BUSINESS IN THE ERA OF CONVERSATION

PICTURE THIS,

you're desperately trying to book a staycation after having seen an offer online, you decide to give this resort a call to find out more and make a reservation, however, you spend the next 20 to 30 minutes navigating through a long list of automated options to choose from (which are most of the time very confusing), being on hold for ages whilst they connect you to a call operator only to find out that the offer is not valid on your preferred dates – not the experience you want to have before forking out for a well-deserved break.

Lucky for you,
times are changing,
enter Conversational Commerce.

Memac Ogilvy | ∞ Meta

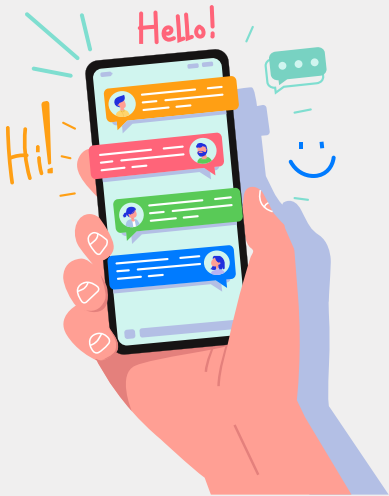# THE DIGITAL CONCIERGE –
EXPLAINING CONVERSATIONAL COMMERCE

Originally coined by Uber's Chris Messina in 2015, conversational commerce—also known as **c-commerce or chat commerce**—is any online commerce activity that uses a conversational interface to speak directly to consumers.

It refers to the intersection of messaging apps and transactions.
It can take the form of a chat box (bot or human), a messaging platform like WhatsApp from Meta, or other natural language interfaces such as Alexa. It is unique to all other forms of marketing communications because it is entirely controlled by you, the customer, and your decision to engage with the brand and what you want to know.
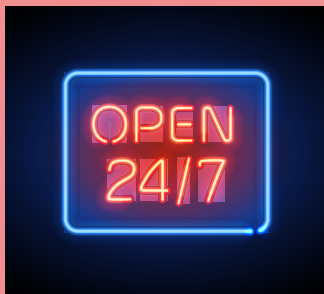
Essentially, c-commerce can help you and other customers start a purchase journey where you want. Some customers may already know what they need, whereas others are still at a discovery phase and may need more information.

C-commerce is the true definition of a customer-centric approach, as we know the buyer is now in charge of every aspect of their decision-making journey and so instead of assuming their process is linear, we as brands, marketers, and advertisers need to leverage the agility and flexibility that comes with c-commerce to address the ever-evolving complexity of human behavior when it comes to buying.

Hello!

Hi!

Memac Ogilvy | ∞ Meta

C-Commerce is effectively a digital concierge, **available in most cases 24/7**. Customers can chat with company representatives, get customer support, ask questions, get personalized recommendations, read reviews, book tickets, make reservations, and click to purchase all from within messaging apps that are already used as part of people's daily lives.

All of this without ever having to pick up the phone and talk to anyone, **a real millennial and Gen Z-er's dream.**

A 2020 business messaging research study commissioned by Meta found that 72% of people surveyed agree that waiting on hold to speak with someone at a business is a waste of their time [1] so it is truly time to keep up with the times and offer a meaningful and convenient experience for all.

"**72% AGREE THAT WAITING ON HOLD TO SPEAK WITH SOMEONE AT A BUSINESS IS A WASTE OF THEIR TIME**"

Memac Ogilvy | ∞ Meta

IT'S TIME TO START CHATTING – THE IMPORTANCE OF C-COMMERCE

One of today's biggest pain points for the modern customer is friction. Friction can refer to several barriers within the customer journey. This can be poorly laid out websites, lack of online payment solutions, slow load times, no digital customer support, a broken link, and so forth.

Social and conversational commerce being key opportunities.

In 2019, Meta estimated that $213 billion is lost at checkout due to friction [2], the good news for all of us is that we are moving towards a zero-friction era with the likes of social and conversational commerce being key opportunities.

The challenge is real, but the opportunity is there with **86% of people surveyed in KSA wish it were easier to shop on mobile** [3].

As e-commerce and online commercial activity increases, so does the need to have technology that can keep up with demand and meet the ever more impatient customer's needs. People expect to communicate with brands as fast and as seamlessly as they do with friends and family, now whilst we can forgive our family members for getting back to us late, waiting over two days for a brand to respond to an email is unforgivable.

"In KSA, 90% of people surveyed are actively looking for ways to save time and simplify their lives"

2. https://www.facebook.com/business/news/see-how-to-build-frictionless-shopping-experiences-for-your-customers

3. Facebook IQ source: "Emerging Trends Research" (Meta-commissioned survey of 12,500 online people ages 18–64 in AR, AU, BR, CO, GB, ID, IN, MX, NG, PH, SA, TH, US, VN) by Ipsos, Sep 2020. In all markets, N=1,000, except for benchmark markets (AU, GB, US), where N=500.

Memac Ogilvy | ∞ Meta

90%
of people surveyed
in KSA are looking
to simplify their lives

Nowadays, convenience and time are precious commodities and customers are willing to pay to have a more efficient experience. A recent study commissioned by Meta saw that **90% of people surveyed in KSA are actively looking for ways to save time and simplify their lives** [4]. Brands that figure out how to give people time back may earn a timeless place in customer's hearts and wallets especially in this new era of convenience seekers.

On top of convenience, we are also witnessing the ever more complex customer journey with people interacting with brands across multiple touchpoints, from social to offline. As such, it is now critical for brands to adopt an omni-channel approach as people that shop across multiple channels spend three times more than a single-channel shopper.

Today, over **60% of brands already use instant messaging** and most of them rely on 6-7 different communication tools to communicate with customers [5].

However, the complexity lies within these multiple touchpoints and the ability to provide a consistent service across all. This is where conversational commerce can help address some of these layers by providing a full funnel approach, from awareness to loyalty all through the use of a single interface.

AWARENESS
At an awareness level, brands can use messaging apps such as Messenger from Meta to create an initial connection with a prospect consumer or help a current customer with new information. In KSA, customers agree that **Facebook (58%) and Instagram (61%) allows them to discover new brands and products quickly** [6] .

4. Facebook IQ source: "Emerging Trends Research" (Meta-commissioned survey of 12,500 online people ages 18–64 in AR, AU, BR, CO, GB, ID, IN, MX, NG, PH, SA, TH, US, VN) by Ipsos, Sep 2020. In all markets, N=1,000, except for benchmark markets (AU, GB, US), where N=500

5. Ipsos Survey, n=300 of business decision makers who support marketing/sales and/or customer service in companies with 500+ employees. Survey conducted: September 8–19, 2020

6. Facebook IQ source: "Emerging Trends Research" (Meta-commissioned survey of 12,500 online people ages 18–64 in AR, AU, BR, CO, GB, ID, IN, MX, NG, PH, SA, TH, US, VN) by Ipsos, Sep 2020. In all markets, N=1,000, except for benchmark markets (AU, GB, US), where N=500.

"60% of brands already use instant messaging and most of them rely on 6-7 different communication tools to communicate with customers"

A good example is Maggi Germany[7a], who developed an entertaining and interactive virtual cooking course on WhatsApp featuring a digital assistant called Kim, which raised awareness and increased customer retention. Throughout each class, Kim would guide customers with step-by-step instructions, answer their questions and share videos for specific cooking techniques. Kim also provided a shopping list for each recipe and educated customers about nutrition and proper food handling methods.

Maggi Germany results

| 2X	200,000	3X
increase in customer retention	messages sent in the first 8 weeks	lift in campaign awareness

CONSIDERATION

For consideration, a messaging approach can help trigger purchase intent and can help personalize the journey to purchase (like having a personal shopping assistant). Kiehl's Malaysia[7b] worked with Meta Business Partner Jumper.ai to integrate Messenger API for Instagram and build an automated experience using auto reply, product templates and live agent handover. This resulted in 30% more qualified sales leads and a 20% conversion rate from consultation to sales.

CONVERSION

Conversion is probably the layer that is most associated with c-commerce, eliminating friction at point of purchase is key to closing the loop. This is exactly what L'Oréal Malaysia[8] did. L'Oréal decided to host a 24-hour sale and an all-day virtual beauty festival via Facebook Live for its luxe division. To enable a simple and seamless ordering process L'Oréal engaged with Jumper.ai to build an automated experience for each of the brands.
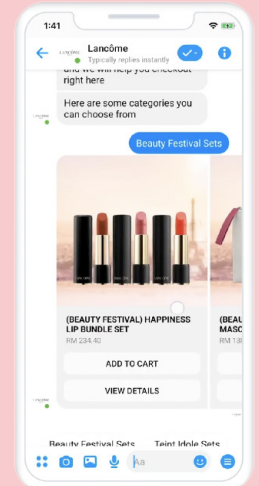
L'Oréal Malaysia managed to bring in one month's worth of online sales via their Messenger experience.

7a. https://www.facebook.com/business/success/2-maggi-germany
7b. https://developers.facebook.com/success-stories/kiehls/
8. https://www.facebook.com/business/success/loreal-malaysia

All results are self-reported and not identically repeatable. Generally expected individual results will necessarily differ.

Memac Ogilvy   ∞ Meta

IN CONCLUSION, brands must take control of the customer journey by implementing communication tools that accompany the customer every step of the way and provide a more convenient solution to their needs.
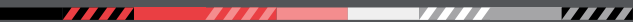
UNDERSTANDING BEHAVIORAL CHANGE –
THE SHIFT TO C-COMMERCE

C-commerce is effectively a by-product of the massive rise of e-commerce, smartphone usage, and social media penetration—of which, the MENA region enjoys some of the highest rates.

In the GCC alone, there is a **99 percent penetration rate for smartphone usage and social media** [9] . Each person, on average, has at least 7-10 social media apps and spends more than seven hours online [10] — most of that time on their phones. Even more importantly for conversational commerce is that most shoppers in the UAE, KSA, and Egypt prefer to use their smartphones for shopping online.

63%
of people prefer messaging over calls or emails

"Understanding your customer's context will unlock new ways of communicating with them that has much more impact"

As brands, marketers, and advertisers, we are always told to be where our customer is, to speak their language and to be relevant not just in content but in context as well. Understanding your customer's context will unlock new ways of communicating with them that have much more impact and context doesn't just refer to a point in time on their life journey it also refers to where and on what platform they actively take decisions.

It's worth noting this form of communication isn't new, (think MSN chat or Blackberry's BB chat) but over the last decade there has been a major shift in how customers communicate personally, professionally, and commercially, and it is this very shift that has left **customers expecting brands to respond to them in real-time**.

Messaging is no longer just a nice to have but is now necessary for brands to be able to effectively communicate on a personalized level with their customers and prospects. Sixty-three percent of people across generations prefer messaging over calls or emails when reaching out to businesses.[11]

Moreover, **core adult audiences between the ages of 18-34 are 60 percent more likely to use business messaging** than an all-adult population.[12]

9. https://wearesocial.com/digital-2021

10. https://wearesocial.com/digital-2021

11. Ipsos Survey, n=300 of business decision makers who support marketing/sales and/or customer service in companies with 500+ employees. Survey conducted: September 8–19, 2020

12. Ipsos Survey, n=300 of business decision makers who support marketing/sales and/or customer service in companies with 500+ employees. Survey conducted: September 8–19, 2020

COVID IS
A CATALYST
FOR CHANGE
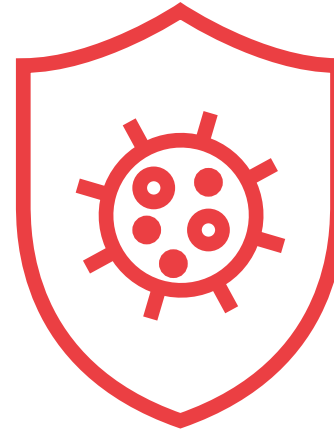
The global pandemic didn't start the great digital migration, but it certainly helped accelerate it. So much so, that within just two short months, two years' worth of digital transformation took place to address the quick change in behavior. Social distancing, quarantine, the new normal are all terms that rarely made an appearance in conversation prior to 2020 but now dominate our daily lives.

These new aspects of life have encouraged **a retreat to digital and social to fulfill our every need**, from grocery shopping to food delivery, to meet-ups, to gym sessions, and more. And with most of us interacting virtually with people and brands, there comes a greater need to make these connections more meaningful to **fill the void of human-less contact.**

This is where **conversational commerce** can have the biggest impact, at least in the short-term. The COVID-19 pandemic has not only shown how connectivity is important in today's world but that personalized experiences can make all the difference.

Memac Ogilvy | ∞ Meta

DIGITAL LOYALTY –
THE BENEFITS OF
C-COMMERCE

They say that one good conversation can shift a direction forever, and this is true with conversational commerce. Apart from being the key method of communication for today's generation, it also provides much deeper benefits for brands.

Conversational commerce is a great way to help close potential leads. When a customer is still in the deciding process of a purchase, a quick conversation with the brand can help close that sale. If the user needs a key piece of information to finish their purchase it is much easier for them to message than call.

Secondly, **c-commerce can help reduce cart abandonment**, which is a major issue for online sellers and big brands. On average, **70 percent of shopping carts are abandoned** [13] . With the use of automation, this process is now made seamless, and reminders can be sent to customers to complete their purchase or even offer help. One big benefit of leveraging c-commerce is the upselling and cross-selling opportunity. With this way of communication, using automation allows brands to personalize product recommendations and to proactively connect with customers who have ordered from you in the past.

70%
of shopping carts
are abandonned

Finally, **one of the biggest reasons** for using conversational commerce is the **ability to provide fast and convenient customer service to eliminate lengthy and frustrating calls**, slow email responses, and back and forth. This in return not only helps the customer but fosters greater brand loyalty and retention.

Nearly 7 in 10 (68%) international adults said, "I am more likely to do business with/purchase from a company that I can contact via messaging (e.g. via chat app, text) than one that I cannot [14] ."

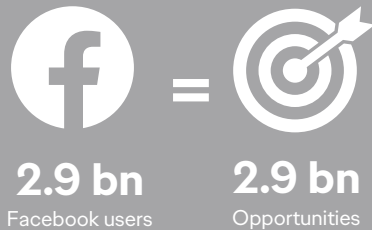13. https://www.bigcommerce.com/blog/conversational-commerce/#5-examples-of-conversational-commerce
14. Business Messaging Research Study (Meta Commissioned study of 8,214 adults ages 18 and older in U.S., Germany, the UK, India, Mexico, Brazil and Indonesia), September 2020

LEAPING FORWARD –
C-COMMERCE TODAY

Today, **Meta technologies dominate the c-commerce landscape with WhatsApp & Messenger** the two most popular messaging apps in the MENA region, **closely followed by Instagram**. Meta technologies are where most of the population spends its time browsing, interacting with content from people and brands, chatting, sharing memes, being social and the all-important making purchase decisions both impulsively and intentionally.

The reason for these updates is simple: 91 percent of people surveyed by Meta say they are more likely to make a purchase when brands provide offers and 1:1 communication [16].

Additionally, more sophisticated AI-powered chatbots are expected to help retailers cut costs by $439 billion a year by 2023, up from only $7 million in 2019 [17].

2.9 bn
Facebook users

=

2.9 bn
Opportunities

There are **more than 2.9 billion users on Facebook** — that's 2.9 billion opportunities to make a connection . Ninety percent of people who engage in conversational commerce activities do so on Meta technologies[15].

Meta has taken massive leaps towards conversational commerce in the last few years, from introducing sophisticated automation capabilities on Messenger, to merging the messaging functions of Instagram and Messenger for better efficiency and a more seamless experience, to introducing Facebook to WhatsApp ads to redirect customers to communicate directly with brands for a more personalized experience.

"91 percent of people surveyed by Meta say they are more likely to make a purchase when brands provide offers and 1:1 communication"

15. https://investor.fb.com/investor-news/press-release-details/2021/Facebook-Reports-Second-Quarter-2021-Results/default.aspx
16.*Facebook IQ source 'Trends 2.0', 2020
17. Juniper Research (2019) How AI Can Revive Retail, https://bit.ly/2IVEFbr

UNLOCKING CONVERSATIONAL COMMERCE

At this stage you're probably wondering how to get started, first, identify your main objective for using conversational commerce. Are you wanting to introduce messaging communication as part of your customer service offering or to take people on a full funnel journey to purchase? This will help identify where this digital transformation sits within your organization, which is typically an issue/block to starting this approach.

Conversational commerce is not limited to marketers only —it is a solution that can address business challenges across the organization to ensure more customer-friendly experiences for your brand and company.

CONSIDER THE FOLLOWING RULES FOR CONVERSATIONAL COMMERCE:

- **PICK YOUR MEDIUM**
  Analyze the channels most used by your audience overall and the most popular ones currently used to contact your brand. Better than that, ask them how they'd prefer to engage with you.

- **DEFINE YOUR PURPOSE**
  Don't try to do it all. C-commerce is one piece of the customer experience puzzle. A focused reason for being will help people understand how to make use of the communication channel, set expectations of what the brand can deliver, and help you optimize towards explicit business objectives.

- **PUT ON YOUR CUSTOMER HAT**
  Think through what your customer is trying to achieve, what's getting in the way, the information they need to make a decision, and the concerns they might have.

- **FIND YOUR VOICE**
  Create tone guidelines for human and AI support to uphold. Make sure they align with your brand personality, how you want your customers to feel, and always communicate as if you were face-to-face.

- **BE RESPECTFUL**
  Never forget c-commerce is an at-will, permission-based, intimate channel that has to be re-earned with every engagement. Commit to being useful, relevant, and trustworthy.

- **FINALLY,**
  Reach out to your Meta Business Partners to learn more about the right approach and solution for you and how to get started.

CONCLUSION

Convenience, frictionless, seamless, meaningful experiences are no longer just desired by our customer, they are expected, and this is the reality we live in today.

Think back to all those time-consuming, frustrating, and pointless phone calls you have had with brands and ask yourself how likely are you to want to go through that experience again?

Not likely... Change in behavior doesn't happen overnight but once a habit is formed it's hard to break it and right now the habit takes place on our phones and people want a more efficient way to communicate with each other and with brands.

Conversational commerce has many benefits to improving customer experience and discovery but most of all it breaks down those traditional communication barriers by simply being present where we all are... on our smartphones messaging.

WHAT'S NEXT?

C-commerce has definitely arrived, and it's well poised for future growth. It also seems to be evolving right before our eyes. This widespread embrace of c-commerce is leading to interesting innovations in regions such as APAC and Latin America, such as live-shopping messaging broadcasts, blending the ability to converse with a brand whilst watching a live- demonstration of the product you wish to buy.

GLOSSARY:
c-commerce – conversational commerce
App – Application (mobile)
GCC – Gulf cooperation council
MENA – Middle East North Africa region
UAE – United Arab Emirates
KSA – Kingdom of Saudi Arabia
MSN chat – Microsoft Network chat

REFERENCES:
We Are Social - Digital Report 2021
Satista - Smartphone penetration
Big Commerce
GSMA - Mobile economy
Forbes - complex customer journey's
Business Messaging - Future customer engagement conversations
Meta Case study - L'Oréal Malaysia
Business Messaging Research Study (Meta Commissioned study of 8,214 adults ages 18 and older in U.S., Germany, the UK, India, Mexico, Brazil and Indonesia), September 2020
https://www.facebook.com/business/news/insights/emerging-trends