

State of Customer Engagement Report 2022



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Executive summary



Accelerated digital transformation continues to lift businesses to new heights. As more of the world's organizations go digital, the opportunities for companies to transform engagement with their customers are multiplying.

Our research is clear: Organizations that put digital customer engagement at the forefront of their business reap outsize rewards. This digital adoption has its challenges, because consumer expectations are often higher than the customer experience that businesses deliver. The companies that can rapidly close that gap have the chance to become leaders in customer engagement. They will increase market share and revenue faster than competitors by creating industry-leading customer experiences that win over consumers and keep them loyal.

These are the five fundamentals of customer engagement, which emerged from our deep investigation of both consumer and B2C companies' attitudes.

Make it digital

70% – that's the average top line revenue increase among companies that invested in digital customer engagement over the past two years.

Make it personal

75% of companies think they're providing good personalized experiences. But more than half of consumers disagree. There's a lot of room for improvement.

Lose your cookies

81% of companies are completely or substantially reliant on third-party cookies – even though this critical data source will not be available after 2023.

Close the trust gap

95% of B2C companies believe consumers trust their ability to protect data, but only 65% of consumers actually do trust these companies.

Engage smarter

Gen Zs and Millennials are more than **twice** as likely as Baby Boomers to have experienced digital fatigue in the past 30 days. Creating better (not more) interactions can ensure business doesn't suffer as a result.

Introduction

The explosion of digital customer engagement in 2020 ushered in a new way of working – and of doing business.

Companies that have embraced the rapid nature of change are now enjoying huge benefits, including better customer engagement and growing revenues. The acceleration showed no sign of slowing in 2021 and the indicators for the next three years suggest this pace will continue. As long as businesses can improve their ability to engage with consumers in a personalized and trusted way, they will continue to reap the rewards.

Twilio, the leading cloud communications and customer engagement platform, used data from three sources to compile the insights in this report:

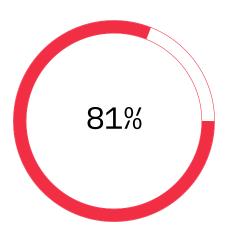
- Data from our own customer engagement platform, including
 Twilio Segment, the leading customer data platform
- The perspective of more than 3,000 leading B2C decision makers in key enterprises around the world
- The opinions of more than 4,500 consumers around the world

Our report shows that companies that invested in digital customer engagement have seen revenue growth of 70% on average. These same companies expect their investment in this space to almost double by 2025.

However, these changes also present challenges that B2C enterprises will need to overcome if they want to maintain consumer loyalty and trust.

Although the importance of personalization is growing, many consumers feel businesses need to do better here. While 75% of consumer-facing businesses report having good or excellent personalized experiences, only 48% of consumers agree – pointing to a gap in what consumers consider "personalization" and what businesses are actually delivering. The companies that work to improve personalization will find more opportunities for growth.

Another warning sign: Firefox and Safari have already blocked access to third-party cookies, and Google Chrome will do the same in 2023. In the coming "cookieless" world, creating personalized experiences will require



Percentage of surveyed companies that rely on third-party data in current marketing strategies

The companies that embrace these lessons about the importance of personalization, data ownership, and trust will continue to <u>reap the</u> rewards of this new digital age – and consumers will enjoy better, more trustworthy experiences online.

embracing first-party data. This is an issue, considering that 81% of companies surveyed rely on third party cookies to a substantial degree. Going forward, embracing first-party data is not just the right thing to do, it's no longer a choice.

Consumers are increasingly aware of how businesses are using their data and are making more demands for its protection. A clear trust gap emerges from our data: 71% of consumers say they want better data privacy from brands, yet only 55% of companies believe this is what consumers want.

The ubiquity of digital experiences is also leading to fatigue. Already, more than a third of people report experiencing digital fatigue – and those who are frustrated with inconsistent brand experiences online are more likely to experience it. Our research has shown that 42% of millennials and 47% of Generation Z are feeling digital fatigue, far more

than the average. Companies need to be sensitive about not overloading consumers with interactions, and should engage with them in an appropriate, human, and responsible way.

Twilio's State of Customer Engagement Report 2022 shows that customer engagement will become an even more vital part of any successful business strategy over the coming years. The companies that embrace these lessons about the importance of personalization, data ownership, and trust will continue to reap the rewards of this new digital age – and consumers will enjoy better, more trustworthy experiences online.

Methodology and data sources

To create our State of Customer Engagement Report 2022, Twilio drew on three primary sources.

First, we engaged Lawless Research to conduct a blind, 10-minute online survey of business leaders between December, 2021 and January, 2022.

There were a total of 3,450 respondents from Australia, Brazil, Colombia, France, Germany, Italy, Japan, Mexico, Singapore, Spain, United Kingdom and United States, with 200 to 500 respondents from each country.

This marked an increase on the more than 2,500 respondents to our 2021 report, allowing for more in-depth and wide-ranging analysis and the opportunity to gain greater insight into the power of digital transformation in a post-pandemic context.

Respondents were full time employees of B2C companies with more than 500 employees and at director level or above in a variety of executive, sales, marketing, technology, communications, customer experience, and customer support roles. We also required that each respondent was familiar with their organization's strategies for customer experience, digital customer engagement, marketing and marketing technology investment.

Lawless also fielded a blind, 10-minute online survey targeting consumers between December, 2021 and January, 2022.

There were 4,500 respondents from Australia, Brazil, Colombia, France, Germany, Italy, Japan, Mexico, Singapore, Spain, United Kingdom and United States, with 300 to 1,000 from each country.

Respondents were 18 to 75 years old; own a smartphone or mobile phone and used it within the past week; shopped for a product or service online or using their smartphone, mobile phone or tablet in the past month; and received a communication from a business or brand by email, text message, messaging app, social media, phone or a company's mobile app in the past month.

Finally, we have included aggregated, anonymized data gleaned from trillions of interactions on our own platform, revealing the patterns in how over 250,000 organizations around the world are engaging with their customers across digital channels.



TREND 01

Digital customer engagement drives major return on investment



The data could not be clearer.

Companies that recognized the swiftness of the shift to digital and made moves to invest in digital customer engagement have seen their top-line revenues rise by an average of 70%. Not surprisingly, they expect that by 2025 their investment in this key area will almost double, rising by 93.5%.

The investment makes sense. On average, over half of B2C companies' engagement with consumers is digital, and business leaders expect that it will rise by a further 21% globally over the next three years.

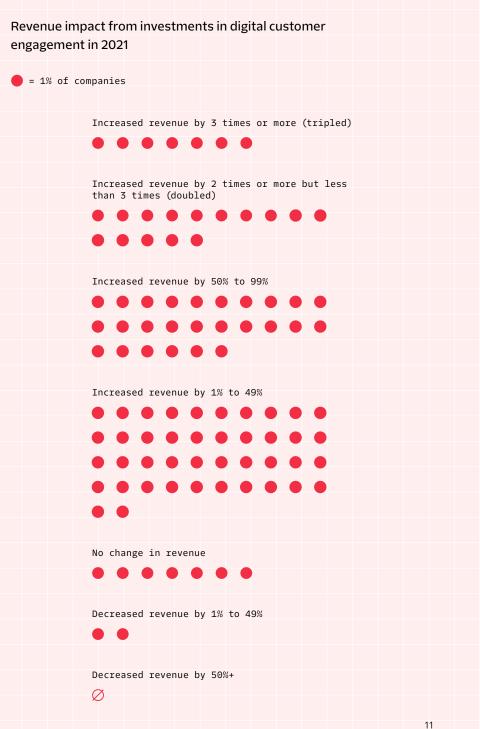
That aligns with what consumers want: They say over half of their engagement with brands should be digital in three years' time.

So it's evident that investment in digital transformation is crucial for B2C companies that want to grow and lead in their market. Companies predict that, by 2025, 64% of their engagement will be digital, suggesting that the changes of the past two years are permanent.

Fundamental #1: Make it digital

Digital customer engagement helps revenues soar

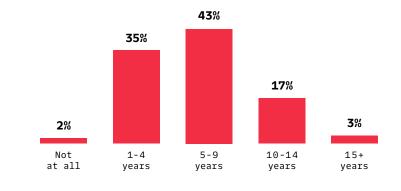
Companies said their investment in digital customer engagement increased revenue by 70% on average, and 7% of companies said that revenues tripled.



Digital transformation shows no signs of slowing

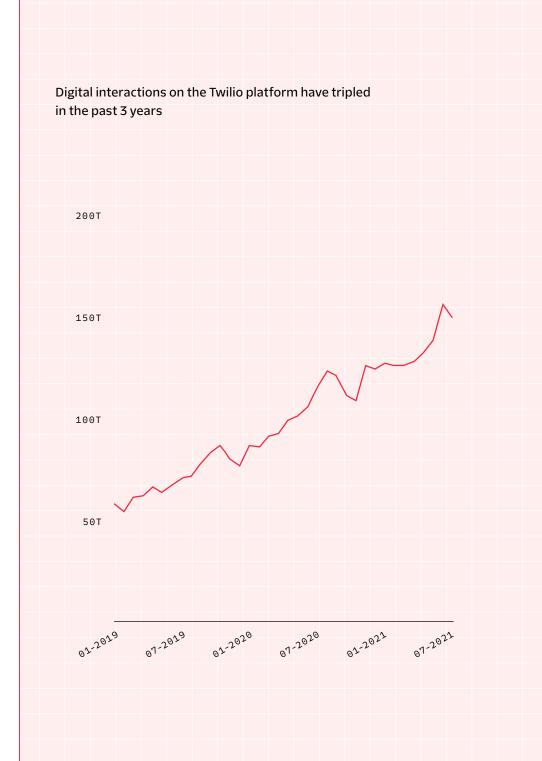
On average, B2C companies across the globe say that the pandemic sped up digital transformation by 6.5 years, and 17% of companies say that they've leaped 10 to 14 years into the future.

Pandemic-related accelleration of B2C digital transformation strategy



Digital engagement is widespread and growing

On average, 53% of organizations' B2C customer engagement is already digital. Furthermore, B2C companies globally expect a 21% increase in digital customer engagement in the next three years.



Twilio digital interactions triple

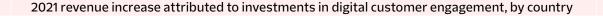
Digital interactions across the Twilio platform have tripled over the past three years, as more and more companies adopt and improve their digital customer engagement across channels like email, messaging, video, and voice.

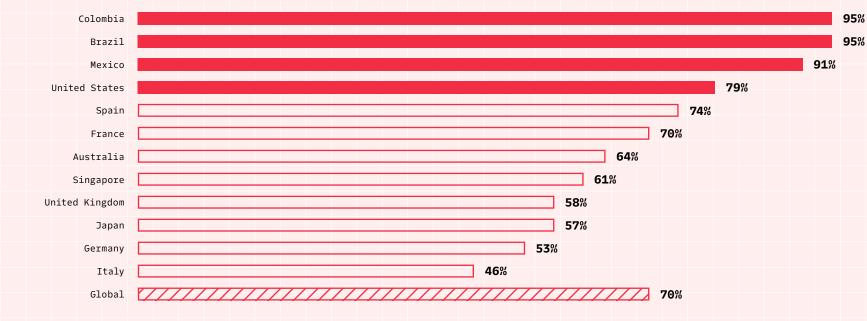
This growth highlights how the rapid shift to digital is creating new opportunities for engagement with customers – while maintaining the vitally important aspect of human connection.

Regional view

Colombia, Mexico, and Brazil lead the way on revenue growth

In terms of revenue, companies in Latin America reported increases of 91% or more after investing heavily in digital customer engagement over the past two years. Colombia and Brazil led the way, with 95% each, while Mexican companies saw 91% growth. This reflects a widespread shift to digital spurred by COVID-19, wherein traditional companies embraced digital engagement to survive, and new digital native companies emerged and thrived at unprecedented levels.





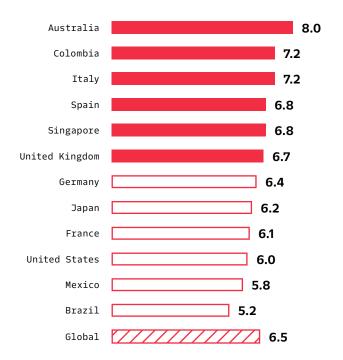
US reports high revenue growth too

Brands in the US also reported an impressive, above-average growth of 79%.

Australian companies leap forward by eight years

Australia stood out globally, with companies reporting an eight-year digital acceleration.

Pandemic-related accelleration of B2C digital transformation strategy by country in years



Italy, Spain, and the UK accelerating rapidly

Countries across Europe reported an average acceleration of digital transformation strategy of 6.6 years. Italy, Spain and the UK all reported figures higher than the average, with 7.2 years, 6.8 years and 6.7 years respectively.

Allianz (II) Direct

Allianz Direct: Contact center transformation in under a year

Allianz Direct, a direct-to-consumer insurance company, launched a transformational insurance platform in less than a year with the help of Twilio's Flex, the cloud-based contact-center platform. Allianz Direct chose Flex after concluding that the alternatives weren't agile enough to power the customer experience they wanted within the time they required. Today, 700 Allianz Direct agents rely on the Twilio-powered platform. Says Laura Malinsky, Allianz Direct's head of operations: "Flex is cloud-based, fully customizable, easy-to-use and only took a handful of engineers to build."*

^{*}Twilio SIGNAL Conference 2021 video presentation

TREND 02

Personalization is critical, but consumers want companies to do it better



<u>Personalization</u> is the cornerstone of all good digital customer engagement.

Ninety-eight percent of companies say that it increases customer engagement and 83% of consumers agree.

However, there is a noticeable disconnect between how companies perceive their personalization efforts and how consumers experience them. Eighty-eight percent of companies say personalization is extremely or very important to their engagement strategy. Yet while 75% of companies claim to provide good or excellent personalized services, just 48% of customers agree.

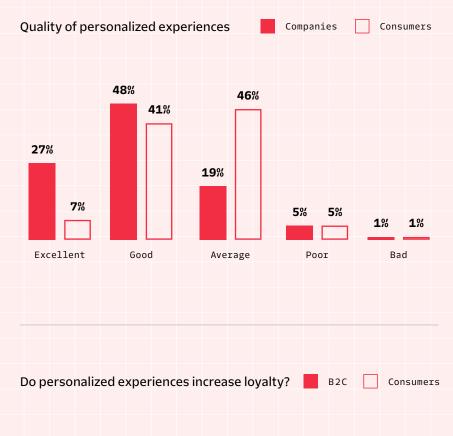
This disconnect shows the need for brands to further develop their understanding of what qualifies as excellent personalization.

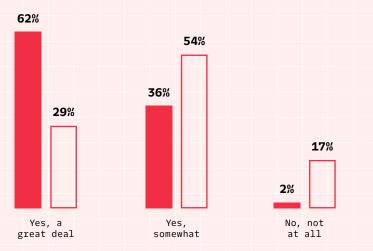
There is no denying that offering such services can increase revenue and loyalty, so those organizations that invest more in this area have the opportunity to boost growth, as well as expand and retain their customer base.

"True personalization means showing a real understanding of your customer. It goes beyond adding their name to the top of an email, into tailoring their experience based on everything the customer has shared, and it's built on meaningful engagement and trustworthy first-party data. Brands that show that they know their customers - and act on that knowledge - will win in today's digital world."

Glenn Weinstein

Chief Customer Officer, Twilio

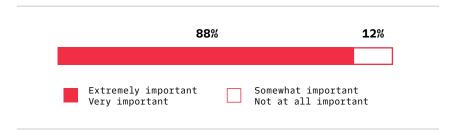




Fundamental #2: Make it personal

88% of B2C companies say personalization is important to their customer engagement strategy

Personalization is essential for any B2C company's digital customer engagement strategy.

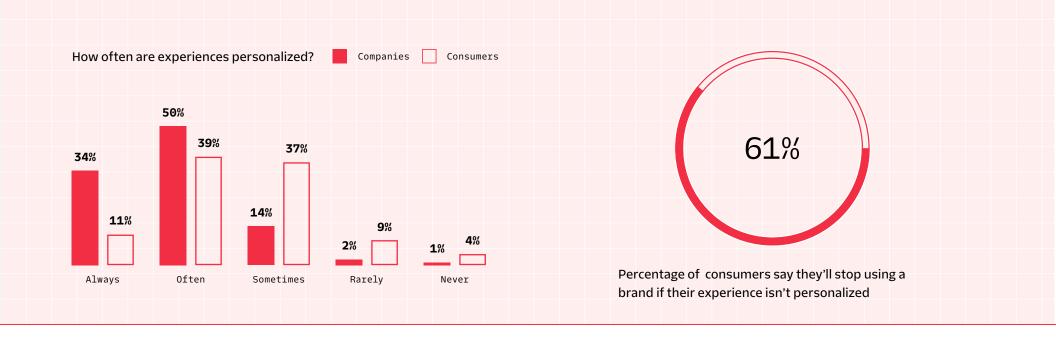


Companies and consumers have differing views on the quality of personalized experiences

Although 75% of B2C companies say they provide good or excellent personalized experiences, only 48% of consumers say they receive good or excellent personalized experiences from brands. Of even greater concern: 46% of consumers rate personalized experiences as merely "average."

Personalization boosts loyalty

A combined total of 98% of B2C companies say that personalization increases customer loyalty, and 83% of consumers agree.



Companies overestimate their use of personalization

Eighty-four percent of B2C companies report that they always or often personalize engagement with consumers. However, half of consumers agree.

Consumers underestimate how much personalization impacts buying decisions

Consumers seem to underestimate how much personalization influences their relationship with a brand, and ultimately their buying behavior.

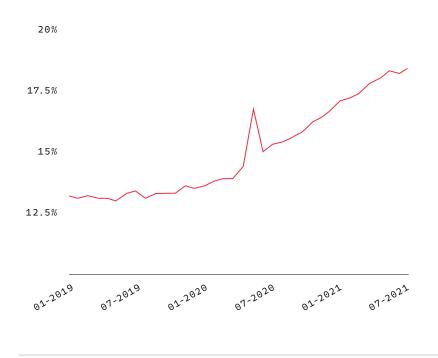
Although consumers say their spending will only increase on average by 18% through the use of personalization, companies report the average

increase is more like 46%. And the downside is severe – nearly two-thirds of consumers say they'll stop using a brand if it doesn't personalize their experience.

Twilio Segment sees growth in personalization apps

Twilio Segment has seen a notable increase in customers using apps specializing in personalization. These are tools that companies use to create unique experiences, while gaining a complete picture of how customers use and interact with their services. Eighteen percent of Segment customers used such tools from the <u>Segment integration</u> <u>catalog</u> in 2021, rising from 13% in 2019. That translates to a 38% growth in usage across a two-year period.

Segment customers using 'personalization' apps

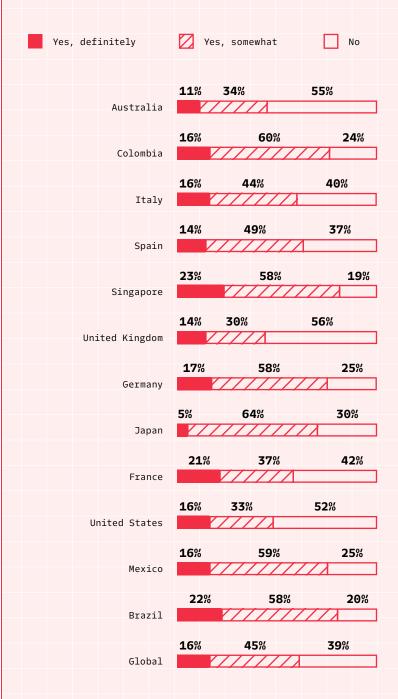


Regional view

Personalization is extremely important to companies in Brazil, Colombia and Mexico

Personalization is very important in Latin America. In Brazil, Colombia and Mexico, three-fourths of consumers say they'll stop using a brand if it doesn't personalize their experience.

Likely to stop using a brand if they don't personalize your customer experience



In Japan, personalization is a low priority

Viewed in the global context context, Japanese companies place personalization at lower priority compared with other countries. Sixtynine percent say it's very or extremely important, compared with an 88% global average. Twenty-eight percent of Japanese companies say personalization is only somewhat important (two and a half times the global average of 11%). Given how important it is to successful customer relationships, investment in personalization may be an area of opportunity for Japanese brands.

Europe shows average or higher response to personalization

Countries in Europe place a high importance on personalization. In Italy, it stands at 95%, Spain 92%, France 91%, Germany 90% and the UK 88%. France and Germany are interestingly high, as these are countries that have traditionally shown greater caution around the use of personal data.

USA slips just below average

Eighty-seven percent of US companies said they found personalization very or extremely important, just 1 percentage point below the global average.

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Intuit: Driving customer engagement

Intuit, the global technology platform that makes TurboTax, QuickBooks, Mint, Credit Karma, and Mailchimp, strives to personalize the experience for more than 100 million customers worldwide. To enhance communication with those customers, Intuit relies on Twilio's Segment, the marketing-leading customer data platform (CDP). According to Marianna Tessel, Intuit's chief technology officer, Segment's capabilities enabled the TurboTax marketing team to drive meaningful improvements to customer engagement during last year's tax season.*

^{*}Twilio SIGNAL Conference 2021 video presentation

TREND 03

A cookieless world is coming businesses hav one year to prepare



Although browser makers will phase out third-party cookies by the end of 2023, 81% of companies say they have either complete or substantial dependence on them, and that they would be seriously harmed by losing access.

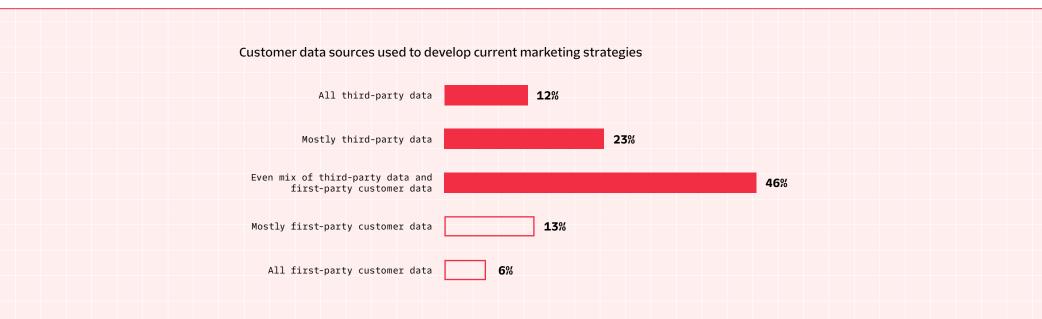
A majority of companies, 55%, say they are not fully prepared for this imminent cookieless world. Meanwhile, 71% of companies predict that the impending changes will lead to lower ROI on ad spend and decreased ability to measure campaign efficiency.

Adapting to this shift is imperative. Eighty-five percent of consumers want brands to make use of only first-party data when creating personalized services. Companies can no longer delay preparing for this cookieless world.

Fundamental #3: Lose your cookies

Marketing strategies are still reliant on third- party data

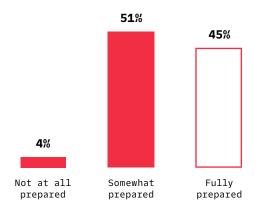
When we asked what kind of customer data their marketing strategy currently relies on, 81% of companies said that at least half of their data was third-party. Twelve percent said they used entirely third party data, 23% mostly third party data and 46% an even mix of third-party and first-party data.



More than half of companies are not prepared for a cookieless world

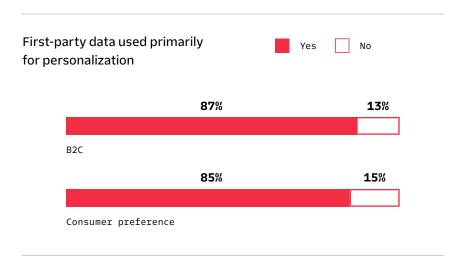
Fifty-five percent of companies say they are not at all or only somewhat prepared for a world where third-party cookies are not available. The remaining 45% said they were fully prepared. It is these companies that are likely to see continued growth in a world where organizations that own their data also own their customer relationships.

Company preparedness for cookieless future



First-party data use is now imperative

Eighty-five percent of consumers say they want companies to use only first-party data for personalization. With 87% of companies claiming to use primarily first-party data, it is clear that businesses are already well down the road of independence from third-party cookies. And 95% of businesses say fully owning and utilizing customer data will be their biggest growth lever over the next three years.



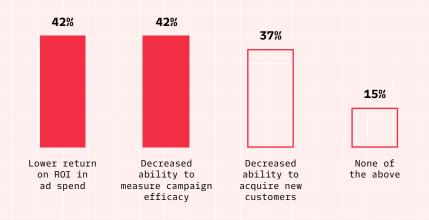
The end of cookies could lower ROI of ad spend

Forty-two percent of business leaders believed that a cookieless world would lead to lower ROI on ad spending. The same number also said that it would decrease their ability to measure campaign efficiency, and 37% said it would decrease their ability to acquire new customers.

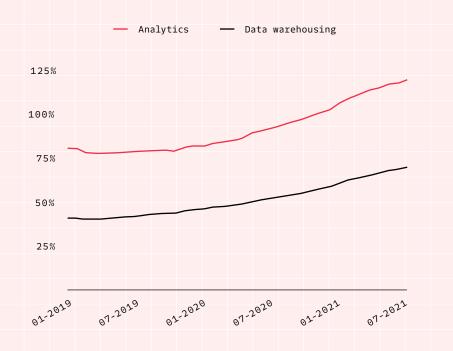
Twilio Segment shows the urgency of firstparty data collection is increasing

As companies get themselves ready for a cookieless world, Twilio Segment data shows that companies are looking for more ways to collect first-party data. Over 20% of Segment customers are now using Node. js, a server-side data collection source. This points to how businesses are embracing new methods for collecting first-party data.

Anticipated consequences to a cookieless world



Segment app customer growth by category



Likewise, data from Segment also shows high growth of app usage in analytics and data warehousing. Using first-party data with these tools allows them to make smarter business decisions and offer more personalized experiences to customers.

Regional view

Japan an outlier in readiness for a cookieless world

Eighteen percent of companies surveyed in Japan said they were not ready for a cookieless world, the largest proportion of any country surveyed. This is not typical of the Asia Pacific region, where only 1% of Australian businesses report being unprepared and 4% of those in Singapore.

Italy is best prepared

Sixty-nine percent of Italian businesses say they are fully prepared for a cookieless world. Spain is the only other European country where a majority of companies say they are fully ready, with 60%. Italian companies also report only 22% reliance on third-party data.

Brazil leads the way in Latin America

In Brazil, 54% of companies say they are fully prepared for a cookieless world. This bucks the wider trend in Latin America, however, with only 35% in Mexico and 30% in Colombia saying the same.

US hits global average

Forty-five percent of companies in the US say they are fully prepared for the end of cookies. That's the same as the global average.



Nubank: Fintech trailblazer sets standard with digital-first approach

Nubank, one of the world's largest digital banking platforms, removes the complexity and high fees associated with banks today. As a result of Nubank's simplicity and low cost, customers of all kinds are flocking to the service. Co-founder Cristina Junqueira turned to Twilio to help manage the rapid growth and says: "As we've gone from 100,000 customers to 54 million, we've achieved more stability and security in calls. Twilio's platform allows for a lot of customization, so it's something we're able to build on top of over time. It has enabled a key piece of our customer engagement strategy."*

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Cristina Junqueira

Co-founder, Nubank

^{*}Twilio SIGNAL Conference 2021 video presentation

TREND 04

Businesses and consumers don't see eye to eye on trust



There is a clear trust gap around the issues of data and privacy. Brands say they're making a strong effort with privacy and data security, but consumers want them to do even more.

Our research shows that while 95% of B2C companies believe consumers trust them to protect their data, only 65% of consumers actually trust the brands they do business with.

This issue runs deeper than data protection. Consumers are concerned that companies won't be fully transparent about how they use their data or that they won't honor the preferences they've set. Seventy-one percent of consumers say they want greater data privacy from brands, but just 55% of companies believe this is what their customers want.

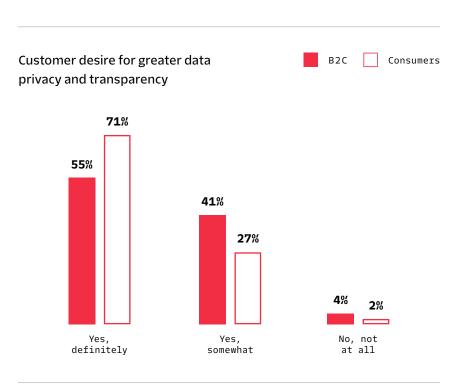
Transparency directly impacts consumer trust, and brands can earn their customers' confidence by more clearly communicating how they collect, protect, and use data to build better customer experiences.

Fundamental #4: Close the trust gap

Consumers want more privacy

Seventy-one percent of consumers definitely want greater data privacy from brands. However, just 55% of companies believe this is what

consumers want. This is another disconnect that companies may need to address in order to enhance brand loyalty. Those that prioritize first party data have the opportunity to not only own the data, but also develop stronger customer relationships based on more relevant, accurate data.



The trust gap laid bare

Our research shows clearly that consumers are far less trustful of brands' data policies than companies believe them to be. While 95% of companies say they protect consumers' data privacy, only 65% of consumers believe that to be the case.

The gap is even wider on the issue of transparency: While 95% of companies say they are transparent about how they use data, just 62% of consumers agree. While 95% of companies say they honor data preferences, 76% of consumers believe that to be true.

There is also a clear gap when it comes to the use of first-person data for personalization, with 94% of companies saying they use such data to personalize their services and 61% of consumers believing them.

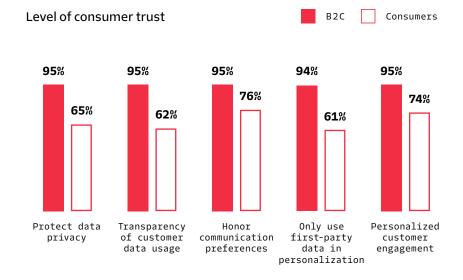
One possibility: Consumers may not trust that businesses actually use their data for personalization because they are only seeing personalization in 50% of their brand interactions, as we saw in Trend 02.

Consumer data protection affects the bottom line

While the short-term impact of companies failing to meet data privacy requirements varies, over the long term it will substantially erode trust and customer relationships.

Forty percent of consumers say they'll cut off communication with a brand that breaks their trust around data protection by unsubscribing from its newsletter, 38% say they'll stop purchasing from that company, and 10% say they'll denounce the company or report it to regulators.

Industry standards are moving in the right direction toward consensual data usage, and increased privacy and data protection, but companies still need to tread carefully here.

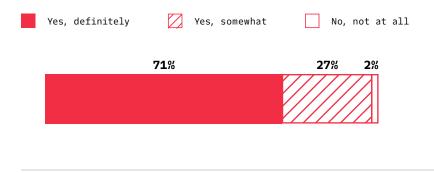


Regional view

Brazilian and Mexican consumers demand greater privacy and transparency

Globally, 71% of consumers are demanding greater privacy and transparency from B2C companies. Despite this, 31% of Brazilian consumers say they have a very high level of trust in brands to protect their privacy, with 41% in Mexico saying the same, vs. the global average of 23%.

Customer desire for greater data privacy and transparency



European consumers feel better protected

In Germany, 50% of businesses say that consumers want their data better protected, and this falls to 48% in the UK and 45% in France. However, feeling better protected does not mean trust is higher. Fourteen percent of consumers in France say they have a very low level of trust in brands' ability to protect data, with 11% in Spain agreeing. In all, 7% of consumers globally say they have such a low level of trust.

Australian consumers' appetite for privacy aligns with the global average

While 46% of consumers in Singapore are making demands for greater privacy, in Australia the number matches the global average of 50%, while in Japan it rates higher, at 54%.

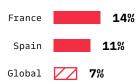
US consumers have higher than average concerns

Consumers in the United States show higher than average concern regarding privacy and engagement, with 55% of those surveyed demanding more transparency.

Very high level of trust in companies



Very low level of trust in companies





The Trevor Project: Texting to save lives

All organizations seek to respond rapidly to the people they serve. But for the Trevor Project, a suicide prevention and crisis intervention organization focused on helping LGBTQ youth, lives literally depend on the organization's ability to rapidly connect people with help. Amit Paley, the Trevor Project's CEO and Executive Director, oversaw a partnership with Twilio to build an automated system that parses incoming texts and flags any messages from people at high risk. The system trimmed 10 seconds off each interaction and 10 minutes off each text conversation. Bottom line? "Every single person we talk to is getting the help they need faster" Amit said.*

To learn more about how Twilio supports nonprofits and organizations like The Trevor Project, visit https://www.twilio.org

"Every single person we talk to is getting the help they need faster."

Amit Paley

CEO & Executive Director, Trevor Project

^{*}Twilio SIGNAL Conference 2021 video presentation

TREND 05

Digital fatigue is real



Digital fatigue is a growing problem.

On average, 36% of consumers globally say they have experienced digital fatigue in the past 30 days. The data becomes more interesting when broken down by generation, however: The younger the generation, the more people experience digital fatigue, rising to 47% of Generation Z.

When almost half of the growth demographic says they're getting tired of the digital onslaught, there is a clear and pressing need to address this problem head-on.

Frustrating customer support experiences may be contributing to the problem. Those that are frustrated with inconsistent digital brand experiences are more likely to have experienced digital fatigue in the past 30 days (50% vs 30% of those not frustrated with their experiences).

This leads to trouble for companies: 56% of consumers say they would stop doing business with a company after a poor interaction. Eighteen percent say they would rather lose the internet for a day than speak with a company's support team. (If they're truly digitally fatigued, maybe a day offline sounds like a vacation – but it's still bad news for the brand.)

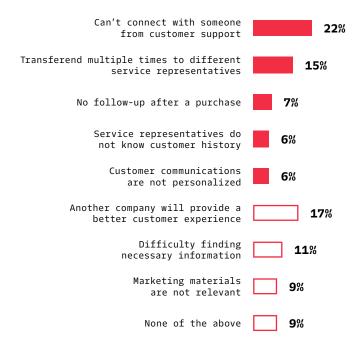
Through careful use of data and personalization, companies can create more meaningful ways to interact with consumers, fostering loyalty as a result. This means minimizing needless interactions and instead focusing on what matters to customers.

Fundamental #5: Engage smarter

Consumers will stop doing business with companies after poor customer support experiences

A total of 56% of consumers say they will stop doing business with a company after a frustrating experience with customer support. This includes 22% who say they'll end their association after being unable to

Top reasons to stop doing business with a company



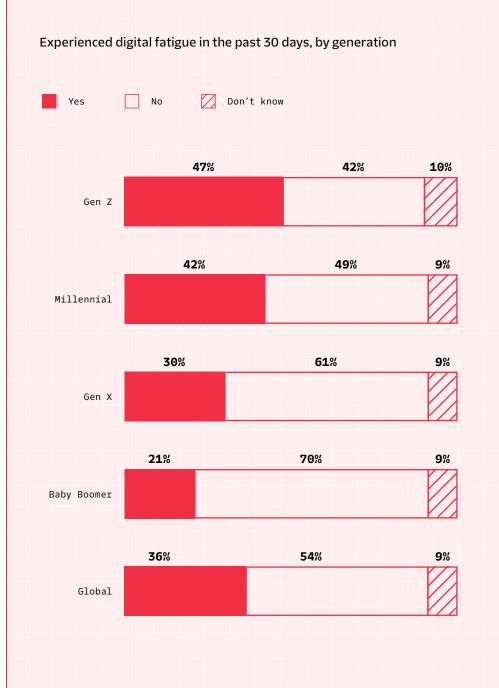
connect with someone from customer support and 15% who express frustration with being transferred multiple times. This shows the importance of investing in customer support technologies and training.

Customers would rather lose internet access or endure sunburn than talk with customer support

With 36% of consumers saying they'd rather lose their internet connection for a day, go through airport security or shave their head than contact customer service teams, it's clear that brands need to do a lot better to build more engaging ways of communicating. A further 10% say they'd rather endure a bad sunburn. This is bad news for brands, because almost half would rather do almost anything than talk to customer support.

Digital fatigue is higher among younger age groups

Although only 21% of Baby Boomers and 30% of Gen X said they'd suffered from digital fatigue, the younger generations represent large and growing demographics that need to be nurtured if companies don't want to lose business.



Regional view

Brazilian and Colombian consumers have high levels of digital fatigue

Brazil and Colombia have high levels of digital fatigue, with 44% and 43% of consumers, respectively, reporting feeling this way in the past 30 days. In Mexico it stands at 39%.

France feels the most digital fatigue

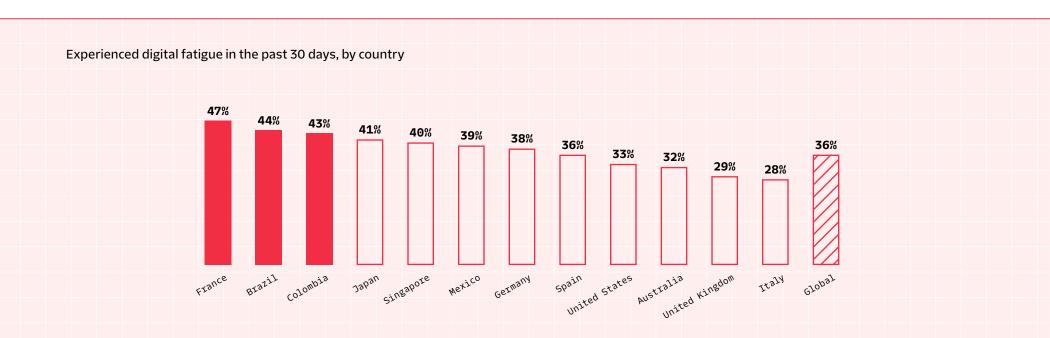
Forty-seven percent of consumers across all generations in France say they have experienced digital fatigue in the past 30 days, the highest proportion of any country. Italy reports just 28% and the UK 29%.

Singapore and Japan report above-average digital fatigue

Digital fatigue stands at just 32% in Australia, but rises to 40% in Singapore and 41% in Japan. That puts the latter two locations higher than the global average of 36%.

The US shows slightly below-average digital fatigue

Among consumers surveyed in the US, 33% reported digital fatigue, which is 3 percentage points below the global average.





Electrolux: rapid contact center replacement in a crisis

Electrolux managers found themselves responding to a painful one-two punch. First, a lightning bolt had struck their Malaysia-based contact center and disabled vital systems. Second, because of COVID-19, the government wouldn't allow the century-old home-appliance manufacturer to send local technicians into the facility to make repairs. Shane Rose and his team reacted quickly: They issued a new toll-free customer support number and shifted the center's operations to Twilio – all in less than 24 hours. Their fast thinking and Twilio's technology enabled the contact center to remain operating with zero downtime. Shane described it as "A truly amazing effort." *

"A truly amazing effort."

Shane Rose

Senior IT Manager APAC, Electrolux

^{*}Twilio SIGNAL Conference 2021 video presentation

Conclusion

Build personal relationships based on data you own. Trust and growth will follow.

It's no longer enough for B2C companies to think about digital customer engagement in the separate business contexts of marketing, support and product.

Instead, companies that want to harness the power of the past two years of rapid digital transformation need to develop a holistic view of their customers across all touch points.

That means a strong emphasis on meaningful personalization, based on first-party data and a genuine understanding of your customer and how they interact with the business. Fostering such direct relationships is key, especially in a world where digital fatigue is growing. Customers are increasingly wary of brands that mishandle data, waste their time, or break their trust. Customers who feel that their data is being misused are now starting to abandon the companies that let them down. Trust is essential in every interaction.

With a cookieless world at hand, those companies that invest in first-party data and shift away from the world of third-party data stand to win. They will be able to maintain their awareness of customer preferences and behavior, continue to offer personalized experiences, and build trust and respect with their customers.

Most businesses know this already; 95% agree that fully owning and utilizing customer data will be their biggest growth lever over the next three years. Those that use first-party data will also develop unique personal relationships with each one of their customers.

On the other hand, brands that don't prepare for the coming cookieless world fast enough stand to lose customers and revenue.

The companies that thrive in the years to come will be those that understand the ongoing changes in data privacy and protection – and can still foster relationships through a truly personalized approach based on integrity and trust.

95% of businesses agree that fully owning and utilizing customer data will be their biggest growth lever over the next three years

Glossary

Customer engagement

The ongoing relationship between an organization and its customers, which includes all communications across sales, marketing and customer service.

Digital acceleration

The increasing speed at which business is moving to digital platforms. In this report, digital acceleration refers to the speed of digital transformation – the use of digital technology to transform an organization and its business model, strategy, and customer experience.

Digital fatigue

A state of exhaustion and disengagement brought on by the use of digital devices, apps and services.

First-party data

Data about customers that is owned by the organization directly doing business with them. Data that you have collected directly from your customers, whether from their interactions on your website, questionnaires they have filled out or purchases that they have made, is first-party data.

Personalization

The use of audience and data analytics to meet the individual needs of consumers. Includes accurately tailoring content, recommendations, products, services, and communications based on an individual's preferences, expectations, and interests.

Third-party data

Data about customers that is not owned by the organization or its customers, but by a third party, such as a social network, an advertising network, a search engine, or a mobile platform.



Millions of developers around the world have used Twilio to unlock the magic of communications and customer engagement to improve any human experience. Twilio is enabling innovators across every industry – from emerging leaders to the world's largest organizations – to reinvent how companies engage with their customers.

To learn more about Twilio, visit https://www.twilio.com

Forward-Looking Statements

This report contains forward-looking statements, including, but not limited to, statements regarding Twilio's expectations regarding our platform and solutions, and expectations regarding the impact of recent and future privacy changes, including the deprecation of cookies, on third party platforms. These forward-looking statements are based on Twilio's current expectations and inherently involve significant risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward looking statements as a result of these risks and uncertainties, which include those described in Twilio's filings with the United States Securities and Exchange Commission. Forward-looking statements speak only as of the date of this report and Twilio does not undertake any obligation to update or revise these statements, except as may be required by law.