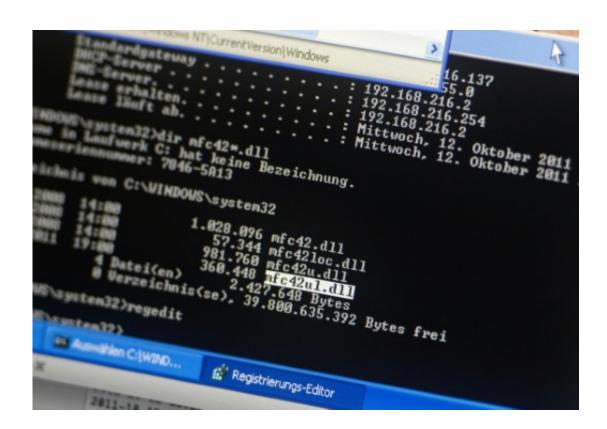


## Are 'chatbots' the future of online business?

April 14 2016, by Rob Lever, With Sophie Estienne In San Francisco



If the artificial intelligence "chatbot" trend catches on, it could transform the digital landscape by allowing smartphone users to find information or make purchases with simple text messages, bypassing apps and search engines

An artificial intelligence "chatbot" from Taco Bell now lets you order a meal in a smartphone text exchange that might look something like this:

TacoBot: Hello there, I'm your TacoBot, I can help you order a meal for you or your team.



You: Can I order one soft taco with beef?

TacoBot: Sounds good... do you want to keep adding stuff? Maybe some bacon?

Brands like Taco Bell and <u>tech companies</u> large and small are betting that more and more people will start using this "conversational" way of interacting online instead of clicking through on-screen menus.

If the trend catches on—as firms like Facebook and Microsoft expect—it could transform the digital landscape by allowing smartphone users to find information or make purchases with simple text messages, bypassing apps and search engines.

Among the companies already developing or launching chatbots are the Wall Street Journal, CNN and retail giants Sephora and H&M.

"I believe we are headed to a shift where this becomes one of the primary means we interact with the digital world," says Mark Beccue of Mark Beccue Consulting, who follows trends in the messaging market.

"The chat user interface is what makes sense for a mobile-first world. You can be more specific and be quicker."





Facebook chief and co-founder Mark Zuckerberg discusses Messenger on April 12, 2016

## 'Bots the new apps'

Chatbots are already popular in China, where a system powered by Microsoft offers a variety of services for users of the popular messaging app WeChat.

Messaging services have become a natural place for chatbots to reside, since their usage is growing: at least 1.4 billion people used a messaging app last year, says research firm eMarketer. According to Business Insider Intelligence, the "big four" messaging apps have overtaken the largest four social networks.

Facebook this week also made a major push in this area, opening up its



Messenger application—and its 900 million users—to "bot" developers.

"We think you should be able to text message a business like you would a friend, and get a quick response," Facebook co-founder and chief Mark Zuckerberg said.

The idea is to create a seamless experience for end users, who can access services directly via a <u>messaging app</u> by chatting with a "bot," which appears alongside their regular contacts.

Microsoft unveiled a similar effort last month, as CEO Satya Nadella described a push into "conversations as a platform."

"Bots are the new apps," Nadella told developers.

The messaging service Kik meanwhile launched its own "bot shop," with partners including retailers, game developers and services such the Weather Channel.





Microsoft CEO Satya Nadella demonstrates the digital personal assistant function Cortana on April 2, 2014 in San Francisco, California

Kik said the move was a response to the trend of people using fewer apps and spending more time on chat platforms.

"There's nothing to download, no new registration required, and you can use an interface you're already familiar with: chat," Kik said in a statement.

## Simple or smart

Chatbots can be simple programs that provide answers to predetermined questions, or more complex ones powered by artificial intelligence.



"It's a more natural extension of how consumers are used to doing things," said Julie Ask at Forrester Research.

The intelligent chatbot movement suffered an embarrassing setback recently when Microsoft had to ground its "Tay" bot just a day after letting it loose on Twitter.

Internet users gamed the artificial intelligence—designed to improve the conversations—to cause Tay to spew out hateful and racist comments.

"'Tay' went from 'humans are super cool' to full nazi in

Citation: Are 'chatbots' the future of online business? (2016, April 14) retrieved 7 May 2024 from <a href="https://phys.org/news/2016-04-chatbots-future-online-business.html">https://phys.org/news/2016-04-chatbots-future-online-business.html</a>

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