

Win with Conversations



Transforming consumer engagement in India with generative AI-powered conversational commerce

Authors

Arpan Sheth is a partner in Bain & Company's Washington, DC, office. He leads the firm's Asia-Pacific Technology, Vector, and Advanced Analytics practices, as well as India Private Equity and the Alternative Investors practice.

Sriwatsan Krishnan is a partner in Bain & Company's Mumbai office and a leader in the India Private Equity and Alternative Investor practice.

Navneet Chahal is a partner in Bain & Company's Bengaluru office; a leader in Bain's Consumer Products, Retail, and Customer Experience practices; and coleader of FRWD®, Bain & Company's digital marketing arm.

Kathleen Tandy is head of global marketing, business messaging at Meta.

Sandhya Devanathan is vice president and head of Meta, India.

Key contacts

Arpan Sheth in Washington, DC (arpan.sheth@bain.com)

Sriwatsan Krishnan in Mumbai (sriwatsan.k@bain.com)

Navneet Chahal in Bengaluru (navneet.chahal@bain.com)

For media queries:

Sitara Achreja in Mumbai (sitara.achreja@bain.com)

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Research Methodology

Win with Conversations is a research report jointly developed by Bain & Company and Meta. The research leverages Bain analysis, primary and secondary research, market participant interviews, and industry sources.

The “Bain & Meta Conversational Commerce Survey” is a Bain & Company and Meta commissioned survey of 7,800 users and 150 businesses from India. The survey was conducted in October 2023 and more than 25 senior executives from large and mid-market enterprises across CPR, BFSI, auto, and travel were a part of the study.

This survey is referenced as “Bain & Meta Conversational Commerce Survey” in this report, wherever applicable.

Building personalized relationships at scale

India is seeing rapid growth in digitization, with more than 650 million Indians now active on social media (e.g., Facebook, Instagram, and YouTube) and messaging platforms (e.g., WhatsApp). Despite this massive engagement, only 30% of users (approximately 200 million) shop online. A similar story unfolds among small merchants, with only 15% (approximately 5 million) of the 30 million formalized small businesses (registered on the Udyam portal) selling online. With most future online shoppers and sellers already present within the digital funnel, India presents a significant untapped opportunity.

Most existing and upcoming apps across products and services are targeted toward the 200 million savvy digital users. However, app adoption is relatively limited beyond the top categories (social media and messaging, entertainment, Unified Payments Interface [UPI], and horizontal marketplaces). Even in high-frequency categories (e.g., grocery, banking, and mobility), maximum monthly active users top out at 35 million. There are early indications of app fatigue, with 65% of savvy digital users finding app downloads frustrating and 40% abandoning a purchase if pushed to install apps. The next 450 million non-savvy digital users are still not ready to adopt apps, driven by a preference for assisted shopping, limited phone storage, and difficulty navigating apps. Consequently, the app-led model will likely plateau beyond the top 50 million to 100 million customers for most business-specific apps, necessitating businesses to proactively seek new avenues for customer acquisition and sustained engagement.

Implementing chat-based assisted journeys, known as conversational journeys, on platforms with high user engagement (e.g., social media and messaging) can be key for businesses to engage and facilitate online transactions. This is already in motion—most consumers are informally engaging with both small and large businesses (e.g., messaging carpenters, doctors, bank representatives, and direct-to-consumer brands) on social media and messaging platforms. Going forward, more than 50% of the surveyed users cited that they would strongly prefer to transact via conversational journeys across industry verticals, especially for high frequency use cases (e.g., accessing bank statements, obtaining travel details, paying utility bills, and booking liquefied petroleum gas cylinders).

However, scaling these humanlike conversational journeys has been challenging for both large and small enterprises. While larger enterprises have automated simple use cases through artificial intelligence (AI) chatbots (e.g., raising service requests and order tracking), handling complex or urgent interactions still requires human involvement. Consequently, crafting and scaling end-to-end journeys cost effectively across all key use cases remains a challenge for large enterprises. Conversely, small businesses, constrained by resources and expertise, are cautious about investing in automation until they achieve scale, relying on manual approaches. Thus, a democratized, affordable, and intelligent AI solution is imperative for the seamless implementation of end-to-end journeys.

With the advent of generative AI-powered assistants and ease of integration with conversational platforms, these conversational journeys can now be implemented at scale with much faster deployment cycles. This is driven by the capabilities of generative AI assistants, enabling contextualized, humanlike conversations with reasoning ability, multimodal support, and vernacular language proficiency. The investments by leading tech players to democratize access to generative AI platforms and cultivate an ecosystem of offerings will further fuel this new era of consumer engagement.

The conversational future

Today, businesses in India are engaging with customers across a plethora of channels, ranging from SMS and email to contact centers, websites, and apps, with most of the spending going to traditional channels (SMS, email, and interactive voice response [IVR]). However, businesses are increasingly questioning the effectiveness and return on investment (ROI) of traditional channels due to rising spam and low engagement rates. Hence, businesses are actively experimenting with conversational platforms across various touchpoints in the customer journey.

Large enterprises see many benefits from using conversational platforms, such as high engagement rates and personalized interactions at scale. As a result, more than 60% of enterprises are planning to increase spending on conversational platforms over the next three to four years, focusing on building end-to-end journeys. Generative AI emerges as a top-of-mind priority for businesses, with approximately 95% of surveyed enterprises in India demonstrating familiarity and more than 80% planning to invest in generative AI-based solutions within the next one to two years.

Small and medium businesses (SMBs), in particular, face a series of pain points across the customer journey, including heavy reliance on offline marketing channels. This leads to limited reach for customer acquisition and challenges in establishing digital storefronts and managing payments. Conversational platforms can be a powerful solution, addressing key challenges related to discoverability, commerce, payments, and communication. Early signs of success are already evident, with 15 million SMBs using WhatsApp for Business to create digital presence and drive traffic through click-to-chat ads.

With the rising adoption of conversational platforms across large and small enterprises and the transformative power of generative AI, businesses will focus on driving purchases and transactions (e.g., ride-hailing, loan disbursements, and grocery purchases) through conversational journeys known as conversational commerce. Large online platforms will spearhead the adoption of conversational journeys by developing proprietary chatbots and building AI-assisted journeys on conversational platforms. However, offline players (organized and unorganized SMBs) will drive a significant portion of conversational commerce, as existing conversational platforms will empower these businesses to leapfrog to digital commerce, potentially bypassing the traditional marketplace seller route. Given that service journeys (e.g., utility bill payments, travel, and ridesharing) are inherently less complex than product transactions (e.g., grocery purchases and online shopping), service commerce will accelerate user adoption and drive transaction volume on conversational platforms. Conversational commerce will thrive in domains characterized by frequent transactions (e.g., utility bill payments) or purchases (e.g., grocery).

The winning playbook

To stake a claim in this opportunity, businesses must follow six key imperatives to craft a winning playbook:

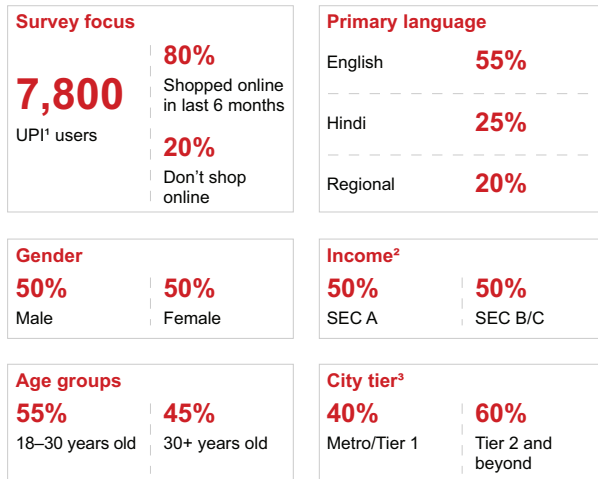
1. **Conversations vs. communication:** Reimagine end-to-end customer journeys, interweaving a seamless thread of conversation across every touchpoint
2. **Personalization at scale:** Harness the power of generative AI to deliver highly personalized experiences across each customer interaction
3. **New markers of trust:** Establish credibility through digital markers of trust, signaled through hyper-personalization, to persuade customers to engage and make purchases through a chat-based interface
4. **Generative AI at core:** Embed generative AI in the organization's DNA to create a competitive advantage and stay ahead of the curve
5. **Scale experimentation as a competitive moat:** Start experimenting across diverse journeys and adopt an agile "test and learn" mindset to identify and scale the most fitting use cases within a specific context
6. **Return on conversations:** Define a new and clear measurement framework based on business objectives to gauge returns on end-to-end conversational journeys

The vanguard of generative AI adoption will secure a lasting competitive advantage over time, with their scale of hyper-personalization and strength built by running agile generative AI experiments. Businesses that can implement and scale end-to-end hyper-personalized conversational journeys will take the prize. The time is now.

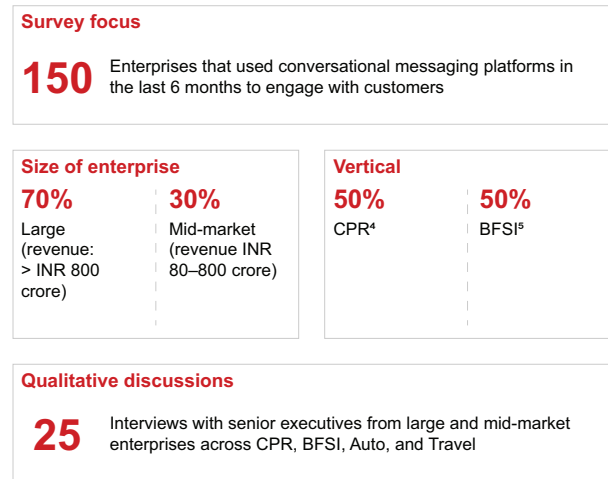
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Figure 1: We surveyed 7,800 end users (consumers) and 150 enterprises and interviewed more than 25 senior executives across verticals from India as part of the study

Voice of user (n=7,800)



Voice of business (n=175)



Notes: 1) UPI = Unified Payments Interface; 2) SEC classification based on income and education of chief wage earner of household. SEC A = Mostly people with college diplomas and working as business person or officer; SEC B = Mostly people with at least four years of schooling and running a business or in service; SEC C = Mostly people with schooling up to four years and working as skilled worker, petty trader, or small businessman; 3) Metro/Tier 1 = cities with avg. population > 1 Lakh; Tier 2 and beyond = cities with avg. population < 1 Lakh; 4) CPR = consumer products and retail, including fashion and lifestyle, electronics, e-commerce, food and beverage, grocery, jewelry, D2C brands, travel, leisure; 5) BFSI = banking, financial services, and insurance

Sources: Bain & Meta Conversational Commerce Survey; Bain analysis

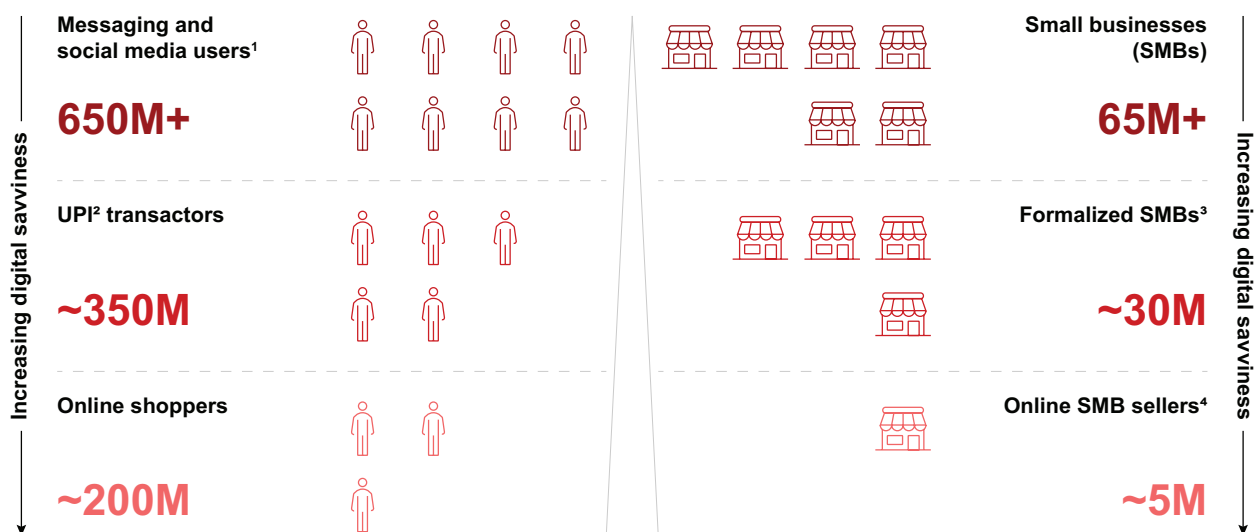
Building personalized relationships at scale

As in the past with Internet and app proliferation, the current generative AI-driven disruptions in the tech landscape are likely to spark pivotal changes in the consumer engagement model. More than 650 million Indians are already on social media and messaging platforms, many engaging informally with businesses across these channels. They have also shown a high preference to shift to conversation-centric journeys for day-to-day use cases. With generative AI-empowered tools potentially changing user interactions to be more multimodal, vernacular, and intuitive (i.e., humanlike), the consumer engagement model will evolve rapidly to more conversation-centric user journeys designed by businesses.

Figure 2: India is at an inflection point—most of the future online shoppers and sellers are already within the digital funnel, signaling a large, untapped opportunity

650M+ Indians are engaged on messaging and social media, but only ~200M shopped online

65M+ small businesses in India, but only ~5M sell online

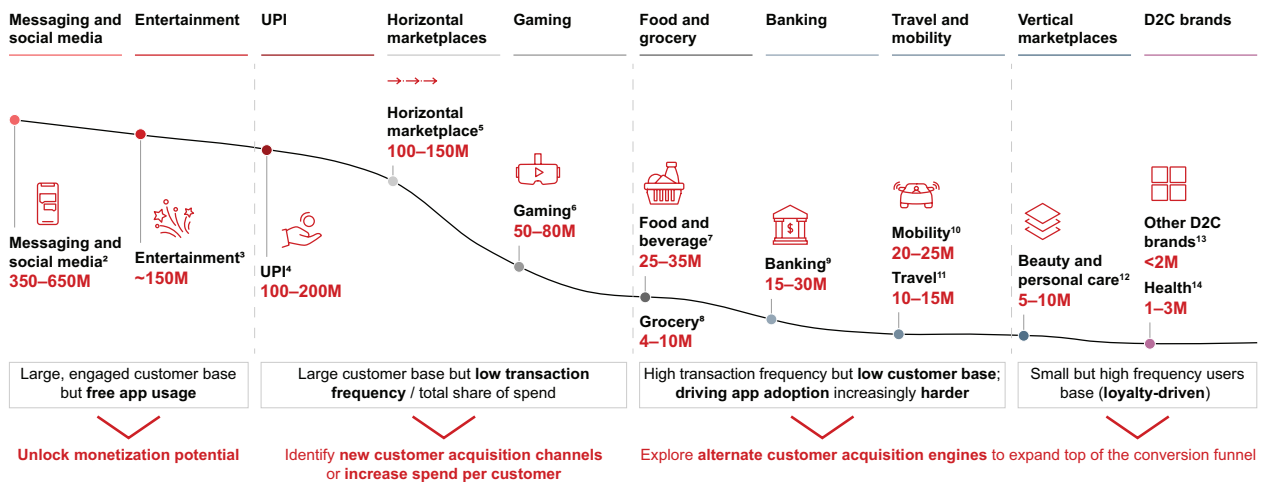


Notes: 1) Messaging and social media includes platforms such as WhatsApp, Instagram, Facebook, YouTube, etc.; 2) UPI = Unified Payments Interface; 3) Formalized SMBs are defined as those which are registered on the Udyam portal; 4) SMBs selling online across e-commerce and services
Sources: MSME Annual report: Udyam registration portal: GST portal: Bain analysis

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Figure 3: While most of the apps across products and services are targeted toward approximately 200 million savvy digital users, there is limited success in app adoption, with usage restricted to a few categories

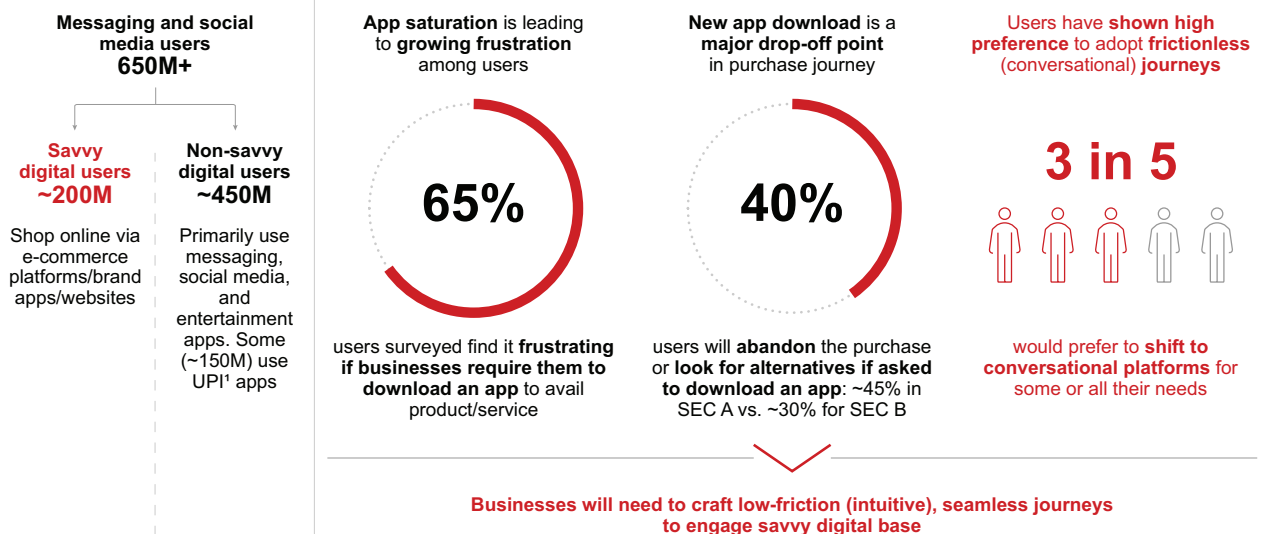
Monthly Active Users (MAU¹) across Apps – Sep'23



Notes: Savvy digital user is a user who has shopped/ ordered food online and conducted a UPI transaction in the last 6M; (1) MAU numbers are for Android users only (90% of total smartphone base in India); 2) Includes WhatsApp, Instagram, Facebook, Google; 3) Includes YouTube, Disney+ Hotstar, JioCinema, ShareChat; 4) UPI = Unified Payments Interface; Includes Paytm, Gpay, PhonePe; 5) Includes Flipkart, Meesho, Amazon; 6) Includes Ludo King, Free Fire; 7) Includes Zomato, Swiggy; 8) Includes Zepto, BigBasket, Blinkit; 9) Includes HDFC Bank, YONO SBI; 10) Includes Ola, Uber; 11) Includes IRCTC, Makemytrip; 12) Includes Nykaa, Purplle; 13) Includes Country Delight, The Souled Store, boAt; 14) Includes TATA 1mg, PharmEasy
Sources: Similarweb; SensorTower; Bain analysis

Figure 4: Early signs of app saturation evident in the savvy digital user base—users across geographic tiers likely to abandon purchases if pushed to install

Digital funnel

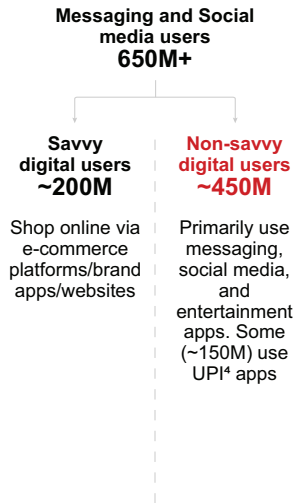


Note: 1) UPI = Unified Payments Interface
Sources: Bain & Meta Conversational Commerce Survey; Bain analysis

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Figure 5: The next approximately 450 million non-savvy digital users actively consume content online. However, barriers to transacting/engaging with businesses through apps exist

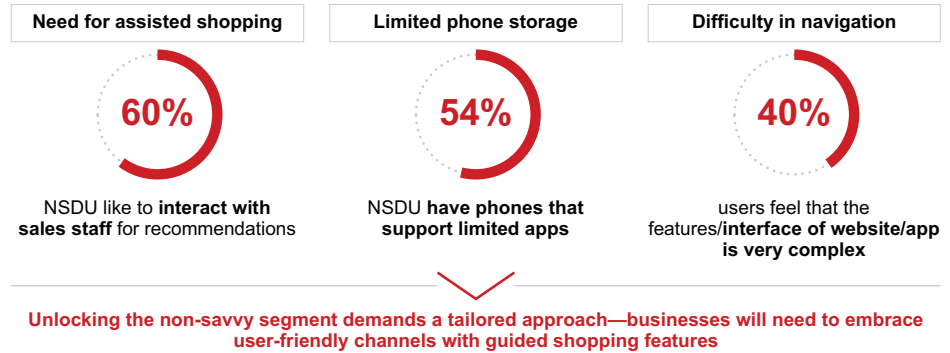
Digital funnel



NSDU¹ actively use online platforms for discovery

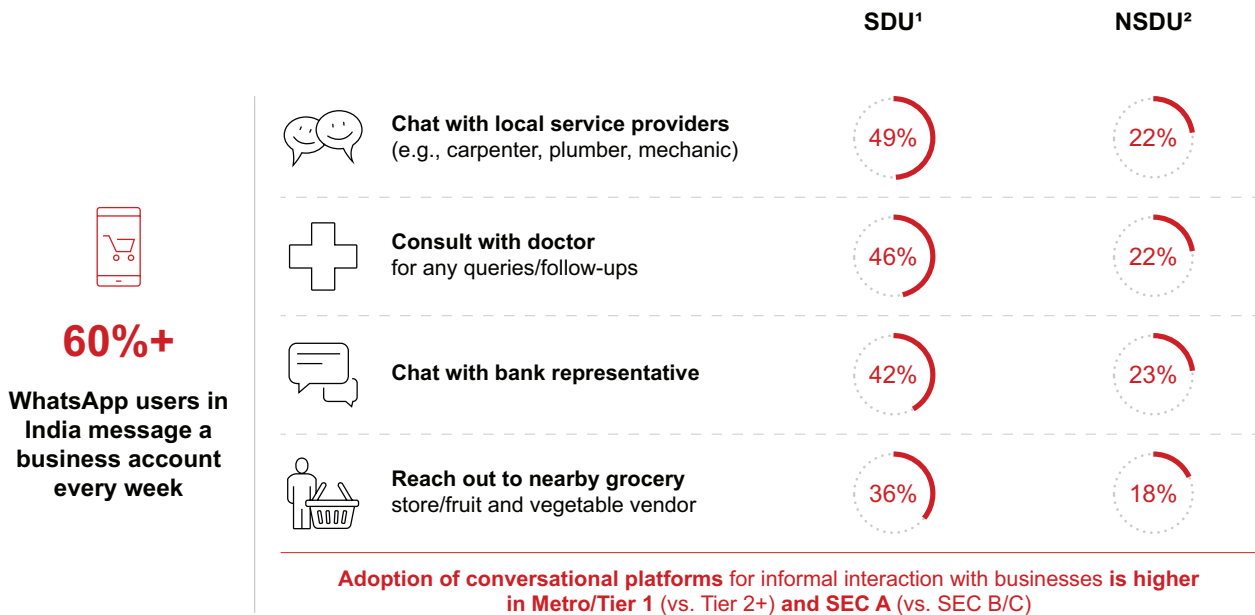
85%+ NSDU surveyed **leverage online channels² to discover new brands** | **~50%** NSDU **haven't used any app³** beyond social media/entertainment in the last 6M

Multiple barriers exist hindering app adoption



Notes: 1) NSDU = non-savvy digital users; 2) Online channels include Google, YouTube, WhatsApp, Instagram, Facebook; 3) Approximately 50% of NSDU haven't used apps across any other key need (e.g., fashion and electronics, food and grocery, travel, health) beyond social media/entertainment in the last 6 months; 4) UPI = Unified Payments Interface
Sources: Bain & Meta Conversational Commerce Survey; Bain analysis

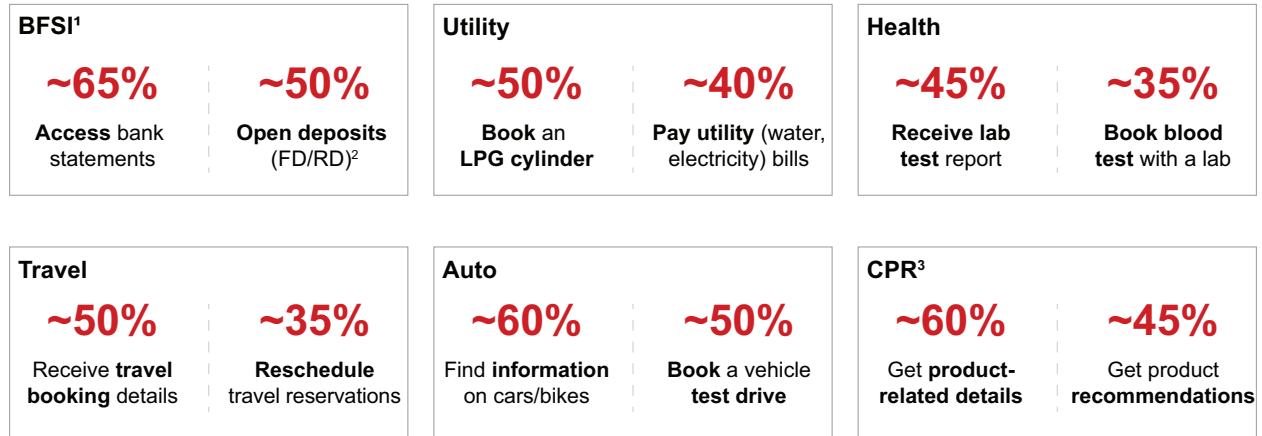
Figure 6: Conversational journeys can be a key unlock—most users are already engaging with both small and large businesses informally on these platforms



Note: All percentages on the right-hand side indicate the preference of surveyed users to use conversational platforms for key needs today; 1) SDU = savvy digital users; 2) NSDU = non-savvy digital users
Sources: Bain & Meta Conversational Commerce Survey; Meta internal data; Bain analysis

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Figure 7: Across both savvy and non-savvy digital users, 50%–60% have shown high preference to move to conversational journeys for day-to-day use cases across verticals



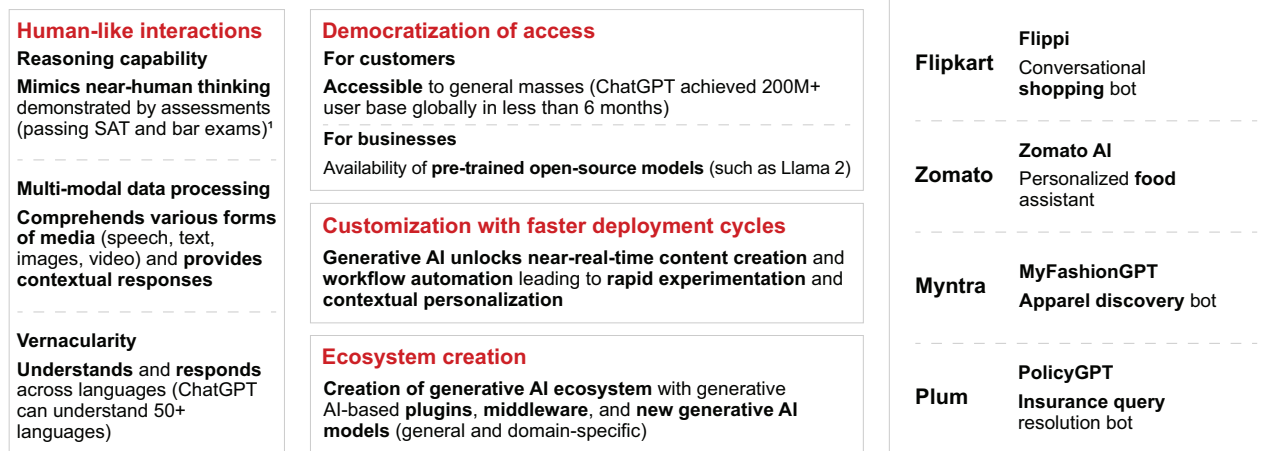
Both SDU and NSDU indicated a similar preference for transitioning to conversation-centric journeys, highlighting the pivotal role of these platforms in initiating engagement across a diverse user base

Notes: All percentages indicate the preference of users using conversational platforms for key needs; 1) BFSI = banking, financial services, and insurance; 2) FD/RD = fixed deposits/recurring deposits; 3) CPR = consumer products and retail, including fashion and lifestyle, electronics, e-commerce, food and beverage, grocery, jewelry, D2C brands, travel, leisure; Insights for CPR are for SDU only (for the rest of the verticals, preference percentage is for the entire sample)
Sources: Bain & Meta Conversational Commerce Survey; Bain analysis

Figure 8: Generative AI has started enabling businesses to build contextualized conversational journeys at scale with accelerated deployment

Generative AI catalyzed a paradigm shift in AI growth trajectory by making AI highly capable, accessible, and easily customizable ...

... evident in high adoption of generative AI by businesses



With the advent of generative AI, businesses can effortlessly deliver personalized one-to-one interactions in the user's preferred language, enabling seamless human-like engagement on platforms where users are already engaging (app, web, social media)

Note: 1) SAT = standardized college admissions test in US; bar exams = legal professional qualifying examinations
Sources: Secondary research; Bain analysis

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Figure 9: Generative AI-driven interactions can drive highly personalized and seamless end-to-end purchase journeys

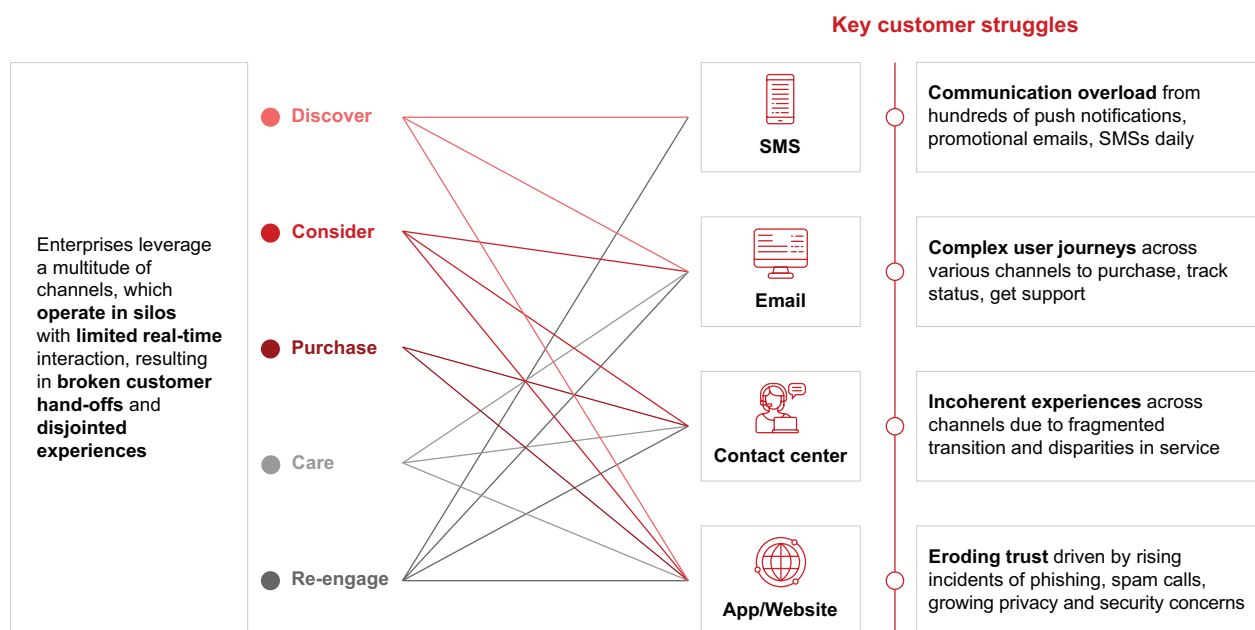


Note: 1) YJHD = *Yeh Jawaani Hai Deewani*, a popular Bollywood movie
Source: Bain analysis

The conversational future

Businesses continue to engage consumers via traditional channels, such as SMS, email, and IVR, but they are actively looking for more effective alternatives with higher ROI and engagement. Large and small businesses are actively experimenting with conversational platforms and witnessing tangible benefits. With rising adoption and a high preference for implementing end-to-end conversational user journeys, we expect that these interactions between customers and businesses will redefine commerce.

Figure 10: The current customer engagement model is deeply fragmented








Source: Bain analysis

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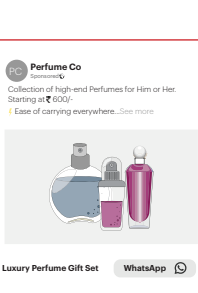
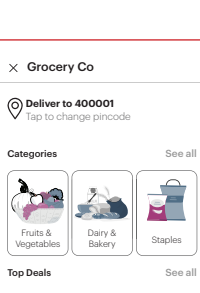
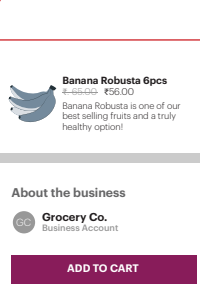
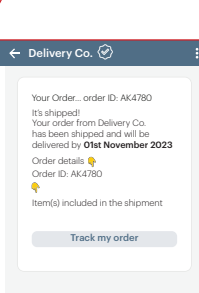
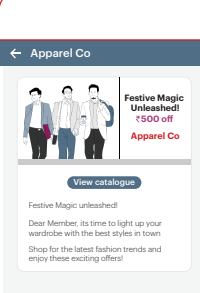
Figure 11: Currently, business messaging spends are primarily on traditional channels, with increasingly unclear effectiveness and ROI

Traditional channels have their advantages, but limitations will hamper effectiveness going forward

		
SMS	Email	Contact center
 Cost-effective with wider reach	Low cost , with ability to integrate with CRM	Real-time interaction with ability to solve complex queries
 Low engagement rates (open rates, CTR ¹) driven by rising spam	Limited personalization , with mostly one-way interaction	Ineffective in addressing rising customer preferences for asynchronous conversations
Lack of multimedia support , making it less engaging	Communication landing in promotions folders , which users tend to ignore	High cost of contact center with poor CX (variable service quality, inadequate resolution)
<i>"SMS has become obsolete in generating customer engagement. It has very low open rates and majority go unread."</i>	<i>"Most business communication emails end up in user's promotional section, resulting in a low 1%–2% open rates."</i>	<i>"Customers reject calls from businesses/ unknown numbers and prefer to get back whenever they have time."</i>
—CMO, Apparel Co	—Digital Head, Insurance Co	—AVP, Bank Co

Note: 1) Click-through rate is the percentage of impressions that resulted in a click
Sources: Market participant interviews; Secondary research; Bain analysis

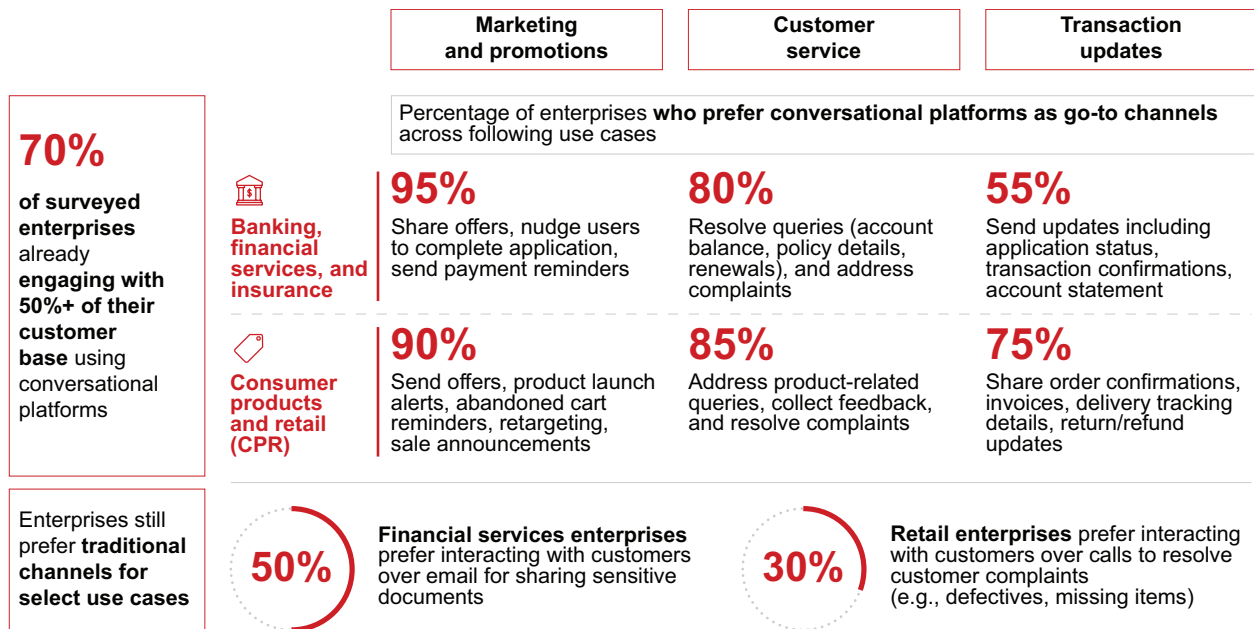
Figure 12: Hence, enterprises are actively experimenting with conversational platforms across the customer journey

Discover	Consider	Purchase	Care	Re-engage
				
Ads that redirect to conversational platforms	Abandoned cart reminders	Payments	Delivery updates and order tracking	Offers and promotions (including exclusive discounts, price drops, loyalty offers)
	Product information	In-chat order placement	Order confirmation update	Recommendations and cross-selling
	Product availability alert	Appointment booking	Customer support (e.g., returns, refund requests)	Feedback and surveys

Sources: Market participant interviews; Secondary research; Bain analysis

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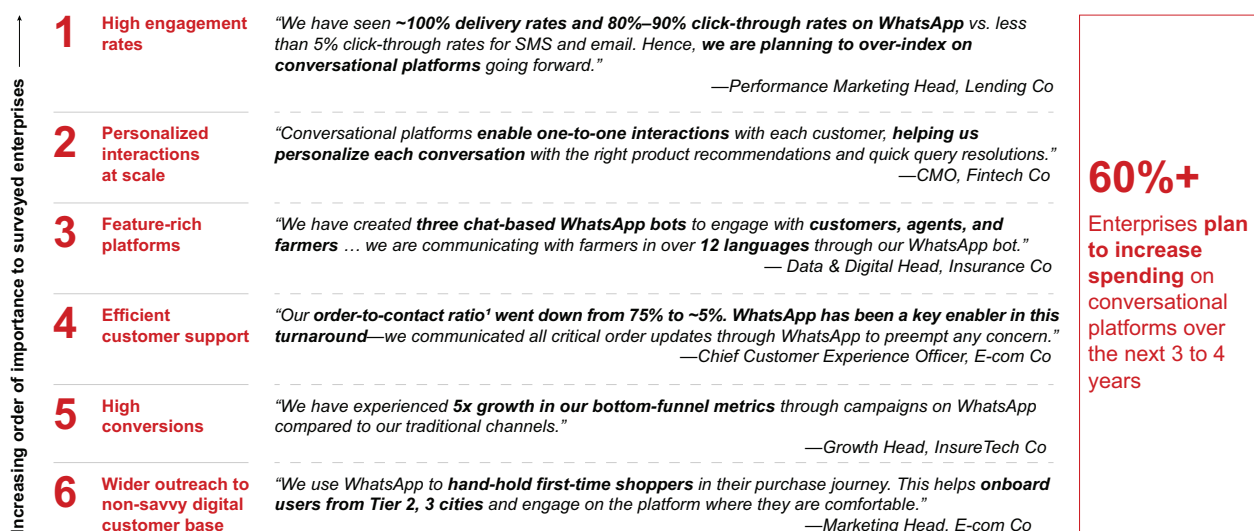
Figure 13: Large enterprises prefer to leverage conversational platforms for marketing and promotion-centric use cases, followed by customer service and updates



Sources: Bain & Meta Conversational Commerce Survey; Bain analysis

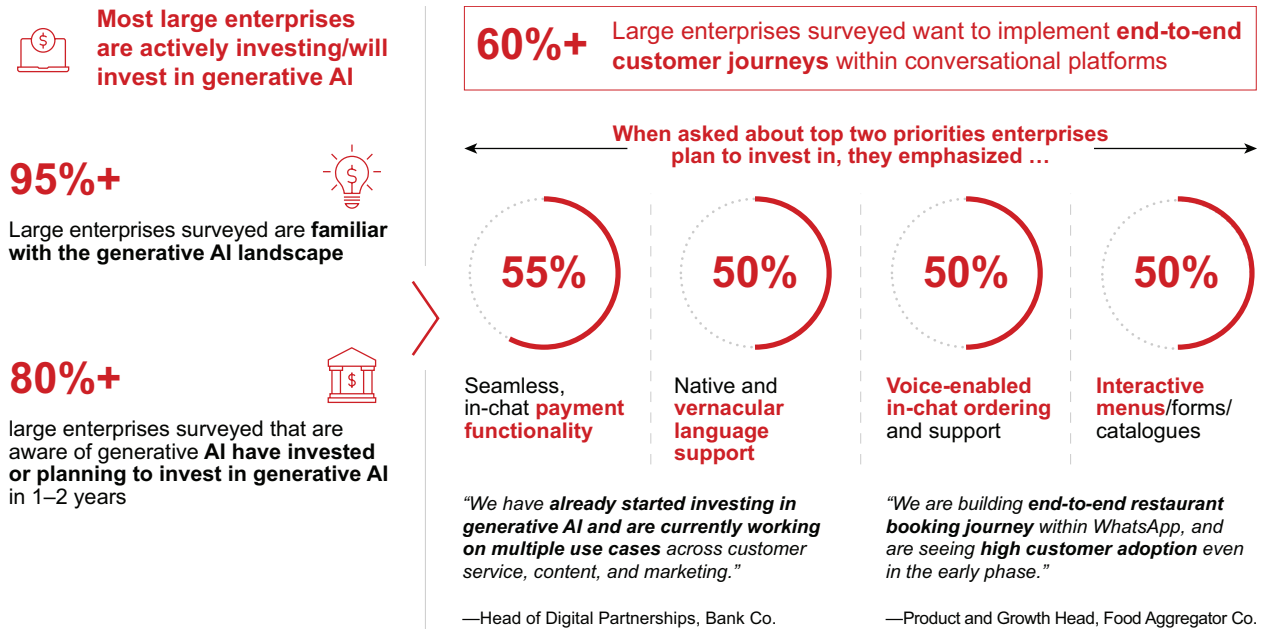
Figure 14: Large enterprises see a multitude of benefits and are planning to amplify their investments on conversational platforms

Enterprises see six key benefits from using conversational platforms



Note: 1) Order to contact ratio is the number of post-purchase customer-initiated contacts typically for queries
Sources: Bain & Meta Conversational Commerce Survey; Market participant interviews; Bain analysis

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Figure 15: Most large enterprises are planning to invest in delivering end-to-end journeys through generative AI-powered conversational platforms

Sources: Bain & Meta Conversational Commerce Survey; Market participant interviews; Bain analysis

Figure 16: Enterprises are already witnessing tangible benefits of the power of conversations: PolicyBazaar boosted conversions through assisted journeys**PolicyBazaar Case Study**

Founded in 2008, PolicyBazaar is a **leading insurance marketplace where consumers can compare, assess, and buy** various types of **insurance policies** (e.g., life, term, health, motor)

Key use-cases: Leveraged conversational platforms to drive conversions across touchpoints

<p>Consultative selling</p> <p>Policy recommendations based on information captured during conversations</p>	<p>Re-igniting intent</p> <p>Tailored communication basis drop-off points to assist conversion</p>	<p>Cross-sell and up-sell</p> <p>Personalized offers based on customer past purchases and engagement metrics</p>	<p>Renewals/Purchases</p> <p>Timely premium payment reminders based on policy schedule and smooth in-chat payment enablement</p>
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Key drivers: Ensured seamless integration and experimentation mindset to achieve early wins

<p>① Hyper-personalization</p> <p>Leverages CRM data from WhatsApp, call center interactions, and past policy purchases for highly personalized experiences</p>	<p>② Integrated channel experience</p> <p>Enables seamless channel transition between WhatsApp and voice calls with agent to continue conversations</p>	<p>③ Building end-to-end journeys</p> <p>Automates purchases of low-complexity products (e.g., compliance-driven motor insurance) with in-chat payment integration</p>	<p>④ Early adopter mindset</p> <p>Started experiments with generative AI technology to enable assisted purchase journeys and 24/7 customer support</p>
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Results**5x**Growth in **bottom-funnel metrics** vs. traditional channels**30M**

Messages delivered per month

300%Year-on-year **growth in business volume** in FY 2023 (vs FY 2022)

"We **focus on conversations, and not communication**. We use our chatbot to empathize with our customers ... many companies are aware of this secret sauce but aren't using it to full capacity."

—Growth Head, PolicyBazaar

Sources: Market participant interviews; Bain analysis

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Figure 17: Enterprises are already witnessing tangible benefits of the power of conversations: Cars24 boosted customer engagement across the purchase journey

Cars24 Case Study

Founded in 2015, Cars24 is an India-based multinational that runs an online marketplace to buy and sell pre-owned cars. It has operations across India, Australia, Thailand, and the UAE.

Key use-cases: Adopted conversational journeys to drive personalization across customer lifecycle



Re-targeting drop-offs

Targeted communication based on key drop-off points (e.g., consideration stage, booking test drive)



Re-engaging current customers

Tailored offers/reminders based on customer intent and product life cycle (e.g., repairs, servicing post-purchase)



Driving end-to-end experiences

Users can **book appointments for taking test drives or car inspections before selling** within conversational platforms

Key drivers: Delivered hyper-personalization and built end-to-end journeys to achieve early wins

①

Hyper-personalization

In-depth understanding of **customer interests and purchase intent** through extensive user engagement

②

Tech integrations

Implemented **seamless integrations** across CRM platforms and chatbot solutions

③

Building end-to-end journeys

Built service journeys across lifecycle—booking appointments to post-sale messages to collecting CSAT scores¹

Results

30%

Month-over-month sales (number of cars delivered) involve customer interaction on conversational platforms

“Adoption of WhatsApp as a conversational platform for customer engagement has helped us connect better with our customers across the customer life cycle, strengthening the brand trust for Cars24.”
—Digital Head, Cars24

Note: 1) CSAT scores = Customer satisfaction scores, which is a commonly used key performance indicator used to track how satisfied customers are with an enterprise's product or service

Sources: Market participant interviews; Bain analysis

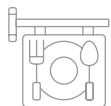
Figure 18: The impact of conversational platforms will not be limited only to large enterprises—it will also transform the way small businesses engage and interact with customers



90%+

of non-savvy digital users surveyed will prefer to interact with SMBs through conversational platforms for day-to-day needs

Top conversational use cases



65% Users surveyed will prefer to **connect with local restaurants to receive offers and place an order**



70% Users surveyed will prefer to connect with **local grocery store to send list of items and place an order**



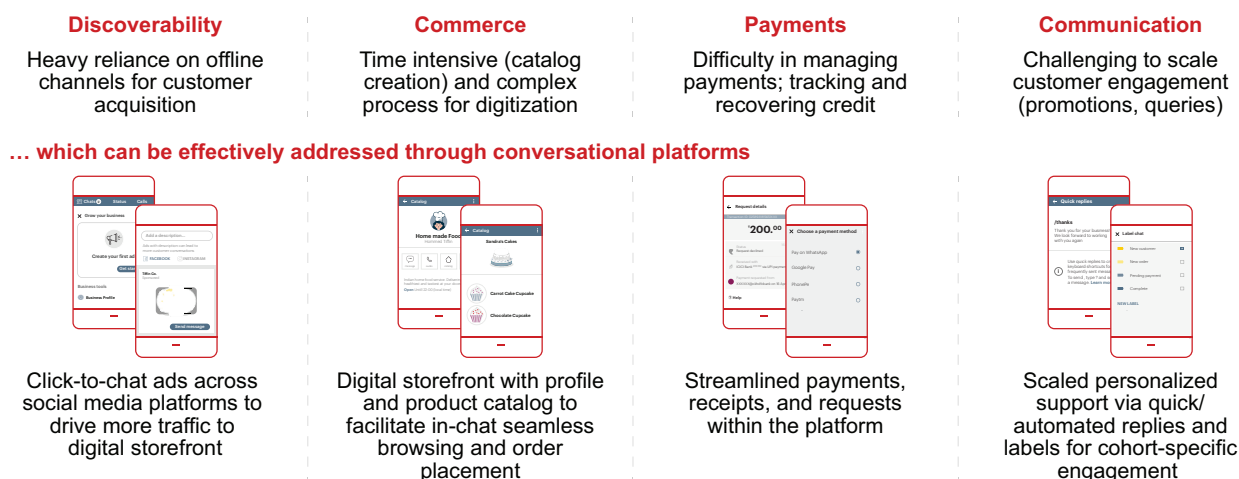
80% Users surveyed will prefer to **raise service tickets, manage warranty, or request for technician visit/spare part replacement**

Source: Bain & Meta Conversational Commerce Survey; Bain analysis

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Figure 19: Conversational platforms can be a critical unlock for SMBs, addressing key pain points and empowering them to rapidly integrate into the conversational economy

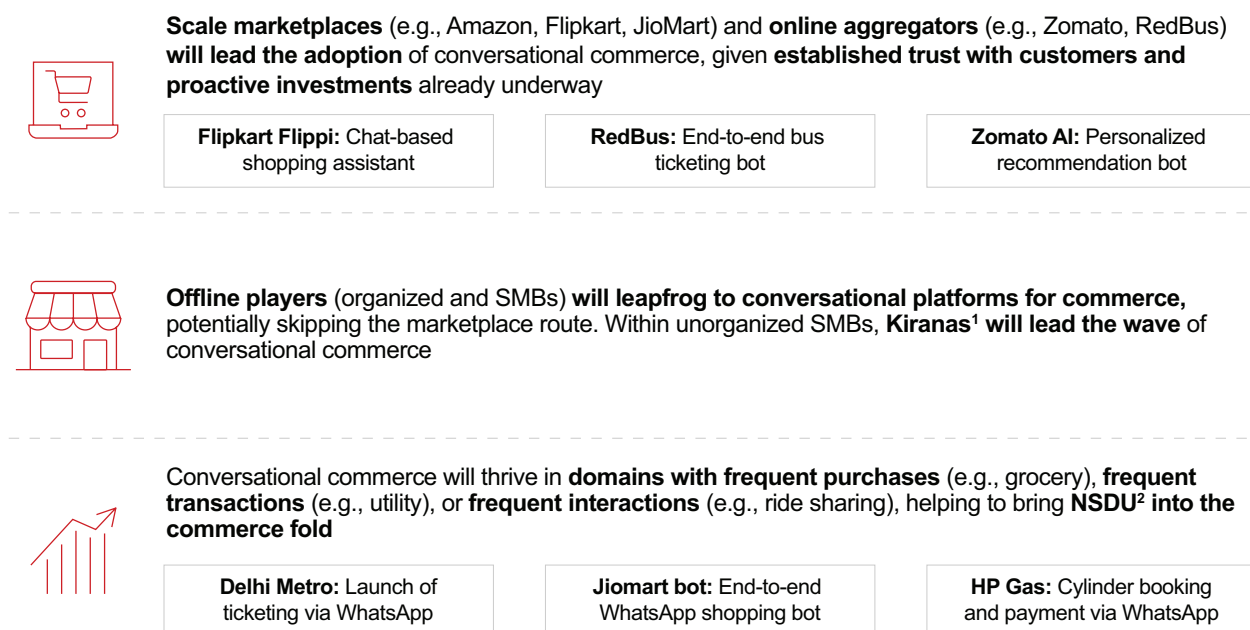
Most SMBs are facing a series of pain points across the customer journey ...



Early signs of success—15M SMBs actively use WhatsApp for Business

Sources: Market participant interviews; Meta internal data; Secondary research; Bain analysis

Figure 20: Across industries, online platforms will lead the adoption of conversational journeys and organized players and SMBs will drive growth, powered by conversational platforms



Notes: 1) Kiranas = grocery stores; 2) NSDU = non-savvy digital users
Sources: Market participant interviews; Secondary research; Bain analysis

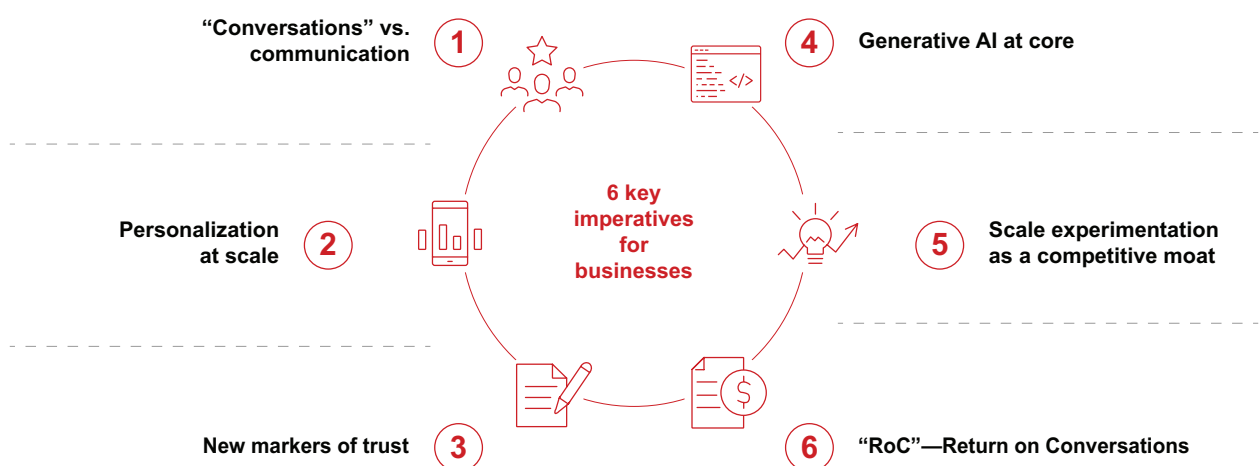
The winning playbook

Every business can tap into the power of conversation to win customers and be a part of conversational commerce. Businesses need to embrace two key imperatives—reimagining every customer touchpoint across the customer journey to deliver a hyper-personalized experience and reorienting the operating model to leverage the power of generative AI and identify conversations that matter to customers while generating returns for the business.

Figure 21: Six key imperatives to craft a winning playbook

Reimagine customer journeys

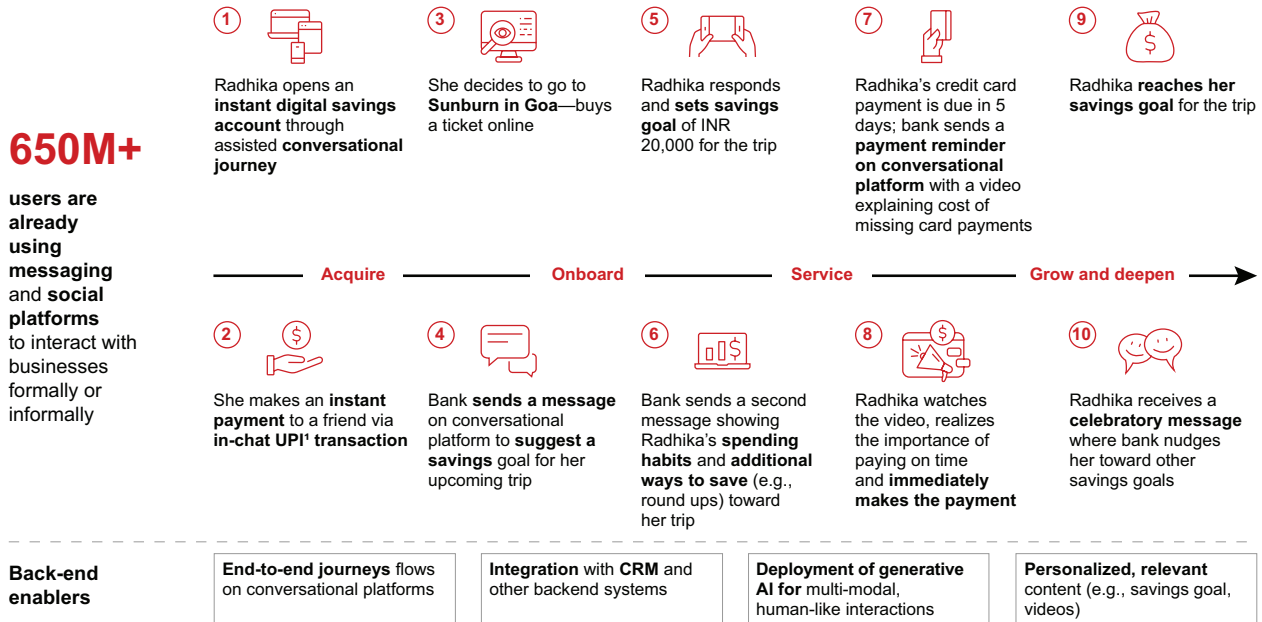
Re-orient operating model



Source: Bain analysis

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Figure 22: “Conversations” vs. communication: Customer journeys today cut across multiple touchpoints—businesses need to weave a single thread of conversation

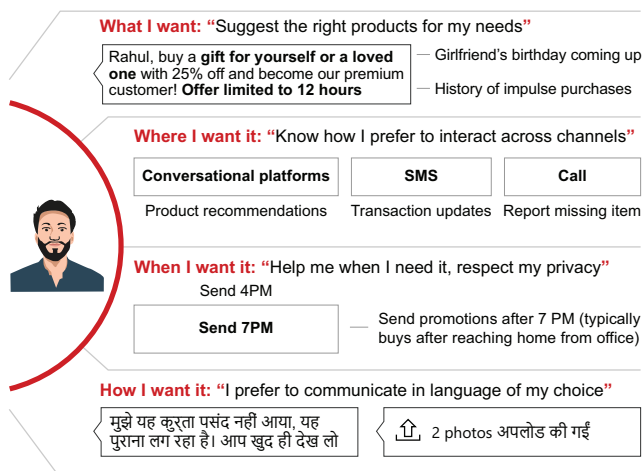


Note: 1) UPI = Unified Payments Interface
Sources: Secondary research; Bain analysis

Figure 23: Personalization at scale: Deliver highly personalized experiences across each customer interaction

Solving for true personalization is complex—customers are looking for everything, but on their terms

However, some **businesses are moving ahead** by delivering 1-1 personalization through generative AI



Air India has deployed a **generative AI-based virtual agent** “Maharaja” to resolve customer queries across 1,300 topics

500K+ Queries resolved in four languages since pilot launch in March 2023



Sephora launched a **conversational AI-based assistant** for customer support, new orders, returns, and refunds

\$30K Average incremental revenue earned every month post-launch



Khan Academy launched a **generative AI-powered chatbot**, offering one-to-one tutoring to students and 24/7 teaching assistance to educators

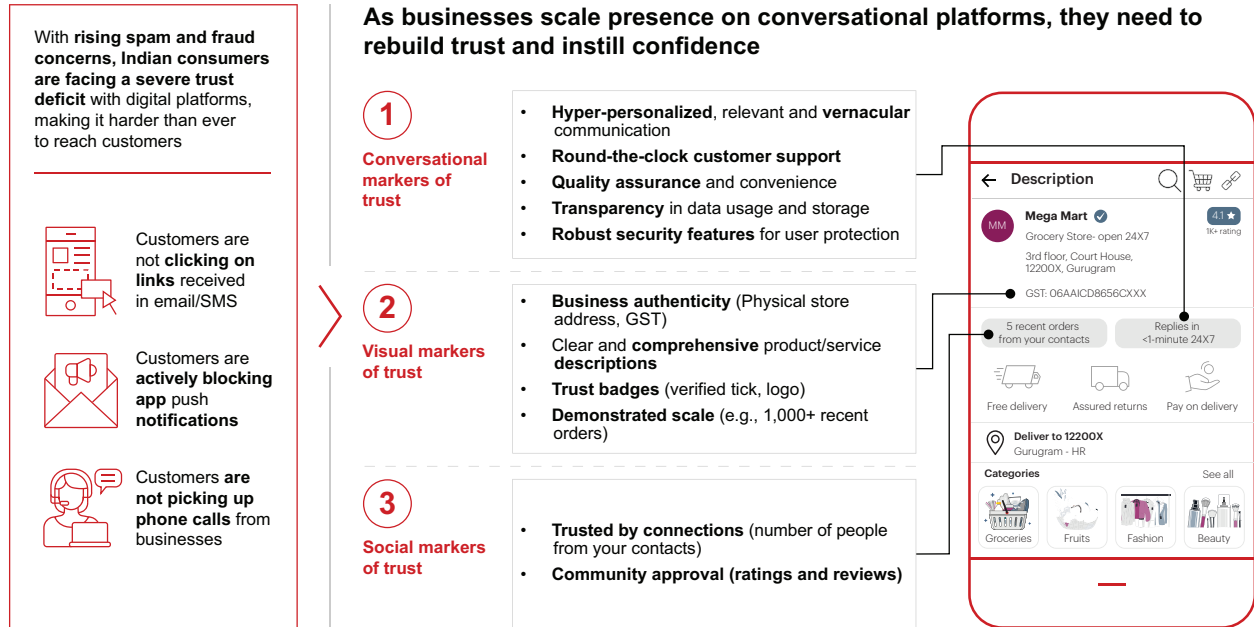
10K+ Users across US (August 2023)

Delightful experiences for millions of customers, with billions of personalized interactions across channels enabled by generative AI

Sources: Secondary research; Bain analysis

Win with Conversations

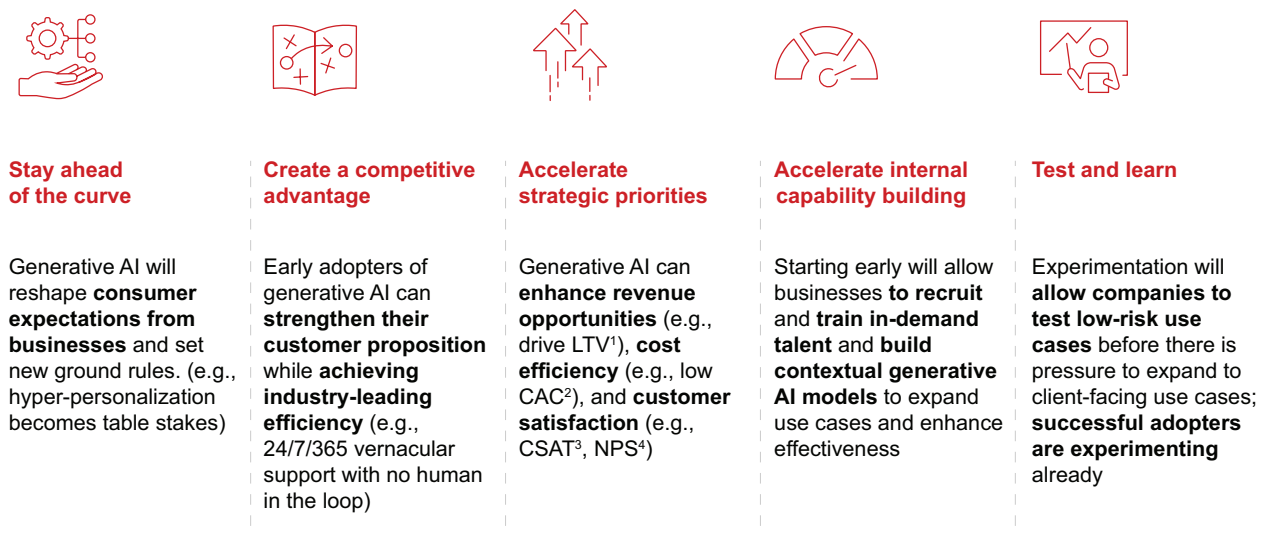
Figure 24: New markers of trust: Establish authenticity and credibility through digital markers of trust and hyper-personalized, relevant interactions



Sources: Secondary research; Bain analysis

Figure 25: Generative AI at core: Generative AI offers a unique opportunity for early adopters to establish a competitive advantage and take the lead in defining the new rules of customer engagement

Why should you pursue this opportunity now?



Notes: 1) LTV = Lifetime Value of Customer; 2) CAC = Customer Acquisition Cost; 3) CSAT = Customer Satisfaction Score; 4) NPS = Net Promoter Score
Sources: Secondary research; Bain analysis

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Figure 26: Scale experimentation as a competitive moat: Generative AI is so nascent, experimentation is the only way to identify right use cases and build a competitive moat

Experimentation is the only way forward to...

- 1 Define delights vs. baseline expectations**
In an ever-evolving landscape of customer preferences, **experimentation provides real-time insights into what truly delights customers**, helping businesses align with evolving expectations
- 2 Declutter long list of use cases**
When done right, experimentation **allows you to test key use cases** in a controlled environment and validate potential **before you make bold moves**
- 3 Contextualize generative AI unlock**
The **true power of generative AI is unlocked** when it has **your business context** built in. Building this context demands ongoing experimentation and testing
- 4 Make an impact when it is part of DNA**
The only way to **identify what works best** in your specific business context is to build the organization muscle to **run actual experiments**

Early adopters are already seeing traction...

HDFC Home Loans: E2E home loan journey

Enables customers to get conditional **home loan approval within few minutes** through a guided conversational flow, **available 24/7**

25% **Conversion rate** for customers completing process on WhatsApp

85K+ **Unique user interactions on WhatsApp** every month

Bharat Petroleum: AI-based vernacular customer support

Offers 24/7, quick and contextual support to customer queries in **13 Indian regional languages**

200M+ **Messages exchanged** (until August 2023)

45% **Conversations in regional languages**

Swiggy: Hyper-personalized customer engagement

Creates **highly personalized-centric marketing campaigns** (e.g., sends influencer videos about specific food items based on users' recent search)

2.3x **Increase in customer engagement** (vs. other channels)

1.5x **Better activation rate of dormant customers** (vs. other channels)

The time is now!

Starting early will allow you compounding benefits from experience as competitors start to catch up

Sources: Secondary research; Bain analysis

Figure 27: "RoC": Return on Conversations: Define a clear measurement strategy and deliver a seamless end-to-end journey on conversational platforms to maximize returns

What
are you measuring?

Clearly outline specific **business objectives** you aim to achieve and **define key metrics** accordingly

Revenue enhancement

(Increase in impressions, click-through-rate, number of new orders, number of new users)

Retention

(Repeat purchases, churn rate, lifetime value, re-engagement rate)

Cost savings

(RoAS¹, customer support cost reduction, reduction in order to contact ratio²)

Increasing profitability

(Increase in CLTV³, improvement in direct channel mix, share of high margin sales)

Improved customer experience

(NPS⁴, customer satisfaction scores, number of queries resolved)

When
are you measuring?

Decide early on if you **are investing** for **short-term benefits or long-term success**

Point in time metrics

Open rate, click-through rate, cost-per-message

Short-medium term metrics

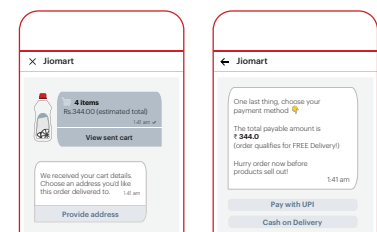
Conversion rate, customer acquisition cost, re-engagement rate, NPS

Long-term metrics

Lifetime value, repeat orders, order to contact ratio²

How
are you implementing?

While **simple use cases** can **demonstrate ROI uplift** (vs. traditional channels), the **real unlock lies in E2E journeys**



JioMart offers a rich shopping experience (browsing, payment, support) **on WhatsApp**

37% **Growth in customer base** on WhatsApp month-on-month⁵

9x **Growth in total orders** from August 2022–January 2023

Notes: 1) RoAS = return on ad spends, a metric that measures efficacy of a digital ad campaign; 2) Order to contact ratio is the number of post-purchase customer-initiated contacts typically for queries; 3) CLTV = customer lifetime value; 4) NPS = net promoter score; 5) As of January 2023

Sources: Secondary research; Bain analysis

Win with Conversations

Glossary

SDU

Savvy Digital Users: Users who shopped/ordered food online and conducted a Unified Payments Interface transaction in the last six months

NSDU

Non-savvy Digital Users: Users who conducted a Unified Payments Interface transaction in the last six months but didn't shop / order food online

SMBs

Small and micro businesses with typical annual revenue less than INR 5 crores

Generative AI

Advanced AI (large language) models capable of generating human-like content through deep learning and contextual understanding

CTR

Click-through Rate: Percentage of impressions that resulted in a click

UPI

Unified Payments Interface: A real-time payment system developed to facilitate inter-bank transactions through mobile phones

ROI

Return on Investment: Measure of benefit of an investment vs. cost

Business messaging

Communication between businesses and their customers, typically for marketing, updates, or customer support, via traditional channels or conversational platforms

Traditional channels

Conventional business messaging channels including **SMS, e-mail, Interactive Voice Response** (automated, pre-recorded calling)

Conversational platforms

Messaging platforms that allow **real-time, two-way, rich communication** through text, multimedia, and interactive features (e.g., WhatsApp, IG Direct, FB Messenger, chatbots, Telegram, Viber, Google RCS)

Conversational commerce

Commerce journeys across **products** (e.g., buying t-shirts) and **services** (e.g., booking doctor appointments) leveraging chatbots or conversational platforms



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