



Salesfloor Maestro

Your Complete  
**Guide to**

**Conversational AI**

**for Retail**

Overcoming Barriers to  
Conversion by Offering Consumers  
Immediate Answers and Personalized  
Recommendations

 Salesfloor

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Introduction:

# How Do We Think About the Modern **Marketing Funnel?**



## Marketers have a problem, and it's not Houston we should be **calling** to fix it.

Consumers are bombarded with an average of 10,000 brand messages each day. Product choice is broader than ever - North America alone has more than 1.3 million ecommerce brands available for customers to choose from. Consumers feel overwhelmed, and increasingly turn to brands who make the experience easier to navigate. More specifically, they expect brands to recognize them, remember them, and provide relevant, personalized offers and recommendations.



Consumers receive **10,000** brand messages every day



Consumers have **1.3 million** ecommerce brands to choose from



**91%** of consumers want a relevant experience

## Instead of struggling to engage and convert consumers, marketers can **increase their funnel 10x** with **Conversational AI.**

Conversational AI, when deployed throughout the funnel, can outstrip your expectations and generate compounding returns. Whether it's 2x clickthrough on ads, 35% higher average revenue per user, 60%+ greater effective audience on site, higher customer satisfaction or 3x improvement in meeting consumer expectations, the resources are all around you to transform the experience you offer consumers, and it all starts with Conversational AI.

We live in a world more inundated by wealth, technology and choice than ever before. Marketers have more channels and opportunities to guide consumers to purchases than ever before. Amidst all the choices that this gives consumers, brands are competing for smaller and smaller amounts of their customer's attention, and struggling to offer experiences that stand out as a result.

When brands struggle to catch a few seconds of a consumer's scarce time, they're limited in how they can communicate effectively and need to seek out immediate, personal service and replies as a result.

Conversational AI is the one revolutionary technology that can allow them to overcome the challenges they face. With technologies

like Natural Language Understanding reaching new heights, brands can build one-to-one relationships with consumers at scale by providing the instant responses and personalized recommendations they need.

When further integrated with their systems of record and marketing, brands can leverage these insights on other channels for even more revenue.

Further deploying Conversational AI across ads, search, social and through voice assistants, brands can create Connected Conversations that generate greater sales at every stage, transforming the funnels they depend on to support their bottom line.

**Conversational  
AI Can Deliver**

**↑ 35%  
Sales Lift  
for Brands**



## Chapter One:

# The Consumer Experience Today

Consumers face more choices, and messages, than ever before.

On top of the million-plus ecommerce brands they have to choose from and the 10,000 brand messages they are subjected to daily, there are **40,000 more products** to choose from in supermarkets than there were 30 years ago - a 550% increase. With all this choice comes diminishing returns for brand messages.



The Number of Products Consumers have to Choose From Has Increased by

↑ **550%**



Ad Clickthrough Rates have dropped from

↓ **78% to .05%**

In 1994, the first display ad had a **78% clickthrough rate**. The average display ad clickthrough rate today is somewhere around .05%. Email open rates drop by almost 1% each year, slowing as they might asymptotically approach zero. The average cost-per-click on Google Search Network **increased 14%** in Q4 2018 alone. Retargeting, social marketing, native advertising and programmatic are all fluctuating, but not generally for the better. TV and broadcast media are restructuring amidst cord-cutting in favor of ad-free subscription services.

This bombardment is poisoning the customer experience, and consumers are reacting by evading brands. When they do engage with brands, they don't always have clear choices, and don't trust the current channels brands offer them. In an Maestro-commissioned study, Wakefield Research found that **70% of beauty consumers are overwhelmed by product choices** and 63% are confused by beauty product claims. Two-thirds of these consumers do their own research online and prefer to be left alone in-store. 71% use their mobile devices to do research while shopping in-store, all instead of talking to a sales representative, and all trends that are taking hold no matter the industry.

**Consumers are using mobile devices to do in-store research at a rate of**



**71%**



**70%**

**of beauty consumers are overwhelmed by product choices**

**Consumers lack confidence in the assistance brands currently offer.**

Even if they've developed a relationship with a brand, many are put off by the marketing messages they do receive. 7 in 10 Americans are closing down accounts and subscriptions, unfollowing brands, blocking numbers, opting out of email communications or deleting apps because of poorly targeted marketing efforts. Gartner reports that brands risk losing 38% of customers because of poor marketing personalization efforts, and suggest that brands

need to offer "tailored help" instead of irrelevant, one-way messages to stand out.

Consumers have come to expect more personalization in their interactions with brands, and yet no matter how hard they try, brands can't seem to measure up. According to The Harris Poll, fully 73% of consumers said that brands are struggling to meet customers' rising expectations for a personalized experience. 43% of marketers felt the same - a clear sign that a gap has formed. Conversational AI can not only fix this issue, but give brands the opportunity to streamline their marketing funnel and provide a more connected experience than ever before.

# Where Brands **Fail** to Multiply Their Marketing

## Advertising

Low engagement, High Bounce Rates, Limited Storytelling, Challenging Personalization



## Commerce

Overwhelming choices, lack of guidance and confidence, poor personalization

## Replenishment

Delayed and inaccurate responses, lack of interactivity, impersonal, discount-based



**Brands have leaks at every touchpoint in their marketing funnel. 73% of brands simply struggle to meet consumer expectations.**

# 2

## Chapter Two:

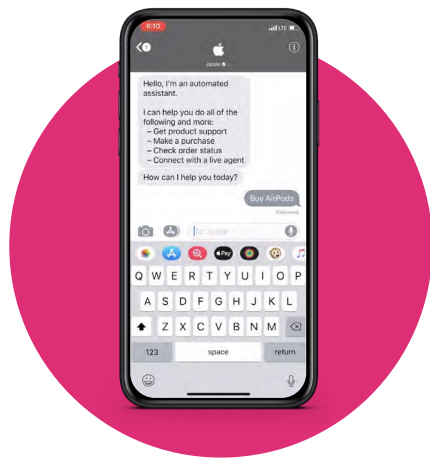
# What is Conversational AI?

Conversational AI is any machine that you can talk to. Chatbots are generally identified as the most popular form of conversational AI. Conventional chatbots rely on preprogrammed conversation flows. Conversational AI allows brands to leverage AI and Natural Language understanding to provide a more natural, responsive user experience.

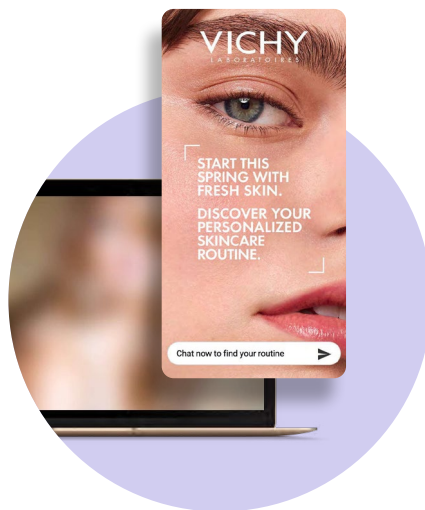
Conversational AI has been around for decades in different forms, however. The technology was first deployed in the late 1980s with touch-tone customer support, which ultimately evolved in the 1990s to Interactive Voice Response (IVR) systems based on

speech recognition, and then gradually were incorporated in email, support-oriented live chats, mobile apps and in limited ways through SMS.

With the recent advent of Deep Learning and other AI methodologies, Conversational AI has also found life in new areas of the customer journey. From marketing to commerce to support, Conversational AI provides the best way for brands and consumers to connect. This also means that brands can offer guidance, recommendations and instant, personalized responses to consumers at scale, whenever they need them most.



**Sales and Support Chats**



**Conversational Display Ads**

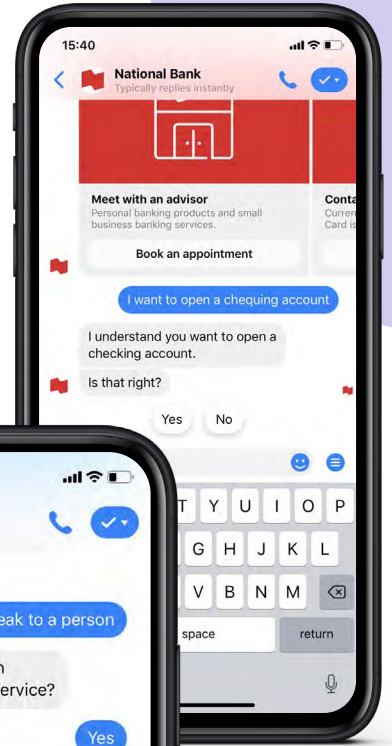
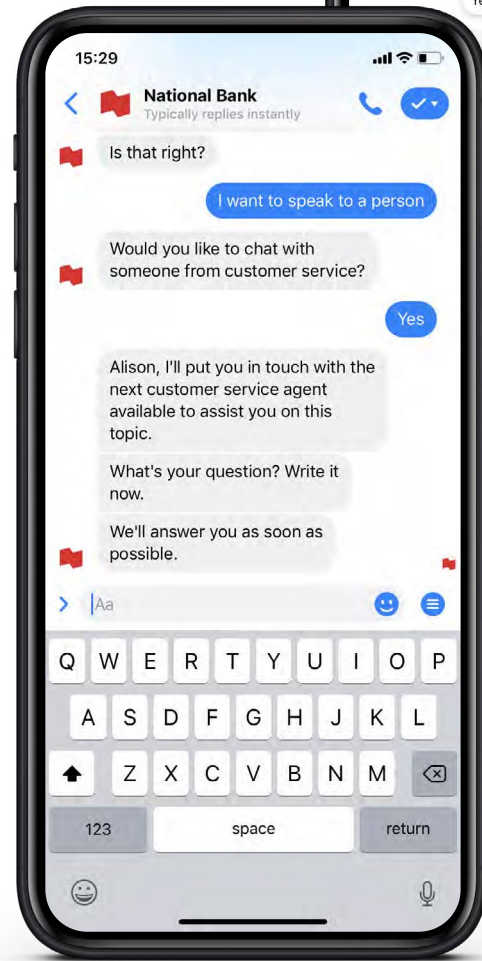
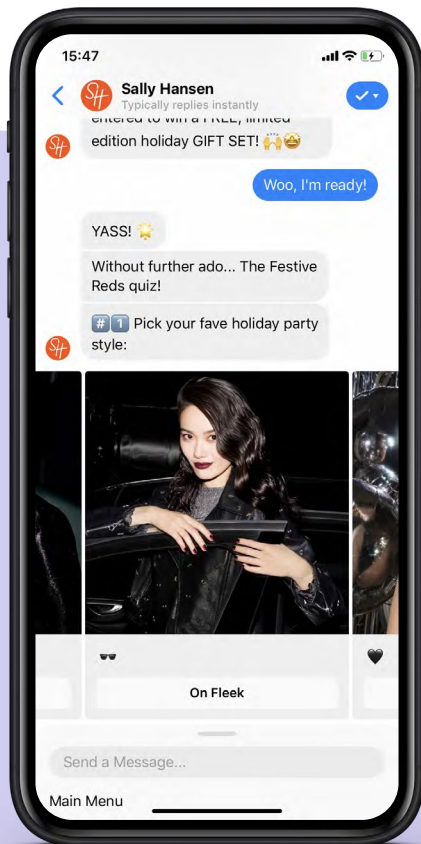


**Smart Speakers**



# Conversational AI **Empowers** Users to be Understood Through Natural Language Processing

and directs them to the right experience - all in their own words.



# 3

## Chapter Three:

# Why Provide Instant Responses and Personalized Recommendations?

Consumers are in search of answers, and conversational AI can provide instant responses that lead to the guidance and recommendations required to simplify their purchasing decisions. They don't want to be treated like a number - they overwhelmingly want personalized experiences and **83% are even willing to share their data for it**. They also overwhelmingly prefer the ability to switch between channels and still remain in-context when communicating with a brand, and **74% of them would find virtual profiles valuable** in getting the assistance they need. The statistics back up these claims, but the more these solutions get deployed, the more brands and consumers seem to love them, and the more the benefits speak for themselves:

## What Brands Are Saying

Brand leaders understand the importance of meeting their consumers where they are. While there are a variety of ways to do this, Conversational AI empowers brands to achieve an experience quality that can be matched by few other solutions.



I believe AI is as big a revolution as the internet itself. It's going to power more of our interactions with our consumers, be it through advertising, CRM or even ad serving. All those compartments of marketing will be transformed by AI. It's a great way to get more personalized than we've ever been. When you are in conversation, it's easier to reveal more about your preferences. As a result, it's easier for the conversation to lead to a transaction. The moment of truth between conversation and transaction will be shortened within platforms such as WhatsApp, Messenger or whatever new platform we'll have.

**Lubomira Rochet,**  
Chief Digital Officer  
at L'Oréal

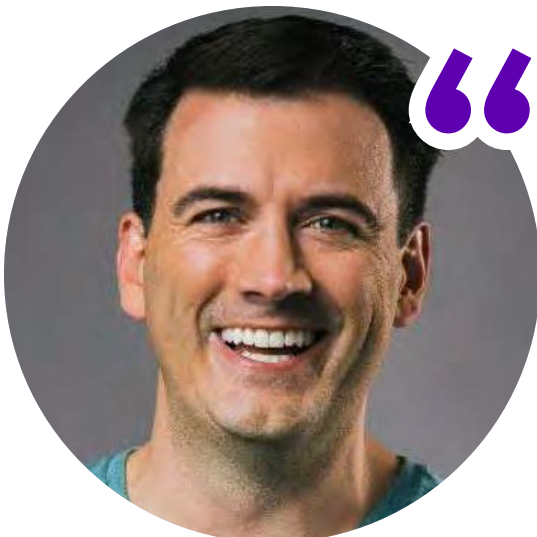


We're very excited about the opportunity to provide more personalized services for customers and to bring those services directly to them. Our goal is to deliver information 'in the moment' to help customers make better informed financial decisions. AI technology allows us to take an experience that would have required our customers to navigate through several pages on our website and turn it into a simple conversation in a chat environment. That's a huge time-saving convenience for busy customers who are already frequent users of Messenger.

**Steve Ellis**, Head of Wells Fargo's Innovation Group and Artificial Intelligence Enterprise Solutions team

CoverGirl believes beauty should be approachable and accessible to all. We're excited to tap the power of bot technology to have more personal and dynamic conversations and interaction with fellow beauty enthusiasts about trends, how-tos and our diverse portfolio of products.

**Ukonwa Ojo**,  
Chief Marketing Officer for Consumer Beauty at Coty



We are living in the 'expectation economy,' where consumers expect to have information at their fingertips, and we want to keep innovating to meet our customers where they are. Our goal is to make recipe discovery easy and to help our customers find new ways to experience the foods they love. Whole Foods Market customers are always looking for inspiration, no matter whether they are at home, on the run, or walking down our aisles.

**Jeff Jenkins**, Global Executive for Digital Strategy and Marketing at Whole Foods Market

# What Consumers are Saying

## Informative / Quick and Easy / Fun and Friendly

When prompted to provide feedback on their experience with a brand's conversational AI, an overwhelming majority of consumers defined it as informative, quick and easy, and friendly and approachable. Here's what they had to say in their own words:



Consumers are using mobile devices to do in-store



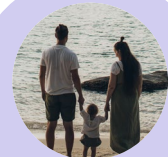
Was fast, easy and overall enjoyable!



Very quick responses, easy to understand, polite phrasing



A great tool to quickly sort through needs.



(Brand) is very attentive and informative!



You had all the answers that I need



Perfect product from the recommendation



I learned so much from chatting with you.



It almost feels like a real one-on-one conversation.



Like I was talking with a friend. You explained things so clearly and well. Thank you.

These are just a few examples of what consumers really think when they engage with today's most advanced Conversational AI. Further note that there was not one negative reply in all the comments collected - when done the right way, these kind of experiences can fundamentally transform a consumer's perception of a brand for the better.

# How the **Benefits** Stack Up

Conversational AI has a host of benefits, but the most substantial come in the form of engagement, insight and sales. Whether it's in creating new, multi-minute interactions with consumers, generating and leveraging unique data on individual consumers, or raising revenue from ecommerce efforts, brands can future-proof their funnel and drive more of the essential benefits they need in a competitive media landscape.

↑ **3x**

Marketing ROI

↑ **35%**

Average Revenue per User Compared to Website

**85%**

Email Capture Rate Through Conversational Experience

**4-6**

Minutes of Engagement per Interaction

↑ **5**

Unique Data Points Gathered on Each User

**92%**

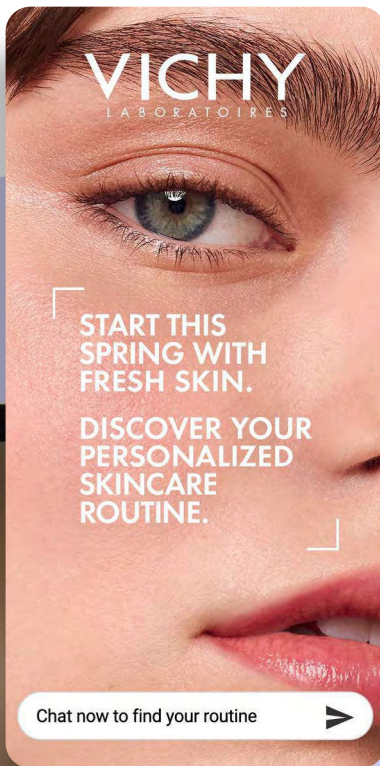
Positive Customer Satisfaction Rate



## Chapter Four:

# The **10x Marketing** Funnel and Conversational AI

Brands have a variety of options in deploying Conversational AI, but every part of the marketing funnel is in play when it comes to where brands can see improvement. Whether it's in advertising, web and social experience, voice assistants, in-store, or in follow up, support and promotion, Conversational AI can plug the leaks that cost your brand results while allowing you to generate more engagement than ever before.



Conversational Display Ads

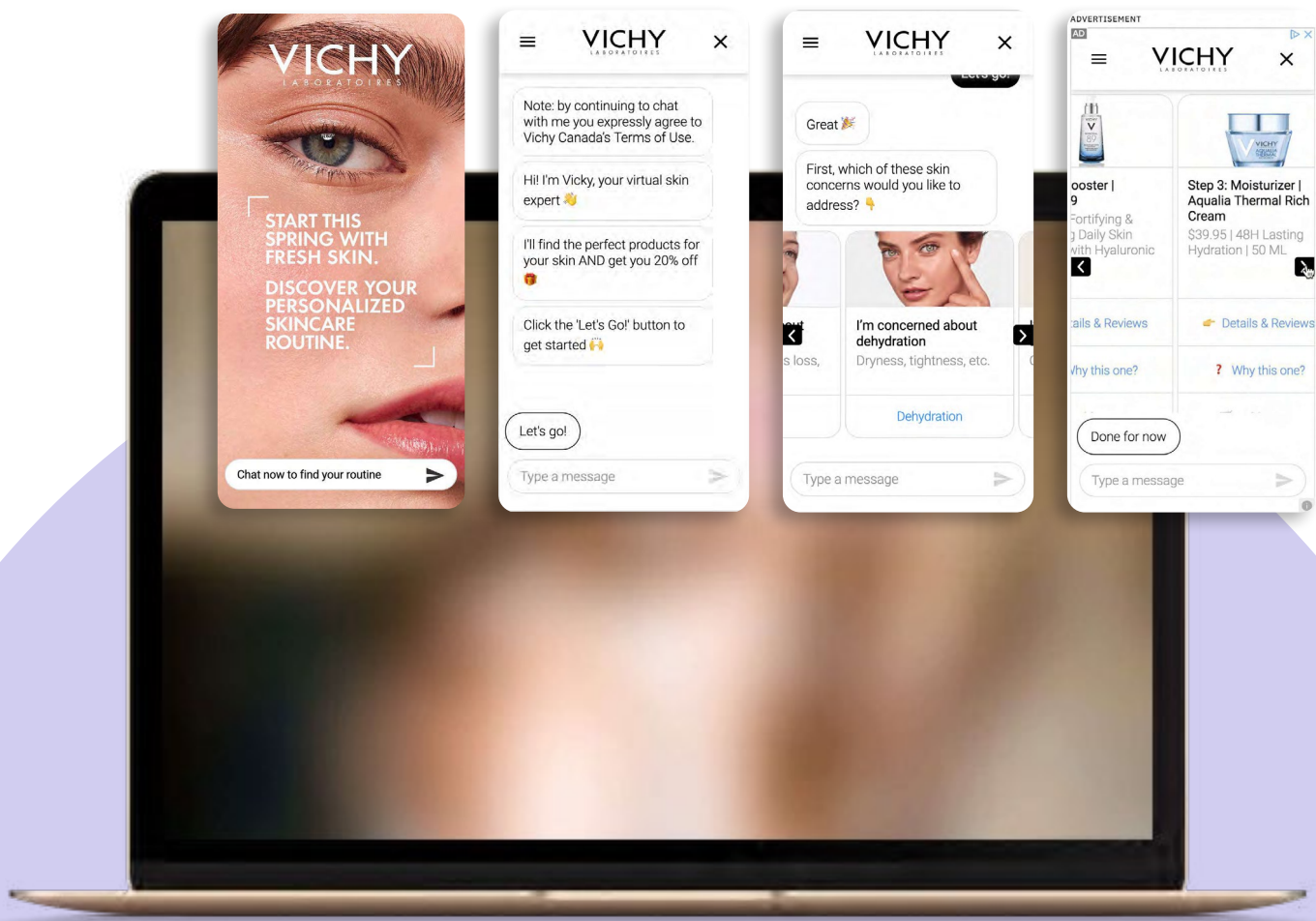
## What Conversational AI Solves for Marketing

- **Low Click-Through Rates** due to an interruptive experience (91% of people say ads are more intrusive than they were 2-3 years ago)
- **High bounce rates**
- **Limited ability to tell a story**
- **High threshold to get consumers to click**
- **Targeting and messaging is often inferred**, not really personalized (even in the case of retargeting)

Solutions like **Conversational Advertising** allows brands to draw consumers into a conversation, instead of simply blanketing them with messaging that may or may not be successful. This style of advertising leads to higher click through rates when compared to traditional advertising, as well as multi-minute engagements with every click. If consumers find something they like within the conversation, it's also easier for them to move forward with a conversation on a brand's website, instead of staying within an ad.

On top of being better suited to engage consumers, conversational ads are fundamentally more personal. Without assuming what a consumer's interests will be, they're able to tease out their real interests instead of turning many of them off via traditional segmentation and personalization. Going only on what is definitively known and declared about the consumer, they can gradually become more personalized, and be more accurately personalized through conversation than almost any other advertising solution.

**Conversational Display Advertising is one way that Conversational AI helps curate one-to-one experiences that reach past marketer's traditional ideas about engagement.**



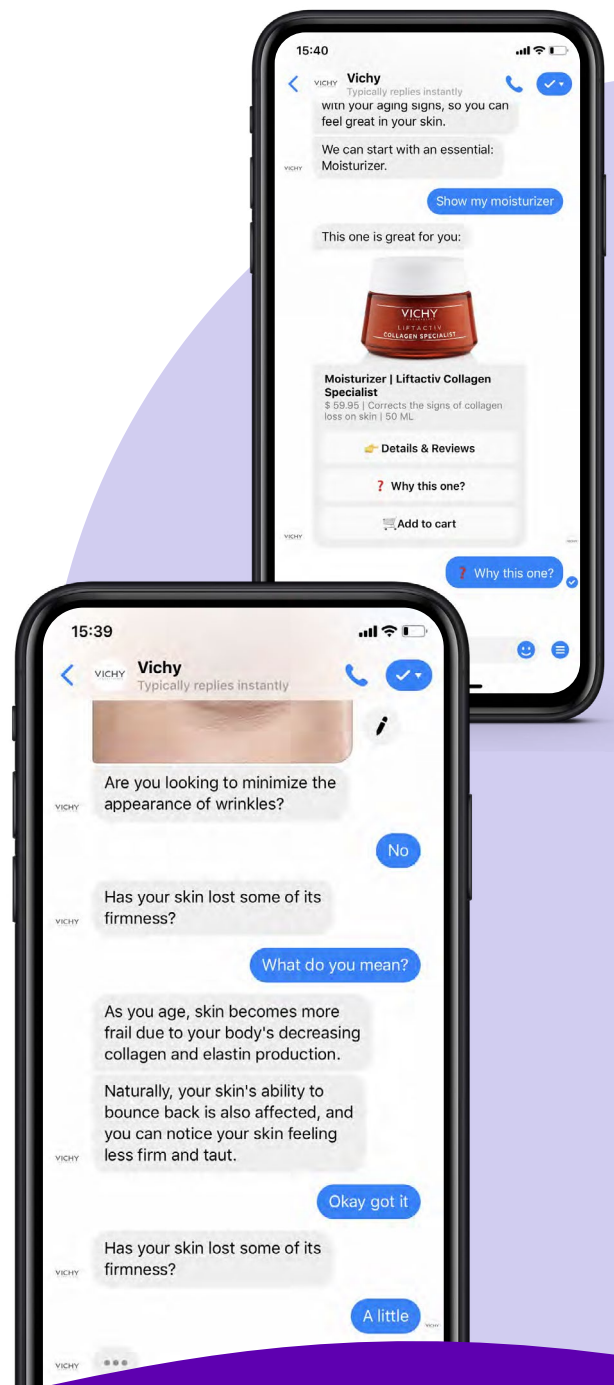
# What Conversational AI Solves for **Commerce**

**Virtual Sales Advisors** allow brands to enhance their web experience beyond what was previously possible. They help brands overcome many of the pitfalls that occur in this segment of the marketing funnel, including:

- **Consumers often leaving websites** without their questions answered
- **Consumers lacking confidence in the content** and suggestions made by brands
- **Being overwhelmed by choices** on brand websites and turning to third-party sites for trustworthy recommendations (40% of consumers have left a business's website and purchased elsewhere after being overwhelmed by too many options)
- Brands and **products as shown on the web are not always clear**, differentiated, contextual or personalized

Virtual Sales Advisors are at the core of what conversational AI does best. When provided with a consumer that's interested in discovering products or even making a purchase, conversational AI can instantly kick in to offer relevant guidance, recommendations and advice that give consumers meaningful insight in the best products for them.

When they finally decide to buy, Virtual Sales Advisors can complete a transaction and keep a conversation going right through to delivery and replenishment, eliminating the attrition that many brands experience in their ecommerce efforts. Taken altogether, these experiences create multi-minute engagements and offer multiple data points for further personalization as well as 35% sales lift compared to traditional web experiences.

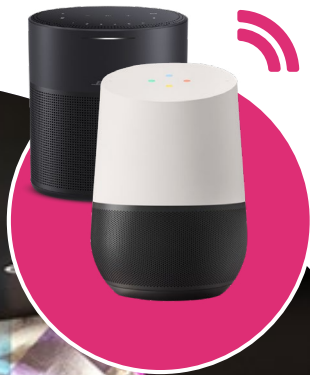




# Using AI to **Engage** with Voice or In-Store

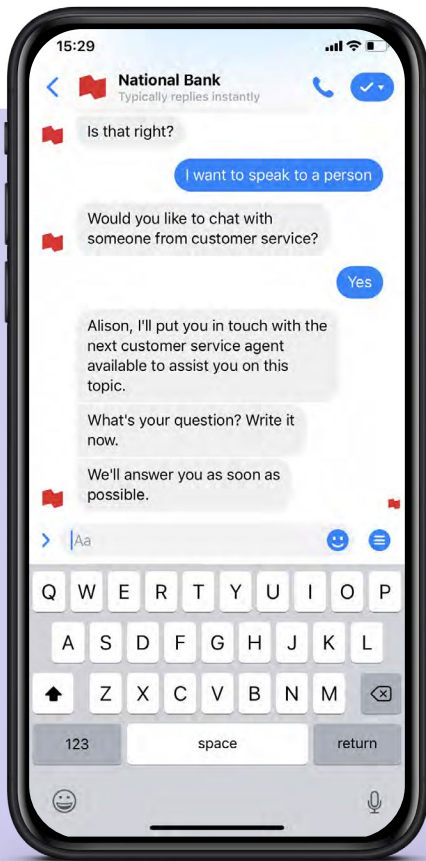
Sometimes your advertising, websites or social channels drive a consumer to a store, other times voice plays a role in how your customer discovers you. In both cases, consumers are still missing out on the possibility to **have their purchase decisions simplified**, and brands ultimately pay the price. These challenges include:

- **Consumers are overwhelmed** and confused by the number of products they can choose from
- **Most consumers prefer to be left alone in-store**, and most also use their mobile devices to do research while in store (According to our research, 66%)
- Except for loyalty programs and promotions that drive consumers to stores, most **brands lack the ability to connect in-store interactions with the interactions they have online**
- **Consumers dislike continuous conversations** with voice assistants, and prefer using them for utilities and home Maestroion functions
- Brand voice skills often **lack clarity, informativeness, or try too quickly to push to sale**



**Conversational AI can talk with consumers at any point in their day-to-day lives.**

Offering recommendations is another key way to overcome the barriers of interaction in-store, while providing interactive onboarding experiences via voice assistants can empower consumers to conveniently engage with a brand in ways that make sense to talk about out loud. By tactfully deploying conversational AI either in stores or through voice, brands can give new life to channels that are rife for innovation.



### Support Conversations

# Leveraging AI to **Ease** Post-Purchase Issues

Taken together in this way, these aren't necessarily part of a traditional marketing funnel, but they are essential and possible to combine with conversational AI. Traditionally, the issues that plague your consumer after they've first engaged with your brand - whether they've purchased something or not - are as follows:

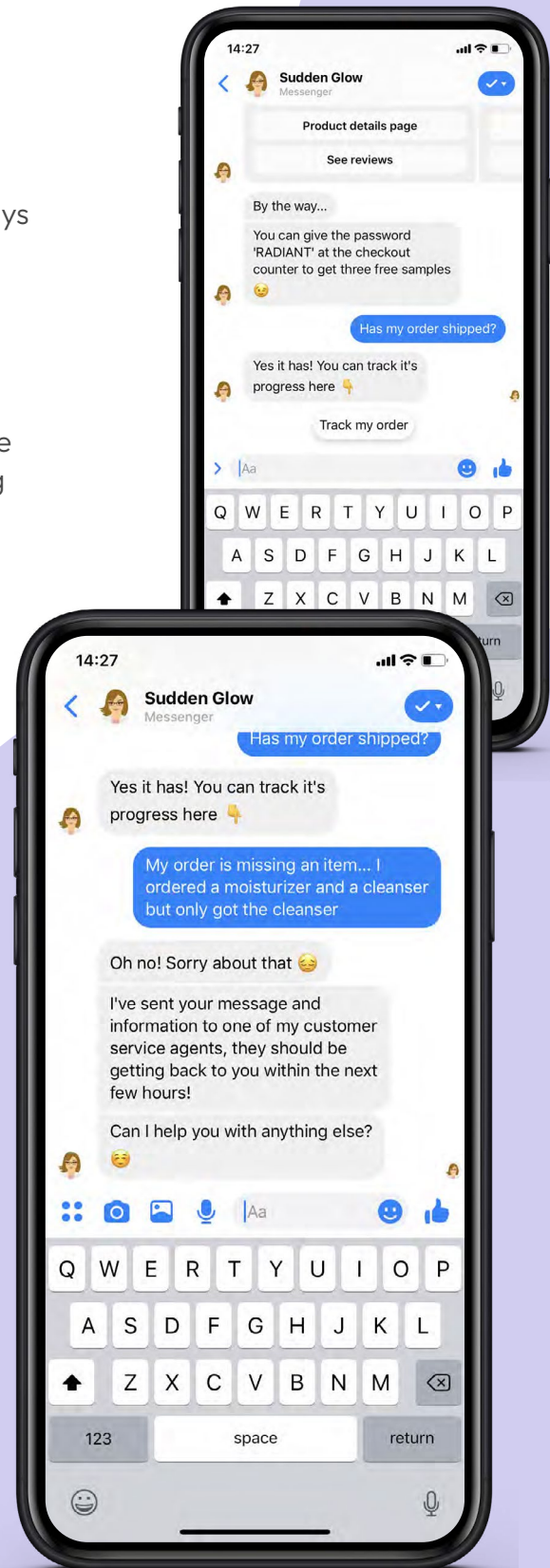
- **Difficulty responding to consumer** follow up questions through chat or email
- **Lack of speed or accuracy** in answering follow up questions (particularly through email)
- **Lack of interactivity**, clarity or pleasure in experience, leading to low open, read and click-through rates
- **Poorly personalized messages** (with half of consumers saying they receive too many of them)
- **Discount-based promotion**, hampering profits despite occasionally increasing revenue

Conversational AI can obviously power more instant responses for consumers, even when compared to traditional live chat, but giving consumers a single source of truth is where these interactions are most compelling. Look at it this way - if a consumer got great guidance, advice and recommendations from conversational AI on a website (or any other channel for that matter), wouldn't they be more likely to go back to it than they would fill out a support form or send an email? Wouldn't they be more confident in receiving an instant and polite response, no matter what time of day or night they have a question?

In receiving an email, wouldn't a consumer be less likely to spambox or archive it, compared to actually opening and engaging, when they know it's offering a conversation they can trust? They won't want to speak to it every time, but certainly are more likely to interact than with a one-way message that isn't always relevant.

What's more, brands benefit, because a consumer that gets personalized guidance will have a higher propensity to purchase or replenish than one that doesn't, and that allows this kind of interaction to take the place of a discount or promotional offer in driving greater conversion. Conversational AI offers benefits that allow a brand to overcome all the inefficiencies in their marketing funnel, but that leads to offering consumers a utility that their customer experience will no longer be able to do without.

**When brands connect marketing, commerce and support experiences with the same instant and personalized responsiveness, consumers can rarely become dissatisfied.**



# Making the **Most** of Conversational AI

Integrations with analytics, CRM, marketing and customer service solutions are essential to getting the most out of conversational AI. Without them, you won't be able to leverage the insights you get, nor will you offer the kind of consistent experience your customer expects. However, to close the loop with your consumers and complete your experience, offer them Connected Conversations. Connected Conversations allow your consumers to be called out, engaged with, recognized, sold to and served in ways never before thought possible. Connected Conversations create deeper relationships with consumers, give them trust and peace of mind in what a brand offers them, and makes it easier to purchase and replenish products whenever they need them. Consumers want, personalization, continuity and connectedness, and with Connected Conversations, conversational AI allows you to give them everything they've been looking for.



**83%**

**of consumers prefer the ability to switch channels when talking to a brand**

## Chapter Five:

# Taking **Action**

In seeking to overcome the challenges modern brands face and streamlining your marketing funnel, you have an infinite number of options in play. Brands have nearly **7,000 martech providers** to choose from in optimizing their outcomes, so how do you take action when it's hard to even know where to start? Unfortunately, there simply aren't the same kind of recommendations available for you that are already out there converting consumers. There are, however, a few criteria out there to consider:

- Is your MarTech choice **transformative**?
- Does your vendor have a **complete vision**, and an ability to execute?
- Does this leader **“play nice” with the solutions you already rely on**?
- Can this leader work with you to **optimize your deployment** every step of the way?

These are some pretty straightforward ways to answer this question, but in order to find the best choice for your brand, **Opus Research** has laid out some critical criteria for conversational solutions. The criteria include platform characteristics, artificial intelligence capabilities and breadth of services and client experience. The best capabilities were defined as below.

### For “Platform Characteristics”:

Authoring and reporting tools are designed for non-technical professionals to take charge of bot development, deployment and monitoring. Natural Language Processing (NLP) resources are internally developed and under the control of R&D staff within the company. Solutions are “enterprise grade”, meaning that resources integrate and interoperate with existing CRM or Contact Center resources and performance adheres to service level agreements (SLAs) that are characteristics of mission critical resources.

### For “Artificial Intelligence Capabilities”:

NLU is capable of rapidly recognizing or predicting intent and takes into account input from actual usage over time. Also, AI resources can be applied to govern segmentation strategies and determine how and when outbound messages can be delivered.

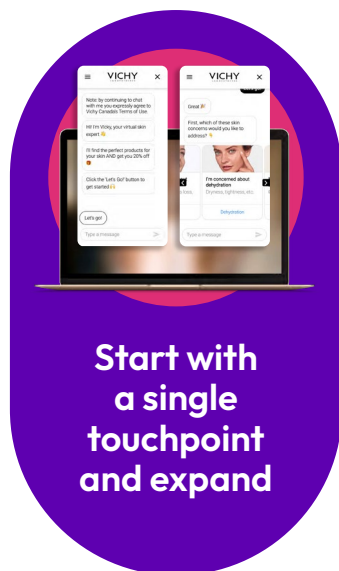
### For “Breadth of Services & Client Experience”:

Service and support is a point of emphasis. Sufficient technical and marketing staff to provide ongoing 24/7 support. Offers deep domain expertise; demonstrated ability to scale, meet enterprise needs; well-known, established customer base; ongoing deep professional services.

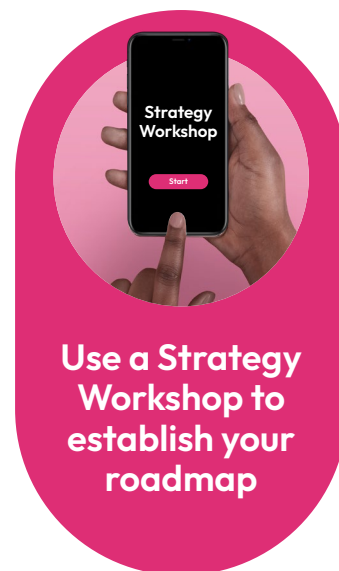
# About **Maestro**

Maestro is among the leading providers in deploying Conversational AI for world-class brands. With a unique Conversational Cloud Platform, Proprietary AI capabilities and an expert Customer Delivery & Success team, Maestro empowers its clients to achieve every possible goal with Conversational AI.

By starting with a specific deployment or a strategy workshop, brands can define every one of their target benefits, and offer consumers a better experience than ever before.



**Start with a single touchpoint and expand**



**Use a Strategy Workshop to establish your roadmap**

[Contact Salesfloor Today to Learn More](#)

# About **Salesfloor**

Salesfloor is a customer engagement platform for enterprise retailers. Salesfloor is the only platform designed for jewelry that unifies virtual shopping, clienteling, and AI assisted selling so as to drive sales and Total Experience, with proven ROI. Salesfloor's mission is to revolutionize the retail sales and service experience by combining the human connection

with the power of AI. Salesfloor's signature offering is in granting retailers the tools and the training to connect with customers for better service and increased conversion and retention rates. At Salesfloor, we believe that value is an exchange: give value, grow value. Our unique digital tools are central to cultivating loyal and satisfied customer segments, ones that will remain resilient to the strong and ever-shifting currents of e-commerce.

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