

ChatGPT: The great disruptor in retail

The global retail spend over chatbots is forecast to reach \$12bn in 2023; growing to \$72bn by 2028.



Source © Egor Kotenko [123rf](#) The global retail spend over chatbots is forecast to reach \$12bn in 2023; growing to \$72bn by 2028

Increasing by 470% over five years, much of this growth will be driven by the emergence of cost-effective open language models, most notably ChatGPT, in regions such as North America and Europe.

This is according to a new report by Juniper Research, experts in messaging markets, which explains that open language models consist of large neural networks that are trained on substantial quantities of online information and learn through low levels of human supervision.

They are implemented into chatbots to automate functions such as customer support, marketing and payment processing.

The new report, [Chatbots: Market Forecasts, Sector Analysis & Future Strategies 2023-2028](#) report predicts that the development of open language models will become a key driver for retail spend growth amongst small and medium retailers that were previously unable to invest in chatbots.

Research author, Frederick Savage argues: “Chatbots have historically been a low priority for omnichannel strategies owing to the high cost of training AI-based algorithms. However, ChatGPT has significantly disrupted this trend; lowering the cost of implementation of chatbots for smaller retailers.”

Open language models to drive growth

However, the report predicts that the release of open language models will drive growth outside of Asia Pacific, despite the region forecast to account for 85% of global retail spend over chatbots, despite only representing 53% of the global population.

Messaging apps, including WeChat, Line and Kakao have built strong partnerships with a wide array of online retailers, resulting in high levels of confidence in chatbots as a retail channel.

By 2028, 66% of spend is forecast to be attributable to the region as online retailers in other areas, such as North America and Europe, implement chatbots into retail activities.

To maximise this growth outside of Asia Pacific, the report urges vendors to target online retailers in these two regions.

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