

How Conversational Messaging Is Transforming Marketing, Commerce and Support

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Introduction

“Connecting with customers in a valuable, relevant manner is as old as marketing itself. But we’ve seen a shift recently in how, exactly, customers want to connect with brands. Strong brand connections are about whether or not the brand helps customers present themselves in a way that’s consistent with their own value.” – Gartner

Every kind of business ultimately comes down to two main stakeholders: the provider (brand) and the customer (buyer). As they do business and engage in transactions, companies and customers often communicate with each other. In the past, this happened via phone or snail mail, and later via email and voice-based call centres. But today, the world of brand-customer-brand communications has opened up to include many more channels than ever before – thanks to conversational communications messaging.

But what exactly is conversational messaging? What role do chatbots play in it?

Why should companies integrate conversational messaging into their [marketing](#), [commerce](#), and [customer support](#) ecosystem?

In this guide, we will address all these questions. We hope you find it useful!



What is Conversational Messaging?

Conversational messaging is one-on-one conversations between a brand and its customers that occurs on any messaging platform. Unlike live chat, where customers await an agent’s response, conversational messaging is more like texting a friend. It provides customers with a constant connection with a brand, enabling them to receive information quickly and reliably.

Conversational messaging combines familiar, easy-to-use texting with the rich graphical and interactive elements of websites and apps – and has a **98%** open rate. Furthermore, it enables omnichannel possibilities for businesses. It lets you send an automated update via **SMS**, a chatbot response on **WhatsApp Business**. Or swing in an agent when the conversation needs a human touch.



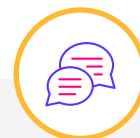
**100%
reach**



**98%
open rate**



**Rich
content**



**Two-way
conversation**

Evolution of Conversational Messaging

Text messaging has been around for almost three decades. It has been a constant as a channel of communication, but not as an engagement channel. Traditionally, SMS has been used as a one-way channel where users receiving the message have no way to engage with the brand or business that sent it. These are primarily transactional messages notifying customers about information related to their transactions.



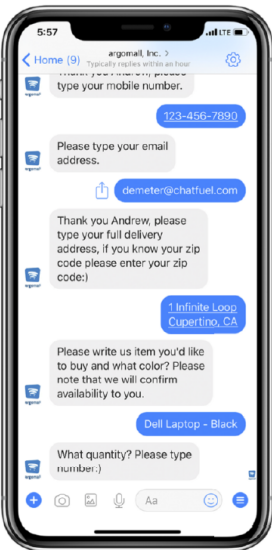
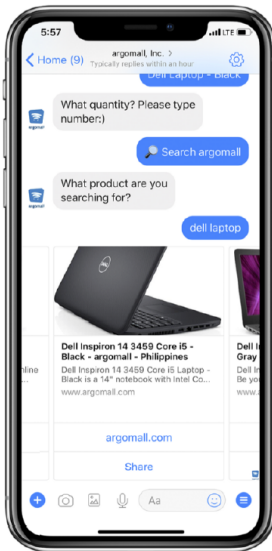
With IP messaging proliferating, messaging is fast emerging as the new customer engagement platform - a platform for developers and enterprises to engage their customers and build advanced conversational experiences. Messaging and conversational experience are gradually transforming every aspect of the human-computer interface and reducing the points of friction. Developers are building chatbots on messaging channels like [WhatsApp](#), [RCS](#), [Instagram](#) to support specific use cases.

Role of Chatbots

[Chatbots](#) have been around for a decade. But in recent years, chatbots have become extended applications to enhance the communication between businesses and consumers. Gone are the days when customers needed to fill paper-based forms or wait in queues to get their work done. This technology breakthrough has changed how businesses operate. Today customers and users prefer chatbots over other solutions as they address their concerns and deliver quick results and efficient services.

[Oracle CEO Mark Hurd](#) has predicted that by 2025, 85% of customer interactions will be automated. A [Business Insider](#) report states that the chatbot market size is projected to grow to \$9.4 billion by 2024, at a compound annual growth rate (CAGR) of 29.7%.





Source: Chatfuel



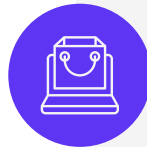
85% of customer interactions will be automated



Chatbot market size is projected to grow to **\$9.4 billion by 2024**



Almost 85% of business executives believe opting for AI and ML-based solutions



64% of customers want to shop with companies that can meet their needs in real-time

Businesses have started experimenting with chatbots, powered by a combination of Machine Learning (ML), **natural language processing (NLP)**, and live operators, to provide customer service, sales support and other commerce-related services. Almost **85%** of business executives believe opting for **Artificial Intelligence (AI)** and ML-based solutions will increase productivity and help gain a competitive edge. There is no doubt that investment in AI, ML and automation will put businesses at the forefront of innovation and creativity.

With AI-powered chatbots, businesses can now take their customers through personalised journeys within the messaging channels. Think of a customer who opens up WhatsApp or any other messaging channels to interact with a brand, and a chatbot pops up and presents the customers with the right product or service needed.

That's what the future of messaging will look like championed by the ever-growing adoption and innovation around chatbots. The advent of chatbot-powered **conversational messaging platforms** will enable customers to interact and engage with businesses and have businesses talk back easily.

Why Conversational Messaging Matters

Our increasingly digital, always-on world is transforming the way businesses connect with consumers on a daily basis. The fact that conversations with customers are an essential part of business' operations is nothing new. However, in the current scenario, it is no longer about the fact that brands interact with customers; it's about how they do it, which has a significant impact on the success of the business.

Customers now have more choices than ever before, and they know it. This means that they have high expectations when it comes to interacting with any brand. These connected consumers have reshaped what is expected when it comes to **customer experience**. They want to use their preferred channels for brands to engage proactively and address their requirements, self-serve and solve their queries faster and personalised.



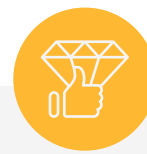
88%

customers expect a response from your business within 60 minutes



30%

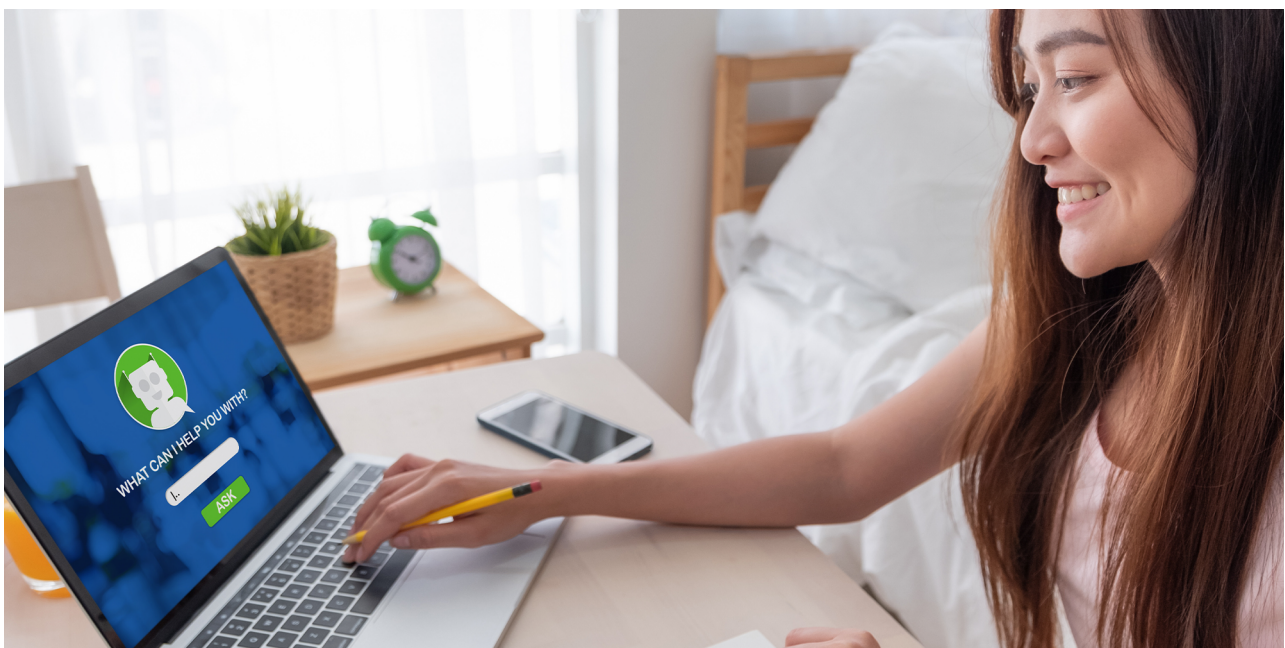
expect a response within 15 minutes or less



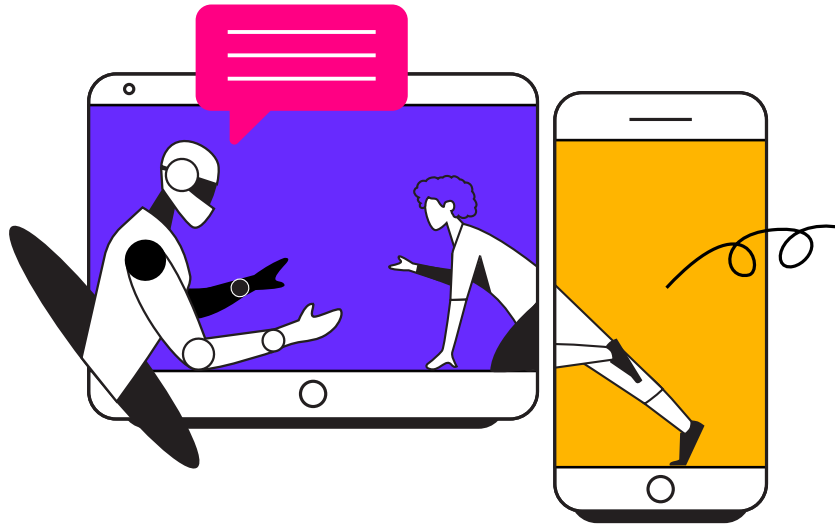
75%

customers say that a fast response time is the most important attribute of a good customer experience

Meeting and exceeding these expectations will determine a brand's success in this highly competitive market. As a result, meeting the ever-growing demand of connected consumers is the top priority for many businesses.



Conversational messaging enables brands to provide meaningful two-way engagement at a scale. It's about delivering more personalized messages that create a better experience on the channels that consumers want to use. Brands have already started using new rich messaging channels for a wide range of use cases. Best Buy customers are using **RCS** to shop daily deals, view weekly promotions and manage curbside pickup. **WhatsApp Business API** enables Barclays bank to provide customer support for a variety of queries. Khan Academy uses WhatsApp API to empower learners to study at their own pace.



Conversational messaging channels are offering consumers a choice in how they want to engage. Customers can type and tap to conveniently make purchases and get the information they need. For brands, conversational messaging channels offer a way to increase automation and scale customer journeys. They are becoming the foremost digital medium for growing and maintaining relationships with new and existing customers to drive sales and increase retention.

Now that we have a better understanding of conversational messaging and why it matters in this hyperconnected world, let's talk about how conversational messaging is transforming the three significant areas of business functions, i.e., commerce, marketing and support.

Power Conversational Marketing For Your Business

Conversational marketing is a form of inbound marketing where the focus is on customer interactions. It helps you take your customers through the marketing funnel through a series of personalised conversational experiences across physical and digital surfaces. However, mass personalisation is no longer the goal. Marketers want to have one-on-one conversations with their customers through Awareness-Interest-Decision-Action (B2C) sequence to learn what they are looking for and develop a stronger, long-term relationship with them.

Conversational marketing has become a revolutionary move for traditional businesses to venture into the digital space. It offers them innovative ways to interact with their customers.

Let's look at some of the examples:



Automobile

Purchasing a car online poses numerous problems. There are many technical aspects that most consumers cannot navigate without advice, and there are apparent visual elements that are difficult to transmit through photos and pre-recorded video alone. Hyundai Mexico recognised these challenges and implemented a conversational marketing solution to improve lead capture from their website. They used the One-to-Many solution, a live video streaming service that allowed them to qualify and generate more leads. This has resulted in a 16% conversion rate and a massive increase in their user satisfaction.



Telecommunications

Vodafone Spain implemented conversational messaging solutions to convert visitors from product pages, generating an additional 400,000 leads per month.



Travel

Conversational marketing has also benefited the luxury travel industry. Bahia Principe, a leading luxury travel company, improved their online experience, changing the way its customers experience its products. By addressing customer doubts, they built a trust factor in their customers and have increased their online sales conversions by 16%.

Others include Sun 50, [Gupshup IP](#), and [conversational marketing bot](#) by Gupshup.

Benefits

Conversational marketing has a lot of benefits. Let us have a look at them:



➤ **Become a market leader in digital experience:** It helps establish your brand as an innovator and raise the bar for customer experience. It helps improve your online buying experience and gather feedback.

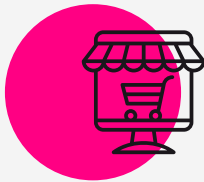
➤ **Build effective relationships through personalisation:** It enables you to build stronger relationships with your customers through personalisation. Conversational messaging platforms like [Gupshup](#) provide [bot development](#) services that can lead to significant results for you. They know the dos and don'ts of developing a bot. Therefore, the process is much faster and cheaper.

➤ **Improve customer satisfaction:** Engaging with the customers better without going to the FAQs page or waiting for callbacks.

Other benefits include:

- › Generating sales and leads through new channels
- › 24x7 availability and automation
- › Save time by shortening the sales cycle
- › Increased conversion rates
- › Maximising call centre and retail staff

Use Cases Across Industries



D2C & e-commerce

- › Chatbots help brands collect contact information from prospects while taking them through a conversational journey
- › Launch campaigns on 30+ messaging channels including SMS, WhatsApp and Messenger



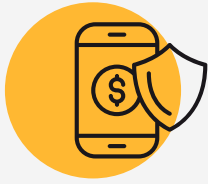
Banking, Financial Services and Insurance

- › Navigate prospects through a variety of financial instruments, from loans to investments to insurance
- › Nudge your credit card customers to renew their cards via a bot
- › Personalised offers and deals
- › Product up-sell like loans, credit cards, insurance, overdraft, shares, mutual funds
- › Upgrade of existing sold instruments



Edtech

- › Collect contact information of students and parents who access your website/app
- › Create one-on-one communication and remarketing campaigns for users on a platform of their choice
- › Product up-sell like courses, supplements, tests
- › QR code for offline to online print marketing



Fintech

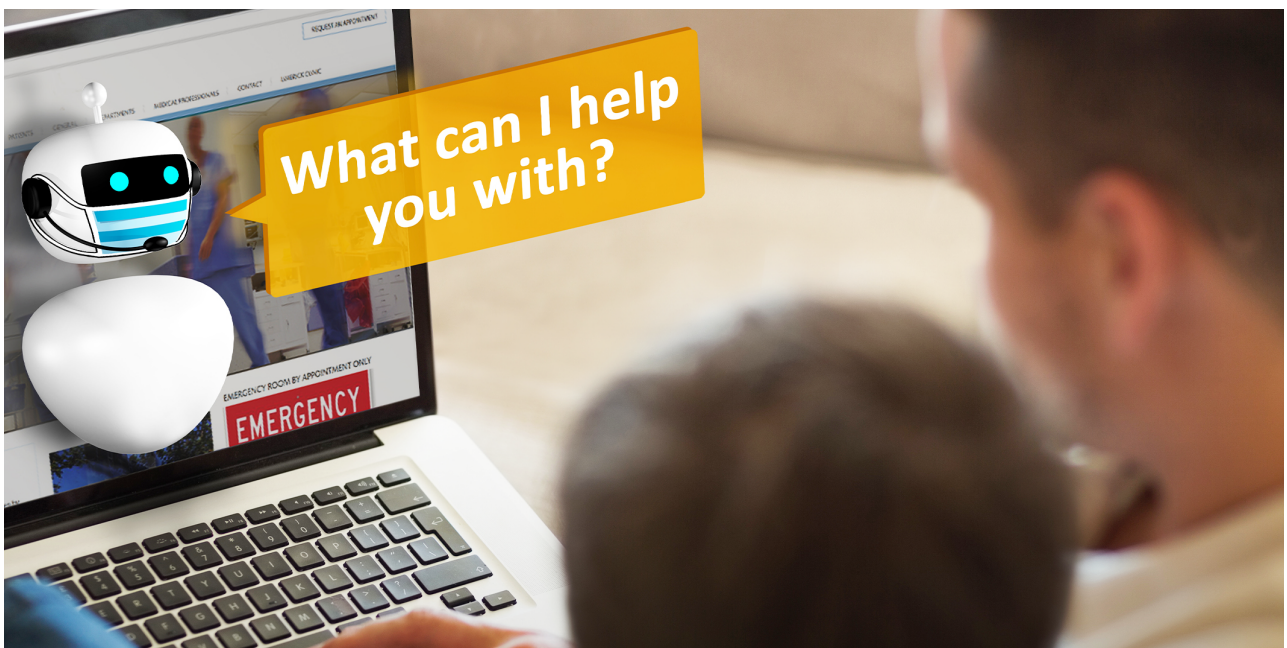
- Chatbots help collect loads of customer information such as contact details of prospects, etc., for a variety of financial instruments from loans to investments. This helps in generating leads with follow-up options.
- Streamline the vehicle finance process from loan to insurance. Chatbots can prompt prospects who are looking for loan options by directing them to the available options.

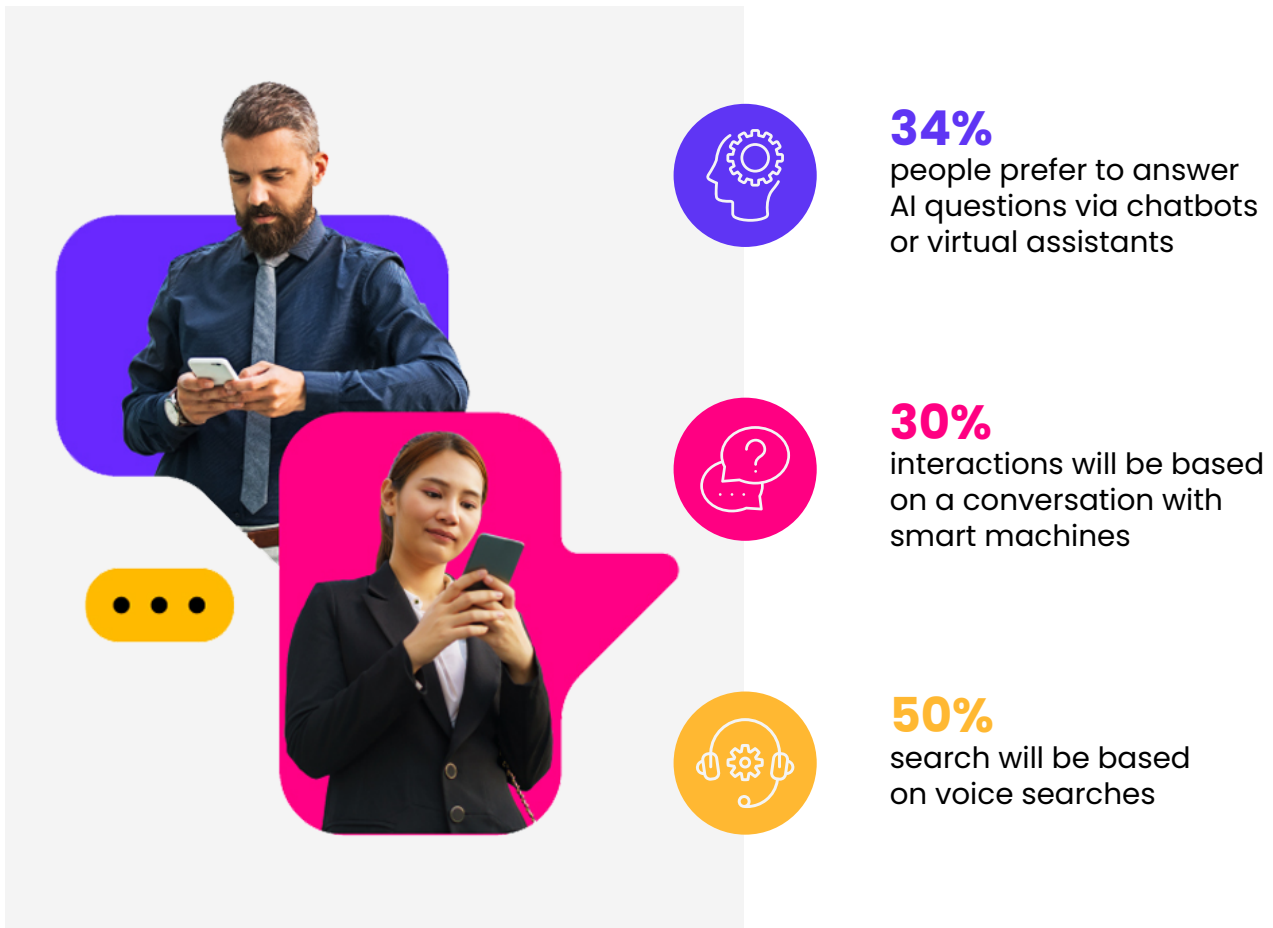
Conversational marketing can turbocharge your strategies without modifying too much. It is a tremendous opportunity for remote teams to automate the services and make their business more efficient. Customers expect personalisation services without having to ask for them. Conversational marketing strategy does just that.

Rise of Conversational Commerce

Conversational commerce is the tool that allows businesses to interact with their customers with the help of digital messaging and voice-assisted technology. The term gained popularity in 2015 after an article written by an American blogger and inventor of the hashtag **Chris Messina** became popular. In his article, Chris drew attention towards the trend of selling products and services through messaging apps.

The key benefit of conversational commerce is in making the business more approachable and convenient for the customers. Conversational AI-powered chatbots help brands create more direct engagement and indirectly generate more revenue by taking customers on a conversational journey through the purchasing and sales processes. Furthermore, it is also used on various platforms that allow customers to narrow their choices, list their preferences, and make informed decisions.





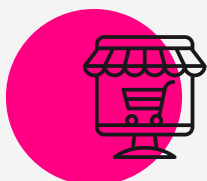
The projected value of the chatbot e-commerce transactions to be [\\$112 billion by 2023](#)

Benefits

These are some of the benefits of conversational commerce solutions:

- › Expand your market reach
- › Make conversational commerce secure
- › Start conversations and build a direct digital connect with your customers
- › Respond to customers real-time and engage them in conversations
- › Make all steps of the purchase and [customer support](#) lifecycle conversational
- › Convert your existing messaging workflows into conversations
- › Protect the privacy of your business and your customers at all times
- › With chatbots on messaging apps, no additional apps need to be downloaded
- › Make the online commerce experience consultative and conversational
- › Convert your existing SMS volume into conversation starters with embedded GIP links to chatbots

Conversational Commerce Use Cases Across Industries



D2C & e-commerce

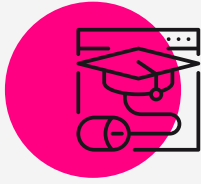
- **Personalised Deals:** Customise deals based on past purchases, preferences, shopping behaviour, and demographics
- **Product Discovery:** Chatbots help businesses understand their customers' requirements and suggest relevant products



Banking, Financial Services and Insurance

- **Cross-sell & upsell:** Convert credit card payment messages into upsell for a personal loans
- **Portfolio management:** Customers can track or add to their portfolio and buy/sell through the bot
- **Chatbots can also help customers in the following:**
 - Balance check
 - Cheque book requests
 - FD / RD requests
 - New card / Block card
 - Insurance premium payments, statement downloads
 - Nominee updates
 - Buying and selling of stocks, mutual funds, gold bonds, CFD





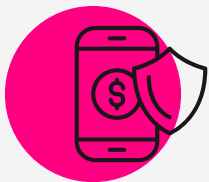
Edtech

- > **Course Purchase:** Share a conversational workflow to help choose and pay for the right course
- > **Consultative Selling:** Upsell, cross-sell and make purchase suggestions when answering doubts



Automobile

- > Using a chat-based interface, customers can raise inquiries, discover products, book test drives, check for availability
- > **The AI engine answers frequently asked queries such as**
 - Showing available products
 - Photos of the car
 - Available colour variants
 - Reviews
 - Features/Specs/Pricing/Variants



Fintech

- > **EMI collection:** Chatbots help collect loan EMI, send payment reminders, and remind default penalties through a conversational interface
- > **KYC:** A simple chat-based journey can simplify processes like collecting customers' KYC details during the onboarding process

The rise of conversational commerce has helped earn a loyal and satisfied customer base and offer a better human experience across industries. When the business is optimised, the customers get discounts, offers, recommendations, feedback and smoother communication and query resolution. Conversational commerce has not only shown up to 80% positive customer experience but has also helped companies reduce operational costs.

The Emergence of Conversational Support

Most customers these days wish to communicate with the brand in a conversational way to discuss their problems. Customers want real-time acknowledgement and resolution of problems, which traditionally has been a problem area with emails and IVR-based support desks. Gone are the days where customers would hold on to a phone call in a queue just to get a query answered or check their emails.

Take the following statistics as evidence:



94% of consumers
are annoyed by the communications
they receive from businesses



Only 28% of people
answer cold calls



The average email open rate
has dropped to
21.33%



62% of companies
ignore customer support emails



80% of companies
believe they are delivering excellent customer
support. However, only 8% of customers believe
that they are receiving excellent service,
indicating a massive gap between
delivery and expectations



These numbers indicate that it is much harder for businesses to really just create marketing-based perception because consumer communities talk to each other and directly or indirectly influence each other. And therefore, the product experience, customer support experience, and the overall customer experience matter a lot more. It is imperative to look at customer support as a core part of the company offering.

Thus, conversational support helps a business improve customer satisfaction and loyalty by making the **customer support** experience richer with a combination of automated conversations and timely live agent handovers.

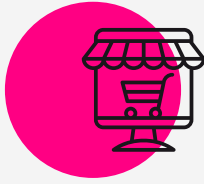
Traditional vs Conversational Support

Traditional Support	Conversational Support
Generic support	Personalised support
Transactional approach	Value-adding experience
Soulless ticketing	Enriching conversations
No proper flow	Seamless support
Each channel is handled separately	Customer conversations are integrated
Customers have to report for each question	Conversations are ongoing
Low response time	Quick query resolution
Customer data is scattered between teams	Every agent has access to the customer data
No option to choose the channel	Customer can contact businesses on any channel
Customers are handed off between teams	A unified approach to support

Benefits

- Offer an unparalleled conversational messaging experience for your customers that's easy to integrate with and helps maintain higher ROI.
- Handle simple, mundane queries as well as frequently asked queries (FAQs) in a relatively easier manner.
- Avoid the false choice of making a trade-off between the 'value of support' and its 'cost'.
- Handle escalation to a single agent and even to a group of agents based on the routing logic decided by the business.

Use Cases Across Industries



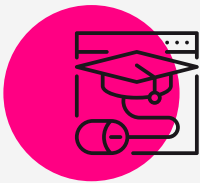
D2C & e-commerce

- **Live Chat Support:** Reduce load on live agents with support bots handling FAQs and timely handover to agents
- **Customer Feedback:** Run surveys, capture NPS, record customer feedback via bots



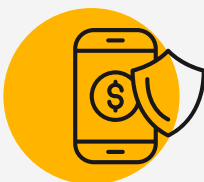
Banking, Financial Services and Insurance

- **Automate Call Center FAQs:** Reduce the load on your live agents with support bots that can answer FAQs and handover to agents at the appropriate time
- **Customer Feedback:** Run surveys, capture NPS, record customer feedback via bots to reduce the load on live agents



Edtech

- **Doubt Solving:** Trained AI models handle FAQs with context changes and pass advance level queries to human counsellors
- **Student Feedback:** Run surveys, capture NPS, record student feedback through a conversational workflow



Fintech

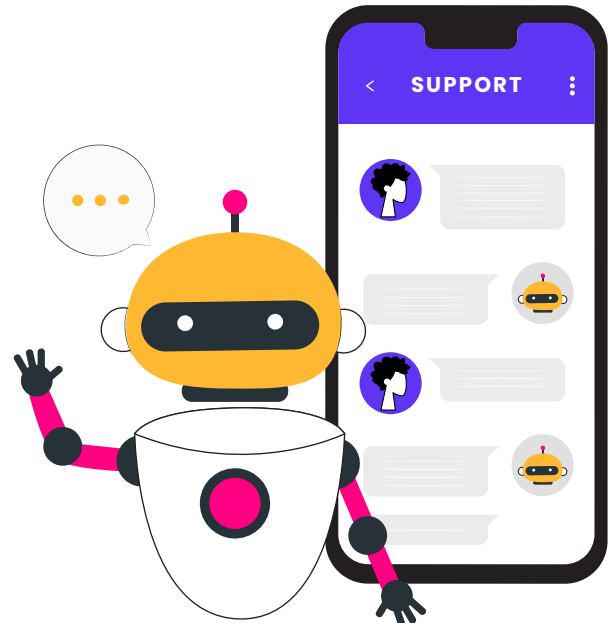
- **Automate general queries:** Reduce the overall load on your live agents with support bots. These bots help answer frequently asked generic questions and intelligently hand over in time to the agents in case of complex queries.
- **Customer feedback capture:** Chatbots can initiate surveys, capture NPS, record customer feedback, etc. This information can be recorded and passed on to live agents and CRM for further follow-ups.

The future of customer experience is **conversational support**. If businesses are able to engage users with an enriching conversation, they will provide great customer experiences at every step of the way. Therefore, businesses need to focus on automating the support and adding more self-service options to ensure value to customers.

Conclusion

Conversational messaging is the single biggest paradigm shift that is taking place between businesses and customers today. Building a conversational messaging strategy for all three business functions i.e., commerce, marketing and customer support will enable businesses to drive more revenue, reduce costs, and increase customer satisfaction.

However, conversational messaging is omnichannel at its core. An ideal conversational experience enables customers to converse in a messaging channel they are comfortable with - WhatsApp, SMS, RCS, Facebook Messenger, Twitter etc. So, connect with your customers on the messaging platform they prefer the most and bridge the communication gap. Get started with conversational messaging for your business with Gupshup. [Contact us for further details.](#)



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