

Introduction

Sophus3 has been at the centre of car brand's online strategy for the best part of 17 years, acting as a partner to help them adapt to the disruption 'digital' has unleashed. In the Big 5 European markets we currently track the digital platforms of close to 95% of the automotive market by sales volume, allowing the participating car brands to benchmark their digital performance. The data we gather on their behalf gives an unparalleled insight into the car buyer's online journey and how that has evolved over time.

In this short white paper we examine the importance of one-to-one interaction within that online journey. We should say at the outset that we are the providers of Live Chat technology to a number of car brands, our intention here is to share some of the data we

collect to show the suitability and effectiveness of Live Chat within automotive retail in a general sense rather than to support our specific solutions.

As online consumers become less patient and more demanding—and privacy legislation limits the scope of the digital interaction brands can initiate—such technologies provide one measurable way to engage with visitors more effectively and turn shoppers into buyers.

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Credits

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Executive summary

- A survey of the European Big 5 markets found that over 80% of car brands have a Live Chat facility on their website.
- Privacy legislation (such as the GDPR) is a key driver of the adoption of Live Chat as the barriers to tracking and capturing information about site visitors becomes more difficult.
- Site visitors' blocking of cookies presents another barrier to interaction. Sophus3 data found that more than half of site visitors to a major car brand's site blocked cookies, more in the case of those using mobile devices.
- Online shoppers expect personalised and real-time responses from brands they are considering buying from.
- The frantic pace of online research and the volume of visitors makes it an imperative for car brands to be able to identify and engage with 'in market' visitors instantaneously.
- The impact of Live Chat on visitor's subsequent behaviour shows measurable improvements in visitor engagement and outcomes. Those who have engaged in a chat go on to view twice as many pages as other visitors, and are three times more likely to download a brochure, search for a dealer or request a test drive.
- As well as Live Chat systems requiring a standard feature set of capabilities, in an automotive context a programmatic capability to trigger interactions is an imperative.
- Analysis of chat logs shows that sales related questions are most frequent with potential buyers seeking detail and confirmation about their potential choice of car. Questions about vehicle features and specifications follow a close second, with finance related queries on the increase.
- Ensuring cross device compatibility gives a measurable uplift in the number of chats and subsequent engagements a site experiences.
- With the majority of visits to car brand sites occurring outside of office hours, extending the availability of Live Chat into the evening also reaps rewards.
- Chatbots have great potential to increase the reach and efficiency of Live Chat services, but within a blended framework supporting the work of human agents.
- Voice and Video over IP are transforming the potential of Live Chat services allowing chat agents to welcome the visitor into a virtual showroom where they can explain the features and benefits of individual vehicles in real time.

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What is Live Chat?

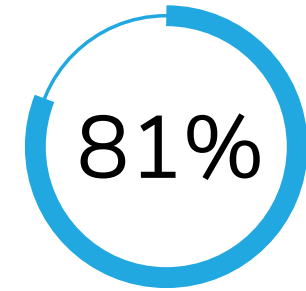
'Live Chat' is web technology that allows a website owner to communicate in real time with their visitors through a text interface. The visitor can type a question or observation about the site's content; the site's operator—or their agents—can respond straight away, to answer their questions and to provide supplementary information.

Live Chat lends valuable support to e-commerce businesses allowing them to engage with and retain prospective customers. Live Chat operators can assist the visitor in navigating pain points and overcoming objections within their purchase journey.

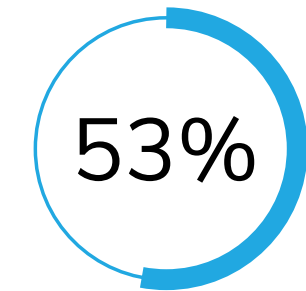
Compared to traditional telephone-based customer call centres, Live Chat has many advantages. Chat can be highly convenient for the user in that communication takes place within the channel in which they are already engaged: they do not have to initiate a separate, parallel communication, such as calling a support telephone number. Site visitors are also more likely to enter into communication when they feel a certain anonymity and informality. Chat interactions can allow the user to multi-task, dipping in and out of a conversation whilst they continue other activities.

For the site operator the use of chat can be seen to measurably increase incremental sales, and, unlike conventional telephone call centres, each chat agent can engage potentially with several visitors simultaneously making it less costly. Additionally chat history can be aggregated to more readily understand what the difficulties are from the customer point of view so that the presentation of information and communication across all channels can be refined to remove those friction points.

But perhaps most importantly, Live Chat can be used to not only respond to visitors queries and concerns, but can also be used to engage with visitors pro-actively, inviting engagement and offering assistance when the visitor's behaviour suggests they require help.



of car brands
have Live Chat
in Europe



of consumers
would prefer a
chat over a
'phone call

Live Chat in automotive

A Sophus3 survey of car brand websites shows that adoption of Live Chat within car retail exceeds the general trend in adoption. The survey, conducted in the latter part of 2018, found that **81%** of car manufacturers' websites within the 'Big 5' European car markets had a Live Chat facility (see illustration).

This uptake is not surprising given that the industry's products are complex and expensive. Car purchase is seldom an impulsive action but the result of an intense, and sometimes protracted, research process.

Deploying product specialists to engage with car buyers within their online journey clearly offers a clearer return on investment for an automotive brand than for a business selling much cheaper items or where purchase choices are driven by impulse, convenience and simple price comparisons.

The incredible possibilities for personalisation that new technologies and materials offer car makers also makes instant reactivity to the customer essential. Mini, for example, claims to offer over 10 million customisation options and utilises 3D printing to allow buyers to create their own one-off components such as cockpit fascias. Helping the would-be buyer navigate all of those choices is again vital to maximise value.

Brands using Live Chat in Europe



Factors driving adoption: privacy legislation

A key factor driving the adoption of Live Chat across all business sectors are the recent developments in privacy regulation—notably the EU General Data Protection Regulation (GDPR) which came into effect in May 2018. This makes it more difficult for companies to identify and track individuals online, store data about them, and share that data across different parts of their organisation or with third party agents.

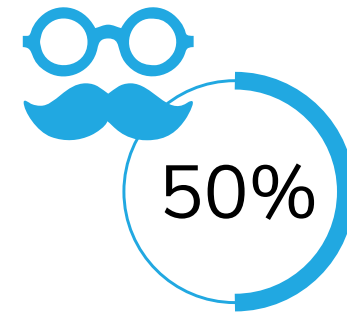
For car companies with the operational separation of 'the centre' from their franchised dealership networks, this complicates the ownership and sharing of leads between the brand and its dealers. The old approach of growing and farming a contact list inside a CRM database is becoming increasingly redundant. The limitations to how companies can digitally fingerprint and track customers will only increase further as more planned legislation arrives.

In any case, consumers are themselves becoming more wary of sharing information or of being tracked. For example, the Interactive Advertising Bureau (IAB) suggests that more than a quarter of consumers now use ad blockers on their PCs.

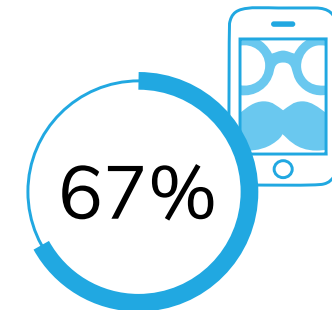
In response to consumers concerns, many of the latest generation of internet browsers now disable cookies by default—these are the small files stored on a users device that allow them to be tracked and their behaviour analysed across the sites they visit. This development makes it even more difficult for site

owners to track and engage with visitors programmatically.

A recent analysis by Sophus3 of traffic to the UK websites of three car manufacturers with large on-line audiences showed the challenge to automotive car brands in this area. Taking data for the first 10 months of 2018—which covered more than 60 million individual visits—we found that a narrow majority of visitors, an average of 50.4%, rejected cookies. What was also evident is that cookies are rejected disproportionately on mobile devices—in 67% of cases for tablets and mobile.



of visitors block cookies



of visitors block cookies on their mobile

Factors driving adoption: shifting consumer expectations

There are also profound changes in consumers' own expectations of their digital interaction with brands. Online purchase has become a common-place—in the UK for example, 67% of consumers make an online purchase more than twice a month. Consumers demand convenience and access to the information they need to make a decision. They expect an instantaneous and personalised response to any query.

Amazon and other pure players are driving the expectation that a customer's requirements will be fulfilled almost immediately, making same day delivery the new benchmark for online retail businesses.

Social media use by consumers and companies alike has increased the expectation of reactive, personalised and authentic responsiveness.

Car brands are learning that their engagement with customers needs to fit these evolving customer expectations. Even if they cannot offer same day delivery, they need to be able to respond to a consumer's interest in real time with a one-to-one focus on that person's specific need, and to learn to interact with them in a conversational and authentic manner.

Factors driving adoption: the pace of the buyer's journey

Over the last 17 years Sophus3 has gathered data on billions of visits to car brand websites to be able to precisely measure online car shopping behaviour and to understand user actions. This data shows how the buying journey has evolved over time, a journey that we have characterised as 'fast and furious' due to its increasing speed and the impatience evident in the majority of contacts with car brands.

It has been clear for some time the buyer's purchase decision is largely made online; the declining frequency of visits to bricks and mortar dealerships suggests that these have become little more than a necessary affirmation of a choice already made. Whereas in the pre-digital age buyers were thought to spend up to six months researching and finalising their purchase

choice, today's Internet user will begin their research on portal/publisher sites, but then complete their research on OEM sites in, on average, 14 days. (We know this through tracking back more than half a million test drive requests to measure the time elapsed since the anonymised visitor first appeared on any car brand site to begin their research.)

Key metrics of the buyer journey within the 'Big 5' markets are given in the accompanying graphic. This is based on analysis of more than 1.3 billion visits to over 35 car brands during the previous year. There are over 100 visits for each car sold and nearly half of all visitors 'bounce'—that is exit the site after looking at just one page of content. Of one thousand visitors to a site just 28 will visit the test drive request page whilst

fewer than 1 in a 1000 will actually complete and submit a request to the brand.

More than 60% of visits to UK car brand sites are now on a mobile or tablet device. This presents brands with further challenges. For example, expecting users without a keyboard to begin interaction with you through completing a lengthy and complex online form is becoming pointless.

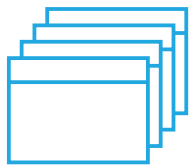
The data clarifies in the starkest terms the key challenges for each car brand: 'How do we identify which of these visitors stopping briefly on our site is really 'in market' for a car, and how can we engage with them in the limited time that we have their attention?

'Fast and furious': the car buyer journey



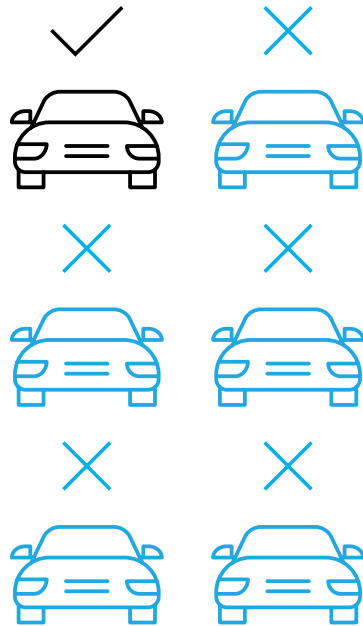
2 min 37 secs

Average duration of visit to car website



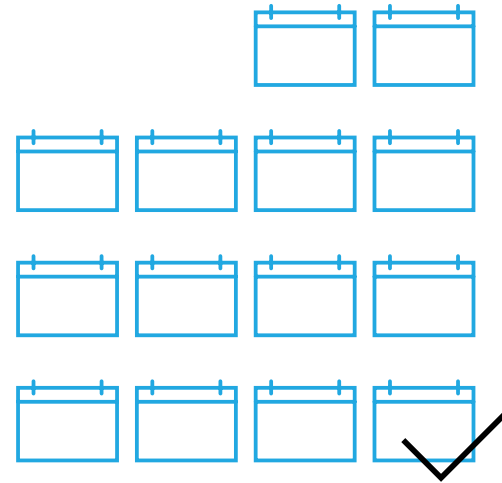
3.5 pages

pages viewed on average visit



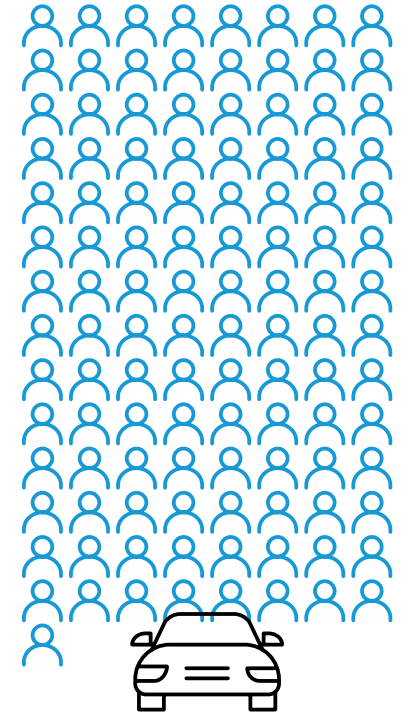
6 brands

are considered



14 days

from starting research to test drive request



114 visits

for each car sold

Measuring the impact of Live Chat

The challenges of privacy requirements, changes in consumer expectation and the specifics of the car buying journey explain why adoption of Live Chat is so prevalent within the car industry. As we have seen, all the changes confronting car brands have made it vital for them to engage with customers within the fleeting time frame an individual is on their digital platform. Live Chat—particularly proactive chat, where the site rather than the visitor opens a conversation—gives brands the ability to do more than passively observe the termite-like comings and goings of millions of visitors.

Again, Sophus3 is in a unique position to be able to understand the impact the implementation of Live Chat has had upon brands' interaction with their digital audience. We can track and analyse the differ-

ent outcomes when a visitor engages with a brand through chat, compared to the outcomes when visitors do not engage or no attempt is made to engage with them.

The data Sophus3 has collected gives emphatic evidence of the heightened levels of interaction and the greatly increased number of positive outcomes for brands utilising chat technology on their sites.

We find that visitors who engage in a chat explore far more content: they view on average nearly twice as many pages as those who have not participated in a chat.

Sophus3's data also shows that someone who engages with a brand's agent through a chat is three

times more likely to convert. (By conversion we mean that the visitor goes on to a significant interaction with the brand that suggests they have an increased propensity to purchase. Such interactions include, downloading a brochure, locating a dealer, or requesting a test drive.)

Where 'chatters' have been followed through to dealer visits, those that have engaged in this way are shown to be 10 times more likely to go on to search for a dealer than those who had not engaged in a chat.

This same group are also 16 times more likely to purchase a vehicle from the brand within a 90 day window of participating in a chat.



x2 times more pages viewed



x3.6 times conversions



x10 times more likely to visit a dealer



x16 times more likely to buy a car

Features of Live Chat systems

So what are the elements that make a Live Chat system effective, more precisely, what are the features and capabilities of a system required in an automotive retail context?

There is a core set of functionality widely recognised as essential to an effective Live Chat system, regardless of the business sector it is supporting. Pretty well most vendors now offer the following features as part of a standard package:



Reactive and proactive: the ability to initiate contact with a site visitor as well as respond to the inquiries they make.



Visitor monitoring: allows the chat agent to observe the visitor in real-time to understand the context of a request or initiate more helpful interaction.



Cross device support: with the majority of visits now taking place on mobiles or tablets, a chat system needs to work within the display and bandwidth limitations of these devices.



Ticketing system: enables an ordered, response to multiple requests, and where an issue can't be resolved, allows it to be escalated so that a follow up response is sent as quickly as possible. Also allows users to leave a message when agents are unavailable.



Statistics & reports: give long-term insights into visitor behaviour on a website to highlight both areas of interest and 'problem' content or functionality.



Agent console: a user-friendly web based interface that is simple for support staff to log in to and intuitive to use.



Chat transfers: the capability to hand chats between agents so that specialist knowledge can be brought to bear on a problem or expedite a requested action.



Canned responses: when the same questions are being frequently asked the agent can save a response to one visitor so that it can be quickly reused in the future with other visitors.



Knowledge base: a repository of information and materials about the company and its products which agents can draw on to help them deal with visitor queries. Elements of the knowledge base may also be used within a site's FAQ pages so that visitors' queries are answered without the need for a chat.



Visitor ratings: are an additional source of data on the quality of the support visitors receive, gathered through a visitor survey/feedback form. Over time, this provides insight into where information is lacking and how communication could be more effective in meeting customer needs.



Keywords/tags: group and identify the types of requests and their subject, allowing consumer interest to be analysed and enabling linkage to pertinent areas within a knowledge base.



File upload: allows the visitor and agent to share images and other material to assist in answering questions.

The additional demands of automotive retail

The above feature set is only the starting point for a Live Chat function within an automotive retail context. There are specific factors at play within the car buying journey that make it, we believe, imperative for Live Chat to be overseen programmatically, particularly if the objective is to intervene at key moments within that journey to initiate interaction with visitors. The three main factors that need to be considered within an automotive context can be summarised as 'speed', 'volume', and 'intent'.

In our earlier description of the car buyer journey, which we typified as 'fast and furious', we showed the need for rapid interaction. Many visitors are on your site for so little time that it is almost that if you blink, you will miss your opportunity to engage with them. Speed then is of the essence.

This is a challenge compounded by the quantity of traffic automotive sites receive. Car brands have some of the highest numbers of visitors of any consumer sites—in the UK for example, the larger car brands regularly receive more than 2 million visits over the course of a single month. With that huge volume of traffic how do you understand and address simultaneously the needs of each individual visitor so that they receive the appropriate and best response possible?

That question leads on to the issue of 'intent'—namely, which of all those visitors is actually 'in market' for

a car—assuming those are the visitors your brand wants to prioritise reaching out to? Again car sites are quite unique in this respect. Because of the enthusiasm amongst the general public for all things automotive, site visitors will include a huge number of casual visitors and window shoppers. How do you differentiate the potential buyer from these? If you compare the number of monthly visitors across UK car brand sites to the number of monthly car sales then it would suggest that in the best case, perhaps 1 in 70 of your visitors is a serious shopper; in the worst case it may be as few as 1 in 1,000. This is truly a needle-in-a-haystack problem and one it is hard to imagine is faced by online grocery sites where seriousness of intent can be pretty much assumed.

The challenge in an automotive context is how do you analyse behaviour in real time to correctly identify intent so as to avoid inappropriate intrusion with a negative consequence? The volume and brevity of visits means that a solution must use automated intelligence, driven by algorithms that compare user behaviour against the behaviour pattern of previous visitors of the type that you want to engage with. These algorithms are based on the analysis of previous user journeys and an understanding of commonalities in behaviour which will trigger proactivity specific to the progress of the individual journey up to that point and which is also contextually relevant.



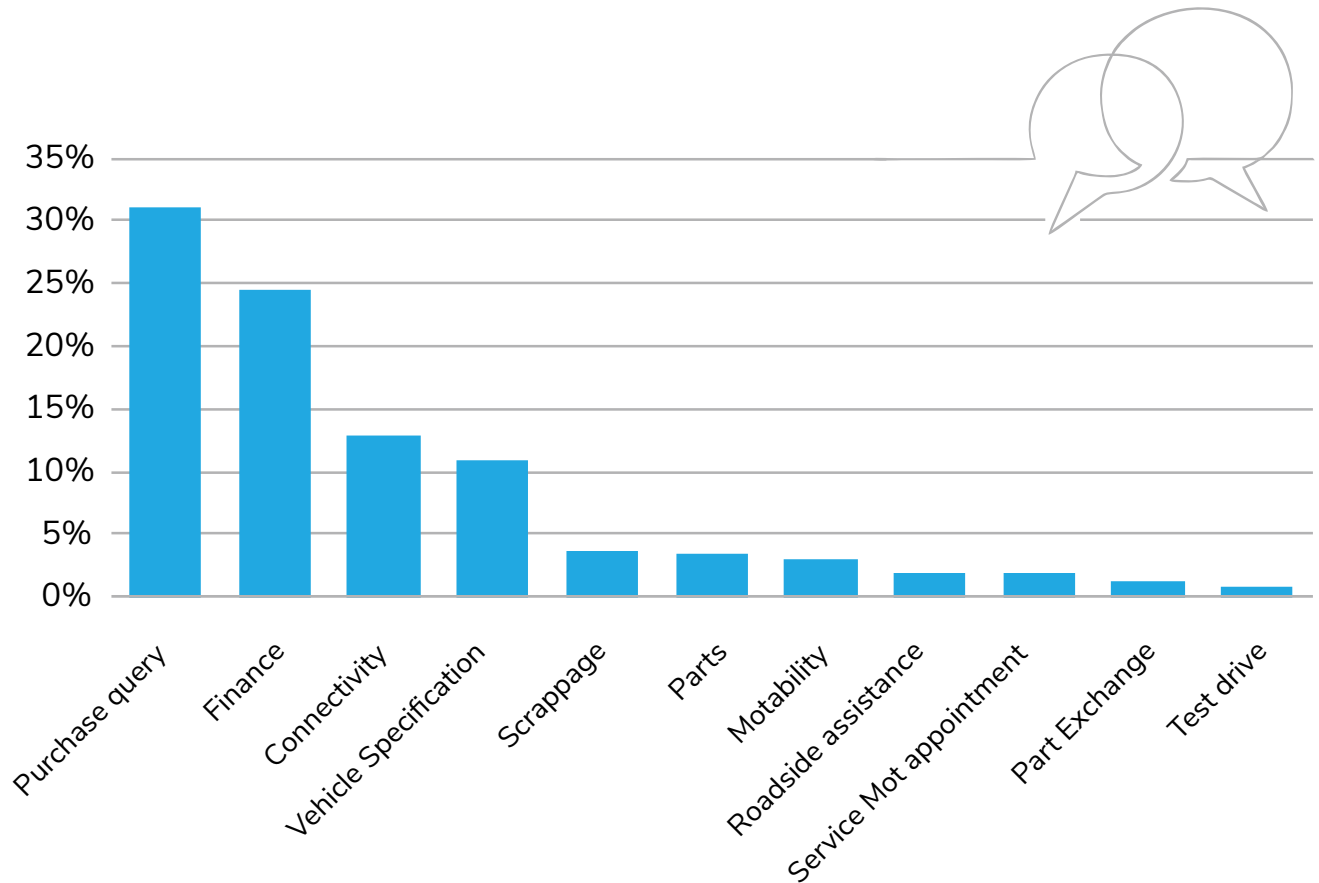
Live Chat: what people want to talk about...

It is important that after each chat the agent records the subjects discussed with the visitor and what resolution, if any, was achieved. It is also vital that the visitor is given the opportunity to comment on the utility of the conversation and to rate the service they received.

Not only does this provide the brand with the raw data to analyse chat performance and improve their service, but more importantly, it indicates the subject areas customers are most interested in and where the brand's digital and other collateral could be extended or improved.

Our analysis of the subjects the online car shopper wants to talk about are taken from the logs and feedback for the Live Chat service on a typical car brand site over the first quarter of 2019. Whilst there may be variation between brands due to the different types of products they offer, the results strike us as fairly representative of the interests of visitors opting to engage in chats.

As we can see, the largest number of chats, nearly one third, are related to questions about a specific car model or derivative that the visitor may be considering for purchase. In many cases the function of these chats is not so much about providing information to the user that is unavailable or they have been unable to locate, but is more about providing confirmation and assurance to a prospective buyer that the infor-



mation applies to them or fits their particular circumstances. In a traditional sales sense, these are the conversations that move a customer from an objective consideration of a number of purchase possibilities to a more subjective consideration of 'does this one fit me?'. These conversations would have once only taken place in a physical showroom, and the path to

initiating them would have been lengthier with many impediments to making the customer feel sufficiently comfortable to engage in them. Live Chat brings that interaction online into an environment where the customer is likely to feel more comfortable in asking questions without the pressure of the saleroom.

The next most popular topic concerns vehicle specifications. Here the discussion is generally simpler, concerning clarification of what a particular feature does or how it works. Given the burgeoning complexity of cars and the forest of acronyms deployed to describe their features this level of demand is hardly surprising. Live Chat, backed up by a comprehensive knowledge base, can provide rapid answers to these types of questions, whilst allowing the brand's agents to highlight the value, benefit and uniqueness of the product.

As vehicle finance has become central to car purchase — with well over 90% of new cars purchased in the UK obtained via PCP or PCH finance — so inevitably this subject has risen in importance to consumers. Again, questions about finance are likely to fall into two categories: the more generic about how these different finance methods work and what the different terms mean, and the more specific, of the 'how much would this car cost me a month?' type. Because the subject is complex and difficult to explain in a straightforward manner, and more importantly, because any inaccuracies or incomplete information could risk a later accusation of misselling — it is important that agents are trained in the subject, or directed to escalate such chats on to a finance specialist. As a matter of course, answers on finance questions should be accompanied by a standard advisory notice outlining the consumer's rights and risks.

The high position in the chat logs of the subject of 'connectivity' should be of concern to car brands for whom media and connected services are a significant planned future revenue stream. These are chats that in many cases are online support requests from people struggling to connect their phone or other device to their car's infotainment system. The high number of chats generated on this subject (which we would assume emanate from a relatively smaller audience of 'owners') would suggest the need for car makers to look at how intuitive these systems and connections really are to use?

The remaining subjects that site visitors most want to chat about cover a mix of topics. Some of the traffic around roadside assistance is people seeking help in a breakdown situation which suggests other communication channels — such as emergency numbers — may not have sufficient visibility to customers. Parts and service conversations show that Live Chat is relevant to the whole customer life-cycle not just the acquisition stage. The other topics questions — about scrappage incentives, part exchange, the government motability scheme and test drive appointments — although different in nature, all have a potential transactional endpoint, again confirming the direct commercial ROI that can spring from chat interactions.

Interview

Simone Bürger,
Manager of Ford
Customer Contact
Centres, Europe,
explains some of
the objectives and
achievements of their
implementation of Live
Chat.



Sophus3: What was your brand's primary objective for implementing Live Chat?

SB: Initially, it was about adding a channel that would enable searchers to more easily get the information they were looking for, and thereby meet their expectations. But now, it is more holistic about improving the customer experience and facilitating their online journey, wherever they may be in that journey.

But it was also an issue about enhancing customer engagement and redefining their understanding of our brand. It enables us to present a human face of the brand to the customer, at the same time giving the consumer the control of when and how to start a conversation with us.

And, it is not just about new customers, but increasingly - as cars become more technologically complex, include new connectivity capabilities and offer new services - it is also for conversations with owners and supporting their need for information or help.

This is in particular relevant for Electric Vehicle (EV) customers that have different questions, with regards to understanding ownership cost, resale value or about EV infrastructure. At the same time, chats are providing us with much insight into the needs of the EV buyer.

Mobile devices are increasingly used for online research, our Ford Pass App Chat is taking advantage of this trend and we learn that mobile searchers are even more likely to engage in a chat than on other devices.

Sophus3: What have been the outcomes/improvements since implementing Live Chat?

SB: Of course we expected to see improved customer engagement, and we did. We saw a higher engagement satisfaction on Live Chat than any other channel. We also saw improved conversion rates. In particular for an initiative in Italy to improve the Test Drive Conversion, we were able to double the conversion rates from the usual 1-2% to 4%.

We also learnt a lot about the importance of cultural differences that are relevant to Live Chat. For example, we tested a click-to-call functionality and found that some markets, like the UK, did not respond to this at all, whereas in Italy and Spain, visitors were much happier to leave their details and wait to be called back by us.

As we, like most car brands today, are looking to become more customer-centric, the insights we are gaining around the customer journey from Live Chat, are helping us make that transition.

Sophus3: What have been the biggest challenges to implementation?

SB: As car brands increasingly use digital channels to engage the customer, the challenge is around designing the online experience to be more interactive and to meet the customer's needs. More fundamentally it is also related to this transition to customer-centricity

as we use the understanding and insights gained, and share them across the different silos within the organisation to support that change.

Ultimately, it's simply about making it easy for the customer to engage with us and to trust Ford to support their mobility needs best.

Personally, I am a strong believer in the human chat, because this is the face of our brand, the human face, and it also shows Ford's appreciation of the consumer who is contacting us. So it's not just about troubleshooting but about valuing the human connection at a time when technology and automation are encroaching on those connections more and more.

Sophus3: Finally, has there been a particular question that surprised or amused you?

SB: One chat springs to mind that came up at a recent workshop we had around Live Chat services. It was a chat started by an existing customer, who was standing in the parking area at an airport in the middle of the night and he needed help in finding where he had left his car. I remember this one in particular because at the time I thought, this could be any one of us and how reassuring it is to be able to easily connect with another human to get help.



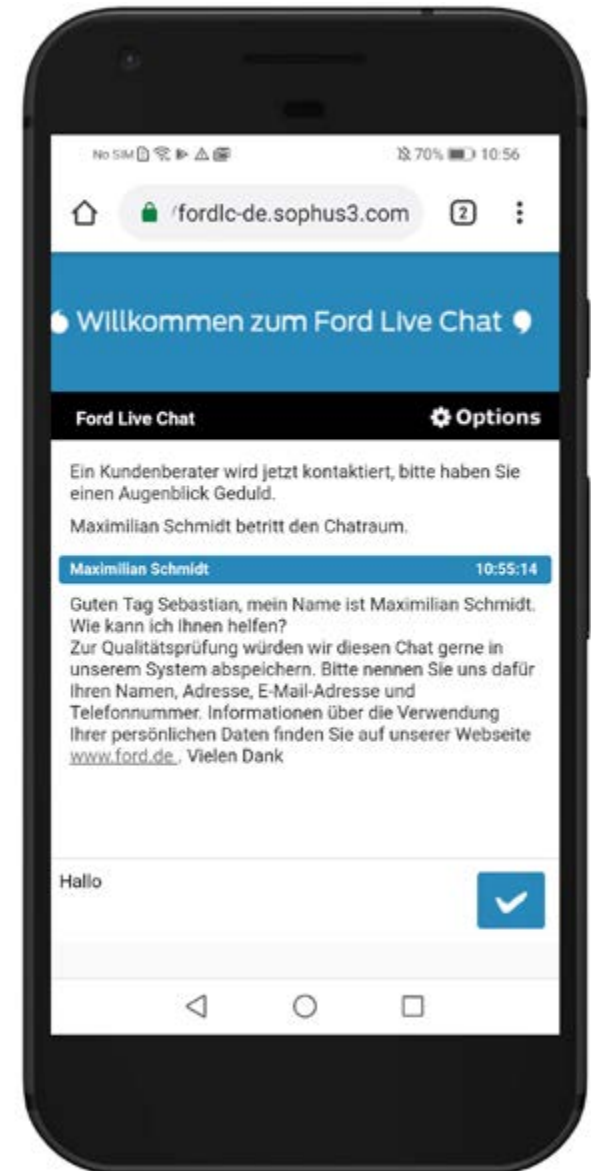
Increasing Live Chat's effectiveness

There are a number of routes to increasing the value of Live Chat within the automotive sector. Some of these are technical enhancements, others, operational.

Cross device uplift

The understanding that the majority of visitors to car brand sites are using a cell phone or tablet to explore content is no longer an earth shattering revelation. Nevertheless some sites offering Live Chat often disable it for these visitors due to system limitations on their side, or, through the belief that visitors on such devices are not 'serious' in their purchase intent. The evidence from our data where we have measured the impact of the staged roll-out of Live Chat is that there is a near immediate increase in chat interactions of 59% when this function is offered to mobile users — an almost exact correlation with the device split we measure amongst the online audience as a whole.

Brands should be thinking of how the specific requirements of this audience needs to be managed. For example encouraging agents to reduce the verbosity of conversations, by framing their own questions in ways that can be answered with the fewest possible finger taps. In many cases, multiple choice formats can let a user clarify their interest with a single tap. Thinking further ahead, as 'zero UI' devices proliferate in the home — and in-car — brands should be planning how conversations can be conducted with users of devices such as Google Home and Amazon Echo. (There is some irony here in that users of these voice controlled devices may still have a preference for text based interaction longer-term, preferring its episodic and anonymised qualities that we described earlier.)



Meeting 24/7 expectations

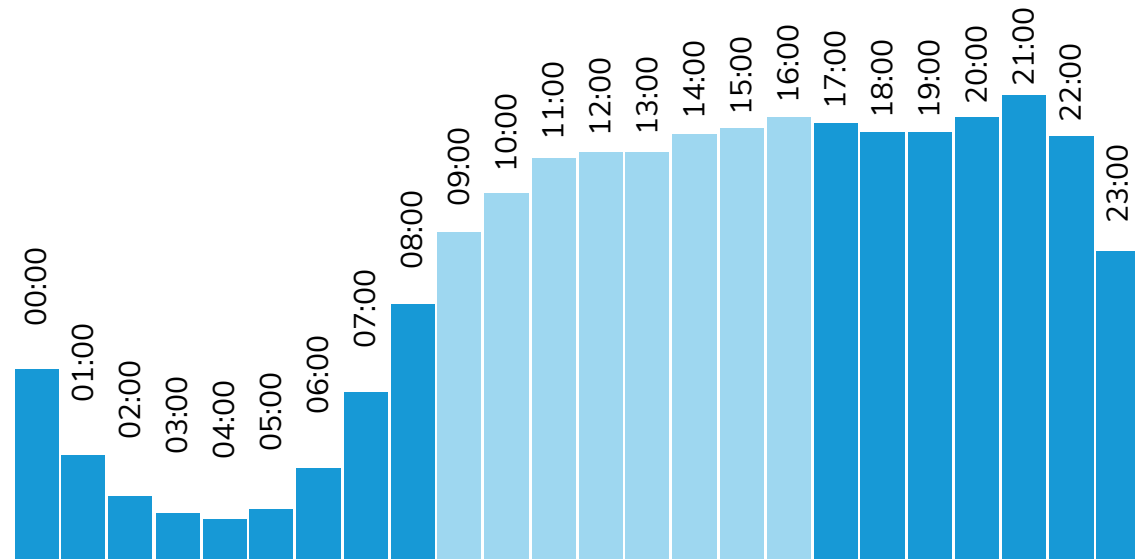
One important way in which car brands can meet consumers' expectation of 24 hour responsiveness is to extend their Live Chat services' operation beyond the normal office hours during which their dealership network is open and able to assist customers. Sophus3's analysis of visits to car brand websites shows that the majority of visits take place outside of 9 to 5 office hours. As the graph of hourly traffic shows, car brands now receive more online attention from consumers at nine o'clock in the evening than they do at nine o'clock in the morning. (Our data also shows that Sunday is the day when there is the greatest density of 'engaged' consumers on car brand sites — that is visitors who appear to be actively researching their purchase options as evidenced by the amount of content they view and the time they spend viewing it.)

Obviously extending service hours to meet this demand has immediate cost implications, however when we measure the uplift in chat conversations produced by such extensions in the service, the return on investment is highly persuasive. For brands extending their chat availability by 5 hours into the evening period we measured an uplift of 44% in the number of chats that were initiated.

Of course, enabling Live Chat contact is far less costly than extending retail outlet opening times. There is also the option of outsourcing out of hours times to agents in different time zones, or enabling staff to



55% of visits to car brand web sites take place outside of office hours



provide chat cover, or at least 'overspill' cover, from home to help contain costs. But capacity utilisation — balancing efficiently agent resources with web traffic levels and consequent chat demand — is a key

challenge for brands however many hours they offer the service.

AI: enter the chatbot

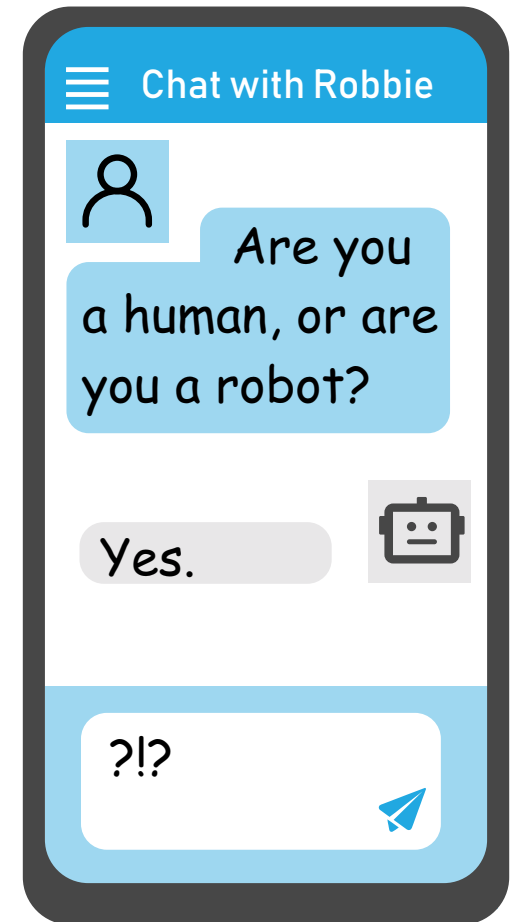
Chatbots are computer programs that can converse with an online visitor in a way that mimics a human actor. At their simplest level they can be little more than a click-through selection tree to navigate users through FAQ type information about products. At their more complex they utilise keyword search terms to match a user's questions to what appears the most relevant answer in an extensive library of prepared possible answers. In their most advanced form, chatbots utilise machine learning to analyse conversations, and the context of questions within each user journey to constantly refine a predictive understanding of the likely requirements of each new user as they appear on a digital platform. The latter type of chatbot is effectively a self-learning Artificial Intelligence entity.

Chatbots can offer a first line of engagement with site visitors who wish to chat. In many cases they are capable of dealing rapidly with simple questions — particularly the most frequently asked — and completing a chat engagement from end-to-end to the complete satisfaction of the visitor. This has great advantages to the platform operator in terms of reducing the number of human agents they must deploy. The data driven methods behind AI driven chatbots also provides a valuable source for analysis of users needs and interests and identification of pain points and weaknesses in the platform's functioning.

However, at their present level of evolution chatbots, like autonomous cars, cannot be completely trusted to get everything 'right'. Complex or vague questions may equally confuse the bot, leading it to give inappropriate or unhelpful answers. A human agent may therefore be tasked with monitoring the progress of several bot conversations determining if any need to be handed over to a human agent to clarify or deal with questions that are proving difficult for the bot. Alternatively an AI bot can be programmed to see when their limits of comprehension are being tested so that it can itself alert and hand over the conversation to a human agent.

These handover scenarios from bot to human raise questions of transparency. Do you want users to realise they have been dealing with a robot and risk them feeling tricked or being treated as a low priority when this is revealed? Or do you attempt to seamlessly transition the conversation from the robot to a human agent, retaining the pretence that they are the same person?

The developing consensus is that here honesty is the best policy. Consumers seem happy to interact with bots if this is made clear from the start, if their needs are met quickly and comprehensively through interaction with the bot, and, if there is the option to quickly escalate the conversation to a human agent should problems arise.

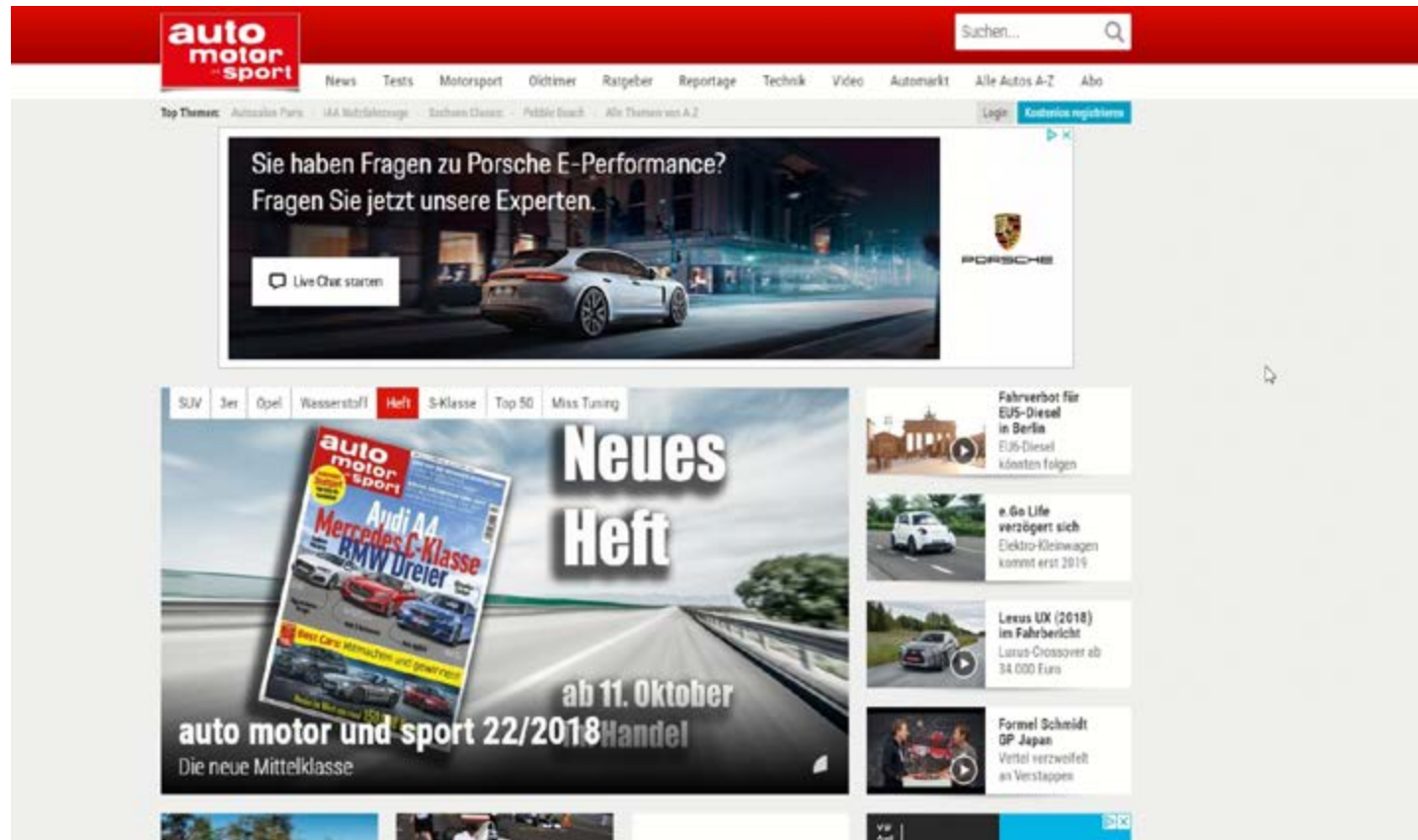


Chatbots have great potential within automotive retail. Because, as we have seen, so many consumer questions are around the attributes of products, they can be developed to match product information to those questions relatively straightforwardly. (It is much more difficult to deploy chatbots to manage conversations over subject matter which is more nuanced, ambiguous or where subjectivity is at play.) Also, because of the volume of visits and chats initiated on car brand sites, AI based chatbots have far more interactions to work from to quickly develop their capability. Of course, any brand will have to balance the operational cost savings accruing from deploying chatbots with the development costs of implementing chatbot technology.

Following the customer

Engaging with potential customers through Live Chat need not be confined to a brand's own website. Working with Porsche in Germany, Sophus3 has shown the value of offering Live Chat functionality within banner campaigns run on automotive publisher portal sites.

Customers are considering more brands than previously and during the online research phase are already refining their shortlist. A Live Chat presence on publisher sites is an opportunity to pitch the brand and its products during this critical phase of the decision making process.



Integrating multimedia capabilities

New developments in Voice and Video over IP allow an agent to extend a Live Chat into a real-time walkaround of a car a customer is interested in to explain the equipment, features and benefits that it offers.

Sophus3 has been at the forefront of developing this technology with our recent release of our 'Live Chat: Video' product. This allows the site visitor to open a video console within their browser without the need to download and install any additional software or plug-in.

A chat can now become a one-to-one interaction with an agent with both a name and a human face — just like in a car showroom. The agent can leave their desk and use a camera or 'phone to show the features a customer is interested in on a real car. The agent can either respond to a customer's requests, or themselves highlight the available equipment and features of the car.

The technology allows the agent to share their screen to discuss possible configurations of colour, trim and equipment that the visitor would prefer. In this way the discussion becomes collaborative and avoids



▲ **Live Chat Video** allows a car brand's agent to explain features of the car in real time. In the example above the salesman is showing a vehicle in a pop-up store to a customer he is chatting with using his cameraphone.

◀ Here a representative of the same brand in Turkey is conducting a more structured vehicle walkaround from a dedicated virtual showroom.

the potentially conflictual, 'across-the-desk' format of conversations that can take place in a traditional showroom setting.

The agent can provide personalised quotes and unique QR codes to the customer, allowing a seamless conversation with the brand should they want to visit a showroom, test drive a car or proceed with purchase.

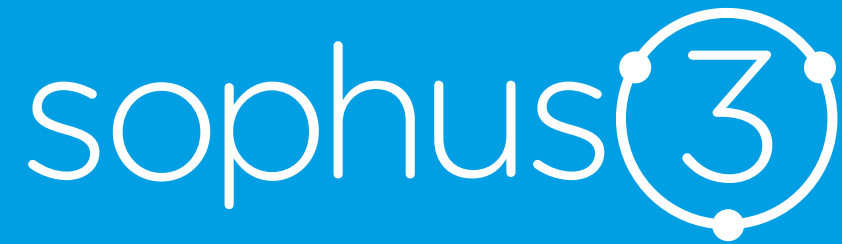
For the brand this technology has many attractions. It lends itself to upselling optional equipment and additional styling and comfort features, and showing the depth and breadth of products in the brand's model line-up. A video walk round requires no expensive stage set or lighting and can be conducted informally and as easily from an established dealership as from a specially prepared 'virtual showroom'. In one of the pictured examples, the service is being delivered from a brand's pop-up store, effectively extending the reach and value of that outlet beyond its immediate geographic location.

Conclusion

In this short paper we have tried to demonstrate and explain the measurable benefits to car brands of implementing Live Chat capabilities on their websites. We have seen that consumers are hungry for information and interaction, and that if they receive this in a clear, transparent way, then they are more likely to convert to customers.

But technical cleverness is only part of the story if brands want to succeed in their real time interaction with their customers. Having agents who are trained and knowledgeable, and managing these human resources to effectively meet the peaks and troughs of demand are essential.

The role of Live Chat and new enhanced video based services, can only increase in importance for the automotive industry in the years ahead. The move to electric powertrains and the coming disruption caused by autonomous vehicles and new mobility services, means that consumers will have more choices, but also, more questions. That, coupled with an increasing expectation on their part of instantaneous delivery of services and products, means that businesses must be ready and able to engage with them through an ever expanding variety of channels.



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