

The State of

# Customer Engagement in B2C Marketing

 DEMAND METRIC

IN PARTNERSHIP WITH

**mitto**

2021 BENCHMARK REPORT

Digital communications are getting a lot of attention in marketing circles and for good reason; **the number of touchpoints continues to grow, making it difficult for marketers to keep up with evolving consumer demands and expectations.**

Mitto partnered with Demand Metric at the beginning of 2021 to take the pulse of over 500 marketers who shared their experience with a variety of digital channels.

Using a survey to collect data, the objective of this research effort was to find out exactly how marketers are using and plan to use digital communications in their customer engagement efforts.

This benchmark report shares insights from 166 marketers at B2C organizations in the United States with more than 1,000 employees.

# Table of Contents

3

Executive Summary

4

Key Findings

7

The Customer Engagement Landscape

14

Revenue Impact of Digital Communications

23

Digital Channel Adoption Rates

30

Action Plan

# Executive Summary

## Digital channels are no longer a 'nice to have'; they are a necessity.

Nearly all enterprise B2C marketers in the United States leverage digital channels to drive engagement, and for a good reason, customers are increasingly dependent on them to interact with brands.

However, the importance of delivering a seamless customer experience intensified over the past year, mainly due to the pandemic. In fact, over half of this study's participants report that COVID-19 has increased demand for a contactless experience.

As consumer preferences continue to evolve, marketers need to identify digital touchpoints that enable them to satisfy their customers while delivering an exceptional experience. Although there are plenty of channels that marketers can use, not all digital channels are created equal.

As this study will show, nearly four-fifths of marketers' report that SMS messaging performs much better than any other channel they use to engage customers, likely due to the high open rates and global reach that SMS offers.

Since revenue is a crucial objective of nearly every consumer brand, it was used in our analysis to understand the relationship between the digital channels that marketers are using and their impact on revenue growth.

Among other things, this research effort proves that enterprise B2C marketers who leverage chatbots, SMS, live chat, chat apps, and voice are more likely to report revenue growth in the last fiscal year than those who have not adopted these technologies.

Nonetheless, when digital channels exist in a silo, it's nearly impossible for marketers to gain a holistic view of the customer. The most effective marketers leverage digital channels in an omnichannel environment that is fully aligned and well-orchestrated.

We hope the benchmark data and insights in this report will help you better understand the top-performing digital channels so you can create experiences that surprise and delight your customers in 2021 and beyond.

To your success,  
**Mitto and Demand Metric**

# Key Findings

## Key Findings

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### **COVID-19 has had a major impact on consumer expectations.**

Over half of enterprise B2C marketers in the United States report that the pandemic has increased consumer demand for a contactless experience.



### **Marketers are struggling with deliverability.**

The top barrier to driving customer engagement is getting messages through, as reported by 37% of enterprise B2C marketers in the United States.



### **Marketers are taking ownership of the customer experience.**

Nearly 90% of marketers report that it is becoming more important for them to deliver an exceptional customer experience than ever before.

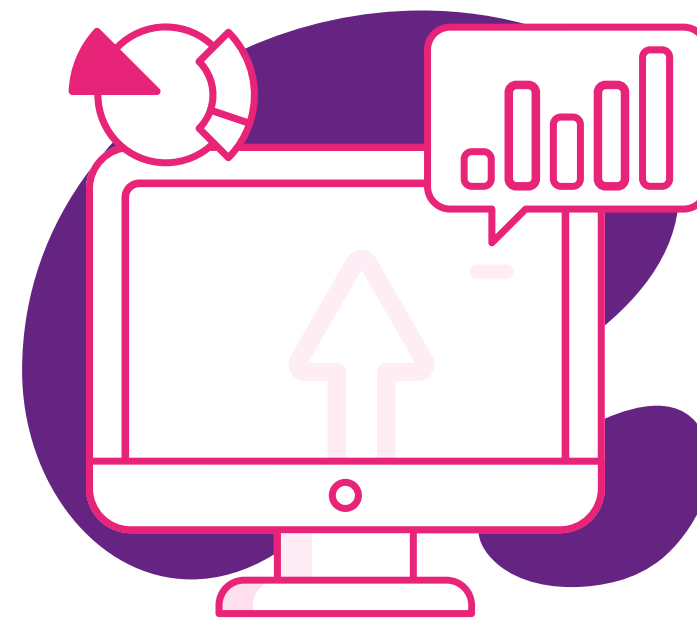
## Key Findings

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### Digital communications are table stakes in 2021.

Only 3% of enterprise B2C marketers are not using digital communications to support their customer engagement efforts.



### There is a strong relationship between revenue growth and the use of digital channels.

Enterprise B2C marketers who leverage chatbots, SMS, live chat, chat apps, and voice are more likely to report revenue growth in the last fiscal year than those who have not adopted these technologies.



### SMS messaging is a customer engagement powerhouse.

Nearly four-fifths of enterprise B2C marketers in the United States report that SMS performs much better than any other channel they use to engage customers.

# The Customer Engagement Landscape



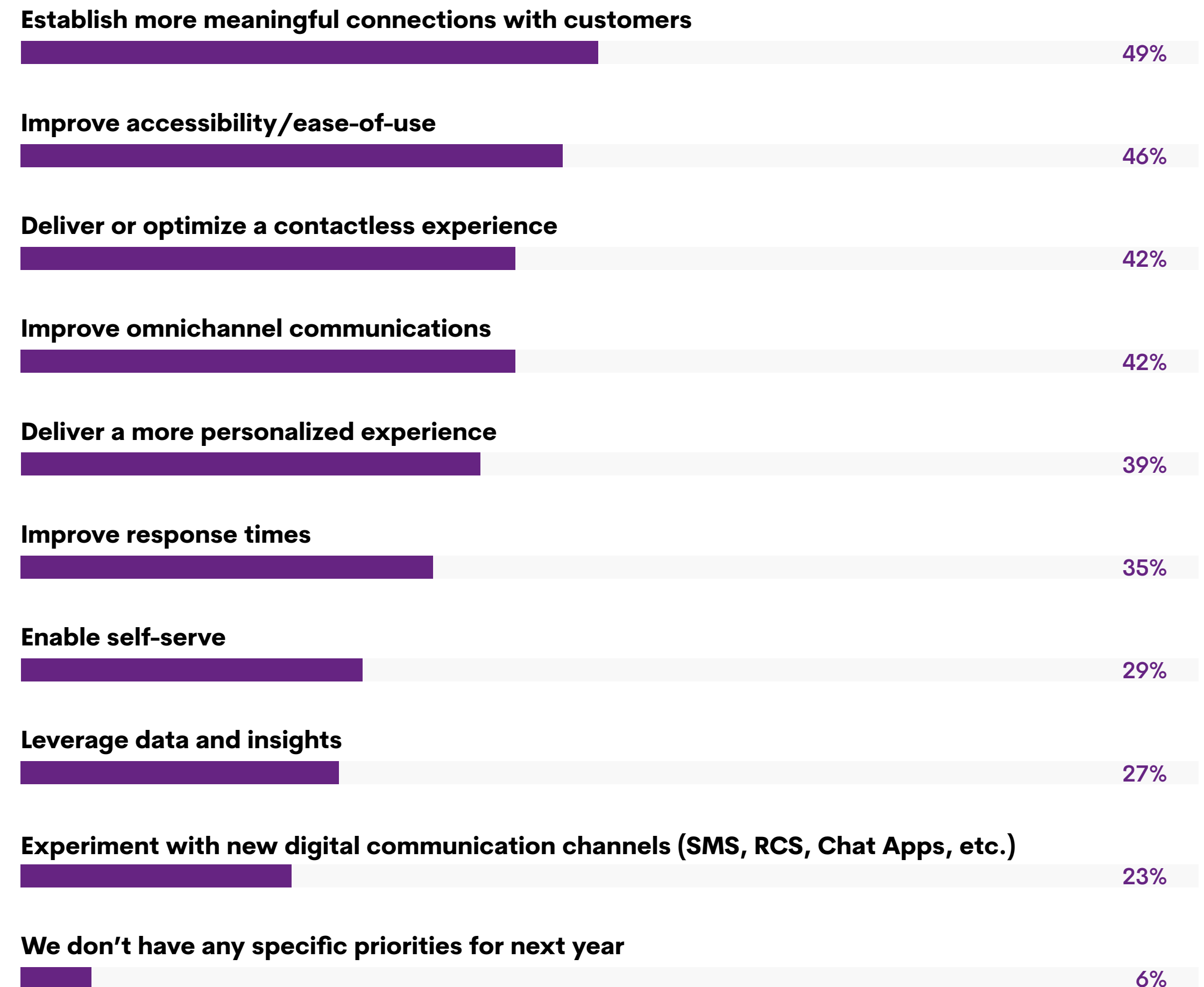
● Figure 1

# Top Customer Engagement Priorities

Nearly half of B2C marketers hope to establish more meaningful connections with customers this year.

When it comes to customer engagement, the top objectives for enterprise B2C marketers are establishing more meaningful connections with customers, delivering or optimizing a contactless experience, improving omnichannel communications, and improving accessibility/ease-of-use, as **Figure 1** shows.

What are your top customer engagement priorities in 2021?





● Figure 2

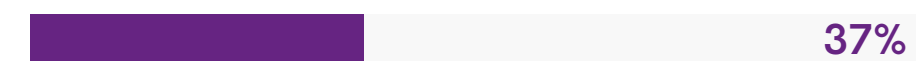
# Customer Engagement Roadblocks

Enterprise B2C marketers report the top roadblock to customer engagement is deliverability. In order to successfully engage customers in 2021, marketers must audit the effectiveness of their omnichannel mix and evaluate new ways to get messages through.

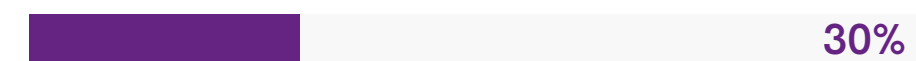
A wide variety of barriers and roadblocks are holding enterprise B2C marketers back from successfully engaging their customers, as shown in **Figure 2**.

Which of the following are barriers or roadblocks to successfully engaging your customers?

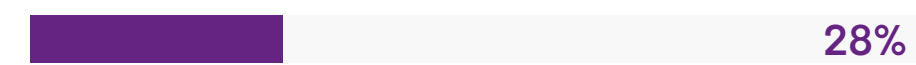
Deliverability issues/Getting messages through



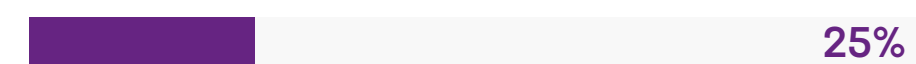
Security/privacy/opt-in compliance issues or concerns



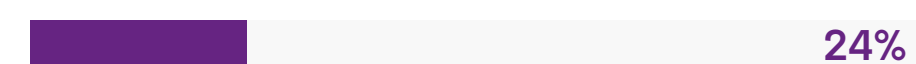
Antiquated tools or technology



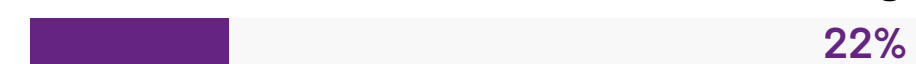
Staffing/Resource constraints



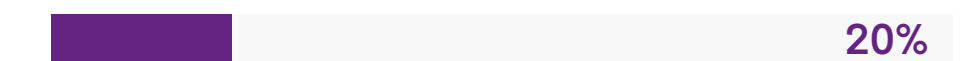
Poor omnichannel orchestration



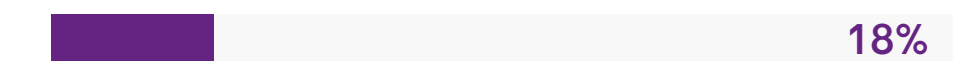
Lack of data to enable decision making



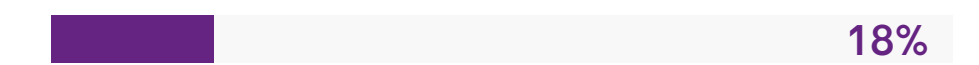
Lack of funding or executive support



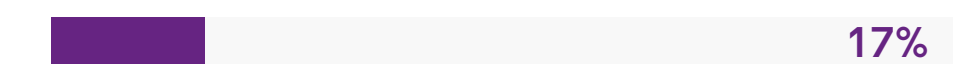
Unable to deliver messages at scale



Accessibility



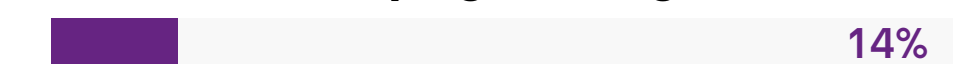
We are not experiencing any challenges



Messages don't represent the brand well



Inefficient campaign management



● Figure 3

# Impact of COVID-19 on Consumer Expectations

Over half of enterprise B2C marketers in the United States report that the pandemic has increased consumer demand for a contactless experience.

The effects of COVID-19 have been felt by companies the world over. Very few enterprise B2C marketers in the United States report that COVID-19 has not impacted consumer expectations, as **Figure 3** shows.

What impact has COVID-19 had on consumer expectations when interacting with your brand?

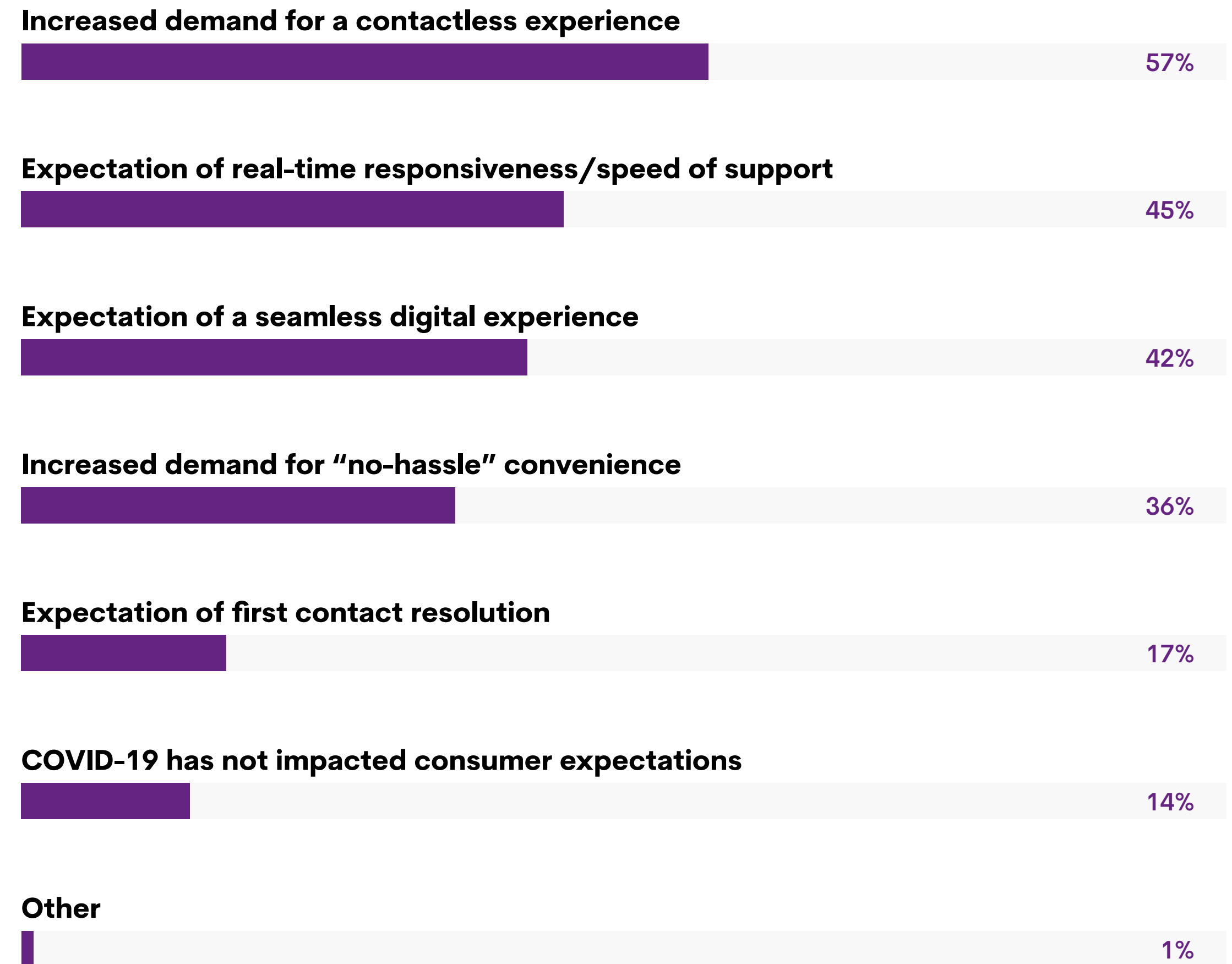


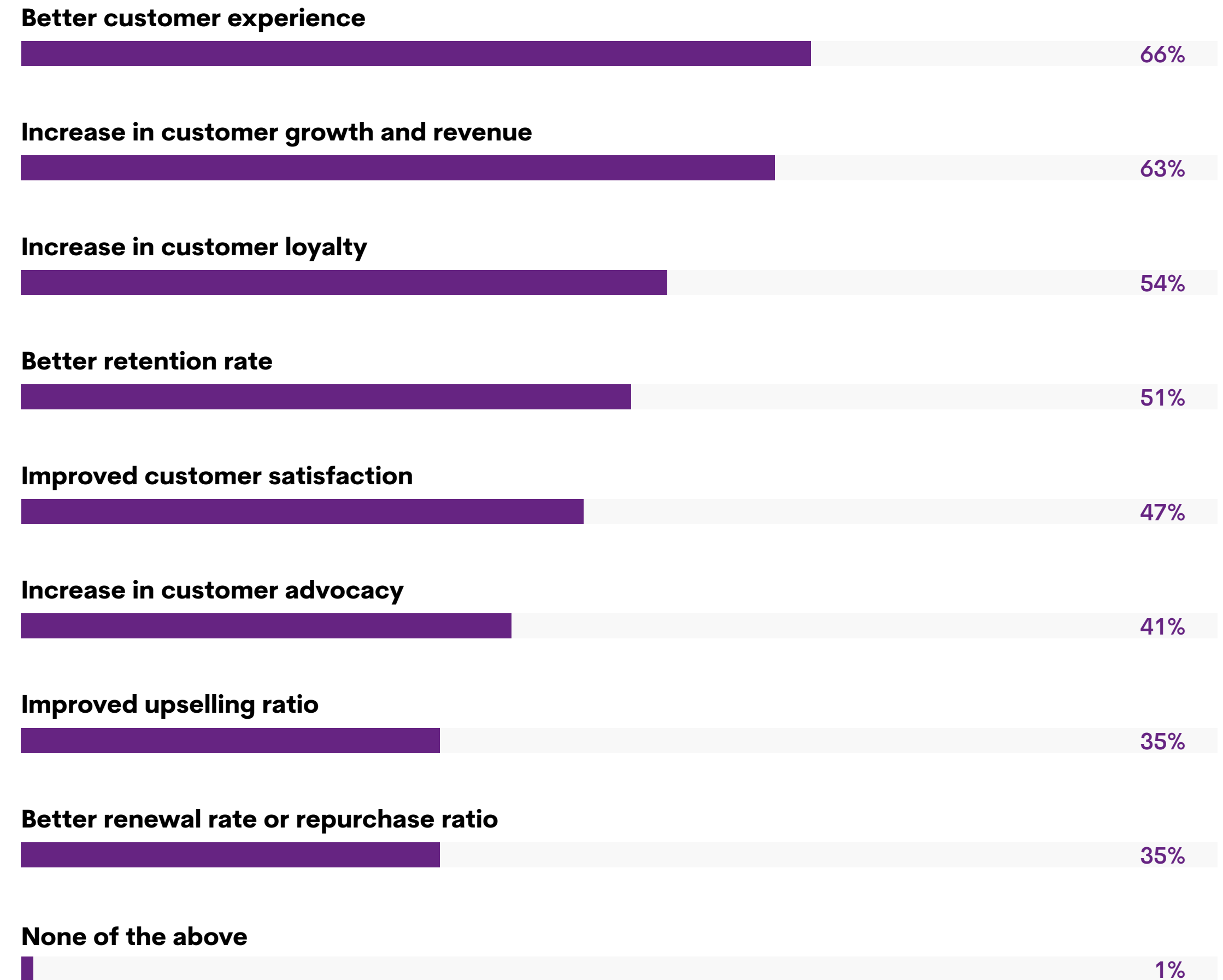
Figure 4

# Benefits of Customer Engagement

This study found a strong relationship between customer engagement and the customer experience, with two-thirds of enterprise B2C marketers in the United States reporting that the successful execution of their engagement strategy will lead to a better customer experience.

Enterprise B2C marketers believe that executing their customer engagement strategy will lead to a better customer experience, increased customer loyalty, and an increase in customer growth and revenue, as shown in **Figure 4**.

What benefits do you expect to realize if you successfully execute this year's customer engagement strategy?



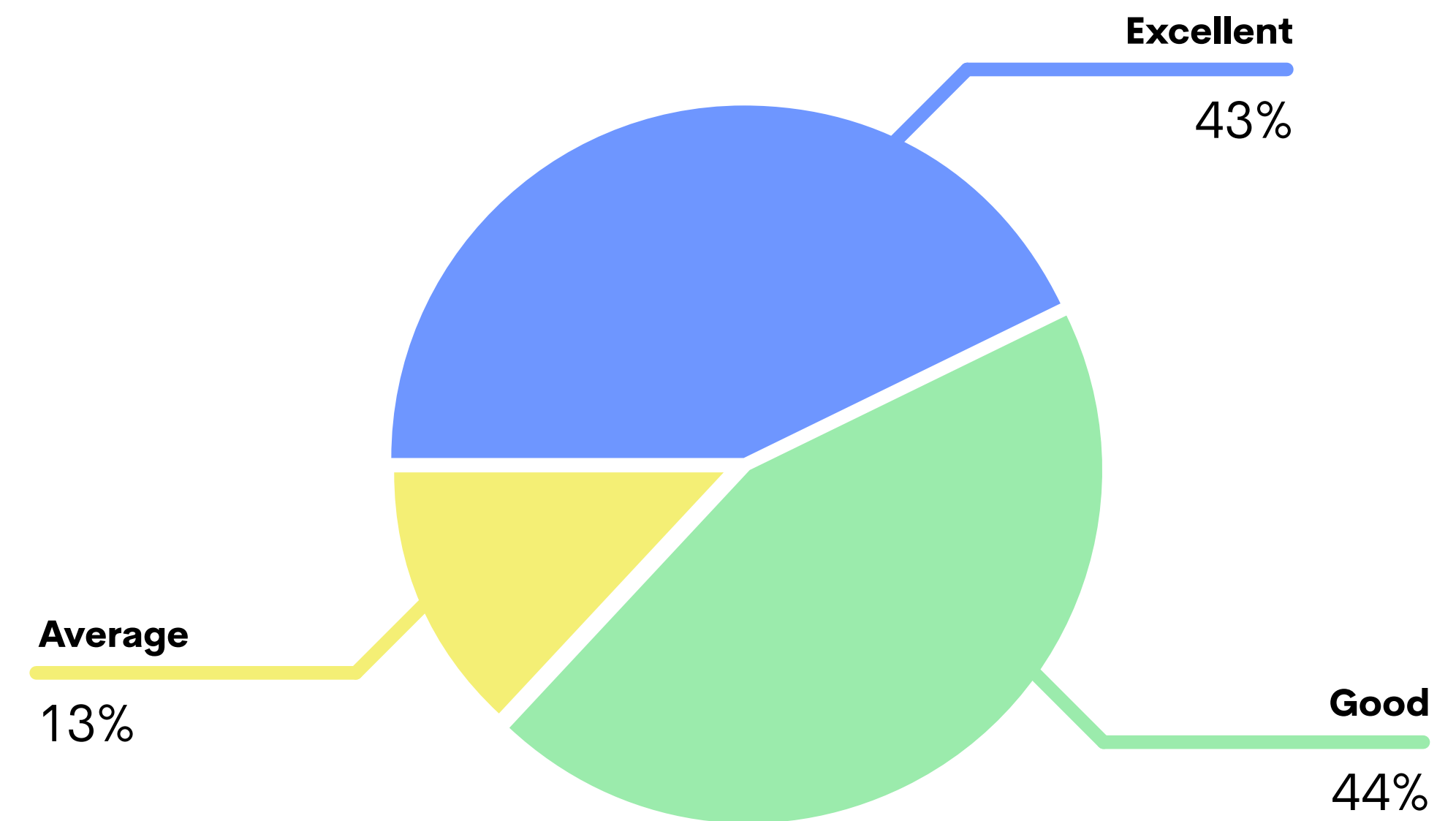
● Figure 5

# The Importance of the Customer Experience

Marketers realize the importance of the customer experience. Nearly 90% of this study's participants report that it is becoming more important for them to deliver an exceptional customer experience than ever before.

This study took an inventory of how enterprise B2C marketers rate the customer experience their brand delivers and less than half believe their brand deserves an "A", as **Figure 5** shows.

How would you rate the customer experience that your company delivers today?



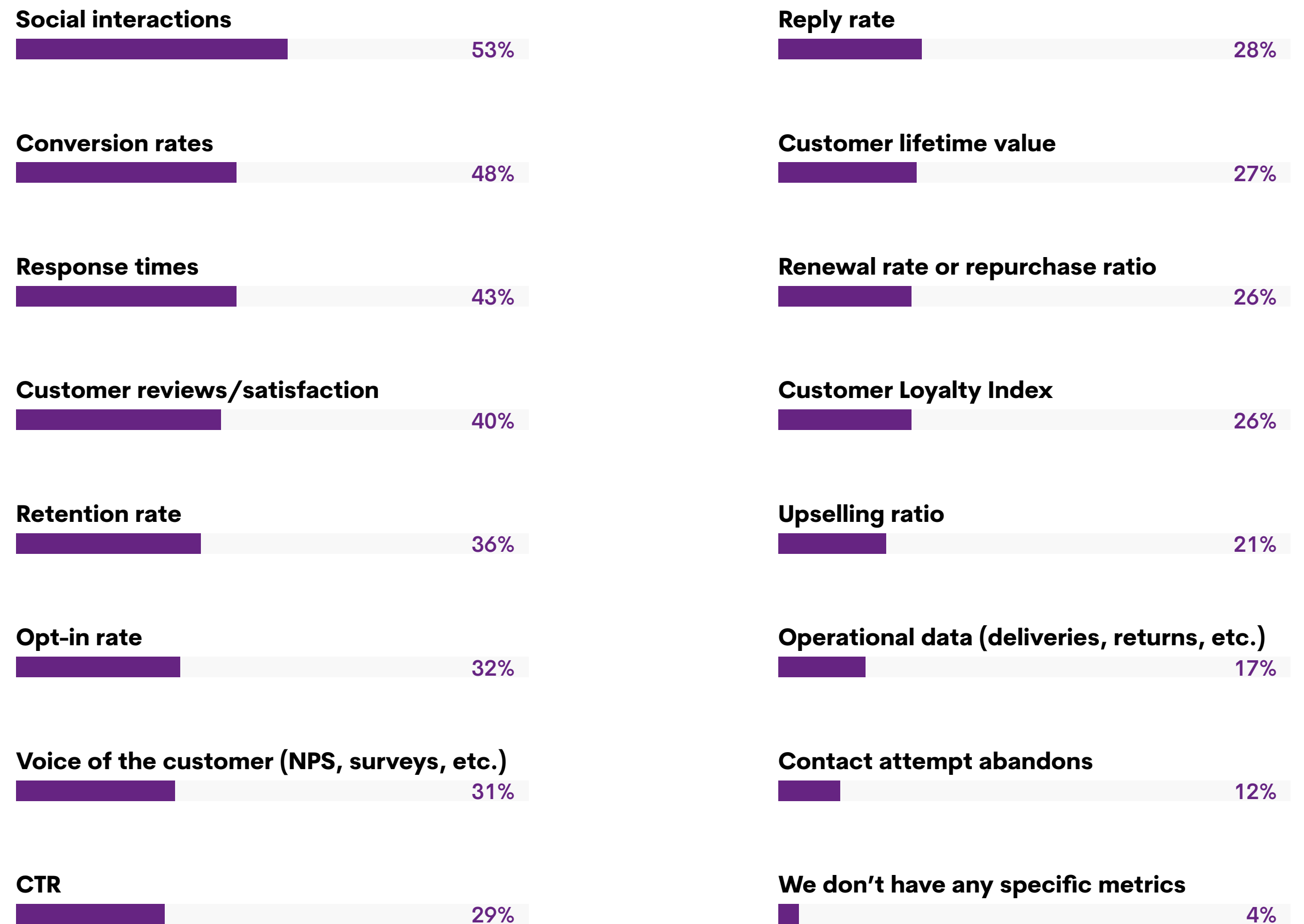
● Figure 6

# Key Customer Engagement Metrics

Marketers must continue to track key performance metrics by leveraging tools and technologies that enable them to gain a holistic view of the customer.

Marketers use a wide variety of customer engagement metrics to measure the success of their program. The top three metrics used by enterprise B2C marketers are social interactions, conversion rates, and response times, as shown in **Figure 6**.

Which customer engagement metrics do you currently use to measure success?



# Revenue Impact of Digital Communications

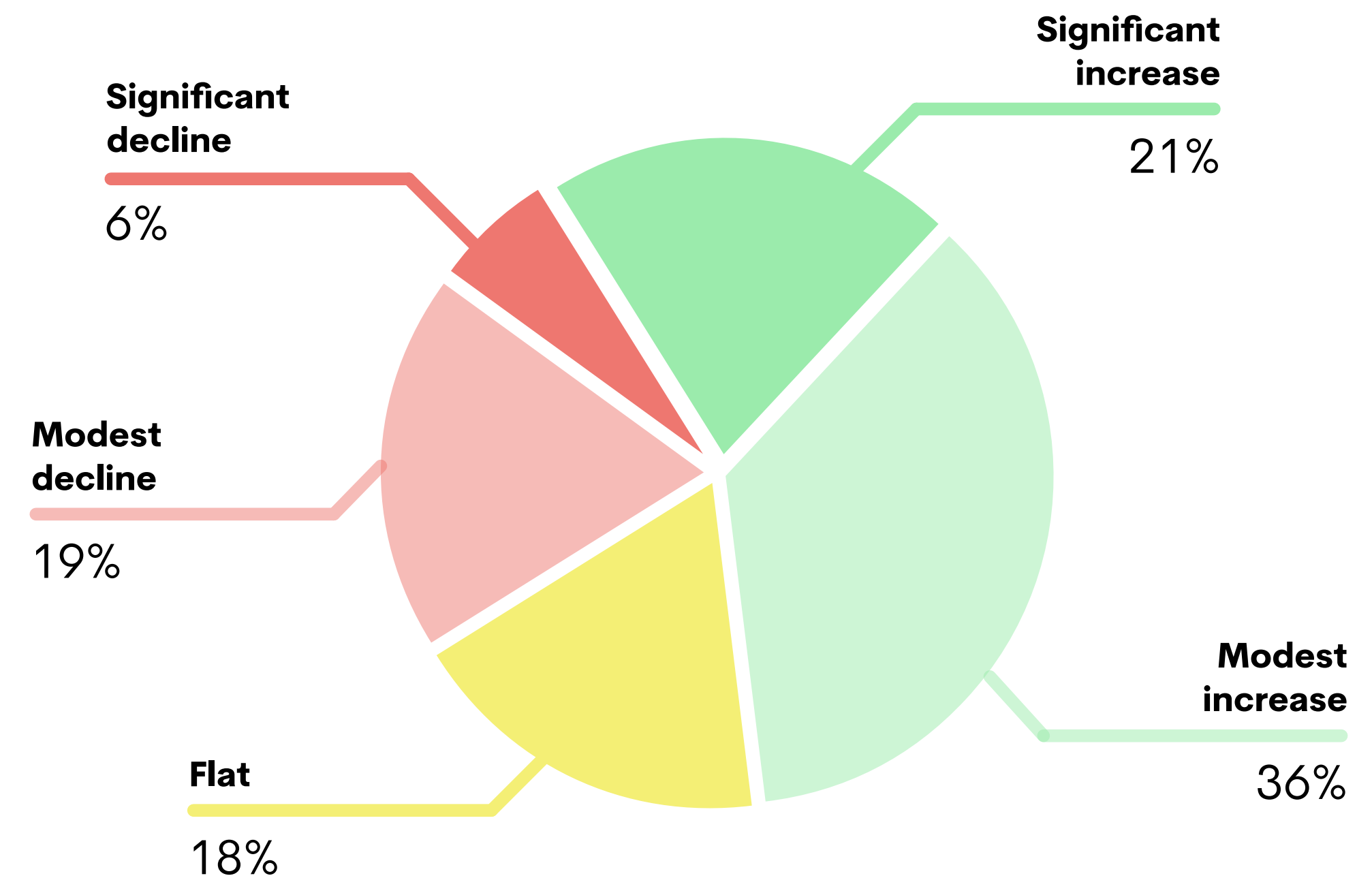
● Figure 7

# Revenue Growth in 2020

The following section will provide insights into how enterprise B2C marketers who report revenue growth in the last fiscal year are leveraging digital communications to drive customer engagement.

One of the main objectives of this study was to understand how the use of digital communications impacts revenue growth. **Figure 7** shows the revenue breakdown of companies that participated in this year's study.

What statement best describes revenue growth at your company over the past 12 months?





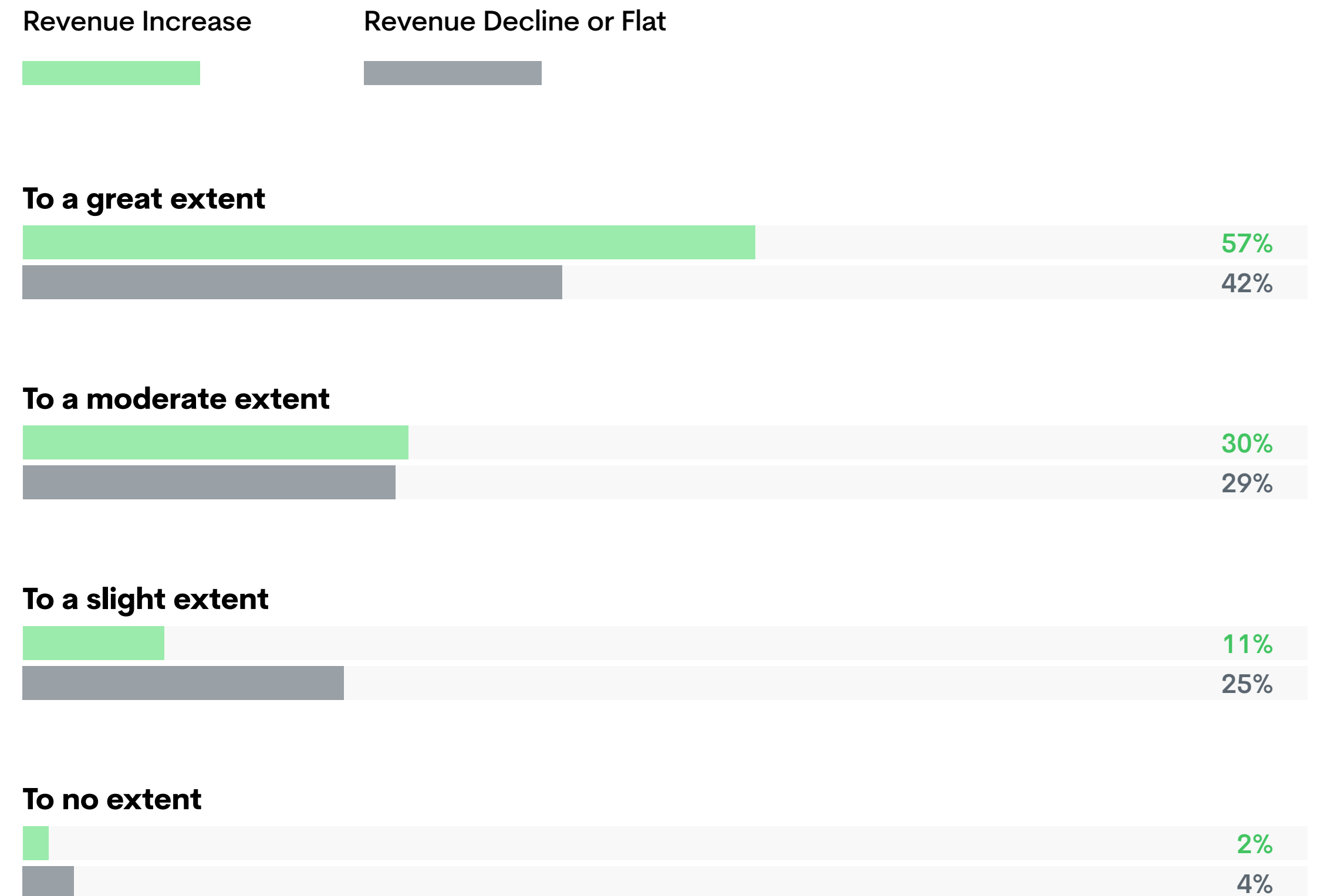
● Figure 8

# Digital Communications and Revenue Growth

Companies who report revenue growth in the last fiscal year are more likely to use digital communications to a great extent, compared to companies whose revenue is flat or declining.

Only 3% of enterprise B2C marketers in the United States do not use digital communications to support their customer engagement efforts. This study found a strong relationship between the extent to which digital communications are leveraged and revenue growth, as **Figure 8** shows.

Exploring the relationship between the use of digital communications and revenue growth.



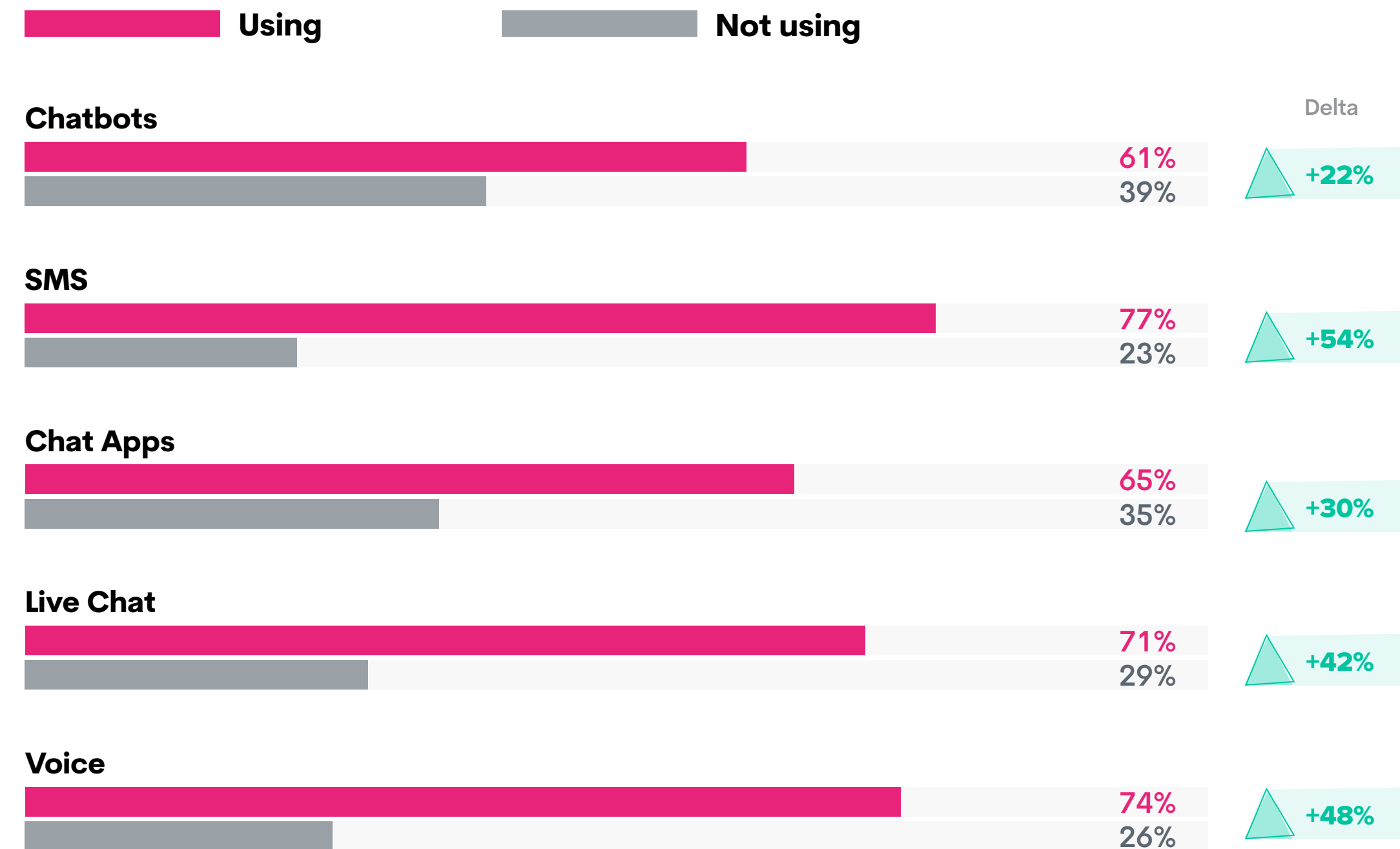
● Figure 9

# Channels in Use: Send Promotions or Offers

There is a strong relationship between revenue growth and the use of digital channels to send promotions or offers. When digital communication solutions are in use, marketers are far more likely to report revenue growth in the last fiscal year, with SMS leading the way.

This study asked Enterprise B2C marketers about the digital communication solutions they are currently using to send promotions or offers. **Figure 9** shows the adoption status of a variety of digital communication solutions and the relationship to revenue growth in the last fiscal year.

Exploring the relationship between digital communication solutions used to send promotions or offers and revenue growth.



77% of marketers who use SMS to send promotions or offers report revenue growth in the last fiscal year, compared to only 23% of marketers who do not use SMS.

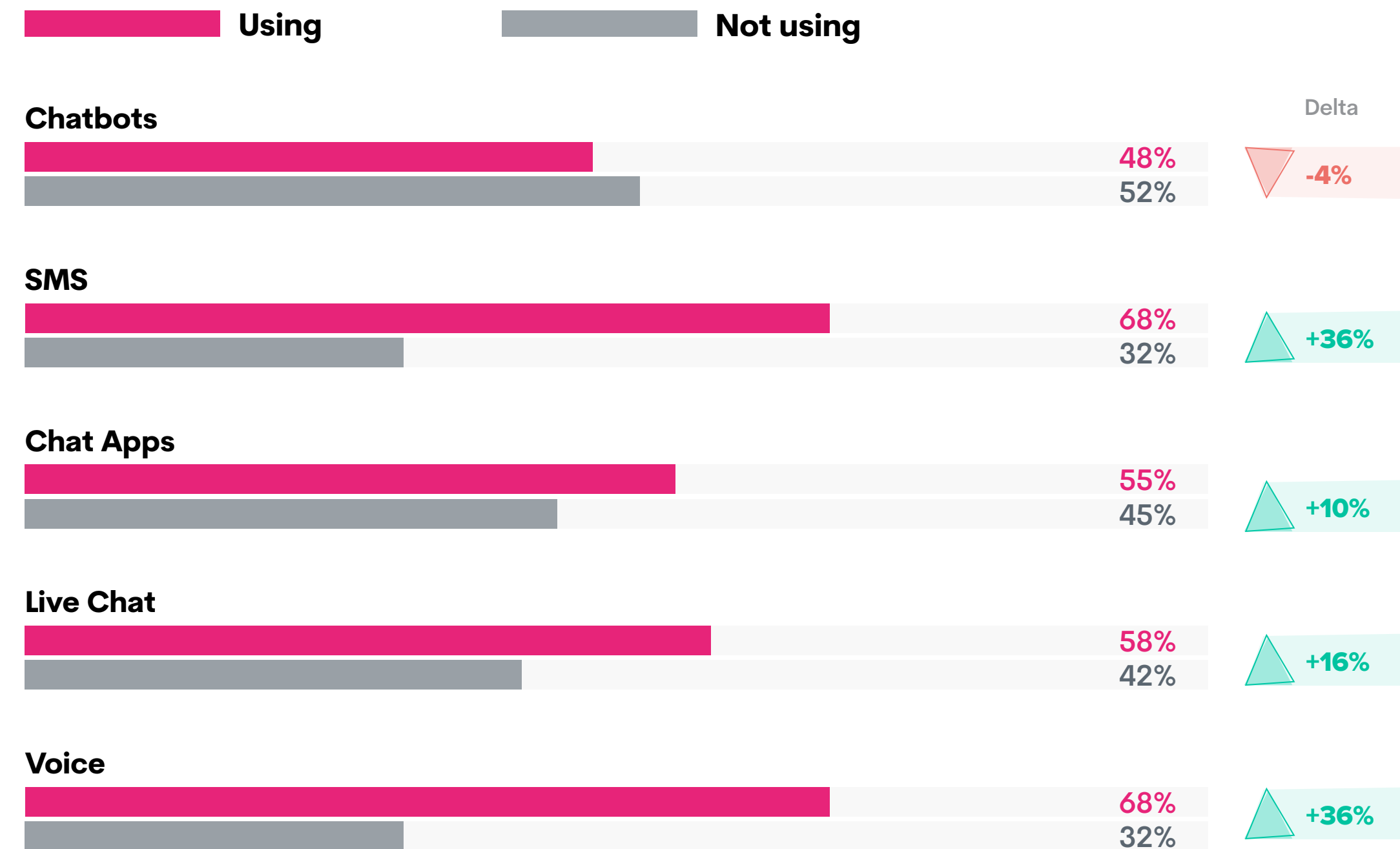
● Figure 10

# Channels in Use: Advertising or Brand Awareness

There is a strong relationship between revenue growth and the use of digital channels to advertise products or increase brand awareness. When digital communication solutions are in use, marketers are far more likely to report revenue growth in the last fiscal year, with SMS and Voice leading the way.

Enterprise B2C marketers were asked about the digital communication solutions they are currently using to advertise products or increase brand awareness. **Figure 10** shows the adoption status of a variety of digital communication solutions and the relationship to revenue growth in the last fiscal year.

Exploring the relationship between digital communication solutions used to send advertising or brand awareness and revenue growth.



68% of marketers who use SMS and Voice to advertise products or increase brand awareness report revenue growth in the last fiscal year, compared to only 32% of marketers who do not use these channels.

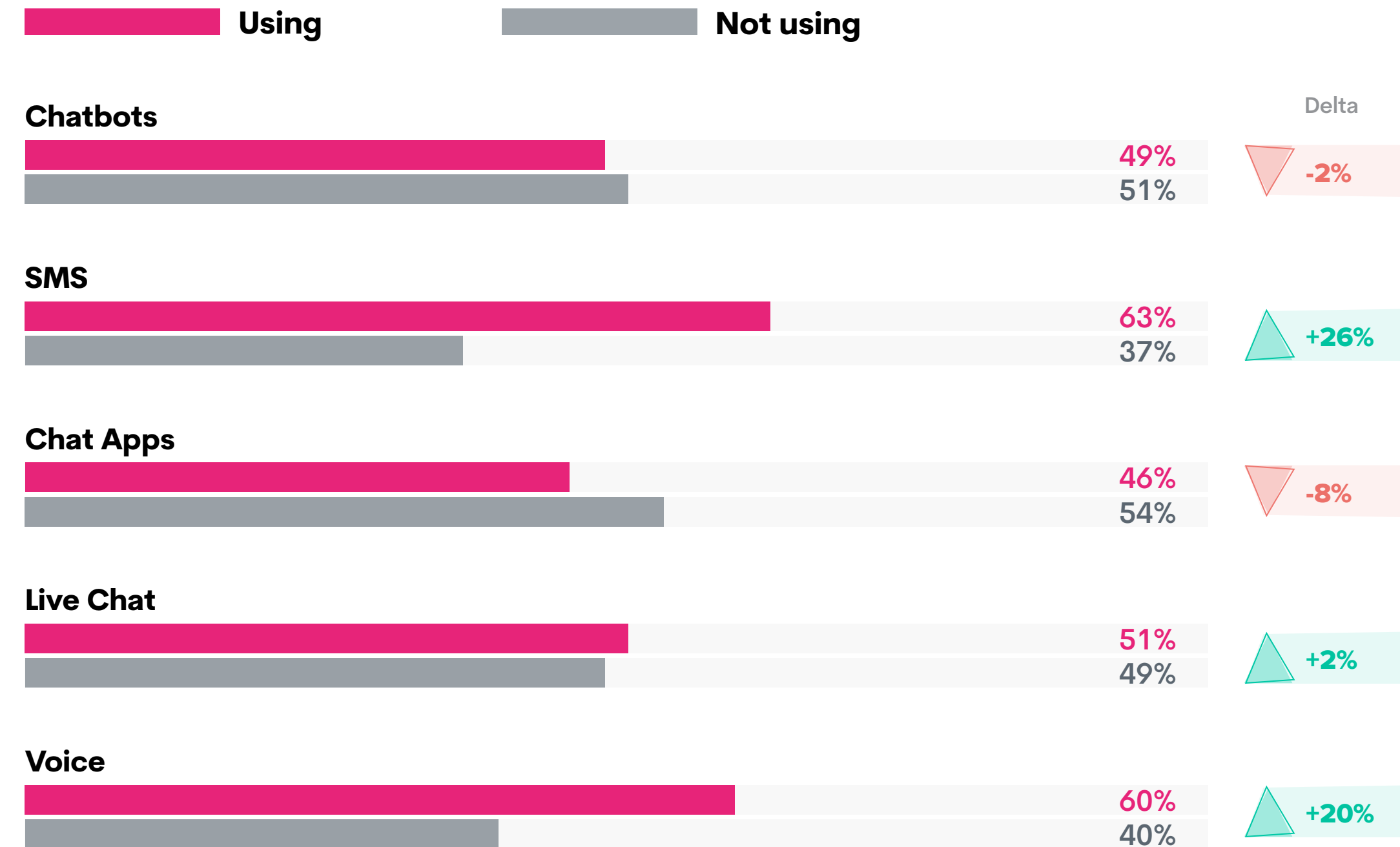
● Figure 11

# Channels in Use: Service Updates

There is a strong relationship between revenue growth and the use of digital channels to send service updates. When digital communication solutions are in use, marketers are more likely to report revenue growth in the last fiscal year, with SMS leading the way.

Enterprise B2C marketers were asked about the digital communication solutions they are currently using to send service updates. **Figure 11** shows the adoption status of a variety of digital communication solutions and the relationship to revenue growth in the last fiscal year.

Exploring the relationship between digital communication solutions used to send service updates and revenue growth.



63% of marketers who use SMS to send service updates report revenue growth in the last fiscal year, compared to only 37% of marketers who do not.

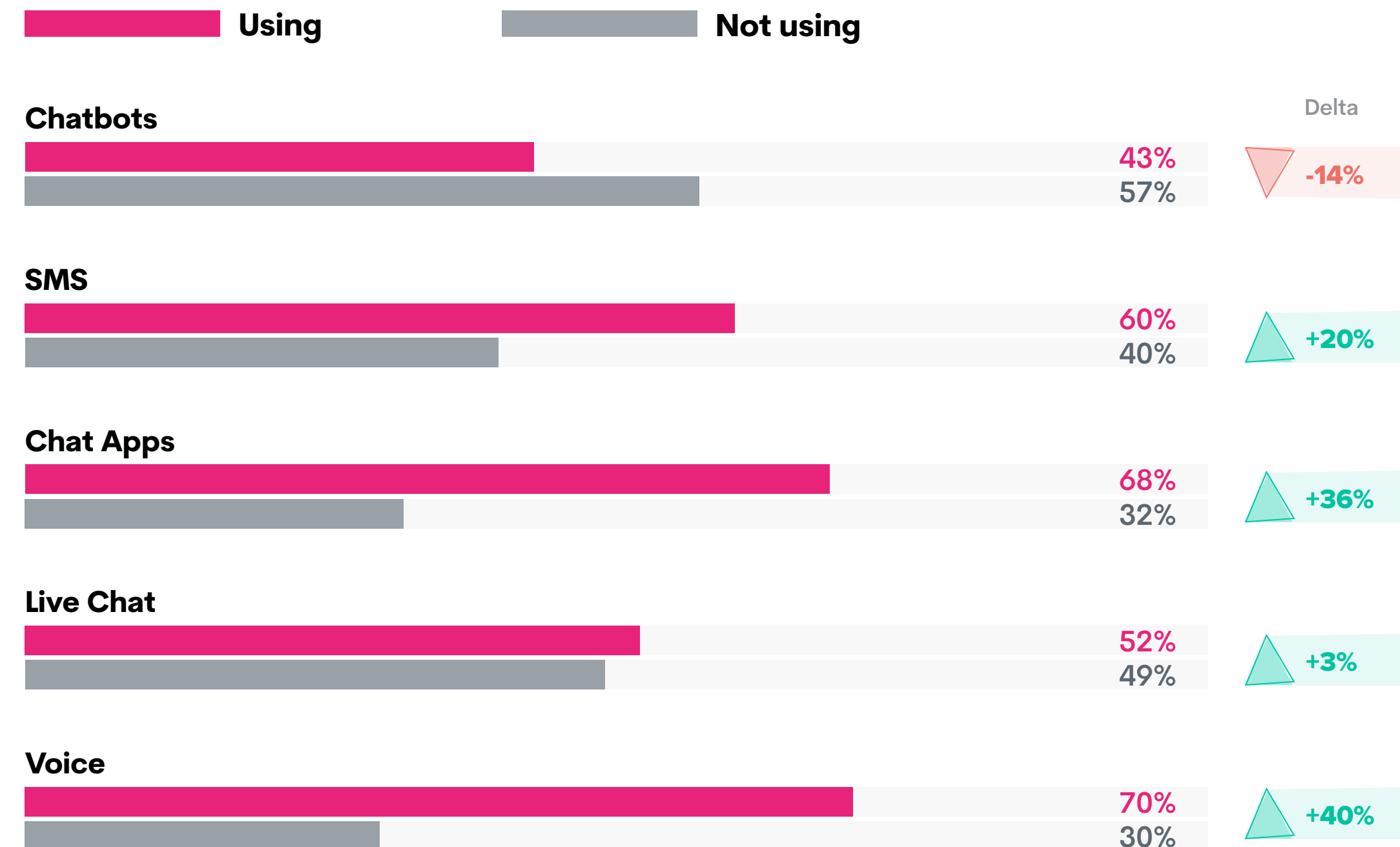
● Figure 12

# Channels in Use: Solicit Customer Feedback

There is a strong relationship between revenue growth and the use of digital channels to solicit customer feedback. When digital communication solutions are in use, marketers are more likely to report revenue growth in the last fiscal year, with voice leading the way.

Enterprise B2C marketers were asked about the digital communication solutions they use to solicit customer feedback. **Figure 12** shows the adoption status of a variety of digital communication solutions and the relationship to revenue growth in the last fiscal year.

Exploring the relationship between digital communication solutions used to solicit customer feedback and revenue growth.



70% of marketers who use voice to solicit customer feedback report revenue growth in the last fiscal year, compared to only 30% of marketers who do not.

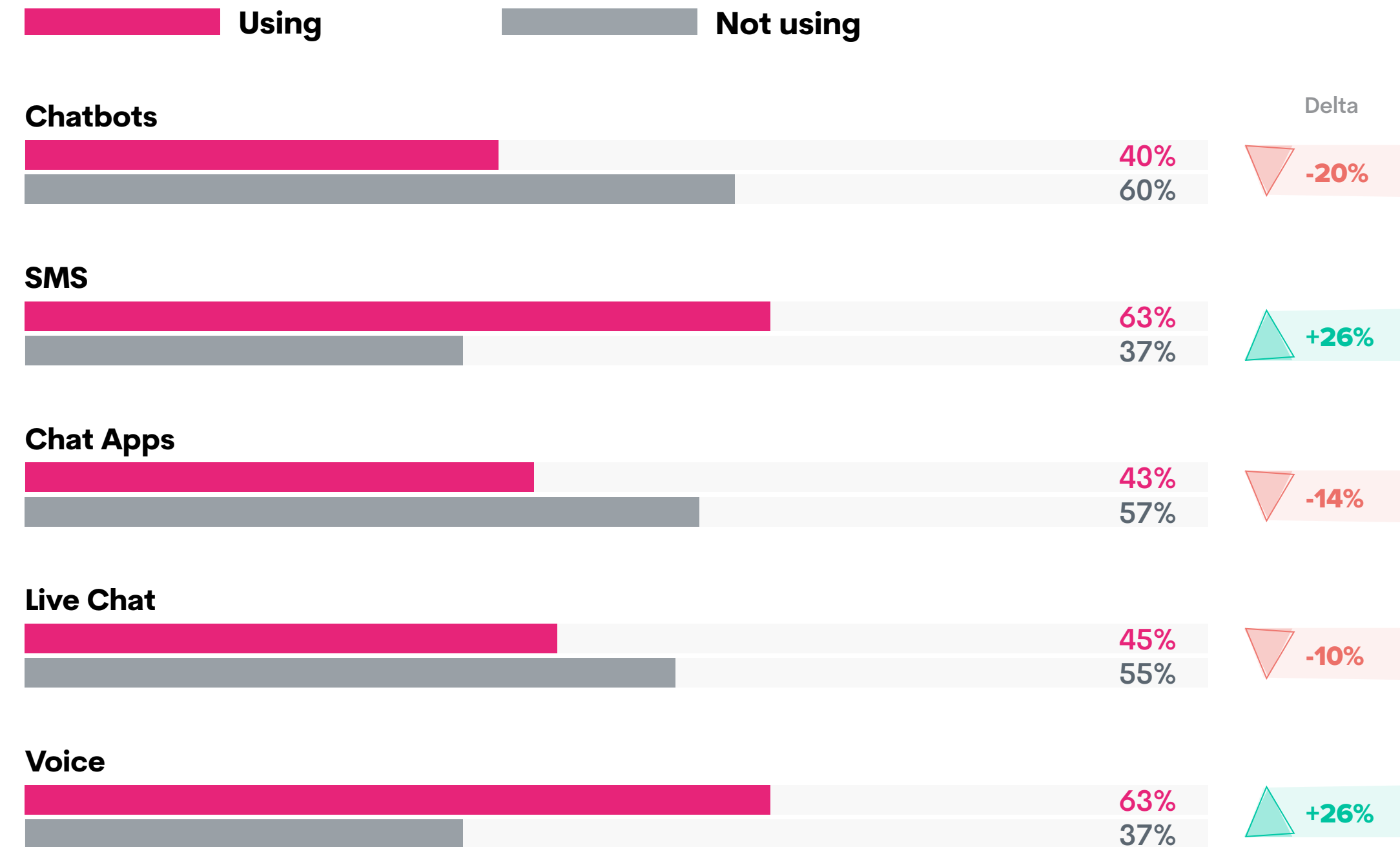
● Figure 13

# Channels in Use: Educational or Informative Content

There is a strong relationship between revenue growth and the use of digital channels to send educational or informative content. Only two of the cutting-edge channels revealed a strong relationship with revenue growth when sending educational or informative content: SMS and Voice.

Enterprise B2C marketers were asked about the digital communication solutions they use to send educational or informative content. **Figure 13** shows the adoption status of a variety of digital communication solutions and the relationship to revenue growth in the last fiscal year.

Exploring the relationship between digital communication solutions used to send educational or informative content and revenue growth.



63% of marketers who use SMS and Voice to send educational or informative content report revenue growth in the last fiscal year, compared to only 37% of marketers who do not use these channels.



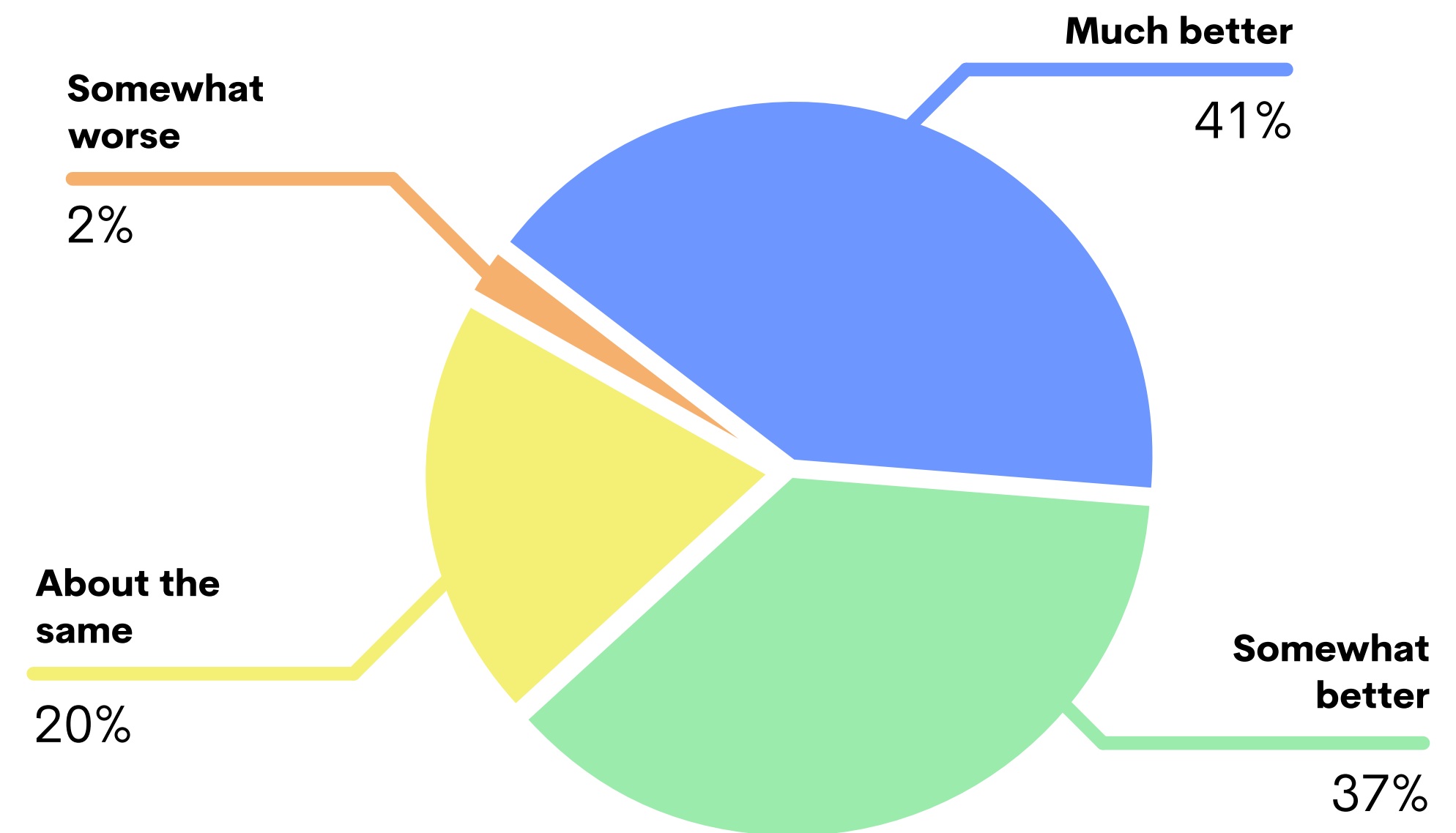
● Figure 14

# Leveraging SMS to Drive Customer Engagement

Enterprise B2C marketers who are not currently using SMS to engage their customers must consider leveraging this digital communication channel immediately or risk getting left behind.

Nearly four-fifths of enterprise B2C marketers in the United States report that SMS performs much better than any other channel they use to engage customers, as **Figure 14** shows.

Compared to other channels you use or have used to engage customers how does SMS perform in terms of delivering results?





# Digital Channel Adoption Rates

Table 1

# Adoption Rates: Send Promotions or Offers

The top three digital communication solutions that marketers are using to send promotions or offers are SMS, voice, and live chat.

One of the key objectives of this study was to understand the adoption rates of various digital communication solutions. **Table 1** shows the reported usage of cutting-edge digital channels that enterprise B2C marketers leverage to send promotions or offers.

Which of the following digital communication solutions do you use to send promotions or offers?

Channel	Using	Planning to Use	No Plans to Use
Chatbots	32%	33%	35%
SMS	66%	16%	18%
Chat Apps	45%	21%	34%
Live Chat	53%	28%	19%
Voice	60%	17%	23%

66% of marketers are using SMS to send promotions or offers.

## Digital Channels that Marketers Plan to Use

● Table 2

# Adoption Rates: Advertising or Brand Awareness

The top three digital communication solutions that marketers are using to advertise products or increase brand awareness are voice, SMS, and live chat.

**Table 2** shows the reported usage of cutting-edge digital channels that enterprise B2C marketers leverage to advertise products or increase brand awareness.

Which of the following digital communication solutions do you use to advertise products or increase brand awareness?

Channel	Using	Planning to Use	No Plans to Use
Chatbots	23%	27%	50%
SMS	54%	23%	23%
Chat Apps	42%	21%	37%
Live Chat	48%	24%	28%
Voice	61%	15%	24%

More than half of enterprise B2C marketers are using SMS to advertise products or increase brand awareness.

## Digital Channels that Marketers Plan to Use

● Table 3

# Adoption Rates: Service Updates

Most marketers report they are using or planning to use SMS and voice to send service updates.

Table 3 shows the reported usage of cutting-edge digital channels that enterprise B2C marketers leverage to send service updates.

Which of the following digital communication solutions do you use to send service updates?

Channel	Using	Planning to Use	No Plans to Use
Chatbots	30%	25%	45%
SMS	54%	20%	26%
Chat Apps	39%	20%	41%
Live Chat	43%	17%	40%
Voice	52%	20%	28%

Very few marketers report they have no plans to use SMS and voice to send service updates.

## Digital Channels that Marketers Plan to Use

● Table 4

# Adoption Rates: Solicit Customer Feedback

The top three digital communication solutions that marketers plan to use to solicit customer feedback are voice, live chat, and SMS.

Table 4 shows the reported usage of cutting-edge digital channels that enterprise B2C marketers leverage to solicit customer feedback.

Which of the following digital communication solutions do you use to solicit customer feedback?

Channel	Using	Planning to Use	No Plans to Use
Chatbots	30%	25%	45%
SMS	47%	18%	35%
Chat Apps	46%	17%	37%
Live Chat	53%	19%	28%
Voice	54%	18%	28%

Marketers are keen to experiment with chatbots, with one-quarter reporting they plan to use them to solicit customer feedback.

## Digital Channels that Marketers Plan to Use

● Table 5

# Adoption Rates: Educational or Informative Content

The top three digital communication solutions that marketers are using to send educational or informative content are SMS, voice, and live chat.

**Table 5** shows the reported usage of cutting-edge digital channels that enterprise B2C marketers leverage to send educational/informative content.

Which of the following digital communication solutions do you use to send educational/informative content?

Channel	Using	Planning to Use	No Plans to Use
Chatbots	29%	22%	49%
SMS	50%	16%	34%
Chat Apps	37%	18%	45%
Live Chat	38%	22%	40%
Voice	46%	21%	33%

The most popular cutting-edge digital channel for sending educational or informative content is SMS.

● Figure 15

# Why Marketers Plan to Use SMS

The top three reasons why enterprise B2C marketers in the United States are planning to use SMS are real-time delivery, high open rates, and global reach/ubiquity of mobile devices.

Enterprise B2C marketers who reported they plan on using SMS for the first time, or have plans to expand their usage, were asked why, and their reasons for increased adoption of SMS are shown in **Figure 15**.

Why are you planning to use SMS?

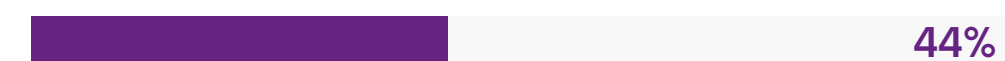
Real-time delivery



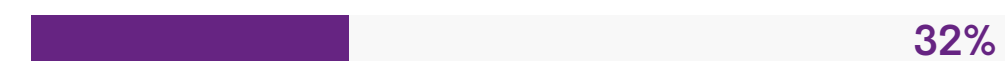
High open rates



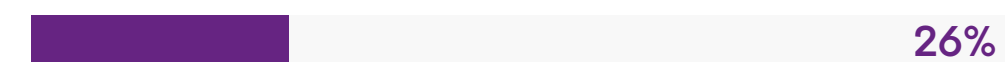
Global reach / ubiquity of mobile devices



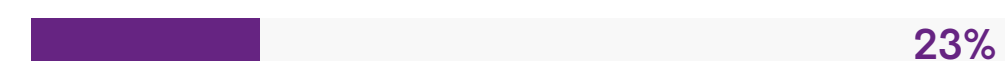
High conversions



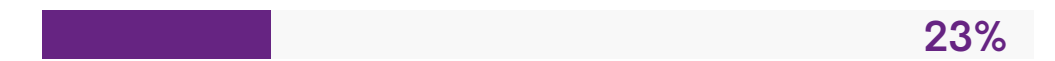
Poor engagement via email campaigns



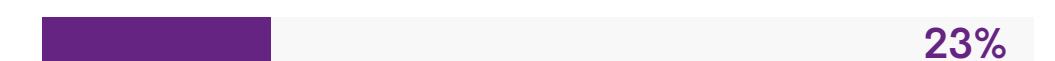
Increase attention to your brand



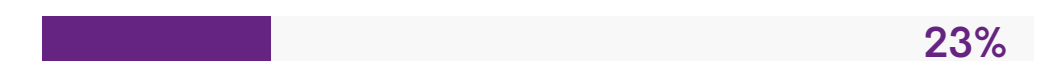
Customer demands or expectations



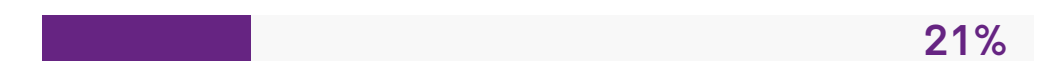
Enhance customer experience (real time notifications)



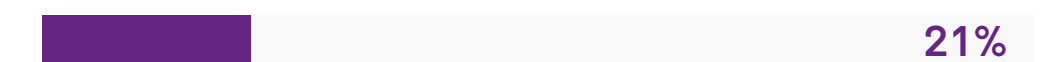
2-way capabilities



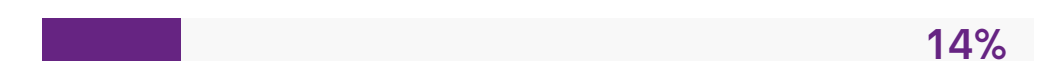
Lower cost per view



Capabilities for personalization



Poor performance of digital advertising





# Action Plan

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## Step 1

### Take ownership of the customer experience.

Delighting customers through their experiences with your brand takes a planned, holistic approach that stretches across their lifecycle. Priorities for marketers include:

- ▶ **Be proactive.** Carry out steps to reduce customer effort such as pre-emptively delivering additional information or an exclusive deal while a customer has a product in their cart.
- ▶ **Be personal.** Just as your content should cater to what you know the customer needs, it's also important to consider factors such as the opportune places to approach your customers at.
- ▶ **Be consistent.** The responsibility for the customer experience cannot solely lie with you, but make sure to collaborate with other departments such as customer support to ensure a frictionless experience at any touchpoint.

## Step 2

### Tackle deliverability issues.

While you may be most concerned with the content of what you send to customers, how it gets delivered also matters. Given 1 in 4 marketers uses antiquated tools or technology, a key step is to assess whether your current technology could be preventing you from fast-tracking your customer engagement efforts.

Ask yourself: do you have the right mix of digital channels that customers have come to expect brands will use to interact with them, especially since the pandemic created an accelerated shift to digital? Then advocate for your company to address any solutions gap urgently with investments in technology like A2P SMS with a trusted deliverer for quick and reliable message delivery, which will enhance the effectiveness of your brand's communications.

## Action Plan

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### Step 3

## Leverage digital communications to the full extent.

When omnichannel interlinks all the traditional marketing channels, all parts of the conversation flow within one system. Regardless of how customers communicate with you, they experience a single conversation with no delays.

In order to leverage digital communications to the full extent, you need to break down communication siloes that could prevent omnichannel marketing. It sounds complex, but keep it simple. Opting to work with a trusted provider to help you bring together multiple channels in your communications stack is arguably the fastest and easiest path.

### Step 4

## Experiment with new digital channels.

Don't rest on your laurels when it comes to the channels you use to connect with your customers. It's important to stay relevant with consumers and that includes where you reach them:

- ▶ **SMS.** With people spending more time at home and with their mobiles in hand, explore SMS to deliver concise, timely information, offers, updates and more to drive revenue and platform growth.
- ▶ **Chat apps.** The messaging app marketing world is still in its early days but the time consumers spend on these apps is on the rise and it has enough popularity that you should take notice.

## Methodology

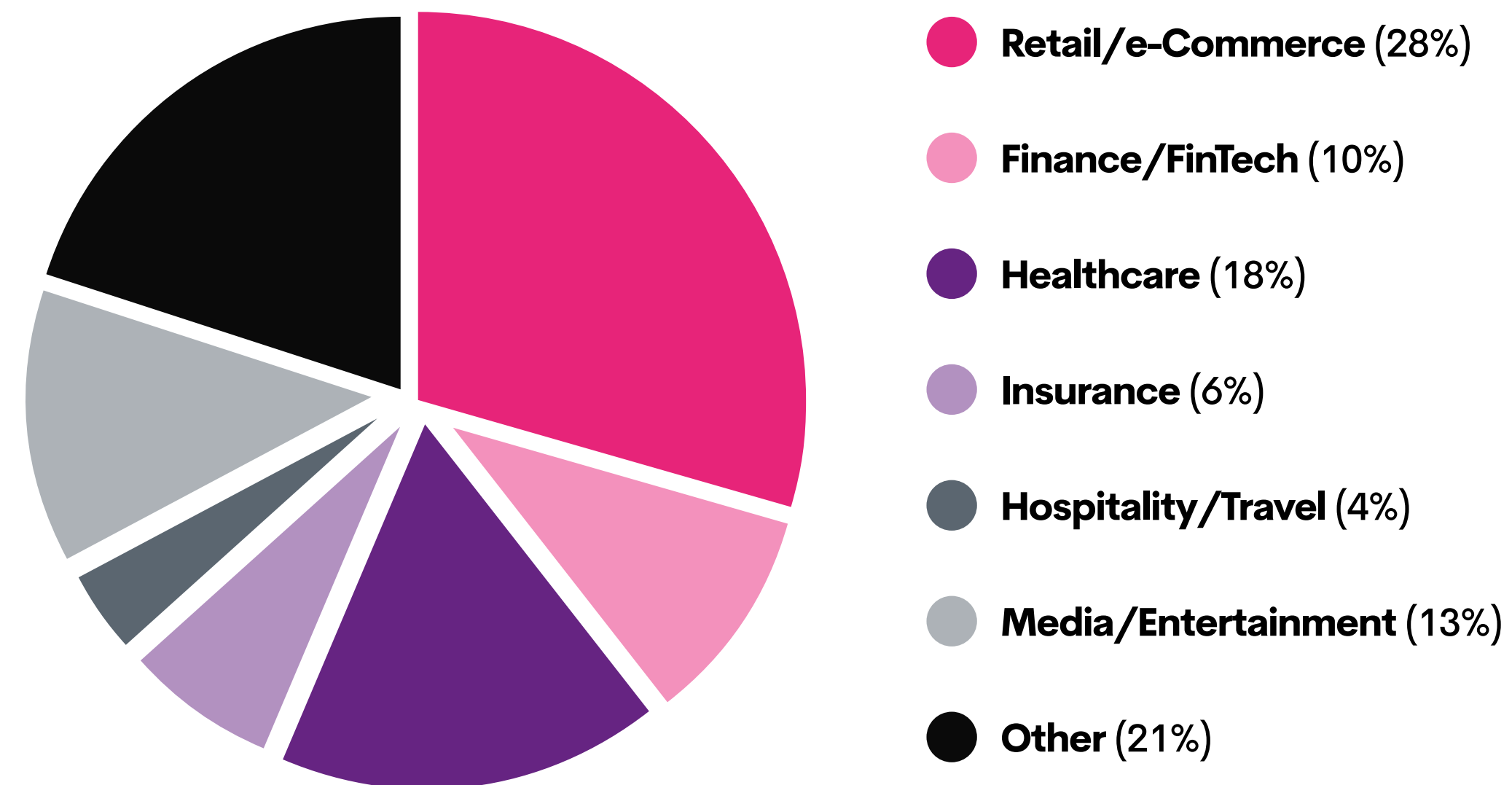
This 2021 State of Customer Engagement survey was administered online during the period of December 26, 2020 through January 9, 2021. During this period, 505 responses were collected, 166 of which were qualified and complete enough for inclusion in the analysis. Only valid or correlated findings are shared in this report.

The representativeness of this study's results depends on the similarity of the sample to environments in which this survey data is used for comparison or guidance.

Figure 16 shows the percentage responses by industry.

● Figure 16

What industry are you in?





Mitto is a leading provider of global, omnichannel communications solutions, supporting business growth with advanced customer engagement technology and messaging enablement. Offering easy-to-integrate SMS, Voice, and Chat App APIs, next-generation business messaging, and end-to-end phone number management, Mitto's platform ensures the world's largest brands and MNOs are ready for what's next. We make communications happen. Get started today.

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