

Conversational AI

The x-factor in modern-day communications!

SURBO



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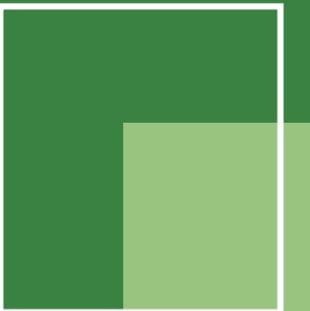
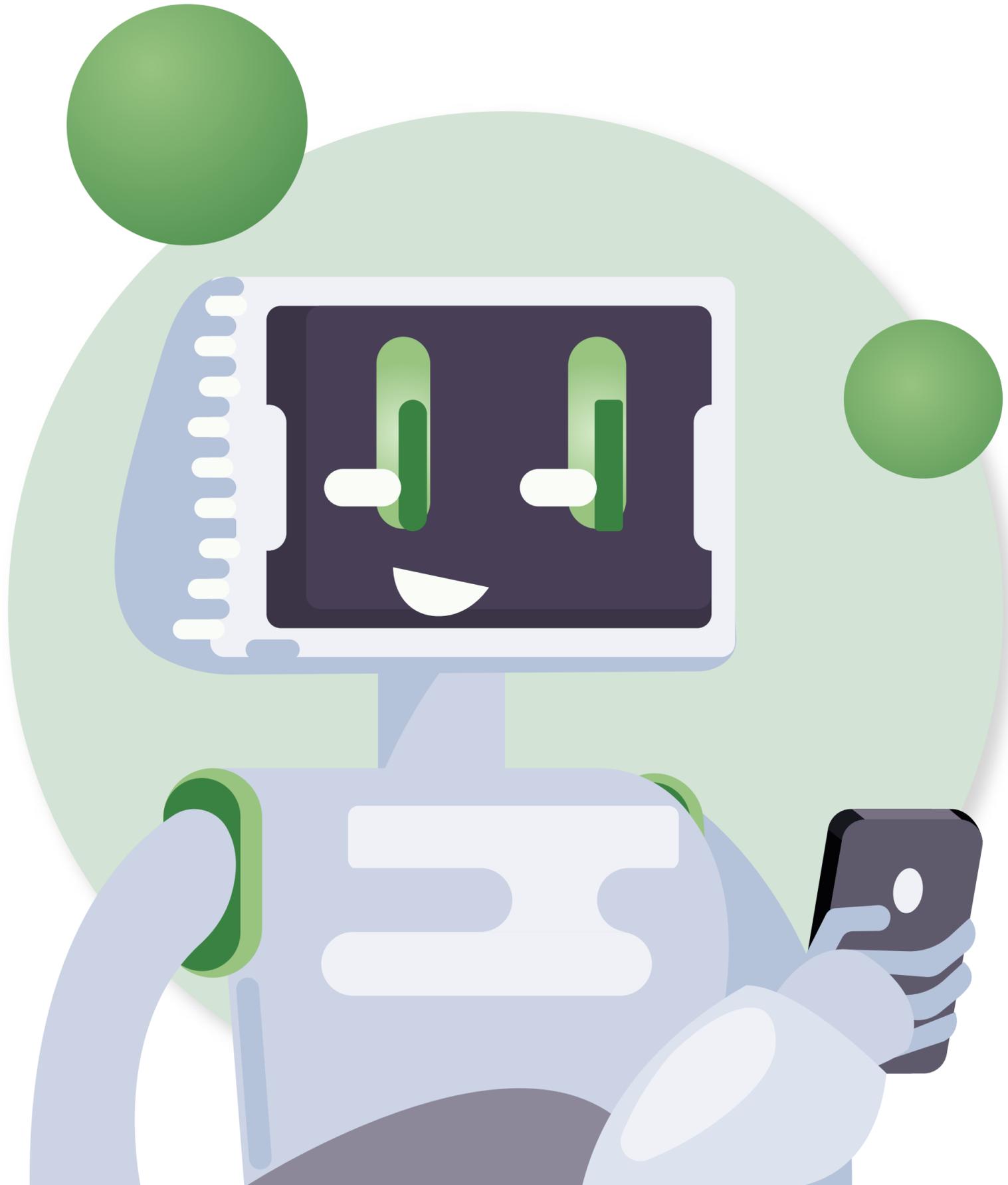
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Conversational AI

- Conversational AI is the next big wave in customer experience & communications.
- The advances in automation, artificial intelligence (AI), and natural language processing (NLP) have made it possible to design cost-efficient digital experiences.

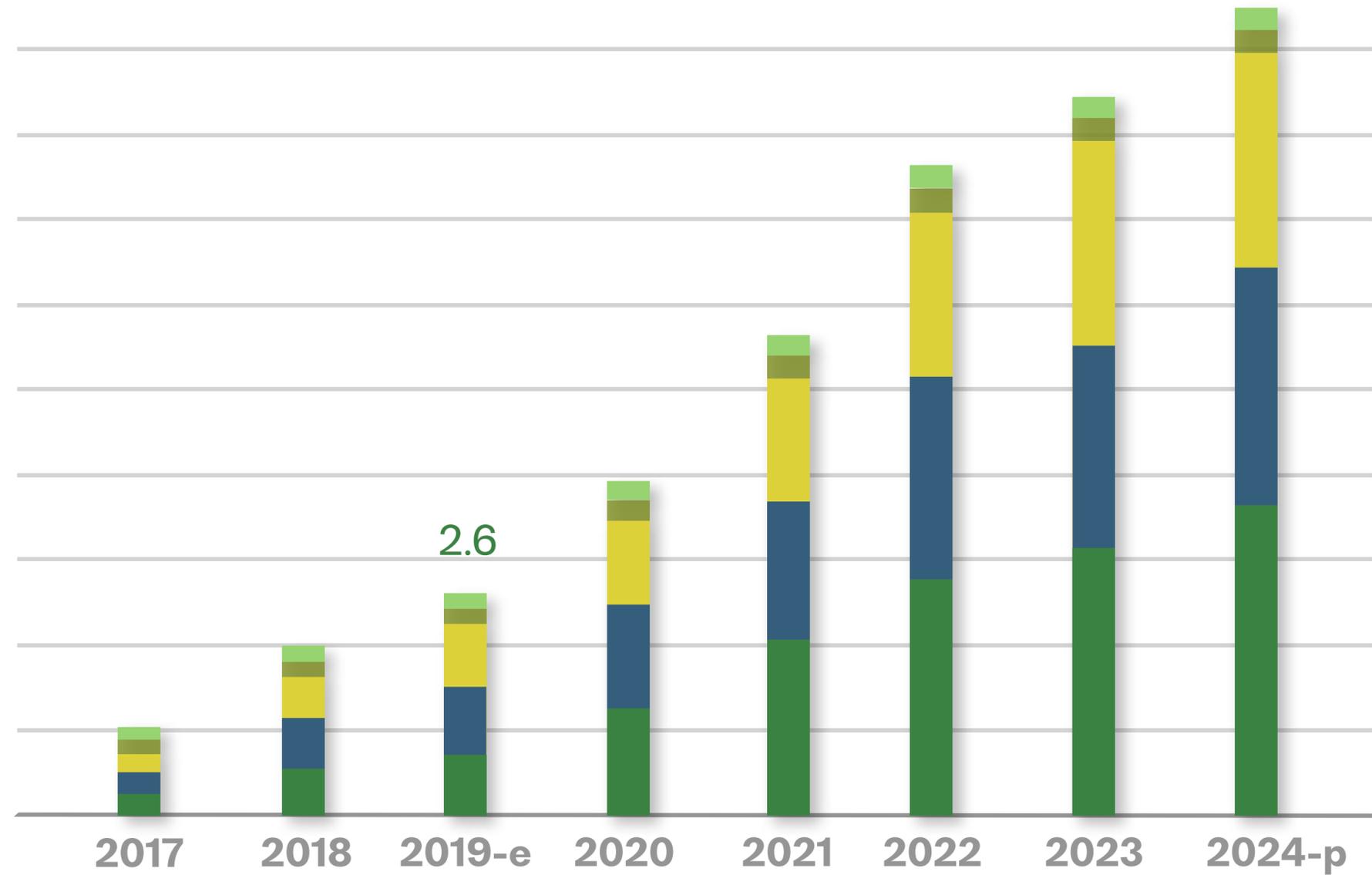


What is conversational AI?

An artificially intelligent way of communication to mimic human responses via digital & telecommunication channels such that it satisfies both customer & organisational interests.

Global Trends

Chatbot Market by Region (USD Billion)



e: estimated

p: projected

■ North America ■ Europe ■ APAC ■ MEA ■ Latin America



The Global chatbot market is more than \$ 2.7Billion currently & is expected to reach \$ 9.4Billion by 2024.

By this year, 80% of enterprises will look to use chatbots.



USA, India, Germany, the UK, and Brazil are the top 5 Chatbot using countries.

The chatbot market's growth will accelerate even more in the 2016-2023 period.



56% of companies say conversational bots are driving disruption in their industry, and 43% report their competitors are already implementing the technology.

What Global marketers Think?

“ I believe conversational AI will increase engagement and in turn demand for the brands. Brands can now be within reach of their consumers 24/7. The brands who invest in improving their consumer experience will greatly benefit from this technology. ”

Vamsi Reddy
Country Manager
Deskera

“ Businesses happens in a market and markets are created with people’s footfalls. In today’s world the people’s footfall, interactions, hangout, etc. has been moving from physical to virtual. For the businesses to be Victorious there was a need to be available as Virtual, then you had to be Vocal(Marketing) but it has been missing the value of being conversational. An AI powered conversion is an answer to the need to make conversations pre-emptive, taking care of the perspective and highly personalized. The technology is here and it has a long way to grow to be able to deliver its true potential of an experience where it might act as businesses’s best sales and customer relationship manager. ”

Mayank Singh
Head of Marketing
Domino’s

**Conversational AI is considered
to be the next big thing?**

Organisational Outcomes



Chatbots vs Apps

Which of these benefits do you most associate with communicating with businesses?



Chatbots are getting enormous popularity worldwide because of its ability to increase customer acquisition & reduce churn.

It is predicted that 85% of customer support interactions will be performed by a chatbot by 2020.



When designed & deployed flawlessly, chatbots can help increase revenue per customer & at the same time reduce the cost to serve.

Chatbots will generate over \$8 billion in global savings by 2022.

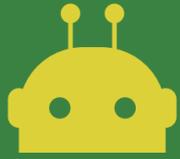


Customer's Delight



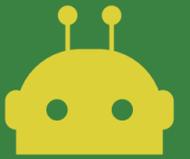
Predicted Use Cases for Chatbots

What do you predict you would use a chatbot for?



80% of consumers who have engaged with a chatbot report it as a positive customer experience.

Chatbots being available 24*7 all over the calendar makes them more lovable by customers.



69% of consumers prefer to use chatbots for the speed at which they can help communicate with a brand.

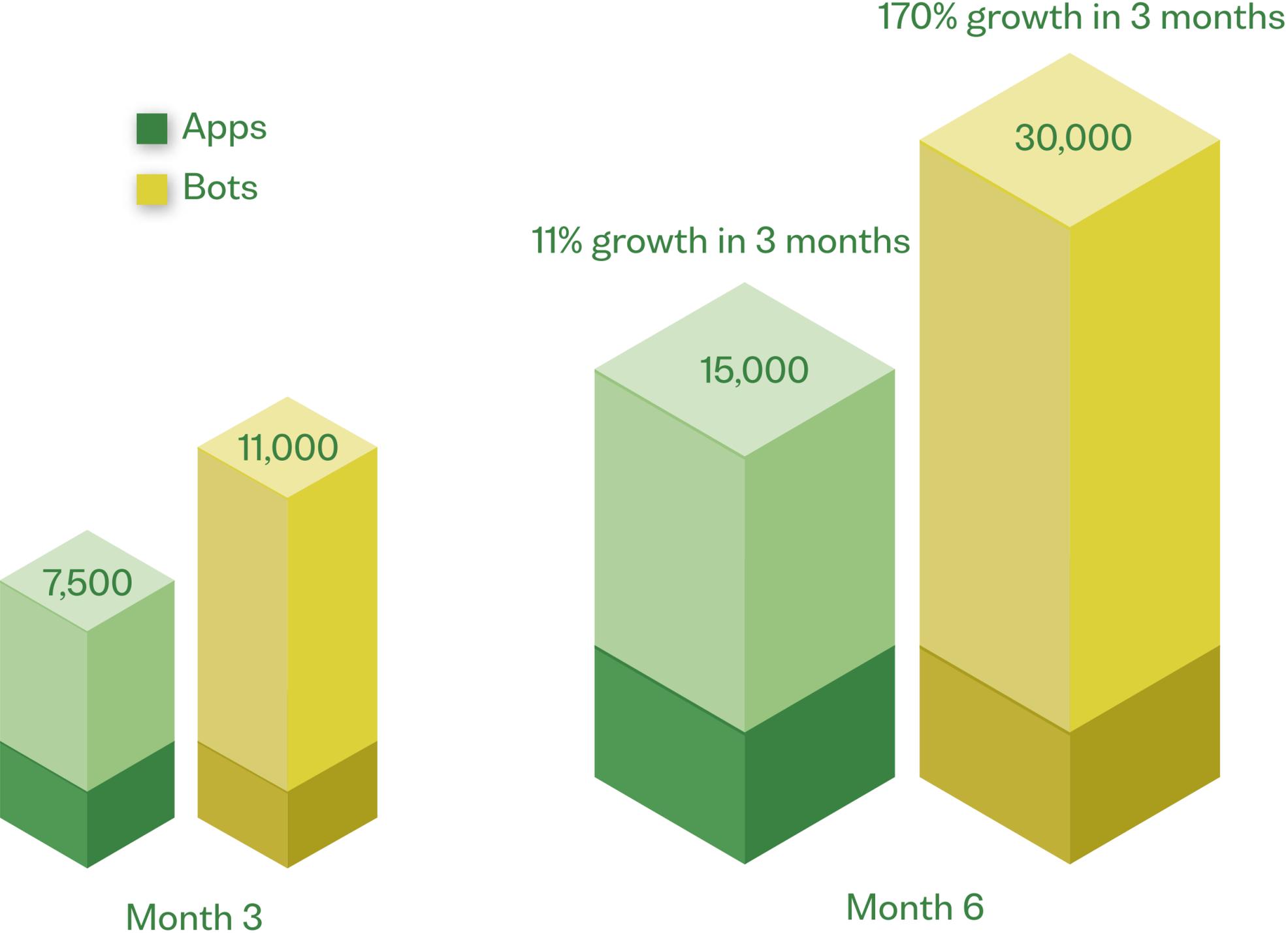
Conversational AI is a personalization enabler which benefits customers & creates differentiated experience.



Economies of Scale

Initial Growth Of Apps Vs. Messenger Bots

Number of apps and bots available in 3 months vs 6 months





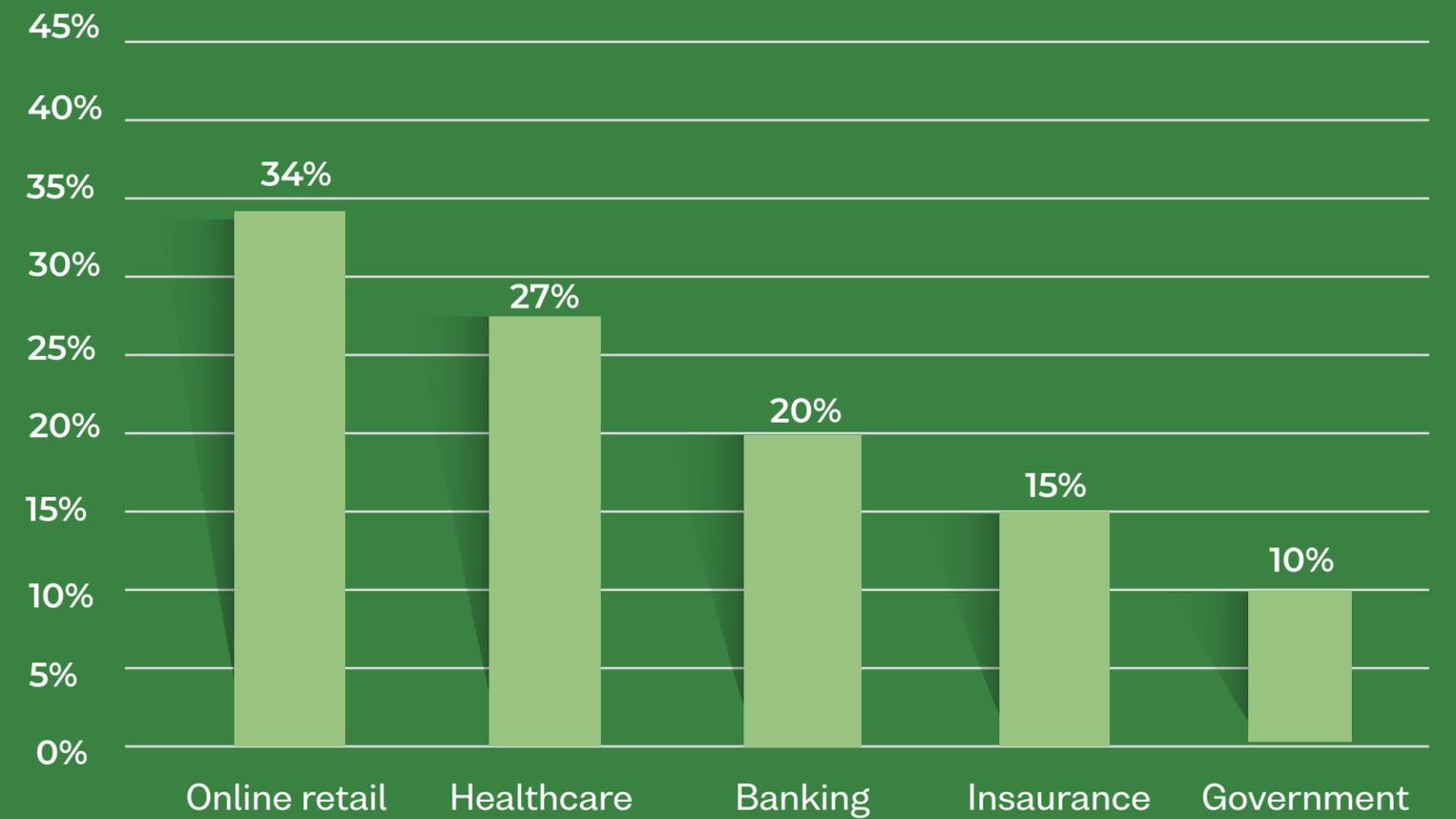
The Beauty of Conversational AI is in its scalable use. Starting small, the solutions can be scaled and molded at any time & the higher it scales, the cheaper it gets.

According to Accenture Digital, 57% of businesses claimed that chatbot delivers a large Return on Investment on minimal investment.



Major Adoption across Industries

Chatbot adoption across different industries



Retail

- Retail is witnessing the sharpest rise in the adoption of chatbots.
- Consumer retail spend over chatbots will reach \$142 billion by 2024; rising from \$2.8 billion in 2019.
- Retail sales from chatbot-based interactions are forecast to almost double every year to \$112 billion by 2023.
- Almost 24% of retail & consumer products leaders are already using smart assistants, which is just after BFSI.

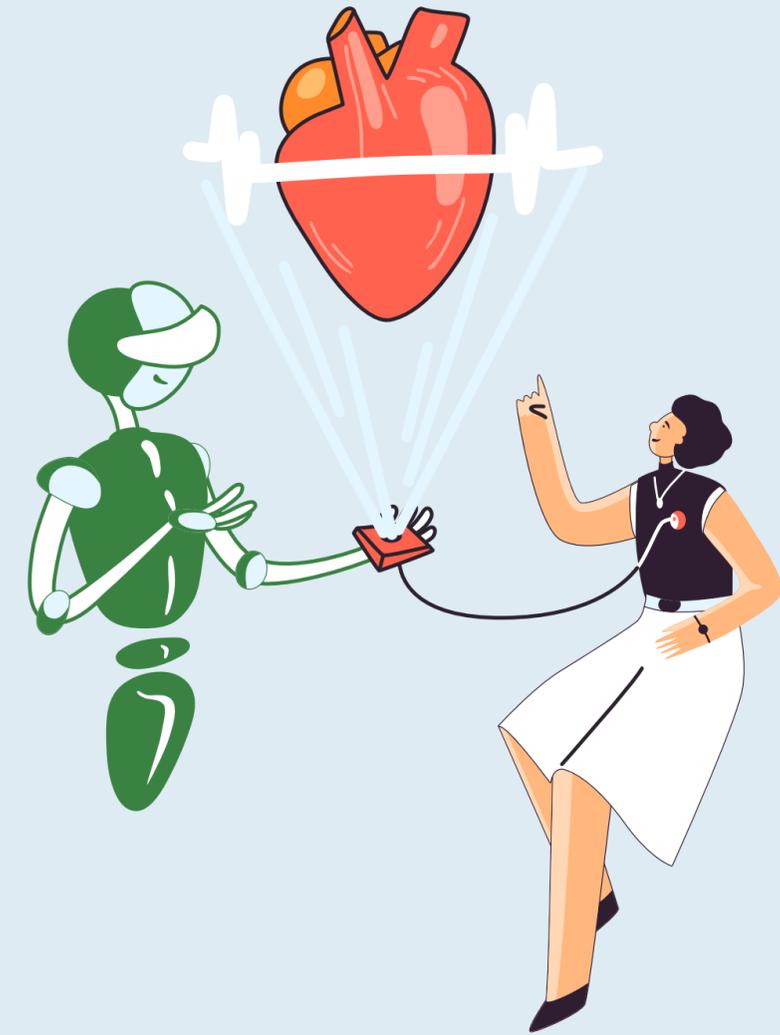


Top Use cases

- Product discovery & sales
- Feedback
- Lead Generation

Healthcare

- Studies suggest that the adoption of chatbots will increase as citizens are becoming more comfortable using chatbots to discuss their healthcare requirements.
- Healthcare chatbot interactions to reach 2.8 billion by 2023, as conversational AI becomes the future of healthcare.
- Increased sophistication of conversational AI platforms leading to a greater percentage of enquiries being completed entirely via chatbots; freeing up the medical staff time and saving countries' healthcare systems around \$3.7 billion by 2023.

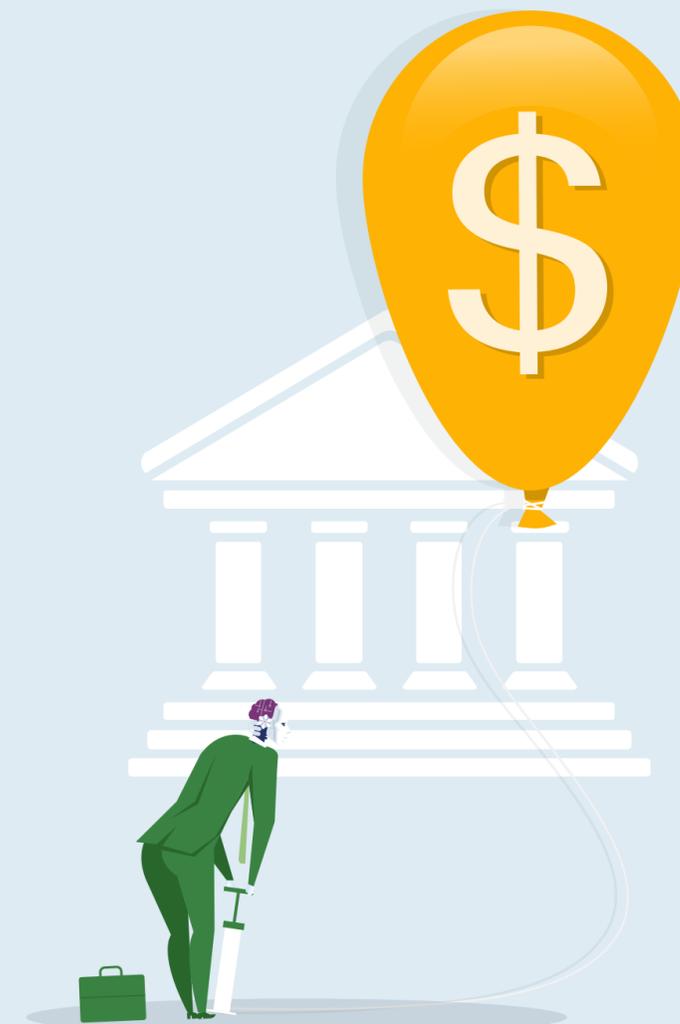


Top Use cases

- Appointment booking/scheduling
- Doctor's preference

Banking & Financial Sector

- BFSI is the frontrunner in adopting conversational AI-based solutions across multiple use cases.
- In 2017, Accenture revealed that a whopping 71% of respondents are open to the idea of Robo-advisors helping them determine which bank account to open.
- In 2022, the banking industry could see the success rate of bot interactions reach over 90%.
- Almost 50% of banking and insurance leaders are already using smart assistants (highest adoption).
- AI-powered chatbots saved banks \$127m in 2019.
- Bank cost savings via chatbots to reach \$7.3 billion by 2023



Top Use cases

- Intelligent credit decision
- Fraud Prediction
- Lead Generation
- Feedback

Conversational AI clones key technological components

Natural Language Processing

- Ability to “read” or parse human language text
- Pre-requisite for understanding natural sentence structures versus simple keyword “triggers”.
- Massive shift from data-driven to intelligence-driven decision making.

Intent Recognition

- Ability to understand what the user is requesting, even if phrased unexpectedly.
- Good intent recognition is vital if you don't want to annoy your users with roadblocks in the experience.

Machine Learning

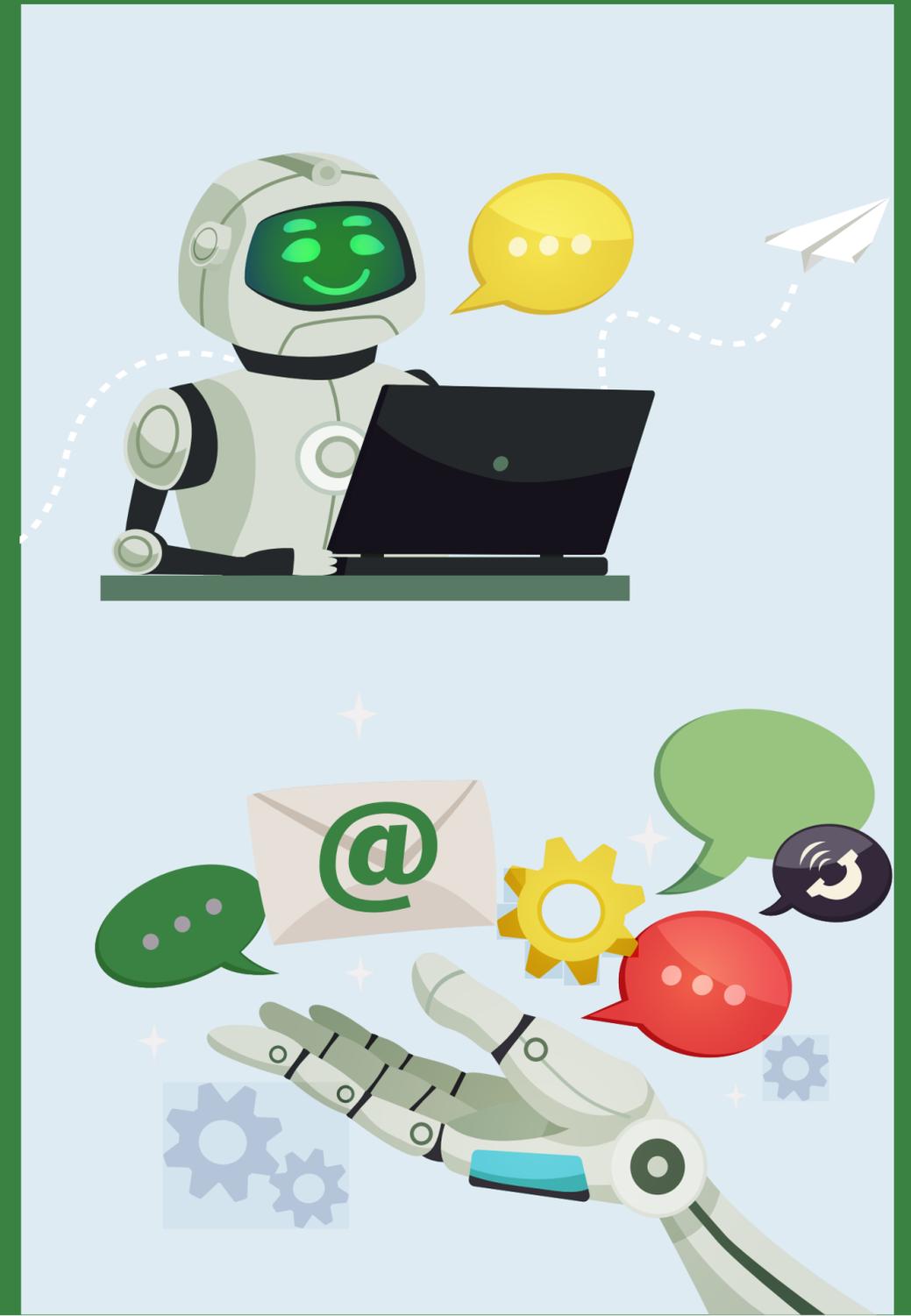
- Learn how to better respond to the user by analyzing human agent responses.
- Necessary to improve intent recognition.

Contextual Awareness

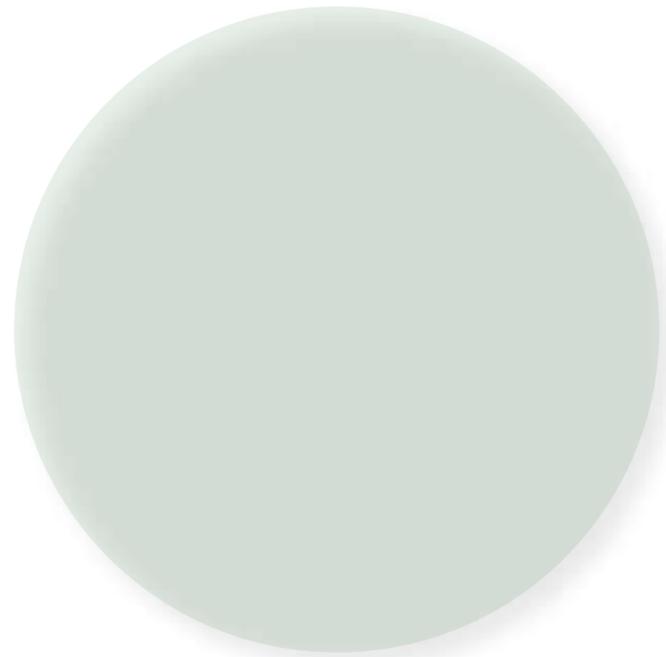
- Ability to follow conversation history, translate, recall and memorize information over conversations necessary for natural, human-like back and forth conversation.

Contextual Awareness

- Ability to converse in a language which customer is comfortable is considered to be a great deal for chatbots.
- Vernacular is considered to be the third big “V” in 3 Vs of today’s AI powered Chatbots after voice & video.
- 88% of users are more likely to respond to a digital advertisement in their local language as compared to English.

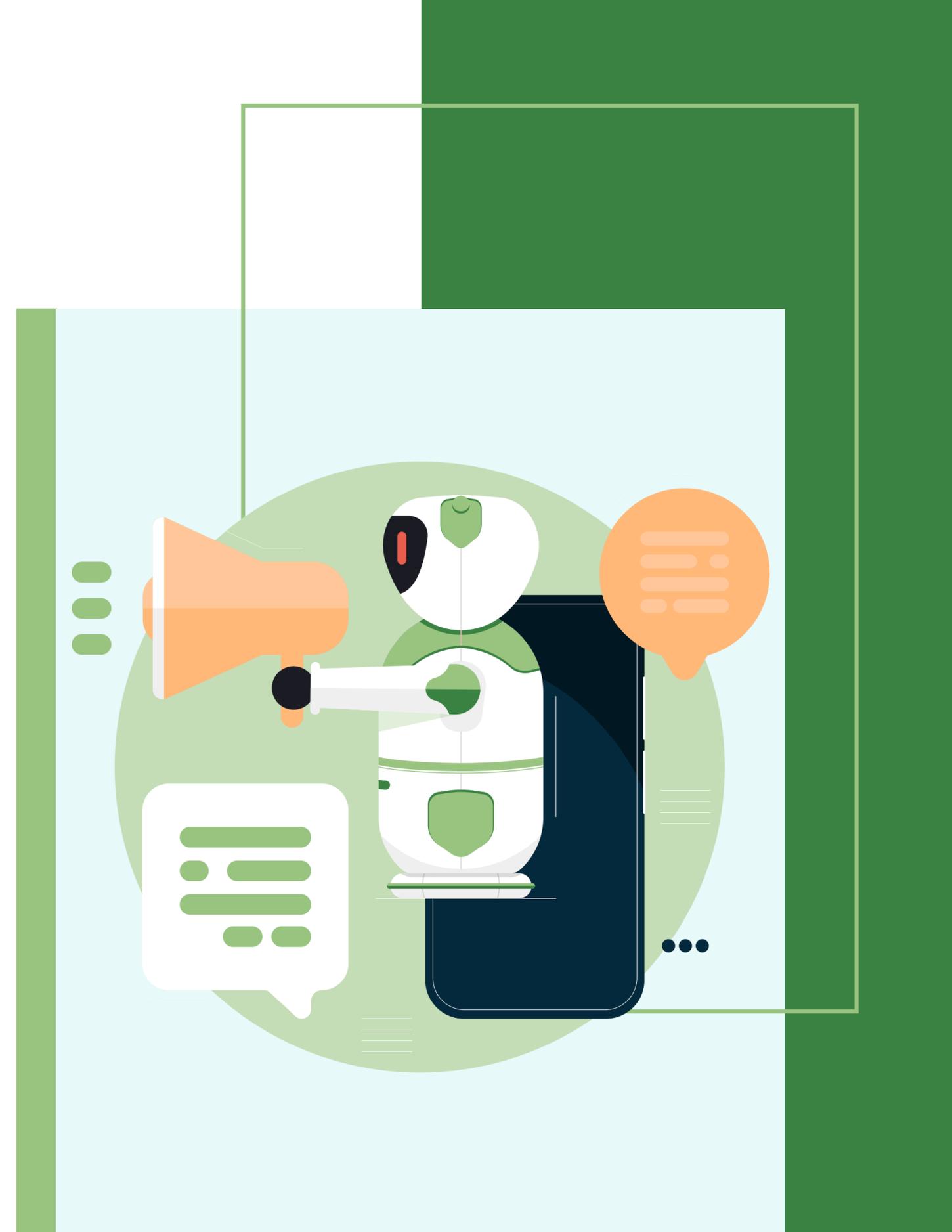


The 3Cs of Conversational AI



Conversational Marketing

Conversational marketing is a new, personalized approach to doing business online. The idea behind the concept is to engage the customers, understand the need & suggest appropriate results all by deploying Artificially Intelligent Assistants.





When a sales rep responds to a query in less than 5 minutes they are 21x more likely to convert that into a real opportunity versus just waiting an hour.

It usually takes an average of 4.3 days for sales reps to schedule a meeting with a prospect after an initial web form is submitted. During that time, 38% of qualified leads have chosen another vendor. In fact, studies show that 50% of sales go to the vendor that responds first.



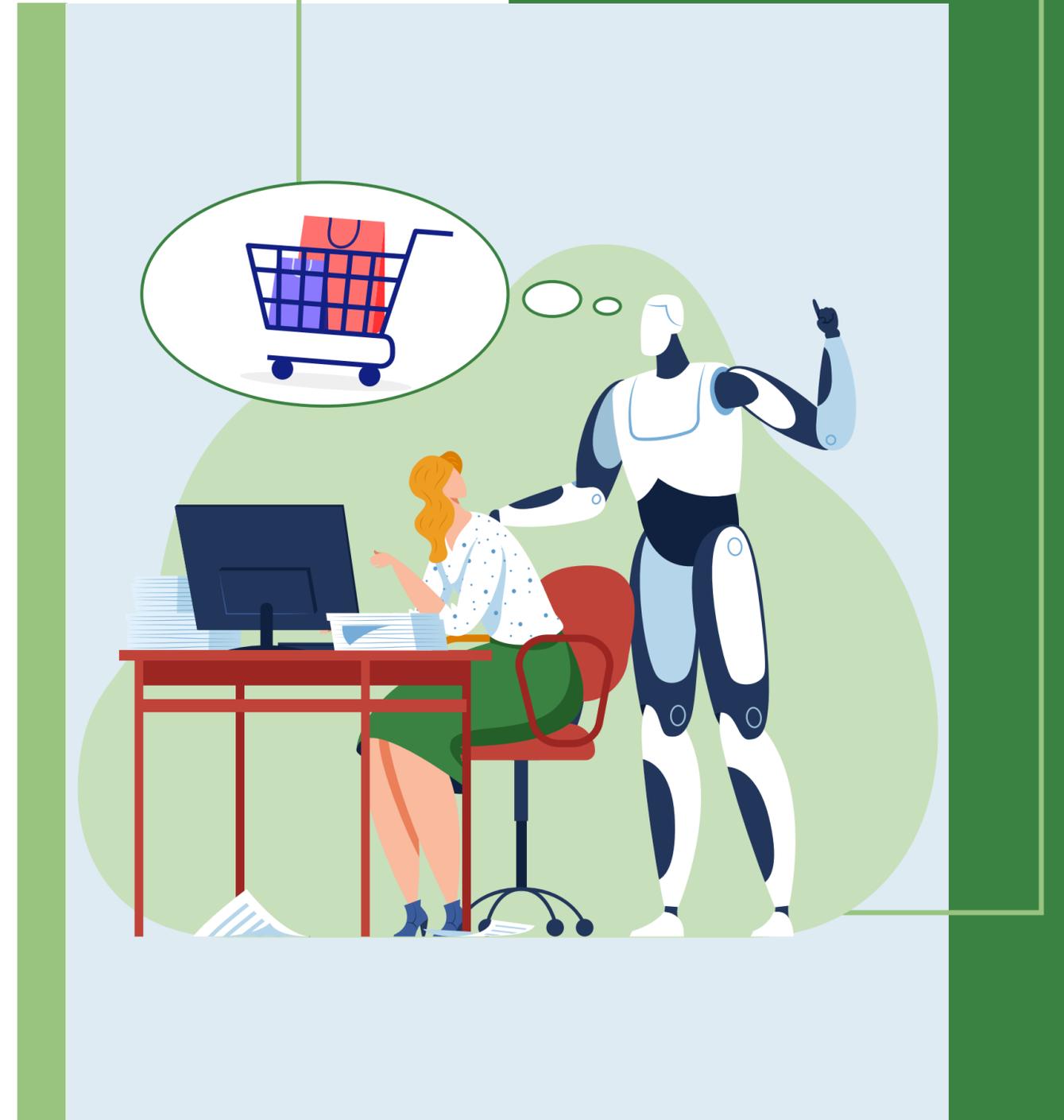
73% consumers point to online experience as key factor in purchase decisions.

A poor online customer experience will prevent 3 out of every 5 customers from making future purchases from a brand.



Conversational Commerce

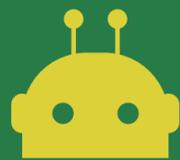
Conversational Commerce is an exciting new model of buying that sits at the sweet spot between offline and online retail, offering consumers the best of both worlds without the corresponding friction that can be found in either environment.





46% shoppers started shopping online due to Conversational Commerce.

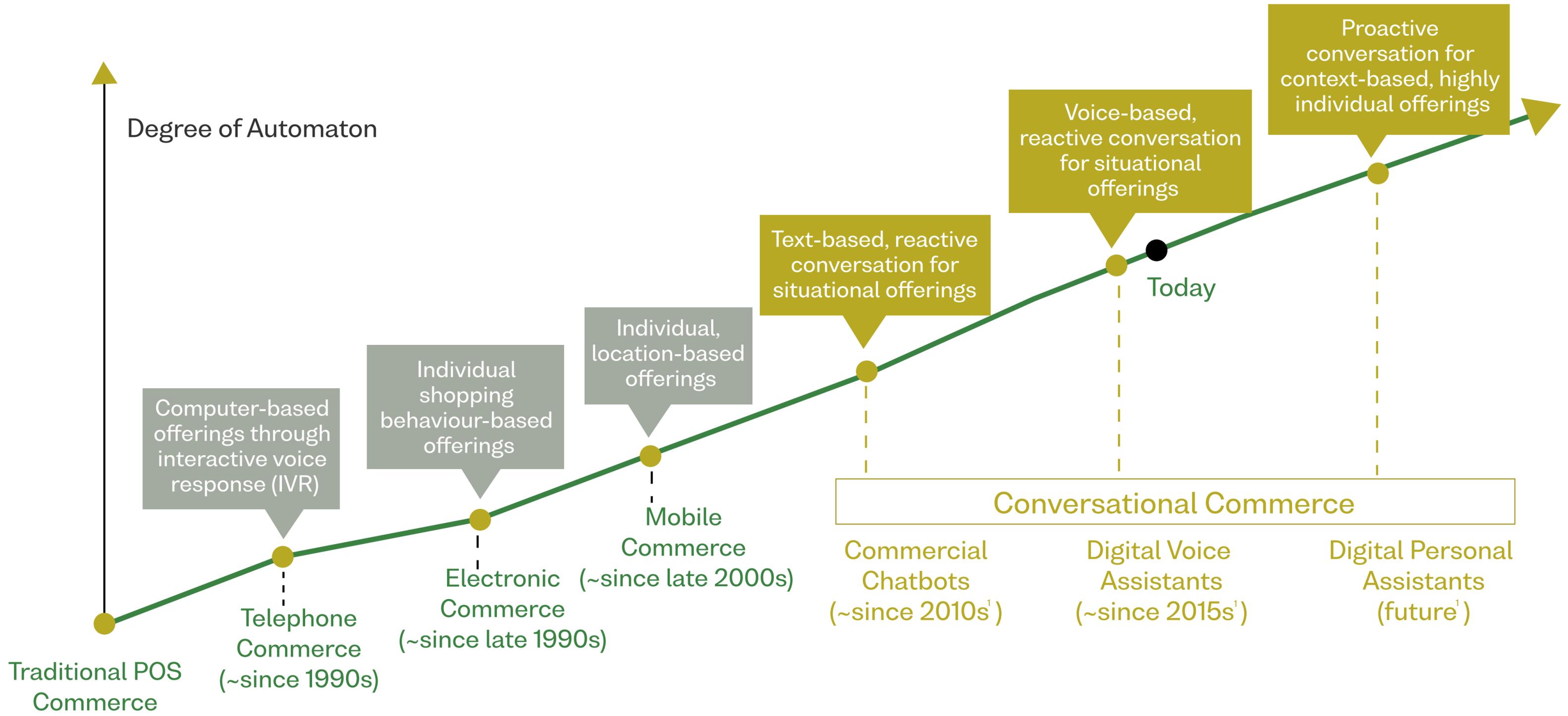
96% shoppers plan to increase or maintain spending by messaging a business.



76% shoppers are more likely to buy from a business they can message.

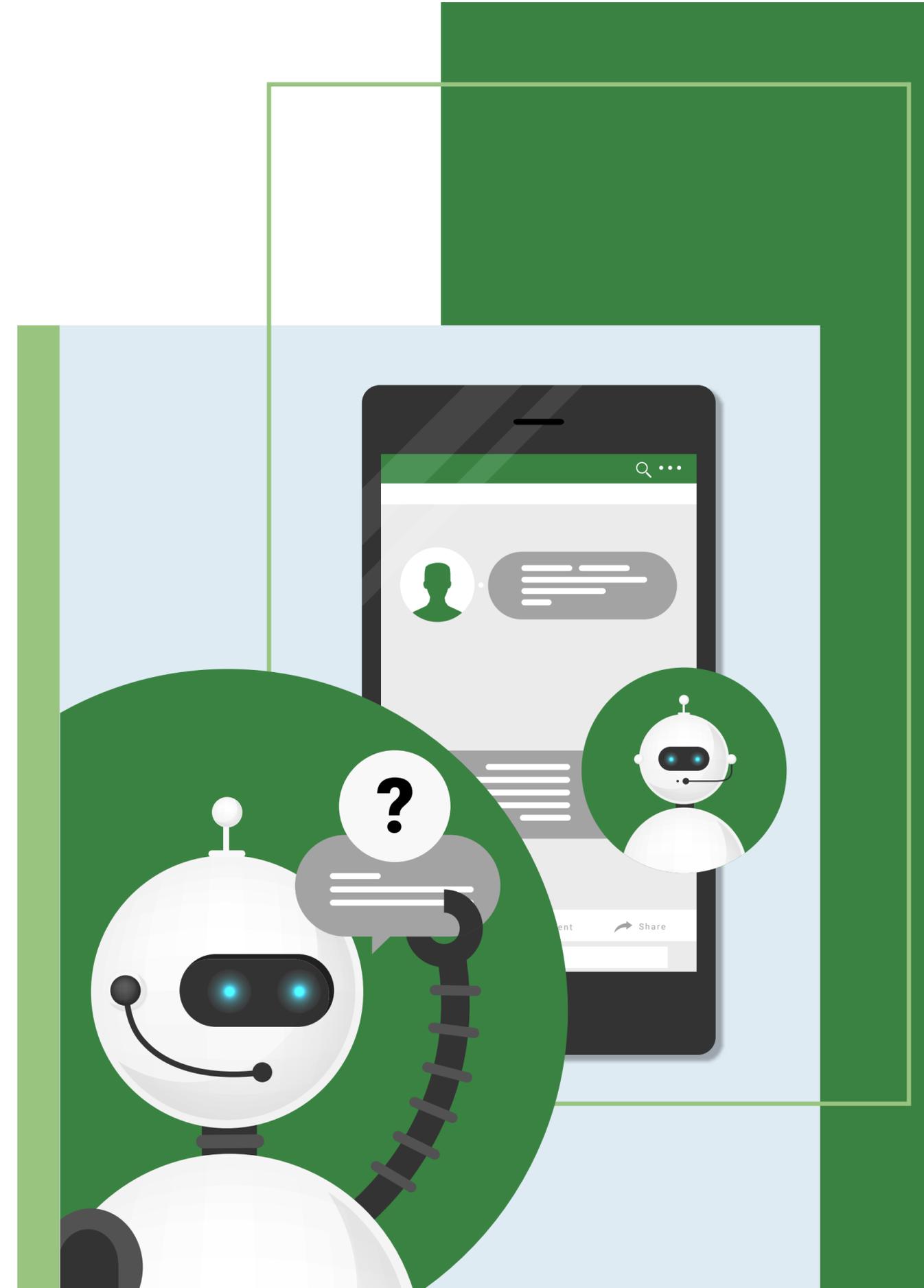
91% shoppers want businesses to have stores on WhatsApp or other messaging platforms.





Conversational Contact Center

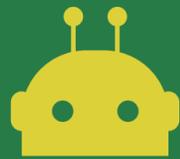
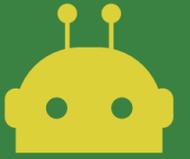
Conversational Contact center is an application of AI that empowers human like conversations over multiple channels & languages & can revolutionize the way organisations communicate with their customers.





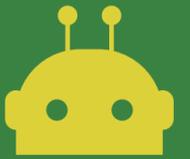
Businesses can reduce customer service costs by up to 30% by implementing conversational solutions like virtual agents and chatbots.

The average cost of a customer service phone interaction is around \$35 to \$50 per interaction. Text chat, by comparison, is significantly less expensive, averaging around \$8 to \$10 per session.



68% of WhatsApp users agreed that WhatsApp is the easiest way to connect with a business.

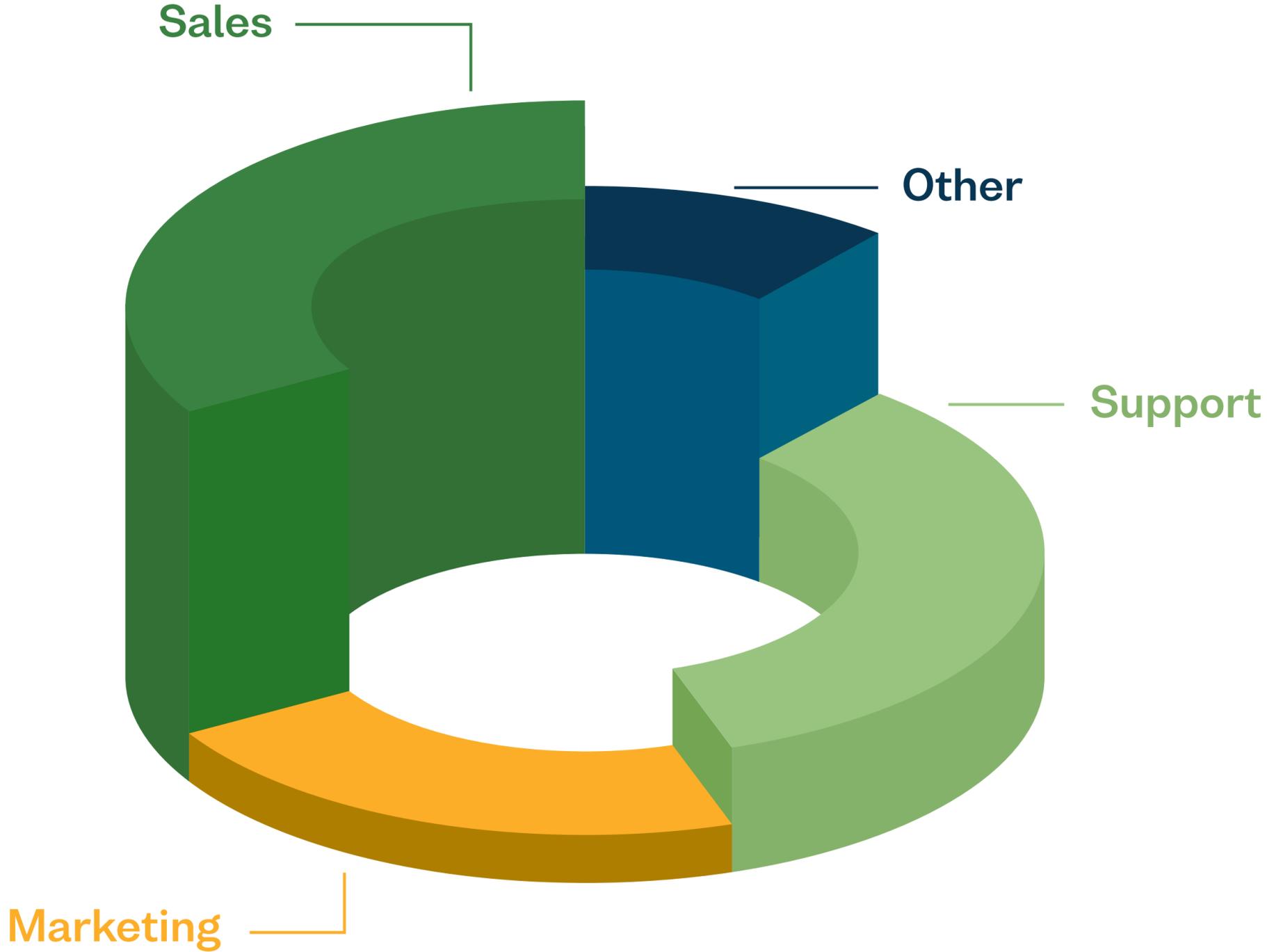
84% of the people want to be able to make a general inquiry via messaging.



50% more customer satisfaction scores, when companies use 50% messaging as opposed to the phone.

Chatbots are most commonly used by Sales

What is the main function of your chatbot?



Future trends of Conversational AI

- AI-derived business is projected to be valued at \$3.9 trillion by 2022.
- Chatbot automation translates to \$23 billion in savings from annual salaries.
- Retail, banking, and healthcare will realize cost savings of \$11 billion annually by 2023, up from an estimated \$6 billion in 2018 because of chatbots.
- Chatbots are projected to save 2.5 billion hours for businesses and consumers from chatbots by 2023.
- Chatbots are projected to save \$0.70 per customer interaction.

- People from 195 countries use online chat to start conversations on business websites.
- 75% to 90% Projected percentage of queries to be handled by bots by 2022.
- 70% of chatbots accessed will be retail-based by 2023.
- 66% of Millennials versus 58% of Baby Boomers consider 24-hour service as the top benefit of using chatbots.
- 54% of customers say companies need to transform how they engage with them.
- By 2023, 50% of the chatbots accessed will be through discrete apps, with complete bot integration overturning the make-up of current app functionality.

SOURCES

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