

Unlock Revenue Growth For Retail And E-Commerce With Gupshup Conversation Cloud And WhatsApp Business Platform

Retail and e-commerce companies use [WhatsApp Business Platform](#), an on-premises API and cloud API hosted by Meta, along with conversational AI platforms such as [Gupshup](#) to improve their marketing and sales efforts and increase revenue. Gupshup provides autonomous AI Agents for conversations that enable marketing, sales, and CX teams to effectively leverage WhatsApp across the customer lifecycle, along with ads that click through to WhatsApp (placed on Facebook and Instagram). Gupshup helps businesses create granular customer segments and personalize interactions based on their actions on WhatsApp or third-party platforms, such as e-commerce, CRM, web, and app.

As a popular channel with a large user base as well as robust personalization and rich media capabilities, WhatsApp allows retail and e-commerce organizations to reach customers and drive incremental revenue. These organizations can see improved customer engagement, increased sales conversion rates, higher average order values (AOVs), and new customer acquisition by using WhatsApp and Gupshup Conversation Cloud for marketing and sales.

To better understand the benefits, costs, and risks associated with the WhatsApp Business Platform, Meta commissioned Forrester Consulting to interview seven representatives and survey 224 decision-makers to conduct a Total Economic Impact™ (TEI) study. All interviewed and surveyed decision-makers had experience using the WhatsApp Business Platform for marketing and sales. Among interviewees, three were in the retail and e-commerce vertical, including:



Return on investment (ROI)
270%



Net present value (NPV)
\$4.37M

- A head of digital marketing.
- A conversational specialist.
- A product manager.

Additionally, 118 survey respondents were in retail and e-commerce. This abstract will focus on the benefits of WhatsApp for marketing and sales groups working in that vertical.

INVESTMENT DRIVERS FOR RETAIL AND E-COMMERCE ORGANIZATIONS

The interviewees and survey respondents noted the following drivers for their organizations' investments in WhatsApp:

- **Needing to meet customers on a channel they are already using.** Interviewees and survey

“[Using] WhatsApp [along with Gupshup] gets us more customers into the funnel compared to any other channel, and they end up converting at a high rate.”

Conversational specialist, retail and e-commerce

“[WhatsApp and Gupshup help] us automate our marketing efforts. It’s an easy integration with our customer engagement platform; our customers today want us to interact with them on WhatsApp; the open rates and clickthrough rates are high; and it doesn’t limit us when it comes to rich media, character length, and the use of chatbots. These are the main reasons why we are doubling down on WhatsApp as a channel.”

Head of digital marketing, retail and e-commerce

respondents said that customers increasingly expected to receive communications on their preferred channels, and a majority of survey respondents in retail and e-commerce reported that their investment in WhatsApp was driven by a desire to meet customers on a familiar platform.¹

- **Low engagement on legacy channels.** When it came to key engagement metrics, multiple interviewees and respondents in retail and e-commerce reported that their organizations’ legacy channels had low open and clickthrough rates. In addition to these channels often experiencing low usage rates, engagement was further hindered by a lack of personalization in content.
- **Desire for channels that can bring incremental revenue.** Increasing revenue was a central organizational goal, yet existing marketing and sales channels lacked the versatility and functionality to meet growth expectations. The head of digital marketing in retail and e-commerce remarked on the shortcomings of SMS listing, including, “Short character length, a lack of rich media, [and] a lack of automation.” Moreover, existing channels struggled to cultivate

ongoing customer relationships. These sorts of limitations inhibited key metrics like conversion rates and AOV.

KEY RESULTS FOR ORGANIZATIONS IN RETAIL AND E-COMMERCE

The results of the investment in WhatsApp for the interviewees’ and survey respondents’ organizations include:

Improved customer engagement. WhatsApp campaigns launched via Gupshup Conversation Cloud see improved customer engagement (i.e., higher open and clickthrough rates) compared to legacy channels such as SMS, email, and non-Meta messaging apps. For instance, WhatsApp chatbots and AI Agents built atop Gupshup Conversation Cloud deliver improved customer engagement. For a composite organization, customer engagement improves by 50% with WhatsApp; this leads to a 1.26% increase in total revenue for the composite.

- **The popularity of WhatsApp and the increased ability to personalize content and send trigger-based campaigns with the help of Gupshup drove engagement.** The head of digital marketing at a retail and e-commerce organization partnering with Gupshup said: “WhatsApp is a channel that customers prefer in today’s times. We have the ability to personalize the messages and it has the highest open and clickthrough rates across all the platforms. If we weren’t there, we’d be losing revenue and not providing a great customer experience.”
- **Key engagement metrics, such as open rates, were higher with WhatsApp than with alternative channels.** Of survey respondents in retail and e-commerce, 90% saw an increase in open rates with WhatsApp at their organizations.² Among these respondents’ organizations, the average open rate with WhatsApp was 43% higher than SMS, 40% higher than email, and 53% higher than non-Meta messaging apps.³

- **WhatsApp also saw higher clickthrough rates.** Among the same survey respondents, 92% reported an increase in clickthrough rates at their organizations with WhatsApp, and among these respondents, the clickthrough rates with WhatsApp were 56% higher than SMS, 50% higher than email, and 66% higher than non-Meta messaging apps.⁴
- **Most interviewees' and survey respondents' organizations used marketing messages in WhatsApp to drive engagement.** Interviewees said through partners like Gupshup, WhatsApp was an easy integration with their organizations' current systems (e.g., CRM, e-commerce platform, or homegrown solution) and that this helped them target customers accordingly.
- **Lead generation also improved with platforms such as Gupshup Conversation Cloud atop WhatsApp.** Of survey respondents in retail and e-commerce, 90% saw an increase in the number of leads at their organizations with WhatsApp compared to legacy channels.⁵ The average increase in leads among these respondents was 64%.⁶ Survey respondents identified WhatsApp's large, built-in user base and ability to qualify leads with automated questions as driving the increase.

Increased conversion rates. On average, customers converted to sale at a higher rate after they engaged with WhatsApp content compared to

"The ability to effectively personalize the messages based on customer segment and the use of rich media are two reasons we have seen a higher conversion rate and a higher redemption within WhatsApp [while partnering with Gupshup]."

Head of digital marketing, retail and e-commerce

"A major benefit we are seeing with WhatsApp [while using Gupshup as a partner] is high open rates and clickthrough rates. They are extremely high compared to SMS or email. ... Due to the high engagement rate, WhatsApp is more effective."

Head of digital marketing, retail and e-commerce

legacy channels. At the composite organization, conversion rates are 55% higher with WhatsApp; this translates into a 2.08% increase in total revenue.

- **Compared to other channels, WhatsApp had better conversion rates.** Among survey respondents in retail and e-commerce, 91% saw higher rates of conversion to sale for their organizations with WhatsApp.⁷ Of these respondents, conversion rates on WhatsApp were 48% higher than SMS, 43% higher than email, and 59% higher than other messaging apps.⁸
- **Interviewees and survey respondents pointed to several WhatsApp capabilities that led to increased conversion rates at their organizations.** These included rich media that showcased products and services, easily shared product and shopping cart links, and automation that efficiently maintained and cultivated ongoing customer relationships. Additionally, Gupshup can enable AI and Personalize to orchestrate tailored experiences and remarket to customers based on their funnel stage.
- **The head of digital marketing partnered with Gupshup to use rich media and trackable links to drive conversion rates.** This interviewee spoke of the experience at their retail and e-commerce organization: "WhatsApp doesn't have the limitations when it comes to rich

media and character length [other platforms do]. Instead of just sending them a text, with WhatsApp, we have sent quizzes and images which engage the customer. We also send trackable links and have rich media with those.”

- **Organizations had partners such as Gupshup build AI-powered virtual assistants / chatbots / AI Agents on WhatsApp.** These create an advanced assisted shopping experience with more relevant recommendations as well as help with post-purchase queries such as order tracking, delivery rescheduling, returns, and refunds. This enabled customers to ask questions and automatically receive responses with details about products or offerings. The conversational specialist in retail and e-commerce said, “WhatsApp offers a lot of flexibility in the way that we talk and create this relationship to the customer — almost like a friend recommending [something to] you or helping you get your purchase.”

Higher AOV. When customers make a purchase due to WhatsApp conversations, average order values are 20% higher than the companywide AOV at the composite organization; this equals a 1.17% increase in total revenue.

- **Organizations used WhatsApp to make recommendations and upsell within the channel, driving up AOV.** The conversational specialist in retail and e-commerce explained: “AOV is higher with Meta. Before, some customers would just buy the cheapest. But now, with WhatsApp and being assistive of that customer in the channel, we’re offering the product that really makes sense given what they need. The expertise that comes with those recommendations is helping us lift that average order value.”
- **Increase in AOV with WhatsApp was widespread at survey respondents’ organizations.** Ninety percent of survey

“With WhatsApp, it’s not the same people who are calling us or chatting with us. It’s a different profile of customers — those who are looking for asynchronous ways of communicating. On WhatsApp, 70% have never purchased with us before. That’s huge for us and is about 20 percentage points higher than average.”

Conversational specialist, retail and e-commerce

respondents in retail and e-commerce saw higher average order values with WhatsApp.⁹ Among these survey respondents, AOVs were more than 20% higher with WhatsApp on average.¹⁰

New customer acquisition. After adopting WhatsApp, organizations also acquired net-new customers with ads that clicked to WhatsApp and drove potential customers to the channel. At the composite organization, new customer acquisition due to WhatsApp amounts to a 1% increase in total customers and a 1.2% increase in total revenue.

- **The ability to acquire new customers improved with WhatsApp.** Among survey respondents in retail and e-commerce, 95% of their organizations saw improved customer acquisition with WhatsApp compared to legacy channels.¹¹
- **Return on ad spend (ROAS) with ads that click to WhatsApp was higher compared to legacy ads.** Among survey respondents in retail and e-commerce, 90% of their organizations saw improved ROAS with WhatsApp.¹² These respondents reported that ads that click to WhatsApp had a 64% improvement in ROAS compared to legacy ads.¹³

- **Interviewees and survey respondents noted that with ads that click to WhatsApp and the help of partners like Gupshup, they could better reach customers and drive conversions.** With the help of Gupshup Advertise, organizations can effectively build first-party data, and segment customers for targeted remarketing, achieving goals such as lead generation, app download, and appointment booking. The conversational specialist in retail and e-commerce said: “A top benefit of Meta is how good the ads that click to WhatsApp and ads that click to Instagram are at reaching people. They have been extremely effective at generating sessions and conversations. I’m able to easily group potential customers and target them based on their needs.”

Supported flexibility and agility. Additional benefits interviewed and surveyed decision-makers realized include:

- **Customer experience.** Interviewees said that WhatsApp was simply the preferred method of communication for many of their organizations’ customers and that their use of WhatsApp for marketing and sales communications ultimately enhanced the customer experience. Among survey respondents in retail and e-commerce, 97% reported that WhatsApp improved customer experience.¹⁴
- **Ability to customize and innovate.** Interviewees described WhatsApp as a flexible channel with which they could customize and continually innovate. They highlighted the role of their third-party partners in supporting these efforts. The head of digital marketing whose retail and e-commerce organization partnered with Gupshup said, “The ability to send messages, the ability to create chatbots [AI Agents], the ability to create automation, all that happens through [working with Gupshup].”

“WhatsApp is the most innovative channel for us. It immediately gets us results. Each month, what we can do on WhatsApp has improved.”

Head of digital marketing, retail and e-commerce

- **Additional benefits by also adopting the customer care use case.** Alongside their marketing and sales use case, some interviewees worked with partners such as Gupshup to implement WhatsApp as a customer care channel. In a separate TEI analysis, a composite organization sees improved customer satisfaction along with substantial cost savings as 50% to 70% of its WhatsApp customer care tickets are resolved by chatbot automation and live agents using WhatsApp are 35% more efficient.¹⁵

TOTAL ECONOMIC IMPACT ANALYSIS

For more information, download the full study: “The Total Economic Impact™ Of WhatsApp Business Platform For Marketing And Sales,” a commissioned study conducted by Forrester Consulting on behalf of Meta, March 2023.

STUDY FINDINGS

Forrester interviewed seven total decision-makers and surveyed 224 others at organizations with experience using the WhatsApp Business Platform and combined the results into a three-year financial analysis for a composite organization. Risk-adjusted present value (PV) quantified benefits for the composite organization include:

- Improved customer engagement by 50%, resulting in \$1.4 million in profit.
- Increased conversion rates by 55%, resulting in \$2.2 million in profit.
- Higher AOV by 20%, resulting in \$1.2 million in profit.
- New customer acquisition that amounted to a 1% increase in total customers, resulting in \$1.2 million in profit.



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Appendix A: Endnotes

¹ Base: 118 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

² Base: 118 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

³ Base: 106 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

⁴ Base: 118 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022; Base: 109 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

⁵ Base: 118 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

⁶ Base: 106 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

⁷ Base: 118 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

⁸ Base: 107 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

⁹ Base: 118 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

¹⁰ Base: 106 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

¹¹ Base: 118 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

¹² Base: 118 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

¹³ Base: 106 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022

¹⁴ Base: 118 Meta Business Messaging decision-makers. A commissioned study conducted by Forrester Consulting on behalf of Meta, December 2022.

¹⁵ "The Total Economic Impact™ Of Meta Business Messaging For Customer Care," a commissioned study conducted by Forrester Consulting on behalf of Meta, July 2022.

DISCLOSURES

The reader should be aware of the following:

- The study is commissioned by Meta and delivered by Forrester Consulting. It is not meant to be a competitive analysis.
- Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Meta WhatsApp Business Platform.
- Meta reviewed and provided feedback to Forrester. Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning.
- Meta provided the customer names for the interview(s) but did not participate in the interviews.

ABOUT TEI

Total Economic Impact™ (TEI) is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders. The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility.

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