

Article: SA's healthy appetite for chatbots set to continue

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Despite South Africa's status as a developing country, it has a history of being an early adopter of new and emerging technologies, often leap-frogging more advanced economies in its uptake and innovative use of digital solutions.

This trend is again evident in the country's strong adoption of chatbots by organisations across various industry sectors – which has been gathering significant momentum over the last few years. Moreover, this continued robust growth is expected going forward.

Overall, global adoption of chatbot solutions has also grown exponentially in recent years, with Gartner [predicting](#) that 25% of customer service and support operations will integrate virtual customer assistant or chatbot technology across engagement channels by this year, up from less than 2% in 2017.

“We have seen a significant uptake of chatbot technologies by local enterprises, largely driven by customers who increasingly wish to use their mobile devices to transact and engage with brands and companies,” says Dharshan Naidoo, SADC Sales Team Lead at Infobip Africa.

“Interestingly, while we expected to see this trend largely confined to the younger generation, we were surprised to find that older customers, as well as lower LSM groups, who predominantly use feature phones, are equally eager to communicate with companies via Over-The-Top (OTT) chat apps, such as WhatsApp.”

The old and the new

This has positioned chatbots as the ideal technology solution for enterprises that face the perpetual conundrum of how to retain their older customer base, while at the same time attracting the younger generation to their brands.

“Chatbots are certainly filling this gap, and – under the current circumstances – we could even see a significant spike in uptake of this technology. This due to the fact that most businesses have had to scramble to implement remote working models, while still requiring a channel to effectively communicate with their customers,” says Naidoo.

Chatbot adoption has been especially strong across industries that offer extensive customer support, with the financial services, fintech and insurance industries at the forefront of bot deployment. The technology has been well received by consumers, and Naidoo says that market studies have shown that approximately 55% of customers are happier to interact with a business that uses chat apps and chatbots, as interaction with these organisations are not limited to business hours.

“Bots are available 24/7, allowing consumers to interact with an organisation at a time when it suits them. The technology has evolved to the extent that bots can handle about 80% of customers' FAQs, as well as attend to a variety of day-to-day tasks,” he says.

Better and faster

“Bots also attend to customer queries faster and more efficiently than call centre agents. As a result, automation is achieving its main goal, which is to make people's lives easier, and is thus enhancing the customer experience,” adds Orediretse Molebaloa, Enterprise Pre-Sales Engineer at Infobip South Africa.

Molebaloa, says that from a business point of view, deploying chatbots has become faster, cheaper and easier for an enterprise than if they had to build new apps.

“Deploying chatbots on communication channels is, therefore, the cheapest and fastest way to market for enterprises that want to provide information to their customer base faster and more accurately, which results in improved customer retention and ultimately increases the longevity of a business,” he explains.

However, Molebaloa cautions that organisations that plan to deploy bot technology should choose an experienced partner who will not only have the right skills and expertise to provide this solution, but one that has a deep understanding of their business and requirements.

“But equally important is choosing an implementation partner that not only has a local presence but can offer local support for the solutions that they will be deploying across your organisation,” Molebaloa concludes.

Editorial Contacts:

Infobip

Tshidi Mosenyegi

Marketing Specialist

Email: Tshidi.Mosenyegi@infobip.com

Evolution PR

Sandri de Wet

Email: sandri@evolutionpr.co.za

Tel: 011 462 0628