

# **Conversational agents to enact value propositions for an intimate, intelligent, and seamless experience**

*Ranieri Angelo, Russo Spina Tiziana, Tregua Marco, Mele Cristina*

**Purpose** - Value proposition is a key element in business debate; it recalls one of the building blocks of business models (Amit 2010), and it also describes away to drive value co-creation in service studies, thus expanding its effects to stakeholders instead of focusing just on B2B or B2C relationships (Vargo, 2011; Kowalkowski, et al., 2012). Nenonen et al. (2020) stressed the centrality of value propositions in expanding business opportunities for firms through the enhancement of resource integration, a collaborative process of value proposition, and new ways of communication to shape markets via value propositions.

Nowadays, new technologies bring a major challenge for firms as well as for society, due to the ubiquitous availability of firms' offerings (Nylén and Holmström, 2015; Li et al., 2018). According to some scholars value propositions turn into digital value propositions, a digital form of value demonstration (Ritter, 2020).

However in the new phygital era the focus is more on the integration of digital activities in the process of setting a value proposition thanks to a combination of new technology infusion, a strategic decision-making leveraging on customers participation in design, and a stakeholder-centric approach (Balakrishnan and Das, 2020). New tools to support value propositions with integration between different intelligent and assistive technologies (Chatbot, Ai, ecc.) are emerging. Generally, different terms are used as synonyms for "chatbots" in literature to describe instruments shaping the interactions with customers (Xiao and Kumar, 2021). These terms include "virtual assistants", "digital assistants", "conversational agents", "chatterbots" or "natural dialog systems" amongst others (cf. Bibault et al. 2019; Dale 2016; Shawar and Atwell 2007a; Tavanapour et al. 2019). These technologies, and especially those that foster communication, shape value propositions are still in infancy. There are not many detailed insights on the benefits of chatbots for this domain and there is little practical experience.

This paper aims at analysing the new forms of value proposition enabled by virtual or assistive bot.

**Methodology** - In order to deal with a complex social phenomenon and its dynamics, this study adopts a multiple case study method (Gummesson, 2017), representing qualitative research. In particular, the research process is developed in two different phases: one based on the analysis of 10 technology providers offering chatbot solutions, and one based on the examination of 28 firms implementing these chatbots solutions. The Technologies Providers are identified through a cross analysis of worldwide reports (Gartner and Forrester), aimed to have a wide overview on the key global players. This process led to obtaining a rich data collection and appropriate informations to describe (a) the main features of chatbots, and (b) the value proposition addressed through them. Subsequently, the analysis on the results of the firms implementing intelligent chatbots provided by the technology providers from the previous research step, led to highlight the value proposition addressed through chatbot from a different perspective. In particular, this second step required a data collection process, ranging from official company documents of the technology providers and of the firms implementing chatbots in their value proposition, such as website and archive documents, to online documents from multiple sources, as well as interviews, journals and published materials, in order to increase the confidence in the information and to stay up-to-date with an ongoing topic. This double perspective led us to bring a more solid approach to the analysis.

**Findings** - The preliminary findings offer the opportunity to advance the literature on value proposition as they show that chatbots enhanced value propositions by enabling three main

aspects: information-based, content-enhanced and actor's integrated.

It supports companies in addressing greater customer intimacy with information-based value propositions. Value propositions improved with real time and personalised information, steering the way customers can be engaged and satisfied.

Also, chatbot supports an intelligent experience through the development of a content-enhanced value proposition thanks to their ability to look for opportunities that go beyond what the customer was expecting and to identify cross/up-sell opportunities that resonate with customers (i.e., the way languages, images, suggestions can be used to convey much more than a product and multiplying the opportunities for marketing activities as well as innovation).

Finally, it supports an integrated experience as chatbots can allow an actor's integrated value proposition. Indeed, integrated chatbot platforms provide customers both with interactions through multiple channels, and with the easy availability of information and resources taken from other business participants in ways to create significant value proposition both for customers and other partners.

**Implications** - This research has a three-fold contribution, as it infuses the role of chatbots in value propositions, proposes new opportunities for service studies, and sheds new light on service activities for practitioners. First of all, value propositions addressed with chatbot enrich the interactions between firms and customers as data and information are contextualizing value propositions, thus making firms' offering more customized and ubiquitously available; this expands previous studies (e.g., Nylén and Holmstrom, 2015) as the concept of intimacy shows the one-to-one relation that emerges between a firm and a customer. Additionally, the focus on chatbots describes a new way to integrate resources towards value proposition, thus the enhanced and collaborative process of shaping a value proposition (Nenonen et al., 2020) is confirmed and framed in a novel way depending on chatbots as agents communicating value propositions, collecting data, and co-constructing value propositions with customers.

Secondly, service studies on experience recently paid attention to the effects of the whole set of interactions a consumer may experience with a firm, leading to more empowered and participative customers, as stressed by Balakrishnan and Das (2020); the novel interactions depending on chatbots are not just ways to replace human-based interactions, but the inner intelligence of these interactions make value proposition wider, namely expanded towards new sales opportunities, enriched manners to engage customers directly, and a more aware process from both firms and customers due to the suggestions arising in the interactions. Therefore, these novel opportunities may bring new opportunities for service scholars to understand the co-creative effect of firms and customers via chatbots, thanks to their availability 24/7, the use they can make of data, and the expansion of the resource integration process to multiple actors. To sum up, chatbots-based value propositions integrate the resources, contributions, and intelligence - both human and artificial - of firms, consumers, and other stakeholders, paving the way towards new chances for value co-production and co-creation.

Finally, firms are already paying attention to what chatbots may offer, but due to the infancy of these new tools, further efforts are needed to shape the intimate, intelligent, and seamless experience through which marketers may offer more opportunities to shape value co-creation processes with customers and offer them an enriched experience starting from the value proposition itself.

**Key words:** chatbots, virtual assistant, conversational agents, digital value proposition, new technologies

**Paper type** – Conceptual paper