

Chat commerce set to disrupt e-commerce and other emerging trends

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Technology advancements, particularly those in the user interface area, have made the chat channel far more user-friendly and accessible to customers. This is helping drive growth in the channel, giving companies a confidence boost when it comes to supporting it as part of their omnichannel strategy and even setting it on a path to disrupt e-commerce.

“More and more consumers are choosing to engage with their favourite brands via chat. This is supported in various regions by their preferred chat channels such as WhatsApp in South Africa; Facebook Messenger in North America; and WeChat in China,” explains Gavin Harvett, SVP of product management at Clickatell.

The rapid growth in e-commerce in South Africa during the Covid-19 lockdowns has highlighted the importance of digital offerings for local businesses. However, Harvett says chat commerce takes it one step further.

“Chat offers a personal touch that goes beyond just the convenience factor. We are used to communicating with one another via chat. Especially the younger generations have grown up using chat and see it as a much more personal way of engaging. Brands can now take advantage of that. While we have seen tremendous growth in digital products like airtime and electricity vouchers, there are now more and more use cases for the sale of physical products via chat channels,” Harvett explains.

Financial services are chat winners

When it comes to financial services, Harvett says including chat as part of the omnichannel offering is a no-brainer.

“Allowing customers to perform services like activating credit cards, checking balances, making payments and buying airtime and electricity are obvious wins. It lowers the reliance on branches and keeps the customer service costs much lower. It has been an obvious migration from websites to mobile apps and now to chat channels,” he explains.

Harvett points out that insurance companies are rapidly developing chat use cases, especially when it comes to selling products like travel and funeral cover. What’s more, with the advances in AI, there is a growing case for bots to give financial advice based on questionnaires including risk profiles.

Retail rewards are obvious

Clickatell has put forward a [strong retail use case](#) for chat commerce, showcasing the user journey of a consumer shopping for running shoes.

After seeing the shoe in a physical store, the customer engages with the store via a chat app. After determining that they have her size, she asks if they have the shoe in her preferred colour. Then, using augmented reality and her phone's camera, she can even see what it would look like on her foot.

An end-to-end customer journey is experienced as she chooses how she wants to pay and, after completing the secure and authenticated payment in the chat channel, she is able to track her delivery until it reaches her door.

Harvett explains that embracing chat commerce as part of a company's omnichannel strategy also gives the operations team all the support they need through the advanced bot flow editor making workflow simple.

Harvett says the future of chat commerce in retail is bright and says consumers will soon also be able to work with personal shoppers making use of chat, making the experience even more immersive.

Another sector that has developed compelling chat commerce use cases is the travel industry.

Harvett's sentiments are backed up by the [findings](#) of an Aberdeen Research survey, commissioned by Clickatell. According to the survey, retail outlets can benefit from a 75% boost in annual revenue growth and a 48% increase in customer retention rates.

Commenting on local uptake, Harvett says South African business leaders are no slouches when it comes to embracing new technologies.

"South African companies have shown a keen understanding of the opportunities presented by chat commerce. If they are not already rolling services out, they have teams looking very closely at what can be achieved. Our companies are known for their innovation, and we have a global reputation when it comes to our financial service offerings in particular. We can expect a rapid uptake of chat as a preferred means for brands to engage with their customers. And, while it may not replace it in the short-term, we can expect to see chat commerce playing on a level playing field with e-commerce very soon," Harvett predicts.

About Clickatell

We create a better world through technology, making commerce in chat accessible for everyone, everywhere. Consumers can now connect with brands to find goods and services, make purchases, track orders and resolve issues with a simple text or chat. No need for cash, phone calls, in-person interactions or apps. Founded in 2000 with now over 10,000 customers, Clickatell is powering the digital commerce transformation. Clickatell is headquartered in Silicon Valley, CA and has offices in Canada, South Africa and Nigeria (www.clickatell.com).

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