

Chat commerce leapfrogs in Africa

Chat commerce and chat banking have revolutionised the way companies are serving their customers. Without having to invest in new architecture, companies are able to meet and engage with their clients on the platforms of their choice. What's more, with one simple implementation, organisations can boost their customer penetration by a factor of three. For businesses in Africa, this next generation of commerce has proved to be the best way to overcome infrastructure and socio-economic challenges and local businesses are quickly embracing the opportunity.



Pieter de Villiers, co-founder and CEO, Clickatell

“The nineties saw the emergence of the internet and shortly after that, the advent of e-commerce. We then graduated to the app economy and mobile commerce became the big game changer. All the major brands invested millions in apps as they rushed to take advantage of this mobile-first economy. The natural evolution of this has been bringing fast, secure messaging to the masses. Platforms like WhatsApp, WeChat and Facebook Messenger allow the world to connect in the most efficient way available,” said Pieter de Villiers, Clickatell co-founder and CEO, shared his insight into chat commerce and chat banking and how they will forever change the way business is done on the continent.

The power of chat

While China remains the undisputed leader in chat commerce, Africa and South East Asia are vying for second place. And, considering the comparatively low internet penetration in Africa, this shows just how powerful chat is when it comes to reaching consumers, he said.

“The nature of transacting over a chat platform makes it a perfect mechanism for the African region. Consumers in these markets often have limited data, making the downloading and use of apps a hard sell for many companies. In fact, app penetration stands at just 18% in Africa. Chat channels like WhatsApp, however, can extend penetration to 64%, which is more than a 300% improvement in reach when compared traditional apps.”

He said his company sees chat commerce as the biggest opportunity for CIOs and CMOs since the internet, saying that serving clients on the digital platform really matters and chat commerce allows the effort to be supersized without having to lay down any new architecture.

Banks in particular have leapt at the chance to quickly and easily reach their customers with this frictionless service. “Africa is no laggard when it comes to innovation. Mobile money services, for example, were pioneered in Africa and served as the global benchmark in how to deploy and scale up the offering. Once again, we are seeing African banks being the most open to innovation and we have completed chat banking deployments at four of the largest African banks,” De Villiers said.

Mobile operators

“Using chat as a basis to serve customers means businesses can slash the time to resolve customer queries by 80%. Making use of smart technologies like bots and AI, companies can let machines carry the load, allowing the humans to do the high touch interventions that require personal skills.”

Looking into the future de Villiers believes the simplicity of chat commerce will become even more attractive.

“Soon our phones will become part of our digital identities. Authentication will be based largely on the information from our phones as well as an indicator of our behavior, enabling seamless authentication for lower-risk requests.”

“This is a massive opportunity for brands. Not only do they get to serve their customer on a digital channel of their choosing, but they get to be in the contact list of their customer – in the same way that friends and family are. In an age where brands gain and lose market share based on their ability to serve customers, it’s imperative to be on the same platforms as your customers. Just a few years back it was a nice to have. In 2020, not being able to reach your customers will spell death to a company.”

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