

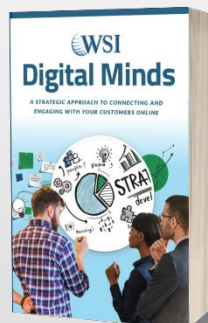


# DIGITAL MINDS CHAPTER 7

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## SHORTENING THE SALES CYCLE WITH CONVERSATIONAL MARKETING

*Written by: Eric Cook*



The following is a chapter from WSI's 3<sup>rd</sup> book, *Digital Minds: A Strategic Approach to Connecting and Engaging with Your Customers Online*. If you'd like to reach the book in its entirety you can purchase a copy on Amazon.com here:

<https://bit.ly/wsibook3>

What exactly is “conversational marketing”?

If this is the first time you’ve heard of the term “conversational marketing,” you’re likely not alone. While the act of carrying on a conversation with another person is an everyday activity, things can start to get a little fuzzy when this term is paired-up with the discipline of *marketing*.

A typical marketing strategy is about getting your business noticed. It’s about nurturing leads and prospects through email drip campaigns or other automated efforts. And it’s also about getting the prospective customers to take action (such as clicking on an ad to visit a landing page or maybe picking up the phone to call and set an appointment). Even the traditional “4Ps” of marketing—product, place, price, promotion—fail to mention anything related to a “conversation.”

So how should the art of conversation play into your marketing and sales process?

Before answering that specific question, think about what I propose as a predecessor to conversational marketing: the concept of “consultative” or “question-based” selling. This type of sales strategy has been around for years. Rather than using the old-school *Mad Men* approach of shady and underhanded sales tactics used to trick someone into buying your product, you instead take time to get to know your prospects and understand their needs. Only then, after you’ve gained their trust and they see you as someone that genuinely wants to help, will you be able to earn their business for the long-term.

Asking the right questions and making sure your product or service meets the needs of your ideal customers is paramount to success these days. While the process does take a bit longer (and requires a certain degree of skill), the lifetime value that you create can result in substantially more revenue for your business down the road. But, as you can see, this discovery process requires a *conversation* between you and your prospect to ensure that you understand what they’re looking for—and how you can help.

Today, consumers are spending more of their time online. They are conducting research and exploring their options, often before they are ready to speak with a sales or customer service representative. With the increased use of technology and the desire for “self-service,” there needs to be a way for you to engage with your prospective buyers in a way that allows for information to be gathered online. You need to embrace more of a “consultative” approach, while also being available around the clock. The good news is, conversational marketing technology now makes it possible for you to engage in this powerful type of dialogue. These conversations happen everywhere; with visitors to your website, on your social channels, and even via their mobile devices. It allows you to follow a pre-established, yet flexible, path of questions and responses to ensure that your marketing message is on-target and personalized for each prospect or visitor.

Thanks to the growing popularity of chatbots deployed through message-based technologies (such as webchat, Facebook Messenger, and even SMS text messages) and artificial intelligence (AI), *conversational marketing* is now a reality and is already in place around the web in countless industries. Today’s consumers are bombarded with upwards of 10,000 marketing messages per day. So any way you can build a “connection”

between your prospects and your business only helps to improve the odds of converting them into paying customers.

## The Rise of Artificial Intelligence in Conversational Marketing

At the heart of modern conversational marketing is artificial intelligence (AI). While to some the concept of AI harkens memories of the 1984 movie *The Terminator*, no cyborg assassins are traveling back in time to erase the future and preserve Skynet's existence.

Rest assured, today's AI is here to help businesses connect with their customers. Their job is to understand and learn the types of consumer questions that require answers (and what those answers should be). If you think about a "chatbot" experience, its success is mainly dependent on the AI behind the scenes that discern the intent of the question, and what the appropriate response should be.

A properly configured chatbot can respond to a customer query by linking to a helpful resource on your website, providing the opportunity to request information, or redirecting a specific type of question to a live staff member. If you want to embrace AI as part of your sales and service process, you need a clear understanding and appreciation of the difference between the concepts of personalized and personable in the conversational marketing process.

FinTech Forge's Managing Director, Jason Henrichs, has insightful comments on this topic. He states:

*"There is a big difference between personalized and personable. Machines are far better at personalization (ability to look across data sources, instantaneous processing, remembering preferences, etc.), while humans historically excel at being personable."*

But with the rise of Neuro-Linguistic Programming (NLP) and AI to make machines more relatable, this barrier is being broken down every day.

## When Machines Frustrate Humans—How to Avoid The "Uncanny Valley"

As we position chatbots and AI to take on more of an active role in the conversational process, we also need to be wary of the phenomenon referred to as the "uncanny valley" and its potential negative impact on AI and your conversational marketing efforts.

While the ability of computers to interact “as humans” is getting better, there needs to be a clear line between when a chatbot interaction is acceptable and when a real person should step in. Otherwise, a bot can do more damage to your relationship-building process than good.

There’s a good chance you’ve been caught in this dreaded “bot-loop” before as a consumer—where a bot can’t understand your request but also hasn’t realized it needs to get a real person involved. It’s this type of damaging experience that you want to avoid when building out your conversational marketing strategy. If you have a chatbot running on your website, or you’re using bots to automate your Facebook Messenger campaigns, think about how you are positioning your bot. Are you upfront with your users that it’s an automated bot? Or are you trying to mask the bot as a real human?

For example, you can create an identity/persona for your AI and give it a name similar to Apple’s Siri, Amazon’s Alexa, or Bank of America’s virtual financial assistant Erica. This way, visitors know they are talking to technology, while also having the seamless option to “opt-out” and request help from a live-person.

The good news is these platforms possess the ability to get smarter and more helpful over time, especially as they interact with your target audience and gather data. There are several AI examples where computer systems have learned extremely complex tasks, increasing in intelligence over time based on the outcomes.

- **IBM’s Deep Blue:** was able to learn the game of chess, winning its first game in early 1996 against world champion Garry Kasparov.
- **Google’s AlphaGo:** which “learned” the 2,500-year-old game Go (reportedly exponentially more complex than chess), required not only strategic intelligence but human-like intuition to claim victory over its Korean grandmaster, Lee Sedol.
- **Marketo:** a marketing software company launched one of the first *Predictive Content* systems, designed to leverage AI and help marketers offer better targeting based on many variables. These include past activities, firmographics, and even taking into consideration the buying stage of the prospect to best understand what message would be most effective at generating a sale.

Currently, technology allows for strategic account persona profiling, predictive engines for “next best product or service” recommendations, and a variety of other intelligent automation options; all of which are driven by the power of AI.

Today’s conversational bots may not have the neural networking power of Deep Blue or AlphaGo, but you can still create a robust and helpful customer experience— while also capturing leads.

At the heart of a successful conversational marketing strategy is the ability to provide meaningful engagement with your visitors. As well as understanding what it is they are looking for (and respond accordingly, in a comfortable, conversational manner). To do this effectively, we must be able to rely on technology to interpret, analyze, categorize, and deliver the right response to those interacting with your messaging platform.

# How Chatbots Have Changed the Way People Interact and Buy

While this heading suggests that chatbots have been the impetus for how people prefer to interact with businesses these days, that may not be 100% the case.

Instead, it may be somewhat of a “chicken and egg” situation. Chatbots may be providing us with the ability to interact with businesses the way we have always wanted (naturally and instantaneously). A concept that technology is just beginning to catch up to.

To many, a “chatbot” is a required component of the conversational marketing process. It’s the universal platform that facilitates the dialogue between a prospect and the business. Chatbot technology is one of the fastest ways to move a potential buyer through traditional marketing and sales funnel by engaging them in a real-time conversation. This conversation can be bot-based, with answers to common questions taken care of by systematic responses from a chatbot platform, or through live engagement from one of your staff members if necessary. Either way, being able to carry on conversations with your target audience breaks out of the old-school marketing and sales tactics of yesterday.

Chatbots will typically fall into one of three categories: *Informational*, *transactional*, and *advisory*.

1. **Informational chatbots:** are the simplest type of bot and typically provide only general information like FAQs, new stories from the business, or even push notifications.
2. **Transactional chatbots:** allow the user to complete transactions and interact with the business. These bots often will require some form of authentication for access to an account or payment method.
3. **Advisory chatbots:** can be considered among the most sophisticated of the bots, as they are typically self-learning based on consumer interaction and past results to determine the appropriate next steps.

## The “Bot Buzz” Continues to Grow

I had the opportunity to attend Social Media Marketing World, one of the world’s largest social media and digital marketing events. All the buzz at the event was around chatbots and why businesses needed to bring some messaging capability to their marketing strategy. Many of the experts who took to the stage echoed the same thing—that “message-focused” applications were on pace to overtake social networking applications in usage and popularity in the next few years! The ability for messaging services to bring people together supports the growing trend taking place online. This being the desire to “get closer” to one another via conversations and be part of a more intimate, human-like experience.

Rest assured, conversational marketing is not a fad. Facebook keeps enhancing its platform’s ability to make it easier for people to make personal connections with one another. Facebook will undoubtedly continue to make adjustments to its algorithm and shape what appears in our newsfeeds, while their Groups and Stories features will gain in prominence—all to provide a more personal way to connect.

But some of the biggest news in the conversational marketing world is Facebook's focus on building "personal connections" through Facebook Messenger and WhatsApp (the global messaging service they also own). Between these two platforms alone, 41.6 *billion* (yes, that's a "B") messages are sent every minute. And many of the conversational marketing platforms available today can tie into the power of Facebook Messenger to build connectivity between businesses and individuals. And, as an added bonus, all of these platforms are encrypted end-to-end for added security and confidence. Even Facebook itself cannot see what you're talking about!

## Users Expect a Chat Option

Adding to the benefit conversational marketing brings to businesses is the fact that people simply love to communicate with message-based technologies. While there are some generational differences, I look for a chat option when visiting a website today. Especially if I'm looking for something specific on that site or have a simple question. Like a growing number of consumers, I prefer the immediacy and conversational nature of chatbot messaging; even over traditional search or picking up the phone.

And I'm not alone. According to a survey from Twilio (2016), 90% of consumers want to use messaging for communicating with businesses, and a majority prefer it over email. There's something about the "personal nature" of instantaneous text-based communication—the more you can make the buying process personal, the greater success you'll experience.

## How You Can Leverage Chat-like Conversions with Your Customers

Many businesses selling products online can now do it directly within chat applications like Facebook Messenger. This behavior eliminates the need for someone to click a link and visit an external site. Keep in mind, the likelihood of selling directly "inside" chat is somewhat reliant on the type of product you're selling and your sales cycle.

For example, as an avid cyclist, I'm always on the lookout for cool cycling gadgets. One day, while browsing Facebook, I was successfully targeted by a business. I saw their advertisement for an inexpensive cool rear taillight that could cast a "bicycle lane" behind me in low-light riding conditions via two laser lights. I clicked the ad, and instead of taking me to a landing page on the vendor's website to complete the purchase, I was directed to a Facebook Messenger chat-session. Through my "conversation" with the vendor selling the taillight—which was fully automated—I answered a few questions, gave my contact details, and even initiated payment directly through Messenger. I received updates on the status of my order, and when the taillight was

scheduled to be delivered, I received a heads up via Messenger on when it would arrive that day. Talk about a seamless, customer-focused experience!

Now, let's take something more complex, such as applying for a home loan. How would AI factor into the buying cycle of something like this? In this case, it's unlikely that a consumer will apply for a home loan through Facebook Messenger since the buying cycle for a mortgage is much longer and more complicated than a simple product purchase.

However, if I'm on a bank's website looking at mortgage products, a chatbot conversation may be helpful for me to get answers about rates, financing options, terms, and how long getting a mortgage will take. Many of these questions could be quickly answered by "bot" technology. Using a bot in this instance would save the bank time from having to answer these common questions individually, as well as provide answers to their visitors at any time of the day. The bot could also ask qualifying questions to learn more about the prospect (and keep them engaged) and set the framework for future conversations.

For example, when the time is right, the bot could ask: Are you interested in purchasing a new home or refinancing the one you're in now? It could also provide standard options to select from in response, making it easy for you to interact and for the bank to retarget you with future, personalized offers. The bank might follow-up with a question like: Would you be interested in receiving updates on mortgage rates? With response options such as *"I'd love daily updates," "Please send me updates weekly,"* or *"No thanks."*

Combined with the previous response, the bank now has their "marching orders" and knows what type of rate (new or refinance) as well as the frequency (daily, weekly, or not interested) of when that information needs to be delivered. You can imagine the possibilities for conversions—directing customers to a loan expert, or to the bank's website to start an application, for example.

Further, the information you glean from these chatbots is extraordinarily useful when building out your buyer personas. Rather than hypnotizing about their most significant pain points, the real conversations you have with your prospects via chatbots can easily show you why a prospective customer came to your site in the first place.

There are also several other ways a conversational marketing strategy can support your business goals. According to Drift, an online chat service and one of the first to use the term "conversational marketing," here are the most popular ideas for using chatbots in your business:

- **The Second Net Bot:** use as a secondary method of collecting and qualifying leads on your website.
- **The Tour Guide Bot:** use as a way of showing your visitors or users around your product or website.
- **Pricing Page Concierge:** use as a direct line to your sales team so visitors can make a purchase quickly and easily.
- **Demo Bot:** use as a method for gathering info on visitors who want a demo of your product.
- **Email List Supercharger:** use as an opportunity to showcase your content and increase your email subscribers.





- **Event Registration Bot:** use as a way to simplify your event sign up process and get more registrations.
- **Paid Traffic Converter:** use as a way to welcome visitors who click on your Google Ads and increase conversions.
- **The Lead Magnet Bot:** use as a method of delivering your top lead magnets and downloaded content.
- **The “You Come Here Often” Bot:** use as a way to welcome back and engage with your repeat site visitors.
- **The Fast Lane Bot:** use as a method of sending your ideal buyer personas to the front of the sales line.
- **The Dream Client Finder Bot:** use as a mechanism for booking meetings with your target accounts.
- **The Conversation Starter:** use as a way to engage with your visitors by asking them the right, engaging questions.

Even if you’re not selling a physical product and are more of a service-based business, there’s an opportunity for you to leverage chatbots and conversational marketing technology to create meaningful engagement with your target audience.

## Why You Should Adopt a Conversational Marketing Approach

Given the shift in consumer communication preferences, adopting a conversational marketing approach positions your business to serve not just today’s customers better, but prepares you for the future. One study by Gartner (2016) reports that in just a couple of years we’ll be talking to chatbots more often than we talk to our own spouses (I wonder what my wife has to think about that)!

### Better Engagement Across the Customer Journey

At the end of the day, if you make it easier for your customers to do business with you rather than your competition, you’ll win every time. That is assuming your product or service is good, of course.

Just the other day I was talking with someone who said they chose a new dentist for their child specifically because the dental office’s website allowed her to chat with the office online. She liked the fact that she could get information about their services, schedule an appointment via chat, and even set up an automatic push-notification reminder of upcoming appointments to be sent directly to her mobile device. The convenience factor was at the top of her list of requirements given her busy schedule and the value she placed on her time. Fundamentally, her experience throughout the customer journey with the dentist was enhanced through the use of the chatbots.

Now, think about your business. Are you making it as easy as possible for consumers to do business with you?



## Increase Conversion Rates

Conversational marketing also has advantages when it comes to your outreach efforts. Online marketing guru Neil Patel has worked with the likes of Microsoft, Airbnb, Google, NBC, General Motors, and many more to help them build online visibility and convert more customers. In a study he conducted around chatbot-based outbound communication, he achieved open rates around 90% from push notifications delivered via Facebook's Messenger and clickthrough rates of over 50%! Considering a typical email campaign is lucky to achieve 25% open rates and 3-4% clickthrough rates, there's some real power in delivering your messages with conversational marketing.

## Reduce Operational Costs

Another advantage of chatbots is they can be effective at reducing business operating costs and maximizing efficiencies with the staff that you already have in place. The platform LivePerson found bot-enabled "conversational commerce" can handle ten times the interactions of human agents alone. Developing chatbots is cheaper than training and hiring multiple human customer service agents. Customers often prefer the brisk mobile interaction of a chatbot over talking with someone in person or via a call center.

Amtrak is an example of one company who has been able to leverage chatbots to make a significant impact. They have gone all-in with their chatbot, which they named Julie, and have produced some impressive business results. With 20,000 employees serving 30 million customers per year, they get close to 400,000 website visitors per day looking for information, asking questions, and booking their next trip.

With Julie's help, Amtrak has achieved an 800% ROI and increased bookings by 25%. Thanks to "her" automation capabilities, Julie has saved over \$1 million in customer service expenses and has been personally responsible for answering over five million questions in a single year! Plus, bookings made via the chatbot process generated 30% more revenue for the company, due in large part to the cost savings and intelligent recommendation capabilities of the technology.

## Closing Thoughts

By now, you hopefully don't need to be convinced that conversational marketing and chatbot technology is worth your consideration as a business owner. The evidence thus far has been clear—consumers prefer this type of interaction, which is only growing in popularity as the underlying technology improves over time. As AI and predictive learning capabilities get more powerful, cost-savings and sales-enhancing opportunities will continue to grow.

But while this technology provides almost limitless options, I caution you not to forget the human side of business. Remember that at the other end of every message you receive is a real person on the other end who deserves your respect and attention. Throughout your chat journeys, you want to ensure users understand the process that you're making available to them. Share the benefits the chatbot provides them but also let them know how to reach "you" if they've reached the limit of technology. Think through that handoff and make it a smooth and natural process that puts the control in your customer's hands.

Finally, if you're like most businesses, you likely don't have staff sitting around waiting for work to do and the time to take on a project of this magnitude. There will be a learning curve as your business becomes comfortable with the technology. You'll have to plan how you want it to fit into your organization's big-picture objectives, and ultimately who's responsible for it. You'll need to determine who in your organization will "own" the process, meaning the person who will deploy it across your channels and manage it. Will it live in the marketing department, the sales area, or will customer service take the lead? In a perfect world, all three will be involved, as conversational marketing and chatbot conversations have the capability of touching all areas of your business.

While you may not yet know the answer, we believe the important thing is that you begin the process now, even if that means you have to start small and grow based on your achievements. There isn't a one-size-fits-all approach to success, but one thing is certain—chatbot technology and conversational marketing is here to stay and will only become more popular with consumers as time passes.

**TIP: The world of conversational marketing is changing every day. To keep up with the latest chatbot trends, visit [www.wsiworld.com/book-resources](http://www.wsiworld.com/book-resources).**

## About the Author

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Eric Cook is a former 15-year community bank executive, now serving the financial services industry as a digital strategist and award-winning web designer with WSI since 2007. Cook is a sought-after, nationally-recognized speaker in the banking sector and is on faculty at six banking schools across the country where he educates community banking professionals on how to build relationships and credibility online. He's also a 2003 graduate of the Graduate School of Banking at the University of Wisconsin, Madison, holds undergraduate degrees in business and psychology, as well as an M.B.A. in general business.

## About WSI

For 25 years, WSI has been providing digital marketing services and comprehensive marketing strategies to businesses of all sizes and across various industries. We are the largest network of digital marketing agencies around the world.

We are a full-service digital marketing agency that helps elevate your online brand, generate more leads and sales, and improve your overall marketing ROI. Our Digital Marketing Consultants use their knowledge and expertise to make a difference for businesses all around the world.

We don't believe in the "one-size-fits-all" approach to digital marketing. Instead, we take the time to understand your organization and customers so we can recommend a strategy based on your individual business needs. When you invest in any of WSI's digital marketing solutions, you'll have some of the top minds in the industry, contributing to your goals and vision.

You have a vision for your business. We can help make it happen. Reach out; we're happy to help.

