VENTURE REPORT CHATBOT - 2020

MAY 16

CHATTER
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INTRODUCTION

What is a chatbot?

A chatbot is an artificial intelligence (AI) software that can simulate a conversation with a user in natural language through messaging applications, websites, mobile apps or through the telephone.
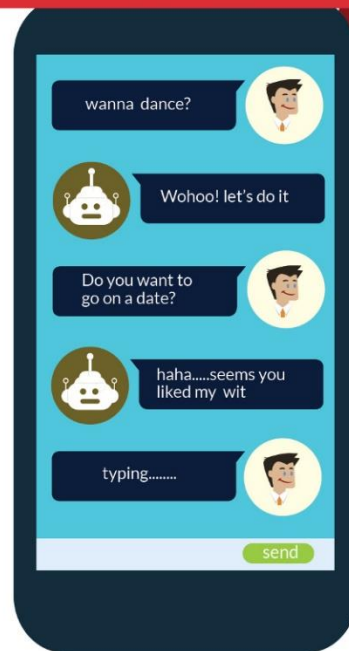
Behind the scenes: How a chatbot works

There are two different tasks at the core of a chatbot:

1) User request analysis

2) Returning the response

1) User request analysis

The ability to identify the user's intent and extract data and relevant entities contained in the user's request is the first condition and the most relevant step at the core of a chatbot: If you are not able to correctly understand the user's request, you won't be able to provide the correct answer.
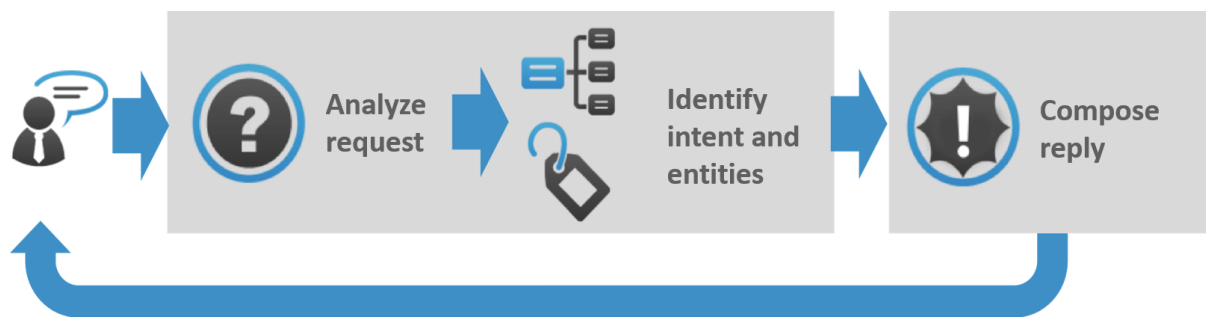
2) Returning the response

once the user's intent has been identified, the chatbot must provide the most appropriate response for the user's request. The answer may be:

• a generic and predefined text
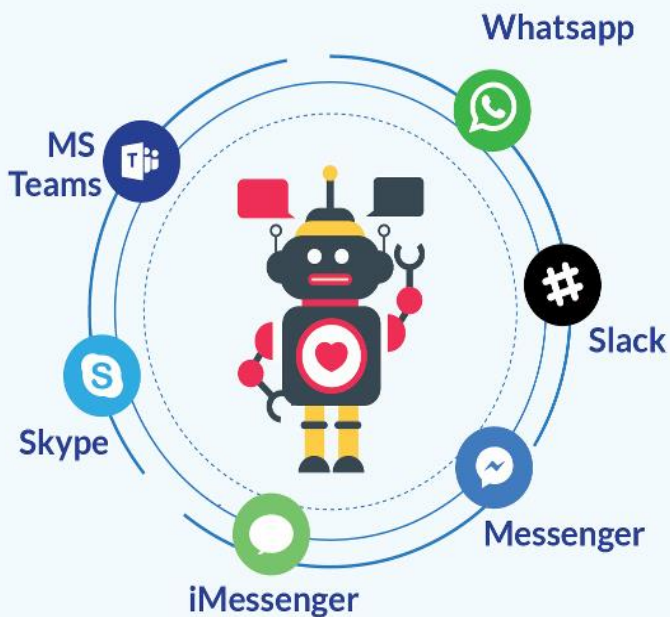
• a text retrieved from a knowledge base that contains different answers

• a contextualized piece of information based on data the user has provided

• data stored in enterprise systems

• the result of an action that the chatbot performed by interacting with one or more backend application

• a disambiguating question that helps the chatbot to correctly understand the user's request

HOW CHATBOT WORK

They are a software that connects to
a **messaging channel e.g.**

Can be used to chat on platforms like:

- Whatsapp
- MS Teams
- Slack
- Skype
- Messenger
- iMessenger

Under the hood

Guided Interations	Stock pharses	Knowledge DB

2 Retrive content from

Natural Language Understanding (NLU)
Machine Learning
Keyword matching

1 Understand Intent via

Chat History

3 Construct Reply
Build a Sentence
List of optins
Multimedia reply

Send Message

User

Send Reply
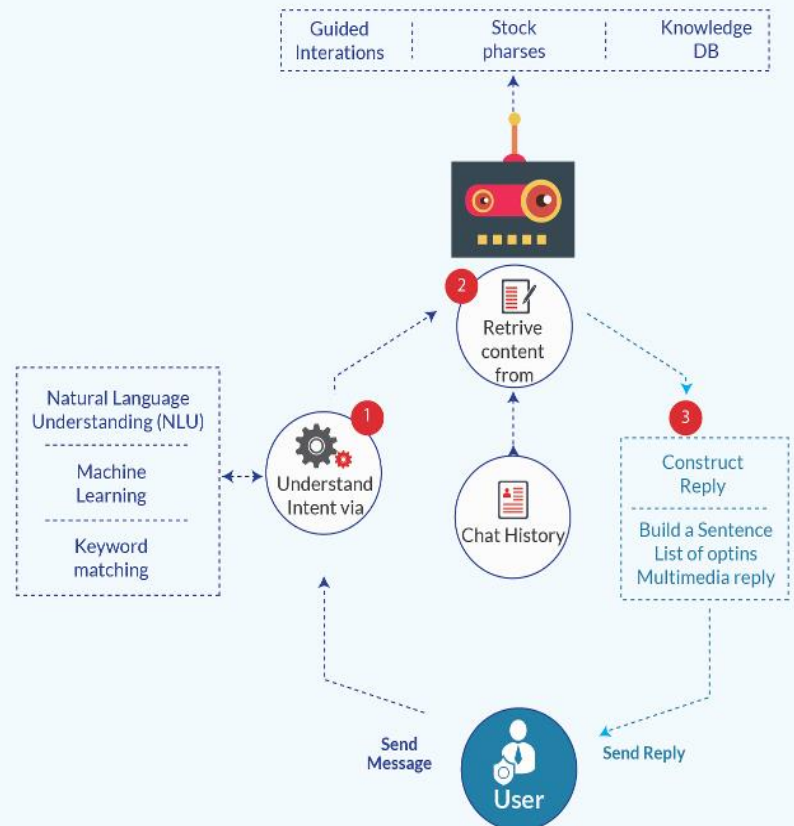
Which chatbot application is right for you?

There are different approaches and tools that you can use to develop a chatbot. Depending on the use case you want to address, some chatbot technologies are more appropriate than others. In order to achieve the desired results, the combination of different AI forms such as natural language processing, machine learning and semantic understanding may be the best option.

WHAT IT CAN BE USED FOR

How can you benefit from a **chatbot**

USE CASES

Sales:
leads management, quote creation, pipeline reports

Human resource:
Onboarding & Training, Pre-qualification & shortlisting

IT Helpdesk:
password management, asset management, troubleshooting

Insurance:
request quote, information, submit claim, nearby facilities

Customer service:
Account/issue resolution, status update, account update, service alerts

EdTech:
onboarding, course information, registration

Restaurant ordering

Ticket reservation

Virtual buying assistant

Why chatbots are important?

1. Chatbot applications streamline interactions between people and services, enhancing customer experience. At the same time, they offer companies new opportunities to improve the customers engagement process and operational efficiency by reducing the typical cost of customer service.

2. To be successful, a chatbot solution should be able to effectively perform both of these tasks. Human support plays a key role here: Regardless of the kind of approach and the platform, human intervention is crucial in configuring, training and optimizing the chatbot system.

BENEFITS

Customized User experience

Available 24/7

Scalable customer service

Competitive advantage

Better navigational experience

Big data Analysis

Personalized responses

Richer experience

Leverage social media messaging

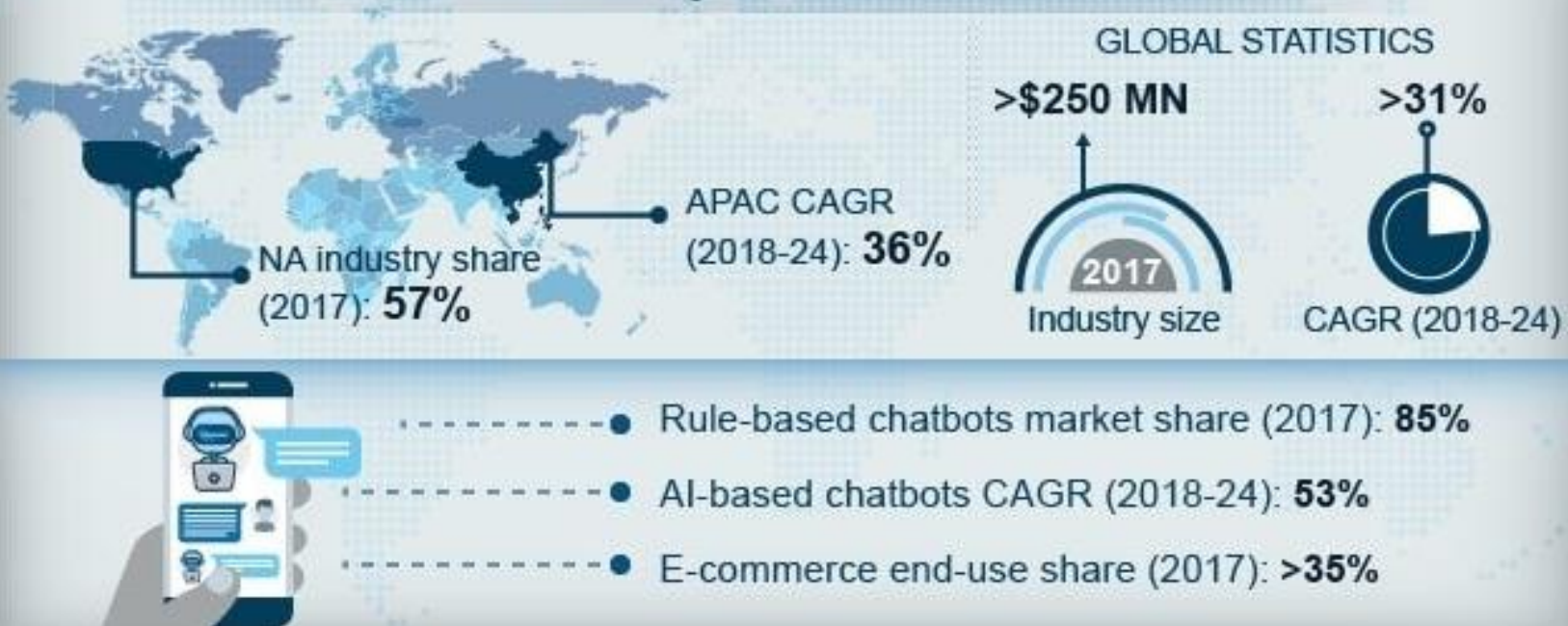No need for expensive app development

Reach customers thru messaging

THE FUTURE MARKET OF CHATBOT

CHATBOT MARKET

Global Market Insights
Insights to innovation.

Chatbot Market by 2024: **USD 1.34 billion**

NA industry share (2017): **57%**

APAC CAGR (2018-24): **36%**

GLOBAL STATISTICS

>**$250 MN**
2017 Industry size

>**31%**
CAGR (2018-24)

Rule-based chatbots market share (2017): **85%**

AI-based chatbots CAGR (2018-24): **53%**

E-commerce end-use share (2017): **>35%**

Market growth will **ACCELERATE** at a CAGR of almost **29%**

INCREMENTAL GROWTH
USD 1.11 bn
2019   2024

The year-over-year growth rate for 2020 is estimated at **25.07%**

The market is **FRAGMENTED** with several players occupying the market share

37% of the growth will originate from **NORTH AMERICA**

One of the **KEY DRIVERS** for this market will be **THE ADVANTAGES OF CHATBOTS**