

# Conversational Commerce: Growth – Development – Usage

Whitepaper 2017

# Innovative companies have begun experimenting with Chatbots

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## *Background*

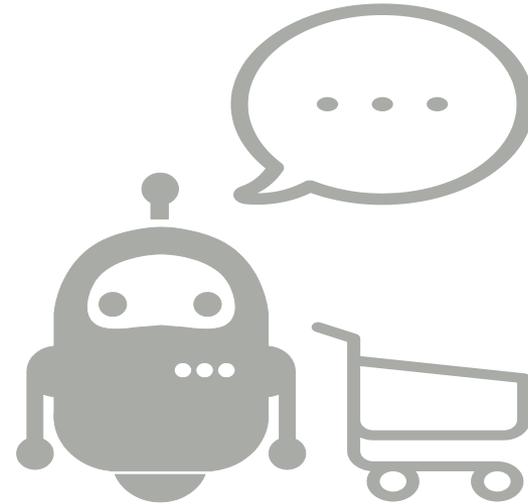
These days, more and more people are communicating via instant messaging apps such as Facebook Messenger, WhatsApp and Co. This communication channel is particularly popular among a younger segment of society.

This trend, coupled with developments within artificial intelligence, has resulted in more and more companies experimenting with the use of Chatbots. Chatbots are automated dialog systems which trigger dialog with customers within a messaging app or intelligent personal assistants (IPA) that use voice recognition.

In the US, the bot provides users of instant messaging app Kik with make-up tips, provides them with reviews, and subsequently attempts to convert them into paying customers at the innovative cosmetics brand Sephora – that's literally 'conversational commerce'.

With virtual assistants receiving plenty of attention of late, especially as a result of Amazon launching its Echo device, it is plausible to suggest that more software will focus on speech-recognizing bots. Yet, the current state of consumer uptake indicates that this progress is moving at a much slower pace compared to chatbots for messengers, which are experiencing much higher user penetration.

**This Whitepaper provides insights on growth, compares development efforts and informs readers about consumer preferences.**



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# From limited Chatbots to Conversational Commerce with intelligent smart assistants

## *Conversational Commerce explained*

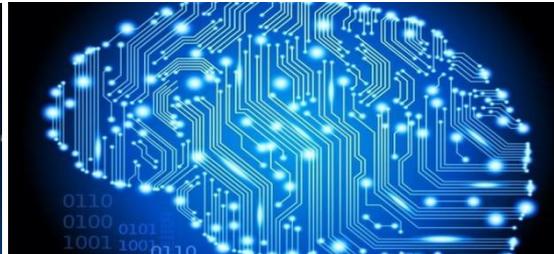
Rules-based Chatbots

AI-based Chatbots

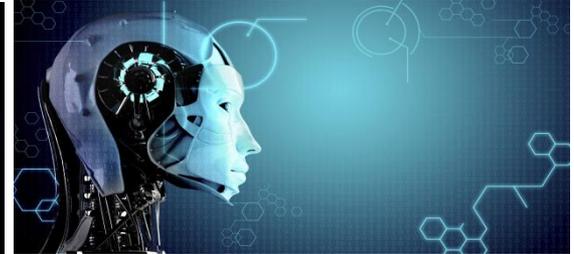
Intelligent Smart Assistants (IPA)



June 1966: Joseph Weizenbaum develops **ELIZA**, the world's first Chatbot



April 2016: Facebook launches **bots on messenger platform** for developers



October 2016: Microsoft researchers minimize **Word Error Rate** to **5.9%**

**CONVERSATIONAL COMMERCE:** dialog-oriented exchange between users and companies that aims to generate sales

# The number of Chatbots is on the rise, as predominant use-cases are emerging

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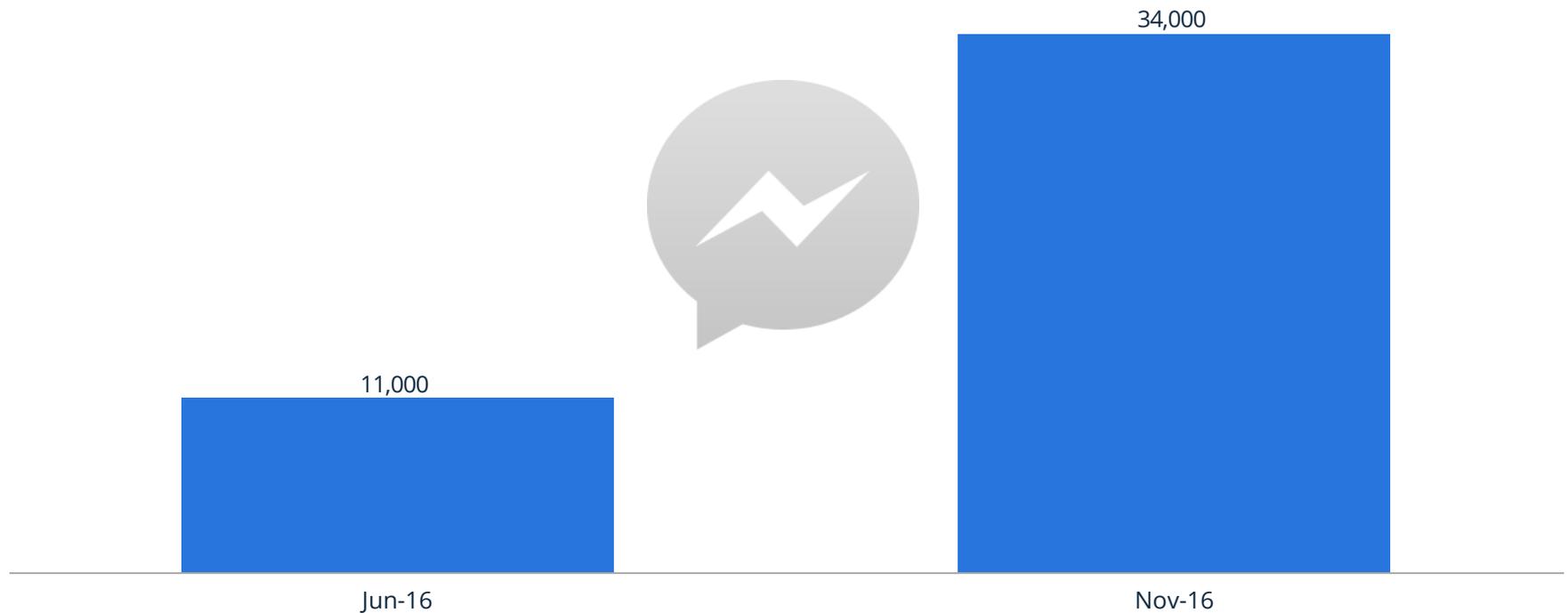
## *Key Takeaways*

1. The **number of Chatbots** available on **Facebook Messenger** **trebled** within six months
2. **More Chatbots** are in development for **messaging apps** than for virtual assistants
3. Consumers **prefer messenger** over **intelligent virtual assistants** when it comes to Chatbots
4. **One in ten** have already used **Chatbots in e-Commerce**, a **third** is **open to trying** bots
5. **Companies** that use Chatbots are seen as **less human** by **majority**, yet **a third** wants **recommendations and advice** by Chatbots

# The number of Chatbots on Facebook Messenger trebled within six months

## *Growth*

*Number of available Chatbots on Facebook Messenger*



# More Chatbots currently in development for messaging apps than for virtual assistants

## Development

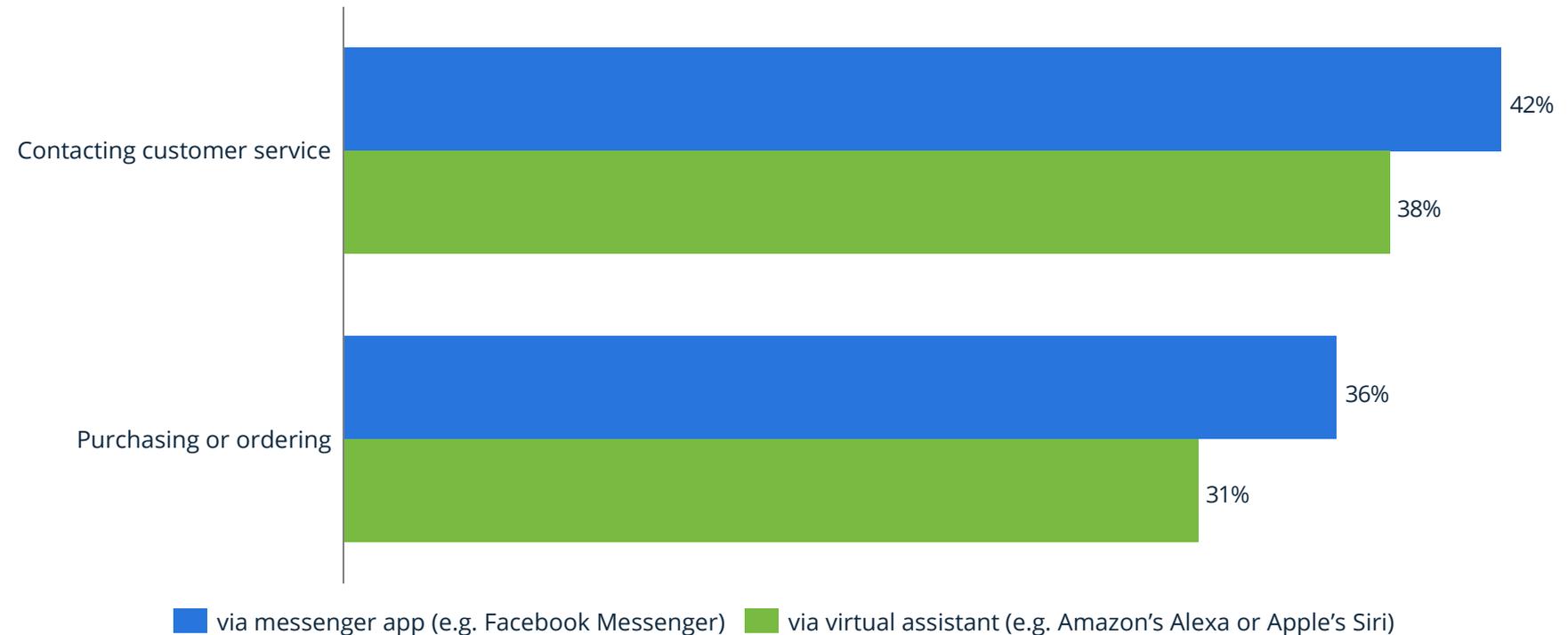
Which platforms are you developing for?<sup>1</sup> Number of Chatbots currently in development



# Consumers prefer messenger over virtual assistants when it comes to Chatbots

## Usage

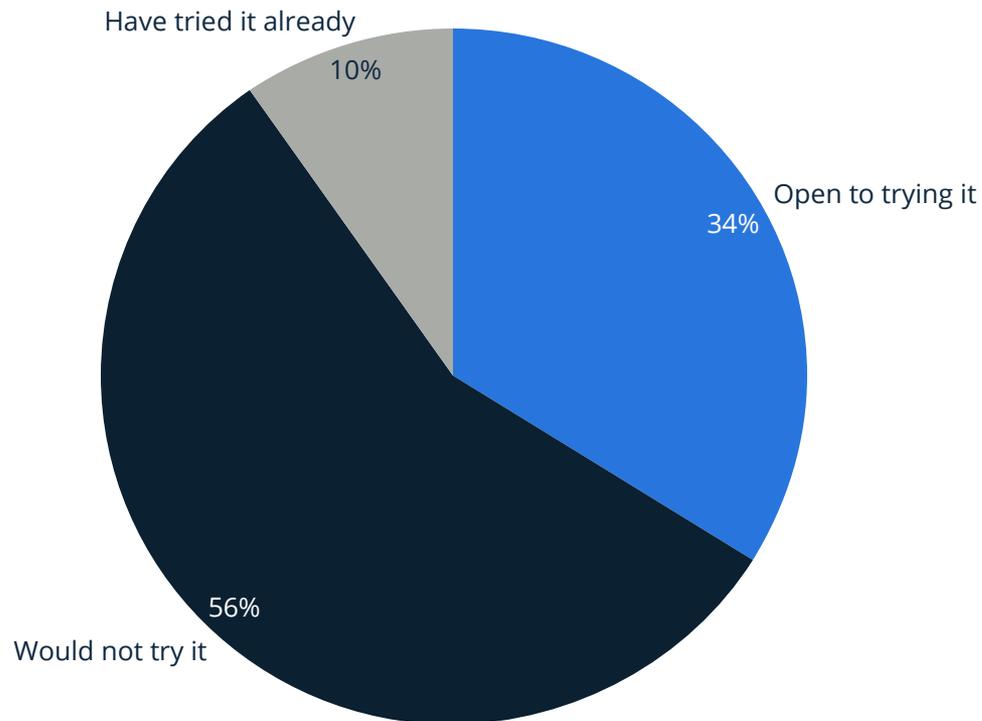
Consumer likelihood of purchasing/contacting customer service via virtual assistant or messaging app<sup>1</sup>



# One in ten have already used Chatbots in e-Commerce - a third is open to trying bots

## Usage

*How do you feel about shopping with automated Chatbots on messaging apps?*



# Companies feel less human, yet a third wants recommendations and advice by Chatbots

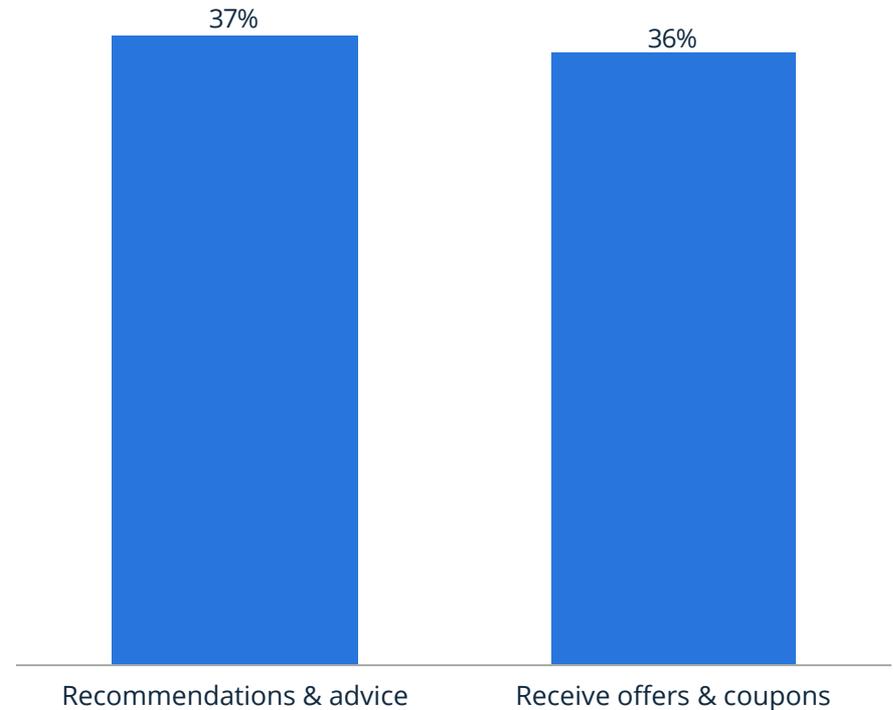
## Usage

Key reservations about automated interaction in customer service<sup>1</sup>

60 %

say that **Chatbots** will make the **companies** that use them feel **less human**

Reasons to communicate with Chatbots<sup>2</sup>



1: N=1,000; United States;  
2: N=4,089; United States; other options were available  
Sources: Aspect; DigitasLBi; Harris Poll

# About the Digital Market Outlook

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*9 markets, 34 segments, 50 countries*

## *Further Data*

This paper provides insights on Conversational Commerce. Further information on e-Commerce topics can be found via **Statista's Digital Market Outlook**.

The Digital Market Outlook provides direct access and download of revenue forecasts, user count & penetration, as well as cross-country comparisons.

It includes data on 9 digital markets, Digital Media, Digital Advertising, e-Commerce, eServices, Smart Home, FinTech, eHealth, Connected Car, eTravel and covers 50 countries worldwide.

The **e-Commerce market** includes data on Fashion, Electronics & Media, Food & Personal Care, Furniture & Appliances and Toys, Hobby & DIY.

The Digital Market Outlook is exclusively available on statista.com and is included in Statista Corporate Account and Statista Enterprise Account.

## *Contact*



**Tobias Bohnhoff**

Head of Market Analytics

Tobias.Bohnhoff@statista.com

Tobias Bohnhoff studied Geography and Innovation Management. He gathered deep knowledge of digital transformation processes and innovative business models in numerous research and consulting projects before he started to build up the Digital Market Outlook team at Statista.

More at [Statista.com](https://www.statista.com)



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Statista ▪ Johannes-Brahms-Platz 1 ▪ 20355 Hamburg ▪ +49 40 413 49 89 0 ▪ [www.statista.com](http://www.statista.com)

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