

The Ultimate
guide to Chatbots
FOR LOCAL BUSINESSES

DOMINATE YOUR MARKET WITH
AUTOMATION



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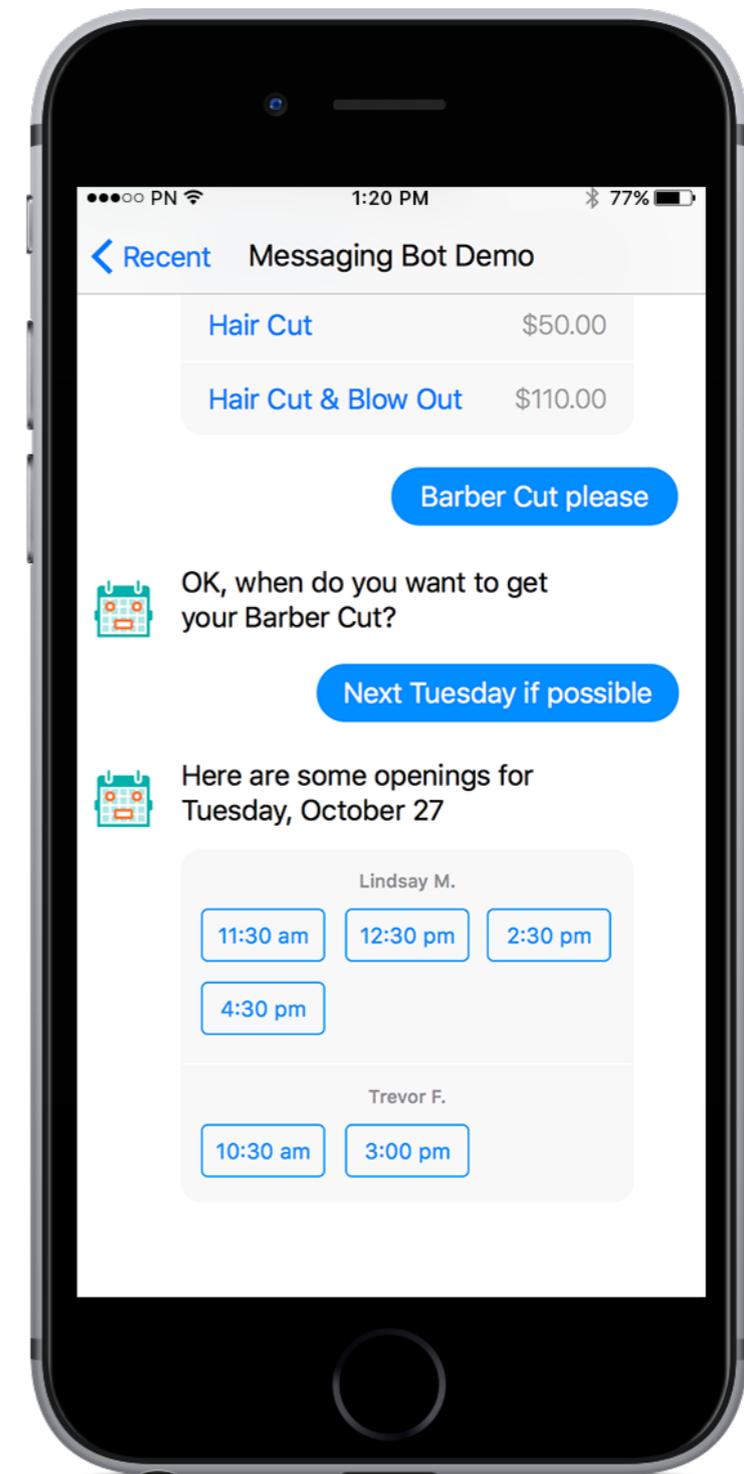
What is a chatbot?

A chatbot is a computer program designed to simulate conversation with human users. Chatbots respond to natural language text or voice and respond conversationally.

They can understand commands in order to complete tasks or simply engage in small talk, with the aim of appearing human. Artificial intelligence (AI) in the form of natural language processing is usually integrated into a chatbot's specialized software or programming language.

Chatbots are also called intelligent virtual assistants, voice assistants, invisible or conversational commerce and chatterbots.

- “A chatbot is an artificial person, animal or other creature which holds conversations with humans.” - chatbots.org
- “Chat bots are small programs that integrate with a chat platform and provide some advanced type of functionality in a fairly easy fashion.” – TechCrunch



Why are ChatBots so popular?

Chatbots will reduce friction between customers and businesses by automating communication.

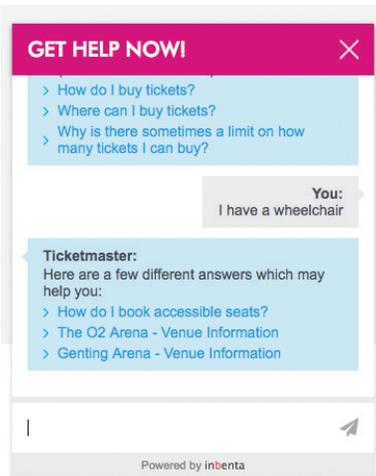
Organizations challenged to balance the evolving expectations of their customers and the reality of staffing up to meet them are increasingly looking for alternative options.

Chatbots won't fully replace live, human agents, but when built with the right backend—a robust knowledge base, Natural Language Processing (NLP) capabilities to understand meaning within complete sentences, and real-time analytics—they can help offload some of the redundant, more time-consuming tasks live support teams face each day.



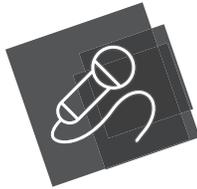
“...For the first time ever, bots will let you instantly interact with the world around you... There's no new app to download, no new account to create, and , perhaps more importantly, no new interface to learn. You just scan and chat. They can reduce friction to as close to zero as computing allows.”

– Ted Livingston, *Founder and CEO of Kik*



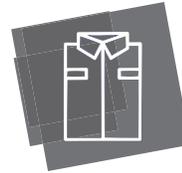
Chatbots in today's business

Businesses of all stripes can benefit from chatbots. How you use a chatbot is limited largely by your own creativity. Here's a helpful (though not exhaustive) list of companies in various industries putting chatbots to good use.



1. Entertainment:

Ticketmaster's website chat widget delivers 24/7 online shopping support for customers to simplify and accelerate online purchasing.



2. Retail:

H&M's Kik chatbot offers online shoppers personalized style tips and clothing combinations. It's also transactional, so customers can use it to complete a purchase.



3. Hospitality/Travel:

Dutch airline KLM built a chatbot that uses Facebook Messenger to send passengers booking confirmations, flight notifications, and even their boarding passes.



4. Finance:

Bitcoin marketplace Xapo has a chatbot that helps educate consumers about the Bitcoin industry and answer specific questions about a customer's account, purchases, or how to execute a trade.



5. Consumer Banking:

Apps like Facebook Messenger and Slack provide banking customers a simpler way of watching their money—or even moving it.



6. Food Service:

Taco Bell's Tacobot allows customers to peruse the restaurant's menu and place an order for pickup at any location using Slack.

Problems that Chatbots Solve

PROBLEM #1

Customers Are Constantly Expecting More

Increasing volumes of support tickets requires more manpower. While customers expect more, customer service teams are challenged with providing smarter, faster service and self-service solutions to meet the evolving expectations of today's customers.

40%

40% of customers can't find information online on their own about a product or service. *(Salesforce)*

90%

90% of consumers now expect a brand or organization to offer a self-service customer support portal. *(Microsoft)*

\$41 Billion

An estimated \$41 billion is lost by U.S. companies alone each year due to poor customer service. *(NewVoiceMedia)*

80%

Approximately 80% of current contact center customer service systems won't meet the future needs of the business. *(Dimension Data)*

PROBLEM #2

Lost Sales & Abandoned Shopping Carts

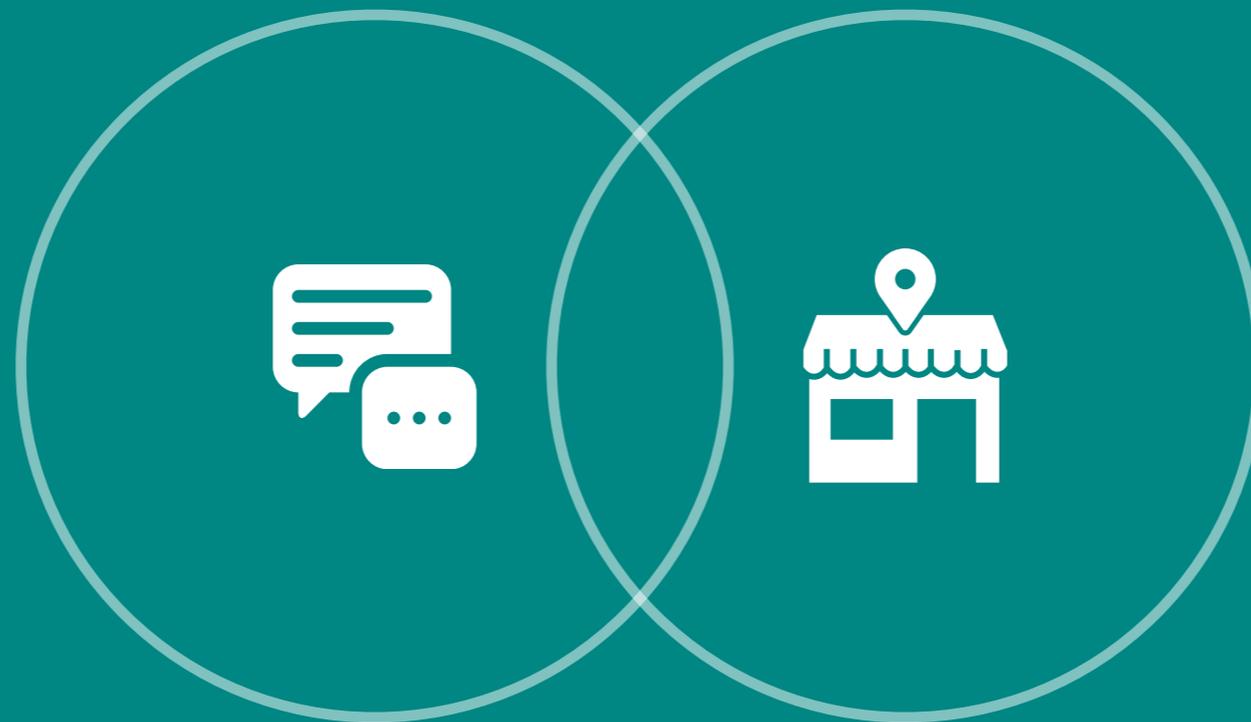
Businesses need resources to recapture lost opportunities from shopping cart abandons.

- + Approximately \$4 trillion worth of merchandise will be abandoned in online shopping carts this year, and about 63% of that is potentially recoverable by savvy online retailers, according to BI Intelligence estimates. *(Business Insider)*
- + Shopping cart abandonment is increasing and it will continue to do so as more consumers shift to online and mobile shopping. In 2013, as many as 74% of online shopping carts were abandoned by shoppers, according to data shared with BI Intelligence by e-commerce data company, Barilliance. That abandonment rate is up from 72% in 2012, and 69% in 2011. *(Business Insider)*
- + 68.63% - average documented online shopping cart abandonment rate *(Baymard Institute)*



Where Messaging and Local Collide

What does all of this mean for the local industry? What will a future built on messaging platforms with tasks completed by chatbots mean for local commerce?



Chatbots you may already know

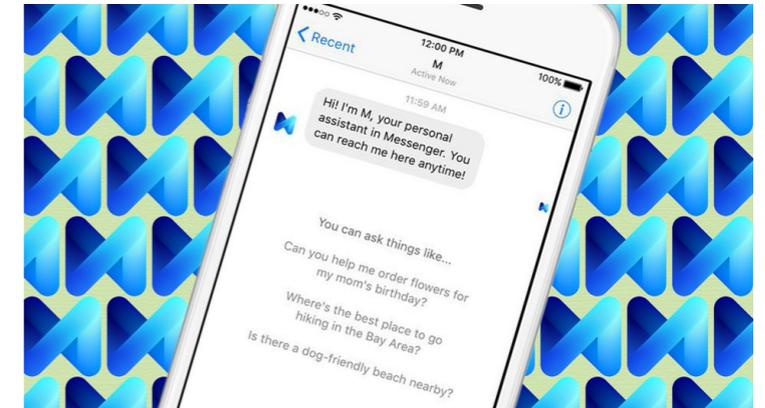
Siri



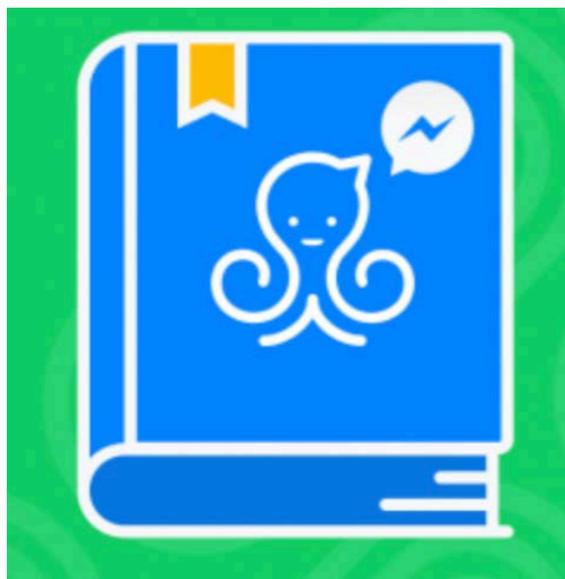
Slackbot



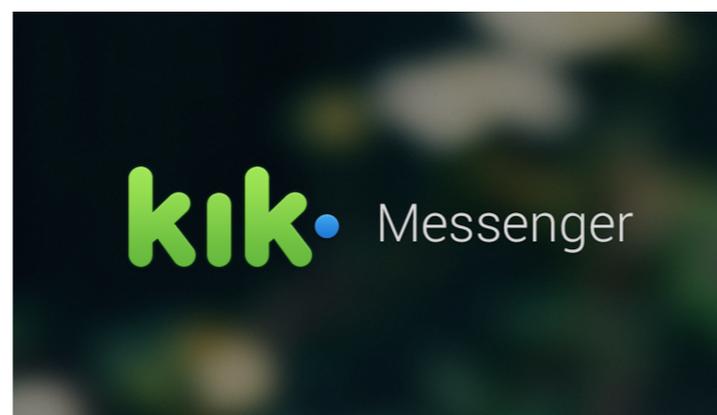
Facebook M



ManyChat Bot



Kik Messenger



WeChat

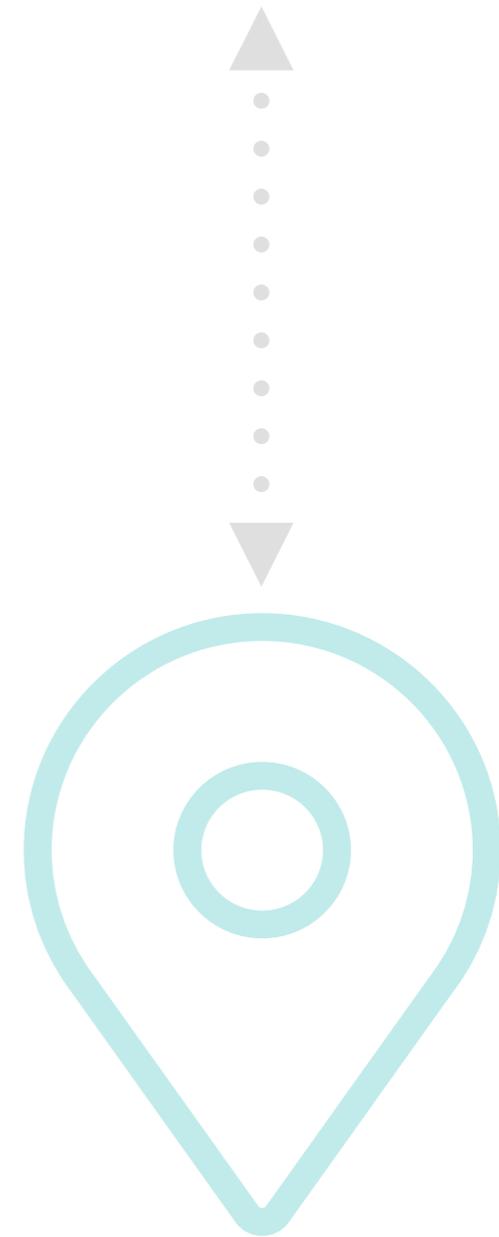


Conversational Commerce in Local

Conversational commerce is important and exciting because it captures a new dimension for businesses to **communicate, engage and assist consumers through their purchase journey.**

These chatbots are efficient, friendly, task completion mechanisms that can provide a direct interface between a customer and a business and **shorten the distance between search and a transaction.**

Chatbots have the opportunity to transform the local commerce experience.



“Conversational commerce is about delivering convenience, personalization, and decision support while people are on the go, with only partial attention to spare.

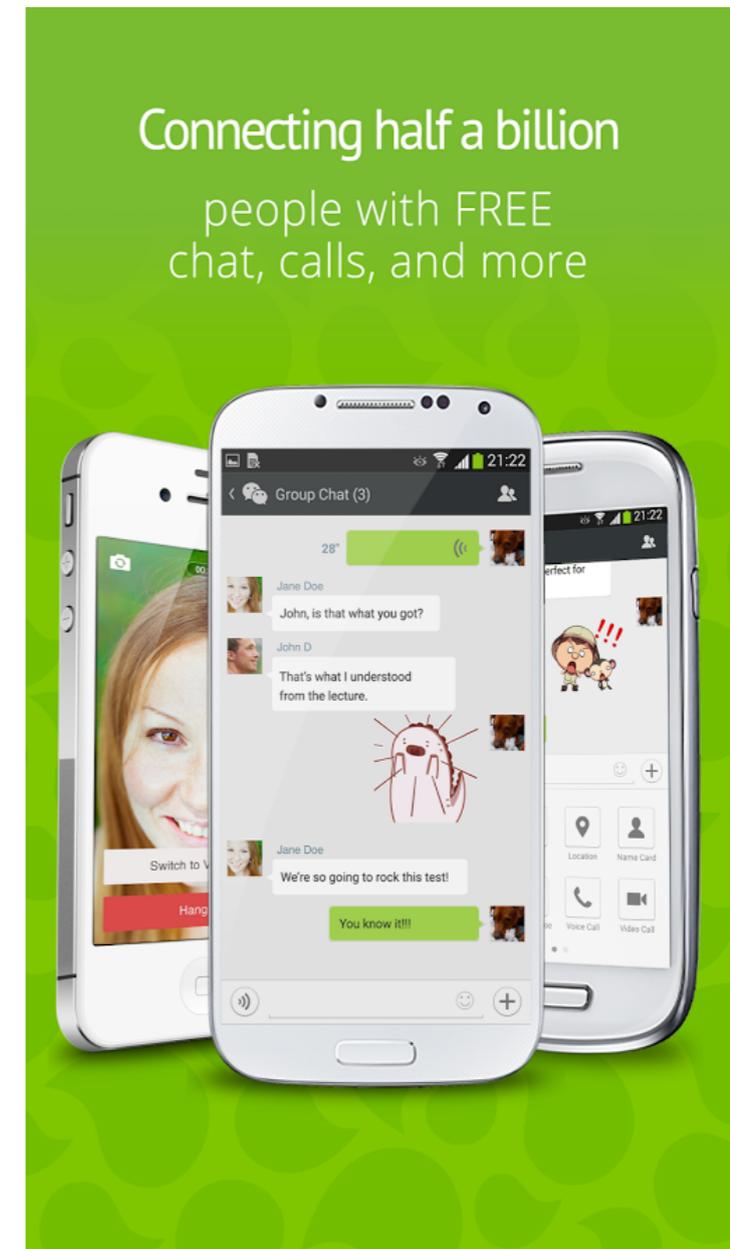
...you and I will be talking to brands and companies over Facebook Messenger, WhatsApp, Telegram, Slack, and elsewhere before year’s end, and will find it normal”

– Chris Messina, *Lead Developer, Uber*

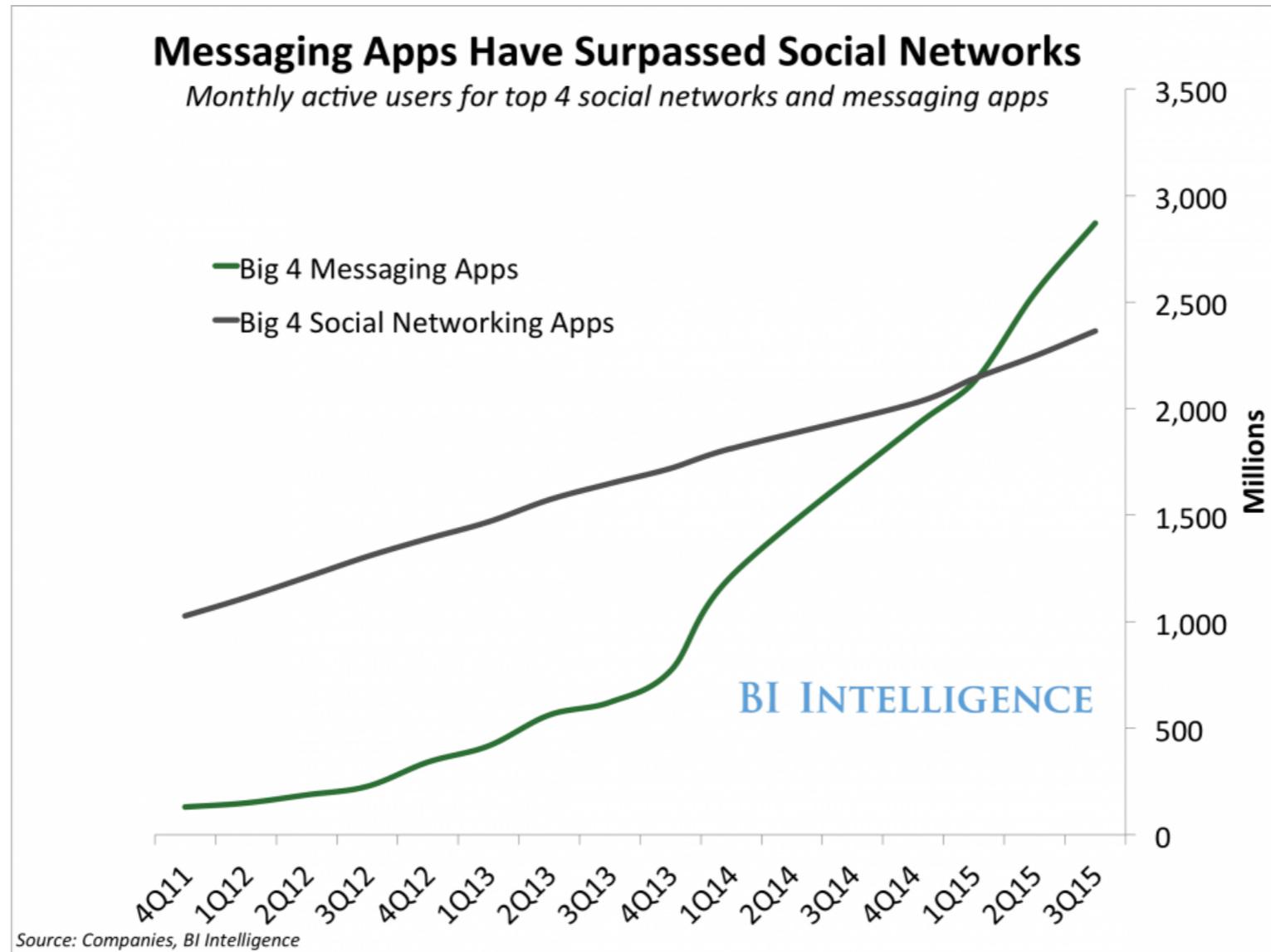


Chat is the new “Universal UI”

- Chatbots can reside in almost any digital setting that can support a conversational experience, but the biggest playground for development and execution is within messaging platforms.
- ManyChat, Chatfuel, and Chatmatic are great examples of chat becoming the primary interface for local businesses.



Why should the local industry care about messaging?



- Messaging now dominates all digital activity. Messaging apps have surpassed social networks in monthly active users around the world.
- Messaging is a global trend that will define local's future...

Image source: <http://www.businessinsider.com/the-messaging-app-report-2015-11?IR=T>

Messaging = Mobile = Local

Buying products and services, booking, reserving, commenting, etc. are all normal forms of action that we all take on a daily basis on the web and now increasingly on mobile. There is also a high correlation of mobile actions being local actions.

If messaging now dominates mobile, then the local industry should prepare for a new mobile messaging paradigm.

SELECTED GLOBAL MESSAGING LEADERS



WhatsApp (launched 2009)

- *Fast messaging*
- MAU = **800MM**, +60% Y/Y, Q1:15
- Messages Sent / Day = **30B**



Facebook Messenger (launched 2011)

- *Messaging platform*
- MAU = **600MM**, +200% Y/Y, Q1:15



Snapchat (launched 2011)

- *Ephemeral messages, pictures and videos*
- DAU = **100MM**, 5/15
- Story Views / Day = **2B**



WeChat (launched 2011, China)

- *Messaging platform*
- MAU = **549MM**, Q1:15, +39% Y/Y



LINE (launched 2011, Japan)

- *Messaging platform*
- MAU = **205MM**, Q1:15
- Messages Sent / Day = **13B**, +30% Y/Y
- Revenue = **\$922MM**, +70% Y/Y



KakaoTalk (launched 2010, Korea)

- *Messaging platform*
- MAU = **48MM**, Q1:15
- Messages Sent / Day = **5.2B**
- Revenue* = **\$853MM**, +19% Y/Y

“...one thing I think we can all agree on is that chat is going to be the world’s next operating system: a BotOS...”

Chat apps will come to be thought of as the new browsers; bots will be the new websites. This is the beginning of a new internet.”

– Ted Livingston, *Founder and CEO of Kik*

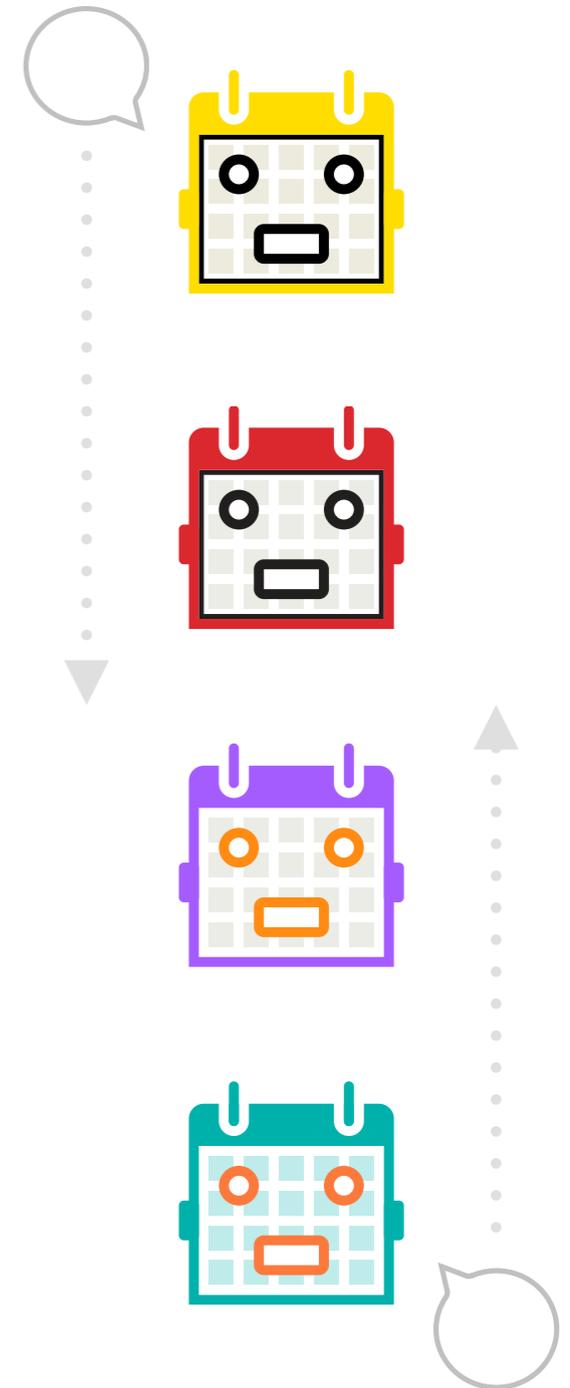


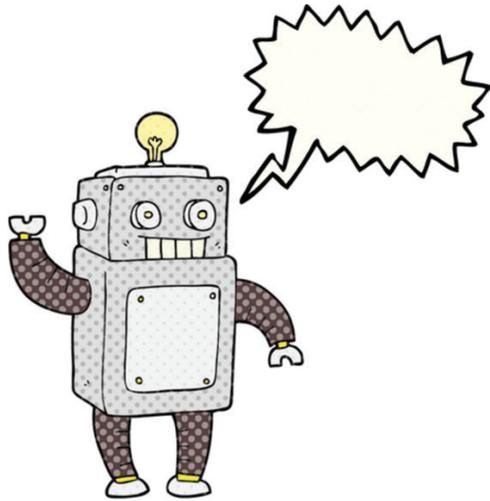
Can Chatbots Drive Messaging UX?

There are several big questions to consider in a future where the messaging app and chatbots substantially replaces the browser.

- Does the information and action objective belong within the messaging wrapper context?
- What information needs to be part of this messaging journey?
- How will the discovery phase differ than discrete task completion?
- When do users want to see reviews, pics, maps, menus etc.?
- With the complex issue of the user experience of messaging being command line interface (CLI) driven, how can various actions best fit within this UX paradigm?

Many industry thought leaders, are addressing these issues. The general sense is that tech creators will need to pay close attention to the user's content consumption journey to any action and work through how partners can exist in concert.





WHY YOUR BUSINESS NEEDS A CHATBOT NOW

Modern businesses require modern solutions

Today's business environment is unlike any we've seen before and technologies like chatbots are essential to remaining competitive. Customers are savvier, prefer social media and mobile platforms for communication, and demand an intuitive and seamless customer experience.

As the number of channels and customer touchpoints multiply, customer expectations continue to evolve toward tailored, integrated interactions and immediate answers to their questions. As a result, businesses across industries, verticals, and geographies are increasingly challenged to replicate a personalized, responsive experience over multiple channels—and demand isn't slowing down.

More than 85% of consumers have used an online channel—text, live chat, email, etc.—for help on a product or service and over 40% do so expecting a response within an hour. Adding to the challenge is the fact that 60% of consumers change their contact channel depending on where they are and what they're doing, requiring businesses to be more agile and flexible in their customer communications.

- 85% of consumers have used an online channel for support
- 40% expect a response within the hour
- 60% of consumers change communication channels based on where they are and what they're doing⁴

CONTACT US TO FIND OUT HOW WE CAN CREATE A CUSTOM CHATBOT FOR YOUR BUSINESS!

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Resources



- Chatbots.org: Chatbots.org
- Forbes: [The Next Big Thing in Retail is Programmatic Commerce](#)
- Medium: [Why Conversational Commerce may be our Best Chant to Re-Imagine the Web](#)
- Medium: [Conversational Commerce: Messaging Apps Bring Point of Sale to You](#)
- Medium: [2016 Will Be the Year of Conversational Commerce](#)
- Medium: [Maintained List of Chatbot Links](#)
- Medium: [The Messaging Landscape in 2016](#)
- Motherboard: [How to Think About Bots](#)
- Techcrunch: [On Chatbots](#)
- TechCrunch: [Chat Apps Increasingly Important for Brands](#)
- Techcrunch: [Facebook Messenger Ads](#)
- TechInsider: [Bots Pay Parking Tickets](#)
- TheNextWeb: [Slackbot May Soon Be a Log more Helpful than Siri](#)
- Venture Beat: [Why Bots, Not AI, are the Future of Chat](#)
- Wikipedia: [The Turning Test](#)
- Wired: [Future UI Design](#)