

How Conversational AI Is Disrupting Logistics & Supply Chain Industry

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Conversational AI-powered chatbots have emerged as one of the main tools to ease communication and management for enterprises of various industries. [Experts](#) predict that AI will power 95% of all customer interactions.

The demand for 24x7 customer assistance at an affordable price is driving the increasing need for chatbots. Additionally, the digital assistants' learning algorithms to develop human-like conversational experiences are now a core competency that many top companies need to streamline their support procedures.

As various industries are leveraging chatbots, the logistics and supply chain industry has also found ample use of this result-driven technology. The automation process facilitates smooth operations and reduces costs and chances of errors while increasing efficiency. With a growing demand in production and a higher demand for shipping, more and more businesses are turning to [Conversational AI](#) in order to save time. In fact, with many companies expanding their services to wider audiences using a marketplace like Amazon and Flipkart have been steadily improving customer service through technological assistance, the necessity of physical services for errands is becoming obsolete.

Adopting conversational automation with the help of conversational messaging and [chatbots](#) is the need of the hour for the logistics and supply chain management industries.

The idea behind Conversational AI in logistics is to automate repetitive processes and attempts to eliminate human errors. In this ebook, we'll talk about the ways [Conversational AI](#) is disrupting the logistics and supply chain and discuss its benefits and some use cases in the practical world.

What Is Conversational AI In Logistics?

[Conversational AI](#) broadly refers to technologies like chatbots or virtual agents which can understand and respond to human queries in a meaningful manner. They use large volumes of data, machine learning, and [natural language processing](#) (NLP) to automate text and voice-based messaging between humans and computers and offer an informal, seamless customer experience.

Be it a [chatbot](#), a messaging portal on social media, a voice assistant, or any device that's voice-enabled - it opens up a whole new dimension for business leaders who are looking for an intuitive, innovative solution to their age-old problems. With a Conversational AI platform, businesses can automate replying to customer queries, execute transactions, or achieve any related goal, all conversationally.

Conversational systems for supply chain management focus on using the automation process to facilitate smooth management and reduce errors. Pairing the logistics system with the inventory management chatbots can help track the demand and the requirements related to the supply. Using Conversational AI can remove menial and repetitive tasks like updating CRM, scheduling meetings, creating documents, and more. It can help in improving the overall productivity by channelising the needs to more essential aspects.

A business has multiple inventories to manage. Right from the raw material to the finished product, everything needs to be addressed most appropriately. A [Zurich Insider report](#) stated that 63% of the companies still do not use technology or monitor the supply chain performance.

Automating the supply chain process presents better stock visibility, data tracking, and benchmarking management. Collecting inputs can ensure smooth business operations.

Factors That Affect The Logistics Industries To Use AI

Logistics service provider companies depend on third party logistics, including common carriers, subcontractor staff, charter airlines, and other third party vendors to operate core functions of their business. This puts an increased burden on the logistics accounting team to process millions of invoices annually from thousands of vendors, partners or providers. AI technologies like chatbots can access information such as billing amounts, account information, dates, addresses, and parties involved from the sea of unstructured invoices forms received by the company.

Global logistics and supply chain operations manage large fleets of vehicles and networks of facilities worldwide. In the logistics industry, keeping address information complete and up-to-date is critical for the successful delivery of shipments. Large data analysts are often tasked with CRM cleanup activities, eliminating duplicate entries, standardizing data formats, and removing outdated information. Many companies use AI and machine learning technologies to inform and fine-tune core strategies, such as warehouse locations, as well as to enhance real-time decision making like availability, costs, inventories, carriers, vehicles and personnel.

The main focus is on AI-powered chatbots and myriad other data feeds on achieving greater optimisations and responsiveness across logistics, supply chain and transportation footprint. AI will be able to maintain data platforms and create datasets to regulate patterns and anomalies. [Research](#) shows that AI in the supply chain can enable companies to gain from \$1.3 trillion to \$2 trillion per year.

The primary purpose of AI implementation in the logistics industry is to automate time-consuming actions and save money. Many tech enterprises such as Google and Amazon heavily invest in this technology and lead the field.

How Chatbots Can Impact Logistics

Conversational AI-powered chatbots can help logistics companies in two ways:

1. Improve customer-facing operations
2. Supply chain operations

Improve customer-facing operations

Modern consumers are empowered with digital tools that enable them to access and communicate directly with manufacturers from all over the world. These new capabilities have irrevocably changed the traditional buyer's journey.

Supply chains that once took their production and delivery planning cues from front-end functions like [marketing](#) and sales have become the first point of contact for customers at every scale. As a result, executives have moved to build more flexible supply chains that can respond quickly to unique purchasing trequests from around the world. But in order to deliver on the promise of fast, accurate, and cost-efficient order fulfillment, organizations must focus on optimizing their transportation and logistics processes.

Let's see how chatbots in logistics can help businesses serve their customers better:



Request Delivery

Chatbots enable customers to directly place an order via any messaging channel or company website. The chatbot can handle necessary order details like pickup and delivery locations, dates, rates, insurance and more, just like their human agents. It can also process orders and send an invoice directly to the customer's inbox or email.



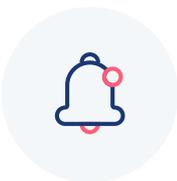
Amend an Order

Customers can make changes to their orders in the similar way they place an order with the chatbot. The tool may also be able to pull in tracking information based on the past conversation and apply special conditions if necessary, without any human involvement.



Track Shipment

Chatbots make tracking easy and simple. Customers can just talk to the logistics chatbot and get help with all tracking issues. They don't need to fill up tracking numbers in online forms manually to know their delivery status. Customers can also use the same interface every time, be it any messaging app (WhatsApp, SMS, Meta Messenger etc.) or company website. The chatbot will remember all their details to provide a context-based service.



Get Delivery Notifications

Businesses can use logistics chatbots to send delivery notifications and updates to their customers. This helps the customers to ask questions or reply in the same messaging interface they receive the notification - in a quick and hassle-free manner.



Get Answers to Common Questions

The logistics bot can give pre-programmed answers to common customer questions regarding rates, weight limits, delivery times and so on. It helps customers to save time and don't need to browse through unnecessary information.

Supply Chain Operations

Logistics chatbot can contribute a lot towards a seamless flow of information. The data collected and required for everyday operations can be quickly accessed by employees through a chatbot. A logistics company may use chatbots to handle various forms of data such as:



Customer Orders

[Chatbots](#) can help businesses manage all data related to customer orders in real-time. It enables enterprises to easily access and review orders that customers place through chatbots and can also link them with data from other sources.



Fleet Information

Businesses use transportation apps to track their vehicles, their routes, status and more. Having information on drivers locations is crucial to managing order and delivery routes. Chatbots can also help businesses to identify which vehicles are idle, which one is closer to a pickup point, and schedule duties effectively.



Personnel Information

Businesses can track the status and availability of their drivers, staff and other personnel using their apps. And then link it with their chatbot to get quick answers without having to browse through sets of data.



Warehouse Information

Logistics chatbots can make inventory management and warehouse operations easy. It helps the delivery person to find packages stored among thousands of other packages. Just ask the chatbot where the package is kept - and it tells you the exact rack number as the answer.

Conversational Solutions For Logistics And Supply Chain

Businesses can optimize supplier, distributor and delivery experience with Conversational AI solutions like chatbots on the messaging channels that their customers are already on, such as [WhatsApp](#), [SMS](#), Telegram, Meta Messenger, etc. The [conversational messaging solution](#) can help businesses:

- Get pre-trained logistics-specific AI models for automating processes like pre-booking, booking, [customer support](#), payment, and consultative selling workflows
- Provide a smooth experience for new prospects and nurture them from your website/app. Turn random visitors into loyal customers.
- Print and paste QR codes on the packaging of the shipments and facilitate easy returns, reorders, refunds, etc.
- Schedule delivery and returns of stocks conveniently on a chat-based interface hosted on your favorite messaging channel.
- Reduce customer wait times considerably. Enable suppliers and distributors to place orders and resolve their payment-related queries quickly.
- Support suppliers and distributors round-the-clock with the AI-powered tracking assistant. Enable them to handle orders in real-time at all times.
- Get AI-powered self-serve conversational tools specific for your logistics and supply chain workflows.
- With [advanced APIs](#), get pre-built, customisable sequences to plugin, use and accelerate the automation of key logistics and supply chain workflows.
- Interact and transact with your suppliers, distributors and delivery teams across 30+messaging channels.

Conversational Messaging For The Logistics Industry

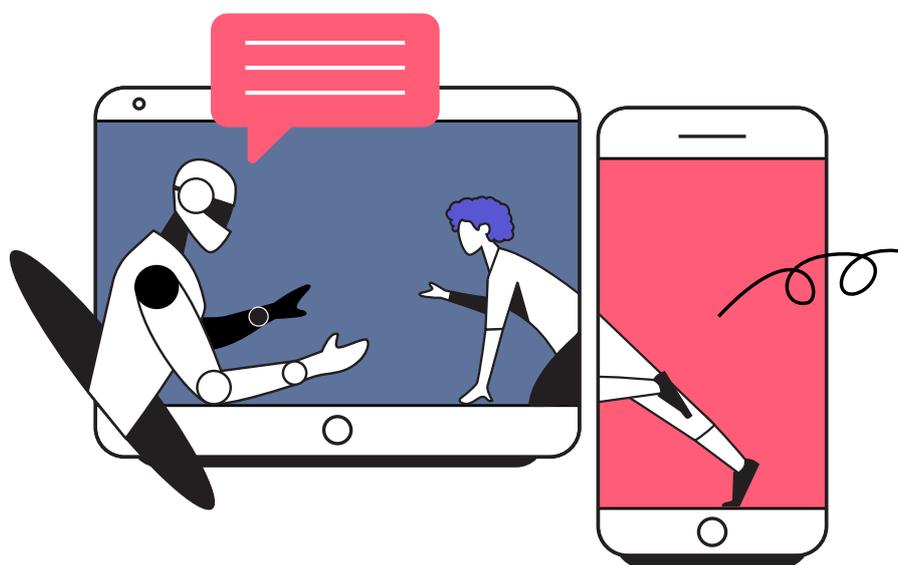
> WhatsApp

[WhatsApp](#) is one of the largest messaging apps with over 2 billion monthly active users, whereas, in India alone, over 400 million people use it. For logistics companies, this means that they can acquire, support and engage customers 24x7 in real-time by having a chatbot available on WhatsApp.

The [WhatsApp Business API](#) can also reduce operational costs and provide self-service capabilities with low maintenance customer services. Some other benefits of integrating a [WhatsApp](#) chatbot for logistics business includes:

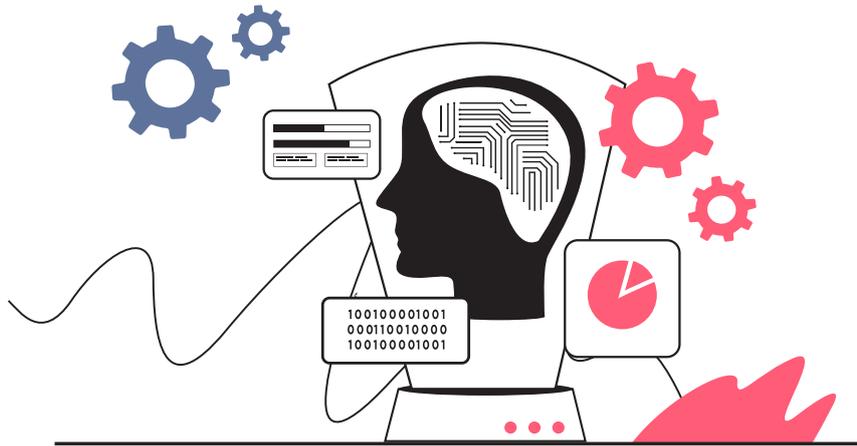
Assistance

The demand for self-service and 24x7 customer assistance is growing rapidly. This is especially apparent when considering that it is possible to have these forms of support without having to pay for an entire call center with customer service agents. Having this kind of support available via a digital assistant like a [WhatsApp](#) chatbot means it only takes a few people to cover multiple responsibilities from within the app such as navigation, order tracking, collecting data on usage in real-time analytics and providing on-the-spot assistance with regard to troubleshooting issues are all delivered seamlessly.



Capabilities

During peak times, every business prefers being able to acquire and support customers on [WhatsApp](#) because of their low latency times and the ability to send loads of information at once. With wide-ranging uses that include growth hacking, image previews, customizable support portals or typing status messages with over 140 emojis, the possibilities are endless with a [WhatsApp chatbot](#) that has transactional capabilities.



Operational Usage

Logistics companies can effectively use a [WhatsApp chatbot](#) for lead generation, lead qualification, quick and hassle-free payments, aiding customers with order tracking, reminders and notifications, two-way messaging, finding nearest service center, easy filing for issue claims, collecting, processing and monitoring feedback and CSAT.



> SMS

[SMS](#) for logistics and supply chain management can be easily integrated into existing systems utilizing a simple API, providing a cost-effective, quick and reliable way to communicate with customers, drivers and employees. [SMS](#) is the easiest way to contact them, providing a simple yet effective two-way communication channel for contractors or drivers on the move. Changes in drop off or pick up schedules, correct contact details, or new jobs can all be communicated with a simple click of a button.

Moreover, [SMS](#) is the most effective method to communicate with customers. [Research](#) has shown that people are more likely to see, read and act on messages through their phones than any other form of communication; 90% of text messages are read within four minutes. Sending text messages to customers regarding updates on delivery status, proof of delivery, or a service update can significantly improve customer relationships and loyalty.

There are a number of different ways that [SMS](#) messaging can be used to improve logistics and supply chain management:

- > Send delivery confirmations and/or the option to rearrange deliveries.
- > Notifying customers and staff instantly aware of a schedule change or cancellations.
- > Provide drivers with delivery and new collection updates.
- > Notifications to drivers about traffic delays, emergencies or accidents.
- > Sending tracking information with URLs.
- > Employ inbound number to enable customers and employees to respond instantly.
- > Send invoice reminders or late payment alerts.
- > Distribute inventory management alerts to customers and staff, such as inventory shortages, order delays or backorder updates.
- > Send surveys requesting feedback about a delivery or service.

Benefits Of Conversational AI In Logistics

As per a [study](#) conducted by Accenture, 57% of businesses have claimed chatbots deliver high ROI on very minimal seed investment. There are numerous reasons why that is so. Let's look at some of the broad advantages conversational AI has to offer to the logistics industry.

> Mitigated Operational Risk

Conversational AI platforms automatically evaluate user interactions and reduce operational risks by thoroughly monitoring all customer dealings. Apart from ensuring compliance with your regulations, investing in AI chatbots can immediately bring down your operating costs.

> Optimized Workflow

[Conversational AI](#) systems in the logistics industry eliminate hiccups during interactions with customers and thus improve workflow. Since everything is interpreted through keywords, the application regulates your roadmap by making orderly analyses and managing data at scale.

It also optimizes your lead times—one of the most vital parameters for determining whether a supply chain is streamlined. For example, it can take care of tracking, reporting, and even improving your current routes, something that is troubling even for businesses with teams dedicated to this purpose. It also reduces the need for arbitrarily checking for cheques and balances since everything is systematic.

> Boosted Productivity

All businesses, without exception, are concerned about meeting their deadlines while delivering their final product. When you bring an inventory management chatbot and your existing logistics systems together, you will be surprised by how well it records and keeps track of all demand and supply.

Conversational AI essentially channelises your priorities by taking care of all your redundant tasks like generating documents, scheduling meetings, updating CRM (customer relationship management), etc.

Practical Applications And Use Cases In Logistics

Having settled how conversational AI is the metaphorical magic wand for modern businesses, let's briefly overview its critical applications in managing logistics.

> Admin And Guide For Procurement

A chatbot can act as a procurement assistant and help speed up the process, making it easier for your customers. After identifying their requirements, the bot can propose solutions and provide options for developing an airtight procurement strategy.

> Operational Support

Chatbots provide operational support as they can offer possible solutions to different customer queries. In a way, conversational AI can be trained to act as an informed procurement agent.

> Automated Warehousing

Conversational AI is an intuitive solution to automating warehousing. According to [MHI's Annual Industry Report of 2020](#), a meager 12% of businesses have employed conversational AI at some level in their warehouses—a figure that's expected to reach more than 60% in the next six years.



Conclusion

With the increasing demand for the products and the requirements to expand the reachability, Conversational AI application for logistics is increasing. The need of the hour for every business in a fast-paced industry is to focus on reducing errors and improving efficiency. Several eCommerce companies across the globe are entirely focused on adopting technological assistance to improve that flow to provide a better customer experience.

With several years of experience building chatbots for various industries, [Gupshup](#)'s conversational messaging solutions for logistics and supply chain aims to smoothen business processes and customer support. Serve your customers on different channels, such as [WhatsApp](#), [SMS](#), [RCS](#), [Instagram](#), [Telegram](#).

With our confidentiality, integrity and availability principles, build chatbots that help your logistics team improve conversations, support and productivity easily with automation and conversational messaging. To know more, **#LetsGupshup**.

[Contact Us](#)

Sources

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