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1.1 Why Read this Report

Although the chatbots market is now relatively fragmented with many brands and enterprises offering some type of chatbot integration. In order to maintain market share, vendors must continue to provide the most advanced AI software such as NLU and the ability to decipher user intent. Moreover, the rise in eCommerce means that in order to stay relevant, chatbot vendors must look to be able to facilitate payments over its interface.

Juniper Research is a Europe-based provider of business intelligence. We specialise in providing high-quality data and fully researched analysis to manufacturers, financiers, developers and service/content providers across the communications sector. Juniper Research is fully independent and able to provide unbiased and reliable assessments of markets, technologies and industry players. Our team is drawn from experienced senior managers with proven track records in each of their specialist field.

Key Chatbot Market Takeaways

AI and Language Advancements to Increase Emotional Maturity of Chatbots

Advancements in chatbot technology including AI, NLP and NLU allow chatbots to respond more accurately to most types of input and also enable chatbots to develop a sense of emotional intelligence. However, Juniper Research believes that all chatbots should not only offer both NLP and NLU capabilities, but they should also begin to go one step further by offering voice and emotion recognition. This increases the inclusivity of bots and allows for better detection of intent behind user messages. This will be particularly useful in the healthcare industry for chatbots that are often dealing with sensitive information.

Chatbot Vendors Must Adopt Payment Facilitation into Interface

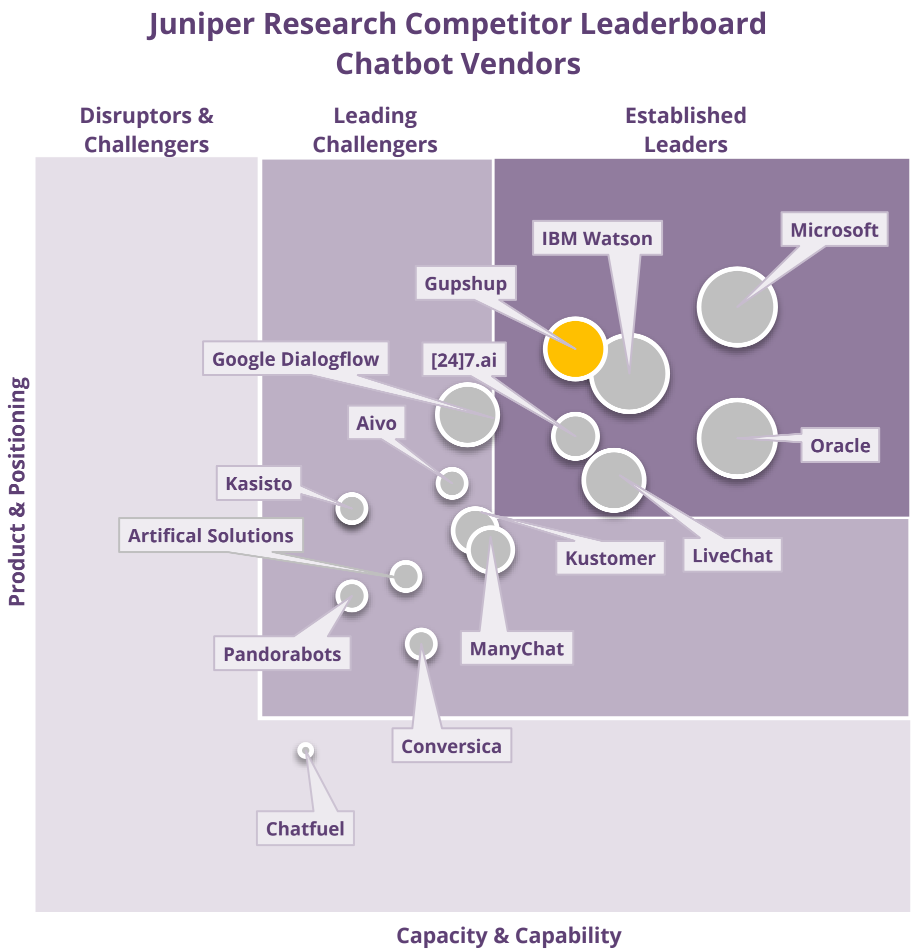
Due to the recent increase in the interest in, and adoption of, omnichannel retail, the ability for chatbots to enable and process payments will facilitate the need for this omnichannel retail experience to become seamless. The volume and overall value of online and remote payments continue to increase, and this trend has been accelerated by the COVID-19 pandemic. This provides emerging payment methods with an opportunity to expand this market share from not just established channels such as mobile apps and browsers, but also to other channels, such as RCS.

However, this ability to process payments is something that is only being offered by leading vendors. This includes the use of APIs and PSP partnerships and, therefore, other vendors must upgrade their product offerings and partnerships in order to maintain their market share as the eCommerce market develops.

High-level Security and Authentication Processes Will Be Imperative to Build User Trust

Due to the increased sophistication of chatbot technology, specifically with the rise in payment transactions, Juniper Research believes that it is important for chatbot and CDT vendors to include more advanced security measures into their business model. We recommend that vendors implement end-to-end encryption for all conversations and the implementation of other mature security measures, such as biometric identification, two-factor authentication, user ID, and authentication time-outs. As payment of chatbots is still a relatively new concept to consumers in most regions, adopting this high level of security will be beneficial for users to gain trust when using chatbots for more complex interactions.

Figure 1: Juniper Research Competitor Leaderboard: Chatbot Vendors



Source: Juniper Research

gupshup

Gupshup: one of the leading chatbot vendors. Indeed, we estimate the company to be one of the market leaders in terms of product innovation and future business prospects shown overleaf in table 2.

Our Competitor Leaderboard establishes Gupshup as an Established Leader in the Chatbot space. The rapid digitalisation of the retail market across industries, driven by the increased adoption of social networking, and rich media messaging amongst consumers, has resulted in an increase in customer Internet traffic. With the rise in user demand, it is essential for brands and enterprises to maintain an uninterrupted flow of services across multiple channels and at all times of day.

Therefore, there is an increasing demand from brands and enterprises for omnichannel chatbot deployment. Gupshup is well placed to meet this demand, with more than 60 offices worldwide, 180 countries of operation and chatbot deployment over more than 30 channels.

In December 2021, Gupshup announced the launch of its WhatsApp-based commerce solution. This release will allow brands and enterprises to create a digital 'storefront' on WhatsApp which will allow companies to converse with users during the pre-purchase and post-purchase stages of customer engagement. This launch also allows Gupshup users to leverage its one-click bill pay feature which allows brands and enterprises to collect payment via WhatsApp.

In April 2022, Gupshup acquired Active.Ai, a conversational AI platform. Notably, Active.ai serves banks and fintech firms across 43 countries. This places Gupshup in a strong position to capitalise on the growth of digital services within the BFSI (Banking, Financial Services, and Insurance) sector, accelerated by the COVID-19 pandemic.

1.1.1 Gupshup

gupshup

Table 2: Juniper Research Competitor Leaderboard Heatmap: Gupshup

	Capacity & Capability					Product & Positioning					
	Experience in the Chatbots Market	Financial Performance in the Chatbots Sector	Geopgraphical Reach of Operations	Marketing & Branding Strength	Extent & Breadth of Partnerships in the Chatbots Sector	Service & Product Offerings	Chatbots Market Coverage	Customer Deployments	Innovation Score	Future Business Prospects	Market Presence
Gupshup											

High

Source: Juniper Research

i. Corporate Profile

Gupshup is a CDT suitable for experienced developers, as well as those without programming knowledge. For the latter, Gupshup offers a workflow builder with 'point-and-click' functionality. Experienced developers can use the Integrated Developer Environment Bot Builder to build, test, deploy, monitor and track chatbot performance. The company was founded in 2004 by Beerud Sheth (Co-Founder &CEO); Ravi Sundararajan (COO); Amit Shrivastav (CFO); and Gaurav Kachhawa (CPO).

Gupshup has raised a total of $384.1 million in funding over seven rounds, with its latest round concluding in July 2021. Gupshup is funded by 15 investors with some of the most recent including White Oak Global Advisors and Harbor Spring Capital.

However, as a private company, Gupshup does not publicly disclose its revenue.

ii. Geographical Spread

Gupshup's headquarters are located in Silicon Valley and it also has over 60 offices worldwide.

iii. Key Clients & Strategic Partnerships

Gupshup provides CDT services for over 39,200 brands, and its customer base includes companies such as Cisco, Facebook, Google, HDFC Bank, Holiday Inn, HSBC, ICICI Bank, Kellogg's, LinkedIn, Reliance Jio, Tea Junction, Twitter, Unilever, Vogue, WhatsApp, Wrigley, Zomato. Using Gupshup, companies can build chatbots to help marketing efforts and provide another avenue for answering customer service queries.

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One of Gupshup's most recent partnerships includes a partnership with Maharashtra State Election Commission which was announced in December 2021. The aim of this partnership was to build a chatbot that was able to relay information to citizens about the state's electoral process including voter registration and booth locations.

Moreover, in October 2021, it was announced that Gupshup would partner with Decentro, an APU platform for banking integrations, to facilitate the launch of payments and banking services for customers through Gupshup's conversational messaging platforms.

Gupshup has also partnered with WhatsApp to launch WhatsApp Self-Service: a customer service-oriented, AI-powered platform for SMEs. WhatsApp Self-Service aims to make it easier for SMEs to respond to customers using the WhatsApp interface. Gupshup's programmable messaging API also enables business users to interact with customers via WhatsApp Business.

iv. High-level View of Offerings

Chatbots built with Gupshup have NLP capabilities, and can be deployed on more than 30 channels, including Amazon Alexa, Messenger, Google Assistant, Google Hangouts, JioChat, LINE, Microsoft Teams, Skype, Slack, SMS, Telegram, Twitter, Viber, VK, WeChat and WhatsApp.

Gupshup's bot developing technology is suited for companies with limited programming and coding knowledge as it comes with a variety of pre-defined templates with customisation capabilities that can be applied to many market verticals.

Gupshup also allows for the InterBot (bot-to-bot) communications, in which chatbots can delegate tasks to other chatbots, interact and negotiate with one another, as well as upgrading its own capabilities by using the knowledge and machine learning from other chatbots.

As Gupshup offers other messaging services, such as SMS and RCS across many messaging channels, businesses are able to use other platforms such as RCS (Rich Communication Services) via Gupshup's RCS Business Messaging Solution. RCS messaging can be used to provide users with personalised content, and simple text messages can be integrated with interactive features such as imaging, videos and document sharing.

1.2 Vendor Scoring Methodology

Our approach is to use a standard template to summarise vendor capability. This template concludes with our views of the key strengths and strategic development opportunities for each messaging services vendor.

To qualify for the Competitor Leaderboard, companies must be involved in the direct provision of chatbot services. The companies included here have developed specific expertise in the Conversational AI market, though some embarked on the route earlier than others and therefore have wider customer bases or geographical reach. It includes established specialists, such as Gupshup and LiveChat, through to companies where conversational AI is part of a wider communications suite, such as Google and Microsoft.

This research covers a significant number of vendors; however, we cannot guarantee that all players in the market are included. Our approach is to use a standard template to summarise the capability of players offering chatbot services. This template concludes with our view of the key strengths and strategic development opportunities for each vendor. We also provide our view of vendor positioning using our Juniper Research Leaderboard technique. This technique, which applies quantitative scoring to qualitative information, enables us to assess each player's capability and capacity, as well as its product and position in the broader market for conversational AI messaging services. The resulting Leaderboard exhibits our view of relative vendor positioning.

1.3 Limitations & Interpretations

Our assessment is based on a combination of quantitative measures, where they are available (such as revenue and numbers of employees) that indicate relative strength, and also of qualitative judgement, based on available market and vendor information as published. In addition, we have added our in-house knowledge from meetings and interviews with a range of industry players. We have also used publicly-available information to arrive at a broad, indicative positioning of vendors in this market, on a 'best efforts' basis.

However, we would also caution that our analysis is almost by nature based on incomplete information and therefore with some elements of this analysis we have had to be more judgemental than others. For example, with some vendors, less detailed financial information is typically available if they are not publicly listed companies. This is particularly the case when assessing early-stage companies, where a degree of secrecy may be advantageous to avoid other companies replicating elements of the business model or strategy.

We also remind readers that the list of vendors considered is not exhaustive across the entire market but rather selective. Juniper Research endeavours to provide accurate information. While information or comment is believed to be correct at the time of publication, Juniper Research cannot accept any responsibility for its completeness or accuracy, the analysis is presented on a 'best efforts' basis.

The Leaderboard compares the positioning of platform providers based on Juniper Research's scoring of each company against the criteria that Juniper Research has defined. The Leaderboard is designed to compare how vendors position themselves in the market based on these criteria. Relative placement in one particular unit of the Leaderboard does not imply that any one vendor is necessarily better placed than others. For example, one vendor's objectives will be different from the next and the vendor may be very successfully fulfilling them without being placed in the top right box of the Leaderboard, which is the traditional location for the leading players.

Therefore, for avoidance of doubt in interpreting the Leaderboard, we are not suggesting that any single cell in the Leaderboard implies in any way that a group of vendors is more advantageously positioned than another group, just differently positioned. We additionally would draw the reader's attention to the fact that vendors are listed alphabetically in a unit of the Leaderboard and not ranked in any way in the cell of the Leaderboard.

The Leaderboard is also valid at a specific point in time, February 2022. It does not indicate how we expect positioning to change in future, or indeed in which direction we believe that the vendors are moving. We caution against companies taking any decisions based on this analysis; it is merely intended as an analytical summary by Juniper Research as an independent third party.

Table 3: Juniper Research Scoring Criteria: Chatbots

Category	Weighting	Scoring Criteria	Relevant Information
Capability & Capacity	25%	Experience in the Chatbots Sector	Here, Juniper Research has evaluated each company's experience in the chatbots market and has considered the length of time each vendor has offered a CDT solution.
	20%	Financial performance in the Chatbots Sector	This factor assesses the overall financial performance of the vendor by evaluating is disclosed revenue, investments, and acquisition values.
	17%	Geographical Reach of Operations	A measure of scale of activity for each company in the chatbots market sector. Here, Juniper Research considered the overall geographical penetration of the vendor based on the number of physical locations from which the vendor operates.
	18%	Marketing & Branding Strength	In this section, Juniper Research evaluates the strength of brand recognition within the chatbots sector.
	20%	Extent & Breadth of Partnerships in the Chatbots Sector	Here, Juniper Research evaluates the total number of disclosed partnerships and the breadth of these partnerships within the chatbots market sector. Where information is not available, Juniper Research has considered the level of customers and interactions handled by each company to estimate the partnerships required for these services.
Product & Position	20%	Service & Product Offerings	Here, Juniper Research has given a weighted score for technologies that are considered important to facilitate in the chatbots sector. These features include NLP and language capabilities, rich communication elements, payment facilitation, and security measures.
	23%	Chatbots Market Coverage	In this criteria, Juniper Research has provided a weighted scoring of products offered within the chatbots and conversational AI market as well as the number of countries in which these products and services operate.
	24%	Customer Deployments	The extent of the vendor's customer base, measured in both the number of customers and the scale of those customers' businesses.
	18%	Innovation Score	Score of Juniper Research's opinion of the company's innovation, or plans for innovation.
	15%	Future Business Prospects	Score of Juniper Research's opinion of the company's future prospects in the market.
Market Presence	100%	Market Presence	Here, Juniper Research assesses the total market presence of each vendor, taking into consideration the size of the company and its impact on the global chatbot market.

Source: Juniper Research

About Gupshup

Gupshup's mission is to build the most advanced and comprehensive conversational messaging platform, which enables large and small businesses and developers to build rich conversational experiences on messaging apps.

We're creating a world where businesses and consumers interact and transact through conversations. Gupshup enables better customer engagement through conversational messaging. We are a leading conversational messaging platform, powering over 7 billion messages per month. Across verticals, thousands of large and small businesses in emerging markets use Gupshup to build conversational experiences across marketing, sales and support.

Gupshup's carrier-grade Conversational Messaging Platform provides a single messaging API for 30+ channels, a rich AI-powered conversational experience-building tool kit for any use case. We bring you a network of market partnerships across messaging channels, device manufacturers, ISVs, regional partners and telcos.

With Gupshup, businesses have made conversations an integral part of their customer engagement success.

About Juniper Research

Juniper Research was founded in 2001 by the industry consultant Tony Crabtree, in the midst of the telecoms and dot-com crash. The business was fully incorporated in February 2002 and has since grown to become one of the leading analyst firms in the mobile and digital tech sector.

Juniper Research specialises in identifying and appraising new high growth market sectors within the digital ecosystem. Market sizing and forecasting are the cornerstones of our offering, together with competitive analysis, strategic assessment and business modelling.

We endeavour to provide an independent and impartial analysis of both current and emerging opportunities via a team of dedicated specialists - all knowledgeable, experienced and experts in their field.

Our clients range from mobile operators through to content providers, vendors and financial institutions. Juniper Research's client base spans the globe, with the majority of our clients based in North America, Western Europe and the Far East.