5 | Making deals

Discussion

1 In small groups, discuss these questions.

1 Do you prefer shopping in a store or on a website? Why?
2 According to Jupiter Research, 'Less than 5% of people visiting a website ever turn into paying customers.' What can e-tailers do to make visitors actually buy products?

Scan reading

2 Compare your ideas about the second question in 1 with those in the article opposite. The words in grey are explained in the *Wordlist* on page 155.

Reading for detail

3 Read the article again and put these paragraph summaries in the correct order.

- ☐ Animated sales reps are cheaper than real people and can increase sales by one third.
- ☐ Though interactive discussion boosts sales, e-tailers have to be cautious.
- ☐ Only a very small percentage of visits to websites produce sales.
- ☐ Customer tracking is often badly perceived by online shoppers, who may prefer to shop privately.
- ☐ Live web chats with sales reps double online sales.
- ☐ Customer-tracking systems can provide help for customers when it is appropriate.

Roleplay

4 With a partner, roleplay newspaper interviews with a New York University researcher and an Overstock customer-service rep using information from the article opposite.

Listening

5 🔊 2:25 Listen to a chat show discussion about conversational agents and mark these statements *T* (true) or *F* (false).

1 Hermelinda's job is to help e-tailers increase their sales. ☐
2 Advertising on the Internet increases traffic but not necessarily sales. ☐
3 Small e-businesses can't afford conversational agents. ☐
4 Conversational agents are intelligent computer programs. ☐
5 Fifty per cent of customers are happy to talk to a machine. ☐
6 Giving customers more information increases the chance of making a sale. ☐
7 For customers, hearing a conversational agent speak and reading a website has the same effect. ☐

Discussion

6 In small groups, discuss the questions.

1 Would you prefer to interact with a conversational agent, to chat online with a real sales rep, or to browse without help? Why?
2 Do you think conversational agents are appropriate or useful for all e-tailing sites? Why (not)?
3 Suggest characters for online conversational agents on the following websites.

> Amazon (books)   Dell (computers)   Oréal (cosmetics)
> General Motors   The Tourism Authority of Thailand

Think about profession, age, looks and what they would be wearing.

E-tailing:
It's all about service

Turning surfers into shoppers requires new levels of help online. The trick is providing it without seeming to be too pushy.

Today, most websites are easy to use and provide reliable and cost-effective shipping. But despite e-tailers' best efforts, lots of 'eyeballs' out there still aren't necessarily translating into sales. According to Jupiter Research, less than 5% of people visiting a website ever turn into paying customers. And if the rest have clicked through a paid search ad without buying anything, bringing them to the site actually costs the website money.

SMOTHERED WITH LOVE How to convert these window shoppers into paying customers? Overstock.com believes in customer service. It now has 60 highly trained customer-service reps, about 20 to 30 of whom staff a 24-hours-a-day department to answer customer questions via live web chats on the site. When a customer engages in a live chat with a sales rep, the average purchase doubles in value, Overstock has found. 'We're all about smothering the customer with love,' says Overstock CEO Patrick Byrne.

'... smothering the customer with love.'

Then there's LivePerson, a publicly-traded New York firm that makes customer-tracking software. What's most cool about LivePerson's technology is that it follows what customers are doing and can automatically flag and offer help to e-customers based on rules individual e-tailers set.

ANIMATED CHARACTERS Other small, private companies, like Oddcast in New York and Pulse in San Francisco, offer animated characters who act as sales reps on e-tail sites, drawing from a databank of voice answers to commonly asked questions. Oddcast's 'SitePal' has been adopted by many smaller retailers who can't afford as many live customer-service reps as Overstock. Software e-tailer Goldfish Software credits its animated sales rep with converting 33% more of its browsers into buyers.

OPPOSITES ONLINE Other sites are closely watching how people navigate a site, and testing out what pages or promotions work best with different customer groups. But seller beware: research done by New York University's Stern School of Business has found most shoppers consider tracking without their consent a violation of their privacy. When in a store, a customer has no expectation of privacy. But when someone is shopping online, he or she is usually at home or at work. A sales rep barging into your shopping experience can feel like an invasion of privacy. 'This is a lot about expectations,' says NYU Marketing Professor Eric Greenleaf. 'You feel like it's private when you're at home, as opposed to being in a store.'

RULES FOR CHATTING Overstock limits chats to about 10% of its customers, even though sales rise briskly with customers who are engaged in an interactive discussion of products. Says Tad Martin, Senior Vice-president for Merchandising and Operations at Overstock: 'We're taking the conservative approach right now. We don't want to be intrusive.'