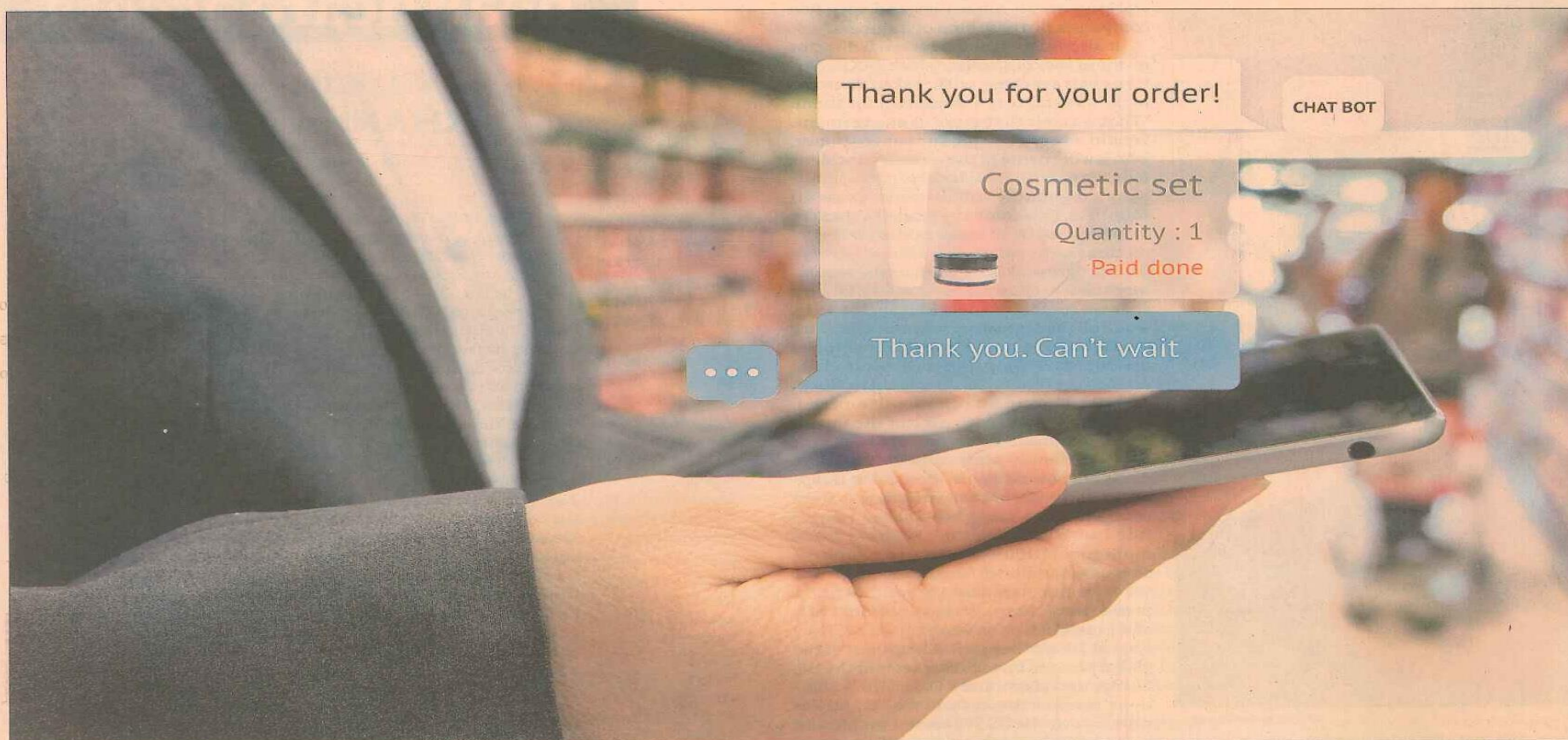


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AI-driven conversation

Chatbots are likely to emerge as the key differentiating factor for enterprises to keep that crucial connect with their customer base and remain engaged, reports FE Bureau from Bengaluru

IN AN INCREASINGLY digital world with more number of connected devices coming into play, the interaction between machines and human beings have increased manifold. The emergence of mobile devices as the main form of communications has given rise to technologies such as bots and chatbots.

Enterprises today recognise the immense value that chatbots bring into their business as they are able to connect with their consumer base on a real time basis without any lag.

Ernst & Young (EY) in its performance journal on the latest technology trends stated, "In 2016, conversational commerce and chatbot were perceived as buzzwords; a trend circulating the internet. Now, in 2017, they are embedded in business strategy, and we see more and more implementations being executed across a diverse range of industries, extending from retail to banking, entertainment and public health."

EY believes that chatbots will be the next battleground where conversational solutions allow customers to interact with artificially intelligent chatbots through popular messaging channels, such as Facebook Messenger, Skype and WhatsApp as a new way of communicating with companies. Devices such as Google Home add voice recognition and speech to bring a handsfree conversational experience.

Gartner in its top predictions for IT Organisations and Users in 2018 and beyond said that by 2021, more than 50% of enterprises will be spending more per annum on bots and chatbot creations than traditional mobile app developments.

"User attention is shifting away from individual apps on mobile devices and splintering across emerging post-app technologies such as bots and chatbots. Today, chatbots are the face of AI and will impact all areas where there is communication between humans. Bots have the ability to transform the way apps themselves are built and the potential to change the way that users interact with technology. The appropriate use of bots is also likely to increase employee or customer engagement, as they can quickly automate tasks to free up the workforce for more nonstandard work, including question-and-answer interactions, when deployed as chatbots or virtual assistants," it said.

Chatbots are built to mimic conversations with human users — programmed to

follow dialogue flow with natural language processing capabilities — while artificial intelligence (AI) user interfaces can learn and understand context, as well as link concepts with one another. Basic chatbots are primed to respond to distinct terms and phrases and unable to venture outside the predefined dialogue, which also makes them easier to build and implement in contrast to AI-powered chatbots.

According to EY, in previous years, brands have focused on the development of branded applications to connect with their audience, yet research has shown that, on average, users engage with only three apps for 80% of their usage, a phenomenon referred to as "app fatigue."

App fatigue has driven customers to narrow down their app selection and usage. Instead, they use chatbots, as this avoids them having to download any additional apps and allows them to contact brands directly through messenger apps already installed on their mobile devices. Businesses no longer need to entice customers to down-

load their apps, as their audience is already present and a frequent user of these messaging apps.

Millennials are mobile natives, projected to spend more than \$200 bn annually in 2017 in the US alone, EY said. They are fluent and comfortable with messaging channels, and can quickly understand and grasp the chatbot medium.

Chatbots enable the customer to contact and gain access to a company or brand without downloading an additional application, calling a service center, visiting a website or writing an email. Therefore, chatbots are less intrusive than other means of interaction and do not require users to make a conscious decision to engage with a brand via a dedicated portal.

"Conversation is the new user interface," said, Keith Strier, Principal, Ernst & Young LLP, Americas Digital Offering Leader for Strategy and Customer Practices

"The reason why chat can be a better way to interact is not just because it can be more efficient and intuitive, but also because it feels more personal," according to EY.

Chatbots are seen as a big performance tool for the business to commerce, though EY believes same opportunities exist in a B2B environment. Typical use cases can be found in the order-to-cash (OTC) process or in interaction and communication between suppliers.

EY believes the most obvious benefit of chatbot employment for organisations comes in the form of cost savings. As chatbots take on more of the routine tasks and queries, humans are left free to tackle more complex service issues.

According to EY, it can be assumed that chatbots will play an integral role in customer engagement, across sectors and for years to follow. "Chatbots are a highly efficient and cost-effective way to create a consistent experience for the customer, creating benefits for both the end user and the company employing them," it said.

Messaging is the core app for smartphone users

