Chapter 9
Instant Messaging Chat Bot:
Your New Best Friend?

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ABSTRACT

Recently there has been a resurgence of chat bot use among businesses, which employ them as part of their marketing strategy. To provide better insight into instant messaging chat bots as a marketing tool, the present research focuses on mobile users' current understanding and perceptions of chat bots. This study examines what mobile consumers think of instant messaging chat bots, and whether consumers are willing to use the new chat bots. This study employs focus group interviews and online surveys to examine consumers' perceptions. The results indicate that a majority of mobile users have employed chat bots for customer service and for entertainment. Mobile users found instant messaging chat bots easy to use and useful, but not necessarily entertaining.

INTRODUCTION

Recently, there have been attempts to employ mobile messenger chat bots among businesses for such purposes as providing instant customer service, assisting customers in getting information and attracting more web traffic to businesses. Chat bots, or conversational agents, which first appeared in the 1960s, involve computer programs that interact with people, using auditory and textual methods in natural languages to mimic human conversation and to communicate with customers, in order to carry out tasks such as taking online orders or providing product information (Rawlins, 2016; Shawar& Atwell, 2007).

Although chat bots have been around for a while, they have recently gained renewed fame. This resurgence is due to the development of advanced artificial intelligence (AI) and the growing fatigue experienced by people with too many mobile apps to download. Most mobile users probably have heard or experienced chat bots, such as Apple's Siri, Google's Google Assistant and Amazon's Alexa. Artificial Intelligence-based chat bots' advanced ability to communicate in more natural language provides for easy usage and adds the feeling of a human element (Lee, 2017).

According to a Comscore White paper (2014), the number of mobile app downloads has been decreasing in recent years (e.g., average downloaded apps per person in a month dropped to zero in 2016 from 10 in 2008), because people do not want to download so many apps that basically provide the same service (e.g., Uber, Lyft and Gett for riding share apps; Spotify and Pandora for music). Furthermore, mobile users now spend 80% of their mobile time on just three apps (Comscore, 2014).

Thus, businesses had no option but to utilize apps that already exist on consumers' smart phones and that are used on a daily basis, such as messenger apps. As the popularity of instant messaging apps has surpassed even social media (e.g., the combined users of the top four instant messaging apps—WhatsApp, Facebook Messenger, Wechat and Viber- are greater than the combined users of the top four social media; BI Intelligence, 2016), businesses have integrated with popular mobile instant messaging apps (e.g., Facebook Messenger, WhatsApp, or Twitter) to provide enhanced customer experience through chat bots.

The biggest social media service, Facebook, announced chat bots for Facebook Messenger Platform in April, 2016. Facebook Messenger is the second most downloaded app on iOS after Snapchat, with 1.2 billion active monthly users, and has become a "primary" communication channel for many people (Constine, 2017). Facebook boasts that chat bots can provide contents such as weather forecasts and traffic updates to shipping notices and receipts of orders. Facebook promised that the 500 million businesses on Facebook Messenger could build deeper relationships with their customers on Facebook Messenger Platform through chat bots (Marcus, 2016) to take advantage of already secured billions of daily active users.

Flower retailer 1-800-Flowers was one of the first retailers adopting Facebook Messenger chat bots to serve customers. Although 1-800-Flowers built its reputation and brand name on the use of a toll-free telephone number to attract customers, ironically, customers never have to call 1-800-Flowers to order, with the help of the Facebook Messenger chat bot. According to 1-800-Flowers, chat bots brought new young and customers to the company. Over 70% of Facebook Messenger chat bot orders come from new customers, who tend to be younger than existing customers, while the order volume from Facebook Messenger chat bot has grown (Caffyn, 2016).

As of 2017, about 100,000 chat bots have been created on Facebook Messenger to reach out to more consumers, provide real time responses, offer personalized shopping experiences based on conversation with customers, and lower operational costs (Guynn, 2017; Mehra, 2017). For example, e-commerce company Spring's personalized shopper bot asks lists of questions to narrow down the type of products that a consumer wants. Spring's shopping bot does not talk like other conversation focused chat bots, but it provides lists of choices that the user can select (Tate, 2016). For example, Spring's shopping bot asks the question "What are you looking for today?" and follows with two choices "Mens' items" and "Womens' items." If you choose men's items, then the next question is "What kind of mens' items?" You are offered choices of "Clothing," "Shoes," and "Accessories." For each step, the provided choices help to narrow down the choices, arriving at the exact item a customer wants without actual conversations. Online travel company Kayak's chat bot answers basic questions regarding flights and hotels. Kayak's chat bot can also offer advice based on the customer's budget and suggest activities for the trip (O'Neill, 2016).

Although businesses line up to launch their chat bots on Facebook Messenger Platform, there has been no clear indication whether Facebook Messenger users actually engage with chat bots or are willing to use chat bots to get customer service and product information on Facebook Messenger—a platform originally intended to communicate. Actually, it seems like businesses still wait the breakthrough patiently. In his quarterly conference call with investors in July, 2017, Mark Zuckerberg, Founder and Chief Executive Officer (CEO) of Facebook, admitted that the Facebook Messenger Chat bot platform

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