

**tovie ai**

# Conversational Commerce 2022

Trends, Market Data and Predictions



April 2022

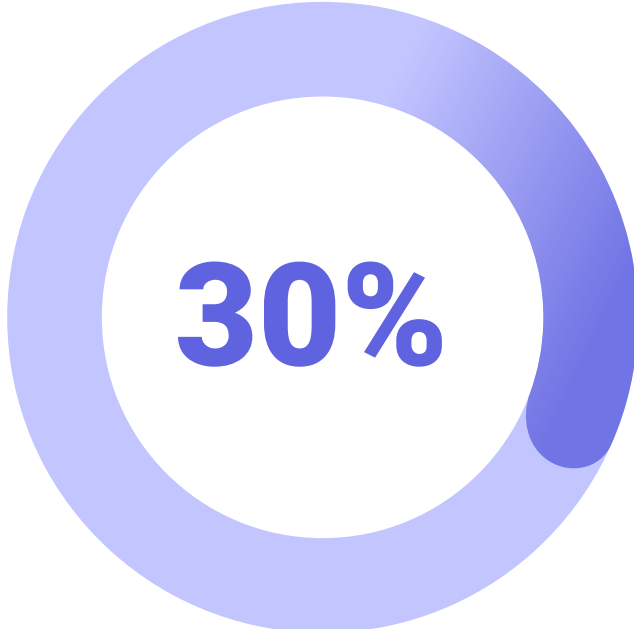
# Table of Contents

- 3 Introduction
- 5 Global retail AI market forecasts
- 6 Trends
- 7 The impact of the COVID-19 pandemic
- 8 The in-store shopping experience is going digital
- 9 Personalization is key
- 10 Omnichannel is the standard, not the exception
- 11 Voice technology as a driver of retail
- 14 Conclusion
- 15 Shop Assistant by Tovie AI
- 16 About Tovie AI

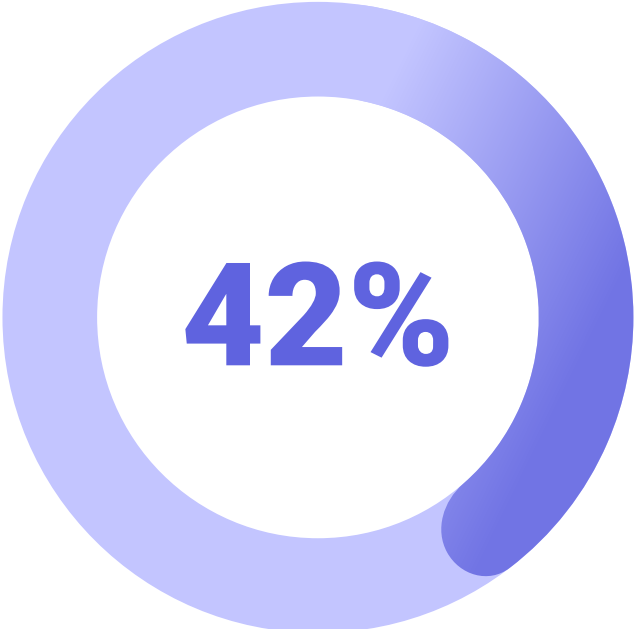
# Introduction

Conversational commerce is the future of e-commerce. The introduction of voice-activated retail technology has been made possible by growing consumer demand and the development of artificial intelligence assistants such as Alexa, Siri and Google Assistant, as well as smart devices such as TVs and speakers.

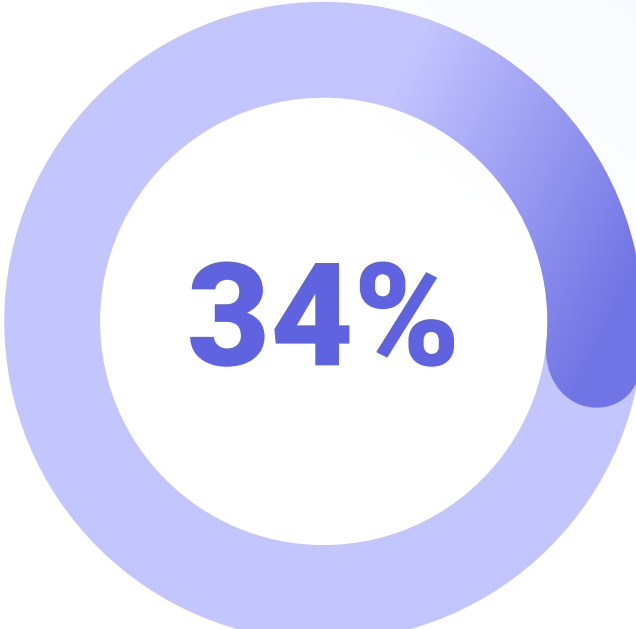
These technologies are constantly improving, creating tremendous opportunities for e-commerce brands to create new user bases by leveraging these new and previously untapped sales channels. By 2025, global spending on conversational commerce channels is projected to grow nearly sevenfold to about \$290 billion.



expected share of voice commerce in total e-commerce sales by 2023



of retailers say they currently sell or plan to sell via text or chat



of salons and spas say they already allow customers to book appointments via text or chat

# Challenges to AI adoption

## Customer-facing vs Non-customer-Facing AI



of businesses say they're providing personalized experiences to consumers

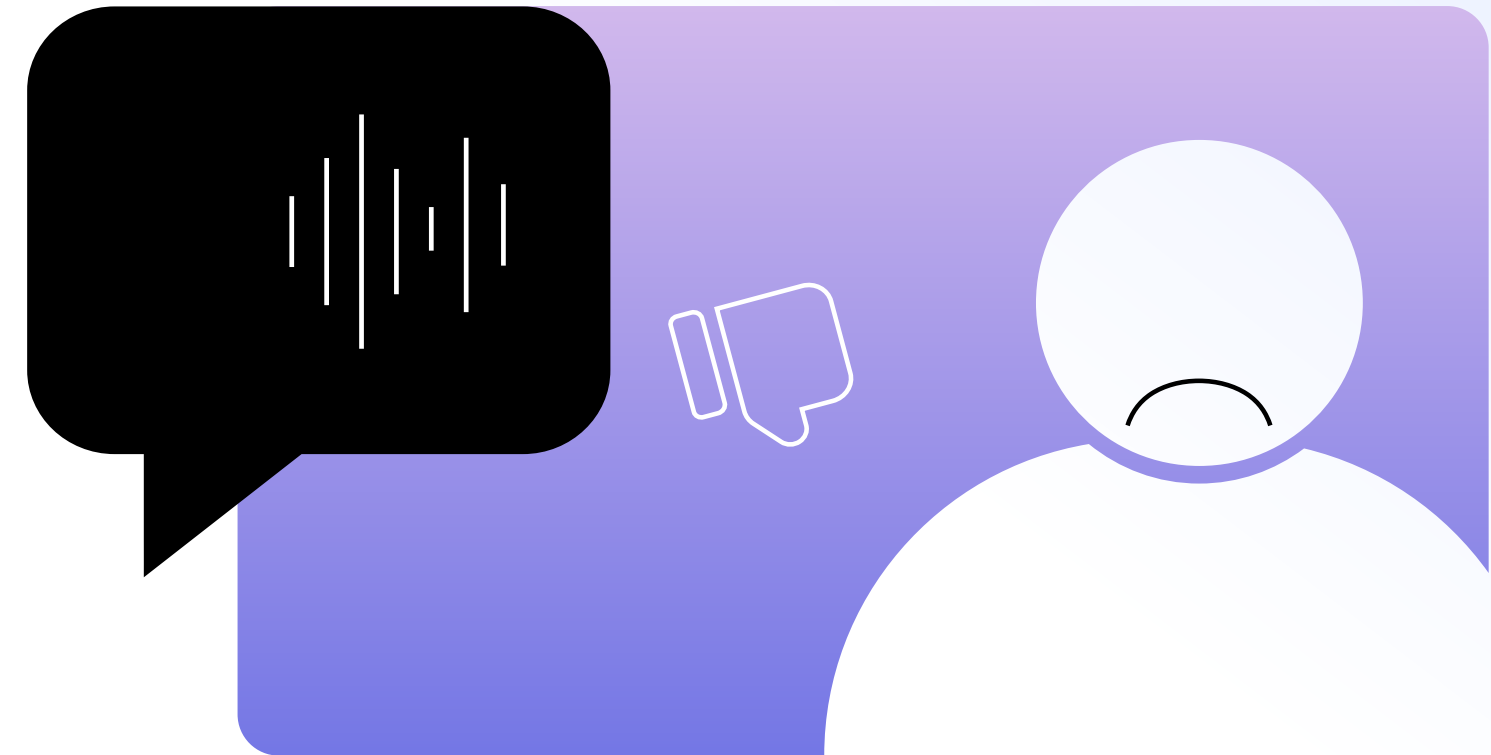


say they receive personalized experiences

## Cross-channel consistency maintenance



of retailers say delivering consistent shopping experiences across online and in-store channels is a challenge



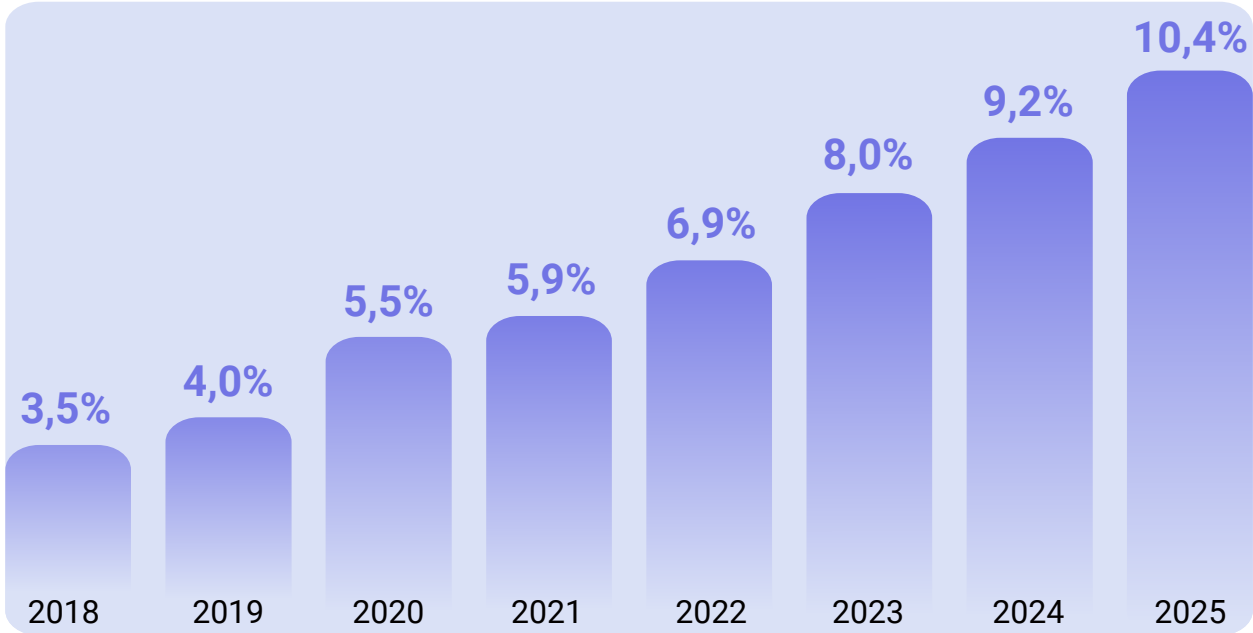
## Personalization standards have changed

Customers get frustrated when sites don't tailor search results based on their past search queries or online behavior

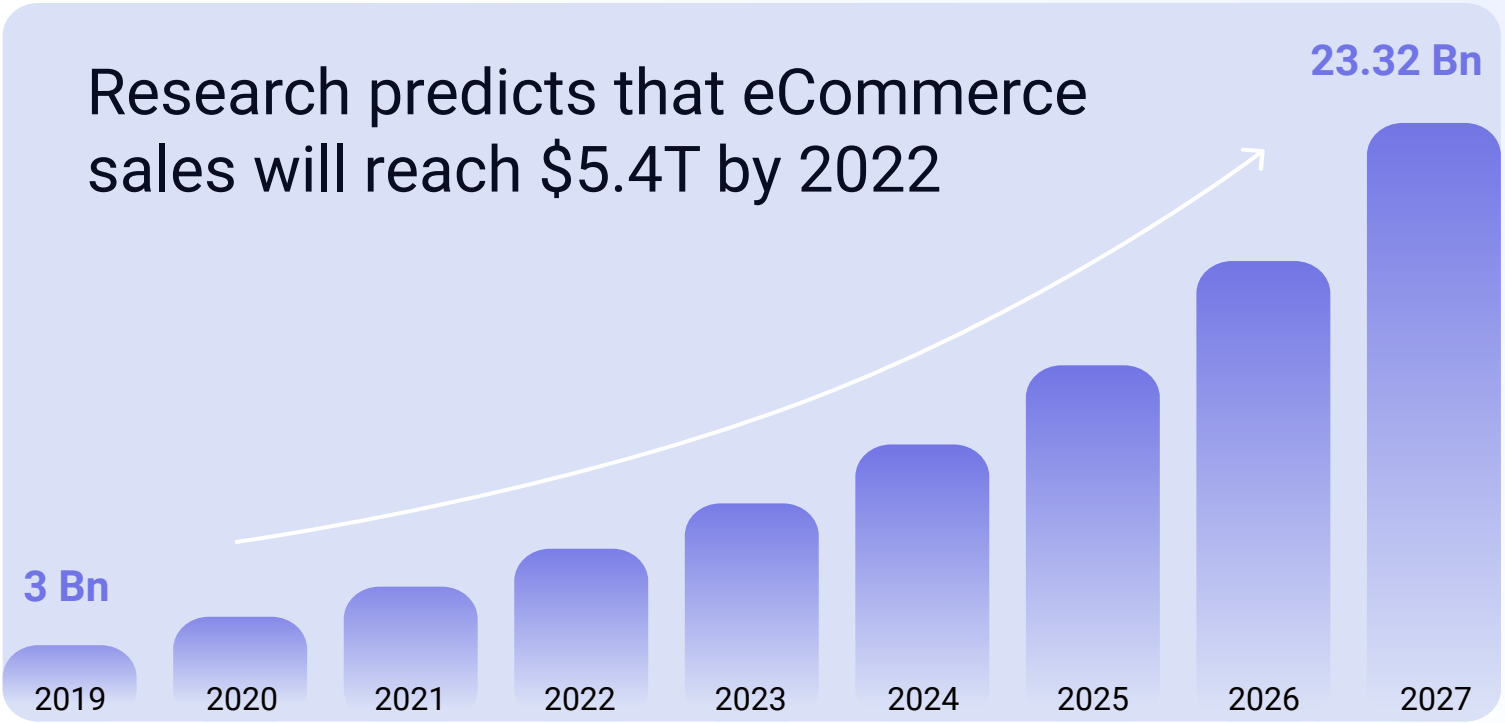
# Global retail AI market forecasts

The global market for AI in retail is expected to reach \$23.32B by 2027

Between now and 2025, annual mobile sales should nearly double. By the time 2025 rolls around, over 10% of all retail sales in the U.S. will be generated via mobile commerce



Source: Statista, 2022



Source: Statista, 2022

## Key market statistics for AI in retail

**230%**

Growth in retail ML spending between 2019 and 2023

**325,000**

Number of retailers utilizing ML by 2023

**1.4B**

Number of transactions featuring smart checkout technologies by 2023

# Trends




AI-driven personalization is here to stay



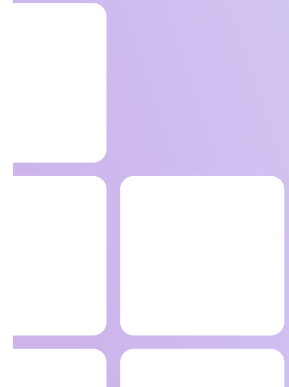
In-person activities are going digital



QR codes are COVID-free sales drivers



Upgrading the customer experience is a must



Number of voice-enabled channels will increase

# The impact of the COVID-19 pandemic

The pandemic influenced many trends in eCommerce that bridge the physical-digital divide

The success of digital solutions during pandemic means that customers behavior will become increasingly led, rather than reverting to pre-pandemic norms

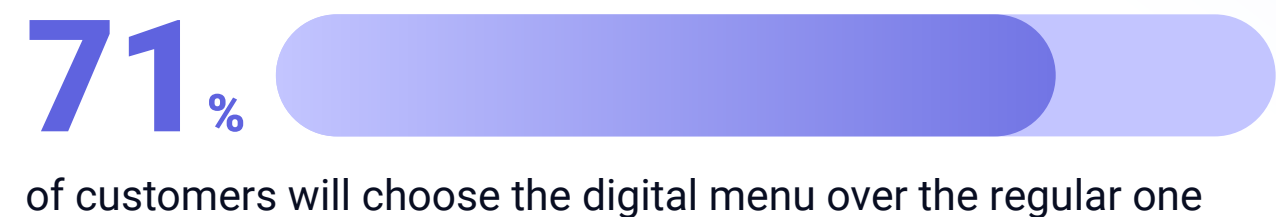
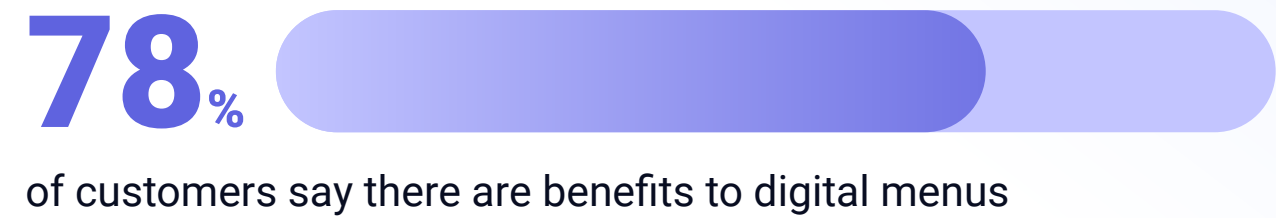
Mobile is the most important channel, and although online will remain relevant for higher-value transactions, UX must be mobile-first

QR codes allow businesses to minimize contact with customers – which customers appreciate

A study by Paymnts found that 48% of consumers who own smartphones use them while shopping in stores. By placing QR codes on a product or shelf, customers can access additional information about the item, see it in use, or view a slideshow of color or design choices

Here are 3 ideas for getting started with QR codes:

- 1. Facilitate safer payments
- 2. Provide touch-free menus
- 3. Enhance the customer experience



# The in-store shopping experience is going digital

In-store shopping experiences need to align with what they offer online



of shoppers want to see measures related to preventing the spread of COVID-19

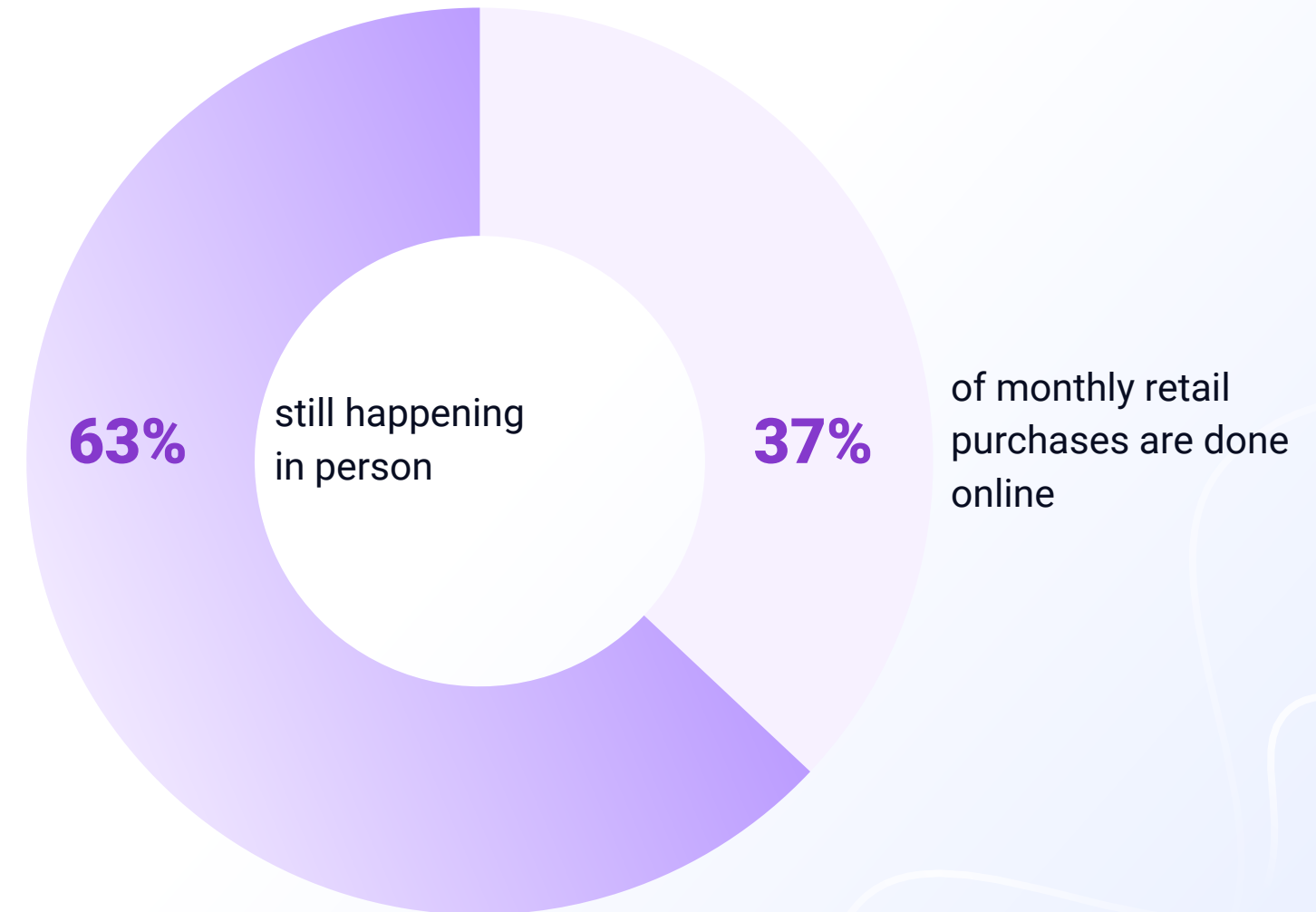


of Millennial and Gen Z shoppers are interested in window shopping using QR codes



of retailers are planning on rolling it out this year, offering a clear opportunity for retailers to invest in this technology

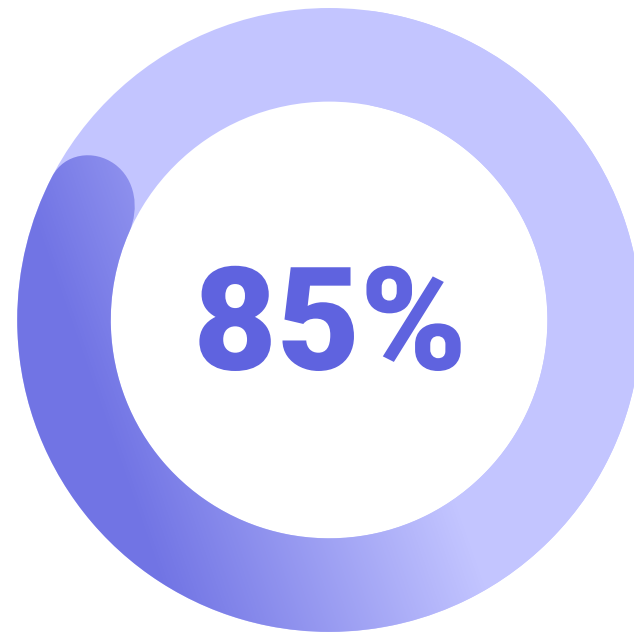
It is also estimated that in 2022, around 40% of purchases made online will be collected in stores



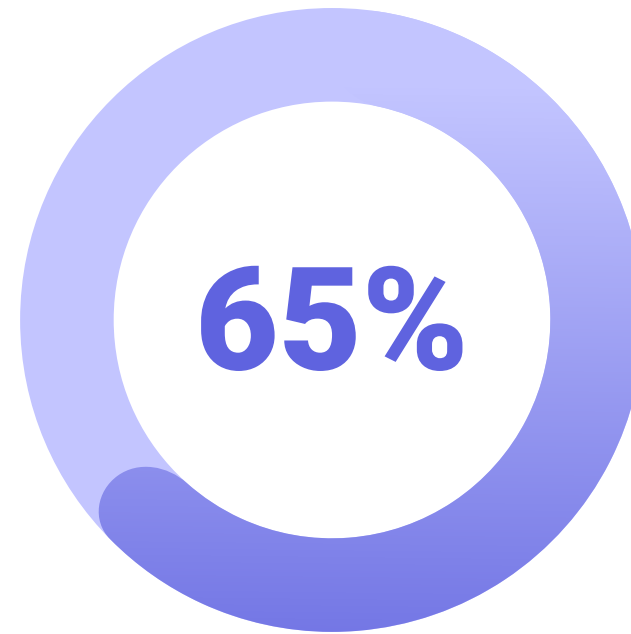


# Personalization is key

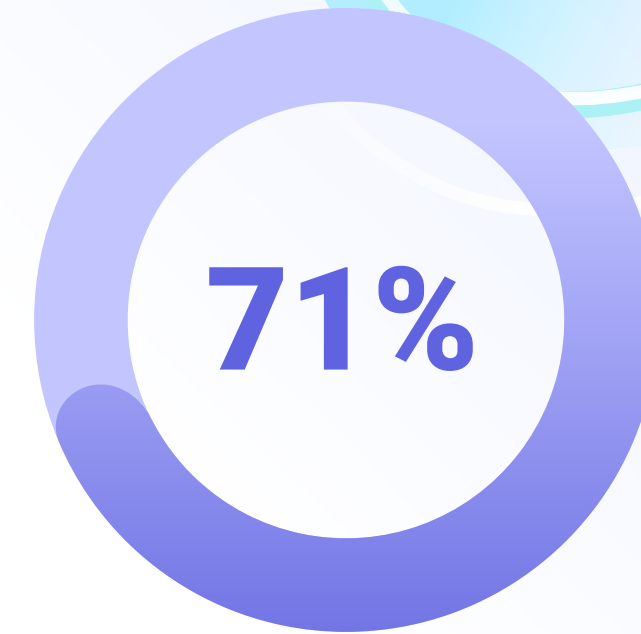
Juniper Research expects retail sales from chatbot-based interactions are forecast to reach \$112B by 2023 and over 325,000 retailers to adopt AI technology over the period



of interactions are handled by virtual assistants



of retail customers admit they prefer using chatbots to ask questions

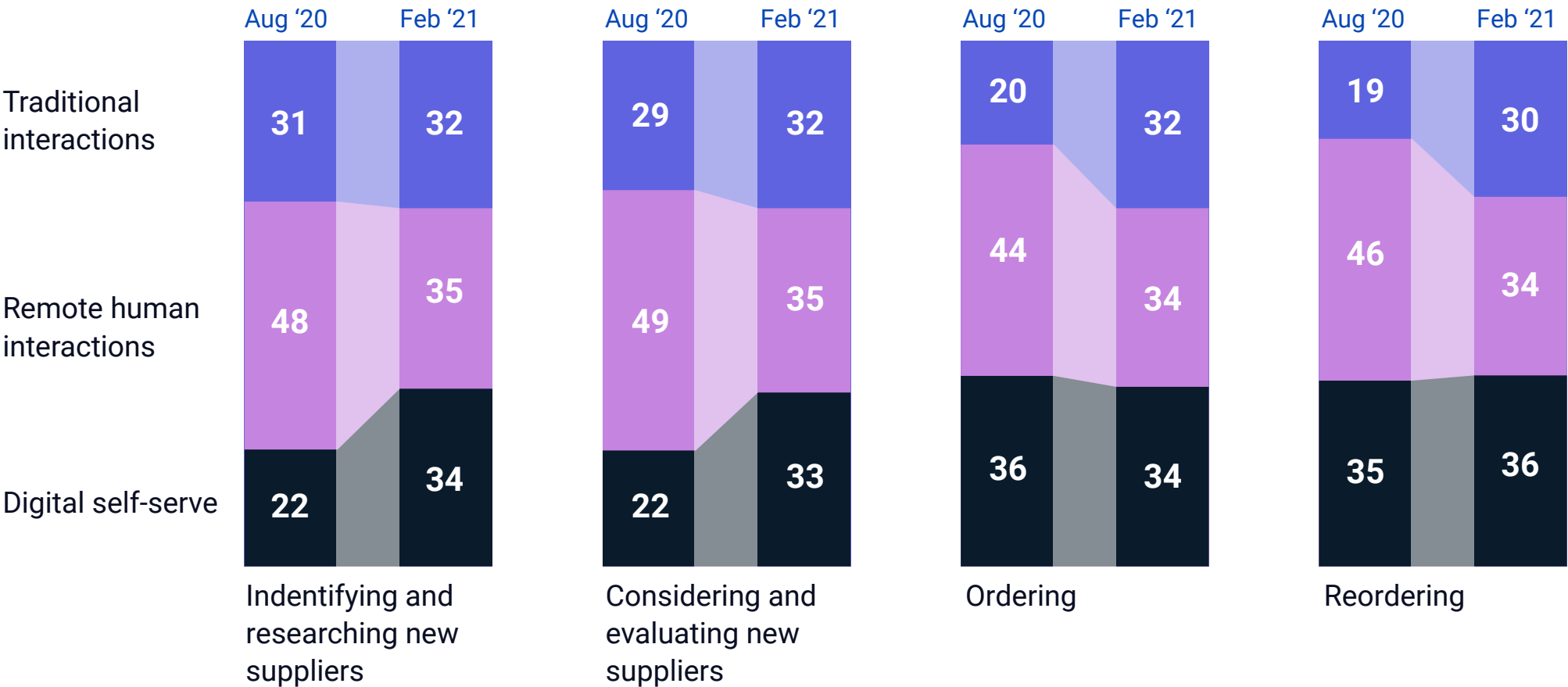


of people are willing to use messaging apps to get customer assistance

# Omnichannel is the standard, not the exception

McKinsey's report shows that two-thirds of customers prefer a remote human or digital self-serve option

Current way of interacting with suppliers' sales reps during different stages...



**~2/3**  
of buyers prefer remote human interactions or digital self-service

... and that's exactly what customers want

Source: McKinsey, 2021

# Voice technology as a driver of retail

## Key industry players



Amazon  
(Alexa)



Google  
(Google Assistant)



Apple  
(Siri)



Microsoft  
(Cortana)

**DUEROS**

Baidu (DuerOS,  
Conversational AI  
platform)



Alibaba  
(Tmall Genie)



Tencent  
(Xiaowei)



Samsung  
(Bixby)



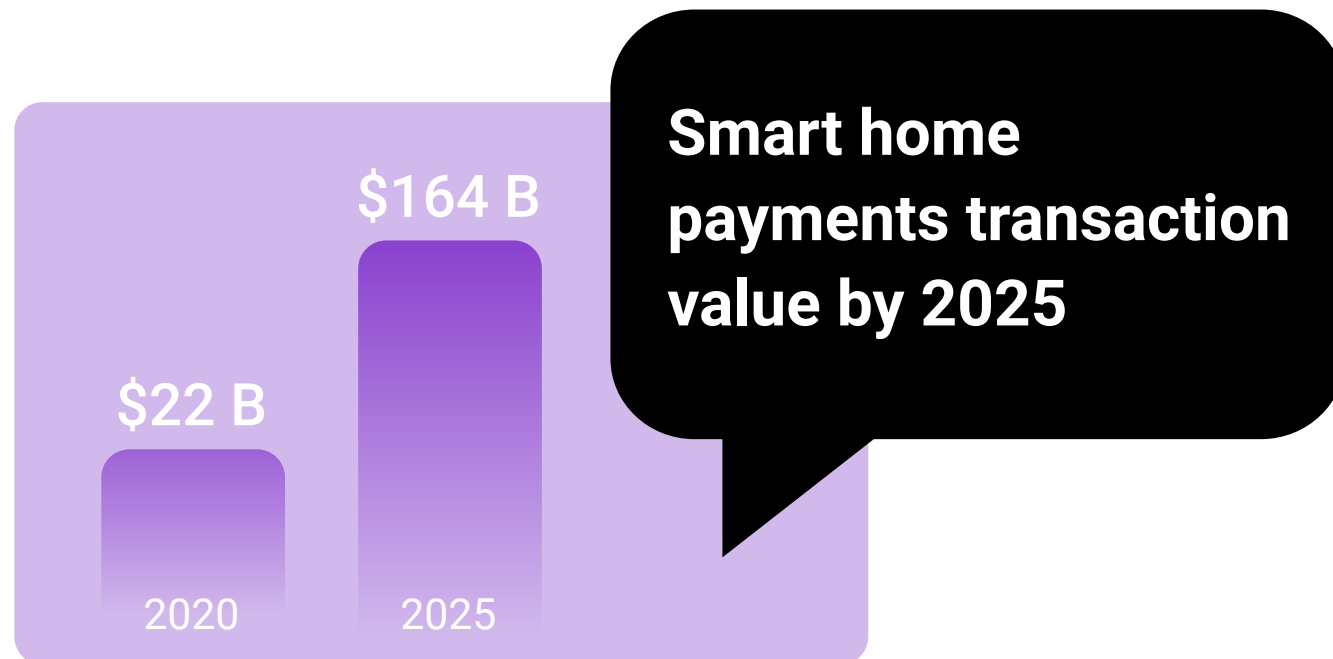
Nuance  
(Nina)



Soundhound – Houndify  
and other platforms

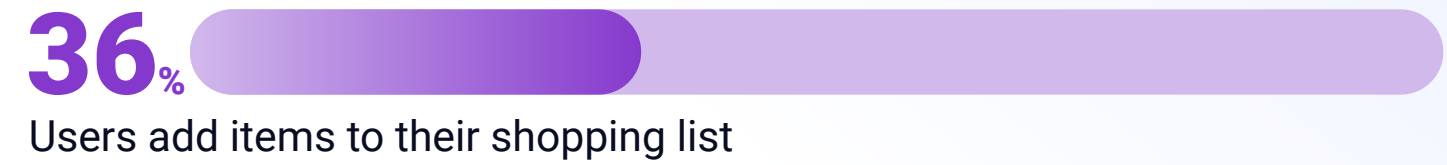
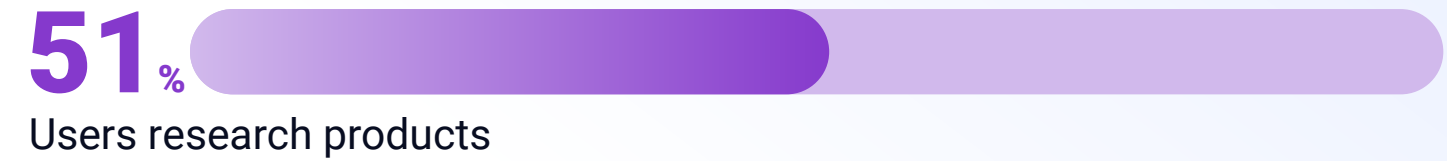
# Voice technology as a driver of retail

Voice-first technology is more valuable than ever before



Adding a voice user interface is a natural evolution to mobile shopping experiences, which are already generating 45% of e-commerce sales

73% of leaders in the retail industry considered faster search via voice to be a top end-user benefit of voice assistants





Source: Voicebot.ai, 2020

# Voice technology as a driver of retail

**43** % of smart speaker owners use the technology to shop

**71** % of consumers prefer to use voice searches instead of typing out their search queries

**51** % of all US online shoppers report that they use voice assistants to help them research products

  
 Lower ticket items and entertainment are the top categories currently benefiting from voice shopping, with 21%+ using voice for apparel, 25%+ for everyday household goods, and 21%+ for entertainment

**Voice shopping is estimated to become a \$40B channel in the US by 2022**

**\$40 Billion**



# Conclusion

After unconscious actions due to the COVID-19 pandemic, many retailers tried to develop new strategies to reorganize their business models to adapt in 2021

In 2022, companies need to focus on making the digital experience an essential supplement to the in-person experience, not a replacement for it. As a retailer, you are able to provide the right environment for customers by implementing AI-powered chatbots, voice search, AR catalogs, and more.

As we can all see, QR codes play an important role in modern physical retail, providing shoppers with active ways to stay safe, interact with products and help to provide the type of experience customers want.



# Shop Assistant by Tovie AI

91%

of consumers want  
real-time assistance

\$260<sub>B</sub>

voice and chat technologies  
will bring by 2025

77%

of executives have already  
invested in chatbot technology

Digitalize physical shopping  
experience with Shop Assistant

## FAQs

Let the Shop Assistant answer FAQs about product specifications in a more convenient way

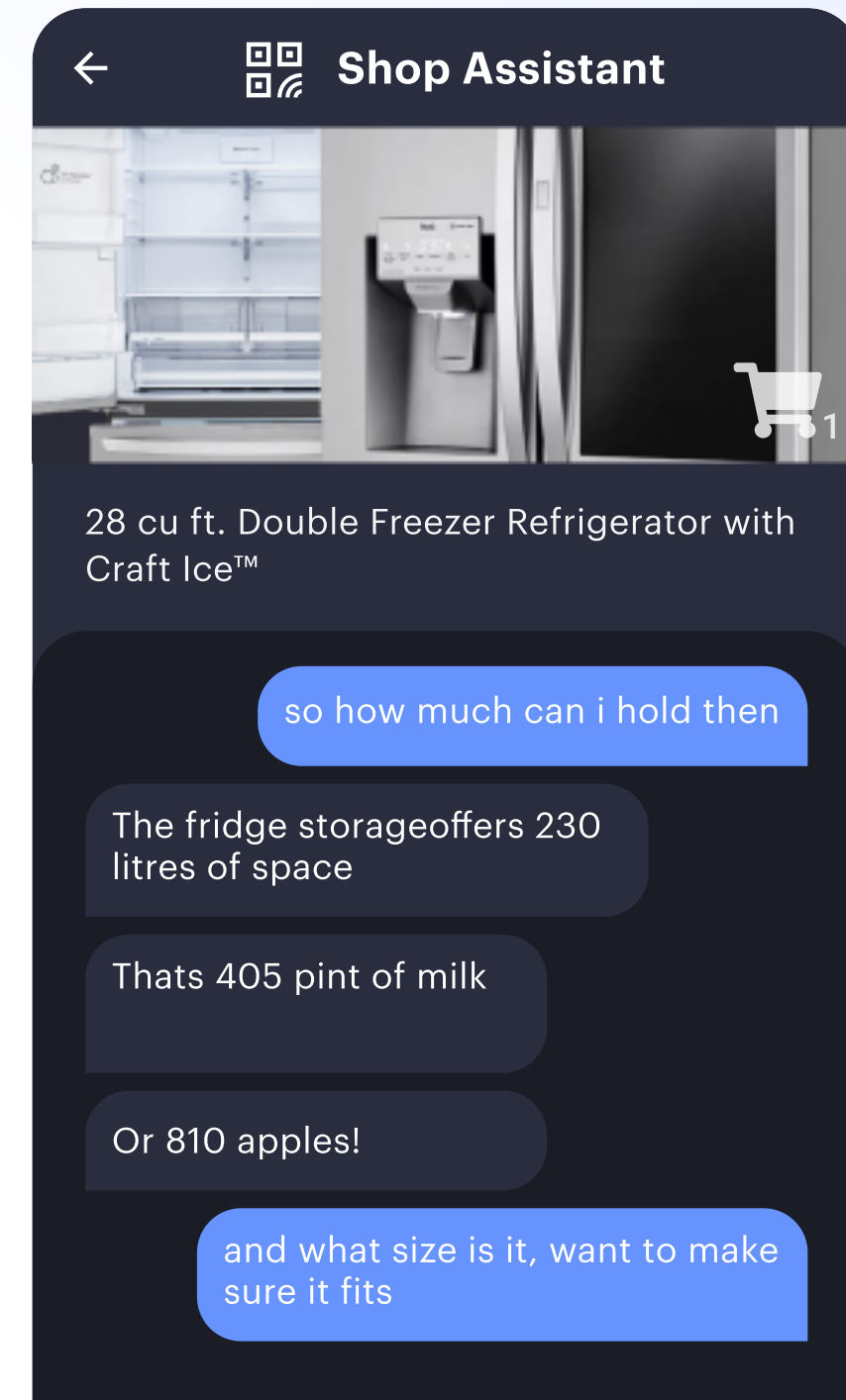
## Upselling

Connect into the stock system, so the Shop Assistant can offer customers more advanced

## Cross-selling

Once the Shop Assistant has successfully given advice, it generates additional products for the specific needs of a customer outlined in the chat

[Book a Demo >](#)



# About Tovie AI

At Tovie AI, we set ourselves a goal to make an interaction with a robot, virtual assistant, or a simple bot to be as natural as possible.

Our comprehensive tool ecosystem, end-to-end solutions, accurate NLP engine, and customized analytical reports enable our users to test the market and get the most out of their investment.

For more information, visit [tovie.ai](https://tovie.ai) or contact us at [contact@tovie.ai](mailto:contact@tovie.ai)

## Sources

Tovie AI, Juniper Research, Epsilon, McKinsey, Statista, UnivDatos, SoundHound Inc., Squareup, ActiveCampaign, Paymnts, Oberlo.

