

Whatsapp Chatbots

The New Digital Revolution

eCommerce, Appointment Booking, On Demand Services and much more. All this can be achieved through WhatsApp Chatbots. Should Mobile Apps industry see such new option as a serious competitor for itself



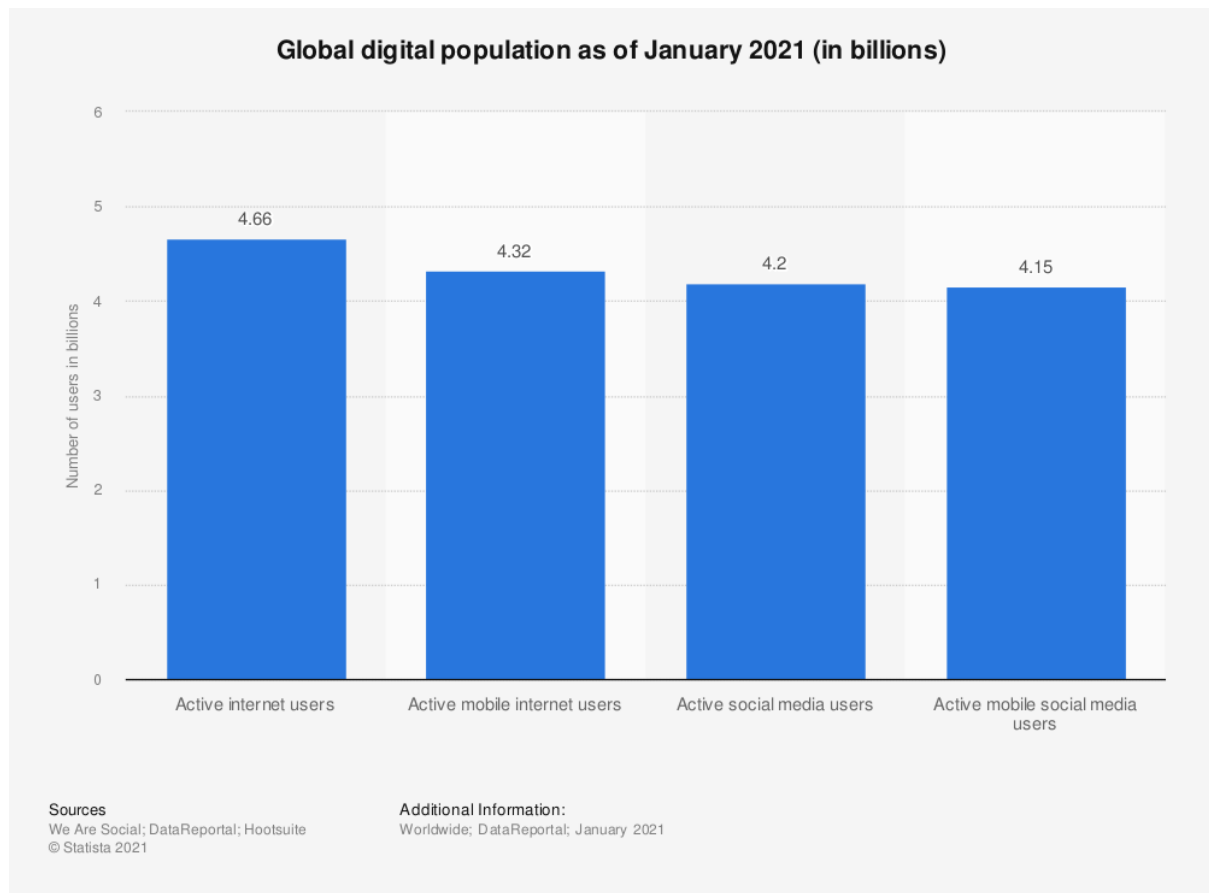
Research Paper By



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WhatsApp Chatbots vs Mobile Apps: The Future of Customer Engagement

In today's world of Internet abundance, it is no longer enough to have just an elegant company website, blog, or social presence. It is important to make sure that your website is professional and technically enabled to let visitors feel attended to and get better information than your competitors' websites. One way to enable such features in your website or on social media is to invest in the latest technology like chatbots.



Graph 1: Global Digital Population as of January 2021 (in billions) [Source: [Statista 2021](#)]

The global internet users have increased up to 4.66 Billion, i.e. 59.5 Percent of the Global Population. Most of this population reciprocates to the active and passive communication mediums like social media and chat/messaging platforms. Thus, chatbots become their go-to appeal when they want to engage with a service provider.

Why are chatbots the future of marketing?

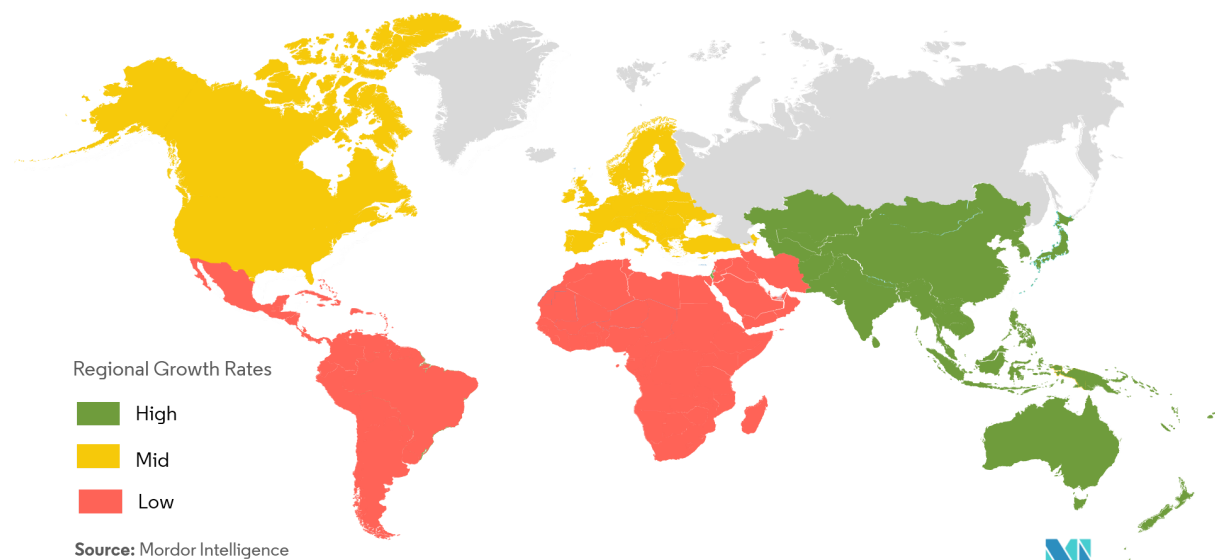
Chatbots provide you with a new way to market and execute your company business online.

Example 1: What happens when you walk into a shop. The human thing is that there is always someone to greet you and help you shop. Just imagine an outlet where you walk in and have certain questions about your purchase and find no one to help you. That shall be frustrating,

right? Will you like to visit that store again in the future? I am sure, NO! But unfortunately, this exact experience has been offered to every customer globally for ages. Your online prospect is one such person who walks into your store and your failure to offer him a personal touch is like throwing content on his face and leaving him on his own to interpret things by himself after walking through the whole of your website. No Help! Frustration! This causes drop-offs. People tend to leave your website immediately. They can't afford to spend innumerable time on your website to search just that one thing which they needed.

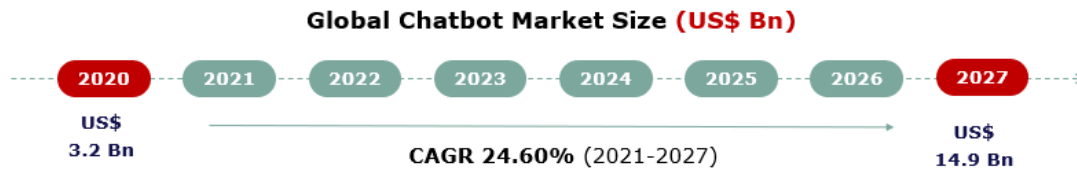
With chatbots, your targeted audience can interact with a Virtual Assistant on your business website 24x7 at their ease and can feel like being handheld in shopping from your website. All they shall need to do so is an internet connection and awareness about your brand. The visitor (your prospect) shall type what he wants to say into the bot window and the bot will understand the context of the query, will deploy artificial intelligence, and shall reply on its own to the visitor. This gives your website a personal touch. The visitor does not get lost this way and can get a focused reply to his search. This leads to fewer drop-offs, more engagement on your website and henceforth more returning users. Apply this on yourself and recall, how many times did you revisit a shop counter, where you were not attended well.

Chatbot Market - Growth Rate by Region (2019 - 2024)



Graph 2: Chatbot Market- Growth Rate by Region (2019-2024) [Source: [Mordor Intelligence](#)]

The growth of digitization has caused humongous data online and a whopping adoption of online channels by a larger user base globally. To support such a shift from offline to online business, required automation in all aspects of the business operation practices. Communication of all kinds is the most integral part of any business operation. This is where Chatbots have started playing a considerable role. Chatbots have become a substitute for human employees and can perform better at times because of their availability, consistency, and accuracy. When you chat with a bot, you can be sure that it is always relevant. You can ask a question about your product and it will give you an accurate answer. In addition, these bots are very friendly, so you don't have to be afraid that they will offend you if they mistake you for a robot.

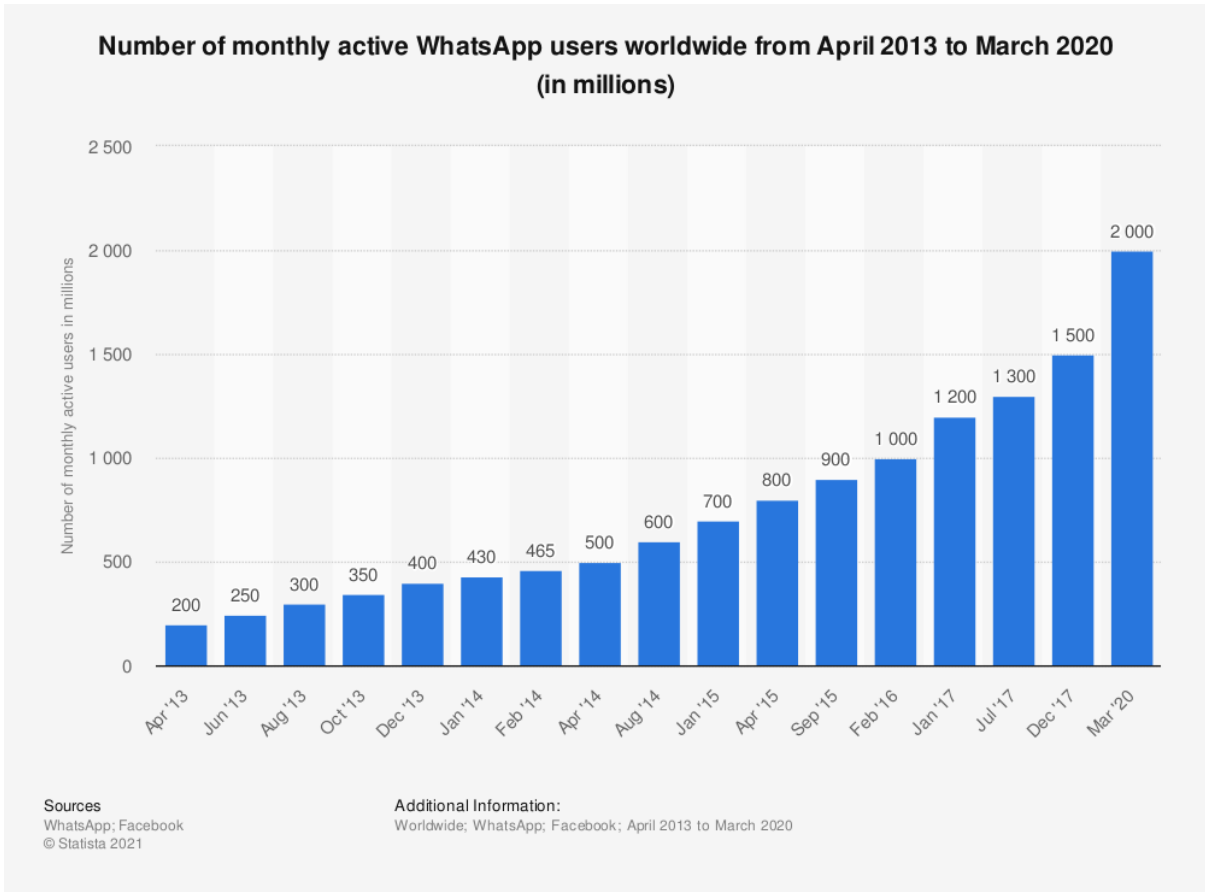


Graph 3: Global Chatbot Market Size [Source: [Alltheresearch](#)]

The chatbot market was estimated to be worth USD 430.9 million in 2020 globally. Research companies have estimated the industry to grow at a promising rate of CAGR of approx 25% between 2021 to 2027. The beautiful fact about AI is that the more you have the data, the more you can process it, and hence the more intelligent the system becomes. Concluding this derivation with the thought that the growth in Chatbot intelligence shall probably be exponential since they will be preferred more over human employees soon because of their continuous growth in their intelligence. This reveals that people will have more opportunities to communicate with chatbot applications on different digital touchpoints including, but not limited to, Websites, Mobile Apps, Facebook Page, Google Messenger, Instagram, Slack, etc.

WhatsApp - The Most Loved Chat Application?

While Chatbots on their own have multiple reasons for their brighter future and their very aggressive adoption by business in the near future, some of the renowned companies globally are catalyzing the progress by making the ecosystem easier for chatbots introduction to the masses. Facebook through WhatsApp is trying to revolutionize the domain by opening its WABA APIs for Chatbot companies to provide chatbots over WhatsApp, Microsoft's Translation APIs are enabling Chatbots to talk into any language and Google's Dialogflow is a complete chatbot platform in itself.



Graph 4: Active Monthly WhatsApp users worldwide from April 2013 to March 2020 [Source: [Statista 2021](#)]

WhatsApp is the world's most popular chat application with over 90% of the internet users worldwide. There are over 2 billion WhatsApp monthly active users including over 50 million WhatsApp Business users. In India alone approximately 400 Million users use WhatsApp and its adoption is increasing at a rate of 16.6% per annum. Now that's a huge audience who are using the application. Just imagine, If you launch your brand's chatbot on WhatsApp, then you can have access to this huge user base, without asking them to download your app or by recalling your business website.

WhatsApp has already proved its success in the customer engagement domain. It is now expanding itself to become a platform where businesses can interact with their customers and provide real-time support, answer queries, receive feedback & suggestions, etc.

The chat application, with its ease of use and simplicity, is growing exponentially in the business user base globally. As per some recent studies conducted by WBR Insights on WhatsApp for Business, it has been found that WhatsApp messaging service is being adopted rapidly by businesses across geographies to engage their customers over social media. WhatsApp Business service is being utilized by businesses to build stronger relationships with their customers globally and WhatsApp for Business will help them in bringing more sales. These surveys have also highlighted that WhatsApp business users are extremely engaged, active on WhatsApp & spend longer time chatting on WhatsApp than any other messaging platform or social media channel.

How does WhatsApp Chatbot work?

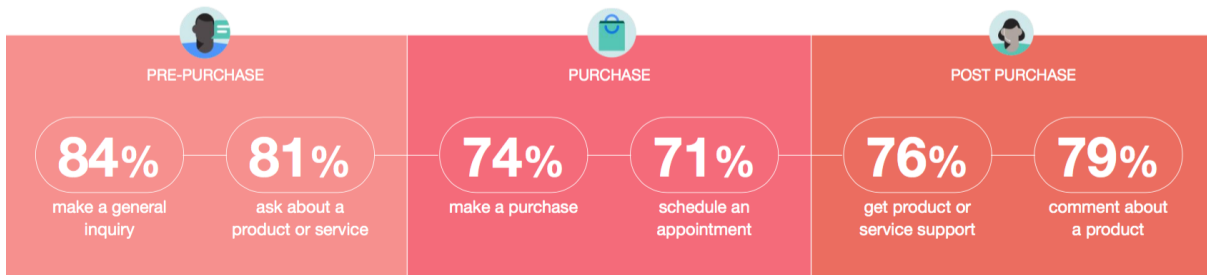
Consumers are curious about how Chatbots work. They want to know if a bot can replace their personal assistants such as real-life people they hire. This is because now, it seems like there is almost a need to have something that can perform tasks for us even without our intervention while humans may work on more complex and innovative jobs. Does the question then lie in how can a computer program perform tasks without our supervision? It may sound hard, but today's artificial intelligence technology already has an answer to this. And with the support of larger organizations like Facebook, Google, Microsoft the AI is rapidly becoming more feasible and accessible to humankind. WhatsApp's recent historic and aggressive action to open itself for chatbots has certainly revolutionized Conversational AI. Numerous use cases and possibilities have mushroomed in the market and it gives an impression that WhatsApp Chatbots will take the Mobile Apps industry for a ride and will act as a strong substitute to the mobile apps.

WhatsApp Chatbot means when a chatbot starts talking to a user over WhatsApp. In the current scenario, users communicate over WhatsApp with each other either individually or in groups. This is more of personal use of WhatsApp. Facebook introduced 'WhatsApp for Business' APIs in August 2018 with an aim of making WhatsApp useful for Businesses too. While millions of businesses adopted it but the solution looked incomplete and incompetent. Business owners could automate very few replies and could place their product catalogs on their WhatsApp Accounts and the end consumers were able to walk through the product catalog for making an online purchase through WA Business. Since online commerce has already gone way ahead of a simple online shopping practice and shopping through WhatsApp Business was not satisfactory and WhatsApp realized that WhatsApp Business was not a replacement for existing online shopping portals or mobile apps.

The next innovation in WhatsApp could certainly be Conversational AI. Instead of reinventing the wheel itself, WhatsApp worked on opening its APIs to existing Chatbot companies and worked more towards WhatsApp payments. Facebook launched a WhatsApp Partners program in 2019 and onboarded approx 60+ agencies globally who could build AI-enabled chatbots on top of WhatsApp. A combination of WhatsApp and an AI-enabled Chatbot now seems to perform all possible digital services for its consumers. It is like an intelligent assistant sitting inside a user's WhatsApp list to handhold him to avail the services of the brand whose bot is that. Now, this may still sound a little confusing until you know the complete user journey of meeting a WhatsApp Chatbot.

User Journey through examples

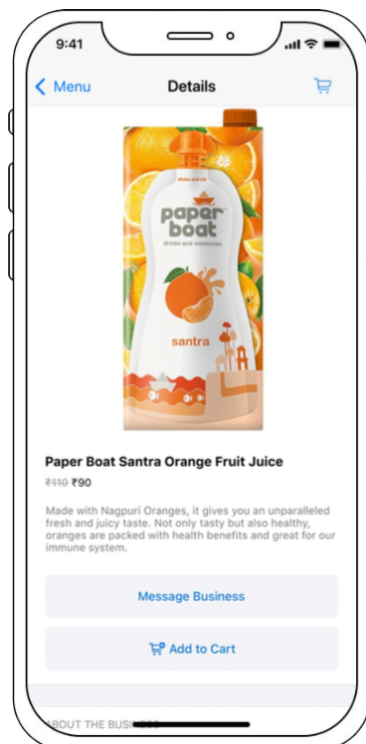
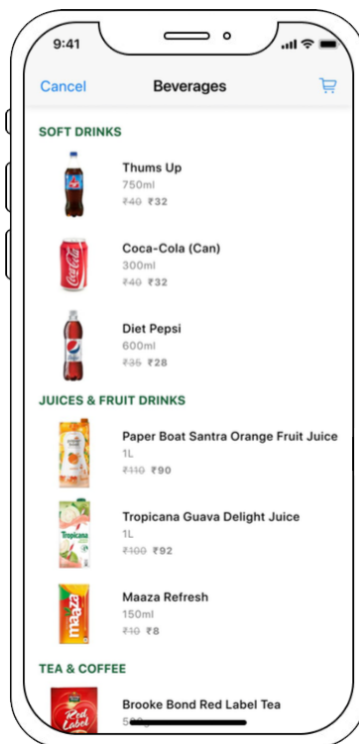
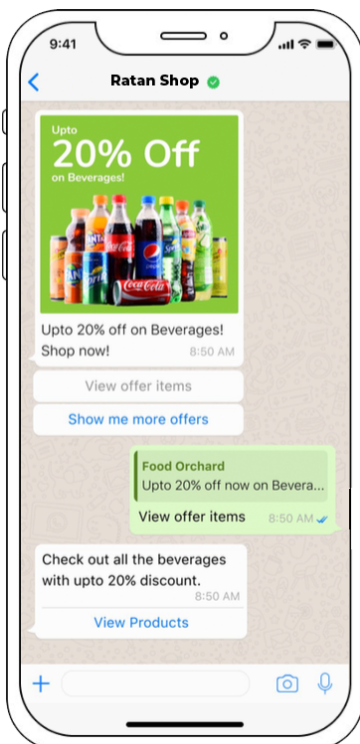
Studies reveal that a normal user journey has its own traction when done through a Chat medium. The following stats share a glimpse of the same.

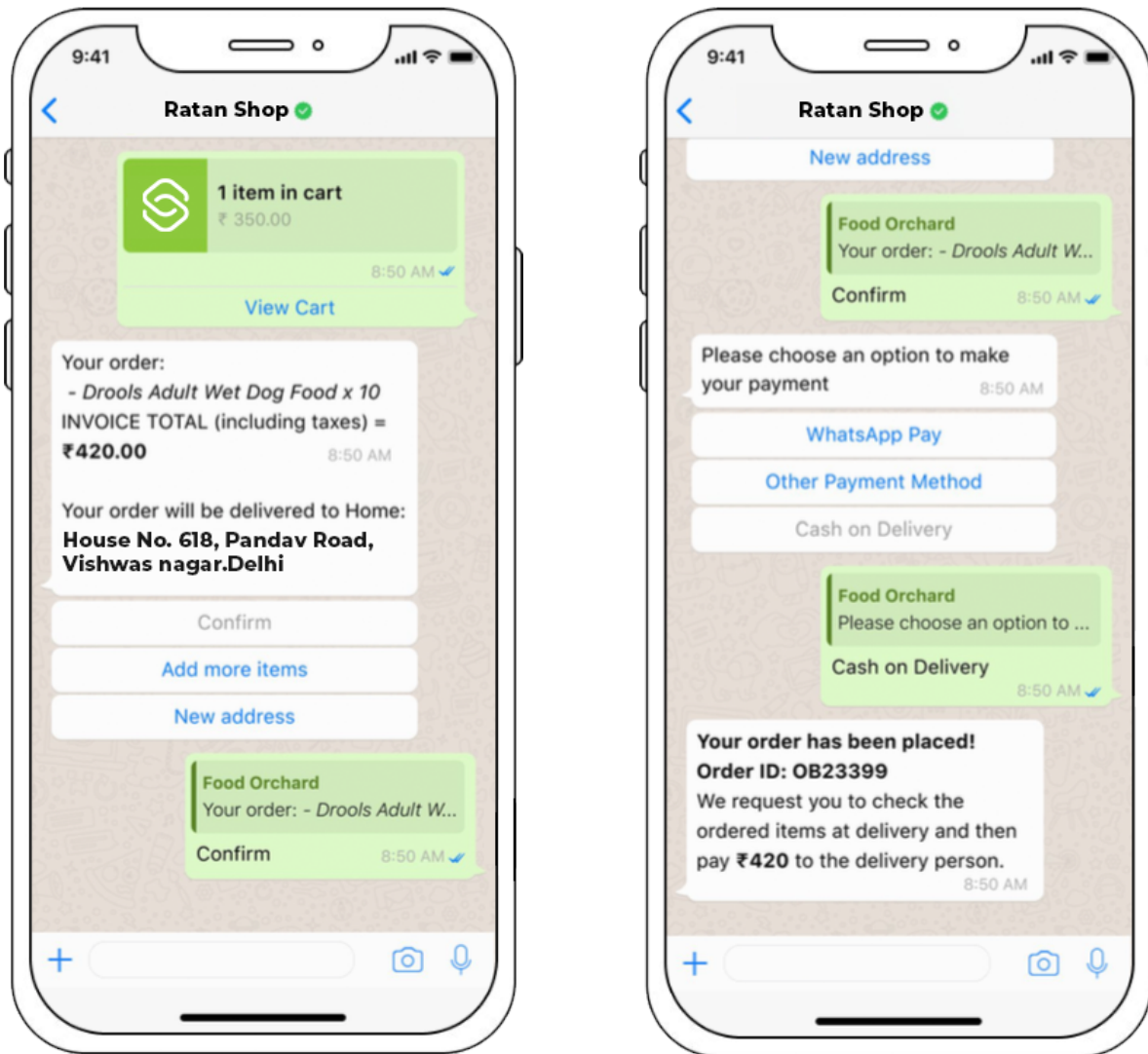


Let's understand it better using some examples.

Example 1: eCommerce to WhatsApp Chatbot

1. Brand 'Bombay Bags' is selling online through their website/mobile app.
2. They have WhatsApp Chatbot developed with the help of companies like YugasaBot.
3. The user knows about the website and shops on the website. He usually shops on the website/mobile in a very normal manner.
4. After the order is placed and payment is made on the website, the user receives a notification from 'Bombay Bags' on WhatsApp confirming the order.
5. It sends the WhatsApp notification again during delivery. During this time, the user can go to the WhatsApp Chatbot of 'Bombay Bags' to know the status of the delivery.
6. After Delivery, the user will get a notification to rate the service and the product they have ordered.
7. The brand then sends notifications to the consumer in the future about newer offers and hence upsells.





Example 2: Digital Ad to WhatsApp Chatbot

1. Brand 'Senorita T-Shirts' is running a Facebook Ads campaign.
2. They have WhatsApp Chatbot developed with the help of companies like YugasaBot.
3. The user looks at the Facebook Ad and clicks on the Ad.
4. He then lands on the Sanorita WhatsApp chatbot.
5. The user does assisted shopping inside the WhatsApp interface itself and pays through WhatsApp Payments.
6. The brand then sends notifications to the consumer in the future about newer offers and hence upsells.

Example 3: Retail Outlet to WhatsApp Chatbot

1. Brand 'Jhyani Icecreams' is selling on its counter.
2. A customer walks in and buys ice cream in offline mode.
3. He pays in whatever way he wants to pay, through Cash, Card, or Digital Wallet.

4. After the order is placed and payment is made, the user receives a notification from 'Jhyani Icecreams' on WhatsApp confirming the order.
5. They then send a WhatsApp notification again with the products catalogue and order placement before the buyer comes in that market again later.
6. The brand sends notifications to the consumer in the future about newer offers and hence upsells.

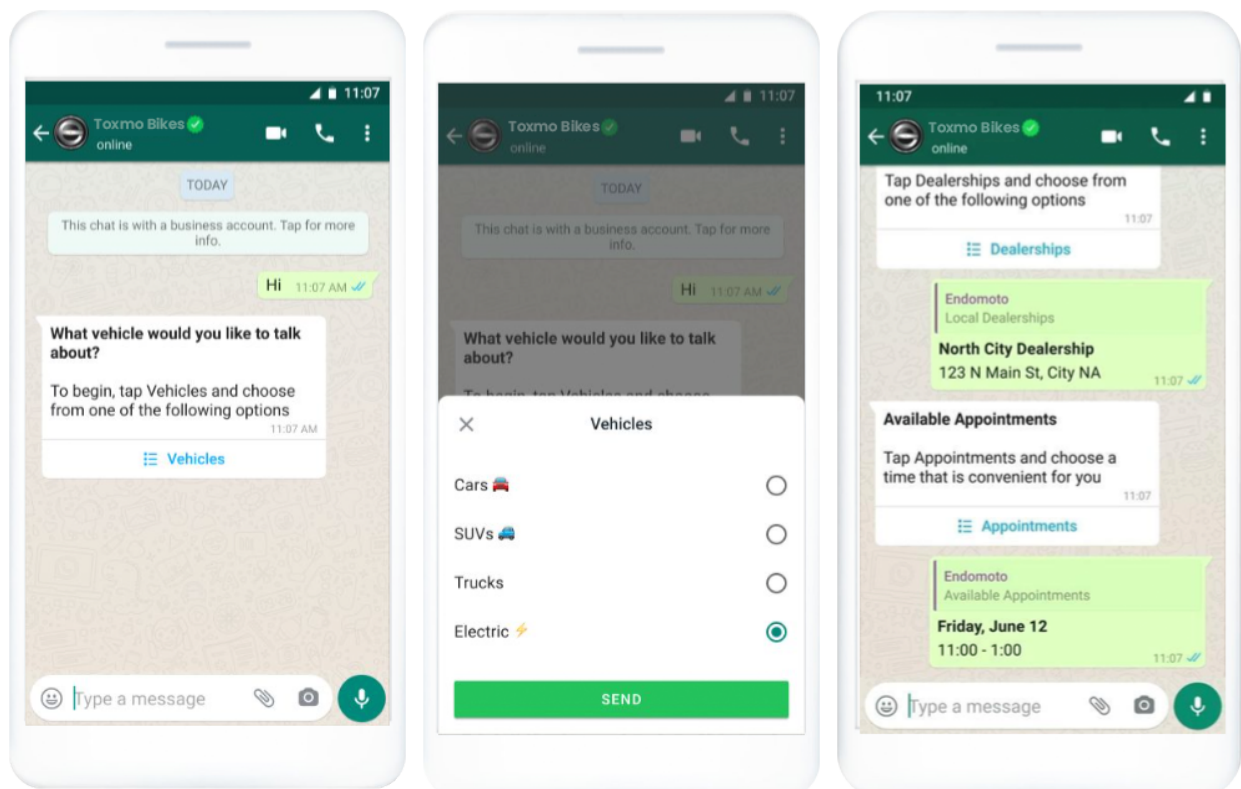
These were user journeys of some brands who are utilizing WhatsApp chatbot and getting a good response from their customers without having the necessity of a mobile app.

Are WhatsApp Chatbots a threat to Mobile Apps Industry?

The monopoly of Google Play Store and Apple App Store in hosting mobile apps has become a silent challenge for many startups. Publishing the apps on stores is one of the tedious jobs and payment of annual subscription fees to Apple for hosting the apps is indeed painful for many small businesses. Those startups who have 'In-App' purchases as their revenue model end up paying hefty commissions of up to 30% to these stores which is yet even more painful. There were instances in the year 2020 when very established apps in India like PayTM and Mobikwik were removed from the stores for so-called 'Violation of Platforms Policies'. That caused a huge loss to the Unicorns in those days.

While the community of startups and consumers both condemned the abrupt actions from these stores, unfortunately, there are thousands of such unheard sad stories of those mushrooming startups who fail to get live on these platforms just because they do not have a voice. Highlighting such an instance never means that these platforms are wrong if they are ensuring the consumers' security and privacy through their policies but not all their actions are democratic.

Now such situations have become genial conditions to encourage any competitive replacement of these apps, and WhatsApp Chatbots look like one such option.



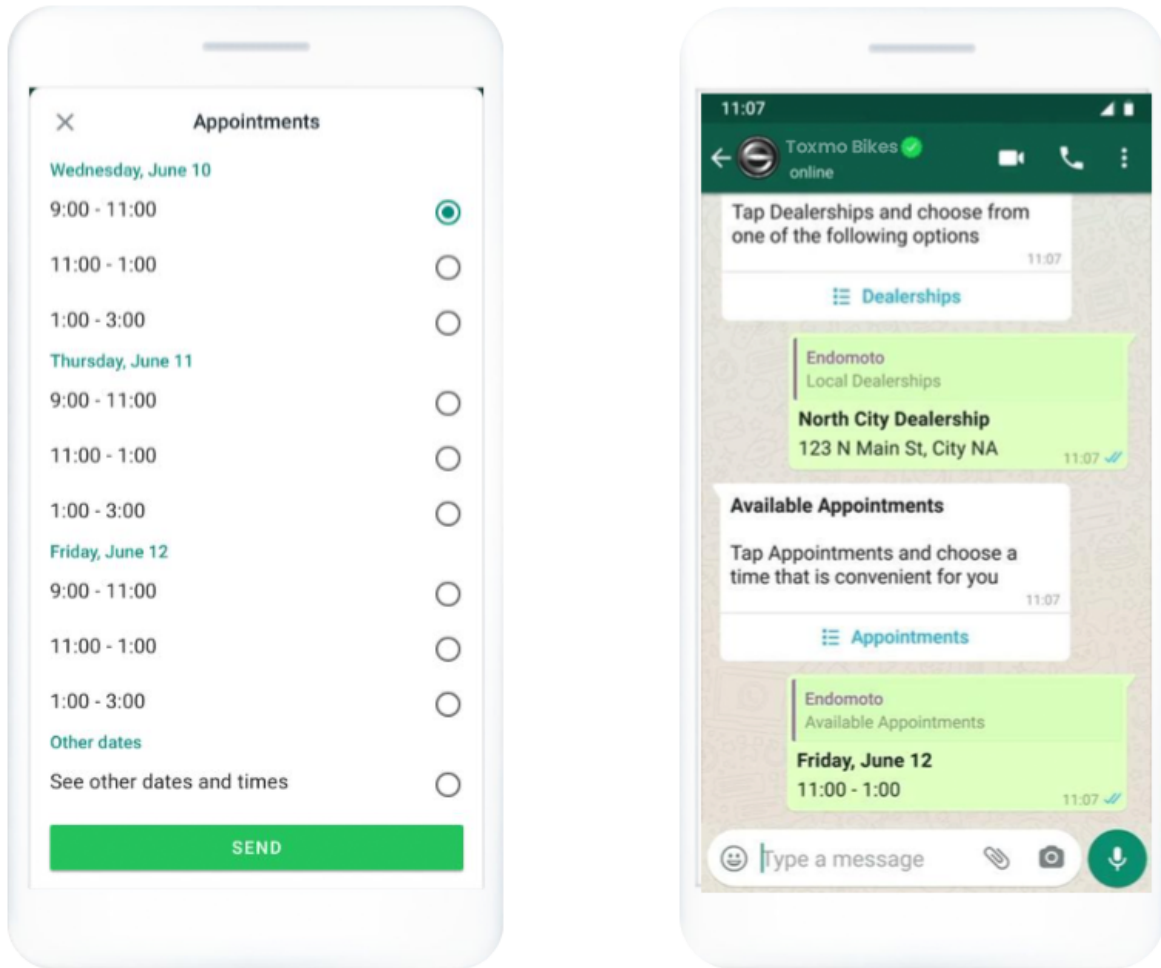


Illustration on how Appointment Booking Apps can be replaced by a Whatsapp Chatbot

Why Are WhatsApp Chatbots Better Than Mobile Apps?

While it is not yet established hundred percent, multiple problems with mobile apps seem to be solved with WhatsApp Chatbots. The newer technology is still running in its nascent stage though but has given an impression of its promising future. Some of the following factors will give an idea as to how WhatsApp Chatbots are better options and where they still lack. What are those features, where they are lacking, small enough to be taken care of with ease?

Initial Development Cost

Developing, implementing, and maintaining a mobile application is not a cost-effective business strategy. The typical cost of developing an app could range from \$10,000 to \$50,000 and can go up to \$1,000,000 or even more. Costs may vary again depending on the platform used, such as Android or iOS. Additionally, there are more expenditures associated with upkeep and periodic updates.

Whatsapp Chatbots, on the other hand, cost less and can perform multiple functions like any other functional mobile app. eCommerce, Doctor appointments, deals, and coupons, service booking all such use cases can be well handled by a WA Chatbot also.

Hosting/Server Costs

A monthly fee for an app hosting server can range from \$70 to \$320, depending on criteria such as the content, the number of active users, and predicted growth. There are numerous hosting alternatives available, including a cloud-based environment. But the costs of reliable options never tend to differ.

Is deployment the entire story? That is not the case! A robust app requires upkeep, much as our technological equipment does. It is critical to monitor performance and guarantee that users receive updates on a frequent basis.

But in the case of WhatsApp ChatBots, they do not require additional expenditure on Servers. Most of the chatbots in the market right now are SaaS platforms which helps you avail the services and intelligence of the bot and let you get rid of any investment in hiring a server or investing any money in server maintenance.

App Store Publishing and Fees

Apps in turn also require deployment and publishing costs on Google Playstore and iTunes platforms. To publish your application on the Apple App Store, you should be aware of the Apple App Store Fee, which is \$99 per year for an Individual Developer Account. Play Store also charges a one-time cost of \$25, payable when your first application is published.

But, WhatsApp Chatbot doesn't charge any publishing fees. App publishing obligation is already taken care of by Whatsapp at its end.

Other Operating Expenses

Operating costs may vary based on your app scope and the project size.

But having a WhatsApp Chatbot would cost you just the Monthly Licensing charges, which may range from US \$75 to \$500 depending on the use case and traffic on your WhatsApp Chatbot.

Please note that additionally, WhatsApp Business pricing would be applicable. You can know more about the new WhatsApp Business Pricing Model by [Clicking Here](#). But the important fact here is that you can utilize your WA Chatbot intelligence on other platforms also by deploying the same chatbot on your business website and on your Facebook page without any considerable additional investment.

Ease and Time Consumption of Development

It requires around 20 and 40 times the effort to build features and functionalities in a Mobile App as it does in a WhatsApp Chatbot. It's even easier to get it developed using YugasaBot's No code platform.

Talking about time, It takes around 30-150 man-days to develop a mobile app depending upon the complexity and number of features. Whereas it only takes 15-30 days to develop our WhatsApp Chatbot with all your desired features. More complex apps which might consume more time to develop have been put outside the scope of the current comparison because WA Chatbot is still running in its nascent stages of growth and is a promising substitute for general mobile apps.

Marketplace Loss

It is almost equal to impossible in today's competitive world to launch a mobile app that has no competition in the market. No matter how much money and effort you invest to advertise your app but when the customer/user lands on the PlayStore/AppStore, they show your competition to the customer right there. Resulting in possible competition for you before your app is being downloaded.

In the case of WhatsApp Chatbot, there's no such loss from the competition. Your prospects will know your Whatsapp Chatbot number and shall connect with you through that no. only. They shall never know about your competition even if he has his own Whatsapp Chatbot also.

Ease of Usage

The mobile applications also require a lot of effort in their UX. However, no matter how hard you try, it hardly becomes as comfortable for a user as a chat application that he/she uses daily. The process begins with the downloading of an app, which makes even the first step a subject to procrastination of consumption.

On the other hand, WhatsApp Chatbots are the simplest chatbot solutions to exist. It starts with a simple message and continues on the same chat platform, i.e., WhatsApp.

Loyalty of Consumption

Apps face very low consumer loyalty and very high rebound rates as most of these applications have a very limited frequency of usage which makes apps, not a regular go-to option. Once the purpose is solved, the user tends to uninstall your app from his phone. This leaves you deprived off of sending your promotional messages and offers details to such users.

However, in the case of Whatsapp chatbots, users will not be able to get away from you because you have already entered into their WA account. Whatsapp is certainly one of such apps globally which have not been uninstalled from consumers' phones. So till the time the user does not uninstall Whatsapp from his phone and that you are already present in his Whatsapp account through your WA Chatbot, you always have the consumer's attention to look at your promotional notifications. Whatsapp Chatbots have way high utility as compared to Mobile Apps for Consumer Obsessed Brands. And that too without investing much in your marketing and ad campaigns.

OS Updates

You need to constantly update your mobile application in order to make it compatible with the latest operating systems. This might not seem very big, a challenger as updates come once in a year, but still, they do. It becomes tough when you are to detract from the older and ceased versions and build for the new ones.

WhatsApp Chatbots on the other hand is independent of the operating system and its upgrades. However, we might get some new features and other upgrades, but that's not our task, it's WhatsApp's job to upgrade itself as per the newer OS versions and newer platform policies.

Advancements of Technology

Mobile technology is also growing and utilizing AI in its own ways but there's only one thing that it fails to utilize AI for. It makes applications self-learning and user-retaining but it fails to make them user-friendly and feasible to use.

WhatsApp Chatbots, on the other hand, employ AI in such a way that it empathizes with the user and solves its problems without adding up to them.

Ease of Approval

Mobile applications require Android and iOS approvals whereas WhatsApp Chatbots only require approvals from WhatsApp.

Hardware Consumption

Mobile apps tend to consume space and bandwidth on your user's phone. This is one of the main reasons they are often uninstalled and apps have such high rebound rates.

Whereas WhatsApp Chatbots do not consume any separate data and bandwidth on your phone. It works upon the little consumption of its parent platform i.e WhatsApp.

Registration Processes

Users can register only after the app is installed. Once done, they can be used to register using the various means of registration provided.

Whereas, registering on a WhatsApp Chatbot is as good as sending a WhatsApp message.

We have also combined the above comparison in the form of an infographic. The same can be downloaded from [this link: INFOGRAPHIC LINK](#)



Conclusion

With 60 billion texts exchanged daily, WhatsApp is one of the most widely used messaging platforms. Undoubtedly, it can help businesses scale their customer engagement to unprecedented levels. A WhatsApp Chatbot over a Mobile App is the way forward for businesses. WhatsApp Chatbots offer a platter of benefits that will delight customers and also result in cost savings. With so many use cases and possibilities, it appears that WhatsApp Chatbots is more likely to overtake the Mobile App business and will emerge as a strong substitute.

What do you think? Will you prefer a WhatsApp Chatbot for your business or rather have a Mobile App? If you're still in confusion, book a free consultation with us today! We will understand your requirements and would suggest the best cost-effective and best-performing option for you. [Click Here](#) to know more.

Mobile App examples which can be done using WhatsApp Chatbots

eCommerce	Appointments	Policies	Branding	Learning
Grocery Online	Doctors Booking	EMI Calculator	Product Launch	e-Education
Online Fashion	CA Booking	Policy Renewal	Brand's History	News
Books Sale	Lawyers Booking	Policy Updates	Upselling	Fitness Course
Fitness	Govt Offices	Claims	Offers	Tech Updates
Pet Stores	Life Coach	Micro Loans	Specifications	Farmers Learning
Subscriptions	Playground Booking	Education	Offline Shopping	Social Awareness

The possibilities are endless.....

