

Why Bots Are Becoming Brands' Best Friend

Author : Beerud Sheth

Date : August 1, 2016



All over the Internet, bots are being heralded as the new apps. CNN, 1-800-FLOWERS, Hewlett-Packard, and The Wall Street Journal are among the marquee **brands** using bots to interact with customers.

The hype is real. Bots are changing everything.

With a bot, customers will be able to do everything they can do on a website or app. Bots will affect more aspects of our daily life than websites or apps ever did. Mobile devices are already ubiquitous, and bots will be more ubiquitous than apps.

As bots take over, they will become the face of a **brand**. The shift to bots will transform the way businesses interact with, market to, and advertise to their customers.

The Customer Experience

Brand bots can help users find the right product from the **brand**'s portfolio—whether it's a news story, a new vacuum cleaner, or an item of clothing.

For example, Sephora recently became the first beauty company to launch a bot that helps users find the right product from its extensive list of SKUs. Users can ask the bot for makeup tips, product recommendations, and reviews. Most importantly, users can make purchases directly through the app. This bot is almost like having a close friend who picks out items for you. For **brands**, this can be a great opportunity to upsell and cross-sell products.

Each bot-generated message is sent to one unique individual, and every customer interaction can be customized. This requires bots to capture context, build user profiles, and maintain customer history.

For example, when chatting with a pizza company's bot, a user can order pizza—or just about anything else off the menu—by saying "usual" soon after the user has established some history with the **brand**.

Early bots with such capabilities have received mixed reviews. Take Domino's experimentation

with taking [pizza orders by emoji](#), for example. But as bots continue to develop, they are becoming the easiest way for **brands** to tailor their service to each customer.

Brand bots will have the ability to handle complaints and issues from existing customers. A bot that sells you a pizza but does not address a complaint that it arrived 45 minutes late will disappoint customers quickly. Like a human customer service representative, a bot that says, "Sorry, not my department" will make a poor impression.

Chat is a better means of interaction for most people. Although bots may not (yet) be able to handle customer complaints, they can gather critical information for a human customer service rep—reducing or eliminating phone hold time for customers.

Marketing and Advertising

Messaging platforms have more ways to monetize than apps did. Unlike apps, messaging platform businesses will be able to pay to push content. Some messaging platforms are already experimenting with sponsored messages. [Facebook Messenger](#) will charge businesses to send re-engagement messages to people who have already started a conversation with them.

As more companies build bots, the market will become saturated. Search and discovery will become a challenge, but bot search engines, bot stores, and reviews will come. Sponsored messages and paid referrals will inevitably follow.

However, installing a bot is easier and less expensive than installing an app. Most users use no more than a dozen apps every day. Consumers don't want to clutter their phones with apps from every company they interact with. It's far easier to consume lots of bots than it is to consume lots of apps. So, bot distribution economics will be much closer to the Web ecosystem than the apps.

On the Bandwagon

Today's market is saturated with [bot-builder platforms](#). Dozens of startups offer bots for Microsoft, Facebook, WeChat, and more. Some companies offer template-based bots, making it simple to create a customer service bot or a customer satisfaction survey bot. These are useful but have limited capabilities.

Other bot-builders offer bots with a wider range of capabilities.

As bots replace apps and websites, they will become the first, last and sometimes only connection consumers have in a transaction with a **brand**. This brings both rewards and risks. The opportunities bots provide are unparalleled—higher engagement, greater consumer reach, and intensity of user engagement. Though the challenges to **brands** integrating with bots are vast, those **brands** that don't jump on bandwagon risk getting replaced by competitors.

This article first appeared in www.marketingprofs.com