



Investment in Digital Customer Engagement Generated 70% Revenue Growth for Companies Last Year, Twilio Data Shows

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Digital transformation sped up by 6.5 years during the pandemic with no signs of slowing, global survey of 3,450 business leaders and 4,500 consumers shows

55% of companies say they are not fully prepared for the impending cookieless world, with 81% of companies reliant on third-party cookies, while 85% of consumers want brands to use only first-party data

75% of companies say they provide excellent personalization, but more than half of consumers disagree

SAN FRANCISCO--(BUSINESS WIRE)-- The past two years have spurred an unprecedented acceleration of digital transformation for business-to-consumer companies, advancing their digital strategies by an average of 6.5 years and boosting total revenues by an average of 70% for companies that invested in digital customer engagement.

That's according to research released today by [Twilio](#) (NYSE: TWLO) (LTSE: TWLO), the customer engagement platform that drives real-time, personalized experiences for today's leading brands. The company's third annual [State of Customer Engagement Report](#), which reflects the findings from a survey of 3,450 business leaders and 4,500 consumers across 12 countries, found that investment in digital customer engagement and personalization technologies has significant, measurable, positive impact on customer retention and trust — and on revenues.

The cookie clock is ticking

Third-party cookies, which are now blocked by Firefox and Safari, will also be blocked by Google Chrome by the end of 2023. Companies need to prepare quickly for these upcoming changes. When asked what kind of customer data their marketing strategy currently relies on, a total of 81% of companies said that at least half of their data was third-party. Meanwhile, 85% of consumers want brands to make use of only first-party data when delivering the kind of personalized experiences they now expect.

The deprecation of cookies will cause even more difficulty for brands who rely on such cookies to identify and track visitors to their websites. More than half (55%) of companies say they are not fully prepared for a cookieless world, and 42% of companies predict that the impending changes will lead to lower return on investment on their marketing spend.

This means that when a key pillar of the advertising- and social media-driven internet disappears, collecting and relying on first-party data won't just be a competitive advantage anymore – it will be table stakes for survival. Business leaders recognize this – 95% say fully owning and utilizing customer data will be their biggest growth lever over the next three years.

Personalization: expectations vs. reality

Personalization has emerged as one of the most important aspects of delivering a competitive brand experience that will attract customers and create brand loyalty. In fact, the consequences of not providing personalized experiences to customers can be severe, with nearly two-thirds of consumers saying they'll stop using a brand if it doesn't personalize their experience.

However, while both brands and consumers agree that personalization is important, the report uncovered some startling gaps between the two groups.

For instance, most companies (88%) surveyed believe that personalization is critical to their customer engagement strategy. Yet while 75% of companies claim to provide good or excellent personalized experiences to customers, more than half of consumers (52%) disagree, reporting bad, poor or average personalization.

Five fundamentals to ensure digital survival and success

"The research clearly shows that companies that prioritize digital customer engagement reap the biggest rewards," said Glenn Weinstein, chief customer officer at Twilio. "Personalization is actually getting harder to deliver, with high customer expectations, changing technologies, and the diminishing value of third-party cookies. We've seen five fundamentals to overcoming these challenges: embrace digital, personalize every interaction, shift to first-party data, close the trust gap, and avoid engagement fatigue by increasing the quality of your interactions."

Key findings from the Twilio report include:

- 70% is the average top-line revenue increase among companies that invested in digital customer engagement over the past two years. For 7% of responding companies, revenues tripled after investing in digital customer engagement.
- B2C companies say that the past two years accelerated their digital transformation strategies by an average of 6.5 years. Among the respondents, 17% of companies say they've leaped forward 10 to 14 years.
- 75% of companies think they're providing good or excellent personalized experiences. But more than half of consumers disagree.
- 95% of B2C companies believe consumers trust their ability to protect data, but only 65% of consumers actually do trust these companies.
- Gen Zs and Millennials are more than twice as likely as Baby Boomers to have experienced digital fatigue in the past 30 days.
- The report also provides insights and examples of world-class digital customer engagement from five different leading

global organizations – Allianz Direct, Intuit, Nubank, The Trevor Project and Electrolux.

The report is based on two surveys conducted by Lawless Research in December 2021 and January 2022. The B2C company survey collected responses from 3,450 business leaders, while the consumer survey collected responses for 4,500 consumers. Both surveys included respondents from Australia, Brazil, Colombia, France, Germany, Italy, Japan, Mexico, Singapore, Spain, United Kingdom and United States, with two hundred to 1,000 responses from each country. In addition, the report includes analysis of anonymized, aggregate data from over 1.6 trillion interactions that have occurred on Twilio's platform, including Twilio Segment, over the past several years.

Twilio's State of Customer Engagement Report 2022 is available as an interactive experience, letting web users explore the data by region and by country, as well as a 39-page report, at the following link: <https://socer.twilio.com/>.

About Twilio

Today's leading companies trust Twilio's Customer Engagement Platform (CEP) to build direct, personalized relationships with their customers everywhere in the world. Twilio's leading communications APIs enable companies to engage with their customers across voice, conversations, messaging, video and email. Twilio Segment, the leading Customer Data Platform, allows companies to create highly personalized interactions and automated customer profiles based on first-party data from multiple channels. Twilio enables companies to use communications and data to add intelligence to every step of the customer journey, from sales to marketing to growth, customer service and many more engagement use cases in a flexible, programmatic way. Across 180 countries, millions of developers and hundreds of thousands of businesses use Twilio to create magical experiences for their customers.

Forward-Looking Statements

This press release 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 press release and Twilio does not undertake any obligation to update or revise these statements, except as may be required by law.



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