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A NEW BUSINESS MARKETING TOOL: CHATBOT

YENİ BİR PAZARLAMA ARACI: CHATBOT

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Abstract

With the developing and fast converting technology, marketing strategies have also changed to fulfill the demands and needs of consumers. Recent advancements in AI and machine learning and worldwide acceptance of internet and messaging platforms have inspired companies to focus on chatbots. Chatbot can be defined as AI based computer program that can talk to people and be in active communication. They are also called as virtual assistants that understand human capabilities. According to recent data, chatbots are important for the brands to survive for the future. The main objective of the research is to find out how chatbots can contribute to business marketing strategies and how businesses should develop it so they can be used for communication with customers. The chatbot named Beauty gifter, created in 2017 by L'Oréal Paris, is selected as a case study. The results of the study shows that chatbots can be a great tool for customer communication but businesses should be paying a lot of attention to customer's mindset and develop chatbots by using AI more efficiently.

Keywords: Artificial intelligence, chatbots, consumer engagement, marketing.

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Özet

Gelişen ve hızla dönüşen teknoloji ile pazarlama stratejileri de tüketicilerin talep ve ihtiyaçlarını karşılamak için değişti. Yapay zeka ve makine öğrenimindeki son gelişmeler ile internet ve mesajlaşma platformlarının dünya çapında kabul görmesi, şirketleri sohbet robotlarına odaklanmaya teşvik etti. Chatbot kelime anlamı olarak insanlarla konuşabilen ve aktif iletişim içinde olabilen AI tabanlı bilgisayar programı olarak tanımlanabilir. İnsan yeteneklerini anlayan sanal asistanlar olarak da adlandırılırlar. Son verilere göre chatbotlar, markaların gelecekte varlığını devam ettirebilmeleri için büyük önem arz ediyor. Araştırmanın temel amacı, chatbotların şirketlerin pazarlama stratejilerine nasıl katkıda bulunabileceğini ve müşterilerle iletişim için nasıl geliştirmeleri gerektiğini göstermektir. 2017 yılında L'Oréal Paris tarafından oluşturulan Beauty gifter adlı sohbet robotu araştırma için vaka çalışması olarak seçildi. Çalışmanın sonuçları, sohbet robotlarının müşteri iletişimi için harika bir araç olabileceğini, ancak şirketlerin müşterinin düşüncelerine çok dikkat etmesi ve yapay zekayı daha verimli kullanarak sohbet robotları geliştirmesi gerektiğini gösteriyor.

Anahtar Kelimeler: Yapay zeka, sohbet robotları, tüketici katılımı, pazarlama.

1. INTRODUCTION

Chatbot is an artificially intelligent conversational agent that simulates human-like conversation that, for example, allow users to type questions (i.e., queries) and, in return, generates meaningful answers to these questions. (Khan & Das, 2018). The chatbot analyses the content typed by the user and links this to a database that contains possible answers (Crutzen, et al., 2011). Chatbots are tools that interact with users and communicate with them in a natural language on a particular subject. (Huang, 2007) As can be understood from this definition, an important element of the Chatbot concept is that it communicates with users in a natural language. The most important situation when designing chatbot is to set the natural language function in the most accurate way. Liddy (2001) says that the aim of Natural Language Processing is to perform human-like "language processing on applications and to analyze naturally occurring texts at a higher linguistic analysis level. Chatbots have immense potential to boost user engagement for any business, and this consequently may lead to more conversions and sales (Spsychalska,2019). The need for such chatbots has arisen due to the increasing number of personal machines and the desire of people to communicate with them. (Wilks, 1999). Communicating with customers is essential for businesses to develop profitably and efficiently. Clients of an organization are associated with the market each day and have a different perspective than the organization itself. Their observations on issues including new technologies and market demands can help a company prepare for the next threat, or provide early predictions of opportunities. Additionally, remaining in consistent contact with clients provide high customer engagement and loyal customers. According to Facebook Nielsen study, 53% of consumers tend to buy from a business they could message in real-time (Nielsen, 2018).

Companies are establishing new strategies by using the advantages of technology in order to establish a close relationship with the customers and increase the brand image. Because in today's fast changing living conditions, a great customer experience today is about meeting people where they are. As a result of this digital transformation, chatbots started to be included in our lives. These days, the use of chatbot has recently increased in both phones and web interfaces. Today, the chatbot market is forecasted to reach \$1.25 billion by 2025 (Forbes,2018). According to Gartner's expectations, an average user will be more often talking to bots than to a partner every day, and 85% of interactions between a client and a brand will not be based on a direct contact with a human in the future. (Gartner, 2019). In addition, over 50 percent of businesses will develop strategies using chatbots, which will contribute to the market value of \$ 1.23 billion by 2025 according to Grand View Research. (Grand View Research,2017)

Since chatbot is important for company's future, this research paper aims to describe how chatbots can contribute to business marketing strategies and how it should be developed to use effectively. The research based on successful case studies of brands which use chatbots and get the better results after using it effectively. The data is obtained by analysing of web-based sources such as business and technology blogs, websites, as well as a market research institution and other corporate online resources. By using descriptive and exploratory approach, this research shows what is chatbot and how companies are successfully using chatbots to engage their customers in order to boost their business growth.

2. LITERATURE REVIEW

As companies become globalized in the new era of digital marketing and artificial intelligence, brands are moving to the online world to better connect with audiences, and service agent roles are changing (Bolton et al., 2013). As artificial intelligence improves and digital marketing becomes more essential, companies across diverse insurance, banking, retail, travel, healthcare, and education industries are successfully using robotic virtual characters that assist customers through desktop interfaces (Forbes, 2019). Chatbot as a means for customer communication is a commercial tactic that can be situated among the recent technological innovations in terms of artificial intelligence (Letheren & Glavas, 2017). Brandtzaeg and Folstad (2017) tried to learn why customers have started to prefer using chatbots to communicate with their brands. The purpose of their study is to measure how people react to this situation when chatbot is used in customer service. For this reason, they prepared an online survey to reach the customers. The results show that, the most common motivation is "efficiency". Chatbots help customers quickly get the information they need. Users also describe chatbot as entertainment, social and a new exciting.

Chung, Joung, & Kim (2018) made an attempt to see the adaptation processes of luxury fashion retail brands using chatbot services instead of the traditional face-to-face interview strategy. They tested a five-dimensional model measuring Chatbot on topics such as interacting with customers, entertainment, trend, personalization, and problem solving. The study reveals that the Chatbot service is much more interesting and has a good interaction with the customer. Also the research recommends that digital contexts can enhance company–customer connections, customer satisfaction, and shopping experiences.

Arsenijevic and Jovic (2019) conducted a research to show the greatest advantages of using Chatbot system as a marketing tool. They implemented a in-depth research with companies to learn the effectiveness of chatbots. The results shows that the greatest advantage of using chatbots in marketing is the provision of simple, fast information, but they also shows the fear of respondents getting the wrong information from chatbots, which is something that needs to be resolved in the future. Another research conducted by Ikimoro and Jawad (2019) to overview how chatbots can be used for personalized marketing and at what level they can be succesfull to achieve the marketing goals. The study indicates that chatbots deliver personalized experiences in real time and increase customer satisfaction. Since customer's expectations of personalized services are getting ever more sophisticated, chatbots are the solution to meet these expectations in a professional way. Volkle and Planing (2019) conducted a research to understand the customer's perspective towards the chatbots. They evaluated the different areas of chatbots about their utility. The results show that consumer's perspective toward the brand positively providing a Chatbot. Customers believe that chatbots are useful at providing better customer service and solve the issues of information search. Hildebrand and Bergner (2019) tried to prove if chatbots can boost the sales of the company. They found a evidence that incorporating chatbots into consumers' shopping processes promotes more intimate consumer-brand relationships, greater trust, and can be used as a powerful opportunity to upsell. Also consumers enjoy in particular is the ability to engage in natural dialogue and even to connect to the chatbot's personality. The other ability of chatbot is altering consumer preferences and purchase decisions.

Broeck, Zarouali, & Poels (2019) conducted a study to find how chatbot effect advertising and what should be done to create effective advertising via chatbot. The results show that it is key for companies to not look at chatbots solely as a new channel for advertising. They should focus on the service-aspect of chatbot communication. Our results indicate that a good chatbot service, which results in helpful and useful communication, is a prerequisite for effective chatbot advertising since it lowers perceptions of intrusiveness of chatbot-initiated commercial messages. Nguyen, Tran, & Phan (2020) conducted a research to determine the impact of the chatbot service on customer satisfaction. As a method, they applied a survey with 271 customers to learn their negative or positive thoughts about chatbot. In the end of the research, it shows that companies should increase the investment for chatbot research and design, improve the perceived value of chatbot, add creative features to encourage customer perceived quality, improve social interaction with customers. These are the key factors that influence customer satisfaction and found in the survey results.

In conclusion, although chatbots are still not able to have extensive conversations, users express their desire to have deep discussions with these conversational agents and use them in the future.

2.1 Chatbot

Background

Chatbot is an artificial intelligence-supported service tool that communicates with users over messaging apps, websites, mobile apps or over the phone. Hill et al. (2015) made a research about how communication changes when people are communicating with a chatbot compared to a human. According to this research while messages sent to chatbots contains fewer words per message compared to those sent to humans, people send more than twice messages to chatbots compared to other people. Indeed, it seems that people adopting chatbots feel confident and comfortable.

This technology started in the 1960's. The aim was to see if chatbot systems could fool users that they were real humans. Initially, developers built and used chatbots for fun, and used simple keyword matching techniques to find a match of a user input, such as ELIZA (Weizenbaum, 1966). The first chatbot is considered "ELIZA", developed in 1966 by Joseph Weizenbaum, a MIT professor. ELIZA was designed as a psychologist and intended to create human dialogues. However, since natural language processing and machine learning technologies were not yet sufficiently developed, he was able to respond only by word matching at that time. In the 1990s, the "Turing Test" based on the work of Alan Turing was developed and gained a structure that was repeated every year with a cash prize. A person talks to both the person and the computer. The goal is to find out who his interlocutor is — a person or a machine.

The most important step when creating a chatbot is natural language processing. In this process, content is perceived by artificial intelligence, and text planning takes place by obtaining information about the relevant content. According to the planning, the desired words are selected and the tone of the sentence begins to be determined by creating the sentences. The more accurate the coding of sentences and words, the more reliable the results

will be. Although the contribution of the Natural Language Processing ability to Chatbots cannot be denied, 90% of Chatbots that are put into use by various companies from various sectors today lack the Natural Language Processing.

Technological developments in artificial intelligence and machine learning have recently increased the interest in chatbots. The increasing use of mobile Internet and messaging platforms has led to the adoption of these useful tools because now people want a helper who speaks to them and finds a quick solution to their problems. Through mobile messaging platforms, chatbots can reach most of the online population. In addition, the fact that people want to get things done very quickly and easily has caused chatbots to appear. Today, with the focus of technology giants like Google, Apple, Facebook, Amazon, Microsoft, Alibaba, which we is called GAFAMA, we see chatbots and voice assistants using very advanced artificial intelligence technologies. With the announcement that Google adopted an artificial intelligence focused strategy and Facebook Messenger was opened to chatbots in 2016, chatbots have gained their popularity today.

2.2 Types of chatbots

Chatbots are classified according to different types according to which platform they are on, what purpose they serve or what technology they are developed with. The following classification divides chatbots into 2 groups by evaluating their interaction, intelligence and integration competencies.

- *Task-oriented chatbots* are single-purpose programs that focus on performing a function. Since there are no advanced levels in this type of chat bot, the level of artificial intelligence usage is low. The user continues the conversation by choosing from the available menus or by writing some exact phrases. Communication with these chatbots is very spesific and continues with certain rules. These types of chat robots produce content based on frequently asked questions. Despite the use of Natural Language Process, its function is quite simple. These are the most frequently used chatbots right now.
- *Data-driven and predictive chatbots* are often present in our lives as virtual assistants or digital assistants, which are much more sophisticated, interactive and personalized than task-oriented chatbots. These chat bots have contextually high awareness. Over time, they learn their natural language understanding (NLP and ML) and change their structure. They collect and analyze information to personalize based on user profiles and past user behavior. Digital assistants can learn a user's preferences over time, make recommendations, and even anticipate needs. Also, with this information, they can start a chat with the customers themselves. These chat bots are not only limited to a word or expression-based understanding, they can make sense of written expression, follow the flow of dialogue and provide appropriate answers to this flow.

2.3 Chatbot usage areas

Today, chatbots are becoming popular in a wide variety of business applications. Chatbots, offer companies the opportunity to provide a better experience and increase their income while managing their costs better. They prove to be useful in marketing and consumer support. They can also provide support for sales representatives or even perform sales themselves (Shawar and Atwell, 2007). Telegram, WhatsApp and Facebook Messenger are all examples of messaging apps that people use on a daily base to chat with friends, interact with brands, make calls, consume content, buy products and even book a restaurant. These are just a few of the tons of features that it is possible to do with messaging apps nowadays. And marketers use chatbots on these apps to provide customer service, deliver content to users, advertise as well as to sell products (Chi, 2017). A study presented during the "International Internet Science Conference" held in November 2017 categorized the reasons why people choose to communicate with chatbots. The reasons why people communicate with chatbot are productivity, entertainment, social and relationship factors and curiosity.

Chatbots serve a number of purposes, such as customer service, social and emotional support, information and entertainment. In particular, chatbots are seen as a promising alternative to traditional customer service. For customers, conversations with these bots may feel more natural and efficient than interacting with a mobile app as they can obtain answers to questions, receive suggestions for purchases, place orders, and keep updated on shipping through a natural language interface. A range of chatbots serve as virtual assistants or stewards, helping users to perform specific tasks. Also chatbots is preferable to other means of assistance, such as a phone call or online search, due to their convenience and immediacy.

2.4 Chatbots in marketing

Although chatbots have been developed since 1960, they have only recently been noticed by companies and have been used to improve communication with customers (State of Chatbots Report 208, p. 6). Chatbots learn while developing their communication skills gradually with chat experiences and develop their own communication rules and reactions accordingly. They also provides professional services by offering personalized services. Chatbots has emerged for a successful dialogue that utilizes analysis of a natural language and protocols to enable better human-machine interactions. (Przegalińska, 2016). As a result, chatbots can quickly answer the given questions, give appropriate answers to the question, and solve problems while understanding the purpose of the users. Thus, a chatbot becomes a technological reflection of human, which leads to the humanization of technology. With the use of available data, the chat robot can answer a wide range of questions, promote products, services and events, get potential customers, plan conversations, and receive valuable feedback from customers.

While bots used in marketing strategy suggest ways to interpret and understand certain content or truth, they can be useful in activities carried out by brands on social media platforms. Although social media management is required, this creates a time problem for companies. It is necessary to create separate time for updating profiles, responding to customers, finding and sharing content. Chatbots are very useful in this regard. It provides very fast turnaround to almost all of the customers and shares the timed content. They also

take over the management necessary for jobs. They can arrange appointments, check emails, pull data for brand and most importantly give conversational updates to customers are done properly with very least chance of any mistake by it. The usage of chatbots varies according to the goals the brand desires, but in this way it reflects the image of the brand. Data-driven chatbots can direct customers' purchasing decisions and improve their brand image. In addition, chatbot, which gives customers time and practicality, can put the brand ahead of its competitors. It is more social, friendly and real than other applications used as a marketing tool, especially it contacts, talks or tries to establish a relationship. In addition, advanced chatbots predict their needs and offer products or services based on their previous experiences. Thus, while the brand is both marketed and sales increase. According to Invespro research company, over 67% of consumers worldwide used a chatbot for customer support in 2019. Also according to the data of the SMSAPI report, almost 53% of respondents in Poland were satisfied with this type of interaction. Following the changing consumer expectations, chatbots enables brands and companies to be innovative in the minds of customers and increases brand prestige. Chatbots save up to 30% on customer service cost because they speed up response times and can answer up to 80% of questions, thus allowing businesses to save on customer service costs (Invespro, 2019). It offers the most fun and interactive way of communicating with the company / brand while saying sales opportunities thanks to its recommendation systems. Thus, it increases the speed and efficiency of the applied marketing activities.

3. RESEARCH METHODOLOGY

Chatbots, which are now very popular but still not fully known by some companies, will take on many tasks in the near future. Companies have recently started their work in this field, as they have just realized the value of this technological invention. When the research topics are examined, the number of academic articles about chatbot is very low. The purpose of this article is to both contribute to the literature and show the effect of chatbot on the company and its success in marketing strategies in companies that use chatbot successfully. The questions to be answered are how chatbots can contribute to business marketing strategies and how businesses should develop it so they can be used for communication with customers. The excitement surrounding chatbots in marketing presents a limitation relating to my research methodology. Chatbot is still a new technology in marketing. As such, there is a lack of extensive research on the topic. Many sources used to obtain data on issues such as perceptions and reporting of chatbots. Nonetheless, there is still a great deal of highly credible research sources available from recent years (2017,2018,2019).

Although it has just started to be used by companies, there are also examples with successful results. For this study, Beauty Gifter chatbot which was created in 2017 by L'Oréal Paris and loved by customers, is used as a case study. For the research, the brand's website and various blog posts were examined. The reason for choosing this brand is that L'Oréal is the biggest beauty company in the world and has many customers from all over the world. In 2017, the brand made an innovation in the field of conversational marketing in order to get closer to its customers and maintain relations with the brand. The brand designed a chatbot and differentiated it from it's competitors. This creative work, which is an example for many

companies, has managed to reach the desired goals. Based on this successful example, the stages of designing chatbots are explained and information about what to do next is given.

4. CASE PRESENTATION

4.1 L'oréal paris & Automat

The small company founded by Eugène Schueller in 1909 has become the number one cosmetic group in the world. In 1907, after graduating as a chemist from the university he studied in Paris, French Eugène Schueller did a small laboratory in his kitchen, doing various hair dye experiments every night, and his aim was to produce a completely natural looking hair dye. He filled the hair dyes he produced in his house into small bottles and tried to convince them by visiting the hairdressers of the city one by one. He also succeeded in his tactics. He sold the paints he produced so well that he opened his own company with the profit he accumulated from the paints he made in the laboratory of his house and threw the first building blocks of the L'Oreal brand. Marketing mission of the company is beauty for all and beauty for each individual. Today, the brand has a very important position worldwide and has a strong bond with its customer. According to annual reports of L'oréal Paris in 2019, the company has 29.87 billion euros sales around the world. Moreover, the cosmetics giant L'Oréal spent some 9.21 billion Euros on advertising and promotions worldwide in 2019. As a company that cares about it's customers, they created a chatbot to connect and engage with people. By collaborating with automat, they changed the customer relationship by creating a chatbot on Facebook Messenger in 2017. Automat has 50 years experience creating conversational AI products for the world's largest brands and give a solution in consulting, creative development services and ongoing optimization. (Forbes, 2019)

4.2 Chatbot goals

L'Oréal Paris's marketing efforts in the digital world have 3 purposes. First of all, to increase the love of customers for the brand, to get to know them better and to increase sales. In order to achieve these goals, they chose to obtain information such as the age, hair color, skin tone of the customers, collect e-mail information and save it to the CRM (Customer Relation Marketing) system and provide a fun experience via chatbot. L'oréal Paris is company that wants to have a close relationship with their customers, increase their love and achieve positive nps. Nps (Net promoter Score) is meant to see what customers really think about the brand and to see if they are satisfied enough to recommend it to the people around the company. (Bernazzani, 2019). With this chatbot, L'oréal Paris will not only gather a lot of information about its customers, but also be in communication at all times and will be effective in the brand's marketing activities and sales. Today's customer always demands personalized service and product requests from brands. L'Oréal Paris saw this request and designed the chatbot according to these goals. Beauty Gifter Bot first registers the needs and wishes of the customers and then advises them from 11 different brands of L'oréal Paris This conversational marketing method gives people the experience they find in stores and increases the relationship between the customer and the brand (Automat, 2018).

4.3 Design strategy

The first thing the brand did before designing Chatbot is to determine the design strategy. In the design strategy; consumer research, conversation desing, content, define persona, language understanding and testing steps are followed. With these determined strategies, the brand has achieved positive results by designing a chatbot to suit its customers and goals.

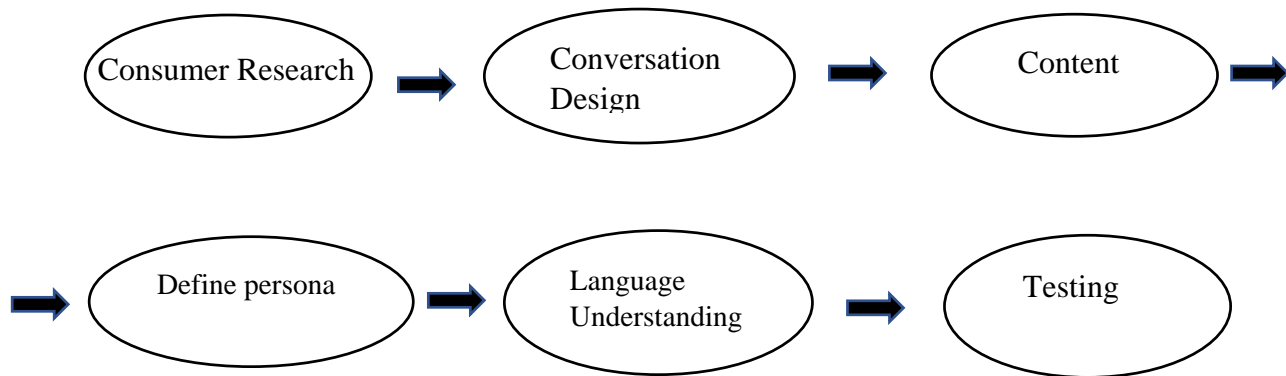


Figure 1. Chatbot Design Strategy

Firstly, before the launching of chatbot, in-depth consumer research is done to understand what consumers want or need in a product. Consumer research is conducted to improve chatbot equity. A brand needs to know what consumers think when buying a product or service offered by a brand. Every good business idea needs efficient consumer research for it to be successful. Consumer insights are essential to determine brand positioning among consumers. Design is made with this information by investigating what customers need most, the possible questions that they have in their mind, their age ranges, their education and their attitudes towards the brand's products. For this reason, studies such as focus group, in-depth are carried out and real information about customers is learned. In the next step, brand curated the conversation, defining the flow and its underlying logic in a detailed design specification that represents the complete user experience in conversation desing step. The chatbot experience was made easier by creating an easy and simple design that customers can use. Content is prepared with the information obtained from the customers. Entertaining content is also used in the chatbot, which is prepared to provide information and advice in accordance with the questions. To improve content, brand uses high quality visuals to enhance the experience and drive engagement. At the time when personalization is very important, beauty gifter uses what she learns about customers to personalize the answers and recommendations. Beauty gifter first starts communicating by asking the customer about her age and price range. According to the response, the robot asks the customer about skin tone and type, which colors they prefer, and dry or oily preferences.

To be in consumer's mind, the brand arranged right Chatbot Persona according to goals of chatbot. The marketing team creates a persona based on the information obtained from the customer reserach, which was made earlier, and pays attention to ensure that it complies with the brand's goals and identity. A creative and different persona not only enhances the customer relationship, but also offers a fun experience. A successful persona makes the brand

both memorable and makes the chatbot one of the brand's employees. Without a persona, the chatbot looks both empty and ordinary. Customers don't remember what they talked about chatbot without persona, but they always remember if it was a different and fun conversation. For this reason, L'oréal Paris designed a chatbot to make it feel more like a friend. Also the robot has a balance of humor and helpfulness.

After all these steps, studies were made for language understanding, which is the most important step. NLP is a tool for computers to analyze, comprehend, and derive meaning from natural language in an intelligent and useful way. With this NLP, Chatbot is guessing what customers will want to say next and analyzes the likelihood of it based on tone and topic in this stage. They included in chatbot a huge amount of data about language including sentences and phrases as well as transcripts from live conversations and emails. With this stage, beauty gifter can create and communicate appropriate answers to customers' questions. With language understanding, topics discussed with customers can be turned into reports and future trends can be predicted. Also surveys and studies can be organized. Finally, the testing phase was started before it was used. Each brand should test its features and usability before putting the chatbot into service, and if there are any shortcomings, correct it and then make it available for use.

4.4 Development methodology

Planning is very important for the stage after the chatbot design is finished. Steps to be taken during and after the introduction of chatbot should be planned.

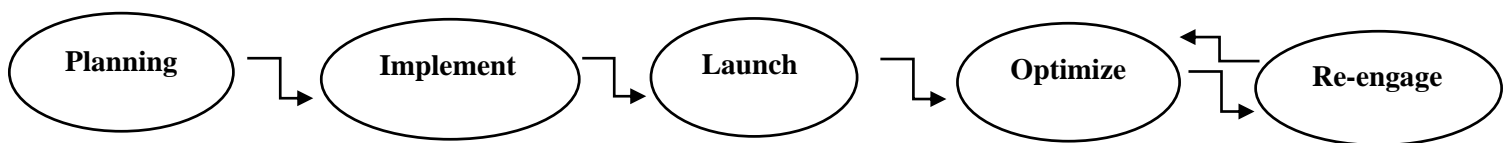


Figure 2. Chatbot Planning Process

Beauty gifter chatbot planning included details such as marketing launch planning, which site it will be on, and how it will be marketed. Plans have been implemented at every stage of the beauty gifter used on Facebook messenger. Later, the launch date was determined to match the mother's day and it was set to be February 8 2017. After all, based on the data obtained from chatbot, marketing team improved weekly experiments to increase traffic and conversions. The application was repeatedly optimized thanks to reports prepared by seeking answers to questions such as how many customers were reached, successful results were achieved, desired sales and customer satisfaction were achieved. Finally, research team created a segmentation and notification to provide customer retention and re-engagement strategy for the brand in the future. The most important strategy for a brand is to maintain the loyalty of customers. Therefore, the services required and provided for the chatbot must be complete.

4.5 Launching beauty gifter

At a time when chatbots are still new to customers, social media channels should be used to promote the chatbots. To launch the Beauty Gifter bot, the brand marketing team prepared an integrated marketing campaign which is based on five points to reach the customers:

1. The Discover tab inside Facebook Messenger
2. Social Media Influencers,
3. Facebook ads,
4. Scan Codes,
5. Emails & Landing page.

The brand tried to announce the chatbot to the target audience by promoting in various channels. Especially they worked with Influencers -whose advice are so important for customers- to increase targeted awareness within the platform. Beauty gifter features were announced by working on channels such as youtube and instagram with these people. Creative team also used e-mail marketing which is as a way to present this new experience to existing and future customers. Personalized notifications are used to engage customers and build ongoing relationship. If the designed chatbots are put into service without 360 integrated marketing, the desired effect is very difficult to achieve, so the marketing department of the brand should carry out promotional activities and reach the target audience.

5. RESULTS

As a result of the designed chatbot, rich consumer data, positive NPS and e-mail opt-in, were achieved with high rates. The company launched the chatbot in April 2017 and measured the data in December 2017. First of all, 54% of the users read the notifications sent via chatbot and 26% response rate on notifications were obtained. There was an increase of 16% in the opening of notifications sent via e-mail. There was a 20% increase in e-mail opt-in, which is the most important goal. E-mail is recognized by many marketers as one of the most efficient ways to push content to customers and drive conversion. For this reason, L'Oreal was particularly impressed with the performance of Beauty Gifter's notifications in terms of both read rates and response rates relative to typical email campaigns. Engagement rates were more impressive. It not only showed how relevant this new channel is, but also how much value users got from the experience. For the first time, users were engaging in a real two-way conversation with L'Oréal. E-mail addresses were used to connect rich data to consumers existing profiles in L'Oréal's CRM. Rich data includes any type of personal information, from skin tone to makeup preferences, that can help the brands to give better service to customers. In e-mail messages, users spent an average of 11 seconds reading the notifications. When successful results on chatbot are evaluated, 11 average step per session on chatbot and 4 average step on official website views per session have occurred. In chatbot conversations, users spent an average of 9 minutes and communicated.

Another aim of the brand which is an increase in the percentage of customers' data collection, has increased and a rich profiles collection rate of 31% has been achieved. Above all, the chatbot built an experience that reached an amazing NPS score: 82% of users that were asked said that they loved the experience. 82% of users like the application shows how well strategic steps and customer research are done. The chatbot, which leads to unsuccessful results, loses both time and money. The fact that Beauty Gifter reached high figures in its 3 main purposes both increased sales and contributed to its marketing activities. With the Chatbot application, communication was established with almost all of the customers and quick feedbacks were provided. Chatbot, which provides a lot of benefits especially in the field of customer support, can produce many more successful results if it is developed in accordance with the goals and researches as in this example.

6. CONCLUSION & DISCUSSION

Recently, artificial intelligence and its use in many areas have been widely discussed by both entrepreneurs and experts. Although the term chatbot has just started to be used today, some companies successfully use chatbot for different purposes, both increasing sales and providing engagement with their customers. This study on chatbot, the value of which has just been understood and how to use it is not yet known, aimed to guide companies by providing information with case study. To do that, different research questions are chosen to conduct the study. The first question is how chatbots can contribute to business marketing strategies and the second one is how businesses should develop it so they can be used for communication with customers. Regarding the questions, the results of the successful chatbot designed by L'Oreal Paris in 2017 and the design phase were explained respectively. The brand had three goals before creating this chatbot; To obtain rich profile information, to increase Opt-in email marketing and to re-connect with its customers. In the e-mail opt-in process, users are invited to sign up for promotional information about one or more product or service categories. Those who sign up become "Opt in". Thus, the e-mails of the companies that send e-mail to these recipients are not spam. So the overall goal was to gather as many e-mail addresses as possible and get positive NPS from users. In the results, 31% new user profiles were obtained, e-mail information increased by 20% and 82% of people liked the chatbot and recommended it to others. All aimed steps are achieved by brand with the chatbot. Like the result of the study by Hildebrand and Bergner (2019), this research has shown that the chatbot helps in establishing close relationships with customers and helps the marketing of the brand. Also, in the research conducted by Volkle and Planing (2019), it was stated that the customers are positive towards the chatbot and want to try it. In this research, customers liked chatbot very much and stated that they gained a different experience. This is a successful example of brands using AI-powered chatbot to optimize the online customer experience that they offer. This bot not only creates a functional use case for users to engage with, but also enables L'Oréal to gather more customer data on their beauty and skin care preferences for future targeting. For brands seeking to reach the 1.2 billion active users on Facebook Messenger, a chatbot creates true value for users. Through a series of experiments led by creative team, the brand learned about Beauty Gifter's users and how to engage them in an ongoing conversational experience. And also it showed that conversational marketing lets brands build personalized, one-on-one

relationships with their customers that contribute to company's goals. Although this study was carried out for a company serving in the cosmetic field, chatbot can be used in sectors that have an important place in every aspect of our life, such as banking & finance, tourism, e-commerce companies, fashion, food, and clothing. Each company can design a chatbot for their own purposes, similar to the design and development strategies mentioned in the article. Today, customers demand a fast and precise service from the brands they use. Brands that cannot fulfill these requests cannot compete with their competitors. With the chatbot, more customers can be reached and their requests can be easily resolved without making customers wait for a long time. Many companies have started to invest in this field. Although it is not very common in our country yet, it is inevitable that it will be one of the most important digital tools of the future.

In general, the results of the study shows that chatbots can be a great tool for customer communication but businesses should be paying a lot of attention to customer's mindset and develop chatbots by using AI more efficiently. Chatbots designed without research and without determining the goals of the company will not be able to yield the desired efficiency and will lead to unsuccessful results. Chatbots, which are prepared by considering the design process mentioned in the article, can contribute and improve the company's marketing goals.

7. LIMITATIONS

Unfortunately, there is not enough study in this field in the literature since chatbot is the new term and most of the brands have not started yet to use chatbot in their marketing goals. However, with the development of technology, this situation is predicted to change in the future. The aim of this study is to indicate that chatbot has an important potential and to show that it will be the most important tool of the future. Due to the fact that there are more articles about engineering in the literature rather than the marketing area of chatbot, previous studies have not been given much space.

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