

2024 CONVERSATIONAL ENGAGEMENT TRENDS REPORT

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Introduction

AI Is Accelerating Customer Interactions In 2024 And Beyond!

“Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves.”

–Steve Jobs

Steve Jobs' quote remains as relevant as ever in today's business landscape, where companies tirelessly strive to establish effective communication channels with their customers. The evolution of customer communication preferences continues to shape the way businesses interact with their audience, and the pace of change has been extraordinary in recent years.

The COVID-19 pandemic acted as a catalyst, driving the rapid adoption of digital channels across industries and geographies. Simultaneously, it has raised the bar for customer expectations, emphasizing the importance of speed, personalization, and convenience.

Our increasing reliance on digital technologies for work, socializing, and entertainment has significantly transformed the way we communicate. Enterprise instant messengers like Slack or Microsoft Teams Chat have become indispensable for seamless collaboration within organizations, while messaging apps like WhatsApp and Facebook Messenger have become lifelines for staying connected with friends and family.

This seismic shift in digital communication patterns has had a profound impact on how customers prefer to engage with brands.





Early Bird May NOT Get The Worm

As consumer touchpoints multiply, businesses face the dual challenge of navigating through the noise and capitalizing on the opportunities. Hence, businesses that are able to make the first connection with their customers on platforms that they're present, would have an upper hand in building brand awareness. However, it's only half the job done. Enterprises that prioritise customer success by creating value-added interactions will be able to convert these interactions into full-blown conversations and eventually to a conversion.

This comprehensive report unveils the latest Conversational Engagement Trends that business leaders should consider in 2024 and beyond, empowering them to stay ahead of the curve.





TREND 1

**Business-Customer Conversations
are Evolving**

Today, one may find it difficult to spot a brand with no digital presence. In fact, as per a recent study carried out in the United States, 67% of consumers reached out to brands online to ask for assistance or information; whereas over 56% of consumers now prefer to shop online. And this behavior is constantly evolving.

Take shopping on WhatsApp for example. Digital-first customers aren't just content with online buying; they want to double-check and be very sure before hitting the "Buy" button. WhatsApp Commerce allows them this convenience, at the same time opening up a whole new channel for brands.

Consumers today are much more aware, & open to experiments, but they are also highly impatient. Waiting on calls, or email replies from customer service that disappear when needed are ideas that they balk at. They want to be able to have conversations with brands in real-time, at a time they need it, and on a medium they are on. It's not hard to see where they're coming from- If they can stay connected with friends and family 24/7, why not brands?

As a result of these changes, customers are increasingly turning to messaging and conversations as their preferred channel

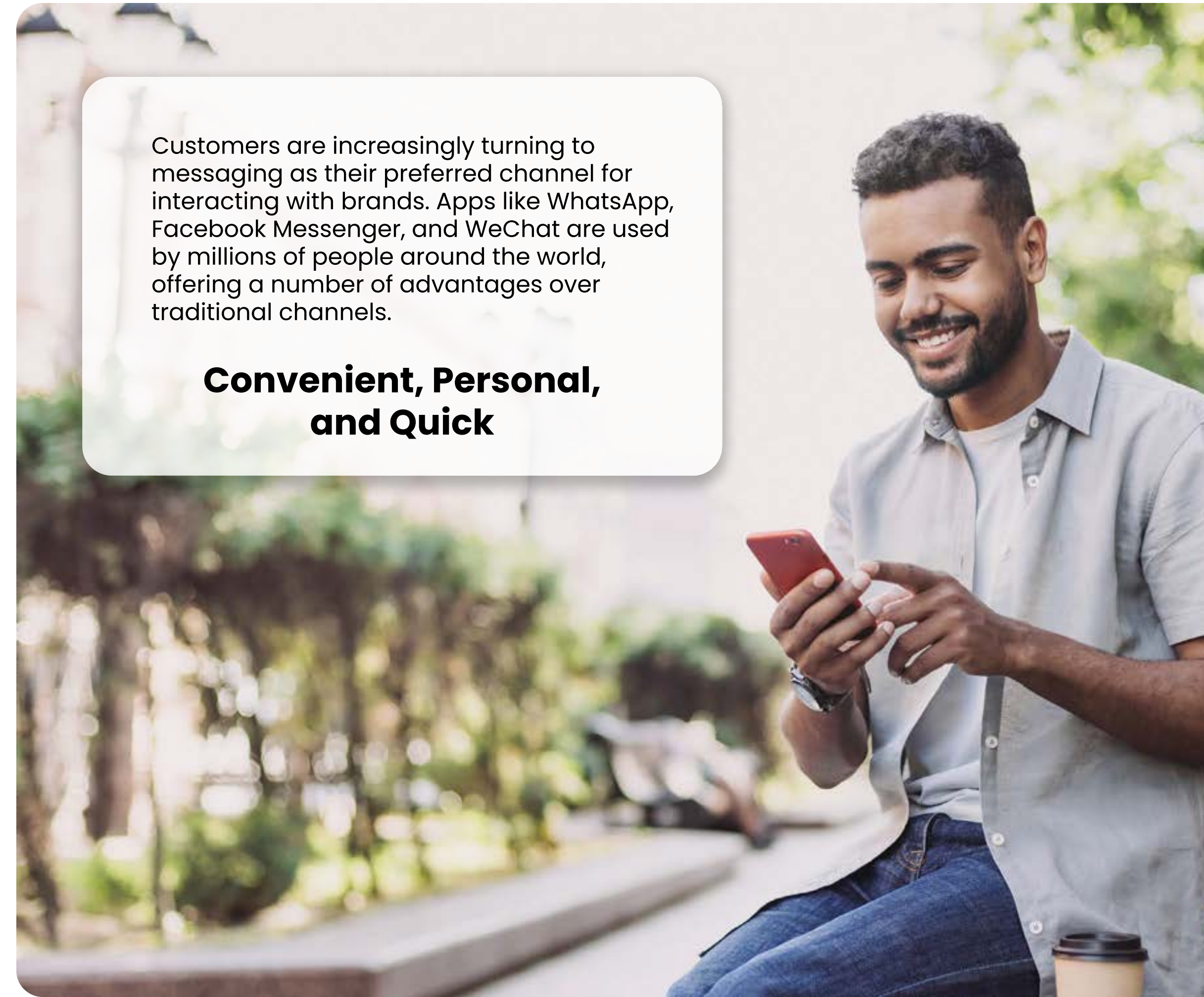
for interacting with brands. Messaging apps such as WhatsApp, Facebook Messenger, and WeChat are used by millions of people around the world, offering a number of advantages over traditional channels—convenient, personal, and a quicker way to get the information you need.

The Kantar study commissioned by Meta in 2022 offers a great glimpse into customers' perceptions and usage of messaging channels. The study conducted across 11 countries reinforces the fact that customers love messaging, not just for peer-to-peer conversations but also for B2C (Business-to - Consumer) and C2B (Consumer-to - Business) conversations.

The trend has particularly accelerated post-COVID-19 as digital adoption went through the roof. As per the study, 61% of online adults have been messaging a business more often since the start of the pandemic. In Brazil and Indonesia, this number is as high as 77% and 78%. In India, the frequency of business messaging has increased for 72% of online adults.

Customers are increasingly turning to messaging as their preferred channel for interacting with brands. Apps like WhatsApp, Facebook Messenger, and WeChat are used by millions of people around the world, offering a number of advantages over traditional channels.

Convenient, Personal, and Quick



Business-Customer Conversations Are Evolving

The preference for messaging over calls and emails is evident through the survey, as across countries a significant percentage of online adults find it frustrating to wait on calls.

Understandably, 66% of online adults globally are more inclined to do business or purchase from a brand that they can contact via messaging.

Brands are taking cognizance of these shifting customer trends. From being one of the secondary channels, messaging has now taken center stage in the customer communication strategy. Not only are they cost-effective and ensure higher RoI, but brands can also manage the end-to-end consumer funnel without depending on different channels that address only a certain target pool.

A key reason for the wide adoption of messaging is the fact that Chatbots on messaging apps are helping businesses build a 360-degree customer experience. From creating awareness, building consideration, and facilitating purchases to ensuring delight, chatbots on messaging apps are a great proposition for brands. This customer-centric communications strategy built on conversations allows them to create the types of focused, contextually relevant experiences that increase engagement and profitability. Moreover, customers appreciate it as well because of the ease and convenience of messaging

To put this into perspective, Juniper Research expects the global OTT business messaging traffic to rise from 93 bn in 2023, to 254 bn by 2027. The research predicts that the advanced security and rich media properties of OTT business messaging apps like WhatsApp and WeChat among others will attract high-spending enterprise users to leverage these services.

Since customer preference for Conversational Experiences is driving growth for these channels, companies that implement a conversational strategy are able to increase brand loyalty and build a clear and compelling edge over their competition. Both for brands and for customers, WhatsApp stands out as the channel of choice given its ubiquity. With 2.24 billion active users, WhatsApp is the most used messaging channel globally. A testament to its massive adoption is the 1 billion active users the company added between 2016-2020. 100 billion messages are exchanged on WhatsApp every day.

Besides WhatsApp, other channels such as RCS, Facebook Messenger, and Instagram too are witnessing rapid growth. At the recently concluded Google i/o event, the search engine giant said that 800 million people globally are using RCS, up from 500 million a year ago. Google expects 1 billion people to be using RCS by the end of 2023.

Apple is taking the next step towards supporting RCS in 2024. By doing so, Apple becomes part of the expanding RCS ecosystem, projected to encompass 1.1 billion active users worldwide by 2024. This opens up new avenues for engaging with a wider, more diverse audience through advanced messaging capabilities.

Rapidly Growing Channels



Instagram



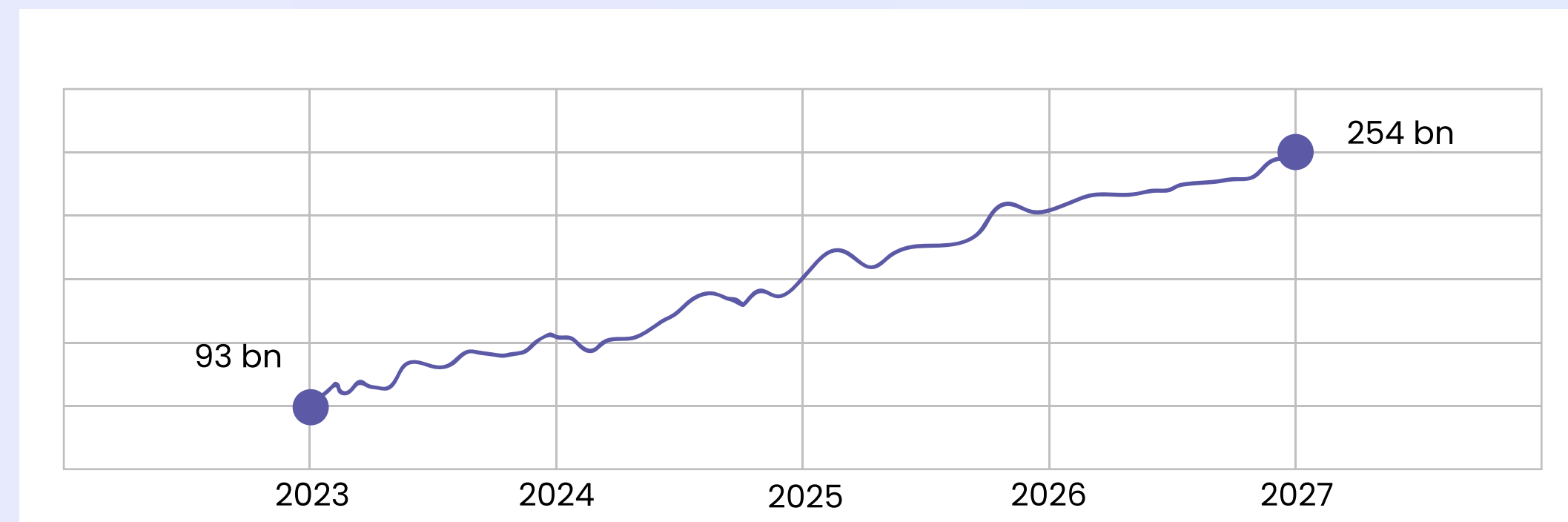
Facebook Messenger

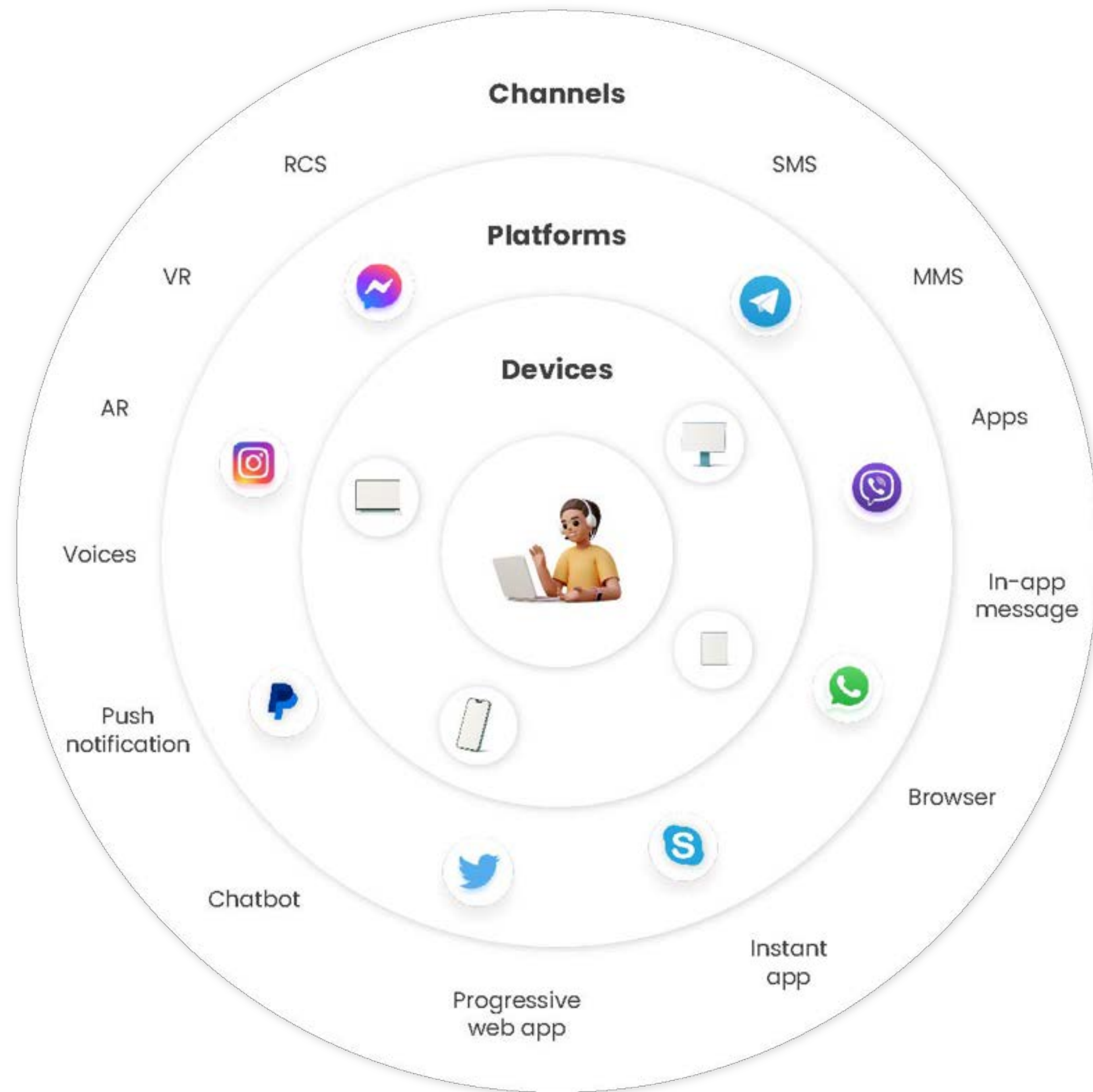


RCS



2.24 Bn
Active Users





Meaningful Conversations Facilitate Better Conversions

Conversational Everything is a customer-centric approach that encompasses the entire customer lifecycle, unifying the customer experience journey from the first interaction to after-sales support and loyalty. Unlike a linear journey, it is a flywheel that generates genuine connections and higher lifetime value for customers.

The Infographic shows communication touchpoints across the buyer cycle.

AI-powered chatbots, voice capabilities, speech recognition, and rich messaging channels have enabled conversational everything, transforming the marketing, commerce, and support experience across industries. Let's take a closer look at how businesses are using conversational messaging.

**Automate
Conversational Engagement
On WhatsApp Business**

[Get a demo](#)

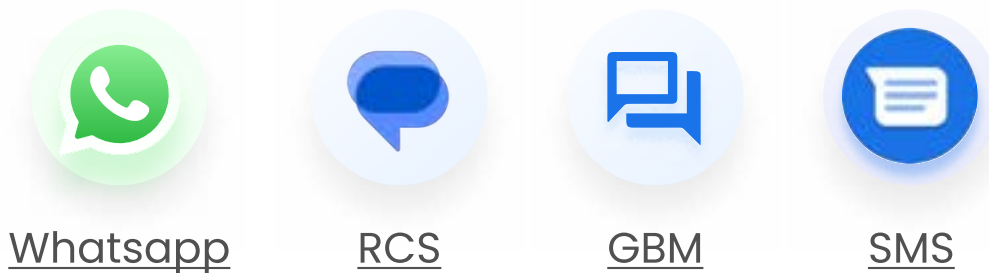


Marketing

Marketing teams can send personalized and relevant customer messages based on their interests and behaviors. For instance, a fashion retailer can provide customers with personalized recommendations based on browsing history and purchase patterns.

Similarly, a bank can engage with customers on their preferred channels such as WhatsApp, Instagram, web, RCS, GBM, and Line, offering targeted loan or insurance products with a link to a WhatsApp bot that can answer customer queries and even allow them to complete the application.

Top Channels



Hey Joe, We noticed that you're looking for Polo Neck T-Shirts. Good News!!! Our exclusive range of Polo Neck T-Shirts are on sale!!! And, if you make the purchase within the next 24 hours, you'll get an additional 15% discount on the offer price. So Hurry - Offer valid until midnight!!!

[Buy now](#)



Welcome to BFC Name

I'm Jeff! How may I help you today?

I'm here to assist you with our banking services (please reply with number to proceed)

[Open an account](#)

[Loan](#)

[Check your balance](#)

[Other services](#)

Commerce

AI-powered Conversations can be used by businesses to communicate end-to-end processes, including order fulfillment, delivery schedules, and payments. For instance, a quick-service restaurant can create its storefront on messaging platforms, enabling customers to explore the menu, discover new items, place and track orders, and make payments using a single messaging platform such as WhatsApp.

In the travel and airline industry, a conversational experience can allow customers to book and manage their travel itineraries, share boarding passes, and receive real-time updates on their journey, such as gate changes or flight delays. For high-involvement or high-value decisions, businesses can design journeys that provide expert agent guidance early on.

Top Channels



Whatsapp

C. Commerce

Hello from Delicacy!
What would you like to order?
Here's



To order your selection, please type the serial number of the dish.

I'd like to order #12

Great choice! Please mention the quantity

1

Thanks for your order. Please Click to Pay

Click to Pay



Hey Jane, Price drop alert! Here's the vacation package you had set a price alert for. The 3 nights, 4 days package to Maldives is now available for just 275\$ Would you like to grab the offer now?

Yes

No

Traveleasy

Hey Jane, Price drop alert! Here's the vacation package you had set

Yes

That is Awesome, So quit the wait and GET,SET,GO

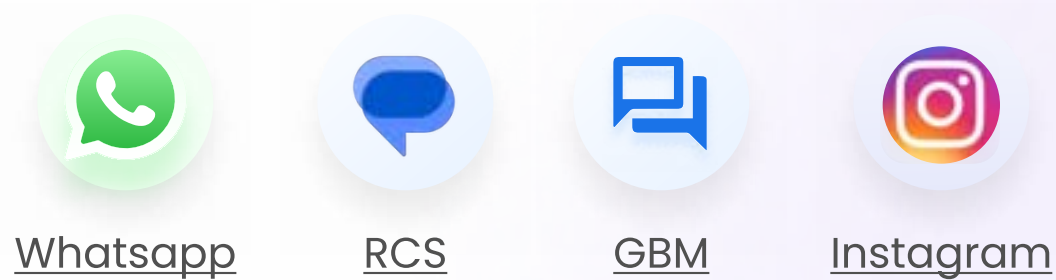
Offer valid till 15th Oct,2022

Book now

Support

Conversational messaging is an excellent way to send proactive post-purchase updates, such as account activation, loan approval, or order out for delivery. Such communications can reduce contact center loads by addressing customer anxiety and providing valuable information to customers in real-time.

Top Channels



S. Support

Hi Paul, Thanks for shopping at Gupshup Fashion! We're preparing your online order #282828 and we will share the shipping details with you soon. Hi Paul, your order #282828 has been shipped. Click this link to track your order (89678967) <trck.co/Ohfj>

Your order is OUT FOR DELIVERY.

ORDER DELIVERED. Enjoy your purchase! Rate us

Excellent

Good

Average

Bad

For businesses to have impactful conversations, they need to analyze customer journeys at scale. This involves identifying where customers are dropping off, which points require natural language assistance, and crucial areas that require live agent intervention.

Recent statistics show that customers have a clear preference for conversational interactions.



Whatsapp Business interactions grew by **73%**



Instagram Interactions grew by **30 times**



Google Business Messages grew by **180%**

*Data for 2021-2022

In today's market, consumers are increasingly demanding brands for personalized experiences throughout the buying journey and prefer customer service that is responsive to their needs. With interactions between businesses and customers gaining prominence on messaging and engagement apps, these platforms are also stepping up to leverage the communication explosion.

Apps like WhatsApp, Instagram, Google Business Messages, and Facebook are constantly adding new features to enhance communication capabilities and provide opportunities for businesses to engage with their customers.

Hence, this steep demand for communication experience is pushing customers' expectations from businesses, who in turn are striving to deliver seamless engagement with their customers, and providing vital data to app platforms to provide updated features and ensure a good UI. It also makes for a great segue to our next topic.

The background is a vibrant, abstract composition of flowing, liquid-like shapes in shades of magenta, pink, and purple. The colors are soft and blended, creating a sense of movement and depth. The overall effect is reminiscent of marbled paper or a close-up of a colorful liquid surface.

TREND 2

**Generative AI is Transforming the
Way We Communicate**



In the ever-evolving landscape of communication technology, conversational communication has emerged as a key driver for businesses and individuals alike. Thanks to advancements in Artificial Intelligence (AI), specifically Generative AI, we are witnessing a transformative shift in how we interact and engage in conversations. In this section, we will explore the pivotal role of Generative AI in shaping conversational communication in 2024 and beyond.

Would you believe it if we told you that the above paragraph was completely written by ChatGPT? Surprised? We didn't think so either.

It's no secret that Generative AI is altering communication. Platforms like ChatGPT, Bard, and more recently Llama 2 offer exciting possibilities for enterprises and communication solution providers. While brands identify areas in their business where Generative AI can add value, solutions providers are already at work to implement intuitive communication solutions on the underpinnings of Generative AI.

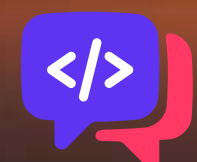
With the number of digital users increasing every second, those enterprises that

understand the ability to use Generative AI and quickly pivot to the next normal will create a benchmark for the rest.

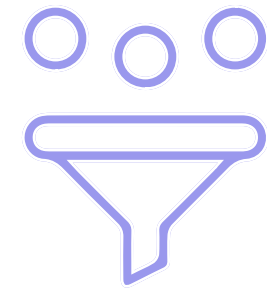
LLMs and Generative AI-powered models integrated into an enterprise's digital strategy will help optimize tasks, enhance the team's capabilities, and unlock new growth opportunities.

Moreover, brands can also help experientialise customer touchpoints, by expanding the potential of their marketing and sales functions with Generative AI. Here's how:

image generated by AI

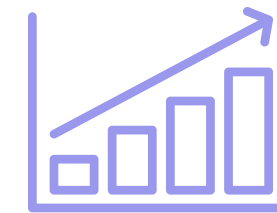


Generative AI in Sales



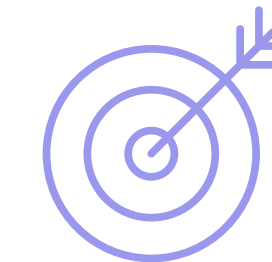
Lead Generation and Qualification

Algorithms from Generative AI-led solutions help sales teams to analyze customer behavior patterns, purchasing history, and demographic information. This enables them to focus on the most promising leads, increasing efficiency and conversion rates.



Sales Forecasting

By reviewing historical data and market trends through Generative AI-based tools, sales leaders can generate accurate sales forecasts with valuable insights into future demand, enabling them to make informed decisions about resource allocation, and inventory management to formulate sales strategies.



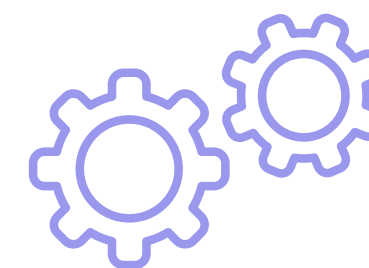
Personalized Sales Engagement

Generative AI enables sales representatives to personalize their interactions with prospects and customers based on their individual preferences, purchase history, and communication patterns. This allows sales teams to tailor their messaging, recommendations, and offers, fostering stronger relationships and improving conversion rates.



Virtual Sales Assistants

Generative AI-powered ChatBots can engage with customers, answer queries, and guide them through the sales process. These AI-powered assistants provide personalized recommendations, product information, and support, enhancing the overall customer experience and increasing sales conversion.



Sales Process Automation

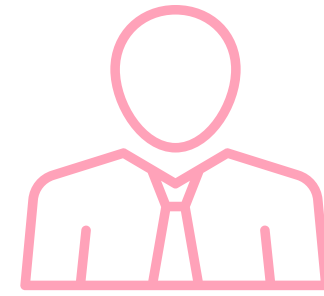
Generative AI can automate various time-consuming sales tasks, such as data entry, lead scoring, and follow-up emails, allowing them to focus on high-value activities, such as building relationships and closing deals.



Pricing Optimization

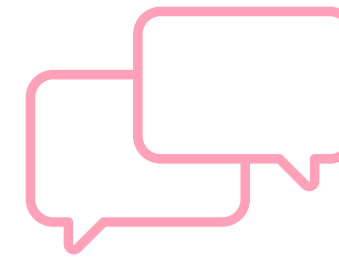
Generative AI-based solutions can provide critical pricing indicators to sales leaders like market dynamics, competitor pricing, and customer behavior. The pricing intelligence can help them to suggest optimal price points, and strategize on discount options among other tactics to maximize revenue while remaining competitive in the market.

Generative AI in Marketing



Customer-centric Content

Generative AI enables marketers to automate content creation processes by generating text, images, videos, and even social media posts based on predefined parameters, saving time and resources while maintaining quality and creativity.



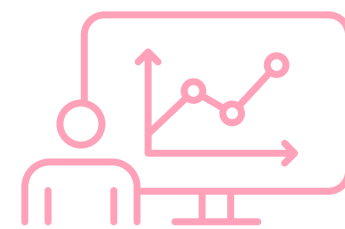
Intuitive communication

Marketing tools powered by Generative AI help marketing teams to create personalized experiences at scale, deliver targeted messaging, and product recommendations, as well as tailored content to individual customers, increasing engagement and aiding conversion.



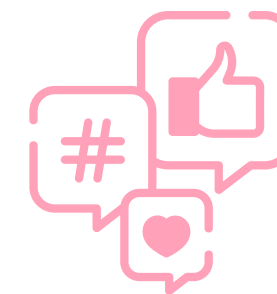
Customer Support and ChatBots

ChatBots with AI and machine learning capabilities can engage in human-like conversations, addressing customer queries, providing support, and guiding users through their buying journey. This automation improves customer experience, reduces response time, and frees up resources for more complex tasks.



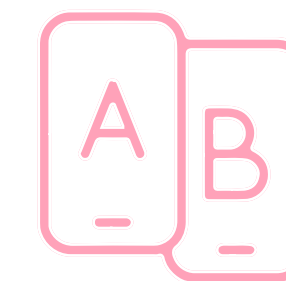
Customer Analytics

Generative AI-powered tools can help marketing teams to analyze customer feedback, reviews, purchasing trends and behavior to understand preferences, needs and pain points to predict and derive actionable insights. Marketing leaders can leverage this information to optimize marketing campaigns, target specific segments, improve CSAT and make data-driven decisions for better ROI.



Social Media Marketing

Generative AI enables marketers to optimize social media campaigns by generating compelling captions, hashtags, and content variations. It assists in identifying trending topics, running sentiment analysis, and collating data from social listening, thereby allowing marketers to adapt their strategies and engage with their audience effectively.



A/B Testing

Marketing specialists can automate the A/B testing process by using Generative AI-based processes to action different versions of marketing assets, such as landing pages or ad creatives. Marketing teams can then quickly test and analyze different variants to identify the most effective ones and optimize their campaigns accordingly.

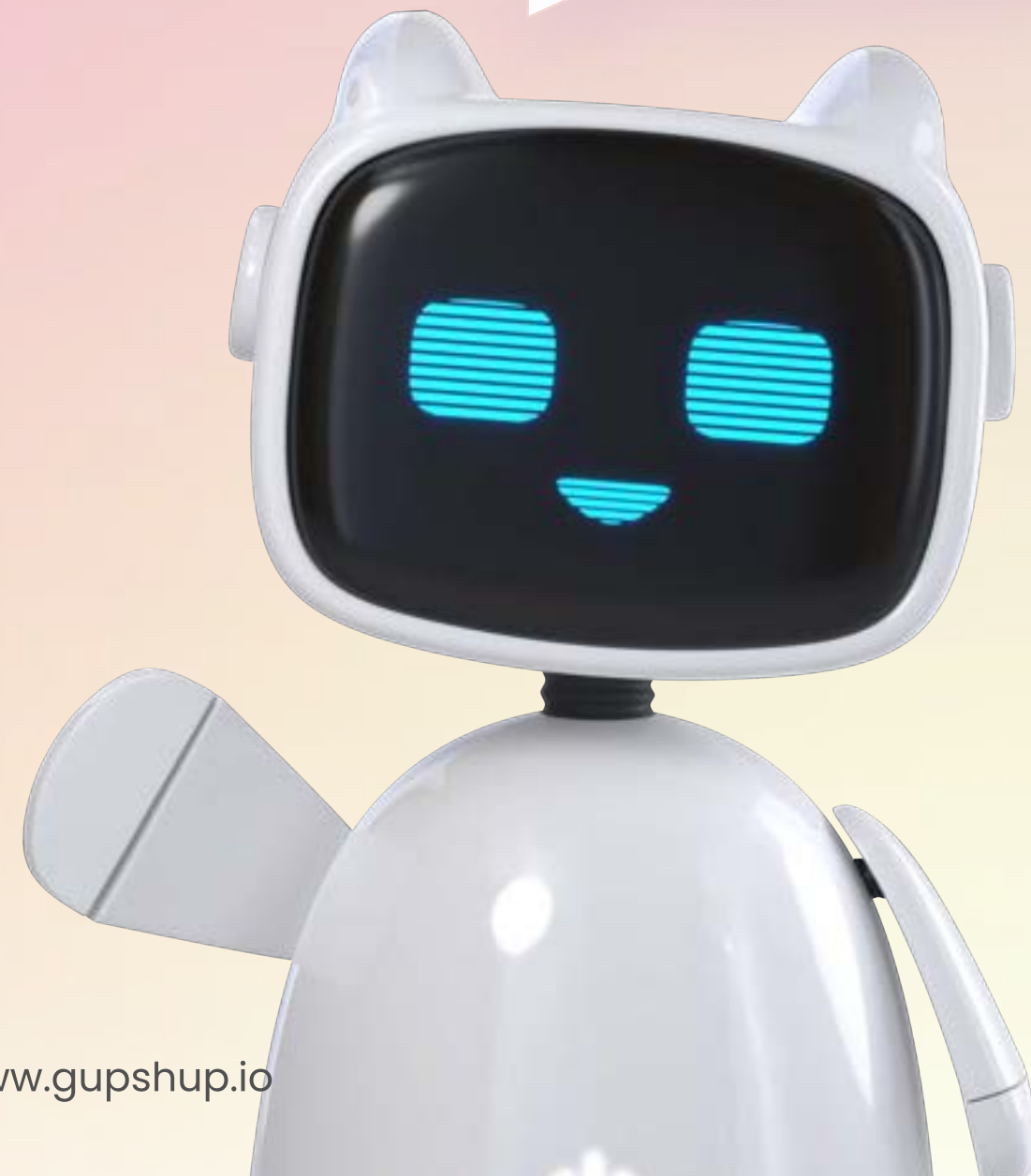
85% Of Marketers Believe Generative AI Is Effective At Making Their Marketing Content More Personalized

[Transform your communication processes](#)

As businesses identify areas where Generative AI can be evangelized for maximum throughput, the technology itself continues to evolve. Hence, this constant evolution trajectory of technology and business creates myriad benefits for the end customer and confidence among business leaders.

As per a recent Gartner study, about 45% of executive leaders increased their investments in AI after witnessing the success of ChatGPT.

Additionally, customer experience emerged as the top priority for 38% of business executives. In the next section, we delve deep into understanding the confluence of AI and CX and how businesses can use a unified CX platform to enhance and transform the customer experience.



TREND 3

Emergence of Unified CX as a Service (CXaaS) Platforms

Emergence Of Unified CX As A Service (CXaaS) Platforms

We talked about evolution one too many times in the earlier sections, but the interesting thing to note is the difference between each evolution's turning point. For instance, it took almost a century for a business to extend its presence from brick-and-mortar stores to online websites. But, it only took 10 years for business owners to transition to cloud solutions that helped them break boundaries and explore

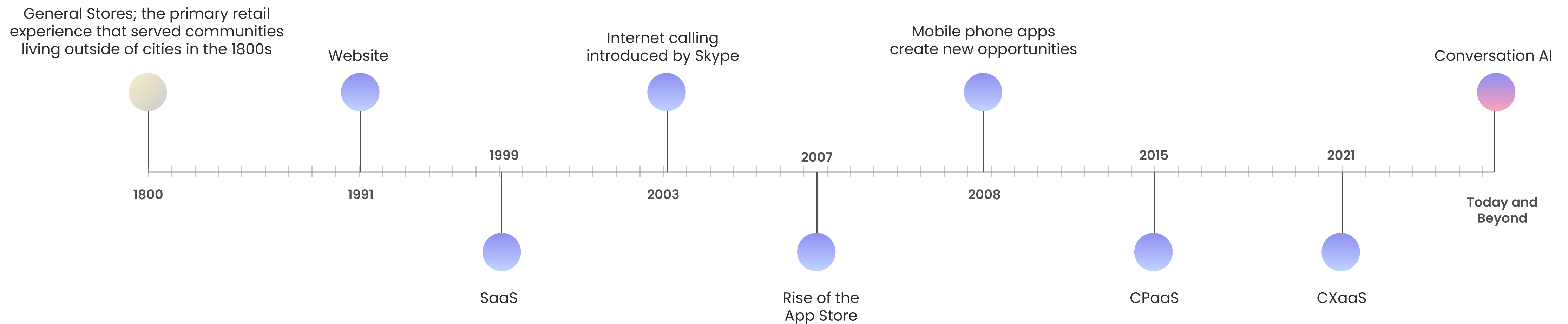
opportunities across countries. As you may notice from the graph, the transition time for businesses during each tech revolution has decreased. While change is the only constant, when it comes to technology, businesses need to ensure effective AI adoption to help them accrue the quantifiable benefits of conversational AI.

The role of CXaaS enablers

To suit the rising need for providing omnichannel conversational experiences, businesses are looking for prepackaged features and prebuilt omnichannel journeys for their specific vertical, and want business user-friendly tools with full orchestration and analytics. Traditional CPaaS platforms lack these capabilities, and we are

observing the emergence of a new category of platform termed CXaaS (CX as a service).

CXaaS platforms combine CPaaS, CDP, CAI, analytics, and omnichannel journey orchestration to facilitate a seamless and unified Customer Experience as a Service flow that proceeds seamlessly from automated conversational flows.



Key components of a robust CXaaS platform

- Scalable CPaaS capabilities that can handle high messaging volumes with the lowest latencies possible
- Omnichannel support that extends to over-the-top (OTT) channels, including social messaging platforms
- No-code tools that allow business technologists to modify implementations such as conversational flows, frequency, and channel orchestration with ease
- Conversational AI capabilities powered by CAI (Content-aware natural language) that enable businesses to express themselves in natural language and efficiently scale their communications
- CDP that unifies all customer contacts, communications, and transactions to deliver highly personalized experiences
- Analytics and insights that enable businesses to analyze complete customer journeys at scale and understand where and why customers fall away from a conversation

By leveraging the capabilities of CXaaS platforms, businesses can deliver highly personalized, scalable, and efficient conversational experiences that meet and exceed customer expectations and take the conversational 'everything' experience to a whole new level.

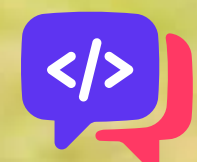
Customer experience is a competitive differentiator and has emerged as a defining factor for business success. 88% of people say that CX is as important as a business's product/service, according to Salesforce.

I'd like to purchase an industrial irrigation pump. Can you recommend something for 200 acres?

Hi Frank,
For 200 acres, you would require atleast 3HP of pumping power. Our models that can output upto 5HP. Would you like to explore our range?

Build human-like agents with a no-code platform

[Know More](#)



TREND 4

The Rising Demand for
Personalization in a Cookieless Future

The Rising Demand For Personalization In A Cookieless Future



Customers love personalization, at the same time, they also care deeply about their privacy

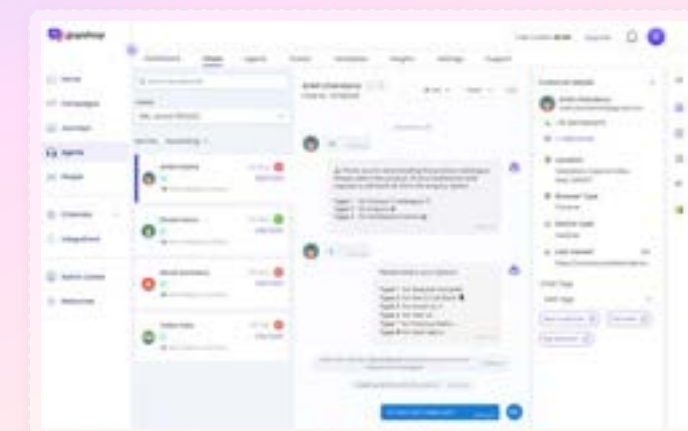
According to a McKinsey study, 71% of consumers expect companies to deliver personalized interactions—and 76% will switch if they don't like their experience. And in another study by Accenture, it was found that 83% of consumers are willing to share their information so that brands will create a personalized experience for them. But businesses must be transparent about how they will use this data and that customers have control over it. In addition, 91% of consumers are more likely to shop with brands that “recognize, remember, and provide” relevant offers and recommendations.

But personalization involves a high reliance on customer data and that's where lies its inherent dichotomy. Customers love personalization, at the same time, they also care deeply about their privacy. In fact, one of the biggest impediments in personalizing customer experience is judiciously utilizing customer data without coming across as tracking them.

It's not that customers do not want to share information. What puts them off is the way in which this information is collected today- via cookies that track every movement on the web. With customers everywhere raising eyebrows at constantly being surveilled, Google has decided to phase out cookies.

While some experts may construe this to be the dusk for data-based marketing, that may not be really true. The changed reality of a cookieless world needs recalibration in brands' approach as well. Instead of stealthily prying on customers' browsing behavior, a better idea is to get their consent and share the intent behind the data.

Execute And Manage Intelligent Data-Driven Marketing Campaigns On A Single Platform.



[Explore GupShup's Customer Data Platform](#)



The Rising Demand For Personalization In A Cookieless Future

Conversational Engagement offers a lot of hope when it comes to getting zero-party and first-party data for personalization. Conversations, be it on the web, WhatsApp, or any other channel, give an opportunity to brands to understand customer intent. For instance, a prospect looking for a life insurance plan would end up on a company's website, through an SMS campaign from the insurance provider promoting ongoing offers on life insurance. Once on the website, the prospect may be put through an automated chatbot on WhatsApp for initial query resolution. The chat platform can not only help the prospect get all the necessary information to make a purchase decision but also provide the insurance company with all the details required to prepare a customized insurance plan and pitch for a sale.

Hence, through conversations, brands can build trust- a prerequisite to getting any information from the customer. Conversational Commerce is yet another option for brands to create a direct one-on-one relationship where brands get data from customers' conversations and' usage history without losing sight of privacy.

In recent years, the cost of paid advertising on social media has risen, making it difficult for brands to get the return on

investment (ROI) they need from their social media marketing efforts. Conversational advertising with a post-click WhatsApp experience works as a perfect alternative. With user-initiated messaging, brands can get high-intent leads, leading to higher conversions.

Customer Data Platform (CDP) is another solution that brands can explore to get customer insights. CDPs are emerging as a powerful solution for brands to gather and consolidate customer data from various sources. They allow businesses to create a unified view of their customers by aggregating first-party and zero-party data. This enables brands to deliver highly relevant and personalized experiences across multiple touchpoints, such as websites, emails, mobile apps, and even offline interactions.

As the era of third-party cookies comes to an end, the demand for personalization remains stronger than ever. Brands must adapt and find new ways to deliver relevant and tailored experiences to their customers. Leveraging CDP platforms and prioritizing customer-first personalization will be a key asset for brands to succeed in a cookieless future. By focusing on first-party and zero-party data, brands can deepen their understanding of customers, build trust, and create meaningful interactions that drive business growth.



Learn How Danone Was Able To Improve Its Campaign Engagement By 93%.

[Go to Case Study](#)





TREND 5

Adoption of
Advanced AI

The demand for AI-powered customer support services, coupled with the lower development costs of chatbots, and the growing implementation of omnichannel solutions, has fueled the rapid growth of the conversational AI market. With conversational AI now a critical technology, businesses must ensure their chatbots or virtual assistants meet the right standards. As a result, conversational AI has gained popularity globally, thanks to improved 24/7 customer support, real-time personalized service, and lower customer service costs. Enterprises are swiftly adopting conversational AI to supplement their resource cost and free up bandwidth for more strategic tasks. It has also enabled businesses to optimize call center operations, resulting in millions of dollars in savings.

Going Beyond Rule-Based Bots with Next-Level Automation with Conversational AI

Traditional rule-based bots are limited in their ability to understand and respond to complex queries. Through Conversational AI, companies can take their chatbots to the next level. Conversational AI uses machine learning algorithms to

understand natural language, context, and intent, that helps provide more accurate and relevant responses to customer queries. This not only improves customer satisfaction but also increases efficiency and reduces costs for businesses.

Conversation Design Proving to be a Competitive Differentiator

As the conversational messaging industry continues to evolve, the importance of conversation design has become increasingly clear. Conversation design is the art of designing chatbots that can communicate effectively with customers. This involves understanding the user's intent, crafting a natural conversation flow, and designing a chatbot personality that aligns with the brand's values. By investing in conversation design and ensuring that their chatbots seamlessly hand off conversations to human agents when necessary, businesses can provide a more personalized and engaging customer experience, ultimately leading to increased customer loyalty.

The scope of AI is huge

\$41.39Bn

The expected Conversational AI market size by 2030.

2.5Bn

In customer service hours that consumers and businesses saved in 2023.

\$112bn

Retail sales expected from Chatbots in 2023.

AI brings speed and precision

90%

of companies had faster complaint resolution using Conversational AI solutions.

80%

of brands enhanced call volume processing using AI.

The Future of chatbots is bright

50%

of customer service interactions will be handled by chatbots by 2025.

57%

of businesses believe chatbots deliver a large return on investment (ROI) for minimal effort.

47%

of consumers are open to using a chatbot to make a purchase.



Generative AI tools such as GPT allow companies to create chatbots that can carry on a conversation with customers in a more natural and human-like way. By using Large-scale Language Models (LLMs) chatbots can generate responses that are more accurate and sophisticated. This leads to better engagement and enriched customer experience.

LLMs like ChatGPT are gaining popularity in the conversational messaging industry. These models are trained on vast amounts of data and can generate responses that are almost identical to human language. However, as enterprise businesses require customized and sophisticated solutions for their customer communications, these tools need to be trained on private content repositories that are only available to a specific enterprise. This enables the creation of unique chatbots that can accurately understand the nuances of the business and respond with complete fluency.

Hence, conversational solution providers are developing solutions based on GPT models to deploy conversational solutions that provide the required level of accuracy and finesse. Customers are becoming accustomed to conversational tools, and businesses recognize that these solutions are critical to providing a superior customer experience.



Regional Analysis

The generative AI in the business market is dominated by North America, which holds a significant revenue share of 37%. The region's growth can be attributed to the presence of major key players in countries such as the United States and Canada, along with the increasing adoption of generative AI by various businesses in the region.

On the other hand, Asia Pacific is expected to witness the fastest growth rate during the forecast period. The rising demand for AI-based solutions in the region is driving the growth of Generative AI in the business market. Many businesses in the Asia Pacific region are adopting generative AI, which is further fueling the market growth in the region.

TREND 6

**Conversational Commerce is
Finding Takers Across Industries**

In the past few years, we've witnessed the rise of Conversational Commerce, a transformative approach to online shopping that combines the convenience of e-commerce with personalized one-on-one conversations. Unlike traditional commerce, which is typically unidirectional, Conversational Commerce allows customers to engage in conversations, ask questions, and receive tailored recommendations within the messaging app itself. OTT messaging apps, such as WhatsApp and Instagram, serve as ideal platforms for conversational commerce due to their extensive user base and widespread adoption. Conversational Commerce goes beyond standard e-commerce by providing a more interactive and personalized shopping experience. While websites may work well for simple categories like clothing or books, when it comes to more complex products such as furniture or financial services, customers often require more guidance and back-and-forth communication to make informed decisions. This is where Conversational Commerce shines, offering a personalized shopping experience that caters to the needs of both experienced and new customers.

Why Conversational Commerce is gaining traction?

Customers desire the ability to ask questions and clarify doubts before making a purchase. The convenience of conducting these conversations within their messaging window, without the need for additional app downloads, makes it an attractive channel for customers. For brands, Conversational Commerce addresses various pain points associated with customer engagement and conversion. It tackles issues such as low traffic to digital storefronts, abandoned carts, expensive up-selling channels, and subpar customer lifetime value.

Conversational Commerce acts as a remedy for these challenges. It enhances customer engagement, drives traffic, enables product discovery, facilitates catalog sharing, supports seamless shopping and payment collection, and provides opportunities for upselling and cross-selling. Thanks to its intuitive and interactive nature, Conversational Commerce experiences lower rates of cart abandonment and higher conversion rates. Additionally, app fatigue plays a

significant role in driving the popularity of Conversational Commerce. Customers are weary of downloading numerous apps for different needs, which consume phone storage and require remembering multiple login details. In contrast, messaging apps allow customers to transact with multiple brands within a single app, offering convenience and simplicity.



Conversational Commerce goes beyond standard e-commerce by providing a more interactive and personalized shopping experience

Conversational Commerce Is Finding Takers Across Industries



The global spending for conversational commerce over OTT channels, including WhatsApp or WeChat, rose from **\$13.3 billion** in 2022 to **\$25.1 billion** in 2023.

**Source: Juniper Research*



70% of customer interactions will involve emerging technologies such as chatbots, messaging apps, and voice assistants

**Source: Juniper Research*

Conversational commerce on OTT messaging apps has gained global traction, with businesses across various industries embracing this trend. The adoption of conversational commerce is particularly strong in regions where WhatsApp and Instagram have a significant user base, such as Asia, Europe, and North America. Industries such as retail, e-commerce, travel, hospitality, and consumer services have witnessed notable adoption of conversational commerce due to its ability to enhance customer experiences and drive sales. Businesses are embracing the shift towards conversational commerce and turning to AI tools to support their efforts. By leveraging the power of machine learning (ML) and natural language processing (NLP), technologies conversational AI enables businesses to

communicate with users in their preferred language and at their convenience. Conversational AI goes beyond simple chatbot interactions and provides a range of shopping essentials within the messaging channel. It enables functionalities such as displaying products, processing payments, sharing documents, and more. By utilizing conversational AI, businesses can enhance user engagement and deliver contextual, relevant, and personalized conversations to each shopper. Recognizing that each shopper is unique, conversational AI ensures that every conversation is tailored to their specific needs. Furthermore, if necessary, it can seamlessly connect users to human agents for complex queries, providing a better overall experience.

We're sure that transformation is something that would keep cropping in your list of goals and objectives year on year, but which aspects of your business need transformation, or which department or core business function should be prioritized for transformation? These questions may sometimes delay your transformation journey.

Hence, it's crucial to consider your business transformation goals. Are you aiming to enhance profitability by reducing operating costs? Or perhaps you want to elevate customer satisfaction through personalized experiences? Another option is exploring new revenue streams by harnessing AI-driven insights. While we understand that priorities may differ, one key performance indicator remains universal: speed. With Gupshup, brands can accelerate AI integrations within their customer communication functions, leverage GupShup's global expertise, and integrate solutions that are scalable.

What consumers are looking for when shopping



Speed

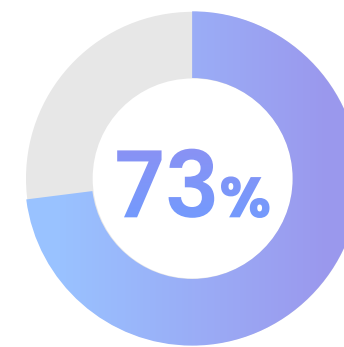


Convenience

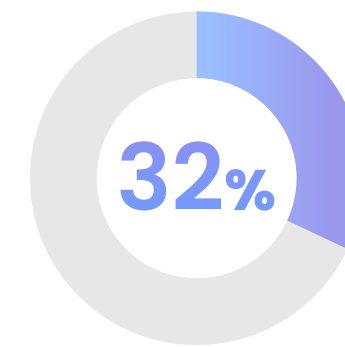


Experience

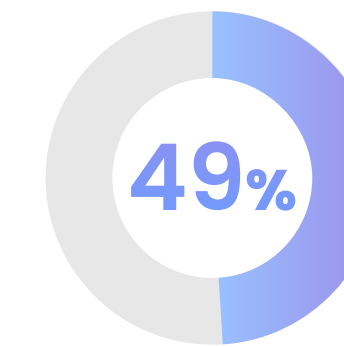
Buyers are 'Experience Conscious' Today



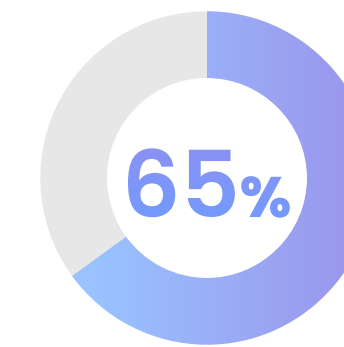
73% of customers consider the experience an important part of their buying decision.



32% (1 in 3 customers) will leave a brand forever with one bad customer service experience.



49% of customers say companies provide good customer service.



65% of customers say a positive experience is more influential than great advertising.

Businesses that use conversational commerce see

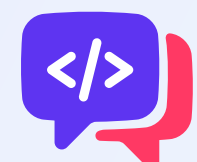
10%
30%

Increase in revenue in the first 6 months
savings on customer service costs

AI chatbots can increase efficiency and accuracy in conversations

80%

of the most common customer interactions are automated today



Empowering your business with Gupshup's Conversational AI-driven solutions at every level

Conversational Marketing

Unified conversational profiles

Get a single view of your customer behavior with access to identity resolution, engagement data, and marketing journeys.

Cross-channel orchestration

Scale engagement over WhatsApp, RCS, and SMS with pre-approved templates.

No-code journey builder

Build conversational journeys across channels without writing a single line of code.

[Know more](#)



Conversational Commerce

300+ support journeys

Deploy pre-defined and tailored interactions to ensure every interaction is efficient, accurate, and personalized.

Strong voice capabilities

Set up cloud contact centers and manage inbound and outbound calls from your customers.

Optimize call center operations

Deflect customers from call centers via voice deflection to drive better efficiency, faster fulfillment, and higher CSAT.

[Know more](#)



Conversational Support

Rich media messaging

Create a multi-sensory CX with videos, gifs, and interactive content that captures attention, engages your audience, and fosters lasting relationships.

Multi-lingual support

Establish meaningful connections and create exceptional customer experiences by conversing in the language your customers prefer.

360° insights

Enable a better understanding of your customers' needs to fine-tune communication strategies for seamless interactions.

[Know more](#)





Customer Touch Points

- SMS
- WhatsApp
- Messaging Apps
- IVR, Calls
- Click to Chat Ads
- QR Code

Conversational Engagement Solutions



Retail



eCommerce



Banking & FinTech



EdTech



Healthcare



Travel & Hospitality



CPG



Food & bev

Conversational Automation Suite (CX)

Conversational Marketing

Conversational Commerce

Conversational Support



Bot Studio & Auto Bot Builder



Campaign Mgr & Customer360



Click to Chat Ads



Agent Assist & Voice Contact Center

Conversational AI: Gupshup LLM & Public LLMs



Business Touch Points

- Self Serve portal
- 1000+ 3rd party connectors to Commerce Platforms, CRM, Support, Martech & more

Cloud Communications Platform (CPaaS)



WhatsApp



Instagram



SMS



RCS



Viber



Telegram



GBM

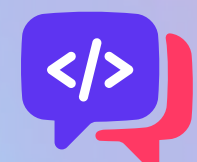


Voice



Web & App

30+ Channels











About Gupshup

Gupshup is the leading conversational engagement platform for marketing, commerce, and support automation. Its automation solutions enable more than 45,000 brands across India, Latin America, Europe, Southeast Asia, the Middle East, and the US to deliver a better customer experience, increasing revenue and reducing costs. Citibank, AkzoNobel, Khan Academy, Unilever, MPL, Netflix, Flipkart and Ola are among the company's main clients. With a single messaging API for over 30 channels including voice, text, and chat, the conversational engagement platform processes over 10 billion messages per month. Valued at \$1.4 billion, the company has prominent investors such as Tiger Global, Fidelity Management, and Research Co. LLC, among others.



 **Meta**
Business Partner

- | | | | |
|---|--|--|--|
| 
WhatsApp | 
Instagram | 
SMS | 
RCS |
| 
Viber | 
Telegram | 
GBM | 
Voice |

**#1 Conversational Engagement Platform for
Marketing | Commerce | Support**



gupshup.io

