THE STATE OF CUSTOMER ENGAGEMENT 2020
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## ABOUT LONDON RESEARCH

London Research, set up by former Econsultancy research director Linus Gregoriadis, is focused on producing research-based content for B2B audiences. We are based in London, but our approach and outlook are very much international. We work predominantly, but not exclusively, with marketing technology (martech) vendors and agencies seeking to tell a compelling story based on robust research and insightful data points.

As part of Communitize Ltd, we work closely with our sister companies Digital Doughnut (a global community of more than 1.5 million marketers) and Demand Exchange (a lead generation platform), both to syndicate our research and generate high-quality leads.

For more information, visit [https://londonresearch.com](https://londonresearch.com)

## ABOUT DOTDIGITAL

dotdigital is a leader in customer engagement technology. dotdigital’s Engagement Cloud is the platform of choice for businesses seeking to engage customers across all touchpoints.

The platform’s features empower 4,000+ brands across 150 countries to acquire, convert, and retain customers.

Users can connect customer data, surface powerful insights, and automate intelligent messages across email, SMS, social, and more.

dotdigital is a global company with over 350 employees, serving companies of all sizes and in all verticals for over 20 years.

For more information, visit [https://www.dotdigitalgroup.com](https://www.dotdigitalgroup.com)
Foreword by dotdigital

Gavin Laugenie
Head of Strategy and Insight
dotdigital

If there’s one thing I’m proud to be a part of during my time at dotdigital, it’s the continued work that we do with our partners like London Research to deliver pieces of research like this report. At times, as marketers or strategists, we can be conflicted, or the tactics we employ for our brands may not be what we'd necessarily like as consumers. Take the case of pop-ups: marketers love them, but consumers aren’t always thrilled to see them. For the most part, I think we can all agree that the overall experience for our customers should be paramount and the results in this report support this view.

For all of us here at dotdigital, customer experience and engagement are what we've been seeking to help our clients with. As this report highlights, brands need to focus more on data to better engage with customers. Data is key to unlocking a more personalised and less daunting experience.

The good news is that we have the tools and technology available to deliver the journey that every one of us would like to take our customers on. The sheer amount of data we have at our fingertips means our comms no longer need to use the old batch-and-blast approach but can be automated to deliver a more one-to-one and conversational feel. This means everyone gets exactly what they need, whatever that may be, whenever they need it.

It should be easy, right? Brands just need to connect and communicate better and as a result, everyone would have the most connected and engaged databases. In reality, a move to this more engagement-focused approach doesn’t happen overnight. I would consider this an advanced level for any business to be operating at, and only 9% of respondents to our survey said they were truly putting the customer at the heart of their business.

To advance this approach throughout the organisation, businesses need to overcome their issues by developing a single customer view (SCV), which in turn requires well-integrated tech platforms. I’ve personally seen businesses struggle with legacy systems that halt development and innovation, while antiquated organisational structures impede the vital sharing of data across the business. This is another key requirement to creating a consistent and engaging experience along the path to purchase and beyond.

Data is worthless if it’s siloed; the only way to truly work towards a SCV is to ensure all the tools in your tech stack are in some way integrated. While almost 80% of respondents use email platforms, the survey results show that marketers are really feeling the pinch when it comes to further integration, with 65% of businesses having integrated email and CRM tools, and only 56% having integrated email with their digital analytics tools. The numbers get even worse when we look at other types of technology. And it’s not as though we don’t have the data we need; in some cases we probably have too much of it.

Brands need to connect their data better because customers know what is possible and they demand a better level of engagement. Those that adopt a customer engagement approach to their marketing strategy typically see improved customer satisfaction, resulting in improved customer retention and financial performance. B2C organisations, for instance, measure impact in increased order values and reduced marketing costs, while their B2B counterparts use customer engagement techniques to boost acquisition and optimise lead quality.

All in all, consumers expect personalised experiences. Brands are well aware of the growing expectations of consumers. Personalisation has been, according to 25% of those surveyed, one of the most important customer engagement-related trends in the last five years. The need to personalise is driving intermediate and advanced brands to focus more on artificial intelligence as a tool to accelerate the customer experience into new realms of personalisation.
Executive summary

The State of Customer Engagement 2020 report, published by London Research in partnership with dotdigital, is based on a survey of just under 700 marketers. Customer engagement as a concept has been around for more than a decade. It encapsulates the change in marketing philosophy brought about by three effects of digital media: the rise of marketing automation, the move from one-to-many broadcast marketing to one-to-one conversational commerce, and the proliferation of transactional, programmatic messaging.

The result has been that, just as marketers have found they need to find new ways to communicate with customers and build long-lasting relationships, they have also been given entirely new, automated capabilities to deliver the relevant, timely messaging required to do so, via the channels those customers prefer.

But adopting a customer engagement-based approach is not simple. It requires significant organisational change to put the customer at the heart of the organisation, underpinned by investment in marketing technology. It’s therefore perhaps not surprising how few companies are taking full advantage of this approach. Only 9% of respondents in this survey said they were at an advanced level, with 40% describing their customer engagement as ‘basic’ and another 47% saying it was ‘intermediate’.

The principal barriers, according to the research, are the difficulty of getting a unified view of the customer, and disconnected technology platforms. Many organisations are struggling with legacy systems that work as separate entities, while their organisational structures hamper the data sharing that is required to create a consistent, coherent and engaging experience throughout a customer’s entire journey to purchase.

In terms of technology, the research found that companies are most commonly using email marketing platforms (in 79% of cases), content management systems (65%) and social media management platforms (62%) for customer engagement. But creating a single customer view across these systems is a challenge: while around two-thirds (65%) of companies have integrated their email marketing platform with their CRM system, and more than half (56%) with their digital analytics, levels of integration are far lower for other types of technology.

At the same time, marketers are very aware of consumers’ continuing desire for greater personalisation in their communications with businesses, and the opportunities this creates. The research found a quarter (25%) of client-side respondents identify personalisation as the most important customer engagement-related trend of the next five years. This is leading those businesses that are more advanced in their customer engagement to look towards artificial intelligence for help.

While only 13% of client-side respondents said they thought AI would be the most significant trend in customer engagement in the next five years, those who describe their organisations as ‘advanced’ or ‘intermediate’ are 70% more likely than their peers to focus on AI. The possibility exists that AI could accelerate the growth of these more mature organisations, widening the gap between them and those still struggling with the basics of customer experience even more.
Methodology

The State of Customer Engagement 2020 report is based on a global survey of 689 marketing professionals carried out in July 2019. The survey was publicised by London Research, its sister company Digital Doughnut and associated LinkedIn groups. dotdigital, the research sponsor, also promoted the survey to its database of marketing professionals.

The survey results predominantly focus on the data from in-company marketers including those working for supply-side companies focused on their own marketing activities rather than their clients’ (491 respondents in total). In charts comparing client-side and agency findings, agency respondents include those focused on their clients’ marketing activities working for agencies, consultancies and technology companies.

The report also includes regional breakdowns of findings, including for Europe, North America and Asia Pacific (APAC). Respondents in Europe comprised 52% of the total sample, compared with 20% for North America and 22% for APAC. There are also breakdowns for B2B and B2C, with an equal number of client-side companies (110) focusing exclusively on either area. Further information about the profile of survey respondents, including a breakdown by business sector, is provided in the appendix of the report.
Customer engagement is now a familiar concept for marketers, rooted in the need for better connections and longer-lasting relationships to build strong brands and drive commercial success.

While the concept has been around for well over a decade, many organisations struggle to translate the idea of customer engagement into reality in both digital and physical environments, a challenge often exacerbated by the burden of legacy processes and systems.

This report aims to cast the spotlight on the channels and technologies used by companies for customer engagement, and the opportunities for both B2B and B2C marketers to raise their game at a strategic and tactical level.

Figure 1 shows that while businesses have made some progress in the field of customer engagement, there remains much work to do. Only a single-digit percentage of respondents (9%) describe themselves as at an 'advanced' level, defined as having technology and processes 'very much geared towards providing the best possible customer engagement across both digital and traditional channels'. But more encouragingly, an even lower proportion (4%) admit to having ‘non-existent’ customer engagement activities.

The vast majority of companies – and probably your own – sit somewhere in the middle. They are either at the start of their journey when it comes to effective customer engagement (‘basic’, 40%), or at a stage where most of their marketing activities are integrated, but with ‘significant room for improving technology and processes’ (‘intermediate’, 47%).

**FIGURE 1**
How would you describe your company’s level of maturity when it comes to omnichannel customer engagement?

- **Non-existent** – we don’t have any meaningful customer engagement activities
- **Basic** – we are at the start of our journey when it comes to effective customer engagement
- **Intermediate** – most of our marketing activities are integrated but there is significant room for improving technology and processes
- **Advanced** – our technology and processes are very much geared towards providing the best possible customer engagement across both digital and traditional channels

Just under half of respondents (47%) classify their companies as ‘intermediate’ for omnichannel customer engagement.
Regional differences in perceived customer engagement capabilities

Excellence in customer engagement means different things to different people, partly depending on the nature of the markets in which companies operate and the intensity of the competitive landscape.

This is borne out by the way survey respondents in different regions rate the level of customer engagement for their own organisations (Figure 2). In North America, for example, marketers appear modest when it comes to self-assessment, with only 1% classifying themselves as ‘advanced’, compared to 18% in Asia Pacific (APAC). Those in North America are more inclined than their peers in other territories to say they have reached an ‘intermediate’ level of proficiency, with some ground still to cover in their quest for customer engagement excellence (56% in North America compared to 46% in Europe and 42% in APAC).

This is arguably because companies in America set a higher bar for true customer engagement proficiency than businesses elsewhere, with particularly intense competition from digital start-ups and established brands across all sectors.

Figure 34 (see Appendix 2) shows the differences in how B2B and B2C respondents rate their organisations for customer engagement maturity. Despite the higher average value of individual B2B customers and the strong B2B heritage of data-driven marketing, B2B organisations are slightly behind their B2C counterparts when it comes to reaching what they see as ‘advanced’ or ‘intermediate’ customer engagement capability (53% vs. 56%).
The commercial impact of customer engagement

The importance of customer engagement to modern-day business is evident in the range of key performance indicators (KPIs) and metrics used to measure its impact (Figure 3).

While there is no standardised way of measuring customer engagement per se, organisations typically grasp – admittedly to varying degrees – that closer connections with customers are crucial for meeting their commercial objectives.

Many businesses measure the impact of engagement activities in terms of customer satisfaction, which is correlated with customer retention and financial performance. In the B2C market, more than four in ten (42%) organisations highlight improved customer satisfaction as a function of customer engagement, and something they measure. This compares to just over a third (35%) of B2B companies who say they measure satisfaction levels.

Companies also recognise the impact of customer engagement in delivering tangible commercial benefits, above and beyond how customers feel about product and service quality. Around three-quarters of organisations (73% for B2B and 79% for B2C) link engagement to sales, the most important KPI for most organisations alongside profitability.

In the B2C arena, just under a third (31%) measure the benefit of engagement in terms of increased average order value, while around a quarter (24%) measure the impact in terms of reduced marketing costs. In B2B, there is a strong focus on using customer engagement techniques not just to boost acquisition and retention, but also to optimise the quality of their customer base, such as via increasing lead quality (49%) and customer lifetime value (26%).

In summary, the importance of customer engagement is reflected in its direct impact on a series of KPIs which are inextricably linked with commercial success.

In B2B, there is a strong focus on using customer engagement techniques not just to boost acquisition and retention, but also to optimise the quality of their customer base...
Use of different channels for customer engagement

Fruitful customer relationships can grow from the smallest seed, whether it is a timely response to a tweet or Instagram comment, a discounted offer at exactly the right time, or a personalised email which homes in on the right interests. Customer engagement is context-dependent, and businesses need to be present whenever and wherever individuals are ready to engage.

To this end, companies typically need to deploy a range of digital and traditional marketing channels, and they must do so in an integrated fashion. Communications need to be joined-up and strategically thought-out, whatever the touchpoint through which they are interacting with users.

Those who get this right can engage prospects and customers effectively throughout the path to purchase (and beyond), bringing a range of commercial benefits of the kind outlined in the previous section.

Figure 4 shows the most ubiquitous digital and traditional channels used by companies to engage with customers, with the ‘stock’ go-to-market digital channels – website (95%), email (91%) and social media (87%) – most prominent. It is notable that despite the plethora of channels available, only six of the 14 featured are in use by more than half of respondents.
Relatively few businesses deploy call centres (31%) and branches (27%) as a way of engaging with customers, though this percentage increases to 46% and 39%, respectively for companies with annual revenues of more than USD100m. In many industries human interaction remains the bedrock of all interaction, though for a huge swathe of smaller businesses, digital channels alone can largely suffice.

Also striking is the low penetration of messaging apps (28%) as customer engagement enablers. Fast-growing wireless operator T-Mobile US is one of numerous businesses that have long cited chat tools as a major relationship-builder with users, and in 2018 built on this with its ‘Team of Experts’ platform, giving contract customers the ability to message dedicated reps “like they do with their friends”. “The best relationships start with a conversation”, noted Robert LoCascio, CEO of LivePerson, T-Mobile’s partner on the project.1

It goes without saying that someone researching a product or service is more likely to look positively on companies that open up a deeper, more substantial dialogue with them, assuming that the engagement is relevant and adds value. This closer connection, in turn, lets the organisation filter out leads that are less likely to convert into paying clients – raising per-user revenue and efficiency – and gain insights to further build lifetime value, through cross-selling, upselling and retention.

APAC seizing the agenda on engagement via messaging apps

In mobile-oriented APAC, marketers appear more prepared than their peers in North America, and particularly Europe, to experiment when it comes to engaging users where they spend most time (see Figure 35 in Appendix 2). This includes via messaging tools such as WhatsApp or Facebook Messenger. They are slightly less inclined, however, to engage via more established channels such as websites, email, social media, paid search, print media, direct mail and call centres.

Building visibility and awareness

The need for the right mix of channel options to maximise customer engagement is reflected by the differing levels of emphasis companies place on different touchpoints throughout the path to purchase and beyond. Like any good sporting team, businesses must draw on the strengths of certain players to respond effectively in distinct situations, whether building awareness and nurturing prospects, or converting and then retaining customers.

Figures 5 to 9 show how the focus on different channels ebbs and flows at different stages of the sales and marketing cycle. While the email, social media and website triumvirate dominates throughout, other channels have a big part to play too.

In the ‘building visibility and awareness’ phase (Figure 5), social media (24%) and websites (22%) are almost twice as likely as email (13%) to be regarded as the most effective channel, likely owing to the reluctance of many companies to email third-party lists in an age of permission-based marketing. Paid search advertising is seen as a top-three top-of-the-funnel channel by almost as many respondents as email (37% versus 40%), while digital display ads (24%) also make the top five.

Traditional media channels also have a role to play in helping to drive mass awareness, most notably TV advertising which 9% of respondents make their first choice. This figure increases to 16% for organisations with $100m-plus annual revenues.

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1 https://www.liveperson.com/resources/releases/team-of-experts/
Search engine-optimised websites and inbound marketing crucial for growing lists

Social media is seen to be particularly important for top-of-funnel awareness building (Figure 5), with more respondents rating it as their first-choice channel (24%) than any other medium, marginally ahead of websites (22%).

The top two positions are reversed for list acquisition (Figure 6), with many companies effectively utilising inbound marketing and SEO to convert website visitors into opted-in subscribers. Nearly a third (29%) of respondents rank their websites as the top channel for list acquisition, compared to only 14% for social media and 16% for email.

Despite increased concern about data privacy and lack of transparency in the digital advertising ecosystem, digital display ads still have a role to play in the awareness and list building stages, with just under a quarter of respondents ranking display ads as a top-three channel for both phases.

Websites come out on top as the most effective channel for list acquisition, with companies utilising SEO and inbound marketing techniques.
Email reigns supreme for engagement and lead nurturing

It is clear from Figure 7 that email is the linchpin for engaging and nurturing leads, with more than a third (35%) of respondents ranking it as the single most effective channel in this context, and more than two-thirds (68%) making it one of their top three.

The pre-eminence of email as a fulcrum is particularly important in the world of B2B where three-quarters (75%) of respondents rank the channel among their top three, compared to 52% for social media and 51% for website (see Figure 36 in Appendix 2). For many B2B companies set up for marketing automation, email marketing is integral to their efforts to nurture and score leads before they are passed to sales departments tasked with converting marketing- and sales-qualified leads into customers.
SECTION 2
USE OF DIFFERENT CHANNELS
FOR CUSTOMER ENGAGEMENT

FIGURE 8
Most effective channels for conversion into customers

<table>
<thead>
<tr>
<th>Channel</th>
<th>First choice</th>
<th>Second choice</th>
<th>Third choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website</td>
<td>23%</td>
<td>19%</td>
<td>13%</td>
</tr>
<tr>
<td>Email</td>
<td>19%</td>
<td>22%</td>
<td>15%</td>
</tr>
<tr>
<td>Social media</td>
<td>8%</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Paid search advertising</td>
<td>10%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Call centre</td>
<td>11%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Direct mail</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>In-store/in-branch</td>
<td>10%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Digital display ads</td>
<td>10%</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Messaging apps</td>
<td>8%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>Print media</td>
<td>4%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Push messages</td>
<td>4%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>SMS (text)</td>
<td>3%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>TV advertising</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Websites and email key for conversion

Websites (55%) and email (53%) rule the roost when it comes to conversion (Figure 8), with more than half of respondents ranking these channels in their top three. Social media (32%), paid search advertising (31%), call centre (26%) and direct mail (20%) also figure prominently at this crucial phase of the cycle. One in ten companies surveyed rank in-store/in-branch as their number-one channel for conversion, again underscoring the importance of offline channels for many companies.

FIGURE 9
Most effective channels for customer retention and loyalty

<table>
<thead>
<tr>
<th>Channel</th>
<th>First choice</th>
<th>Second choice</th>
<th>Third choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>37%</td>
<td>20%</td>
<td>14%</td>
</tr>
<tr>
<td>Social media</td>
<td>11%</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td>Website</td>
<td>13%</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Direct mail</td>
<td>8%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Call centre</td>
<td>8%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>In-store/in-branch</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Messaging apps</td>
<td>8%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>SMS (text)</td>
<td>3%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Print media</td>
<td>5%</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Push messages</td>
<td>4%</td>
<td>8%</td>
<td>13%</td>
</tr>
<tr>
<td>TV advertising</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Digital display ads</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Paid search advertising</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Email in league of its own for customer retention and loyalty

The pre-eminence of email is even more evident for customer retention and loyalty (Figure 9) than it was for engagement and lead nurturing. More than a third (37%) of respondents make email their number-one channel for post-purchase engagement, and 71% rank the channel in their top three. This compares to only 44% and 41%, respectively for social media and websites.
How the right marketing technology platform underpins success

Customer engagement fundamentally means putting the needs and behaviour of the customer at the centre of the whole company strategy. While a successful strategy is by no means about technology alone, efficient customer engagement strategies are underpinned by data garnered from technology, and therefore having the right tools in place is essential.

Today’s companies are typically using a variety of martech solutions in combination to gain a real-time, holistic view of the customer. A single customer view (or even something close) cannot be achieved without technology, but equally, the organisation needs to have a collaborative culture where all departments and teams have access to the data-driven insights derived from the tools.

Companies are using a wide range of martech tools for customer engagement

Companies are using a wide range of marketing technology solutions for engagement, as outlined in Figure 10. When asked about the types of marketing technology commonly used for customer engagement, the platforms most frequently cited by client-side respondents were email marketing platform (79%), content management system (65%) and social media management platform (62%), which again reflects the dominance of email, websites and social media seen clearly in the previous section.

FIGURE 10
Which types of marketing technology do you (or your clients) use for customer engagement?

Email marketing platform

<table>
<thead>
<tr>
<th></th>
<th>Company respondents</th>
<th>Agency respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>79%</td>
<td>82%</td>
</tr>
<tr>
<td>CMS</td>
<td>65%</td>
<td>74%</td>
</tr>
<tr>
<td>Social</td>
<td>62%</td>
<td>73%</td>
</tr>
<tr>
<td>Marketing</td>
<td>34%</td>
<td>49%</td>
</tr>
<tr>
<td>Customer</td>
<td>27%</td>
<td>36%</td>
</tr>
<tr>
<td>Live</td>
<td>19%</td>
<td>27%</td>
</tr>
<tr>
<td>None of</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>4%</td>
</tr>
</tbody>
</table>
With email well-established as a long-standing marketing platform, it is unsurprising that this is the marketing tool leading the charge in customer engagement. As most marketers have firm grounding in the basics of email best practice, email allows companies to grasp the low-hanging fruit when it comes to engaging customers. Not only are customers highly responsive to emails but also the channel, with its in-built metrics, is easy to measure and track.

An effective CMS in conjunction with digital analytics allows companies to gain visibility on customer behaviour as they interact with different elements of the website. The implicit and explicit data captured at an individual level allows companies to provide richer and more personalised experiences at different touchpoints, both on the website and across other channels when the right connections with other marketing systems are in place.

Social media management platforms are another effective way to interact with customers across sites such as Facebook, Instagram, Twitter and LinkedIn. But while it is clear that email, content marketing and social media remain the biggest channels for customer engagement, other areas of martech also have an important role to play.

Marketing automation technology is currently being employed by just over a third (34%) of companies, while 27% say they are using customer engagement platforms. Both of these technologies are still emerging, but it should be pointed out that good old-fashioned email is often very much at the heart of marketing automation and multichannel marketing platforms positioned as customer engagement or marketing cloud technologies.

Regional breakdown

Figure 11 shows the breakdown across different regions. Looking at the top three types of marketing technology used, the proportion of respondents using their email platform for customer engagement is slightly higher across Europe (85%) and North America (82%) than the APAC region (69%).

When it comes to content management systems, Europe tops the poll, with 71% of companies using their CMS for customer engagement. In contrast, just over half of respondents in North America (58%) and APAC (57%) are making use of their CMS. A similar proportion (around two-thirds) of European (62%), North American (63%) and APAC (59%) respondents are making use of their social media management platforms for customer engagement.
Despite the rise of automation, the ability to build ‘intelligent automation programmes’ in response to customer behaviour is not yet on the agenda for many companies surveyed.

The right tools and technology are needed to power organisational goals and key objectives

The right combination of martech tools is essential for allowing marketers to deliver against a range of increasingly achievable capabilities highlighted in Figure 12. As companies have access to greater volumes of data, they are in a better position to individualise and tailor customer experiences, fuelling engagement and creating deeper and more meaningful interactions.

Many companies are focused on real-time responsiveness, with almost two-thirds (63%) ‘strongly’ or ‘somewhat’ agreeing that they can ‘enhance the customer journey with behaviour-triggered communications’. Just over half (54%) agree that they use their marketing platform to increase relevance, by sending welcome messages or birthday wishes.

While only 34% of companies are currently making use of a marketing automation platform (Figure 10), 60% of companies agree that they can ‘automate communications, such as email, SMS, push and digital ads’. This indicates that companies are currently ramping up their marketing automation efforts, even if this isn’t necessarily powered by a dedicated marketing automation platform. Companies are using a range of tools to automate marketing communications, including, most obviously, email.

Despite the rise of automation, the ability to build ‘intelligent automation programmes’ in response to customer behaviour is not yet on the agenda for many companies surveyed. Only 14% of companies strongly agree they can do this ‘in minutes’, while 32% somewhat agree. Over a third (36%) of companies disagree, while 18% remain neutral.

---

**Figure 12**

Do you agree or disagree with the following statements relating to your marketing platform?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Somewhat Agree</th>
<th>Neither Agree Nor Disagree</th>
<th>Somewhat Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>We can enhance the customer journey with behaviour-triggered communications</td>
<td>28%</td>
<td>35%</td>
<td>16%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>We can automate communications such as email, SMS, push and digital ads</td>
<td>23%</td>
<td>37%</td>
<td>15%</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>We can delight customers with relevancy, from welcome messages to birthday wishes</td>
<td>22%</td>
<td>32%</td>
<td>24%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>We can easily pass data to external platforms (e.g. CRM)</td>
<td>21%</td>
<td>29%</td>
<td>20%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>We can nurture our prospects to ensure we have highly qualified leads</td>
<td>20%</td>
<td>43%</td>
<td>21%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>We can score the level of engagement of prospects</td>
<td>16%</td>
<td>37%</td>
<td>25%</td>
<td>14%</td>
<td>4%</td>
</tr>
<tr>
<td>We can build simple or intelligent automation programmes in minutes</td>
<td>14%</td>
<td>32%</td>
<td>18%</td>
<td>21%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Almost two-thirds (63%) of respondents agree their companies can ‘enhance the customer journey with behaviour-triggered communications’.

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**SECTION 3**

HOW THE RIGHT MARKETING TECHNOLOGY PLATFORM UNDERPINS SUCCESS

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londonresearch.com
UK: +44 (0)207 193 4600
US: +1 415-463-7044
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Organisations must be able to create an exciting customer experience across all touchpoints, whenever and wherever the brand interacts with the customer.

Companies are held back by organisational silos and disconnected technology

From the perspective of both company and agency respondents, the most significant barriers preventing more effective customer engagement are difficulty getting a unified view of the customer and disconnected technology platforms (Figure 13), with the latter often being the cause of the former.

A unified view provides companies with the full customer picture, where trends and patterns in customer behaviour are used to enhance the customer experience. A siloed view where visibility is restricted within the confines of individual channels is outdated, with brands now fiercely competing to provide a more compelling and joined-up customer experience based on a complete view of individual interactions.

From the customer perspective, the experience needs to be seamless, and this cannot happen without integrated technology. As seen in Figure 10, the research indicates that companies are using a range of platforms, but the challenge now is to integrate the insights from different solutions to drive actions through the appropriate channels.

Legacy technology often operates in silos, but with companies using a wealth of tools, these different platforms must have the ability to come together by sharing data. As Figure 13 shows, many organisations are still lumbered with disconnected technology platforms that work very much as separate entities and no longer meet the needs of modern marketers.

Organisations must be able to create an exciting customer experience across all touchpoints, whenever and wherever the brand interacts with the customer. This means customer engagement cannot be the remit of marketing or sales alone, or indeed any single department. However, as Figure 13 shows, 10% of client-side respondents believe that their siloed organisation structure is their biggest problem in the context of customer engagement.

While technology can help organisations, effective customer engagement ultimately requires organisational change at a higher level.
Companies are at risk of missing out on key opportunities since a single, unified view is essential for understanding how individual customers interact at every touchpoint.

Companies must integrate email and marketing automation tools with other types of technology

Figure 14 shows the proportion of companies integrating their email or marketing automation platforms with other types of marketing technology. It is encouraging to see a majority of companies have integrated with their CRM (65%) and digital analytics (56%), but the numbers are significantly lower for other types of technology.

Only 16% have integrated their email or marketing platform with a customer data platform (CDP), an increasingly popular tool for organisations seeking to ingest data from a range of tools to create unified profiles. A separate London Research survey of businesses with annual revenues of at least $50m found that over half (51%) are already using a CDP, while another third (35%) are planning to invest in one.²

Companies are at risk of missing out on key opportunities since a single, unified view is essential for understanding how individual customers interact at every touchpoint. Integrated data is the battery that companies need to power an outstanding customer experience where key exchanges are optimised in real time.

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Regional breakdown

Figure 15 shows the breakdown between different regions. The proportion of respondents in North America integrating their email or marketing automation platform with CRM technology is slightly lower at 58% compared to 69% for Europe and 63% for APAC.

North American respondents are more likely to integrate with digital analytics, with six in ten respondents (62%) reporting they are currently integrating analytics systems with email and marketing automation platforms. Conversely, under half of APAC (46%) respondents are currently integrating digital analytics.

The percentage of respondents in Europe who report integration of email and marketing automation platforms with CRM.

European respondents are most likely to report integration of email and marketing automation platforms with CRM solutions.
Use of automated marketing campaigns

Marketing automation enables companies to make intelligent, smart decisions that are backed up by comprehensive and detailed data. Automation delivers campaigns with maximum impact and relevance, freeing up marketers to focus on other critical tasks.

Automating certain processes streamlines marketing efforts to deliver highly effective, deeply engaging campaigns that form the basis of long-term customer relationships and enduring loyalty.

Figure 16 shows the level of uptake for different types of automated marketing tactics, while Figure 17 illustrates the level of effectiveness for some of the key types of automated programmes.

Just under half (45%) of marketers are employing welcome programmes as part of an automated campaign, while 37% are using transactional emails, such as order confirmations. Customers now expect these types of campaigns, building trust as they interact online.

A welcome email is the first step in establishing a relationship and helps to set realistic expectations in terms of allowing the customer to understand what they can expect to receive from the company.

A transactional email can now be thought of as a hygiene factor for cementing customer trust, and such emails can be easily optimised by marketing automation platforms. Testing is key for understanding what works, and the advantage of marketing automation platforms is that they can test different iterations of the same email to send out marketing communications that are optimised to individual customer needs and preferences.

After welcome programmes and transactional emails, the next most widely used type of automated campaign is re-engagement, utilised by 34% of companies surveyed.
Looking at the effectiveness of different types of email marketing campaigns (Figure 17), it is apparent that marketers are reaping the benefits of automated campaigns; the majority of companies deem each type to be ‘very’ or ‘quite’ effective.

The overwhelming majority of companies (82%) report automated event marketing campaigns to be successful, while 86% say automated retargeting has been very or quite effective. Re-engagement is thought to be effective by 89% of companies, with just under a quarter (24%) reporting it is very effective.

Somewhat surprisingly, basket abandonment emails are the type of campaign marketers are most likely to cast doubt on, with more than a third of respondents (37%) regarding these as ‘not effective’. There could be multifaceted and multiple reasons for why the customer is abandoning the checkout. While many companies are reaping the benefits of checkout abandonment emails, those failing to see an uplift should seek further information to drill down into the reasons. Sometimes a reminder email will not cut it, given that the customer may have abandoned the basket for a very distinct reason. Rather than leaving this to marketing automation, companies need to tackle abandoned basket rates with a far more nuanced strategy.

The proportion of respondents that regard basket abandonment email campaigns as effective.
AI-driven personalisation

Boston Consulting Group estimates that brands that create personalised experiences by integrating proprietary data and advanced digital technologies are achieving revenue increases of between 6% and 10%. It’s not just businesses that are attracted by the potential upside of personalisation; consumers crave personalised experiences and the vast majority (81%) would go as far as to switch loyalty to brands that provide them with a better, more personalised service.4

Both client-side and agency respondents are aware of the potential of personalisation and increased relevance, with around a quarter (25% and 26%, respectively) identifying them as the most important customer engagement-related trend in the next five years (Figure 18). As will be seen in the next section, personalisation is also viewed as the third most important capability of an email marketing platform.

While the evidence that personalisation can deliver strong returns is clear, getting it right can seem like a daunting task for many organisations. Limited data and a lack of integrated technology have often been cited as the main stumbling blocks. Fortunately, the last few years have pushed the boundaries of technology, empowering businesses to deliver highly effective personalised marketing campaigns.

Inability to track customers across channels and attribute sales accordingly is another commonly cited hurdle, and one that marketers are set to overcome: a fifth (19%) view increased integration between channels as an important trend moving forward. Cross-channel limitations seem to be a pervasive issue in the B2B arena as B2B marketers are nearly three times as likely as their B2C counterparts (36% vs. 14%) to focus on integration over the next five years (Figure 19).

It’s worth noting that the focus on integration is not just the preserve of those who haven’t managed to move up the omnichannel engagement maturity curve: those who are at a ‘basic’ stage or don’t have any meaningful customer engagement activities (see Figure 1) are almost as likely as their more mature peers to cite it (21% vs. 18% – see Figure 37 in Appendix 2).

FIGURE 18
What do you think will be the most important customer engagement-related trend for your business (or your clients) in the next five years?

Client-side respondents see the trend towards personalisation and relevance as the most significant over a five-year view, while agency respondents are most likely to highlight AI.
**FIGURE 19**
What do you think will be the most important customer engagement-related trend for your business in the next five years? (B2B vs. B2C)

<table>
<thead>
<tr>
<th>Trend</th>
<th>B2B</th>
<th>B2C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased integration between channels</td>
<td>14%</td>
<td>25%</td>
</tr>
<tr>
<td>Personalisation and relevance</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>Marketing automation</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Artificial intelligence / machine learning</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Use of video</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>Live or dynamic content within email</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Gamification</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Live chat</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Virtual reality / augmented reality</td>
<td>2%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Agencies tune into the power of AI**

Agency respondents are noticeably more tuned into the opportunities afforded by artificial intelligence (AI) and machine learning (29% compared to only 13% of company respondents, Figure 18), which is unsurprising given their focus on understanding how technology can be best used to complement and enhance the work they do. Client-side respondents with greater omnichannel engagement maturity – describing their organisations as ‘advanced’ or ‘intermediate’ – are 70% more likely than their peers to focus on AI (see Figure 37 in Appendix 2). North American and APAC marketers are twice as likely as their European counterparts to single out AI as an important trend (18% and 21%, respectively, compared to only 10% in Europe – see Figure 38 in Appendix 2).

AI is particularly relevant in the context of personalisation as it can help brands deliver personalised experiences at scale, with a high degree of accuracy and the ability to factor in a wide variety of variables. AI-powered personalisation, often referred to as hyper-personalisation, was initially explored by forward-thinking fashion and apparel brands trying to introduce a new level of customisation beyond basic recommendation engines and segmented emails, and remove much of the guesswork involved in optimising customer interactions.

In anticipation of a future where increased loyalty, decreased acquisition costs and more efficient marketing spend will be easily attainable goals, the proportion of organisations that are combining the power of AI with the wealth of data at their disposal to drive personalisation is gradually increasing.

**Marketing automation** emerges as the third most important engagement-related trend for the near future, with those at the beginning of their journey towards omnichannel engagement (‘basic’ or ‘non-existent’, as seen in Figure 1) 50% more likely to home in on automation (see Figure 37 in Appendix 2). Marketing automation has come a long way over the last couple of decades, from a B2B-specific tool solving simple problems to a complex, data-fuelled engine that empowers marketers to deliver better, more relevant campaigns. Automation and personalisation are inextricably linked, with automation often seen as a stepping stone towards effective personalisation and, ultimately, the data-driven one-on-one engagement brands aspire to.
Finding the right vendor

Our research shows the difference between what companies expect from their email technology vendors (Figure 20) and how they believe those providers are performing (Figure 21). The gap is wide and will continue to grow if vendors are not making serious headway, demonstrating stellar performance, especially in a few key areas.

Among a range of capabilities, analytics and reporting is seen as most critical in the era of data-driven marketing (Figure 20). All survey respondents rate this capability as ‘critical’ (75%) or ‘important’ (25%), with email deliverability following closely behind. Personalisation and integration again emerge as key areas of focus, with around three in five respondents rating them as critical. Data is increasingly at the heart of every marketing strategy, and its value exponentially increases when combined with advanced technology, so the sweeping effect it has on most marketers’ agenda and investment priorities is far from surprising.

An organisation’s success with email marketing largely depends on the extent of integration between the email solution and other marketing technologies – or, at the very least, their CRM system. Respondents describing their omnichannel engagement capabilities as ‘advanced’ or ‘intermediate’ are 11% more likely than their less mature peers to regard integration as a critical capability (see Figure 39 in Appendix 2). This illustrates their continued focus on delivering co-ordinated, more consistent experiences across touchpoints by building an integrated martech stack.

When respondents were asked to rate the performance of their email marketing platforms (Figure 21), it became obvious that there is plenty of room for improvement. None of the eight capabilities included in our analysis are rated as ‘excellent’ by more than a third of companies surveyed. Only two of the top five most coveted features – namely email deliverability and a user-friendly interface – are rated as ‘excellent’ or ‘good’ by the majority of respondents.

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While good deliverability and a user-friendly interface are still among the most commonly used evaluation criteria when assessing email marketing platforms, they have become hygiene factors, with vendors now seeking to differentiate in areas such as customer service. However, it’s worth noting that customer service and support is less likely to be prioritised by email tech users, with less than half (45%) of those surveyed considering it a critical area. North American organisations are least likely to put customer service high up on their agenda – 37% compared to around half in Europe and Asia Pacific (see Figure 40 in Appendix 2).

Across all capabilities, organisations that are more proficient in omnichannel engagement are more likely to rate their current vendor as ‘excellent’ than their peers, which shows they are probably conducting a more rigorous evaluation process to ensure the platform is fit for their needs (see Figure 41 in Appendix 2).

Figure 22 shows the strikingly wide gap vendors need to fill to deliver against customer expectations. While they appear to be making headway when it comes to the low-hanging fruit (deliverability and user interface), they need to channel their efforts into future-proofing their solutions by investing in the areas marketers are focusing on, namely delivering data-fuelled personalised campaigns that are integrated across channels and devices.

Companies rate their vendors most highly for email deliverability and interface usability, while they give the worst ratings for integration and lead management.
Customer engagement considerations and tactics for B2C and B2B

Both B2C and B2B marketers have a range of specific requirements when it comes to their customer engagement activities, spanning from data privacy considerations and the ability to track ROI, through to integration with other platforms and the ability to target high-value customers with intelligent, automated marketing campaigns. Understandably, the needs for B2C and B2B companies can be very different but, at the same time, there are many areas of overlap.

B2C companies focus on data privacy and tracking ROI

Figure 23 shows a range of considerations for B2C marketers when it comes to customer engagement. It is crucial for companies to comply with new standards for keeping customer data safe, particularly in response to new legislation such as the EU’s GDPR and the imminent California Consumer Privacy Act. Almost three-quarters (74%) of companies agree that they ‘track users’ consent, keeping us safe and compliant’, including 43% who ‘strongly’ agree.

The need for appropriate benchmarking and measurement is particularly apparent for B2C marketers, with just under half (47%) agreeing they can track ROI growth, compared to 25% who disagree. Customer engagement strategies have a dual purpose; as well as driving greater levels of customer satisfaction and loyalty, companies also need to see a tangible impact on the bottom line. This cannot happen without appropriate strategies and tools in place to track ROI and metrics to measure success.
Intelligent marketing automation

The findings also highlight the need for intelligent marketing automation. In this new era of marketing, push marketing is no longer appropriate for companies, since customers increasingly want control of how and when they engage with the brand. Intelligent automation allows companies to map interactions at different touchpoints along the buying cycle, and subsequently optimise their response with maximum impact and relevance.

As the results show, 45% of companies agree that they use intelligent automation for customer journeys. Intelligent automation not only tracks the customer’s journey; the technology also provides strategies on the best way to respond, based on past customer behaviour. See Section 4 for more information about the types of triggered marketing campaigns being carried out by companies.

The importance of an omnichannel approach

It is essential to employ an omnichannel approach, as successful customer engagement strategies require companies to react with maximum impact at every customer touchpoint during the decision-making process, regardless of the customer’s channel of choice.

Companies require their engagement strategies to be channel-agnostic, as sales teams must accommodate all the different paths to engagement taken by the customer. As the results show, some companies are already pursuing omnichannel strategies, with 41% of B2C marketers agreeing they can reach high-value customers on every channel.

More companies could be using AI to drive customer engagement and sales

AI is a huge growth area, but the research indicates that many companies are not yet utilising AI to drive product recommendations or sales, which arguably could provide them with a powerful tool for engaging key customers. Over half (53%) of companies disagree that they are currently utilising AI for recommending products. This includes over a third (38%) of companies who strongly disagree. Companies risk losing out on quick wins that could potentially result in uplift in sales. See Section 5 for a more in-depth look at AI-driven campaigns.

Marketing activity – B2B companies

For B2B companies, integration and cross-team collaboration are very much on the customer engagement agenda. Almost two-thirds of companies (61%) report they are integrating their marketing activity with CRM platforms, including 29% who strongly agree (Figure 24). For B2B marketers nurturing and scoring prospects with the aim of providing their sales teams with high-quality leads, it is increasingly important to be able to feed data directly into CRM systems rather than manually collating data in spreadsheets.

Some 60% of marketers agree that their organisations can report on KPIs across wider business teams, with 20% saying they strongly agree. KPIs are quantifiable metrics that measure how close companies are to achieving their overall vision in line with their wide-reaching strategy. It is critical that companies have appropriate metrics in place in order to drill down into the critical success factors that support the organisation’s wider goals.

The proportion of B2C-focused companies that use intelligent automation for customer journeys.

45%
Ultimately, measurement and tracking provide companies with valuable data that fuels highly individualised, personalised experiences. The importance of measurement and tracking is reinforced by 57% of B2B marketers who agree that their organisation currently tracks web behaviour in order to target customers with tailored content. In addition, 55% agree that their organisation builds data-capture forms for preference-based marketing. This provides deep insight into individual customer preferences, which companies can leverage to create richer, more engaging experiences.

While the requirements of B2C and B2B marketers are distinct, it is important to emphasise that there are many commonalities, as noted at the start of this section. In both areas, data is the oil that is fuelling deeper customer engagement.
Regional differences: how customer engagement varies by geography

A key theme that has percolated throughout this report is that customer engagement is context-driven. Marketers’ actions work best when they are underpinned by a strong understanding of individual user needs and preferences. Informed by this knowledge, engagement must take place on the customer’s terms – not how the brand finds things easiest, or has ‘always done things’.

It follows on, therefore, that customer engagement practices vary widely across different regional markets and cannot just be cut and pasted from one territory to another. It is clear from this survey’s findings that while there is much common ground internationally, marketers’ attitudes and approaches to customer engagement have been developing in different ways, depending on where they operate and how customers in those territories typically communicate and consume media.

Here are some of the key ways in which regional differences add flavour to customer engagement techniques, internationally.

**APAC style: variety and flexibility seen as key; face-to-face engagement accentuated**

APAC businesses are bringing a distinct verve to the practice of engaging with customers. As noted previously, they are especially bullish regarding their abilities and are much more likely to describe themselves as ‘advanced’ in omnichannel engagement than peers elsewhere (18% vs. 9% globally, as seen in Figure 2). They are also nearly universally more positive than their counterparts when it comes to rating the abilities of their marketing platform to support deliverables such as journey enhancement through behaviour-triggered communications, prospect nurturing, automated communications and relevance (Figure 25).

Regional differences: how customer engagement varies by geography

**FIGURE 25**

Proportion of respondents strongly or somewhat agreeing with the following statements relating to their marketing platform (regional comparison)

- **We can enhance the customer journey with behaviour-triggered communications**
  - Europe: 83%
  - North America: 81%
  - APAC: 76%

- **We can nurture our prospects to ensure we have highly qualified leads**
  - Europe: 81%
  - North America: 79%
  - APAC: 73%

- **We can automate communications such as email, SMS, push and digital ads**
  - Europe: 76%
  - North America: 74%
  - APAC: 78%

- **We can easily pass data to external platforms (e.g. CRM)**
  - Europe: 51%
  - North America: 55%
  - APAC: 58%

- **We can delight customers with relevancy, from welcome messages to birthday wishes**
  - Europe: 59%
  - North America: 61%
  - APAC: 64%

- **We can score the level of engagement of prospects**
  - Europe: 41%
  - North America: 42%
  - APAC: 47%

- **We can build simple or intelligent automation programmes in minutes**
  - Europe: 40%
  - North America: 48%
  - APAC: 51%

APAC respondents are most bullish about their marketing platform capabilities.
In APAC, there are clear regional twists on how to best reach customers. Businesses, for example, tend to exploit a broader range of channels and are less focused on mainstays such as websites, email and paid search (although these still dominate to an extent). Further, within this, mobile channels are valued relatively highly, and a wider mix of media are used to reach users on the go. APAC marketers are much more likely than European and North American peers to use messaging apps, SMS and push messages (Figure 35 in Appendix 2). In turn, this has influenced technology choices – email marketing platforms, for example, are less widely deployed as engines for customer engagement in APAC than elsewhere (69% vs. over 80% in Europe and North America, as seen in Figure 11).

Also noticeable is that digital display ads are more widely seen as effective by APAC marketers. This is the case at every stage of the journey to purchase, and beyond – but with particular emphasis, naturally, on the upper parts of the funnel, such as for visibility and awareness (where 32% of APAC respondents rank display as a top-three channel) and list acquisition (35%).

Customer engagement progression in APAC extends well beyond the pure-digital realm, too. It is clear, for example, that many regional businesses recognise that the art of face-to-face interaction with customers remains important for go-to-market performance in an omnichannel world. Nearly a third (32%) of APAC marketers perform customer engagement activities via stores and branches, against 24% in North America and 25% in Europe (Figure 35 in Appendix 2). Further, APAC respondents evidently see in-store/branch interaction as a way to foster longer-term and higher-value relationships with customers, rather than just to catch shoppers’ eyes and drive sales. In APAC, the proportion of respondents that see in-store as one of their most effective channels increases as the customer journey progresses, and rises to 26% for retention and loyalty. In Europe and North America, sentiment peaks at conversion and dips thereafter.

North America: innovation in social and analytics; emphasis on retention

Like in APAC, there are some distinctive patterns in how North American businesses approach customer engagement. As across the board, websites, email and social media remain by far the most popular items in regional marketers’ toolbox (Figure 35 in Appendix 2). There are some slight differences, however.

- Call centres and digital display advertising have greater popularity in North America than in APAC and Europe (although there is no obvious regional effectiveness boost for marketers that adopt either of these channels).
- SMS is only used by 10% of North American businesses to engage customers, reflecting its less text messaging-centric mobile legacy.
- North American marketers show a comparatively strong belief in the effectiveness of social media, beyond its key role in driving visibility and awareness. The breadth of social media usage for customer engagement is essentially the same in Europe and North America (90% and 89%, respectively). However, in North America, it is seen as a more versatile tool. More than half (53%) of businesses there see social media as a top-three channel for list acquisition, compared to 42% in Europe and 40% in APAC.

Where North American marketers are pushing the frontiers is around analytics and reporting. They are ahead of other regions on integration of email and/or marketing automation platforms with analytics solutions (62%, compared to 57% in Europe and 46% in APAC, as seen in Figure 15). At the same time, they see a need to do more in this area, with 77% of respondents citing analytics capabilities as critical, but only 19% rate the current functionality of their solutions as ‘excellent’. They also tend to be more likely to track customer engagement activities against distinct metrics such as sales, retention and lead quality (Figure 26).
Perhaps due to the competitiveness of regional markets, North American businesses are especially focused on engendering loyalty. Unlike elsewhere, a majority of respondents (53%) say they measure ‘increased customer retention’ against engagement activities. Further, North American businesses’ automated marketing campaigns are noticeably more infused with loyalty-geared practices, such as post-download and post-purchase thank you messages. They are also more likely to say automated post-purchase campaigns are ‘very effective’ (29% vs. 25% in Europe and APAC).

**Europe: focus on the basics**

Europe is where marketers most obviously stick to tried-and-tested methods to engage customers. Of the seven most-widely-used customer engagement channel internationally, six have higher penetration in Europe than anywhere else (Figure 35 in Appendix 2). The exception is digital display ads, where usage among APAC and North American practitioners is only slightly higher than in Europe. At the same time, European businesses have been most reticent about adopting newer channels such as messaging apps to engage customers. Only 21% have done so – less than half the take-up rate in APAC, for example.

While there may be an element of conservatism in this approach, it is primarily down to a focus on results. Where channels are downplayed by European marketers, such as messaging apps, it does not appear that opportunities are being lost. These apps have not yet emerged as a majorly significant channel for effectiveness at any stage of the sales funnel (the highest being for ‘engagement and lead nurturing’, where they are only seen as the sixth most effective medium).

As elsewhere, European businesses have work to do to create a joined-up, integrated foundation for customer engagement. They are ahead of the game in terms of integrating their email/marketing automation platforms with CRM systems (69% have done so, more than other regions). However, measured against North American counterparts (Figure 15), they are behind the curve on doing so with digital analytics solutions (57% vs. 62%), social media management software (25% vs. 38%), customer data platforms (14% vs. 18%) and data management platforms (12% vs. 23%).

The percentage of European businesses that have harnessed messaging apps for customer engagement.
Conclusions

1. **Businesses continue to struggle to translate the idea of customer engagement into reality.** Siloed organisational structures and unconnected legacy software systems remain the most significant barriers.

2. **Marketers recognise the importance of an omnichannel customer communications strategy.** However, the palette of channels used remains limited, restricting opportunities for greater engagement.

3. **Companies are ramping up their marketing automation efforts, but not necessarily through dedicated marketing automation platforms.** The challenge is to integrate the insights from different software solutions to drive actions through the appropriate channels.

4. **Integration of systems remains key to building a single customer view.** Without that view, it’s impossible to develop the understanding needed for predictive analytics and, ultimately, the use of artificial intelligence for personalisation.

5. **Personalisation, channel integration, marketing automation and AI are expected to be the key trends in customer engagement over the next five years.** But they are likely to help those companies that have already developed their customer experience capabilities accelerate away from the pack.
Appendix 1

Respondent profiles
**FIGURE 27**
What best describes the company you work for?

- A brand (client-side): 51%
- An agency: 19%
- A consultancy: 15%
- A technology provider: 15%

**FIGURE 28**
In which region are you based?

- Europe: 52%
- Asia Pacific: 22%
- North America: 20%
- Other: 6%

**FIGURE 29**
What is your level of seniority within the business?

- Manager: 29%
- Senior manager: 22%
- Director: 14%
- Business owner: 13%
- Junior executive: 12%
- C-suite: 5%
- Other: 5%
**FIGURE 30**
Are you focused on your own company’s marketing activities, or your clients’ marketing activities?

- Our own marketing: 59%
- Our clients’ marketing: 41%

**FIGURE 31**
Is your company focused mainly on B2B or B2C?

- B2B: 32%
- B2C: 32%
- Both B2B and B2C: 36%

**FIGURE 32**
In which business sector does your company operate?

- Retail: 15%
- Financial services and insurance: 12%
- Manufacturing: 10%
- Healthcare / Medical / Pharmaceutical: 8%
- Charity / Non-profit: 7%
- Education: 7%
- Food and beverage: 6%
- Professional services: 4%
- Travel: 4%
- Media and entertainment: 3%
- IT consultancy: 3%
- Service provider: 2%
- Property: 2%
- Accountancy / Business services / Law: 2%
- Publishing: 2%
- Utilities: 1%
- Sport and leisure: 1%
- Engineering: 1%
- Government and local authority: 1%
- Construction: 1%
- Aerospace and aviation: 1%
- Telecommunications: 1%
- Consultancy: 1%
- Other: 12%
FIGURE 33
What is your annual company revenue?

<table>
<thead>
<tr>
<th>Revenue Range</th>
<th>Respondent Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below $2.5 Million</td>
<td>35%</td>
</tr>
<tr>
<td>$2.5 Million - $4.9 Million</td>
<td>16%</td>
</tr>
<tr>
<td>$5 Million - $49 Million</td>
<td>22%</td>
</tr>
<tr>
<td>$50 Million - $99 Million</td>
<td>5%</td>
</tr>
<tr>
<td>$100 Million - $249 Million</td>
<td>5%</td>
</tr>
<tr>
<td>$250 Million - $499 Million</td>
<td>4%</td>
</tr>
<tr>
<td>$500 Million - $999 Million</td>
<td>4%</td>
</tr>
<tr>
<td>$1 Billion plus</td>
<td>9%</td>
</tr>
</tbody>
</table>
Appendix 2
Additional charts
FIGURE 34
How would you describe your company’s level of maturity when it comes to omnichannel customer engagement? (B2B vs. B2C)

- Non-existent – we don’t have any meaningful customer engagement activities
  - B2B: 6%
  - B2C: 1%

- Basic – we are at the start of our journey when it comes to effective customer engagement
  - B2B: 41%
  - B2C: 43%

- Intermediate – most of our marketing activities are integrated but there is significant room for improving technology and processes
  - B2B: 44%
  - B2C: 48%

- Advanced – our technology and processes are very much geared towards providing the best possible customer engagement across both digital and traditional channels
  - B2B: 9%
  - B2C: 8%

FIGURE 35
Through which channels does your company engage with customers? (regional comparison)

- Website
  - Europe: 91%
  - North America: 99%
  - APAC: 98%

- Email
  - Europe: 95%
  - North America: 99%
  - APAC: 96%

- Social media
  - Europe: 56%
  - North America: 74%
  - APAC: 71%

- Paid search advertising
  - Europe: 57%
  - North America: 62%
  - APAC: 69%

- Print
  - Europe: 21%
  - North America: 19%
  - APAC: 12%

- Digital display ads
  - Europe: 28%
  - North America: 13%
  - APAC: 9%

- Direct mail
  - Europe: 22%
  - North America: 23%
  - APAC: 13%

- Call centre
  - Europe: 15%
  - North America: 16%
  - APAC: 15%

- Outdoor
  - Europe: 16%
  - North America: 12%
  - APAC: 9%

- In-store/in-branch
  - Europe: 26%
  - North America: 24%
  - APAC: 18%

- SMS (text)
  - Europe: 22%
  - North America: 23%
  - APAC: 18%

- Messaging apps (e.g. WhatsApp, Facebook Messenger)
  - Europe: 21%
  - North America: 24%
  - APAC: 18%

- Push messages
  - Europe: 16%
  - North America: 19%
  - APAC: 18%

- TV advertising
  - Europe: 32%
  - North America: 33%
  - APAC: 38%

FIGURE 36
Most effective channels for engagement and lead nurturing (B2B vs. B2C)

- Email
  - B2B: 50%
  - B2C: 56%

- Social media
  - B2B: 23%
  - B2C: 25%

- Website
  - B2B: 51%
  - B2C: 56%

- Direct mail
  - B2B: 18%
  - B2C: 17%

- Digital display ads
  - B2B: 16%
  - B2C: 13%

- Call centre
  - B2B: 17%
  - B2C: 12%

- Messaging apps (e.g. WhatsApp, Facebook Messenger)
  - B2B: 6%
  - B2C: 9%

- Paid search advertising
  - B2B: 8%
  - B2C: 7%

- Push messages
  - B2B: 5%
  - B2C: 6%

- In-store/in-branch
  - B2B: 6%
  - B2C: 6%

- Print
  - B2B: 5%
  - B2C: 5%

- TV advertising
  - B2B: 9%
  - B2C: 7%

- Outdoor
  - B2B: 3%
  - B2C: 3%
FIGURE 37
What do you think will be the most important customer engagement-related trend for your business in the next five years?

- Personalisation and relevance: 26%
- Increased integration between channels: 21%
- Artificial intelligence / machine learning: 17%
- Marketing automation: 18%
- Use of video: 8%
- Live chat: 6%
- Gamification: 4%
- Live or dynamic content within email: 9%
- Virtual reality / augmented reality: 4%

- Advanced or intermediate customer engagement
- Basic or non-existent customer engagement

FIGURE 38
What do you think will be the most important customer engagement-related trend for your business in the next five years? (regional comparison)

- Personalisation and relevance: Europe 24%, North America 17%, APAC 18%
- Increased integration between channels: Europe 21%, North America 77%, APAC 72%
- Marketing automation: Europe 17%, North America 12%, APAC 18%
- Artificial intelligence / machine learning: Europe 9%, North America 13%, APAC 18%
- Live or dynamic content within email: Europe 8%, North America 4%, APAC 6%
- Live chat: Europe 4%, North America 7%, APAC 13%
- Use of video: Europe 5%, North America 9%, APAC 13%
- Virtual reality / augmented reality: Europe 2%, North America 5%, APAC 9%
- Gamification: Europe 3%, North America 7%, APAC 5%

- Europe
- North America
- APAC

FIGURE 39
Proportion of respondents rating email marketing platform capabilities as ‘critical’

- Analytics and reporting: 77%
- Email deliverability: 73%
- User-friendly interface: 64%
- Personalisation: 64%
- Integration: 60%
- Marketing automation: 58%
- Customer service and support: 44%
- Lead management: 42%

- Advanced or intermediate customer engagement
- Basic or non-existent customer engagement
FIGURE 40
Proportion of respondents rating email marketing platform capabilities as 'critical' (regional comparison)

FIGURE 41
Proportion of respondents rating their current vendor as 'excellent' in relation to these capabilities
Contact dotdigital to find out how you can get better at customer engagement.

team@dotdigital.com

If you are interested in producing high-quality B2B research, please contact London Research.

info@londonresearch.com

Get in touch