

# EFFECTIVENESS OF CHATBOT ADVERTISING ON CONSUMER BUYING DECISION: AN ANALATYCAL STUDY

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## KEYWORDS:

Chatbots, Chatbot Mechanism, Brand personality, Electronic Advertising, Buying Decision, The Grounded theory, The Technology of Acceptance Model (TAM)

## ABSTRACT:

Chatbot become popular now-a-days and catching audience's attention as active of advertising attraction and communication tool. Advertisements in active websites respond intelligently like human, so the specific function for a Chatbot. This study addresses the effectiveness of design and functionality of a Chatbot in brand advertising mechanism to create eye flow in e-advertising ads entire web site, that can create ability for increasing positive buying decisions. Therefore, the authors will also focus on Chatbots could be usefulness and techniques used while designing a brand's Chatbot. Qualitative and analysis data are conducting the results through the theory of grounded theory and the technology of acceptance model (TAM) which aims to explain the relationship between attitudes and behaviors within Sephora's and Mastercard's audience action as a study sampling, have a significant influence on perceived usefulness, perceived ease of use, attitude toward usage and intention to use. The data collected from literature study affinity diagramming and Atlas. ti, a software program for analyzing qualitative data.

## 1. Introduction

The idea of chatbots is kind of intimidating. The use of robots has been increasing to make life easier. It's apart from a lot of devices now and moreover it facilitate a lot of businesses relations with their customers from the point of marketing their products and services , offering customers support and taking on a load of time-consuming jobs (The Complete Guide to Chatbots for Marketing | Sprout Social, 2021) .Chatbot is a computerized program that can support both the customers and business as it can chat with its users and simulate chats thru sending messages automatically, voice synthesizing ,choice buttons and predefined responses (Rajnerowicz, 2021) .Chatbots can be programmed in different ways based on the companies need ,it may react in same way every time,

or react differently if the messages include definite keywords .Chatbot can advantage from machine learning to modify their answers to suit the situation. Chatbots support chat means like SMS, social media messaging services and chat windows for website. They come in different forms and learns from their reaction with people (The Complete Guide to Chatbots for Marketing, 2021).

## 2. Literature review

Chatbots is a type of bot designed to interact with humans conversationally. Based on its programming, they automate the process of interacting with website visitors and social media followers in an attempt to create the best user experience. Ideally, this helps websites to maintain the presence of a helping hand,

even when the team cannot respond. But it is exactly this human-like quality of chatbots that makes them uncanny. It gives rise to notions of “creepy chatbots” and makes the differentiation between bots, chatbots, and robots even more important. It allows brands to take a step back and see how each piece of software fits into the larger picture. Robots and bots currently operate in very different spaces. While machine learning and AI for one may inform the other, the purpose and use of each is unique. Advances in chatbots do not mean robots are taking over the world. The purpose of a chatbot isn’t to completely replace the humans on the marketing and sales team. Indeed, chatbots today should only be used in marketing or sales efforts in areas that situationally make sense for the buyer persona and content. In view of the advantages of chatbots and the bright prospects of development combined with the growth of mobile utilization, companies tend to use chatbots increasingly as tools and channels of customer relationship management. Regardless of whether they are needed to help in a purchase or manage a booking or answer a question, they are used day and night to deliver a personalized experience. (Moysan, 2019) As people start to shift toward new ways of interacting and technology continues to advance toward new ways of automating, it becomes increasingly important to take stock of all potential opportunities. While not all methods and conversion paths perfectly align with what a brand is trying to accomplish, there are new ways of interacting with website visitors making their experience that much better. (Munroe, 2019)

## 2.1 Chatbot Mechanism

To compete effectively in a modern business, it is important to automate as much processes as probable. The chatbots value arises from their high capability to automate chats. A lot of benefits businesses admit improvements they found after using chatbots, for example: saving money and time that can be assigned to other labors by depending more on automating chats that usually involve an employee to response that may need a support from other people in the company. Instead of wasting employs time answering questions they can have more time for more important tasks, less concern about reminders setting and finding out what to say. The increase in the amount of saved time increases as incoming quantity of message increases resulting with an hour saved over Chatbot automating responses. Moreover, generate leads and income

as Chatbots use messages to collect the needed information to offer supportive support. For example, by identifying exactly what a customer is looking for and the prices they are willing to pay, the Chatbot reduces prospects and get the customer email so a sales agent can follow after preparing a good offer. With additional valuable clues and time, the sales agent can advance from the Chatbot automatically provides valuable leads to the sales agent leading for better outcomes. Also, Chatbots support directing users to superior results, it is clear that people usually don’t know how and where to get information from. Chatbots can easily answer their questions that will give them more information and direct them to buy in a way or another if it did not direct the to finish a deal immediately. Taking airline industry as an example: a Chatbot can easily offer information related to departing and arrival locations, possible upgrades and direct customers directly to the payment step making it easy and faster for both the user and the corporate. On the other hand, Chatbot can always provide 24-hour support and offer emergency quick respond specially if an organization office is closed where customers can still benefit from finding the information they are looking for and in any language. Chatbots support business decreasing the normal time they need to respond and increase the chance to go beyond customer’s expectancies. Chatbots can offer support in any language, customers from different nationality can still get the support they need, there is s no need to translate or waiting for a fluent staff. All of this can be done while involving users in an exclusive way. Usually, customer queries were directed to businesses over telephone or email, which unformattable made user face non-customized respond. However, chatbots offer a fast, new, interactive and sometimes fun way to involve with brands and increase customers loyalty. For example: Fandango where customers can use their social profiles and use their chatbots to know movie times and places instead of spending time over a phone call. This increase the company’s sales as it is easier for customers from different age group to get to the services. Another example is Domino’s Pizza’s on Twitter where customers can order pizza by sharing emoji’s only where their bots route their orders and ask them more questions only if needed. This experience makes it easier for both the customers and business with a smaller number of mistakes (The Complete Guide to Chatbots for Marketing | Sprout Social, 2021).



Figure 1: The above findings from Sprout Social show how poorly brands live up to customer expectations when it comes to response times.

### 2.2 Cost-Effective Customer Acquisition Tool

Businesses in different industries can benefit from using chatbots to simplify communications and increase the portion of the operative costs. Research shows that in the banking industry operational savings recognized that chatbots will raise to 3,150 % (2019 to 2023). Efficient chatbots are cost-effective comparing to other choices, where chatbots can reduce operational costs by around 30%. In now days, over 67% of customers globally use chatbots to find products they need and get new product ideas, buy simple and expensive items, pay their bills, make appointment reservations, deal with complaints and when needed get a human agents support. Customers from time to time will need human agents. Some of them prefer to get served by humans in some situations. Chatbots can fulfill the gap whenever humans support isn't accessible. Chatbots acceptance will raise as they develop, and individuals get more familiar to them. Chatbots is a good tool that enhance companies reaching customers and collecting valued info about customers, for customer gaining Chatbot must ask the right questions to identify customers responses and clarifications. Not all users will become customers, but the information that the Chatbot collects can be used to improve business target audience. Information that Chatbots can collect are huge like customers contact information, favored kinds of content, the best way to reach them, products, and solutions they tried and their feedback. Chatbots can use information on verticals points and pain ones. Chatbots can also cover different and new market segments for planning for future products.

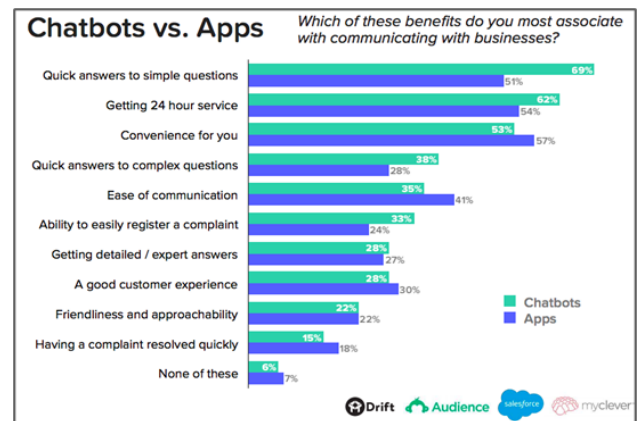


Figure 2:BI Intelligence, 2017

### 2.3 Brand Personality

The first Chatbot was created in the 1960s by MIT professor Joseph Weizenbaum, known as ELIZA. In 2009, We Chat a company in China developed an advanced Chatbot that was extremely booming in social media and become the most preferred method for employers and marketers as it supports reducing the amount of work, they do as they reach their customers online. The introduction of the first trend of artificial data technology in the chatbots design started in 2016 when a platform like Facebook allowed designers to form a Chatbot for their products or service to offer customers a way to finish some of their daily activities from inside their platform using messaging (The History of Chatbots - From ELIZA to Alexa, 2017).

### 2.4 Personalization

Marketers can personalize customer involvement when using advance internet technology that involve simple strategies. It started with things like the use of a follow-up mail, recommendation mail and content related to previous purchase. Marketing automation increased with data growing and artificial intelligence. Moreover, personalization has increased to the point of offering business support directly to one consumer where bots are qualified to provide a lot of services at less time and they keep learning and improving, hyper-personalized communication support making indistinct between a person and a bot, allowing customers to achieve almost anything with no need to take time looking up in an app or a website. When Chatbot offer the right personalization, customers can find what they need and want faster than before (Vrontas, 2020).

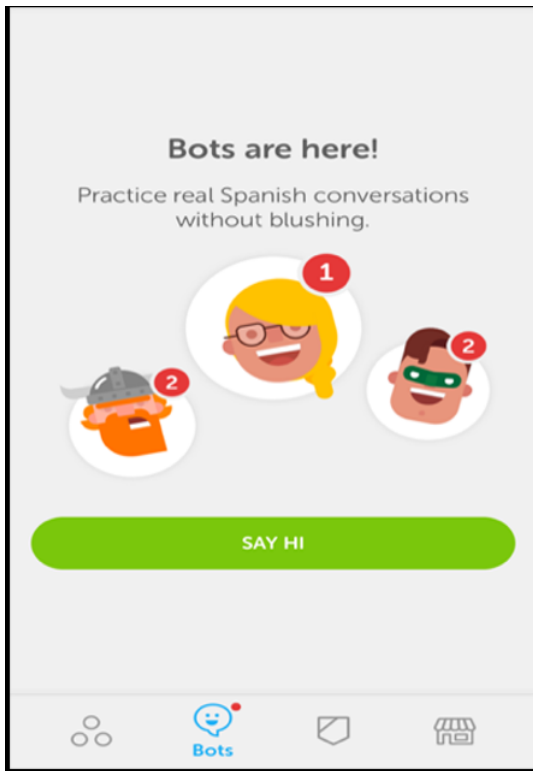


Figure 3: (ELTjam Review: Duolingo’s Bots - LearnJam, 2021)



Figure 4: (Vrontas, 2020)

Chatbot personalization is desirable, it has the ability to close the personalization breach in online means like emails and websites, wherein personalization is useful at a wider scale. For example, websites might assist a gender-specific style but not individual personalization. Chatbots can collect and store the user’s information, like their previous purchases, favorites and revolve it to hyper-personalized suggestions (Vrontas, 2020).

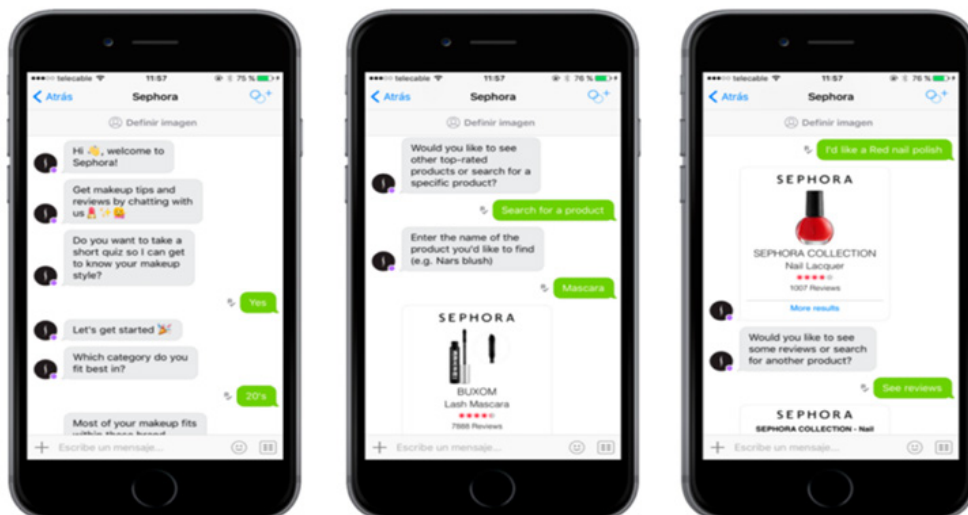


Figure 5 (Sephora adopts a Kik bot to talk prom with Gen Z - Springwise, 2018)



Some examples for bots that manage offering personalization in a remarkable way: Duolingo app, created for foreign languages learners. They offer bots that accept altered personalities so users can select the one they like to study using it. Another example: Judy Hopps Disney's bot, the known character from the movie Zootopia. Followers contract for sixteen days with a game founded on the movie story in a form of a mystery game. The Chabot's designers underlined that they worked so hard to impart reliable personality and authentic into the bot. Only this way, to reach a high level of success. Examiners forecast that the stylish of Chatbot character will become a consistent job in the upcoming. (Zaboj, 2019)

## 2.5 Companies That Use It

Chatbots allow users to reach brands when they want and anywhere, they are. Chatbots are attractive comparing to boring forms of contact, they can communicate the business's voice and be a harmonizing part of any brand character (Zaboj, 2019). Customers can schedule flights; order food buy products and services and get advice for almost anything they may think about and sometimes things they did not know that it is existing or that it may facilitate their lives. Chatbots are the future not only for customer support but for marketing too as they support presenting new chances for business. The number of businesses that are using chatbots is growing. As said by Facebook, there are more than 300,000 dynamic bots on Messenger. Some examples of companies use Chatbot are Lyft, where customers can ask for a ride using chat (Slack and Facebook Messenger and) or using voice (Ama-

zon Echo). The bot will inform the customer with the driver current location, the car model, and the license plate. Moreover, Sephora customers can get makeup tutorials when they chat to Sephora on Kik. The bot will help by offering product reviews, ratings and suggesting like if the customer is shopping in store. Also, Staples, intelligent Easy System make thing easier for customer service. There corporation with IBM's Watson was helpful. The bot can answer customer common questions about items availability in stock, their orders tracking and returns (Kim, 2018). Starbucks believed that adopting new methods to facilitate ordering is vital to differentiate themselves in the market and give them a complete advantage in a highly competitive market, introducing their Chatbot that function through their MyBarista app, ordering using messaging or voice over Alexa and Amazon while customers can relax at their homes, the bot allows paying and even tipping. As the bot can learn it can estimate customers habits and preferences from their earlier orders. Domino's introduced Dom the bot to support pizza ordering and support customers while ordering using Facebook Messenger directly. By allowing new and regular customers to order from the full menu with no need to have an account while using the app (Chatbots & CX: How 6 Brands Use Them Effectively, 2018).

The real estate business one of the most beneficial markets for chatbots, according to Chatbots Magazine, over 28% of real estate corporate use chatbots as they understood that chatbots can replace most of the daily work that workforces can do. Using Chatbots save them resources, money, and time (Jovic, 2020).

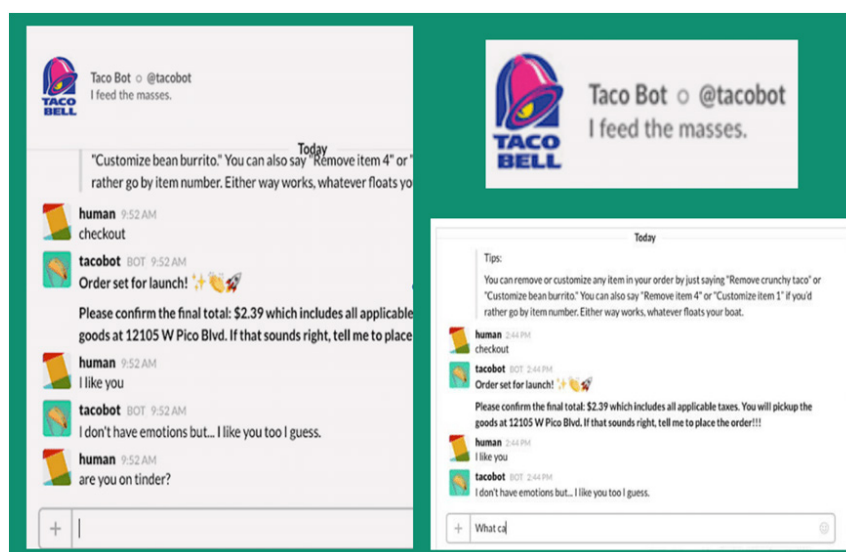


Figure 6: (The Complete Guide to Chatbots for Marketing, 2021)

Taco Bell is another example, they mainly used Chatbot to gain competitive advantage by partnered with Slack a kwon communication network. Taco Bell Chatbot help customers ordering what they want to eat and put or eliminate any ingredient they desire. Customers reviews and earlier orders help Taco Bell Chatbot learn more about each customer and facilitate their upcoming orders. The Chatbot offered an attractive method with emoji to give their customers an enjoyable experience (How Do Chatbots Impact Marketing? 2021).

Based on the statistics, 67% of clients used chatbots in 2019 as online lives are dictated by using devices like tablets and phones. Chatbots proved that they can offer help and quickly respond. While 64% of internet users admit that the best thing of chatbots is offering 24-hour service in an accessible way, and near the end of 2019 almost quarter of the world's populace have been using chatbots assistance on a daily base (Jovic, 2020).

## 2.6 Electronic advertisements: How Chatbot looks like

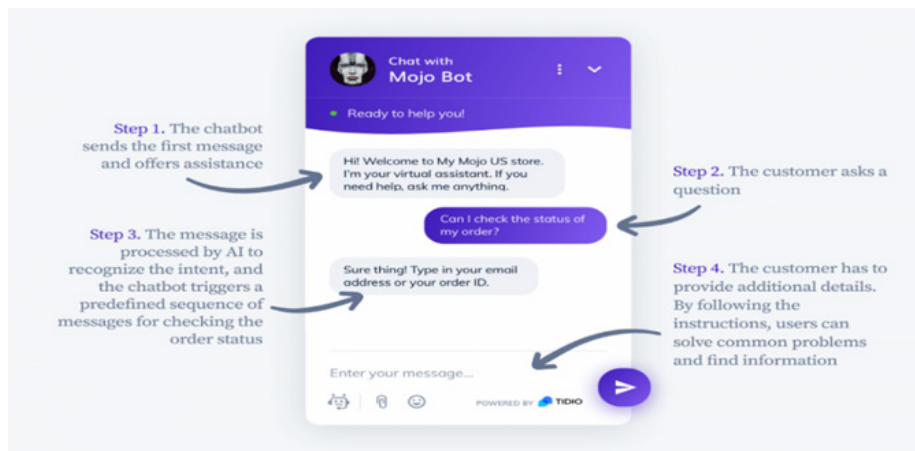


Figure 7: (Rajnerowicz, 2021)

## 2.7 Buying Decisions

How Do Chatbots Work to Attract Customers?

As Chatbots use machine learning and AI to involve users and responding to their questions, asking directing, encouraging the chat process that end with them taking actions. To attract users and make them customers the effective Chatbot must customize the CTA built on the communication where this can be supported by offering various choices like: choosing from modified product suggestions, scheduling a meeting or a consultation, offering a special piece of content and requesting an estimate price and related information (The Complete Guide to Chatbots for Marketing | Sprout Social, 2021).

Chatbots Direct the customer to their preferences by understanding what they need like:

Getting more specified answer to their enquiry, getting a fast answer to their questions, resolving their problems and complaints, give them alternatives under the same budget and when needed finding a person to talk to (The Complete Guide to Chatbots for Marketing | Sprout Social, 2021)

Business purchasers are consumers when they're not at work. Assuming that they have optimisms for modified experiences too, that's where chatbots consider useful for customer gaining as they proved to be intuitive. Business found a faster way to engage with their customers using the Chatbot not only to offer support but also to market for their product and services and have an idea about what customers are looking for so they can advantage from offering something new and desirable by responding to customers questions and providing and collecting data. Moreover, by benefit from the power of Chatbot in adjusting its reactions and mends on the finest solution for every user after analyzing their answers. It is beneficial that Chatbots can answer almost 80% of users and customers regular questions. A lot of business managed to use the help of professional's customer support only in complicated situation but not in dealing with daily matters. Giving customer service persons more time to work on extra challenging missions support taking a big-picture method, save time and money (Jovic, 2020).

In marketing management customer purchase intention is a central subject because it impact customer's final buying decision. The core objective of Chatbot is to immediately chat with the client and generate a product or service buying action while improving customers buying process. Sales and marketing leaders emphasized on the significance of evolving various marketing improvements by using AI that can be used to activate a Chatbot communication to ensure users engagement. Even in the luxury retail market the effect of Chatbot services shows remarkable outcomes on customer gratification and showed how digital service support building encouraging customer relations even while e-service managers are not completely communicating with their customers. Chatbots can consider as an alternative for human customer service presenter in communication and in analyzing sales activities based on the five value dimensions (entertainment, interaction, problem-solving, customization and trendiness). They prove that communications with chatbots if modified by using narrative signs based upon performing, might improve connection, emotion and customer buying engaged and gratification. Customers buying decisions in store is still influence 87% of by salespersons. It can be probable that customers communication with an agent can benefits from customers communication with a Chatbot on the companies' website. The main promoter for using and buying online has been recognized as satisfaction. The competency and comfort of using chatbots effect consumer gratification. While a customer brow a website the Chatbot use has an encouraging impact on the tendency to buy in practical product (Lo Presti, Maggiore and Marino, 2021).

#### 5.4 The functionality of Chatbots.

The marketing revolution have been leading by Bots because they have the capability to engage with customers and potential ones as seamless as achievable. Chatbots are clever and can find out when a person opens a promoting email and check a website page. Marketing and sales teams can benefit from chatbots to start and direct their conversations to find more about customers preferences and customize their offering to guarantee brand acknowledge, increase sales and make the buying process easier for individuals and business. Chatbots support saving time as they can be used to replaces some steps in the B2B buying activity too. Moreover, when sales agents send advertising emails using Drift Sequences, they benefit from

tracking the emails engagement system of measurement. Encouraging users to visit websites is helpful where a Drift Chatbot is activated to chat with the visitor on the spot. (The Complete Guide to Chatbots for Marketing | Sprout Social, 2021)

#### 2.8 Chatbots and Advertising Effectiveness

Chatbots support business social presence as it allows them to communicate with users and customers without employing persons. chatbots reach almost the level of humanoid conversation. The more conversations the keener they become with no boundary of information gaining. Previously, creating a Chatbot measured as a costly work that takes time. Nowadays, creating a Chatbot using special tools made the process easier and faster. taking Chatbot on Facebook Messenger as an example It doesn't need any kind of coding. Chatbots improve business content strategy leading to an increase in values. The more information chatbots collect from customers, the more personalized content the business can offer. Chatbots can impact business marketing activities positively by cutting researching costs and time by collecting information over conversations related to past buying experiences and what customers exactly are looking for. To develop a better content strategy, applying characteristic Chatbot with applicable information for a suitable customer experience to increase brand loyalty as brands develop by rising the number of faithful customers by meeting their needs over modifying the whole shopping experience and offering them with the significant information they need. for a personalized chatbots and customers conversations greeting them using their names give a since of professionalism. Offering recommendations will give customers the hunch of a personalized conversation (How Do Chatbots Impact Marketing? 2021). Marketing a brand and a product requires a lot starting with a primary step like segmenting target customers. Bots can be deployed to do this. They support understanding users and offer them the greatest replies beside facilitating their purchase and tracking orders activities. Chatbot can help with data collecting (first-hand) and evaluating to support marketer's decision-making and support them shaping their marketing messages. By offering fast responses they increase the quality of customers experiences and trustworthiness and leading to business gaining higher competitive advantage and more success. Chatbots prove to increase responsiveness and improve customer dependence by knowing each

customer buying behavioral, this makes it easier for business to personalize communication and meet customer's expectations if not more (Murphy, 2021).

Additionally, Chatbots support organizations with Consumers in different ways like easy website navigating and offering useful information, sales, and customer service, messaging apps, organizing business activities and meetings scheduling. Also, Support 24/7. Virtual assistants don't need rest, sleep, or get tired. They work without any restrictions. Quicker replies. Bots can send automatic replies in milliseconds. Comparing to the quickest customer service agents they will always need time to response. Furthermore, Enhance user experiences. Around 40% of customers favor digital AI supporters comparing to other methods of customer service. Some people prefer to deal with a real human, but it is always significant to offer a solution that provides the greatest customer practices. Lots of integrations with apps messaging. Chatbots propose multi-way customer service and can function on numerous messaging platforms instantaneously. Moreover, Additional customer connections. Chatbot apps rise customer commitment stages. Chatbots respond rates are expressively greater than engaging with customers through different contact methods. Huge return on businesses investment. Where the expenses of deploying a Chatbot are minor. One bot can perform an entire call center work. Conversation patterns. Chatbot applications and several digital assistants contain a library of templates for different industries to ease human-computer communication (Rajnerowicz, 2021). For example: Facebook has above 300,000 chatbots. More than 40% of millennials users of websites and applications admit that they chat using bots daily.

Digital marketers consider Chatbot into their marketing to advance from: their conversations with customers that can be improved as they depend on machine learning and AI software. The more queries customers request from chatbots lead to more conversations leading to better respond from the chatbots because chatbots can learn and offer an improved experience for social media followers and website visitors to offer them the information they need. Chatbots can have conversations with customers more than a whole sales team. Moreover, marketing automation generates efficacies. Chatbots engagement with customers gives marketers more time to focus on different other activ-

ities that can't be finished automated like planning



Figure 8: umbrellait.com

Marketing campaigns. Chatbots can support marketing players be capable, quicker, and do more in less time. Chatbots support a lot of the primary steps of customers engagement so that marketer's teams can have time to deal with execution and strategy. With the info that chatbots provide to sales and marketing managers they can arrange and direct their teamwork and prepare the correct messaging (Azrikan, 2020).

### 3. Methodology

Since little research has been conducted on this topic, the following study will be explorative by nature. The research techniques used in this study consist of an explorative literature review complemented by a coding data distributed among the brand of Sephora & Mastercard brand. The goal of the literature review is to deductive available literature in an attempt to identify, evaluate and integrate the findings of relevant, high-quality studies that address one or more aspects of the research (Budgen, 2006) technique. Subsequently, the goal of the complementary data coding is then to validate these findings through grounded theory & technology of acceptance model. Both techniques result in qualitative data which is not uncommon for studies of deductive nature.

#### 3.1 The technology acceptance model (TAM)

The technology acceptance model is an information systems theory that models how users come to ac-



cept and use a technology. The actual system use is the end-point where people use the technology. Behavioral intention is a factor that leads people to use the technology. The behavioral intention (BI) is influenced by the attitude (A) which is the general impression of the technology.

The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it, notably:

- Perceived usefulness (PU) – This was defined by Fred Davis as “the degree to which a person believes that using a particular system would enhance their job performance”. It means whether or not someone perceives that technology to be useful for what they want to do.
- Perceived ease-of-use (PEOU) – Davis defined this as “the degree to which a person believes that

using a particular system would be free from effort” (Davis 1989). If the technology is easy to use, then the barriers conquered. If it’s not easy to use and the interface is complicated, no one has a positive attitude towards it.

External variables such as social influence is an important factor to determine the attitude. When these things (TAM) are in place, people will have the attitude and intention to use the technology. However, the perception may change depending on age and gender because everyone is different. (Davis, 1989). This model defines significant relationships as follows:

- PEOU has an impact on PU,
- PEOU and PU have direct effect on ATU,
- ATU has a direct effect on BI which subsequently determines AU. (Salsabeel. A, 2020)

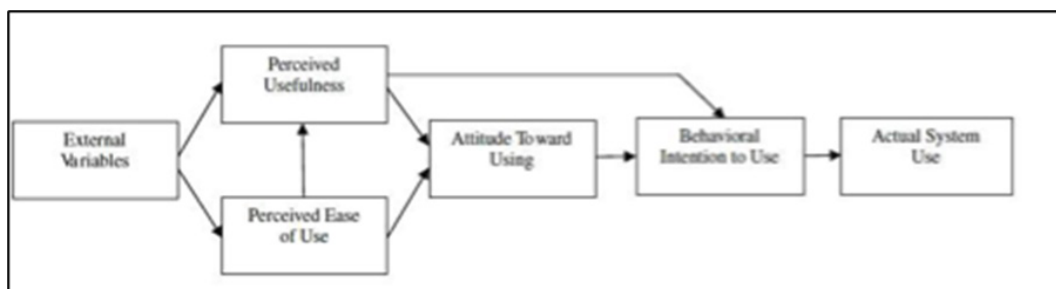


Figure 9: a graphical representation of the TAM. The TAM highlights that PU and PEOU are features that determine the behavioral intention of a new technology usage. (Venkatesh, 1996)

### 3.2 The Grounded Theory

A study based on grounded theory is likely to begin with a question, or even just with the collection of qualitative data. As researchers review the data collected, ideas or concepts become apparent to the researchers. These ideas/concepts are said to “emerge” from the data. The researchers tag those ideas/concepts with codes that succinctly summarize the ideas/concepts. As more data are collected and re-reviewed, codes can be grouped into higher-level concepts and then into categories. These categories become the basis of ideas/concepts or a new theory. Thus, grounded theory is quite different from the traditional scientific model of research, where the researcher chooses an existing theoretical framework, develops one or more concepts derived from that framework, and only then collects data for the purpose of assessing the validity of the qualitative codes. (Allan, 2003).

### 4. Data Collection

All first literature in study were collected from pre-

vious chatbot’s study that reflect (Sephora & Mastercard) brands to conduct the audience’s reactions, and strategy, then transcribed with additional notes were kept to record as text impression reactions, that revealed contextual dimensions of the literature. Grounded theory data collections and analytic techniques were applied technology of acceptance model (TAM) as interrupted by stauss and corbin (1994).

Analysis proceeded compositely by means of constant comparison majoring techniques in recursive interplay with coding procedures. Relevant concepts were identified, and their properties and dimensions were developed and refined as a result theoretical sampling. Innumerable diagram depicting different drawn this iterative exercise continued until no new categories or subcategories were revealed.

### 4.1 Data Analysis and Results

The data analysis proceeded in qualitative research and coding method is deductive. The study data were processed using Theory of reasoned action,

and the technology acceptance model (TAM) which is a grounded theory for data analysis. Two theories were conducted to compare the brand personality and chatbot personality was performed to investigate the relationship between the level of correspondence of brand personality and chatbot personality and changes in brand image. Qualitative data were analyzed by affinity diagramming and the use of ATLAS.TI as, a software program for qualitative analysis. As a result, Sephora, and Mastercard brands and chatbots' personality profiles were defined and compared.

#### 4.2 Qualitative data analysis

The purpose of affinity diagramming was to learn more about the research literature that reflects participants' perception and keywords of brand personality, the chatbot's personality, and to compare them with the scale to examine differences and similarities. The collected data was analyzed using Atlas.ti, which is a qualitative data analysis and research software program, and affinity diagramming.



The following was the process used for analyzing qualitative data:

1. Using ATLAS.TI, qualitative data analysis software for the literature review were coded based on the words that the used on the context of audience's responses.
2. Affinity diagramming was used to group keywords that had similar meanings considering their contexts.
3. Concepts that were not repetitive or that did not have any other similar keywords were eliminated.
4. The same process was followed for the chatbot's personality. Based on the affinity diagram formed for brand personality, keywords from brand personality descriptions that were not mentioned were eliminated, while newly mentioned words were added. Keywords were and then grouped according to their meanings and the contexts of the responses.

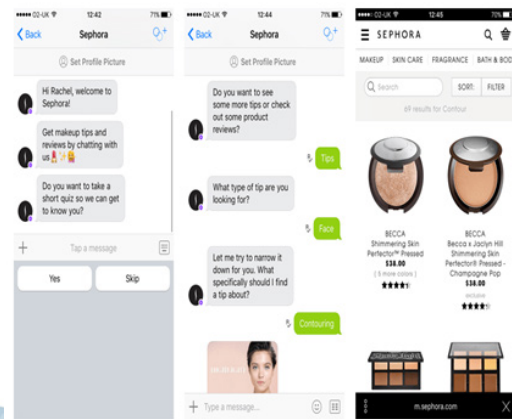


Figure 10: social media today, 2021

##### 4.2.1 Sephora's Brand Personality

Sephora gathers marketing data to emphasizing customer experience. One of Sephora's key goals are to focus on creating a quality experience for each individual shopper whether on the web, on mobile or in-store. In order to accomplish this, Sephora uses data gathered from their customers' shopping habits to design informative marketing content that is both helpful to a wide segment of their audience and personalized to an individual shopper's needs.

One way that Sephora can gather this information is by analyzing the actions that a shopper takes after being presented with a product page. The choices a shopper makes helps Sephora identify the customer's inten-

tions and design a more personalized user experience that accounts for whether the shopper is researching and comparing products, planning a purchase for later, or ready to purchase a product immediately. For example, a shopper that adds a product to their basket could intend to make an online purchase, whereas a shopper that searches for a local store could intend to make a purchase in a physical location. Regardless, these two shoppers are on different paths to making a purchase from Sephora, and thus will likely have a unique experience. (Eudes, 2022).

##### 4.2.2 Sephora's Chatbot Personality

In the case of Sephora's chatbot, the core personality

traits were identical to those of the brand (Figure 12). However, there were some differences as well. For instance, more people mentioned that the chatbot was efficient and helpful, while fewer people described the chatbot as imaginative or creative.

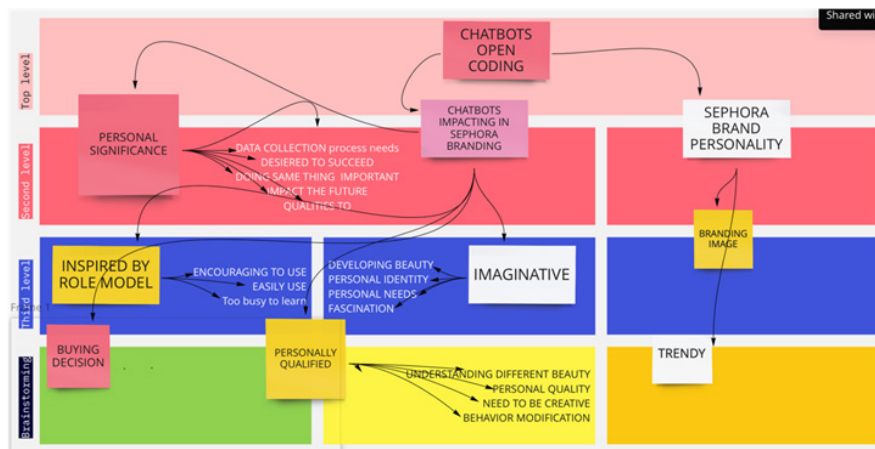


Figure 11: Affinity diagram for brand personality of Sephora

**Sephora has three bots:**

1. Sephora Reservation Assistant (Facebook), and
2. Sephora Virtual Assist (Facebook)
3. Sephora’s Kik bot

Together, these bots handle queries and requests from customers relating to reservations for makeover at stores, make-up tips, how-to videos, reviews, etc. Customers can also scan an image, object or face of a celebrity and view a list of matching make-up products. (Anupama Mishra, 2018). Sephora has been leading the charge when it comes to the use of chatbots in the beauty world, focusing on branded emojis and other uses for the technology to improve their customers’ lives. (Parisi, 2019)

**4.2.3 Mastercard’s Brand Personality**

Literature described Mastercard as a reliable, friendly, and sophisticated professional brand (Figure 13). In addition, some respondents perceived Mastercard as being active, reasoning that the brand is persevering in improving and enhancing.

“Female, 35, Truthful, easy to use and simple.” (Respondent 50)  
 “Female, a SOZANA (continuous) during 15years, Excellent per-

formance for banking transactions.” (Respondent 30)  
 “Regularly, dignified...” (Respondent 18)

**4.2.4 Mastercard’s Chatbot Personality**

As for Mastercard’s chatbot, the literature reflect respondent’s descriptions, its personality using usefulness such as activeness and easiness, friendly, impassioned, and smart (Figure 14). However, several respondents said that Mastercard was robotic, and that they did perceive a distinct phase in servicing and unique personality. In terms of age (Figure 15), the chatbot was considered to be relatively younger than the brand.

“Male, early 40s, informative and smart.” (Respondent 50)  
 “Youth, lively, and fun.” (Respondent 15)

“Confident and friendly (emotional) customer service officer providing reliable service.” (Respondent 50)

Says Kiki Del Valle, Senior Vice President, Digital Payments and Labs, at Mastercard, “Consumers should be able to transact and interact with their preferred institutions and merchants across devices in multiple ways and in environments that they already engage in, whether with Facebook Messenger or text. The ability to interact with voice is also interesting.”

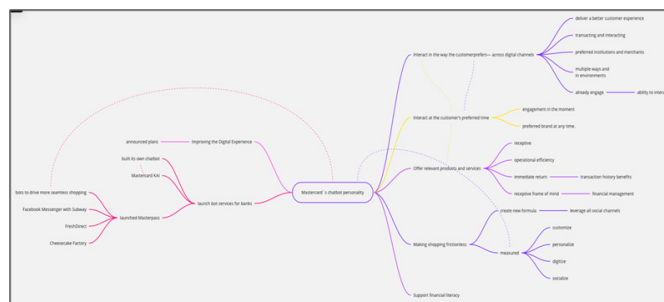


Figure 12: Mastercard KAI chatbot for banking -Affinity diagram-mind map by coding category.

## 5. FINDINGS & CONCLUSION

Inbound marketing is related to providing customers with value through content first. By offering value, business attract customers to their brand and website instead of working toward convincing them to find information about what they offer. Chatbot help with this by offering content and facilitate business reaching customers in a significant tactic. Inbound marketing and sales are about creation connection with the users before trying to make them buy. Chatbots support business while modifying their offers to give their customer better experience. When customers enter a site, chatbots can involve them directly to find the information they require and state their concerns directly, foster confidence, offer insight and suggestions. While chatbots learn, their capability to employ on a singular level rise. When chatbots modify their message, they can say the correct thing at the accurate time to encourage trades and marketing objects. Chatbots can give content an actual human voice to support exceeds marketing resources and connect on a significant level. Any business must prepare for the future by start taking steps now. Chatbots will keep learning and modifying, business must assess where to use the technology and change roles. Through getting on board quickly, business can understand more and modify to get the maximum benefit from chatbots (Ulbert, 2017).

As a conclusion, chatbots have an enormous effect on business, especially marketing and advertising. We can see a considerably development in marketing strategies when depleting chatbots for customer gaining and support. Chatbot enhance marketing content because of its ability to collect customers information and personalize every communication with each customer which will let them fell that thigs are more clear, easy and fast leading to retain them and increase their loyalty. In other hand Chatbots are the present and future of marketing, thru offering endless benefits and massive potential for growth effectiveness for brands. As Moysan (2019) noted, the chatbots seek the profession for a number of reasons: personality, professional, and economic. The findings in this study confirm that assertion.

## 6. Future Implications

A lot of business has implemented AI as they see it more useful and can facilitate and support the process of decisions making. Using new technologies is jeopardizing some people who may lose their occupations

specially where chatbots can be used as they become popular as they support reducing company's operation cost. For example, a lot of banks are switching to automated chat communications to offer the greatest experience for their customers. Chatbots are ascendable and fast, and a lot of tasks can be replaced using them, but this will cause redundancy for many workers and it support lessening overhead as they are more beneficial comparing to humans in finishing a lot of tasks this will lead to hiring less employees (Can Chatbots replace customer care executives in the future? 2021) Chatbots have the ability to offer more services in the future, for now we can see that it can solves over 80% of customers and business problems without any human involvement and when needed it can support human involvement leading to better customer care experience and at the same time it can modifies buyer's experience in immediately. as they get recommendations in personalized methods in no time. Chatbots does not depend on resources because they are automated and does not work manually this is why a lot of customers prefer using them because of the several features that they can offer (Can Chatbots replace customer care executives in the future? 2021). Besides offering information and fixing problems Chatbot can help customers to choose what to buy and how to return or exchanges products without waiting anymore.

## 7. Recommendations

Based on the conducted research, recommendations have been concluded by the researchers for effective chatbot advertising:

1. Build the brand loyalty: customers who use chatbots are offered personalized suggestions, these offers and services tend to remain loyal to the brand.
2. Improve ROI of the brand: Huge ROIs in brands are available to enterprises that avoid the mistakes that lead to a chatbot failure. Chatbots can build the brand's image and confidence that can be demonstrated in many cases evidencing that the ROI for chatbots is extremely high.
3. Drive brand engagement at the scaling: use messaging apps to help brands to build direct relationships with their customers, identify (and respond to) customer intent through chatbots, and recommend products or actions in real-time using customer feedback in messenger apps on websites, social media platforms, and ads.



4. Increase the conversion rating: online shopping makes customer's life easier. Similar to Chatter Robots.
5. Personalize the customer experience: customers feel that chatbot experiences have fallen short of expectations, yet they're more likely to shop with a brand that treats them in a personal manner.
6. Collect declared data on the brand audience decisions: Users can interact with the chatbot program via conversational interface by their personality, through written or spoken text as input. With the help of chatbot personality of Sephora and Mastercard brands website sellers can reach to larger audience and with the help of chatbots, sales can be increased by personal interaction with the users.

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