

Conversational Marketing and the Marketing Sector's Future: Examining New Developments and Technologies in the Sector

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Abstract- This research paper explores the emerging trends and technologies in the field future of marketing and their impact on the marketing strategies with key benefits including the impact on customer engagement and brand loyalty. After this, I have identified five essential aspects that are influencing the future of marketing through an extensive analysis of the review of literature: Artificial Intelligence (AI), Augmented Reality (AR) & Virtual Reality (VR), Voice Search, Personalized Chatbots Assistance and Influencer Marketing. Voice Search and chatbot assistance are becoming popular tools for any website which businesses need to enhance their product content for their platforms. Influencer marketing is also becoming trendier, with businesses employing data analytics and AI to find the most persuasive influencers for their target customers. Overall, this research paper elaborate that the future of marketing is all about emerging new technologies and trends to create highly personalized experiences for customers.

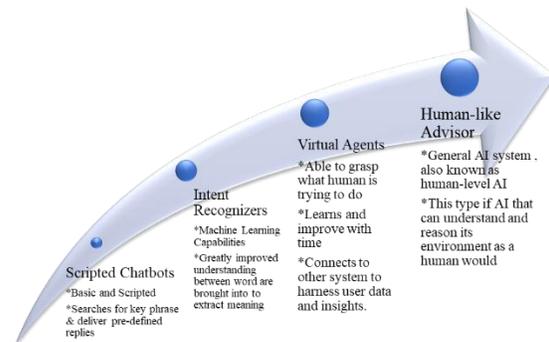
Keywords: Artificial Intelligence (AI), Augmented Reality (AR), Virtual Reality (VR), Voice Search & Chatbots Assistance, Personalized Experiences.

I. INTRODUCTION

Chatbots are automated software programme that is created to mimic human dialogue with the user, usually through messaging services, websites, or mobile apps. Nowadays, chatbots have developed into an important component for businesses to communicate with their potential customers and improve the overall level of personalized chatbots assistance experience service. As a result, chatbots are a foremost part of future of marketing since they give businesses a less expensive, unique and efficient way to connect with their customers without having to engage in actual human interaction.¹ According to a report by Grand View Research, the global chatbot

market size was estimated at USD 2.6 billion in 2020 and it is projected to increase at a compound annual growth rate (CAGR) of 24.3% from 2021 to 2028. This development can be due to chatbots' rising popularity as a way to automate repetitive work, offer 24/7 customer services and give customers a personalized experience.²

II. EVOLUTION OF CONVERSATIONAL AI



III. TRENDS AND TECHNOLOGIES

1. Artificial Intelligence (AI): Modern chatbots increasingly use artificial intelligence (AI), which is transforming the future of marketing. A computer programme called chatbot is used to automate customer service and engagement by stimulating human communication. According to a Facebook survey, about 50% of customers purchase from businesses that they can message directly with 24/7 customer support.³

2. Augmented Reality (AR) & Virtual Reality (VR): Virtual support can also be offered by chatbots using AR and VR. Virtual assistants can help customers make informed selections by guiding them through the purchasing process, making product recommendations

and utilizing AR and VR technology which can lead to increased customer loyalty and satisfaction.⁴ For instance, Google, Snap, Niantic and Facebook are using metaverse of technology.

3. Voice Search: Voice search is becoming more popular as voice-activated personal assistants like Apple's Siri, Google Assistant and Amazon Alexa become more common. Voice search technology is changing how people engage with digital content, making it more important for businesses to optimize their website and digital marketing strategies for voice search assistants.⁵

4. Personalized Chatbots Assistance: Chatbots are no different from other marketing tactics in that personalization has become important to their effectiveness. Customers can benefit from customized advice, personalized communication and enhanced customer experience with the help of chatbots. Nowadays, the customer is more likely to interact with chatbots that provide customized customer support, leading to increased brand recognition and customer loyalty.⁶

5. Influencer Marketing: Influencer marketing is a popular marketing approach that involves come-together with influential people to promote goods or services. Chatbots can be used for influencer marketing to target particular customers and raise brand recognition which, can create a more personalized experience for the customer and increase the effectiveness of the marketing campaign.⁷

IV. REVIEW OF LITERATURE

- The effect of chatbot usage on brand trust and purchase intention was examined by Kim *et al.* (2019). This study discovered that chatbots, especially when they are viewed as helpful and informative, can considerably enhance brand trust and purchase intention.⁸
- In 2019, Kocaballi *et al.* looked at the possibilities of chatbots in the marketing of healthcare. The researchers discovered that chatbots can lower healthcare expenditure while enhancing patient satisfaction and participation.⁹
- Yan and Wang (2019), looked into how chatbots affect e-commerce customer happiness. The researcher discovered that by promptly and

precisely responding to customer's inquiries, chatbots can considerably raise customer satisfaction.¹⁰

- The usage of AI chatbots in customer engagement is examined in this study by Orellena-Rodriguez *et al.* (2020). According to the report, chatbots can increase customer engagement by giving a personalized response, speeding up response times, and decreasing customer wait times. This suggested that businesses can boost customer loyalty and customer interactions by utilizing AI chatbots.¹¹
- This study by Ali *et al.* (2020), Examined how VR/AR chatbots are used for online shopping. The researchers discovered that by offering interactive product demonstrations, virtual try-ons and personalized recommendations, AR/VR chatbots can enhance the overall customer experience.¹²
- Wang and Zhang (2020), According to the researcher in the journal of interactive marketing, tailored chatbots can greatly increase customer pleasure and engagement.¹³

V. OBJECTIVES

1. To study the prevailing role of chatbots in marketing.
2. To explore emerging trends and technologies related to chatbots in marketing.
3. To analyze the effect of customer engagement and future implications of the service of chatbot technology.
4. To suggest an appropriate strategic action plan related to chatbots in marketing.

VI. RESEARCH METHODOLOGY

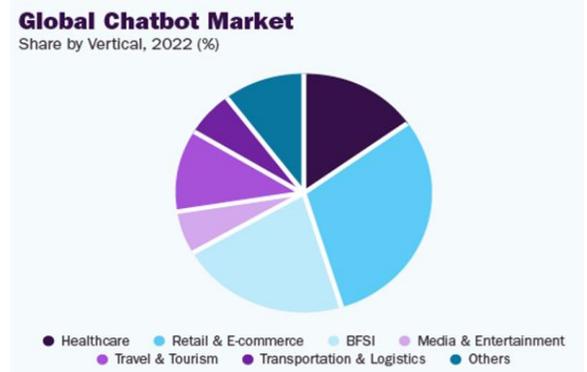
This research aims at studying a case study of the market industry to understand the customer's opinions regarding chatbot assistance and the future of marketing. As the study requires general knowledge and analysis of data with secondary research in this paper.

Market Study Analysis

The market for chatbots was valued at \$5.1 billion in 2022 and is anticipated to grow at a rate of 23.3% over the next eight years and the revenue forecast in 2030 is USD 22.9 Billion approx. (Chatbot Market Size,

Share, Trends & Growth Report, 2030, n.d.). The expansion of the chatbot is primarily being driven by increasing demands for self-service and developments in artificial intelligence AI and Machine learning (ML)- driven customer support services. Furthermore, chatbots are being used by businesses to respond to a range of customer inquiries, including those about progress, balance and delivery date among others. These chatbots improve the customer experience while lowering operating expenses.

According to recent studies, about 40% of internet users worldwide prefer contacting virtual agents for quick responses on any website and online platforms. As a result, many important industries, including retail and healthcare are moving to digital technologies and trends to integrate bots into their operational and customer support assistance.



Market Dynamics

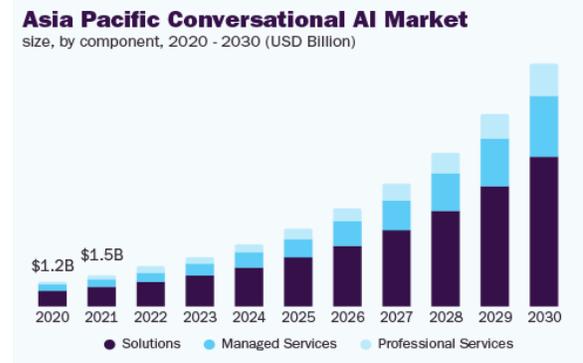
The need for chatbots is significantly fueled by the quick development of cutting-edge technology AI and ML. Businesses are under pressure for handling a vast number of customers in a mere period which automatically created high demands for chatbots in the market industry. As a result, chatbots being used for operations like changing passwords, seeking account balances or making an appointment can now be completed by chatbots without the need to speak to a customer service representative. The growth in market revenue is being generated by high-quality interaction, shorter customer hold times and simple integration with business systems (Chatbot Market, n.d.).

Recent research shows that between 2020 and 2021, mobile traffic significantly grew. One of the first airlines in Europe to offer automatic compensation for flight cancellations brought on by the epidemic, Wizz Air aimed to improve customer service and increase

mobile-first consumer engagement. For instance, Amazon recently introduced a chatbot to handle refund and return difficulties for customers.

Regional Scope

Due to the rise in e-commerce and tourism in the region of the Asia-Pacific market is anticipated to grow quickly in terms of value over the projected period. The demand for chatbots in this area is being driven by the fact that many customers use virtual agents to purchase the ticket through online apps, which is widespread. The largest customer-to-customer (C2C) market is in Asia Pacific where a large number of people make a direct purchase through social networking sites like Facebook and Instagram (Chatbot Market, n.d.). By simulating human-like conversations with customers, bots help drive and facilitate sales in this situation. Because of this a lot of Asian businesses are using chatbots to help automate and expand their operations.



Implications

Nowadays, Users are exchanging sensitive information with chatbots, which has led to privacy concerns, since Chabot software is becoming more and more popular and its applications are expanding in many businesses, including health, banking and entertainment. People are becoming increasingly anxious about data security. This programme is subject to two different kinds of security risk i.e., threats and vulnerabilities. Potential dangers include:

1. Spoofing
2. Data manipulation
3. Data theft

Potential Threats commonly come in the form of distributed denial of service assaults or malware in user system. Long-term issues like vulnerabilities

must be dealt with on regular basis. When system is not properly maintained, has:

1. Poor code
2. Lacks protection
3. Exposed to human error

After, then it becomes insecure and prone to cyberattacks initially, which is restricting the market's expansion and its effect several elements could hamper the growth of the market industry in the context of AI (Chatbot Market, n.d.).

Chatbot Market Scope

Parameters	Details
The market size value in 2022	USD 5.1 billion
CAGR (2022-2028)	23.3%
The revenue forecast in 2030	USD 22.9 Billion
Base year estimation	2022
Forecast period	2022-2030
Quantitative Units	<ul style="list-style-type: none"> • Revenue in USD billion • CAGR from 2022 to 2028
Regional Scope	Asia Pacific

VII.RESULT AND FINDINGS OF THE STUDY

Chatbots, which are computer programme designed to mimic conversations with human users and nowadays, have grown in popularity as marketing tools in recent years. It helps in cost saving too i.e., chatbots might be a more affordable and unique customer support option than conventional channels like phone and email. According to Gartner “By 2022, the average person will converse more frequently with AI chatbots than with their spouse each day”.¹⁵ Furthermore, it also increased customer satisfaction by giving prompt, personalized responses to a question which chatbots can improve the customer experience and shorten the time for users to access information or resolve issues.

According to Mckinsey in their article stated that “The game of artificial intelligence is evolving thanks to generative AI and other foundation models, which are also speeding up application development and giving non-technical people access to significant capabilities”¹⁶. AI chatbots help to have increased engagement by making personalized recommendations and offers based on their previous

interactions. Additionally, it emphasizes higher adoption consumers are increasingly embracing chatbots, especially younger generations who are accustomed to using social media and messaging apps like Facebook and Instagram. According to a report by Accenture, 61% of top businesses claim that the most pertinent, in-the-moment and dynamic experiences their customers have across all industries shape their expectations through conversational AI.¹⁷ Ultimately, chatbots have the potential to have an impact on the future of marketing by increasing customer engagement, saving real-time, being pocket-friendly, enhancing lead generation, improving the customer's real experience and offering a personalized experience to meet the need of organizations.

VIII.CONCLUSION

As a result, chatbots have the potential to completely change the way of marketing which is done it before. Conversational AI gives a powerful tool for automating a process, interacting with customers in real time and offering personalized experiences. Chatbots will grow smarter as AI technology develops, giving businesses more chances to provide unique customer experiences and strong relationships with their customers through chatbots.

Furthermore, Chatbots will become a crucial tool for any business of all sizes as they continue to develop and become more natural and simpler to use as passing day. However, it's important to keep in mind that chatbots cannot replace human-to-human interaction which, this technology can surely improve the customer experience and formed great relationships with their potential customers but it can never create face-to-face human communication.

In conclusion, Chatbots offer an enormous approach for any business to develop customer interaction, engagement and boost overall sales and chatbots are an exciting new technology that will revolutionize or change the future of marketing and customer service in the coming years ahead.

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