

AI is the key to closing the expectations-reality gap in home delivery

By Ed Hodges, CEO of [HelloDone](#)

Online spending was forecast to overtake high street sales this Christmas, even before the announcement of a second lockdown. But the pandemic hasn't transformed the way we shop, it has merely accelerated the rise of e-commerce.

That's because, when executed properly, it's a very satisfying way to shop for a range of different products. Time efficient, loads of choice, fewer out of stocks. In theory, it's the perfect antidote to the busy, often frenetic shopping experience, on the high street.

Yet, the customer experience online doesn't always trump physical stores.

Customer satisfaction has plateaued in recent years, as retailers struggle to meet rising demand for personalised content and responsive customer service. With the quality bar growing ever higher during the pandemic, bridging the expectation-reality gap in e-commerce has never been more important.

Yes, getting it right can boost customer retention and advocacy - as customers reward great experiences with repeat purchases - but it can also improve business resilience when trading becomes less turbulent.

Research from McKinsey shows organisations that lead the way in customer experience recover more quickly from economic downturns, and see three times greater returns, than retailers which lag behind in their customer experience offering.

One area in the customer journey that has avoided scrutiny for too long is the post-purchase experience. This 'final frontier' in online shopping is ripe for change, as retailers continue to be judged on the quality of their chosen logistics and home delivery providers.

The result? Their reputation hinges on the one part of the customer experience that's almost entirely outside of their control. A significant proportion of 1-star Trustpilot reviews - up to 80% - are associated with delivery problems, putting significant strain on customer service teams.

If that's not enough to start alarm bells ringing, over two thirds of shoppers claim they will tolerate a maximum of just three bad experiences before they stop buying from an online retailer.

So how can e-commerce businesses plug this gap between the online purchase experience and the fulfilment of that purchase? Forward-thinking retailers are looking to technology for the solution, using artificial intelligence to power conversations with their customers at scale.

Chatbots and automated customer service tools have been around for some time now. But, the problem is, many providers use generalist natural-language processing (NLP) engines from off-the-shelf providers like Amazon and Google.

The result is robotic, machine-like conversations, as traditional chatbots lack the depth of understanding to handle complex customer queries in relation to retail services, and particularly the last mile delivery aspect.

The key is narrowing the use case for NLP platforms to solve a specific problem for a specific industry – in e-commerce’s case, post-purchase pain points for customers. This focus enables intelligent conversations between customer and retailer via the likes of WhatsApp and Facebook Messenger to handle ‘where is my order’ queries, in-flight tracking, management of returns and general queries.

This power to emulate truly human-like conversations not only has the potential to transform the post-purchase experience for retailers, with real-time notifications and delivery alerts, but the more fundamental ways in which they transact with their customers.

We only have to look to China for successful applications of conversational commerce technology, where the whole process of discovering a new product or experience, buying or booking it and then telling our friends about it, can take place in WeChat.

I believe that popular messaging apps such as WhatsApp and Facebook Messenger will soon become the sales channels of choice for customers here too.

We now have the AI technology to enable retailers to connect some of the most widely used apps on the planet with their order management systems, bringing shoppers and sellers closer together on the apps they use and love the most.

This is a win-win for the e-commerce industry. For retailers, the operational and cost savings are clear - from reducing the time spent handling customer complaints to unlocking the full spending potential of their customer base.

Lockdown restrictions may have jumpstarted the e-commerce boom, but the increase in demand is here to stay. It’s high time for retailers to invest in the final and most important stage of the customer journey, from the point of purchase through to their front door. Only then can e-commerce offer a post-purchase experience that truly delivers.