

## **Conversational Systems - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029**

Market Report | 2024-02-17 | 100 pages | Mordor Intelligence

### **AVAILABLE LICENSES:**

- Single User License \$4750.00
- Team License (1-7 Users) \$5250.00
- Site License \$6500.00
- Corporate License \$8750.00

### **Report description:**

The Conversational Systems Market size is estimated at USD 53.13 billion in 2024, and is expected to reach USD 20.43 billion by 2029, growing at a CAGR of 21.06% during the forecast period (2024-2029).

Conversational systems are intelligent machine solutions that understand language and conduct verbal or written customer conversations. These systems are aimed at improving the customer experience by boosting interaction.

#### Key Highlights

- The availability of large amounts of data and increasing data-related complexities in enterprises are expected to drive the market demand for conversational system solutions. Further, the requirement of artificial intelligence (AI)-enabled systems to mimic human brains is one of the crucial parameters responsible for the development of the industry.
- The usage of conversational systems is increasing because of deep neural networks, machine learning, and other advancements in AI technologies. Conversational systems like chatbots are used for various applications across several end-user verticals. One primary consumer-facing application is a conversational system as a personal assistant. It helps consumers accomplish various tasks; for instance, Apple's Siri offers an intuitive interface for connected homes or cars.
- An organization can simplify and reimagine business processes through conversational software platforms and reduce and automate business workflows through context-aware intelligence systems. These platforms enable users and systems to have meaningful interactions and work in tandem to meet business objectives.
- Furthermore, integrating artificial intelligence (AI) capabilities with conversational systems provides significant opportunities for growth in the global conversational systems market. Various factors, such as a lack of understanding of developing technologies and these systems' dependency on deployment platforms, are projected to hinder market expansion. Additionally, a lack of accuracy in virtual assistants and chatbots is expected to limit the market growth.

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: [support@scotts-international.com](mailto:support@scotts-international.com)

[www.scotts-international.com](http://www.scotts-international.com)

-However, the COVID-19 pandemic boosted the conversational systems market. The growing need for clarification significantly increased consumer calls, imposing further strain on contact centers. As a result, the use of conversational solutions in contact centers is projected to accelerate. These tools enable users to obtain information via voice or text-based engagement platforms, resulting in increased usage of these novel communication channels during the coronavirus epidemic.

## Conversational Systems Market Trends

### Rising Usage of AI-based Solutions for Customer Services Drives the Market Growth

- Artificial intelligence (AI)-powered customer support services assist organizations in increasing loyalty, online customer experience, preventive assistance, brand reputation, and even revenue growth. Natural language processing (NLP) and dialog-exchanging tool advances will drive market growth.
- Various contact centers are emphasizing conversational systems because they enable contact centers to AI automate speech-enabled apps and messages for interactions between computers and humans. Additionally, these systems understand client intent in various languages and reply to their inquiries accordingly. Many people throughout the globe use AI-based solutions like messaging platforms and speech-based assistants to connect with businesses. As a result, AI speech-based, and messaging platforms are quickly supplanting traditional mobile and web apps as the new interactive medium for interactions.
- The increase can be attributed to a surge in demand for AI powered customer support services. In view of the fact that, by providing users with a much required facility to complete their usual tasks, automation services are expected to increase significantly over the forecast period.
- Businesses benefit from the proactive customer support services provided by AI that help improve various aspects, such as loyalty, online customer experience, service assistance, brand reputation and even revenue generation. The market growth is anticipated to be stimulated by growing advances in natural language processing, which includes NLP and dialog exchanging tools. As a result, the uptake of NLP tools is forecast to increase and thus lead to growth opportunities on the market due to increased use of Web services and cloud based applications.

### Asia Pacific is Expected to be the Fastest Growing Market

- The primary driver for the growth of the Asia-Pacific geographic segment is the significant presence of technology providers and the increasing usage of advanced technology-enabled bot solutions across major industries. These players in the region are focusing on developing innovative solutions to stay in the competitive market landscape.
- The region is witnessing rapid industrialization, raising the need for chatbots in the market under consideration. The growing retail and e-commerce sector in emerging economies, including China, India, Indonesia, Vietnam, Malaysia, the Philippines, Taiwan, and Thailand, has accelerated the high demand for and widespread adoption of chatbots by retailers and e-commerce business owners.
- The Asian-Pacific conversational systems market during the COVID-19 pandemic experienced steady growth. Due to increased COVID-19-infected patients in the region and the lockdown announced by the government of significant economies in the area, the deployments of chatbots by various organizations to handle the patients' queries related to their medication and consultation with doctors online from a remote location increased.
- Owing to the increased technological need, the region is witnessing the emergence of medium and large enterprises to help provide a better customer experience. In June 2022, Tanla, one of the global CPaaS suppliers, and Kore.ai, one of the world's largest enterprise conversational AI software platform and solutions firms, announced an agreement in four Asian countries India, Indonesia, Vietnam, the Philippines, and UAE. This collaboration represents a significant step forward in providing enterprises and

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: [support@scotts-international.com](mailto:support@scotts-international.com)

[www.scotts-international.com](http://www.scotts-international.com)

brands with the ability to improve the digital experiences of their key stakeholder's customers, partners, and employees, using a advanced conversational artificial intelligence (AI) based natural language processing (NLP) system.

## Conversational Systems Industry Overview

The conversational systems market is highly fragmented with the presence of major players like IBM Corporation, Microsoft Corporation, Google LLC (Alphabet Inc.), Amazon Web Services, Inc., and Nuance Communications Inc. Players in the market are adopting strategies such as partnerships and acquisitions to enhance their offerings and gain sustainable competitive advantage.

In July 2023, IBM watsonx is available to help meet enterprises' AI for business needs, Watsonx allows clients and partners to specialize and deploy models for various enterprise use cases or build their own. To date, the platform has been shaped by more than 150 users across industries - from telco to banking participating in the beta and tech preview program

In December 2022, TTEC Holdings, Inc., one of the largest global customer experience (CX) technology and services innovators for end-to-end digital CX solutions, announced that VoiceFoundry, a TTEC Digital company, has earned the Amazon Web Services (AWS) Conversational Artificial Intelligence (AI) Competency. This award highlights VoiceFoundry's competence in creating high-quality, high-performance chatbots, virtual assistants, and interactive voice response (IVR) systems.

In October 2022, IBM expanded its embeddable AI software portfolio by releasing three new libraries designed to let IBM Ecosystem partners, customers, and developers build and market their AI-powered products more easily, rapidly, and cost-effectively. The AI libraries, now generally available, were developed in IBM Research and were designed to provide independent software vendors (ISVs) across industries with an easily scalable way to build natural language processing, speech-to-text, and text-to-speech capabilities into applications across any hybrid, multi-cloud environment.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

### **Table of Contents:**

#### 1 INTRODUCTION

##### 1.1 Study Assumptions and Market Definition

##### 1.2 Scope of the Study

#### 2 RESEARCH METHODOLOGY

#### 3 EXECUTIVE SUMMARY

#### 4 MARKET INSIGHTS

##### 4.1 Market Overview

##### 4.2 Industry Attractiveness - Porter's Five Forces Analysis

###### 4.2.1 Threat of New Entrants

###### 4.2.2 Bargaining Power of Buyers/Consumers

###### 4.2.3 Bargaining Power of Suppliers

###### 4.2.4 Threat of Substitute Products

###### 4.2.5 Intensity of Competitive Rivalry

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

## 4.3 Impact of COVID-19 on the Market

## 5 MARKET DYNAMICS

### 5.1 Market Drivers

#### 5.1.1 Rising Usage of AI-based Solutions for Customer Services

### 5.2 Market Challenges

#### 5.2.1 Accuracy Problems Related to Conversational Platforms

## 6 MARKET SEGMENTATION

### 6.1 By Modality Type

#### 6.1.1 Uni-Modal

#### 6.1.2 Multi-Modal

### 6.2 By Type

#### 6.2.1 Voice Assisted

#### 6.2.2 Text Assisted

#### 6.2.3 Other Types

### 6.3 By Deployment

#### 6.3.1 On-Premise

#### 6.3.2 Cloud

### 6.4 By Enterprise Size

#### 6.4.1 Small & Medium Enterprises

#### 6.4.2 Large Enterprises

### 6.5 By End-user Verticals

#### 6.5.1 IT & Telecommunication

#### 6.5.2 BFSI

#### 6.5.3 Government

#### 6.5.4 Retail

#### 6.5.5 Energy & Power

#### 6.5.6 Other End-User Verticals (Educational Institutions, Travel & Tourism, Transportation & Logistics)

### 6.6 By Geography

#### 6.6.1 North America

#### 6.6.2 Europe

#### 6.6.3 Asia Pacific

#### 6.6.4 Latin America

#### 6.6.5 Middle East and Africa

## 7 COMPETITIVE INTELLIGENCE

### 7.1 Company Profiles\*

#### 7.1.1 IBM Corporation

#### 7.1.2 Microsoft Corporation

#### 7.1.3 Google LLC (Alphabet Inc.)

#### 7.1.4 Amazon Web Services, Inc.

#### 7.1.5 Nuance Communications Inc.

#### 7.1.6 Drift.com, Inc.

#### 7.1.7 Oracle Corporation

#### 7.1.8 SAP SE

#### 7.1.9 Boost.ai

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

7.1.10 Inbenta Technologies Inc.

8 INVESTMENT ANALYSIS

9 FUTURE OF THE MARKET

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: [support@scotts-international.com](mailto:support@scotts-international.com)

[www.scotts-international.com](http://www.scotts-international.com)

**Conversational Systems - Market Share Analysis, Industry Trends & Statistics,  
Growth Forecasts 2019 - 2029**

Market Report | 2024-02-17 | 100 pages | Mordor Intelligence

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scotts-international.com

**ORDER FORM:**

Select license	License	Price
	Single User License	\$4750.00
	Team License (1-7 Users)	\$5250.00
	Site License	\$6500.00
	Corporate License	\$8750.00
		VAT
		Total

\*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

\*\* VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-02-26"/>
		Signature	

**Scotts International. EU Vat number: PL 6772247784**

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

