat and Chatbot Solutions on Online Businesses

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<p>The purpose of the research was to examine the impact of live chat and chatbot solutions on businesses that primarily operate online. The theoretical part of the study consisted of literature covering marketing, sales, and text-based conversational user interfaces. The main emphasis was on live chat technology and its effect on online businesses.</p> <p>A research methodology was implemented in this study. The qualitative research data consisted of three one-on-one in-depth interviews. The research revealed that the use of live chat systems, especially those that can be automated, significantly impacts business growth. Business growth occurs with the chat systems providing irreplaceable skill sets in marketing, sales and customer support professionals. The findings provide four main drives of growth in live chat usage by businesses. They are the increase in time spent online, consumer desire for faster interactions, the positive contribution of personalization of business growth and the consumer's need for authentic and trustworthy relationships with their product and service providers.</p> <p>After combining the research findings into a strategy, an online business owner is recommended to include a live chat solution to their business suite to observe its impact on customer acquisition, retention, and engagement. Additionally, basic chatbot automations can enhance and scale the marketing, sales, and customer support efforts.</p>	
Keywords	live chat, chatbot, automation, growth, engagement

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1 Introduction

Digitalization has brought many changes to the world. The rise of mobile devices, computers, and the Internet has changed how people interact with organizations. The use of the Internet has boosted electronic commerce, and the growth in usage of mobile devices connected to the web has led to the current development of online digital platforms. According to Mary Meeker's Internet Trends 2019 report, there are now more than 3.8 billion internet users worldwide, accounting for around half of the human population. Clearly, we still have a long way to go in spreading internet access. (Meeker, 2019) There are still many undiscovered ways we can use Internet technology to our advantage in a quest to propel our species forward. In the past two decades, businesses started to compete on a new level. They challenge each other to utilize the latest technological advancements such as mobile computing devices and social media to better connect with consumers and win the market share. This challenge has provided countless opportunities for companies who were able to keep up with the pace of evolving technologies. It also expanded the ever-growing number of things businesses need to consider to satisfy consumers.

The rise of social media and artificial intelligence usage has led to major breakthroughs in the developments of text-based mediums of information exchange in the form of instant messaging apps, live chats, and their automation capabilities, also called chatbots. Figure 1 presents an example of such chatbot technology inside a messaging application.

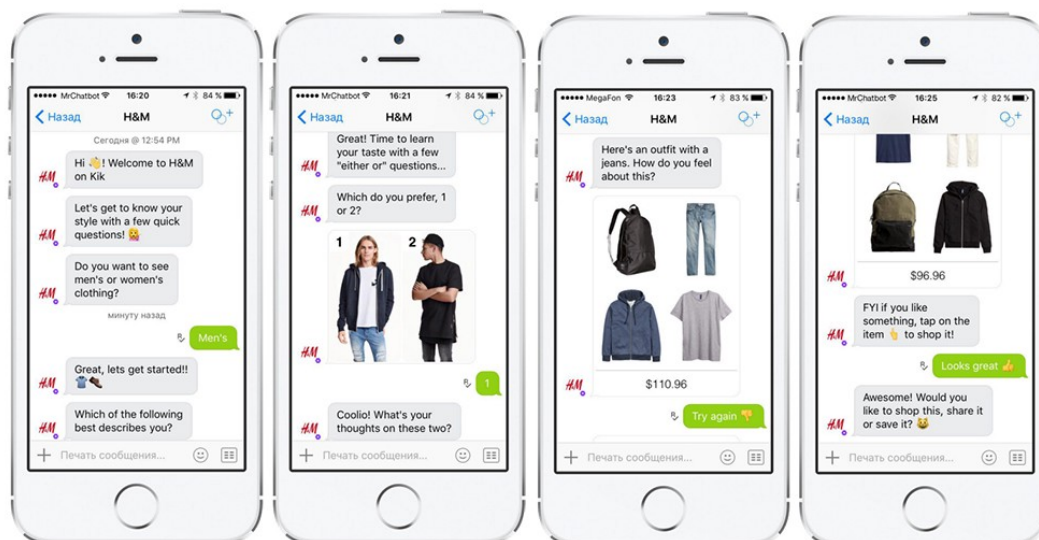


Figure 1: H&M Chatbot on Facebook Messenger. (Jain, 2016)

The providers of such novel communication solutions promise an unfair advantage to those organizations who are willing to invest resources in its adoption. In its essence, conversational user interfaces provide businesses ways of engaging with potential customers turning them into actual customers via dialogue-driven activities. Their major use case is to empower companies to build real, honest, and lasting relationships with the consumers at scale. The leading conversational user interface technology providers, also called customer communication platforms, claim to find a proven way to level the playing field between businesses and consumers and make the buying experiences easier and smoother than ever before. (Yin, 2019)

More and more businesses are adopting conversational user interfaces as they continue to emerge each year. Such actions might be helpful in increasing the opportunities for marketing, sales, and customer success professionals to utilize the technologies to meet the consumers' ever-growing needs and wants. It is also stated that the usage of conversational user interfaces helps organizations to gather valuable data and improve market research capabilities. Another reason for the rising popularity of conversational user interfaces can be attributed to the studies done by well-known firms, such as Accenture Research, reporting that instant messaging apps and live chat solutions can significantly help online businesses generate more revenue. (Srinivasan, 2018:3)

Conversational interfaces offer the industries that had traditionally operated offline an opportunity to move their marketing and sales operations into a digital sphere. It is

done without compromising the quality of the kind of customer support they are offering. Even though there are many benefits associated with the technology, it may not be appropriate for every industry. It still might be unclear which organizations will benefit the most from the new innovative ways of interacting with their audiences and presenting their product or service offerings via the new mediums.

The main objective of this research is to develop a hypothesis of what impact live chat and chatbot solutions have on an average online business and examine trends that drive their usage.

The results of the research might be found useful by business leaders, entrepreneurs, and founders, engaged in building and running online businesses as well as marketing, sales, and customer success leaders and professionals interested in utilizing the most recent technology advancements and practices to drive the bottom-line business growth. Although there are no known limitations towards which industry professionals will benefit from getting familiar with this work, the usage of conversational user interfaces is most notable amongst businesses engaged in electronic commerce and web-based service provision.

The researcher's hope is that most modern marketing, sales, and customer success professionals will benefit significantly from at least getting familiar with the ways of how to utilize tools such as instant messaging apps and live chat as well as automation solutions on top of these tools in the form of chatbots. The research work will provide actionable insights that can help them make thoughtful strategic decisions to increase the outcome from their efforts of growing businesses. It will also demonstrate various practices that have a big potential to empower organizations to engage in real-time conversations with consumers at scale. We will see if the conversational user interfaces indeed help businesses to attract and retain customers.

2 Literature Review

Before considering the implementation of modern live chat and chatbot solutions, and potentially changing the way business engages with consumers, one should be aware of a number of concepts. These concepts will be discussed thoroughly in the following chapter. Live chat and chatbot software tend to be used mainly by the marketing department. Therefore, it is essential to review the marketing theories to understand how they have evolved and what conversational interfaces have to do with them.

2.1 Marketing

Marketing is an activity or process of creation, communication, delivery, and exchanging offerings with a specific value for the partners, clients, society at large, and customers. Various marketing types include influence marketing, relationship marketing, viral marketing, green marketing, and keyword marketing. (Gamble et al., 2011) The 4 P's, which make up the marketing mix, are the product, price, place, and promotion — these 4 P's help in enhancing the components of the marketing mix. The marketers can define the suitability of a specific product or service for a chosen segment by actually applying the marketing mix components. (Thabit & Raewf, 2018) The term "marketing" refers to a managerial and social process whereby various groups and individuals obtain what they want and need by creating and exchanging different products or values. (Kotler & Armstrong, 2010) They have created a diagram demonstrated on Figure 2, which illustrates the main activities involved in the marketing operations.



Figure 2: Managing Marketing Strategies and the Marketing Mix. (Kotler and Armstrong, 2010)

The main goal of a marketing strategy is creating value for the customers and building a robust and profitable relationship with them. Organizations can use the marketing mix to determine a particular product's or service's suitability for the target group. The company should conduct marketing analysis, planning, implementation, and control to adopt a good marketing strategy and mix. (Khan, 2014) Organizations should also monitor and adapt to the other parties and the marketing environment forces, such as suppliers or competitors. In this work, the focus will lean toward examining the steps to attract and retain customers. To understand how to attract and retain customers, a company needs to understand consumer behavior.

2.2 Consumer Behavior

Consumer behavior refers to the psychological-based study of how people decide to purchase a product or service that satisfies their needs. Various factors usually determine the buyer's behavior. Some of these factors are personal factors, sociological factors, and also psychological factors. The study of consumer behavior is significant for marketers because it helps them understand consumers' expectations. It is crucial to assess the products that the consumers like to be released to the market. The marketers will understand the products or services that are liked and disliked by the

consumers and design their marketing efforts on the basis of the findings they got from the market.

Each consumer tends to have a different attitude and thought process towards buying a particular product or service. The importance of knowing the customer buying behavior helps with differentiation, retention, designing the relevant marketing program, predicting the market trend, understanding competition, creating new innovative products, staying relevant in the market, and improving customer service. The analysis of consumer behavior has emerged to be an essential tool in understanding the customers. (Malter et al., 2020:146) Various organizations can develop new products, advertising campaigns and increase their profitability by understanding consumer psychology and the forces behind the consumers' behavior. When it comes to influencing consumer behavior, it is essential to understand the consumer decision-making process. Figure 3 shows five stages of this process introduced by John Dewey in 1910.



Figure 3. The consumer decision-making process.

Because every step in this process plays a vital role in helping businesses to maximize their profits. Thus, it is crucial for business leaders to have a good understanding of the consumer decision journey and pay close attention to every stage of it. (Stankevich, 2017)

2.3 The Consumer Decision Journey

The consumer decision journey is a model that indicates how potential customers purchase products or services. It maps the journey a customer will make when they

want to buy, a product or service. (Dasgupta & Grover, 2019) Consumers usually tend to move outside the marketing funnel by making changes in their research and buying the products. The decision-making process is a circular journey in nature with four primary phases illustrated in the diagram below: initial considerations, functional evaluation, researching the potential purchases, closure, which happens when consumers buy the brands, and post-purchase when the consumers are experiencing it. The funnel analogy illustrates that the consumers narrow down the initial consideration systematically to weigh their options, decide, and purchase the product. The marketing funnel has several stages: awareness, interest, consideration, intent, evaluation, and finally, purchase. (Court et al., 2009) Figure 4 shows the steps consumers make when making decisions about a specific product or service, thus according to McKinsey & Company.

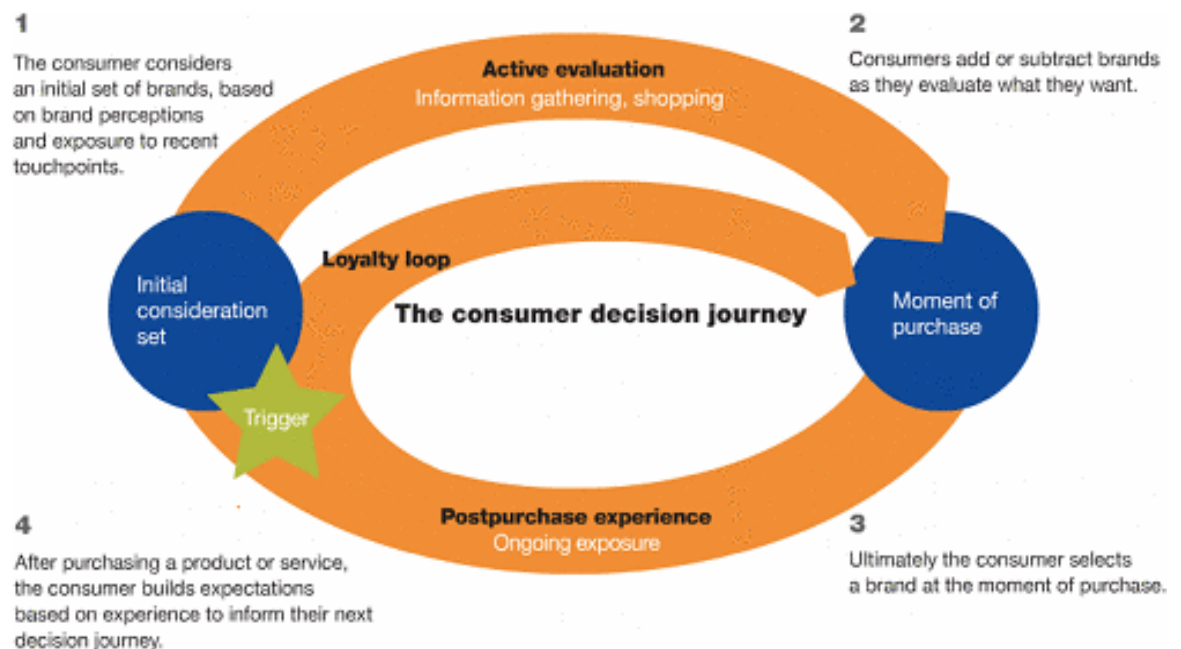


Figure 4. The consumer decision journey. (Court et al., 2009)

In the traditional funnel metaphor, consumers start with a number of solutions to their problem and methodically reduce that number to make a purchase and become a customer. Figure 5 shows the funnel model according to McKinsey & Company.

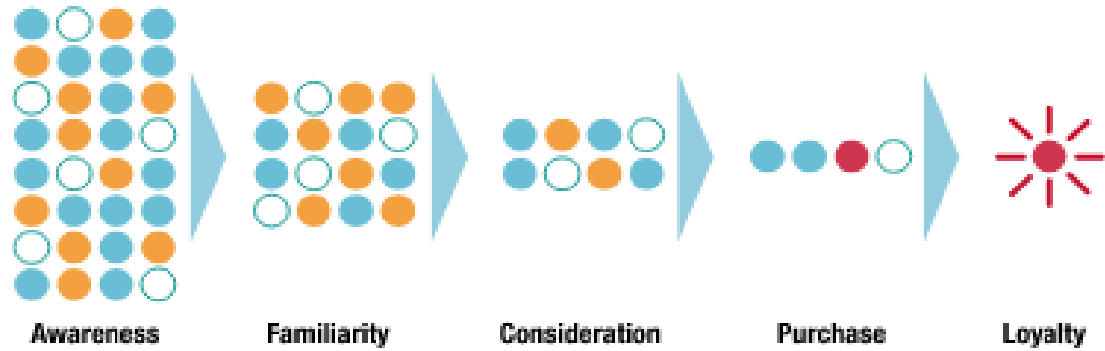


Figure 5. The funnel model. (Court et al., 2009)

The flywheel model has been developed by Brian Halligan as the antithesis to the funnel because the actual decision-making process can be better described as a circular journey. The model puts the consumer at the heart of the process. (Pop et al., 2021) Figure 6 shows how the transitions from the sales funnel model to the flywheel.

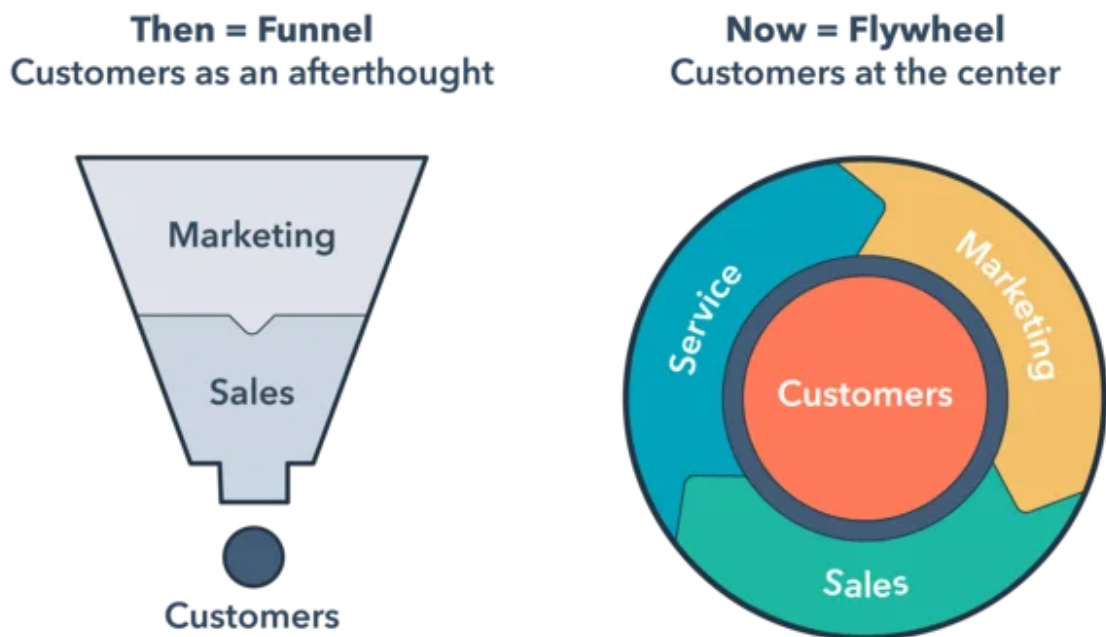


Figure 6. Funnel and flywheel comparison. (Bartolacci, 2020)

It is different from the funnel model because it does not put the customers as the afterthought in the marketing and sale strategy. Utilization of the flywheel ideology helps develop the company's brand advocates to propel growth. (Bartolacci, 2020) The

metaphor is inspired by the flywheel that James Watt used over two centuries ago to create his steam engine. The flywheel was utilized because it is very efficient at capturing, storing, and releasing energy. In a similar way, companies can use the flywheel metaphor to describe their operations. It empowers business leaders to focus on how their company captures, stores and releases the energy that can be measured in website visitors, sales opportunities, customers, or the engagement of people who already consume the company's offerings. (Halligan, 2018)

The primary goal of the flywheel metaphor is to better showcase the importance of focusing on how organizations capture, store and release their energy, which can be measured in website traffic, potential prospects, daily sign-ups, new customers, and the enthusiasm of the people who already consume the organization's offerings. The metaphor also accounts for the users and customers that have been lost, which works against the company's momentum and slows down the growth. (Halligan, 2018) Figure 7 below shows the four stages of a consumer journey in the flywheel model: strangers, prospects, customers, and promoters.

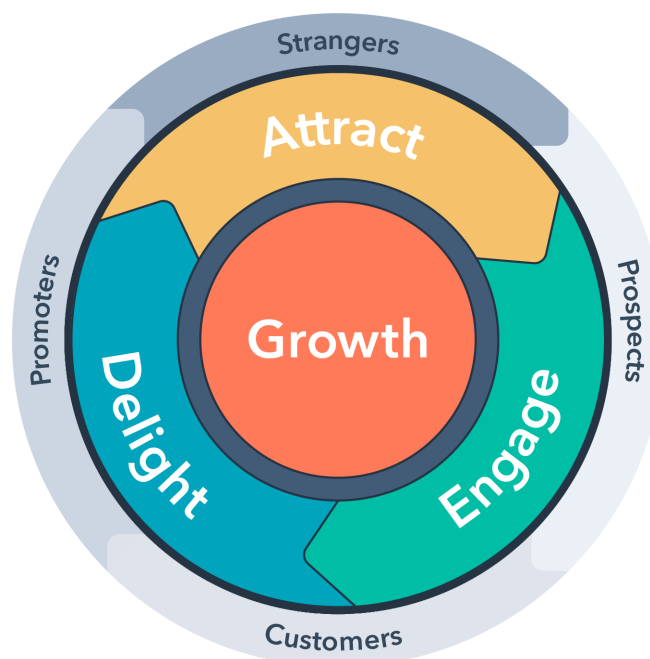


Figure 7. The flywheel model and its stages. (Halligan, 2018)

For a business to use the flywheel model, it needs to identify the areas that have the biggest impact first. It can then add forces, such as programs and strategies, to these areas to increase the speeds of the company's flywheel. The faster the flywheel, the

more successful the company's customers. And these existing customers are then more likely to relay their success to the potential customers and, as a result, increase the businesses' growth. It is also important to make sure that nothing is slowing down the flywheel. This can be done by reducing friction from the business strategy. The more a business leader decreases friction and increases the speed of the flywheel, the more strangers will be converted to prospects, to customers, and to promoters, who eventually become one of the forces that spin the flywheel and contribute to the increasing growth of the business.

Due to the global rise of Internet usage and the ever-growing amount of available media products, there have been dramatic changes in the decision-making context. It was highlighted in a recent article published by Willman-Iivarinen (2017) that there are five recent trends in consumer behavior:

- Consumers pay less attention to particular pieces of content.
- The consumer decision-making process will become more complicated with time.
- Consumers now feel the time pressure more than before.
- The symbolic power of consumption is becoming more important.
- Consumers increasingly seek more convenience.

Thus, consumers pursue convenience and strive to make the decisions with little to no effort. Business professionals have to adapt to the new environment and keep up with consumers' desires. Among other fields, the mentioned changes are particularly substantial in the emerging industry of digital marketing.

2.4 Digital Marketing Industry

Digital marketing refers to the development of either service, brand, or a product online. Currently, digital marketing is one of the essential parts of the marketing mix. Over the past few years, it has been snowballing. Many businesses have realized the importance of having an excellent online presence. (Appel et al., 2019) A business needs to have a strategy so that digital marketing becomes effective. The Internet has given the companies various new channels of communications as well as provided

innovative platforms that allow more intimate interactions with their customers. (Lockett, 2018) As a result, digital-native organizations have the most cost-effective way to build close relationships with consumers at scale. Such positive interaction can become a solid foundation on which long-term relationships can be created and utilized to achieve higher growth and profitability. Such an approach also increases repeat purchases and the overall amount of generated sales opportunities to the median lifetime value of a customer. (Vanhoof et al., 2013)

The digital marketing industry is one of the fastest-growing sectors in the United States, one of the leading world economies. (U.S. Bureau of Labor Statistics, 2020) The marketing world is ever-changing and dynamic because the technology, trends, and tactics are seemingly immune to stagnation. Because of that, constant change became both their habit and mantra. This also means that businesses that utilize digital marketing practices are more likely to stay updated regarding the newest industry developments. One of the best ways of remaining relevant and keeping up with the latest trends is keeping an eye on the marketing statistics researchers have done by respectful organizations. (Appel et al., 2019) By doing, the organizations can strive for a longer duration of time, retain audiences of loyal people, and make less effort to acquire new customers compared to the ones that stick only with traditional methods discussed in previous sections.

One of the crucial facts about digital marketing is that it has transformed how various businesses and various organizations communicate with audiences. The 5Ds are digital marketing components, digital devices, digital technology, digital platforms, digital media, and digital data. They can be used together with traditional marketing techniques like print, broadcast, or direct mail in order to get closer to the audience. Digital consumers have a chance to access the broader choice of entertainment, services, products from various suppliers, and a more convenient way of selecting and purchasing multiple items. With the rise of the world wide web, smaller and more nimble organizations received a chance to expand into new markets, offer new services, and interact with the audiences more personally at scale. It allowed many of them to compete on an equal footing with the larger businesses. (Chaffey & Ellis-Chadwick, 2019) The shift towards the digital economy motivates marketing

professionals to develop new skills and utilize the most up-to-date tools and practices, such as conversational marketing, in order to stay competitive.

2.5 Technological Developments Driving the Rise of Conversational Marketing

Conversational marketing has recently increased in popularity because of the shifts in consumer behavior and new developments in technology. The practices of conversational marketing use technologies such as live chat software to empower businesses to interact with consumers in a one-to-one manner at scale. The main aim of conversational marketing is to create systems that can allow users of smartphones and other devices connected to the Internet to obtain various information and access the services in a more natural way. (McTear, 2016) Conversational marketing is not a new phenomenon. People have been using conversations to drive sales and consumer satisfaction since the first human trades occurred. It is the most natural way for humans to interact. (Timbrell, 2020)

The conversational user interfaces themselves are not new either. There is a history of research in the voice user interface, dialogue systems, chatbots, and embodied conversational agents that date back to more than fifty years. Conversational interfaces are evolving each day. The brief history of conversational user interfaces is described as follows. Computer-based mail and messaging became possible with the developments in time-sharing computer technology in the early 1960s. Chatterbox was the first type of conversational user interface to be developed. One of the first examples of the programs was ELIZA, which Weizenbaum created in 1966. In 1971 the first email was sent on the ARPANET network. The Simple Mail Transfer Protocol (SMTP) protocol was introduced in 1981 by Jon Postel. The developments of ELIZA were followed by ALICE, which Wallace developed in 1995. In the late 90s, there was another program designed as a personification of the intelligent system. It has been achieved thanks to the Embodied Conversational Agents' development. Then it was followed by the first instant messaging services like MSN messenger, AOL instant messaging, and messenger. Their modern successors include messaging platforms such as Facebook Messenger, Telegram, Slack, Skype, Line, and Kik. Each of them allows users to add bots to their list of contacts, like if they were real people. (Klopfenstein et

al., 2017) Figure 8 shows the features of the major messaging platforms that support bots.

Platform	MAU ⁷	Groups	Mentions	Message types	Buttons	Carousel	Quick reply	Payment
Messenger	800 M			Picture, video, file, voice.	✓	✓	✓	✓
	Persistent menus, several message templates (Airline trip, Buy, Receipt, Web link, etc.).							
WeChat	700 M		✓	Picture, video, sticker, voice, location.			✓ ⁸	✓
	Deep-links through QR codes, Rich media and Music messages. Integrated web views ⁸ .							
Skype	300 M			Picture, video.	✓	✓		
	Several message templates (Hero image, Thumbnail, Receipt, Sign-in, etc.), phone call support.							
Line	220 M	✓		Picture, video, sticker, voice, location.	✓	✓		
	<i>Imagemap</i> message template (picture with multiple hot-spots).							
Telegram	100 M	✓	✓	Picture, video, sticker, file, voice, location.			✓	
	Persistent commands. Deep-links to conversations.							
Kik	80 M	✓	✓	Picture, video, sticker, voice.			✓	
	<i>Kik code</i> identifiers, browser integration via Javascript.							
Slack	≥ 3 M	✓	✓	File.	✓			

Figure 8. Main features of the major messaging platforms with chatbot support.. (Klopfenstein et al., 2017)

Virtual private assistants also emerged, and it has grown immensely because of the many differences in older personal assistants. Later on, bot applications were also developed, and it was designed according to the principles of effectiveness and simplicity. In the last few years, the rise of bots as a new approach to conversational user interfaces has been observed. The latest chatbot services are of a higher level than the others which the predecessors were offering. (Sotolongo & Copulsky, 2018) Such conversational user interfaces also served as the functional replacements of mobile applications.

2.6 Types of Conversational User Interfaces

The conversational user interface refers to an interface that enables an individual to write or speak in plain language in order to convey their message or intention. The main aim of having a conversational user interface is to provide a seamless user experience. However, the reality is that these interfaces usually act only either as an engagement mechanism or as the first level of support that addresses the most basic questions and concerns. This is because, to this day, using none of the conversational user interfaces has reached the level of comprehension of humans. (Sumrak, 2020)

The conversational user interfaces can be divided into text-based and voice-based. In turn, the text-based interfaces can also be divided into emails and chats. In this work, the focus will be aimed toward examining the text-based chat interfaces.

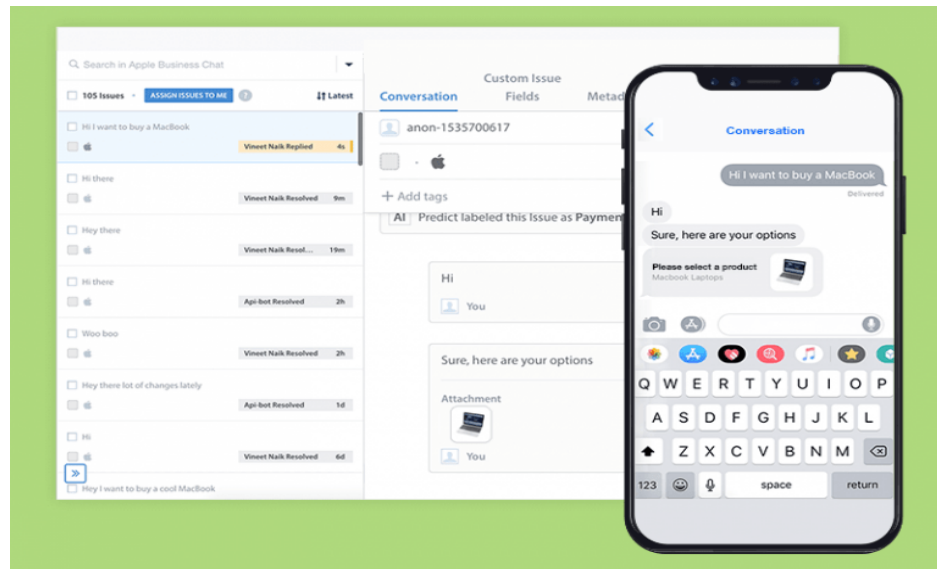


Figure 9. Desktop and mobile chat interface examples. (HelpShift, 2021)

Chats can be presented in the forms of an instant messaging application and a live chat. Instant messaging applications such as Telegram, WhatsApp, Viber, Slack, WeChat, and Facebook Messenger have been growing significantly in the past years. The number of messaging app users grew to about 2.18 billion in 2019. Most of the instant messaging application providers, however, usually allow anyone with development skills to build chatbots on their platform. (Dhir et al., 2020)

Modern consumers face various obstacles when trying to communicate with businesses. Phone calls might not work for people in different time zones. Email's response time might be longer than the consumer's buying intention. Self-service help centers might lack personalization and are rarely able to predict and cover all possible questions or issues. With the intention to overcome such obstacles, businesses increasingly adopt live chat solutions to address more consumers' needs. (McLean, 2019) There are a number of distinctive benefits that the live chat solutions provide: they are perceived as easy and convenient to use, the conversations often happen in real-time, and the problem-solving process is deemed fast and personal. Moreover, according to a study by Tidio, a customer communication software provider, consumers

who engage in an online chat conversation with the business are 63% more likely to return. (Sienkiewicz, 2021) These factors are helping the live chat trend in online business to become one of the most popular ways for businesses and consumers to have a dialogue with each other.

The placement of live chats with chatbot support on the mobile app or website helps brands better connect with their users throughout the consumer decision journey. (McLean, 2019)

2.7 Conversational User Interface Automations

Both instant messaging apps and live chats benefit significantly from the recent developments in chat automation technologies. A basic chatbot is one of the examples of such automation. A chatbot is defined in Lexico. (2021) as "A computer program designed to simulate conversation with human users, especially over the Internet." Figure 10 shows an example of the basic chatbot on HubSpot's pricing page that helps visitors to better understand the company's product lineup and pricing structure. This bot will not understand the user's inputs and serves the sole purpose of connecting the company's sales agents to the website visitors who showed interest in a product by engaging in a conversation with the bot.

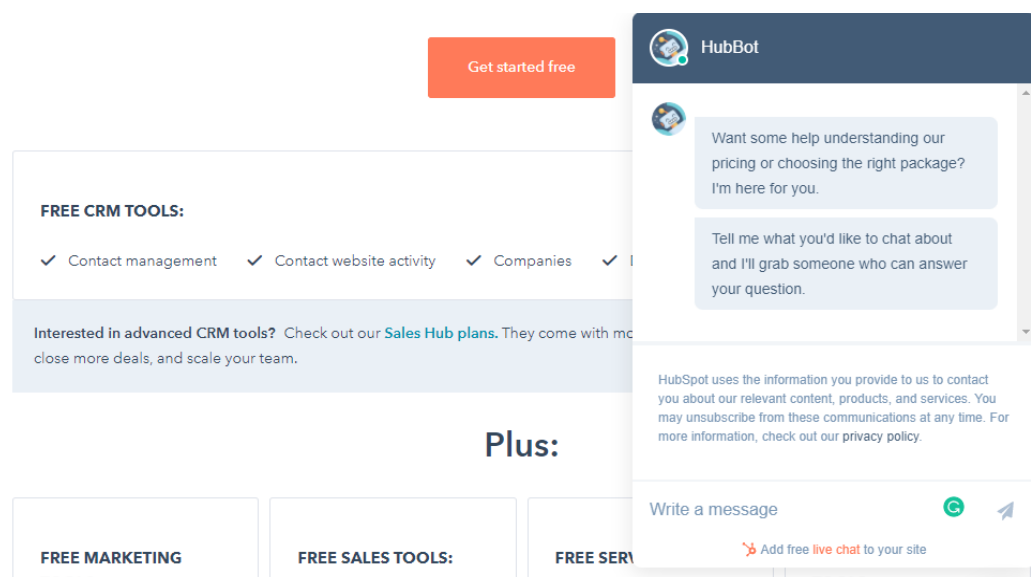


Figure 10. Live chat contains a basic chatbot that prompts website visitors to ask questions related to the company's pricing and product offering.

Such chatbots can provide predefined text messages based on user inputs. The inputs for the basic chatbots are usually limited. The design of this interface is comparatively simple and straightforward. This allows for the basic commands and also fundamental inputs in it. (Constine, 2020) Figure 11 below shows an example of a basic chatbot that provides website visitors with a limited set of predefined answers to help guide the conversation and achieve a predictable outcome.

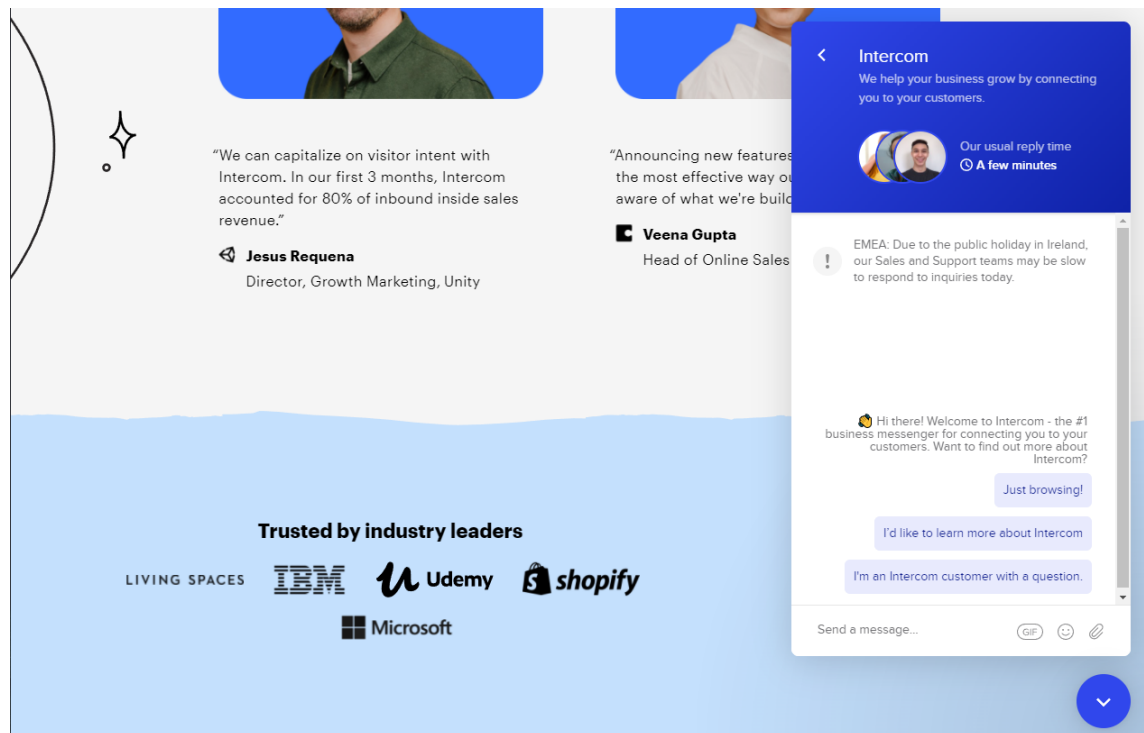


Figure 11. Live chat with a basic chatbot that greets website visitors and provides a set of predefined answers to continue the conversation.

Recent research predicts that chatbots will save businesses 8 billion US dollars by 2022. (Juniper Research, 2017) Such predictions encourage many companies to a greater chatbot adoption and integration. (Cancel & Gerhardt, 2019)

The most innovative businesses do not settle for the basic chatbots and find ways to utilize technologies such as AI and machine learning to create far technologically superior interfaces called smart assistants. It is an experience in which a person interacts with a chatbot through regular text message expressions instead of simply selecting predefined options. The smart assistant then uses its text recognition technologies and knowledge bases to provide an answer to the user's question or try to

continue the interaction. The quality of the output is determined by the sophistication of the assistant's technology as well as the input quality. (Mavridis et al., 2019)

Nowadays, such text-based assistants can be developed from scratch by any company in a relatively short amount of time because text-based data is always readily available for use and can be repurposed. However, the common problem with this type is that the specificity of a website majorly impacts the interface's performance. The accuracy of the assistant is also hindered by a specific language or vocabulary based on industry. (Keenan, 2019)

2.8 Implications of Conversational Interfaces for Different Business Functions

Conversational interfaces allow to build cross-channel customer support experiences, sell more by automating sales processes with bots, and target specific segments of consumers with tailored messages. Figure 12 showcases various benefits of utilizing chatbots, according to an industry report done by Drift, a customer engagement software provider.

Potential Benefits of Chatbots

Millennials vs. Baby Boomers

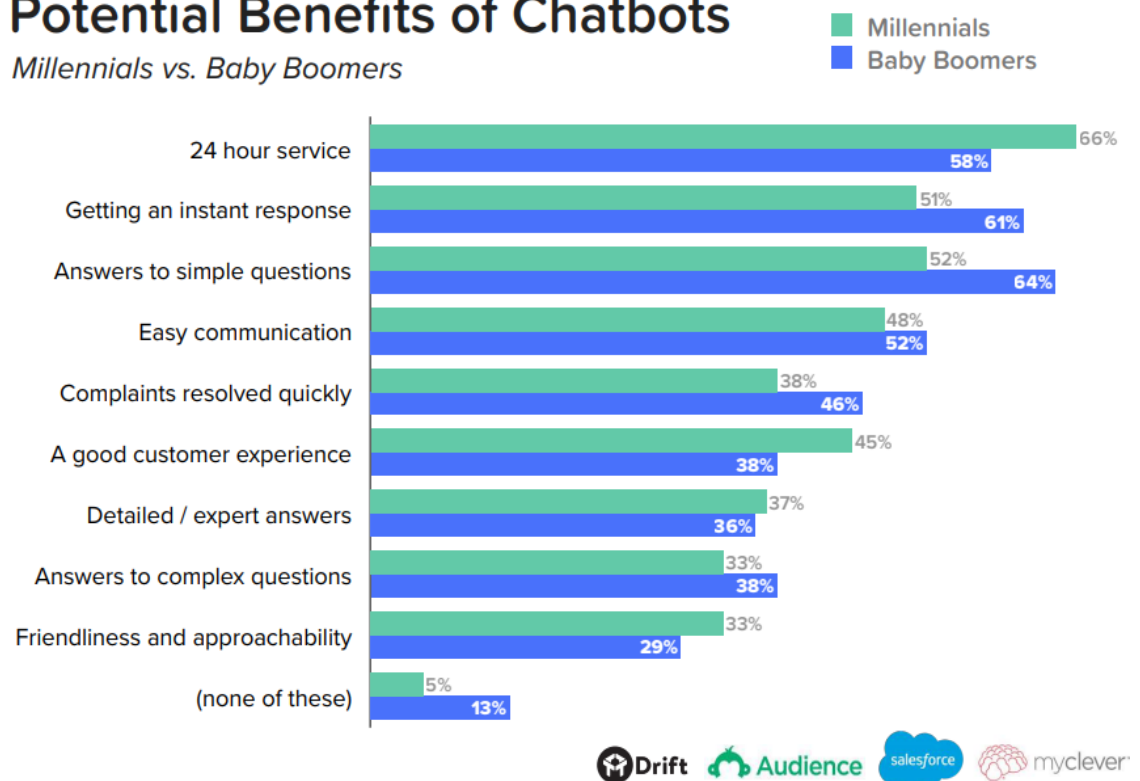


Figure 12. The State of Chatbots Report by Drift. (Devaney, 2018)

2.8.1 Impact on Marketing

There has been an uptick in the usage of conversational user interfaces in recent years. The technology promises countless opportunities to marketers who can use it to establish better, deeper connections with consumers. Conversational interfaces help brands engage in more meaningful interactions and deliver personalized messaging on a large scale. One of the biggest strengths of such technologies is the ability to automate repetitive processes. In-chat marketing automations, when done right, have the potential to help companies deliver the right information to the right people at the right time. (Cancel & Gerhardt, 2019) There are various ways in which these conversation interfaces impact marketing.

According to Deshpande. (2018) from MarTech Advisor, chat interactions in the form of chatbots allow marketing professionals to focus on other areas of the business that usually require a human-to-human interaction and cannot be automated. Most companies have been adopting various chatbots in order to improve the efficiency of their marketing departments. Chatbots evolve every day, causing brands to adapt and start utilizing the technology to humanize themselves by injecting the brand voice into the chatbot's conversations. This way, an increasing number of organizations can deliver end-to-end conversational experiences because the entire discussion can always be designed based on the possible communication use cases. The data collected from the various types of conversational user interfaces can be used to fuel the content creation process. The main goal here is establishing the framework whereby the marketers will be extracting the relevant user data and using it to improve any conversational opportunity they come across. (Deshpande, 2018) The chatbots have created a new capability to give the buyers various information, learn from them, and adjust the interaction to the buyers' unique context and needs by all means possible. (Zarouali et al., 2018)

Cancel & Gerhardt. (2019) note that among other benefits that the marketers are experiencing are an increased amount of the new sales opportunities generated at scale, improved customer segmentation based on their interaction with conversational user interfaces, and a greater focus on building long-term relationships. The rising popularity of conversational user interfaces gives marketers various opportunities to tap into the existing and growing markets. (Cancel & Gerhardt, 2019) The gradual shift

in consumer behavior implies that marketers need to adjust the content strategy to the one which circulates conversational queries for every marketing flywheel stage from stranger to promoter.

It is, however, essential to note that conversational user interfaces also face many unique challenges. According to the 2018 Accenture Research, the most popular reason why business owners might not plan to implement chatbots is the general user reluctance to engage with a conversational bot. The report also shows that the main challenge for organizations that have already implemented a chatbot solution was a lack of skilled talent that can be trusted with chatbot development and support. (Srinivasan et al., 2018:10) Other findings from the report will be more thoroughly discussed in the Research Results section.

2.8.2 Impact on Sales

Conversational interfaces help to process more customer requests in a shorter period of time which benefits any business. Modern messaging applications are more effective in generating new sales opportunities as compared to traditional sales and marketing methods. (Cancel & Gerhardt, 2019) According to the 2018 Accenture Research, 57% of businesses claimed that conversational user interfaces generate a large return on investments. Conversations that aim at driving growth and delivering a better customer experience must take place in the entire customer journey. Sales that target younger generations and take place in messengers or live chats can increase the number of quality connections with reported potential buyers. It demonstrates how the conversational approach can greatly benefit almost any business. Conversational interfaces contribute a lot to automating the sales process and shortening the sales cycle. It also helps with contacting individuals who have interacted with a business in the past. (Jassova, 2020)

2.8.3 Impact on Customer Support

The success teams and customer support have the most apparent advantages from the conversational approach. In 2018, MIT Technology Review Insights did a comprehensive report based on a global survey of 599 executives and a series of

expert interviews. Nearly 90% of respondents stated that they recorded measurable improvements in the speed of complaint resolution. Various other benefits have also been identified when an organization utilizes conversational user interfaces. For instance, most organizations may not have qualified support representatives who are able to be available 24 hours a day, seven days a week, with no holidays. However, with the utilization of these conversational user interfaces, it has become easier for support teams to manage and help the customers to get what they need at any given moment by utilizing various automation techniques. Such measures also have a significant impact on saving support agents' time. (Rauthan, 2019) Figure 13 shows an example of a basic chatbot inside the live chat interface that helps visitors to receive support and provides a set of quick actions that could possibly help resolve the issue faster with fewer inputs needed from a support agent.

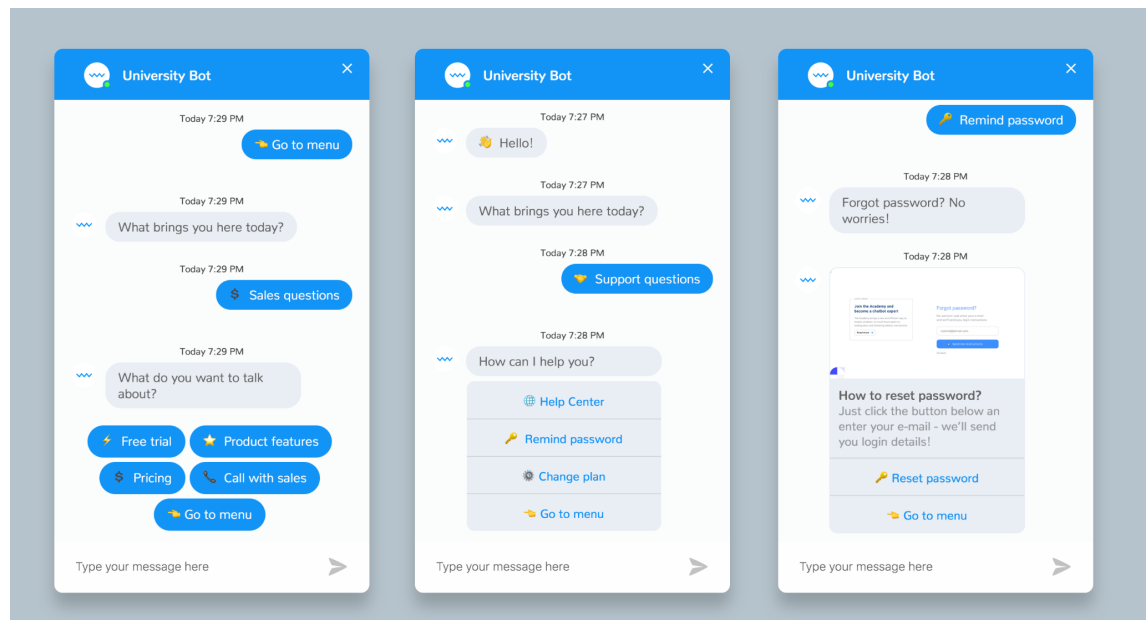


Figure 13. Live chat with a basic chatbot helps website visitors with a set of quick actions related to customer support.

Overall, the existence of conversational user interfaces makes the work of customer support workers faster. It decreases the number of issues caused by human error and increases the customer satisfaction rate when applied correctly.

3 Methodology

This chapter describes the existing types of research methodology and presents the justification of the selection for the chosen research method. Additionally, the limitations are listed in order to understand the influences on the results. Lastly, the data analysis describes the outcomes of the selected research approach.

3.1 Types of Research Methodology

Research can be defined as an academic activity, which consists of a scientific and systematic search for pertinent information on a specific topic. (Kothari, 2004:1) Research comprises defining and redefining problems, helping in formulating hypotheses, making deductions and reaching the conclusions, testing the solutions, and finally identifying whether the selected solutions fit the formulating hypothesis.

There are different types of research – exploratory, descriptive, and causal. According to Lans and Van der Voordt (2002), exploratory research focuses on the development of hypotheses. It starts without clear preliminary ideas looking for possible links between sources of data and concluding with an explanation of the findings. Likewise, descriptive research includes fact-finding inquiries of different kinds. The main purpose of descriptive research is to formulate a description of the state of affairs as it exists at present. Another characteristic of descriptive research is objectivity or neutrality. (Lans and Van der Voordt, 2002) The last research type is causal, and it is conducted in order to identify the extent and nature of cause-and-effect relationships. The causal research method is often used to study the patterns of behavior between variables in a specific problem or situation. For instance, causal research is usually applied in experiments and collects data from them. The exploratory research approach was chosen for this research as it is the most suited for the main objective of developing a hypothesis of what impact live chat and chatbot solutions have on an average online business, as opposed to formalized studies that have a specific hypothesis to be tested.

There are two more basic approaches to research, the quantitative approach and the qualitative approach. (Kothari, 2004:5) Creswell and Creswell (2017) define one additional method of the research methodology, which is a mixed method. The chosen

method or methods depends on the objectives of the research and the nature of the data that needs to be collected. Quantitative research is used to measure quantity or amount and is applicable to each type of data expressed in quantity. (Kothari, 2004:5) Some examples of quantitative research techniques are surveys or statistics. However, if the objective of the study is to analyze data such as human behavior and specific motivations towards this behavior, a qualitative approach should be applied. Qualitative data analysis is interpretive and uses data such as depth interviews, observations, and group discussions. Mixed-method research is a combination of quantitative and qualitative data used when the research benefits equally from both types of data. (Creswell and Creswell, 2017)

This work uses the qualitative approach only as it corresponds to the objectives of the research. The in-depth interviews were considered the most effective way of data collection since it allows one to gain the most valuable data for the analysis, taking into consideration the scope of this work. The qualitative research objectives are to achieve a contextualized understanding of behaviors, beliefs, and the context of people's experiences. (Hennink et al., 2011:14) The quantitative approach presupposing a corresponding survey has been disregarded because of the author's inability to collect a representatively diverse number of respondents due to limited resources.

3.2 Qualitative Research

In order to conduct the qualitative research, in-depth interviews were organized with several business professionals who work full-time at the companies in positions with vastly different levels of seniority and responsibilities. This research utilizes the data collected from one-to-one in-depth interviews, which is one of the most common ways of collecting qualitative data. In qualitative research, interviewing is one of the most frequently used methods to collect data for analysis. (King and Horrocks, 2010) One of the main benefits of choosing this approach is the opportunity to read the body language of the interviewed people. (Radu, 2019) The objective of this research is to gain deeper insight into the level of awareness of business professionals regarding conversational user interfaces. It is also important to better understand their perception of the tools like live chats and chatbots and what impact the technologies have on online businesses.

3.3 Validity and Reliability

A total of three one-to-one interviews were carried out online due to the current situation with the global pandemic and the recommendation by health authorities to stay at home and avoid in-person contacts. The real-time meeting platform Google Meets was chosen to facilitate the interviews and record them. The recordings were then transcribed and analyzed for possible body language clues. The interviewees with diverse backgrounds, positions, and experience in business were selected. To ensure the validity and reliability of the research, the chosen interviewees work full-time in various industries, including the agency service provision, event organization and management, software as a service provision, and retail electronic commerce. In order to ensure that the interviewees utilize the conversational user interface technologies with different purposes, the interviewees in various roles and positions were selected. The interviewed business professionals include a founder and chief executive officer of an electric bike startup, a sales and customer success manager at an event organization and management company, and a chief revenue officer providing online subscription analytics software as a service. Additionally, the interviewees represented different genders, two females and one male. On top of that, to ensure the diversity of the research, all interviewees have different nationalities: American, Finnish, and Ukrainian.

All questions were formed carefully and were asked in the particular order to estimate the knowledge of the interviewee regarding the topic of conversational user interfaces in the form of live chats and their automations. The structure of the interview also ensured that the interviewee was familiar with the topic of the research. Personal opinions and biases were taken into account during the analysis of the results. All sessions were recorded with the approval of interviewees and transcribed into the text format.

3.4 Limitations of Study

The findings of this study are affected by a number of limitations. The conclusion of this research work cannot be applied to all of the cases.

The first limitation is the sample size, which was narrowed to three interviews and limited the research in a way that the collected data cannot be generalized. The second limitation concerns the cultural aspect and other types of biases. Three one-to-one interviews with business professionals were set as an objective of this research with international companies that operate only in Europe, and all selected interviewees are located in Finland. This raises the concern of the cultural effect and that some experiences may be applicable primarily in Finland, and this should be taken into consideration as well. The last limitation concerns the target group, which is the companies that utilize the live chat. This limits the research in data that can come from companies that decided not to have a live chat.

4 Research Results

This section will provide the analysis of the data collected during one-to-one interviews. The transcripts of the interviews can be found in Appendix 1.

As it was mentioned in the interviews, conversational user interfaces, such as live chat, provide an opportunity to develop a personal approach to each individual customer. This has a great impact on building long-term trust with the customer and becoming more aware of the aspects that need to be developed to improve the quality of the communication. The interviewees believe that the personal approach and consideration of the social impact on the consumers is a current main trend in consumer behavior.

In general, all respondents stated, in one form or another, that the conversational user interfaces in the forms of live chat with chatbot capabilities contributed to the company's growth by attracting prospects, acquiring new customers, and delighting them with the goal of turning them into promoters. Two out of three interviewees added that additional automation of live chat solutions helps to develop a personal approach to each customer and saves time for both parties. The personal approach here means that a customer receives information based on a number of traits, such as type of device or location, which are automatically linked to their profile in the communication software.

It has been noted by one of the business professionals who works in the event organization and management company: "Live chat is the primary way we provide support to customers and attendees. We have been using it since the very beginning when the company was only founded. For us, it is a crucial part of the business because it provides value not only on our website but also on our platform." The live chat was added to the website of other interviewees as the first thing when their company launched their websites. Live chat was considered by all respondents as an essential tool for communication with consumers. "It is the easiest way to support the customers at scale. And for the customers, it's the easiest way for them to reach us. It is all about convenience." - says the founder of the retail e-commerce organization. It was mentioned that the live chat helps in reducing the boundaries between the two

parties and, in some cases, serves as the ice-breaker, which is a great benefit for the sales and marketing professionals.

Another interesting finding was that some of the interviewees utilized the automation of the live chat to provide additional support. For instance, when a website visitor spends more than 45 seconds on the page with pricing information, they will receive an automated live chat message asking if they need help and prompting to connect with a salesperson. One of the respondents claimed that around 20 percent of the users respond to these messages. This is good for the business because such automations filter out visitors that do not have the buying intent leaving the sales professionals with the ones who are more likely to make a purchase. As a result, some conversational interactions lead to turning strangers into prospective opportunities and potential customers. Such conversations typically lead to the scheduling of sales meetings and continuing the conversation after a visitor showed some form of commitment. The interviewee concludes: "We have acquired many customers thanks to such automated interactions." This statement is supported by the 2019 survey of 500 company owners done by Intercom, one of the leading customer communication platforms. The surveyed business leaders claimed chatbots had increased sales by 67% on average, with 26% of all sales starting through a chatbot interaction. (Yin, 2019)

However, it is quite hard to generalize this positive experience for all interviewed business professionals as the impact of the technology was vastly different in each case. The event management organization representative and the software as a service company representative both are satisfied with the live chat and chatbot on their companies' websites and confirmed that it is a must-have tool for their businesses. As it was mentioned in Chapter 3.2 of Qualitative Research, personal opinions and biases were taken into account during the interviews, and it was noted that both interviewees expressed high satisfaction with the live chat automation for a number of reasons, such as personal approach and time efficiency. The interview with a representative from the retail e-commerce company showed similar benefits from the utilization of the live chat itself. However, he also presented an interesting opinion of not being eager to use the automation functionalities. The interviewee expressed his concern that the live chat automated in the form of chatbots is not always necessary and is even considered an unwanted feature because of the smaller size of the company and the desire to keep

the conversations as lively and humane as possible. The reason is that the automatization of the live chat generates many messages, which smaller teams might consider overwhelming. It is also preferable to have real-time conversations whenever possible to build trust. These interviewee statements are in line with the 2018 Accenture Research showing that there are several popular reasons why companies do not plan to implement chatbots:

General user reluctance to engage with a conversational bot	64%
Lack of ability to utilize history or context for personalized experiences	51%
Failure to understand human input	47%
Uncertain exposure to new privacy and security regulations	45%
Shortage of skilled developers	44%

Table 1. Top reasons not to implement chatbots. (Srinivasan et al., Accenture Research, 2018:8)

According to the same report, there is a number of challenges chatbot supporters have faced or expect to face when implementing bots are:

Lack of skilled talent to develop and work with bots	65%
Deployment cost	49%
Cost to acquire or purchase a chatbot solution	46%
Inability to satisfy data privacy and security regulations	42%

Table 2. Challenges faced by chatbot supporters. (Srinivasan et al., Accenture Research, 2018:10)

In terms of the effectiveness of a live chat, it has been conducted by one of the interviewees that it provides valuable opportunities to the sales professionals and empowers marketers to engage with the audiences at a larger scale.

Live chat also helps to support communication with existing customers. The customer success agents find it quite often that customers seek help in the live chat to solve urgent technical issues, and the live chat provides them with a fast response and quick,

tailored support. According to the flywheel model, such actions help turn the existing customers into promoters, who in turn will help to increase the bottom-line growth of the business. In a study done by MIT Technology Review Insights (2018), 80% of respondents reported measurable improvements in customer satisfaction, service delivery, and contact center performance after they started utilizing the conversational user interfaces and automating them.

As it was mentioned by the respondent-founder of the e-commerce brand, "...consumers spend more and more time online and on mobile." To stay competitive on the market, organizations need to do more than just create good products but also do research on which technologies and distribution channels are on top and desired by most consumers. The impact of technological advancements was best summed up by the interviewee from the business analytics software company: "Our customers have the latest products from innovative tech companies, and I think that they expect from us to have many kinds of integrated features that make their lives easier. And we need to follow those expectations to not let them down and stay relevant."

According to the two studies conducted by Franke et al. (2009), products customized on the basis of preferences expressed by consumers provide strikingly higher benefits for customers, which shows in their willingness to pay and attitude toward the product as opposed to the standard non-customized products. The impact of increased personalization was mentioned by all three respondents. This is how the interviewee from the event management company perceives this notion: "Companies now try to fit their product into the individual consumer needs. This is an excellent thing because it creates trust over time. The personalization of the sales and marketing efforts is something that has changed a lot, and customers are no longer interested in those general kinds of emails that companies send. Consumers want to know that you actually took the time to learn about who they are and what they do."

A recently published research article by Nunes (2021) argued that customers expect businesses to be transparent and authentic with them. This trend motivates companies to start embracing authenticity, as was mentioned by all respondents. "Companies now try to earn back the consumers' trust. Many introduce authenticity and honesty as their guiding values," explains the interviewee from the software as a service company. It can be concluded that honesty and authenticity with the consumers help to build trust

and create deeper relationships. The other respondent expressed the same opinion: "I believe business owners now experience a big shift towards building deeper relationships with consumers rather than simply making them aware of the business offerings." This trend aligns with the main goals of marketing strategy to create value for the customers and build profitable relationships with them.

Fundamentally, consumers want to find the right information fast and easily. (Willman-Iivarinen, 2017) If a business is not able to meet these expectations, consumers become frustrated and turn to others who can. The importance of providing fast and delightful experiences was mentioned by respondents. Perhaps, it was best highlighted by the interviewee from the business analytics software company: "If one company can provide help to consumers faster than others, they will win the market. Even better if they can make the process of seeking and getting help more enjoyable. Because delighted people tend to be more loyal, and this means more money for the business." The buying journeys are becoming more complex. Thus, it is essential for brands to remove friction from their digital distribution channels. All respondents agreed that to become market leaders, companies need to both meet the ever-growing consumer expectations and differentiate themselves from competitors.

An additional question was asked for the retail e-commerce company asking what effect it would take if the live chat was removed from their website. According to the interviewee's opinion, such action would lead to fewer visitors making the purchasing decisions: "They could, of course, still use email to get in touch with us. But I do not doubt that switching to email would result in a lower amount of purchases."

Overall, the interviews showed that the live chat along with chatbots provides a positive effect on sales, customer communication, fast response rate as well as other named benefits. It can be concluded that usage of the live chat creates a positive return on investments for all interviewed companies, and they will keep using it in the future.

5 Conclusion

As a result of this research paper, it can be concluded that the utilization of live chat can affect business growth in a positive way for some industries. This conclusion is based on three online interviews that have been conducted with a moderately diverse group of business professionals, all of which had the conversational user interface in the form of live chat used on their company websites. Two out of three respondents additionally noted the utilization of live chat automation in the forms of chatbots and triggered messages. The relative diversity of the business professionals in terms of working industry, responsibilities, and seniority levels reduced the possibility of non-validity of the research work. Data and findings from several related studies have been analyzed and used to back up the essential points of this research.

The primary purpose of the work was to examine trends that drive the usage of live chat and chatbot technologies and develop a hypothesis of what impact they have on an average online business, which was successfully achieved.

The main objective of the research was to gain insights into what impact the live chat and chatbot solutions provide on online businesses. In this research, as well as in some of the studies covered in the literature review, the overall impact on growth was mentioned as the underlying use case for including the live chat with chatbot capabilities to a company website. As discussed in Chapter 2.3, the flywheel model is a good metaphor to demonstrate things needed to achieve business growth. There are three main parts of a business flywheel - attract, engage, and delight. One can argue that it is usually the case that everything is interlinked, and every individual inside an organization contributes to all three parts of it. However, it will be fair to say that different roles speed up the flywheel in their unique way and thus increase business growth by applying force to different parts of the flywheel. Examples of these forces are listed on Figure 14.

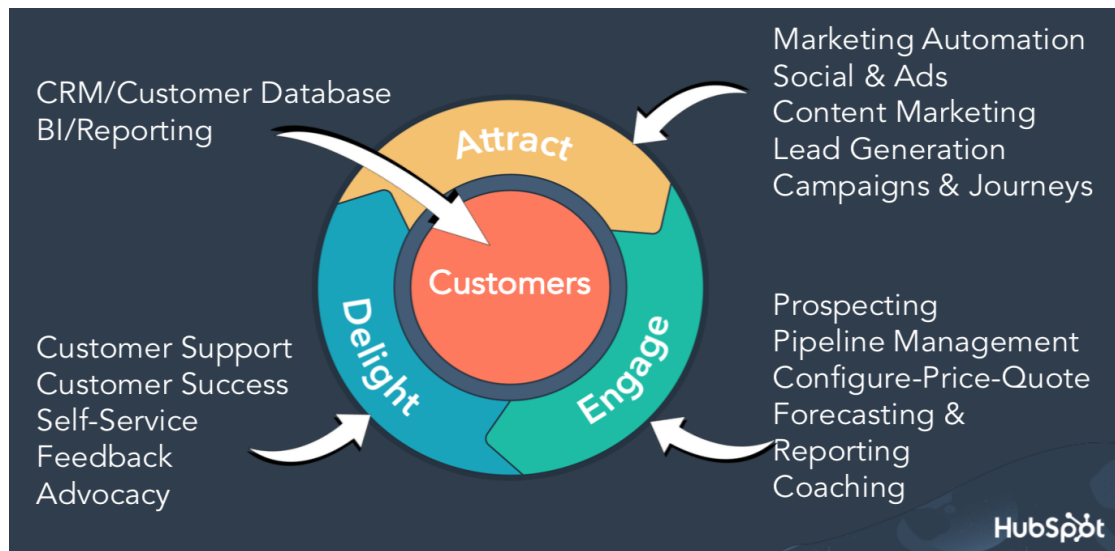


Figure 14. Forces applied to the business flywheel. (HubSpot, 2021)

The strategies and tactics of marketers make a disproportionately high impact on the attraction part. Salespeople are most effective in increasing engagement. And customer success professionals usually are not matched in delighting people on every stage of the flywheel - from stranger to promoter. As it was mentioned during the interviews a number of times, the usage of live chats, especially those equipped with the automation powers of the chatbot, can substantially contribute to all the above roles and thus make a big impact on the speed of the flywheel, which is a metaphor for company growth. In conclusion, the exploratory research has led the author to the hypothesis stating that live chat and chatbot solutions have a positive contribution to various business functions, thus noticeably impacting the overall growth of online businesses. Further research is recommended to determine if the hypothesis is correct and whether it stays true across all industries and regions.

The complementary objective of the research was to examine trends that drive the usage of text-based conversational user interfaces. After carefully analyzing the literature review materials and the research interviews, four main drivers of the increase in live chat and chatbot usage have been identified:

- The overall time spent online is at an all time high and increasing.
- Consumers increasingly want to get fast and delightful interactions with brands.
- The amount of evidence supporting the positive contribution of personalization to business growth is increasing.

- Consumers increasingly prefer to have authentic and trustworthy relationships with brands.

If done right, conversational user interfaces in the form of instant live chats with chatbot capabilities serve as a solution to the problem of meeting high expectations. They can provide useful information to website visitors in real-time exactly when it is needed. Live chat and chatbot solutions shorten the distance between businesses and consumers. They also empower the co representatives engaged in conversations to unleash their creativity and delight the consumers to win their minds and hearts, which ultimately speeds up the flywheel and contributes to the overall business growth.

Some suggestions were formed in order to add value to this research. The retail e-commerce organization uses live chat mainly to delight and partly to attract customers. Therefore the suggestion is to use automations such as basic timer triggers to proactively create new conversations with website visitors. This should result in a similar outcome that was observed by the other two respondents. Most of the visitors who are not interested in the product would ignore the triggered message, but the ones closest to making the commitment in the form of pre-order will reply to the automated message, thus giving an opportunity for the Equal bike team to overcome possible objections and make the pre-order. This is one way of stimulating more engagement to speed up the business flywheel. Another suggestion would be to utilize the basic chatbot automations to display useful content, such as working hours and answers to the frequently asked questions, in the live chat when the team is not available. These actions will set the customer expectations and decrease the frustration of not getting an immediate response.

For the case of the event management organization, some suggestions were formed as well. At the moment, the live chat only triggers automated messages on the pricing page. The suggestion is to improve on such automations to create a tailored experience based on the visited page. For example, a page describing the platform's features could have an automated message that asks visitors whether they would like to learn more about a particular feature and thus prompt them to book a sales call or leave their contact information for a salesperson to follow up. The automated chatbot messages could also be used inside the platform to increase feature adoption via guided experiences.

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The transcripts of the interviews

Interview #1

The respondent: Andriy Sytnyk, founder and CEO of Equal bike, male, 26 years old.

Introduce yourself and what you do.

Hi, my name is Andriy Sytnyk. I'm the founder and CEO of an electric bike startup called Equal bike. It's a direct-to-consumer brand that designs and produces innovative electric bicycles. We launched a pre-order campaign last year and have just released our first engineering prototype. We are now receiving hundreds of product pre-orders each month and plan to start production soon.

In your experience, how has marketing changed in the past decade?

I think the fundamental idea of marketing remains the same. In my opinion, marketing is everything you do to make the product sell for itself. But of course, there have been some substantial changes in the marketing environment. For example, consumers shift their attention from offline to online. They're switching desktop to mobile. It affects the marketing tools businesses are using to capture that attention. So I would say that fundamentally marketing stays the same. Only tools and mediums are changing.

Have you noticed any changes in consumer behavior?

Well, as I said, I think consumers spend more and more time online and on mobile. And this has consequences. For example, consumers become more knowledgeable because everyone has a smartphone connected to the Internet in their pocket. People now have more tools to learn about products and make better decisions. For example, it's now easier than ever to communicate with businesses thanks to the abundance of chat services. And this empowers the consumers. This behavior change, of course, affects how we think about marketing. Companies need to keep up with new trends. I believe business owners now experience a big shift towards building deeper relationships with consumers rather than simply making them aware of the business offerings.

What do you think are the biggest trends in marketing these days?

Yes, as I mentioned, there was a rapid increase in mobile internet usage. This empowered companies to use different mobile tracking technologies to better understand their website visitors and their intentions. Our communication mediums are switching too.

You mentioned the increase in messenger and chat usage. How does it affect you?

In Equal, we use messengers to communicate within the company. Still, we don't use them to communicate with customers at this moment. But we will definitely use them to chat with customers in the future. For example, one of our core product offerings is a mobile app companion for our electric bikes. And we plan to channel our customer support and communications through a messenger app. That said, we haven't yet decided whether it will be our own chat within the app companion, or we will use one of the existing messenger platforms such as Facebook, WhatsApp, or Telegram. Speaking of the present moment, right now, one of our main channels of communication with customers is a live chat on our website, along with email. There are different types of inquiries that come through these two channels. Email is used for more formal conversations, mostly with partners and suppliers. But whenever someone has a question for our company, it will most likely come through the live chat.

When did you add the live chat to your website?

Basically, we added it as soon as we released our website - it was there already at the launch.

Why did you decide to add live chat to your website?

I consider the live chat to be an essential business tool. It is the easiest to support the customer. And for the customers, it's the easiest way for them to reach us. It is all about convenience.

It sounds like you wanted to make it easier for customers to reach you and ask questions about the product. Is that correct?

Yes. We launched our website with a pre-order campaign. We showed the product and wanted to get feedback from people as fast as possible. We wanted the website visitors to let us know they want or need our product. To test the demand, so to say. And the electric bike is a complex hardware product with many nuances and a steep price tag. This is not something people often buy without a second thought. So, we were expecting to receive many questions from the potential customers. And that is precisely what happened. The website visitors wanted to engage in conversations with us and ask questions to build trust before making a commitment and placing the pre-order. And our goal was to make this experience as easy, seamless, and straightforward as possible. And using live chat to achieve this goal was an easy choice. In a way, we are using live chat as a sales tool. It helped us nurture the potential customers and move them closer to the pre-order decision.

Did you learn anything interesting about your website visitors during the launch?

Yes, I sure did. One of the advantages of having a live chat was that we could easily collect and categorize all the questions with a click of a button. We then analyzed the questions and created the FAQ (editor's note: FAQ stands for Frequently Asked

Questions) section on the website. This helped us develop many template answers and canned responses to save time on answering the frequent questions. During the live chat conversations, we also learned a lot of things that people didn't understand about our product. We were then able to address those concerns in our communication channels and produce educational content around the questions. So, this shows how live chat was essential for us to get early feedback and learn from potential customers quickly and efficiently. And this is not only about the launch. We are constantly getting feedback from the market and iterating our product based on this feedback. The process will, hopefully, continue for as long as the company exists. These conversations also give us a better understanding of our target audience and insight into their wants and needs.

And what about those customers who already pre-ordered the bike? Do you communicate with them?

Yes, of course. Usually, customers who have pre-ordered are not as active. But still, some of them might have some additional questions that they come up with a bit later in the future. Or, for example, they might have some special requests for us such as editing the delivery information or changing the size of the electric bicycle. Some people just want to ask how things are going or learn when the bikes will be available. Building relationships and trust are important and valuable things to do in business, more so in the earliest stages. It is crucial for success. It's also essential that we can easily keep in touch with all the people who believed in us and made the pre-order. Building connections and understanding our customers is what helps to propel the company forward.

Did you have any issues while integrating the live chat on your website?

No, everything went smoothly, and I don't have any complaints.

What would be the main benefits that you receive from the live chat?

I would say the main benefit is the almost instant speed of communication. Live chat is the fastest and most convenient way for us to help customers make better purchasing decisions.

How would it affect your business if you were to remove the live chat from your website?

I believe we will have fewer visitors making the purchasing decision. They could, of course, still use email to get in touch with us. But I have no doubt that switching to email would result in a lower conversion rate. The business would still exist, but it wouldn't be as successful because fewer people would trust us enough to make the pre-order. I think pretty much every company nowadays has some form of a live chat on their website. And it is expected by consumers as well. So, it is kind of a must-have tool these days.

Do you have any automations built for your live chat?

No, we do everything manually. I try to reply to all new messages as soon as they arrive.

What do you think is stopping you from creating the chat automations?

Maybe it is because I don't have any specific use case in mind. As long as our team is not overwhelmed with the amount of incoming messages, I do not think we need to create any automations or use chatbots, for example. I personally prefer to keep conversations as live as possible and avoid using bots unless we absolutely have to.

Overall, how satisfied are you with the addition of the live chat to your business?

It checked all the boxes. It delivered on its promise, and I'm delighted to have it. Again, I have zero complaints and would give this tool the highest rating.

Interview #2

The respondent: sales and customer success manager, female, 25 years old.

Introduce yourself and what you do.

I work for an event management software company. Our product is the software that provides an opportunity for event organizers to host any event entirely online, in the hybrid mode, or also on-site. We are offering event management, together with networking, live streaming, expo, and things like that. And my tasks are primarily linked to sales and customer success. I also do a little bit of marketing, but my primary responsibility at work is bringing more sales and supporting customers and attendees during the events.

How does your team represent? Is there anyone else doing customer support or sales?

At the moment, we are a team of about 20 people spread across the world. Our headquarters are in Helsinki, Finland, and we have offices in Canada and Turkey. So, the team is quite international and spread across many time zones and continents. That helps us a lot within the sales and customer support. For example, when people in Helsinki sleep, our Canadian team members can take care of the clients and customer support. Because we have our HQ in Helsinki, most of the team lives here. So, in Finland, we have four people, including myself, with the same job as I do. We also have two more sales and customer success team members in Turkey and another two in Canada. Altogether, you can say that almost half the company is engaged in this sort of activity.

In your experience, how has marketing changed in the past decade?

I definitely cannot tell for ten years because I have not worked in marketing for so long. But I can tell you what I have experienced in the past three to five years. There is definitely a growing trend of digitalization. More and more marketing activities are done on the Internet on our laptops. Generally, more work is done online. If you can recall, from around ten years ago, we used to have a lot of billboard advertisements on the streets. It becomes less of a thing today. More companies are shifting towards online advertising, online marketing, and stuff like that. I think it is because the Internet definitely helps to reach more people and target audiences more effectively. So it is not just some people who pass by a bus stop and see your advertisement. On the Internet, you can target the exact people that might be interested in your product. And also, it is easier to see the results when advertising online. Anyone in the company can easily access the metrics and see how ads are doing. It helps a lot in terms of understanding how well your marketing or sales are doing at the moment.

And then, of course, there is another rising trend of new social media channels like Instagram, TikTok, Telegram, Facebook, and so on. They become more and more popular not only among young people but also older audiences and big corporations. I do not think I can name a single company that does not have an account on Instagram. Even though some might not use these social media channels as a sales tool, but for the very least, as a way of engaging with their communities. This also helps a lot in building customer trust. When you show your company, the people who work there, it becomes much easier for customers to get to know you. And social media can be a great human relations tool too.

I think these are the main trends. Of course, there are a lot of other smaller ones. For example, there is a trend of embracing authenticity. Also, our attention has shortened. Because of apps like Instagram and TikTok, it is now harder, especially for young people, to pay attention to something for more than a minute. So marketing has to adapt to these notions. For example, by changing the way we produce content. But those are now only small things that started to show within the last year or two. I think we will see the bigger impact of those trends in the next few years when people who are now finishing school will become the workforce in corporations.

Have you noticed any changes in consumer behavior?

I think that customers definitely became more aware. It is easier because all the information is now on the tip of our fingers. So you can quickly google a company, a product, its competitors. You can quickly request quotations from each of them. Customers became more clever. Therefore, companies became more sincere and personal. And they develop a personal approach to each individual customer. That also makes it easier for customers to see the value of products. Companies now try to fit their product into the individual consumer needs. This is an excellent thing because it creates trust over time. The personalization of the sales and marketing efforts for the end customer or attendee is something that has changed a lot, and customers are no

longer interested in those general kinds of emails that companies send. They are no longer interested in all this pretentious personalization, like putting their names or other personal details in emails that are sent to thousands of others. Consumers want to know that you actually took the time to learn about who they are and what they do. And the Internet is full of data - you can easily learn if someone just received a promotion or if a company raised investments. The information is there and easily accessible. So consumers want to see companies utilizing those kinds of small things that make them appreciate the time and energy that has been invested in them. Such actions make consumers feel that they need to invest in companies in return. Even if they are not interested in the offering, most people would kindly agree to send an email with feedback, or maybe a five-minute phone call or something else that they could give you back. And those are great things that are happening at the moment. From my perspective, it requires salespeople to be more creative because they need to think about each individual customer, each individual company that they approach. At the end of the day, it is all about finding the right people and selling them the right product within the right time.

There are other trends too, especially as we were talking about young people. They tend to care more about things like social impact and purpose. I heard that around 70% of employees tend to go to a company that takes carbon emissions into consideration. Also, people prefer to work in diverse companies, because they at the very least, feel good knowing that their company takes social issues into consideration.

I think the personal approach and taking social impact into consideration are the main trends in consumer behavior right now.

Do you think these trends have any impact on the usage of live chats and chatbots?

Yes, most definitely. It is especially visible nowadays. As I mentioned, our attention span is shrinking to the point when it becomes challenging to focus on one thing for a long time. And this is where chatbots can help. Because instead of going through the whole website to learn about pricing, consumers can just quickly ask for it in a chat. They ask a question and get an instant response. I think this is what people like myself prefer to do. I also like to have instant access to people behind products and services that I use. For example, if I am choosing software for our company, I want to make sure there is a customer support person on the other end who could answer my questions as fast as possible - I have an issue right here, right now. I do not want to wait until they reply in an email. Because my revenue depends on it, and I need to get a reply as fast as possible. Live chats increase the communication speed and comfort by a lot compared to traditional emails or even phone calls.

Do you use a live chat on your company's website?

Yes, we do have it. And we have been using it almost since the very beginning when the company was only founded. For us, it is a crucial part of the business because it provides value not only on our website but also on our platform. Live chat is the

primary way we provide support to customers and attendees. Our customers are event managers, and we support them throughout the whole process of creating and hosting the events. And the attendee is there with us during this whole journey. It might be their first time on our platform. They might be the first time at the online event. It might be the first time they open their laptop in 10 years. The attendees create the atmosphere of the event because if something goes wrong, they will report it to our client, the event manager. And this is what we want to avoid. Therefore, we try to create fewer boundaries between us, the customer, and the attendee. And this is where live chat comes across very handy. Because it is breaking the ice between all parties involved, which is valuable for business. We use the live chat on our website mainly for sales and marketing and on our platform mainly for customer and attendee support. From the live chat interactions, we can take the conversation further if an attendee thinks that something needs to be discussed. So in a way, support tickets sometimes become sales opportunities. All thanks to having a live chat that is easily accessible to all.

We also have some live chat automations to help us scale operations. For example, if you spend more than 45 seconds on our pricing page, you will receive an automated live chat message asking if you need any help. Of course, around 80% of visitors just ignore it. But it is alright. We have the 20% who messaged us back. This shows they are interested. Our salespeople can then try to convince the visitors to have a demo meeting with us or some other form of commitment. And we have acquired many customers thanks to such automated interactions.

What effect does live chat have on your business?

It definitely helps us generate more sales opportunities and acquire more customers as a result. Having a live chat empowers us to help prospects make a decision when they are hesitant. We can take their hand and lead them through the process of explaining the value of what we offer. We can turn the live chat conversations into demo meetings or sales phone calls if someone is not into it. We can also follow up with emails patiently describing the functionality of our platform. It also helps us to showcase to our potential customers the work of our customer success team and demonstrate the level of service we provide. Because it is a big part of our business. The live chat interactions show our personal approach to each individual customer. Because eventually, this is what customers will face during their event executions.

And when it comes to the support on the platform during the events, it definitely helps to get a better impression of the event from the attendees' point of view. Because most of the attendee problems are not platform-related, but if something fails, customers will blame the platform. And the live chat conversations serve us as proof and the living record of what exactly happened during the events of uncertainty.

And often, after the attendees support conversations during events, we have some attendees who are interested in hosting their own events with our help. They see that they have faced a problem, but there were people holding their hands and providing

support when it was needed. People appreciate the instant responses they get from the live chat.

And the live chat is great for receiving feedback too. After every event, we hear from attendees who decided to leave their comments in the chat and share their experiences with us. After we took great care of them, people wanted to come and chat. Sometimes attendees want to learn how they can work with us, what solutions we provide, what pricing we have, and how their experience can be replicated into their own events. So, the attendees become customers. This is the power of building relationships, and I think this is the biggest benefit of having a live chat. We have a pretty big portion of our sales coming from referrals. When people are visiting events, this is essentially the demonstration of the platform for them. Therefore, it is much easier to turn visitors into customers once they have already experienced an event hosted on our platform.

Did you have any issues while integrating live chat on your website?

Around a year ago, we decided to change our website builder. Then we faced the challenge of integrating the live chat into every page on the new website and configuring automations from scratch. I would not call it a big issue, but it is something worth considering next time we decide to switch to a website builder.

Overall, how satisfied are you with the addition of the live chat to your business?

Well, I am 100% sure we have a positive return on investments in the live chat. We probably get the value that supersedes the cost many times over. It helps us a lot. It is easy to use. It brings us more business. What else can I ask for, right?

Interview #3

The respondent: chief revenue officer, female, 33 years old.

Introduce yourself and what you do.

I work as a head of customer success at a company that provides software as a service. Our platform helps other software and subscription businesses to better understand their business metrics so they can improve them over time. Our typical users are startup founders, CEOs, as well as product and finance managers that want to get a better picture of where their money is coming from and what areas could be improved.

How is your company structured in terms of people?

There are around 30 people working in the company. We have roughly ten engineers, two designers, and the rest work in marketing, sales, partnerships, and customer success. Our headquarters are in Helsinki but everyone works remotely. So, we do not have physical offices.

In your experience, how has marketing changed in the past decade?

I think there are no fundamental changes to how we think about marketing itself. Though the way we think about online or so-called digital marketing has changed tremendously. There have been so many small and big changes, it is a bit hard for me to pick something specific right now. Obviously, the world is changing all the time and digitalization is evolving. Our customers have the latest products from innovative tech companies and I think that they expect from us to have many kinds of integrated features that make their lives easier. And we need to follow those expectations to not let them down and stay relevant.

Also, there was a rise of social media. It empowered people to share their experiences and stories with photos and videos. I think people sort of expect that from each other now. And we also grew to expect that from organizations too. And the quality of content has changed with time. Remember how in early 2010s we all got bombarded by mostly irrelevant ads because that is how newsfeeds - it just showed the most recent content. But then we got the algorithmic news feed which is way harder to abuse. And brands had to adjust to stay visible. Many started pouring money into storytelling and influencer marketing. I think it was the time when we truly started to think of creative ways to engage with our audiences. Not to say we did not do that before. But the bar for what is perceived as quality engagement has started to rise quicker and quicker.

So the way we consume content has changed. I have already mentioned video, but this is actually such a huge change. Did you know that TikTok got over a billion users in less than two years and YouTube is the second largest search engine? Suddenly, video is everywhere and every social media app has some sort of video functionality built in. And after the pandemic hit, videos became our main channel of communication and content consumption.

I did not mention things like on-demand streaming content, sharing economy, and hyper-personalization. But, overall, I think these themes have shaped online marketing in the last ten years.

Have you noticed any changes in consumer behavior?

Well, absolutely yes. There is so much going on everyday that people have to adopt and react to this quickly. We are not the same that we were 10 years ago, there is so much content posted every day on the internet. If something does not capture our attention within a few seconds, we will be already looking into something else. Good marketers need to come up with different ways to attract customer's attention and

speaking directly to them is one of the ways. If we need to do it as quickly as possible, because people will not be giving us their focus for more than a few seconds. Time is precious and we have to respect this.

I already said that we need to be direct with the customers. I also think transparency is everything now. It is how brands of today will win consumer's trust and loyalty tomorrow. Because if we are not transparent with our customers, they can interpret things in a different, wrong way and it makes it a lot harder to build trustful connections. There have been a lot of privacy related scandals in recent years. Companies now try to earn back the consumer's trust. Many introduce authenticity and honesty as their guiding values. And this shows in the new data privacy and control policies being rolled out by many tech companies. Brands are often required to proactively ask for permission to use consumer's data or share it with third parties.

Do you think these trends have any impact on the usage of live chats and chatbots?

For sure! When the pandemic hit, we all had to adapt to the new environment. Many offline shops had to move all their work online because otherwise they simply would not survive. Consumers had to adapt too, and instead of going out to the shopping mall, for example, to buy some fancy clothes they had to switch to online shopping. And now I do not think people are all that eager to go back. Personally, I love doing online shopping and prefer it to going to malls like I did in the past! Why would I do it, if online shopping saves me hours of time and everything is available online now anyways?

And because of this change, consumers need more online support now. They still want to ask questions, same as before they did in the offline shops, but now the only way to do it is to contact support in the live chat. In the past, people had to call and wait for minutes, sometimes tens of minutes, to get the information they needed. Today, they want the information now. They will go to the company's website and send a message expecting to receive an immediate response. If they do not get what they want fast, they move to a quicker competitor. If you think about it, time is money. I mean, we all have limited time to live, right? And I do not think anyone looks forward to contacting companies. Usually we do it because of some problem or question. We seek help so we can spend more time on more exciting stuff. If one company can provide help to consumers faster than others, they will win the market. Even better if they can make the process of seeking and getting help more enjoyable. Because delighted people tend to be more loyal. And this means more money for the business. I would not call it a fundamental change. Fast and enjoyable support experience is something people always wanted. But I would say that technologies made a huge leap forward to help improve that experience.

Do you have a live chat on your company's website?

For sure. The tool that we use for customer communication is actually a platform in itself. It has emails, live chat, chatbot, and knowledge base all tied together which is

pretty neat because our people can easily create very cool customer experiences. I think it is the place where our customer support people spend most of their days. And others spend a lot of time here too.

What effect does live chat have on your business?

So, we have a live chat on both the website and the platform. The main reason we have it on the website is so that we can learn more about people who visit it. We also actively try to engage with the visitors and convince them to try our platform. Sometimes our existing customers reach out through the live chat on the website too, but it does not happen too often. Though, it is still good to meet them where they need us.

By the way, our platform has a 14-day trial period. Anyone can access the latest and greatest we can offer for free within the first 14 days to decide whether they want to become a subscriber. So, you can imagine it is vital for us to show the value of our product within a short time window. You know, it happens quite a lot that customers use the live chat to ask for some stuff they do not understand or if they need help configuring some analytics. We try to simplify some very complicated things that many folks just do not get. So it is a no-brainer to have the live chat linked with our knowledge base so users get help fast. This is a great opportunity for us to teach them how to use the software. Educated users tend to stick with us, once they understand what value we provide and how to get it easily. To educate people we use smart campaigns. It is basically a series of automated in-app messages one to three days apart from each other that a user gets until one of the goals is reached or we run out of messages. A goal can be something as simple as subscribing to our paid plan or logging in five times in one week.

We have some advanced automations too. For example, we use many parameters to describe each customer based on their activity. The most engaged ones will receive an automated live chat message from us inviting them over to our early access group. They get access to features unavailable to others and we get invaluable feedback. In a similar manner, use highly targeted automated messages to stimulate active monthly subscribers to upgrade for the annual plan. They get a discount and we get more money today. This automation alone contributed to generating 15% more cash last year.

I have seen many beginner marketers set up the live chat for support, come up with one or two onboarding automations, and call it a day. Not us! We found ways to use the live chat automations to really make our users' experiences unforgettable. Hope you will not be surprised that we are using it to prevent people from cancelling their subscriptions too. If you want to keep users for many years, you need to engage them - gather feedback, share interesting learnings and educate them about new possibilities. We share news about recently released features using the live chat too. I always say that communication is key, and I cannot really imagine us doing business through phone and email alone.

Did you have any issues while integrating live chat on your website?

We did have some unfortunate situations when some customers got blocked and were unable to reach us. But they were caused mainly by human error, and these things happen less and less as we get better at using the tool. We also encountered bugs from time to time, and the solution provider was very responsive and eager to help. So the only real issue is that such wholesome communication solutions can get pretty expensive real fast, especially as we started using the advanced automations. It was especially hard in the beginning when we did not see the positive return on investments and could only hope that we spent all that money on something valuable that would help our business in the long run. That was the case for us. But I do not know if this will be the case for everyone.

Overall, how satisfied are you with the addition of the live chat to your business?

I am very satisfied with it. Of course, nothing is perfect, and sometimes bugs and other issues happen too. But all-in-all, live chat has been a part of our company since day one. It gives us insights into user in-app activity, and empowers people to reach us when they need it most. Looking ahead, we plan to continue building our in-app user experience to make sure people enjoy our product and get the most out of it.