



State of Customer Engagement Report 2021



In 2020, digital engagement kept us all connected. In 2021, it will be crucial to every businesses' success and survival.

Twilio, the leading cloud communications and customer engagement platform, combined our unique perspective on the landscape of digital communications with new insight from over 2,500 global enterprise decision-makers to understand what trends are permanent.

Read on to explore what we found, and the themes shaping the future of digital engagement.



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How did we get here? The lasting impact of COVID-19

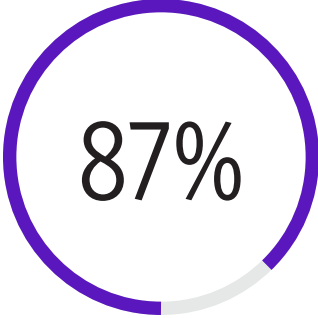
2020 was the year of digital engagement that no one expected. The COVID-19 pandemic hit and instantly changed the way we connect with friends, family, businesses, customers and colleagues. Digital transformation, the macrotrend that defined the past decade, accelerated at a remarkable rate. Creative new solutions were built out of necessity to keep us all connected in spite of physical distance. Boundaries between our online and offline lives dissolved.

These trends are here to stay.



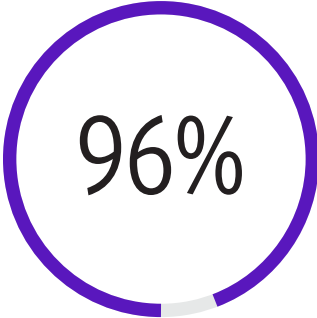


Businesses agree: Digital communications are critical to survival



87%

report digital communications
are critically or very
important to their survival
during the pandemic



96%

report that NOT digitizing
customer engagement
would have negatively
impacted their business



43%

report they would have
been less competitive

43%

report they would have
been unable to meet
customer expectations

43%

report they would
have lost revenue



Change was swift. Most companies sped up their digital strategies **2 to 4 weeks** after the initial pandemic lockdown in their countries.

Businesses built more ways to engage, faster.



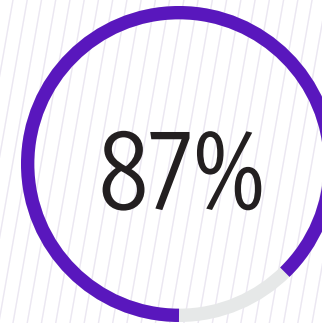
46%

decrease in time taken to implement new channels

28

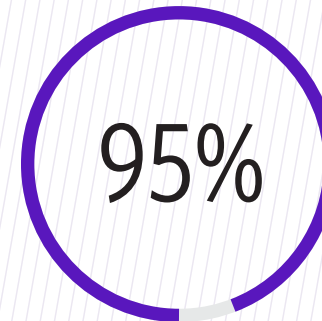
fewer days to build new channels to connect with customers

And we aren't going back.



87%

report digital customer engagement will be critically or very important to their success going forward



95%

expect to increase or maintain their organization's investment in customer engagement after the pandemic

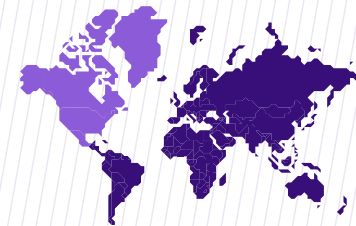


The Twilio Engagement Builder Spotlight recognizes what innovative organizations have built to stay connected to their customers and communities.

During an economic downturn, managing your finances and ensuring the safety of your home and assets is top of mind. Leading distributor of insurance and household financial services, BGL Group, built a new, virtual contact center in just 8 days, enabling 1,200 agents to work remotely and safely while continuing to provide its three million customers with the best possible customer service.

Read the full story:

<http://twil.io/soce/bgl>





Trend

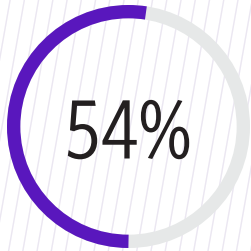
01

Digital soars, personalization is within reach

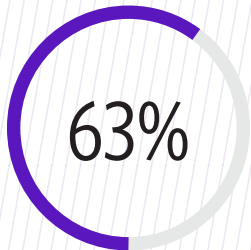
Soaring digital engagement drives new insights,
but businesses face a tidal wave of data

In person interactions moved online at light speed in response to the COVID-19 pandemic. Every organization raced to build new ways to engage customers, communities and constituents. Digital engagement didn't just keep organizations afloat — more digital touchpoints are giving organizations better insight into their customers and leading to higher customer satisfaction. Businesses have no intention of going back.





report their digital interactions increased 50% or more during the pandemic



average increase in number of digital touchpoints with customers during the pandemic

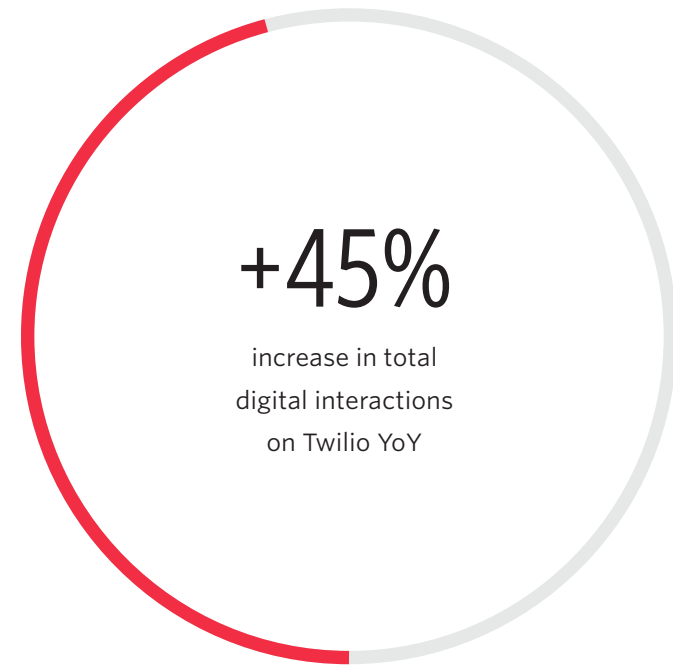


report increased customer insights as a result of greater customer engagement during the pandemic



Twilio data

More than 1 trillion digital interactions took place on Twilio in 2020



increase in total digital interactions on Twilio YoY

Digitizing customer engagement means better customer experience and higher customer satisfaction



“Every company is immersed in Digital Transformation, reimagining and rebuilding the way they operate for the future. The pandemic accelerated the call to build in every industry, and that builder mindset will shape the next decade of innovation.”

Jeff Lawson CEO, Twilio

The challenge — and opportunity — is that more interactions across more channels generate a flood of customer data that organizations struggle to make actionable for the customer. Why? The process of collecting and making sense of multiple digital touchpoints has always required specialized machine learning engineers and expensive data expertise.



What's next

Businesses arrive at the holy grail: **personalization at consumer scale**. Before, only a handful of the largest brands had the resources to offer truly personalized customer experiences. The combination of soaring digital engagement and customer data platforms that abstract away complexity will allow all businesses to build a richer and more holistic view of their customers, and tailor the experience they deliver for millions.

"Companies will reorganize to ensure customer experience (CX) and customer insights (CI) collaboration."

Forrester Predictions 2021: Customer Experience

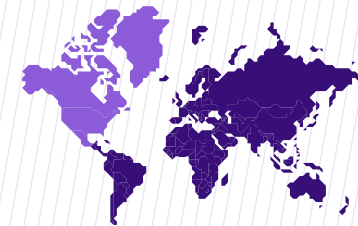


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It's not easy to keep an airline running during a global pandemic. Delta's top priority was passenger safety — and the key to that was digital communications. The airline used multiple digital channels to inform travelers about new rules and updated safety standards at every step of their journey, and customer satisfaction scores are the highest they've ever been. "Twilio enabled us to communicate updates to our 200 million customers, 24 hours a day, seven days a week," Delta Air Lines CEO Ed Bastian says.

Watch the full story:

<http://twil.io/soce/delta>





Trend

02

Digital drives the agile workforce

Digital connection reshaped the working world. The future is agile and distributed.

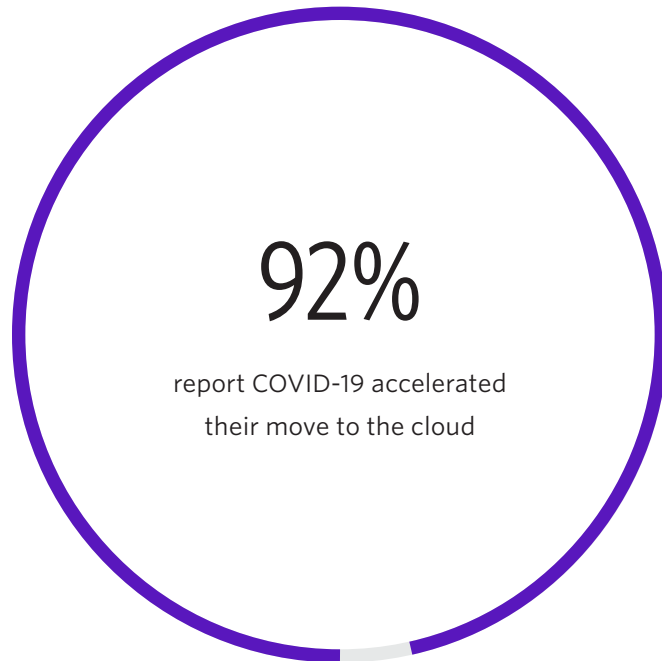
2020 irrevocably changed what modern work looks like. At one point in the year, more than half of the global workforce was working remotely¹ enabled by digital communication tools that replace in-person interaction. Many office workers will never go back full-time. Every day more businesses announce flexible remote work policies. These changes open up employers to increasingly distributed teams and new talent markets. Accelerated migration to the cloud and adoption of remote contact centers are enabling a growing, agile workforce.



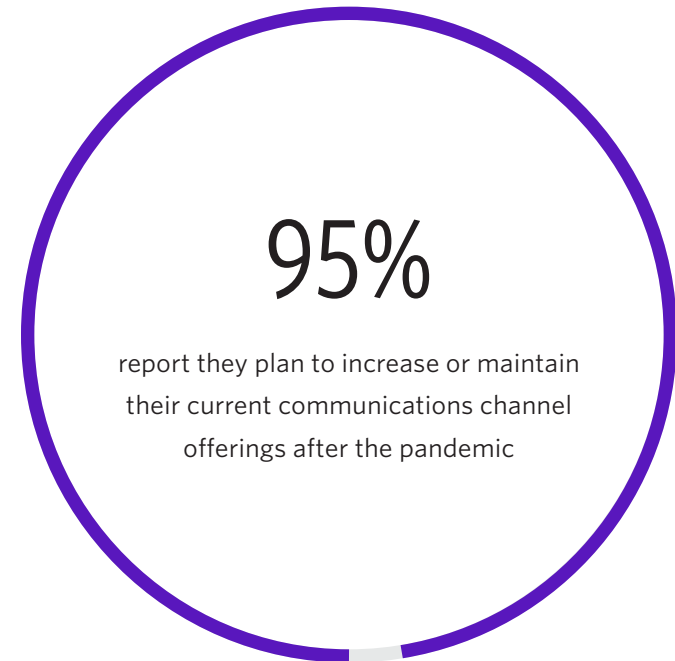
¹Read more: [How Will the Pandemic Change the Way We Work](#)



Cloud migration accelerated across every company, from 500-25,000+ employees



Businesses plan to expand where and how they engage customers.



4

average number of new channels businesses plan to add this year, with roughly one third planning to add live chat, chatbots, IVR and video



“In the Omdia Future of Work Survey conducted in August 2020, 2 out of 3 respondents plan to encourage certain teams or business functions to work remotely post-COVID-19.” Omdia

Employees dividing time between home and office is not the only way the workplace is transforming. **Companies are using digital communications to reimagine their front-line engagement so that employees can serve customers from anywhere, under any circumstances.** Sales associates are using text and video to deliver personalized recommendations to clients from the sales floor. Cable technicians can field problem reports and troubleshoot remotely. Food delivery workers let customers know when their orders will arrive from the road for contactless drop-offs.



What's next

The working world will no longer be constrained by shared physical locations or physical hardware. The average knowledge worker will spend close to half their time in the office and half remote, while service workers day-to-day will be enhanced with digital communications. Businesses will maintain the new workflows they've created to drive additional customer loyalty and create new revenue streams.

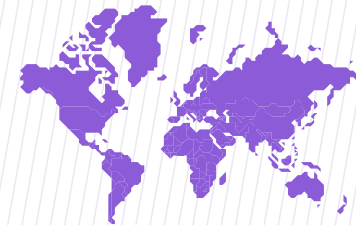
"We're never going back to fully analog. Every in-person experience in the future will have a digital element. Businesses that don't adopt this model will take a hit on customer loyalty and relevance."

Glenn Weinstein Chief Customer Officer, Twilio



The Twilio Engagement Builder Spotlight recognizes what innovative organizations have built to stay connected to their customers and communities.

Nike hit the ground running when the pandemic struck, shifting to an online-only model while still delivering the great one-on-one service customers experience in stores. From their homes retail employees (aka “store athletes”) help digital consumers shop for the perfect pair of running shoes using Nike’s app messaging system based on the Twilio platform. Engagement was so strong that even after stores reopened store athletes have kept using the platform to support digital consumers. And online sales are still growing.





Trend

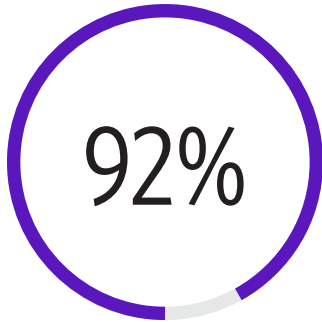
03

Healthcare, financial services, and public sector embrace digital

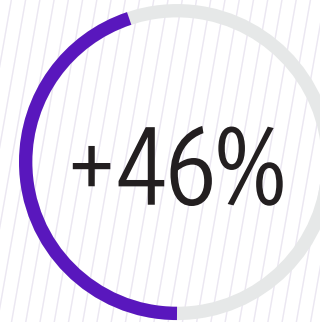
Highly regulated industries (HRIs) became first-adopters, and lead with a consumer-centric approach

Healthcare providers embraced multichannel tools to deliver care virtually. Banks leaned into customer-facing digital services, using mobile apps, messaging and chatbots as the primary interaction with customers. Governments used communications software to build contact tracing solutions and keep residents safe. Even courts held hearings via videoconference. These highly regulated industries are embracing digital at a rapid pace, cracking open new opportunities that normalize more consumer-centered experiences.

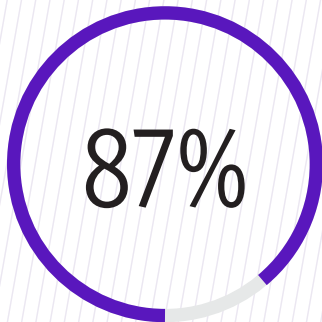




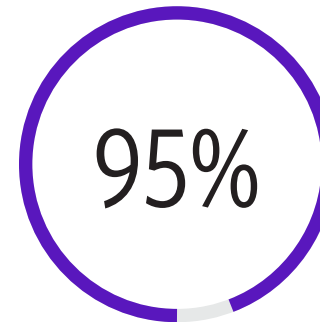
report COVID-19 spurred
their company to explore new
strategies to serve customers



increase in digital
customer engagement in
HRIs due to COVID-19



report digital engagement will
be critically or very important
to their success going forward



businesses in HRIs plan
to maintain or increase
their current investment in
customer engagement

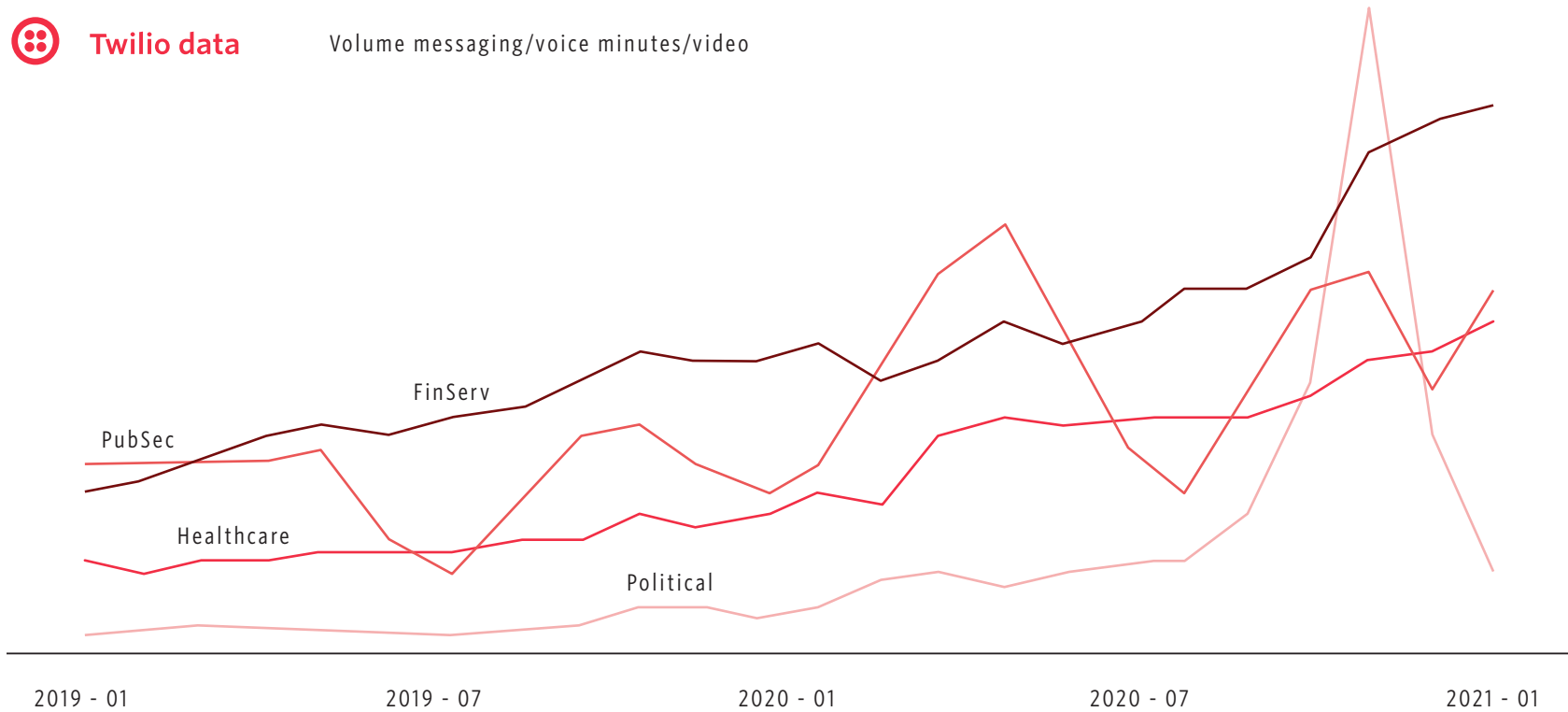


Highly regulated industries increased their digital engagement* on Twilio more than 2x (104%) YoY.



Twilio data

Volume messaging/voice minutes/video



*Digital engagement defined as messages, voice minutes, video by public sector, healthcare, financial services, and political organizations



"Healthcare, finance, education, and government will be at the forefront of adoption in CY20/CY21 because of growing pressure to deliver services to their remote customers, users, and employees under the COVID-19 constraints."

Omdia Collaborative Meeting Services
Market Tracker 2H20 Analysis



What's next

Leading healthcare providers will differentiate themselves by leveraging technology to connect and support patients as they go about their daily lives, a critical step in improving population health and lowering costs. Banks no longer view online banking as a secondary channel. Great online experiences being built will attract new generations of customers and create opportunities to serve the unbanked and underbanked. In the public sector, digital communications will connect government agencies with more constituents more directly, enabling new avenues for dialogue.

"We expect as much as 35% of healthcare will be delivered virtually post pandemic. This represents a huge opportunity to shift away from the traditional transactional model — "sick care" — to a proactive and consumer-centric approach, true "healthcare."

Susan Collins Global Head of Healthcare, Twilio

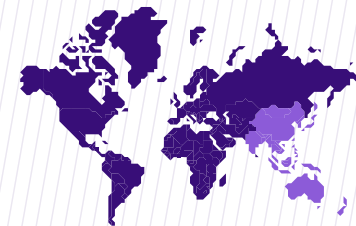


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When Japan faced an influx of travelers returning to Japan due to the global pandemic, the Ministry of Health, Labor and Welfare quickly realized that they would need a better way to monitor people's health and help prevent the spread of new COVID-19 cases. They turned to LINE AiCall for support. Utilizing Twilio, LINE built an AI-powered, dedicated line in just 10 days for telephone consultations, health status confirmations of returnees, and emergency responses. "The number of daily returnees from designated countries shot up, and 60% of them were covered by LINE AiCall and the dedicated line prepared by Twilio." LINE Corporation Kenji Kanehiro says. The Ministry plans to continue using the solution to engage residents going forward.

Read the full story:

<http://twil.io/soce/LINE>





Trend

04

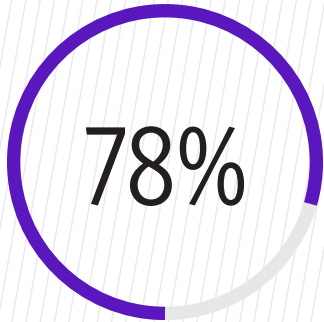
Video enhances our virtual connections

Next-generation video blends in-person and digital

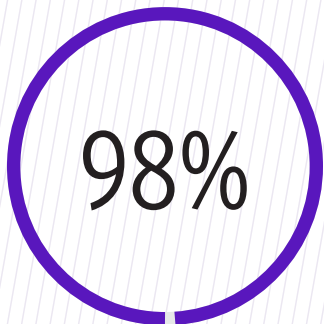
Of all digital channels, video saw the biggest boost in 2020 and became the default replacement for every kind of in-person communication. People spent so much time videoconferencing that many invested in better cameras and special lighting. Even television was transformed, with late-night TV hosts like Stephen Colbert doing shows from home, and news outlets like the BBC interviewing guests from their living rooms.

This year of unprecedented video adoption showed us that video is not a one-for-one replacement for in-person interaction. Just because it can be used that way, doesn't mean it should be. The best video experiences are created when video is treated as a way to enhance in-person interactions, not replace them, and to do things better on video than in person.





report they now use
video communication
with their customers



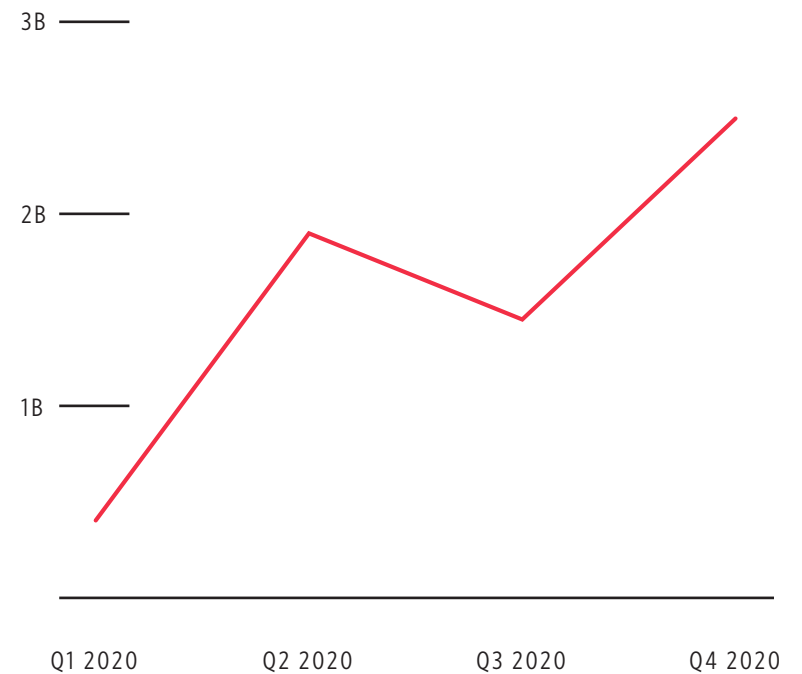
report use of video
communication with
customers accelerated
more than other channels
during the pandemic

Stronger relationships, increased access to products, and quicker resolution of issues are the top benefits of video use with customers.



Twilio data

Video usage on Twilio increased more than 350% in 2020





"Fifty-four percent of B2B buyers we surveyed say they are likely to engage with short-form videos when making purchase decisions."

Forrester Research, Inc., The Forrester Tech Tide™: Video Technologies For Customer And Employee Experience, Q4 2020



What's next

The next generation of video will be defined by solutions that fully embrace video as a unique channel to create better than in-person experiences. More seamless integration of in-person and video and entirely new use cases will surge. Innovative video experiences will be built, not bought. Already companies like AirTutors are building dynamic features like whiteboarding into their online learning platform to keep students engaged, and Yembo.ai combines video with artificial intelligence so moving companies can survey belongings and quickly provide accurate quotes.

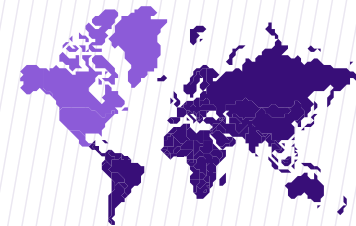


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In just 30 days, media and telecom leader Comcast developed and rolled out a Twilio-based virtual tech support system so that customers can connect with a remote technician via their smartphone camera to troubleshoot issues safely and virtually -- a sanity saver when our work and personal lives depended on being online. Customers love the convenience and safety and give the experience 4+ out of 5 stars.

Read the full story:

<http://twil.io/soce/comcast>





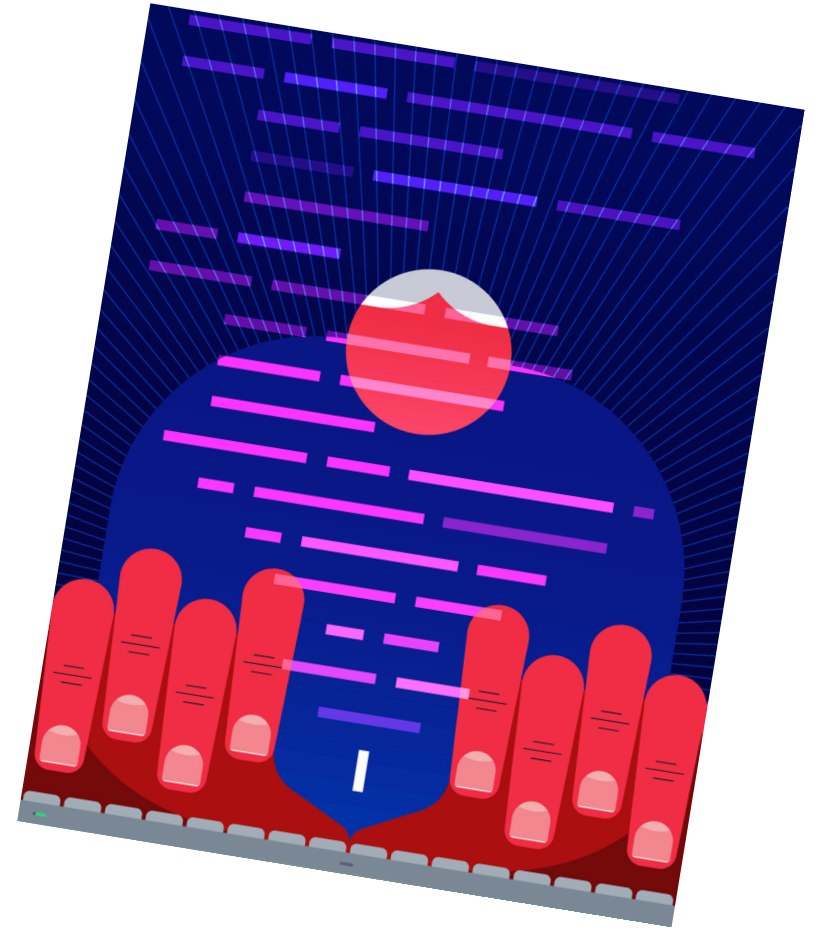
Trend

05

It's time to build

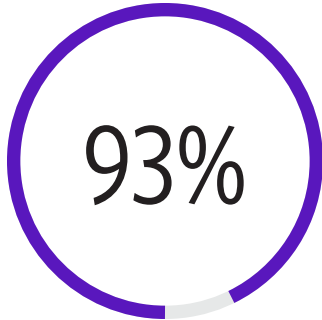
Great digital experience doesn't come in a box

The pandemic clarified the advantages of building solutions internally and iterating quickly as needs change, especially for enterprises that may have been hesitant to build in the past. Faced with a crisis, organizations of every size turned to their developers to create digital solutions fast. Leaders at every level recognized how crucial developer teams are to their business success, and this mindset is changing how organizations large and small approach digital adoption.

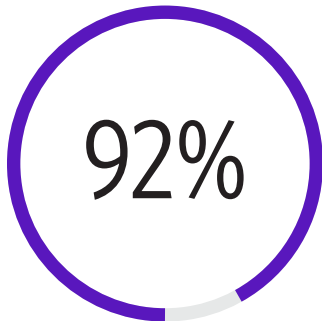




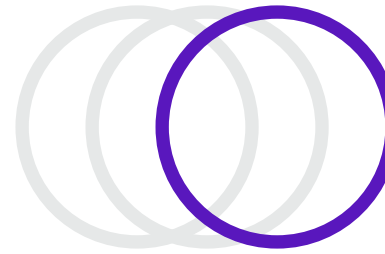
Developers were unleashed



report software developers were crucial to solving business challenges that arose from the pandemic

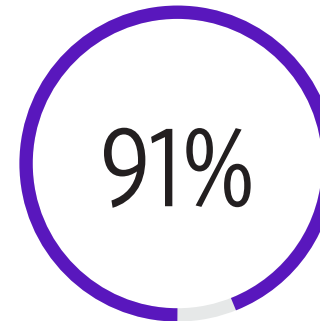


of C-level executives report developers were crucial to solving business challenges brought on by COVID



1/3

companies are choosing to build with programmable solutions



report they are more likely to build communications solutions to meet customer demands in the future

The majority of companies will increase use of programmable solutions in 2021

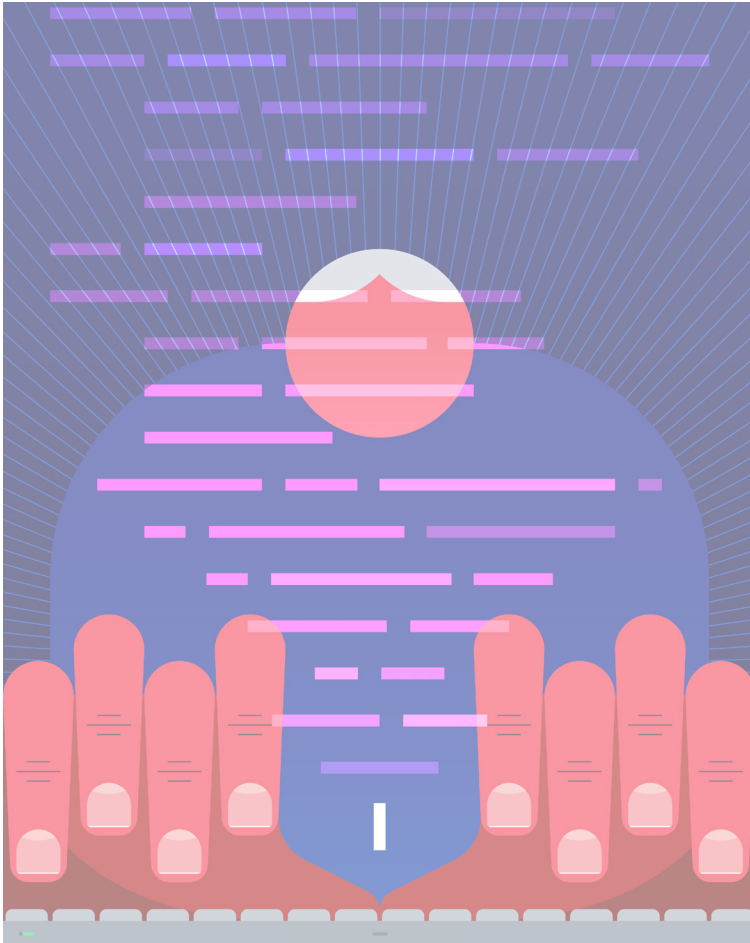


Twilio data

220,000

companies are building digital communications on Twilio

*Defined as active Twilio customer accounts



"CPaaS is driving the adoption of APIs beyond the cloud-native segment and use for internal operations. This will continue to revolutionize enterprise customer engagement strategies over the next few years."

IDC Worldwide Communications Platform-as-a-Service Forecast, 2020-2024

Doc # US46287520



What's next

As digital transformation reaches the last mile — front-end customer engagement — it's becoming clear that the way you make a customer feel is as important as your core product or service. Great online experience can't be bought, it must be built. Forward-looking organizations are now focused on building the best customer experiences around their product, using flexible software building blocks (APIs) to set themselves apart. Businesses that are able to listen to customers and adapt to what they hear at the pace of software will win.



The Twilio Engagement Builder Spotlight recognizes what innovative organizations have built to stay connected to their customers and communities.

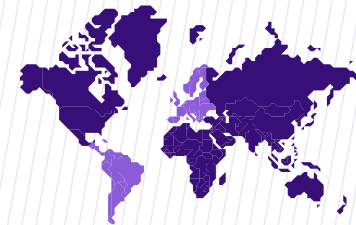
Norwegian Refugee Council, an independent humanitarian organization delivering education, legal and financial support ordinarily helps people face-to-face. But in 2020, NRC built a custom, omni-channel community engagement solution on Twilio to provide two-way communications, social services and support to people across 25 countries, in areas where access to aid is often restricted due to ongoing violent conflict or limited cellular connectivity. “NRC is taking advantage of digital communications to reach more people faster and with greater efficiency,” said Paul Cornu, emergency response adviser at Norwegian Refugee Council.

Read the full story:

<http://twil.io/soce/norwegian-refugee-council>



NORWEGIAN
REFUGEE COUNCIL





Methodology & Data Sources

This report draws from two distinct data sources 1) Twilio platform data, which represents engagement trends that took place on the Twilio platform in 2020. 2) The second source is original survey data from over 2,500 enterprise decision-makers across the United States, the United Kingdom, Germany, Australia, France, Spain, Italy, Japan, and Singapore to understand their views on digital engagement. Respondents are full-time employees of companies with 500+ employees, from the director to executive level.

This report contains statistical data, estimates and expectations that are based on third-party industry publications and other publicly available information, as well as other information based on our internal sources or collected through our commercial relationships. These do not represent, and should not be construed as indicators of Twilio's historical or future financial performance and are solely presented as context for broader market trends.



EMEA: 2021 State of Customer Engagement Data

We surveyed 1,439 enterprise decision makers in France, Germany, Italy, Spain and the UK to understand how they're using digital communications to engage their customers. Here's a deeper dive on what we found.





EMEA: The lasting impact of COVID-19

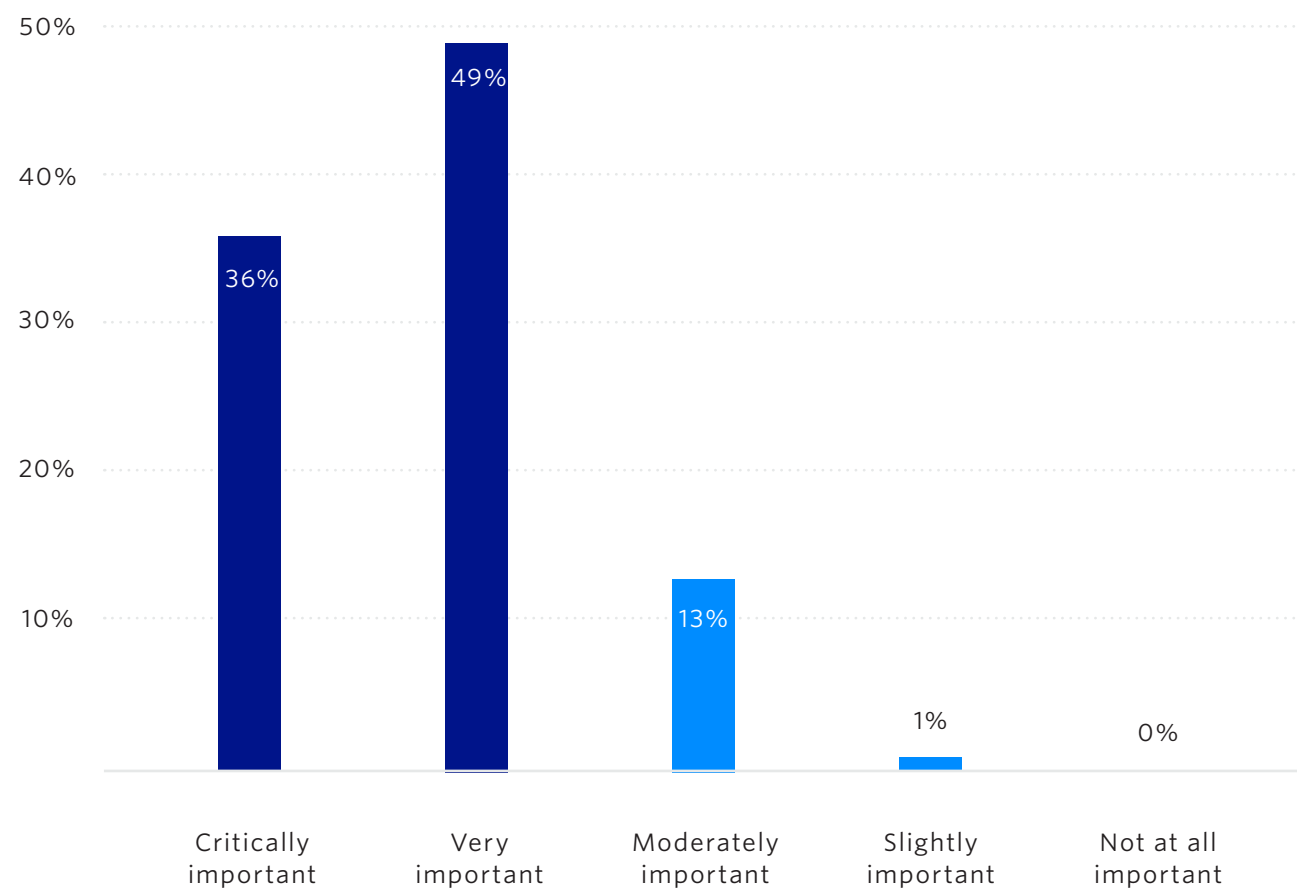
A closer look at how COVID-19 impacted digital engagement going forward.





2020 showed us just how critical digital communications are to business survival.

How important are digital communications (e.g., via text, video, chat, email, voice) to your organization's survival during the pandemic?



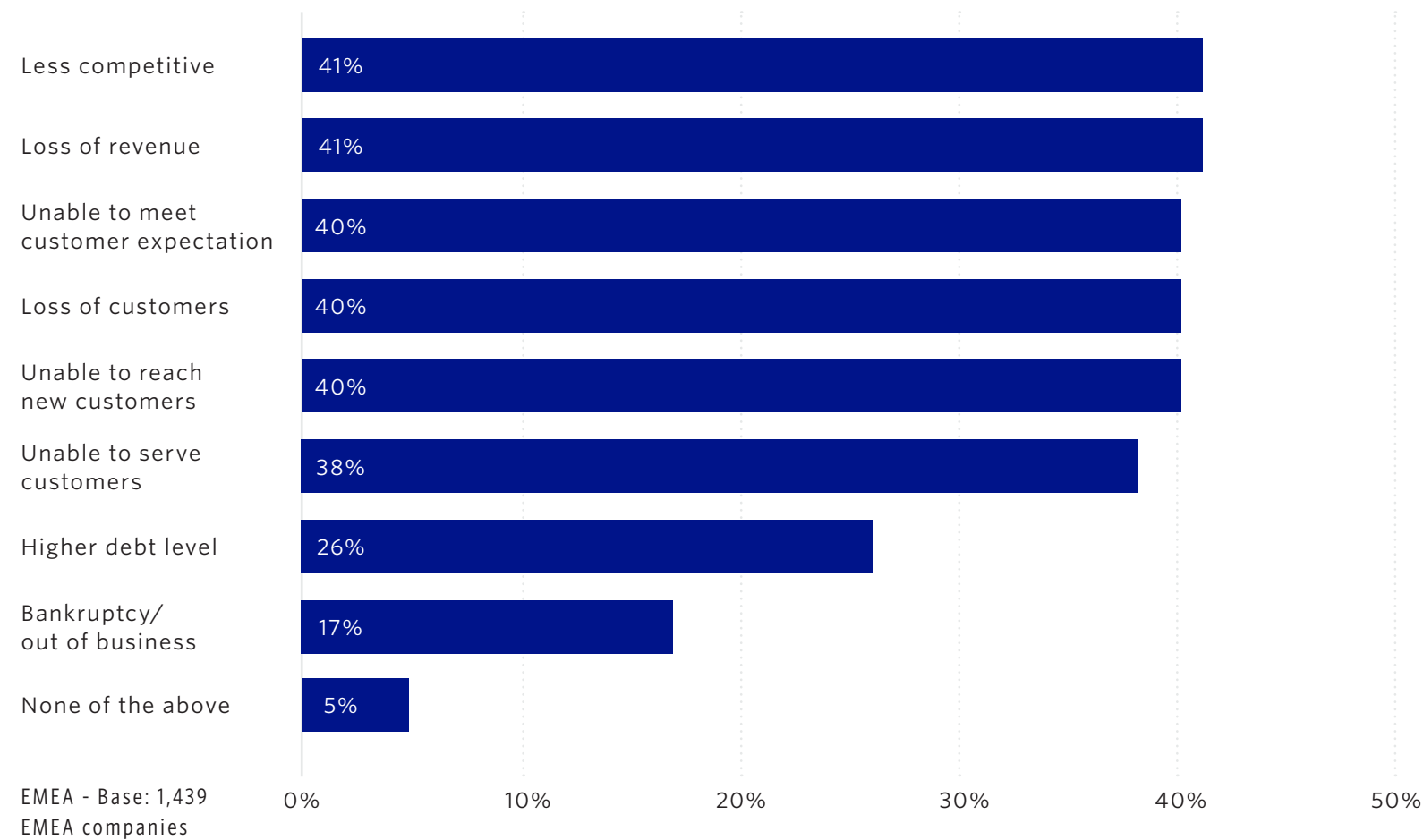
85%

Say digital communications are critically or very important to their current survival during the pandemic



95% of organizations say NOT digitizing customer engagement would have negatively impacted their business.

What would have been the effects of not digitizing your customer engagement during the pandemic?



Effects of not digitizing customer engagement:

41% Less competitive
41% Loss of revenue
40% Unable to meet customer expectations

France

44% Loss of revenue
41% Unable to meet customer expectations
40% Less competitive

Germany

43% Unable to meet customer expectations
41% Unable to reach new customers
40% Loss of customers

Italy

46% Less competitive
45% Loss of revenue
44% Unable to reach new customers

Spain

38% Less competitive
33% Loss of revenue
32% Unable to serve customers

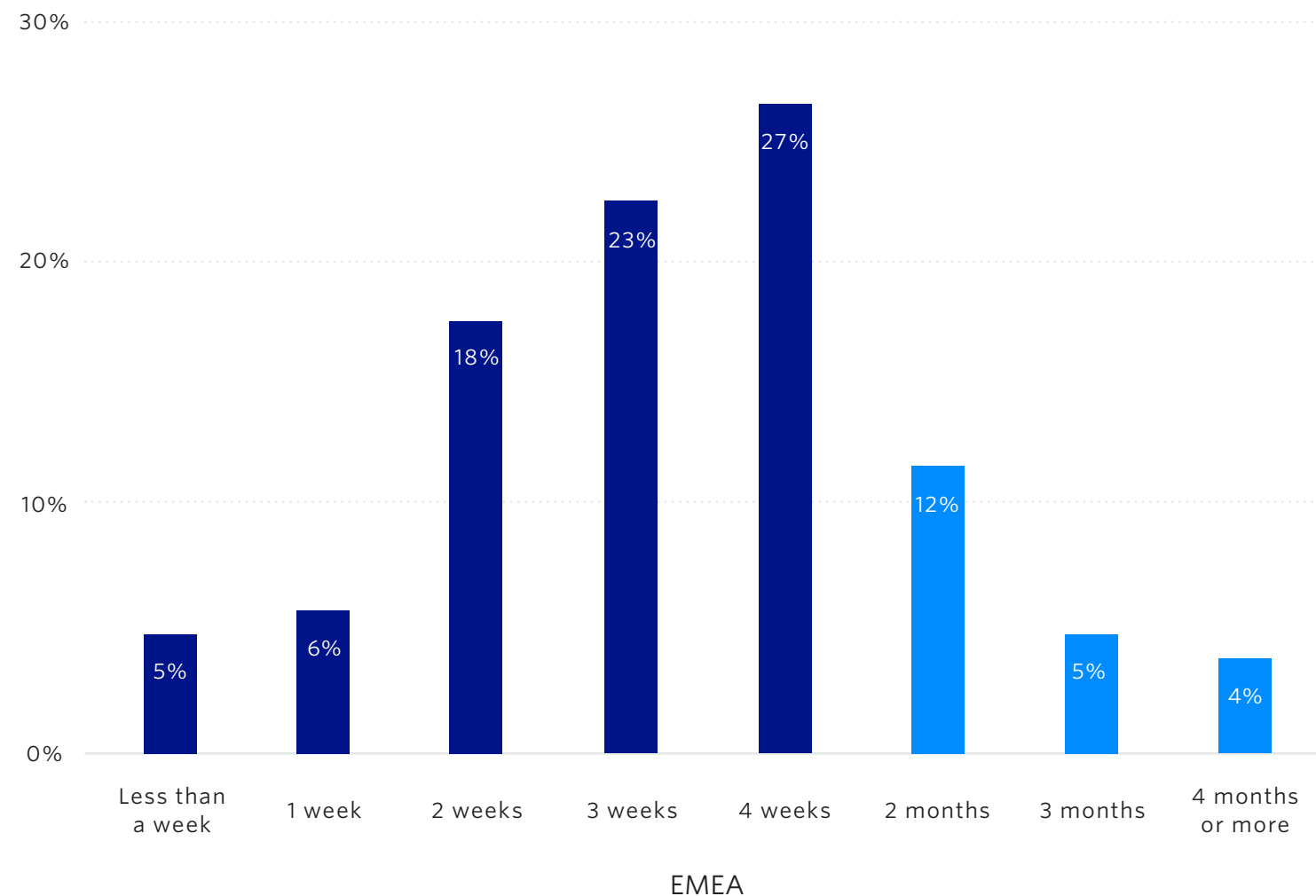
UK

47% Loss of customers
46% Unable to reach new customers
44% Unable to meet customer expectations



Change was swift. EMEA businesses sped up their digital transformation within 2 to 4 weeks after the initial pandemic lockdown in their countries.

How long after the initial COVID-19 lockdown in your country did your organization begin accelerating its digital transformation strategy?



34.3 Days*

Average # of days it took companies to begin accelerating digital transformation after initial COVID lockdown

Italy	30.4 days
Germany	31.7 days
Spain	32.4 days
France	34.0 days
UK	43.0 days

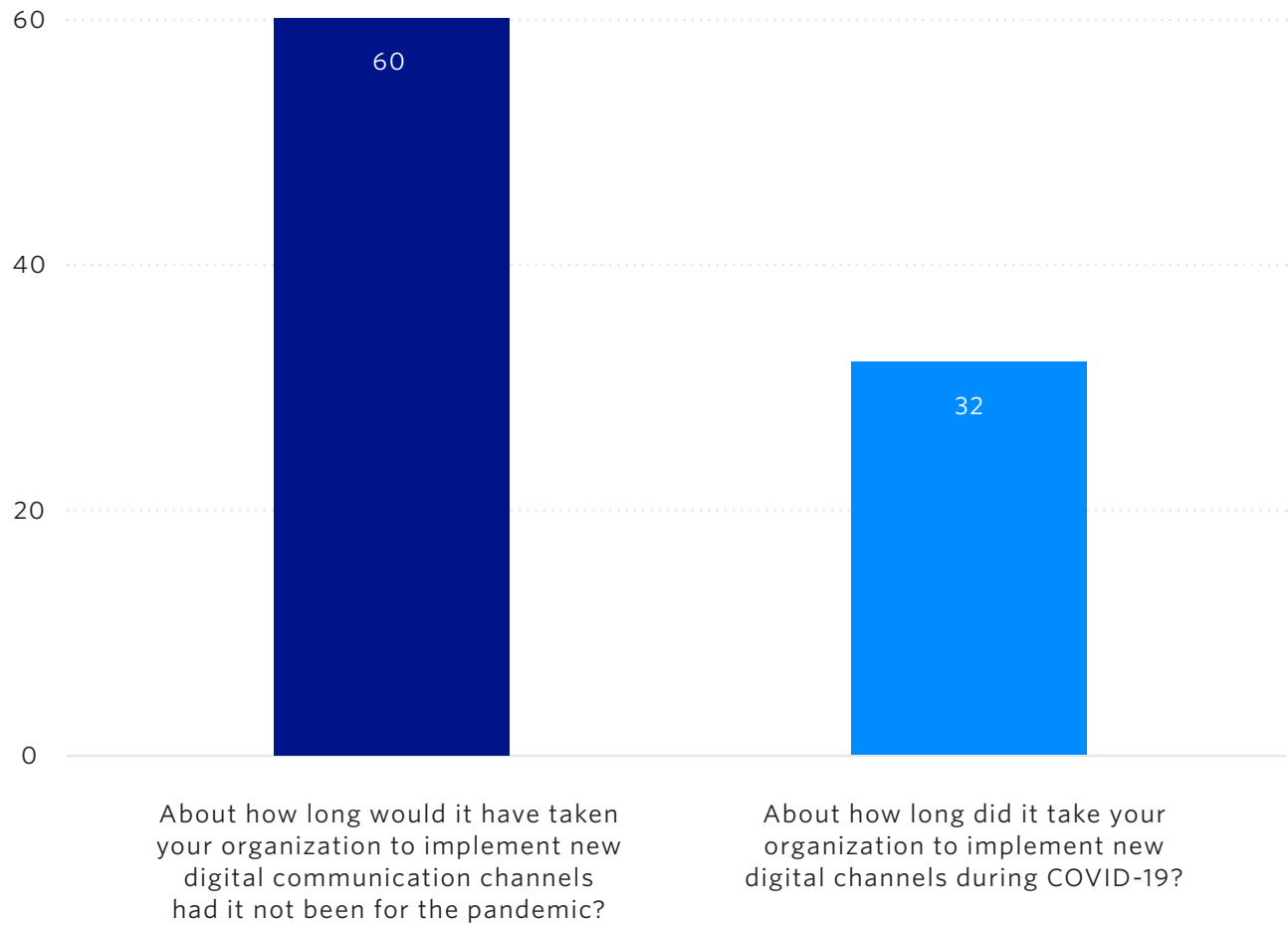
Base: 1396; "Don't knows" removed

*Midpoint average of 1396 companies with "Don't knows" excluded



Businesses built more, faster. Due to the pandemic, organizations were spurred to implement new channels 47% faster.

Average number of days to implement new communication channels: prior to COVID-19 vs during.



EMEA

It took organizations 28 fewer days to implement new communication channels during the pandemic - a 47% decrease in number of days

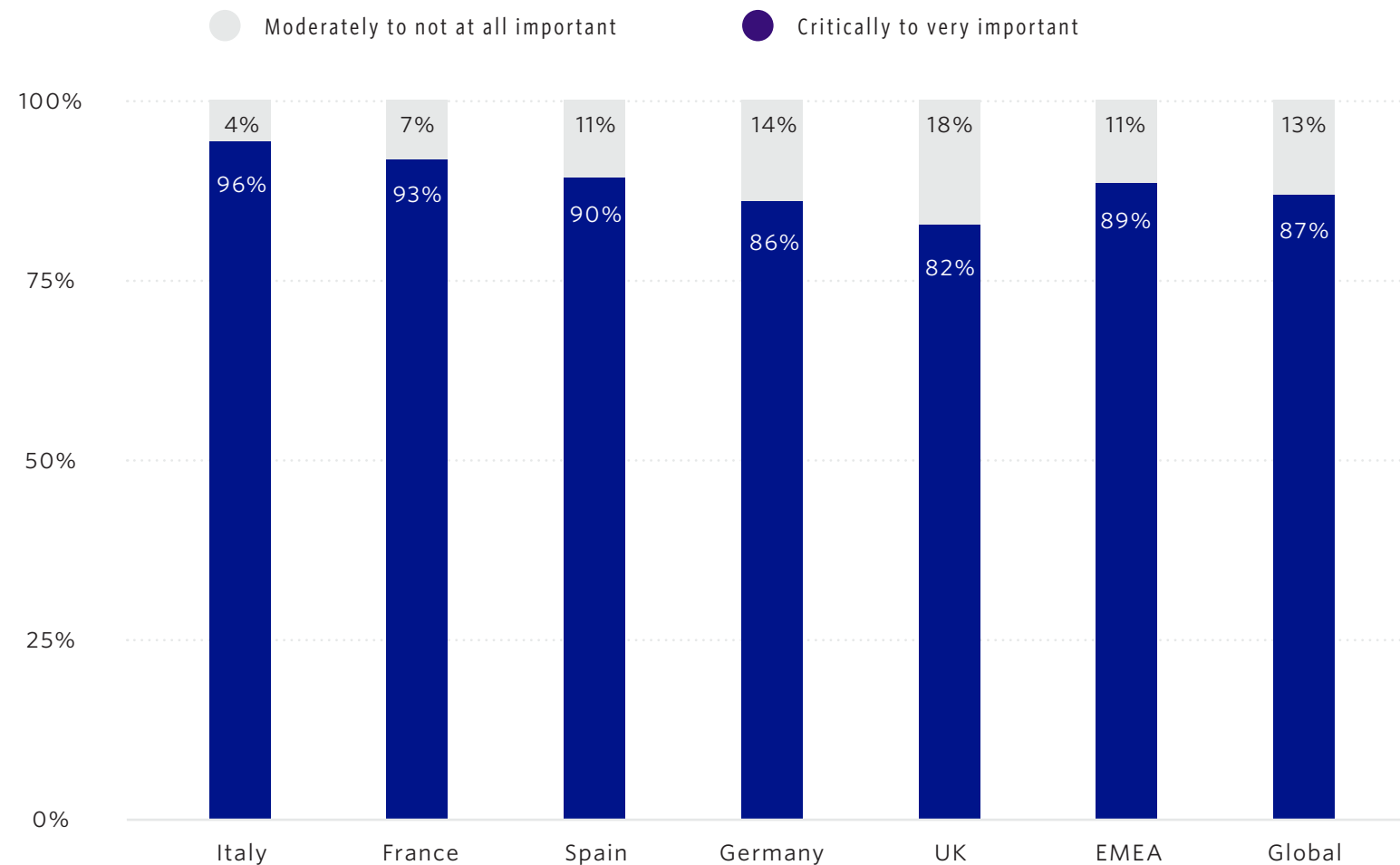
	Prior	During COVID
Italy	63 days	25 days
Spain	84 days	28 days
EMEA	60 days	32 days
Global	61 days	33 days
France	53 days	35 days
Germany	48 days	35 days
UK	61 days	35 days

Base: 1386 companies during COVID-19 and 1370 prior to COVID-19; "Don't knows" excluded



And we aren't going back. 89% report digital communications will be critically or very important to their success going forward.

How important will digital communications be to your organization's success after the pandemic ends?



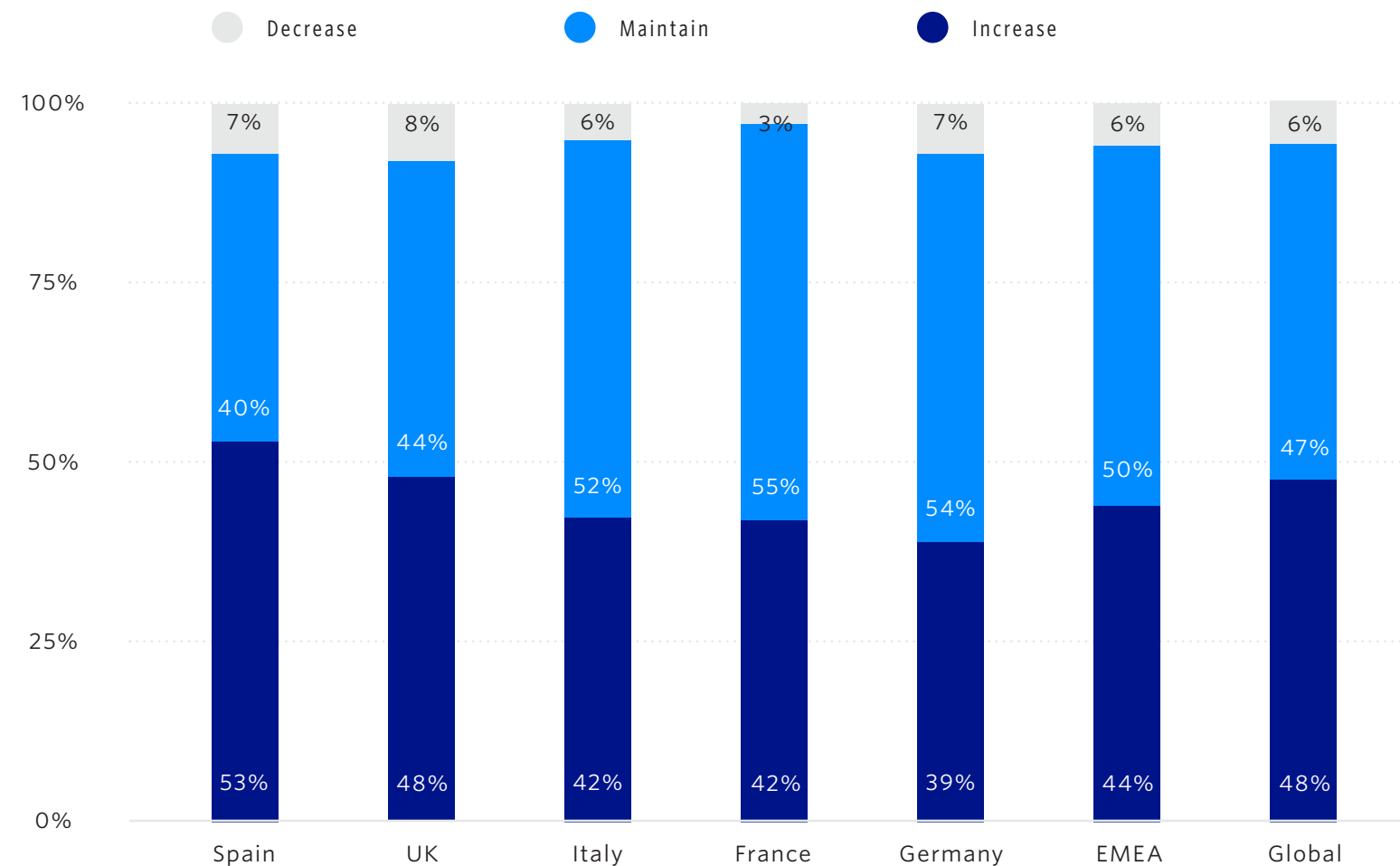
More companies in Italy and France say digital communications will be critically or very important (96% and 93%).

Base: 1439 EMEA companies; 2564 Global companies



In fact, 94% of EMEA companies expect to increase or maintain their organization's investment in customer engagement after the pandemic.

When the pandemic is over, will your organization increase, maintain or decrease its current level of investment in customer engagement?



Over half of Spanish companies (53%) plan to increase their investment in customer engagement after the pandemic is over

Base: 1433 companies; 2545 Global companies
"Don't knows" removed



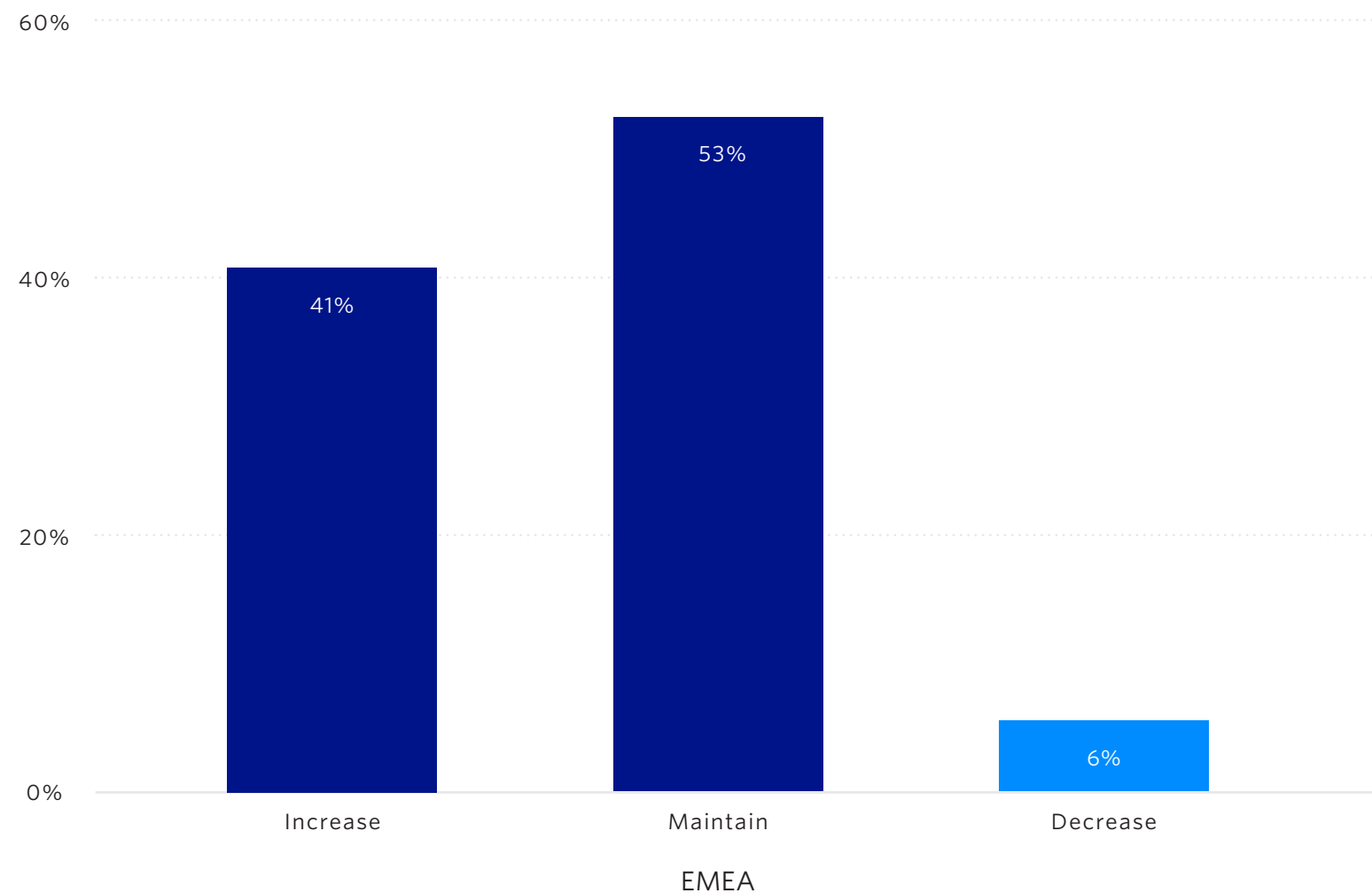
Digital Engagement in EMEA





94% of EMEA-based organizations plan to increase or maintain their current customer communication channels after the pandemic.

When the pandemic is over, will your organization increase, maintain or decrease the number of communication channels used?

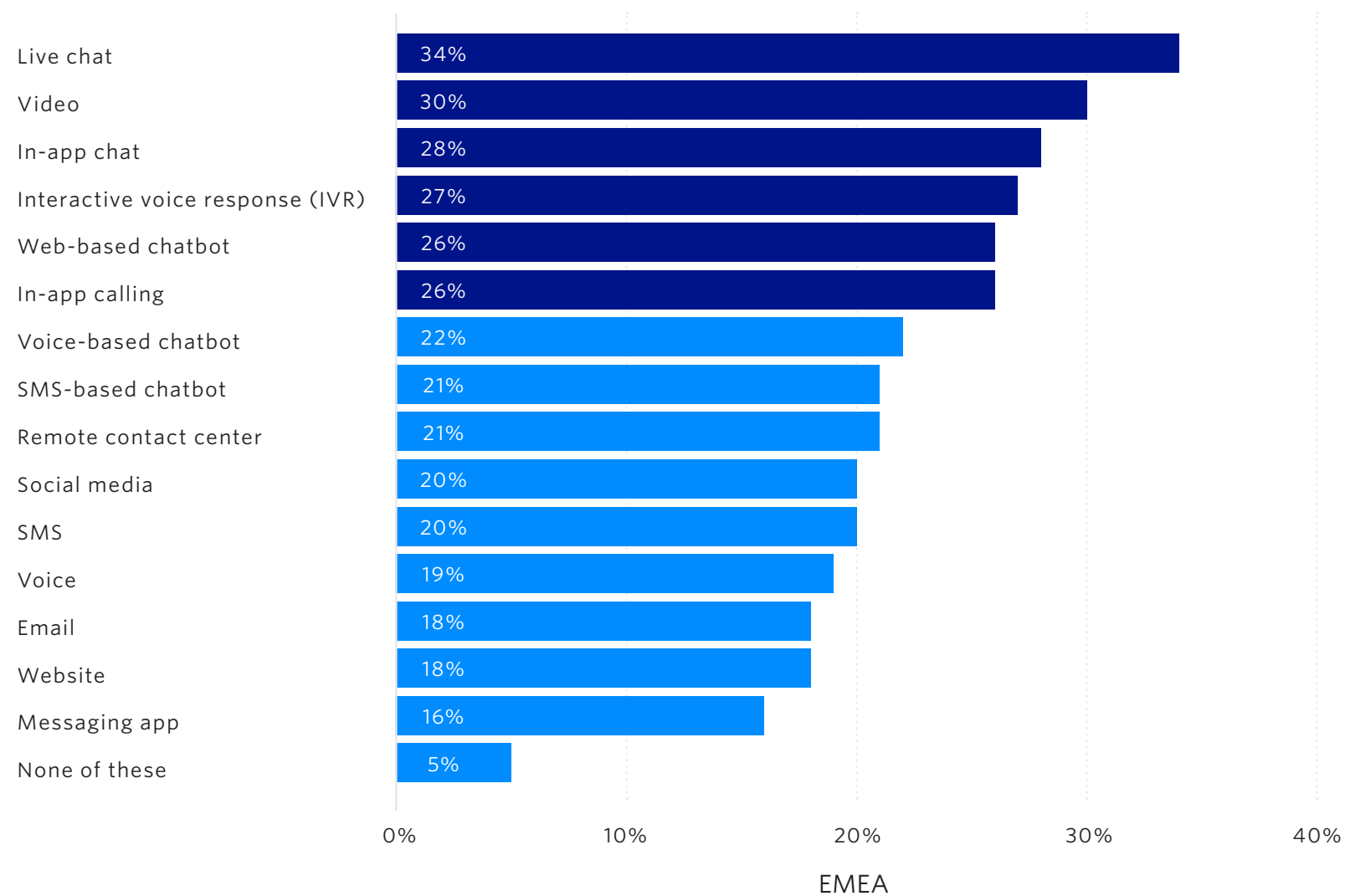


Base: 1433 companies; 2545 Global companies
"Don't knows" removed



Businesses plan to add 3 new channels in the next 12 months, with a third planning to implement live chat.

What digital communication channels does your organization plan to add in the next 12 months?



3.4

Average number of channels organizations plan to add in the next 12 months

Adding in 2021

34% Live chat

30% Video

28% In-app chat

27% IVR

26% Web-based chatbot

26% In-app calling

Average Number

Germany

3.5

Italy

3.5

UK

3.5

Global Average

3.5

France

3.4

Spain

3.3

Base: 1433 companies



Live chat is the #1 channel businesses plan to add in the next 12 months for all EMEA countries except Spain.

Top 3 channels organizations plan to add in the next 12 months

	France	Germany	Italy	Spain	UK
#1	Live chat (34%)	Live chat (35%)	Live chat (39%)	IVR (32%)	Live chat (32%)
#2	Video (33%)	Video (32%)	In-app chat (31%)	In-app chat (28%)	In-app chat (30%)
#3	IVR (29%)	In-app chat (29%)	Video (31%)	In-app calling (26%)	IVR (30%)

#1 channel to add in the next 12 months

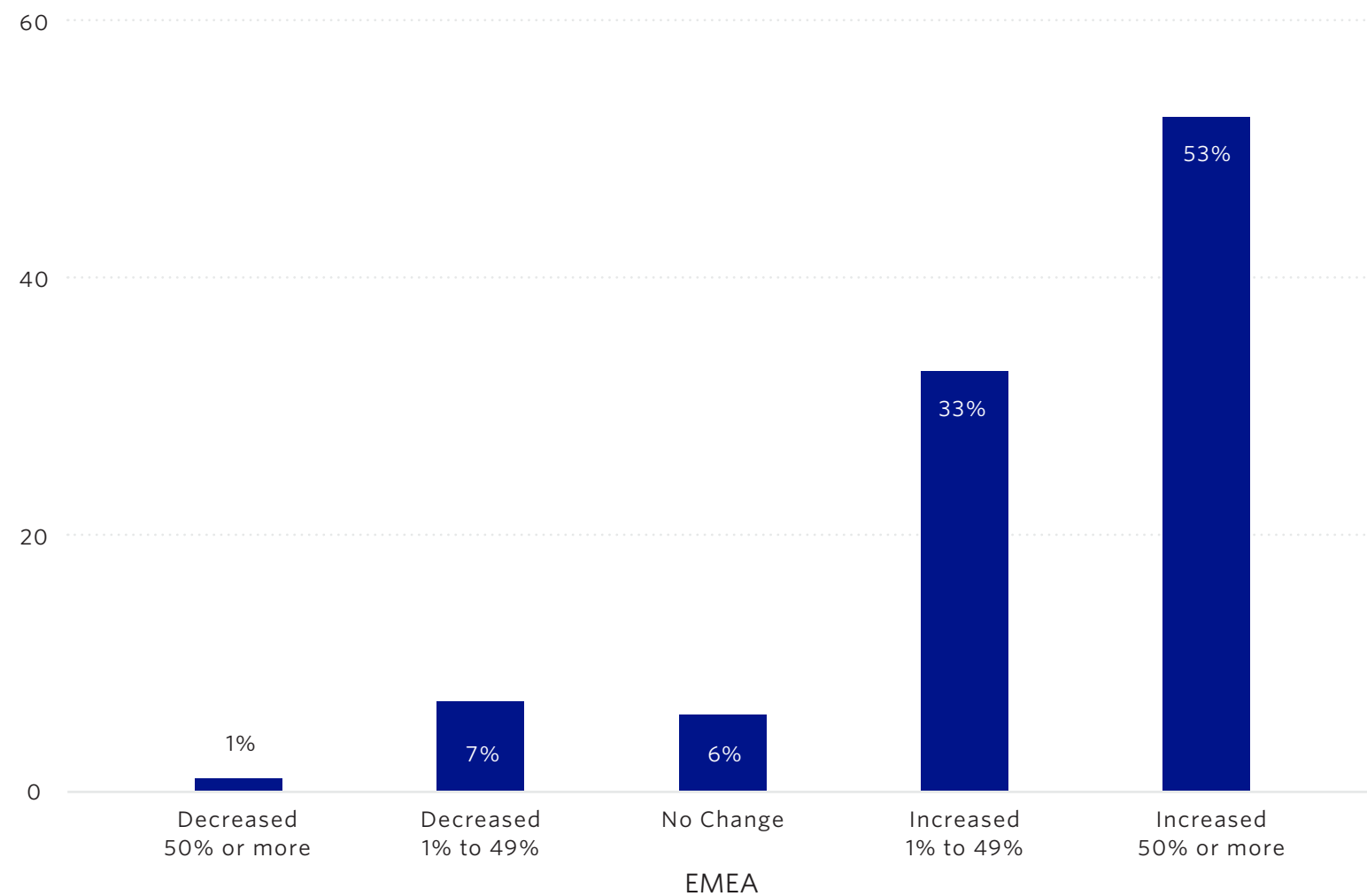
France	Live chat (34%)
Germany	Live chat (35%)
Italy	Live chat (39%)
Spain	IVR (32%)
UK	Live chat (32%)

Base: 1439 companies



Over half of organizations report the number of digital interactions with customers increased 50% or more during the pandemic.

About how much did the number of digital interactions with your customers increase or decrease during COVID-19?



61%

Average increase in number of digital touchpoints with customers during COVID-19

Average Increase in Digital Interactions

77% Spain

68% Italy

63% Global Average

63% UK

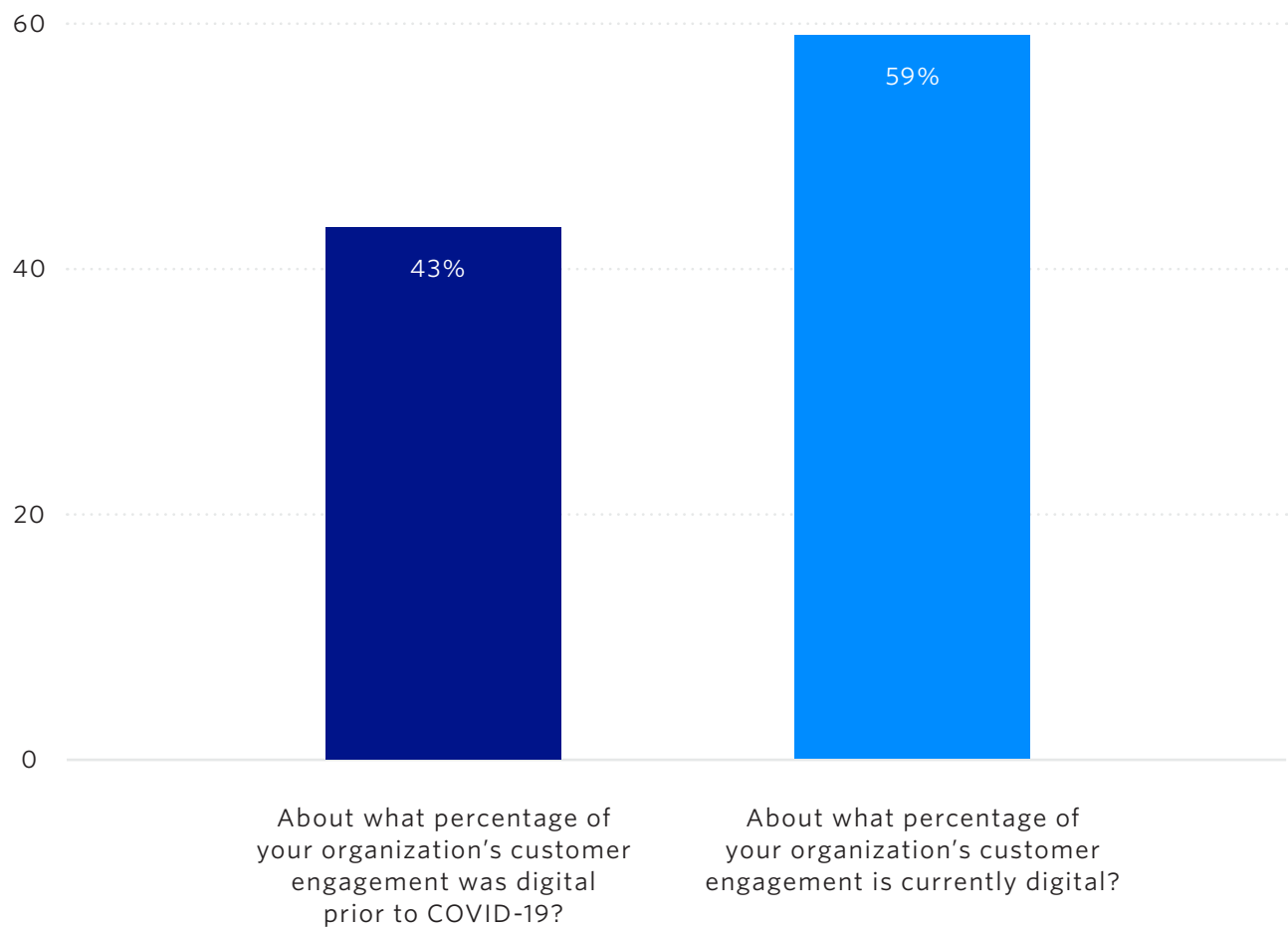
53% France

49% Germany

Base: 1435 companies; "Don't knows" removed



Overall, companies' digital customer engagement increased 37% since the pandemic.



The share of customer engagement that is digital increased 16 percentage points from 43% pre-COVID-19 to 59% in December 2020, which represents a 37% increase.

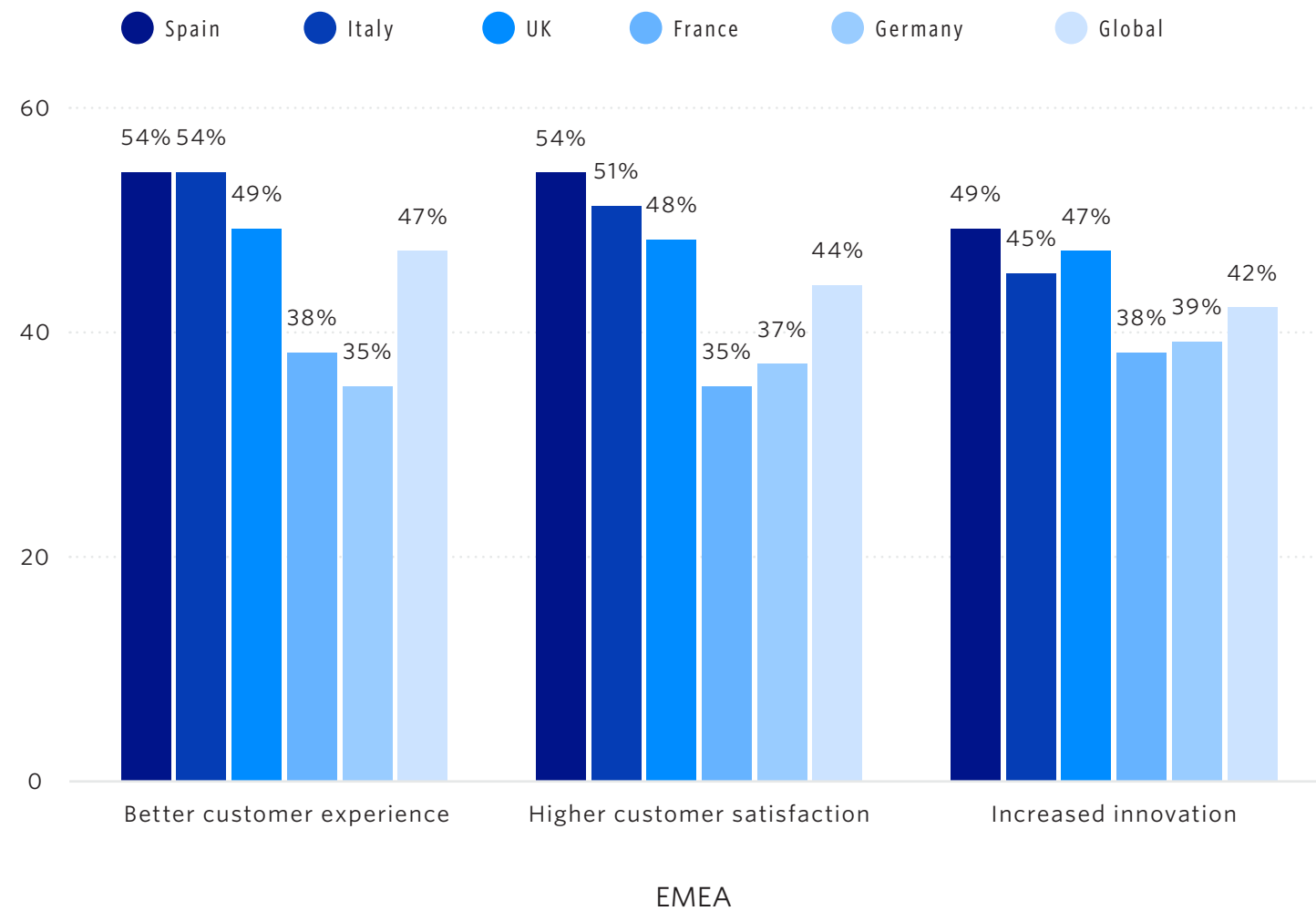
	Prior	During COVID
Spain	41%	67%
Italy	41%	63%
UK	48%	62%
Global Average	43%	58%
France	43%	55%
Germany	41%	52%

$((59\% - 43\%) / 43\%) * 100$
Base: 1437 pre-COVID and 1438 during COVID; "Don't knows" excluded



Majority of companies in Spain and Italy report better customer engagement as a result of digitizing.

Top 3 benefits of digitizing customer engagement: EMEA



Better customer experience

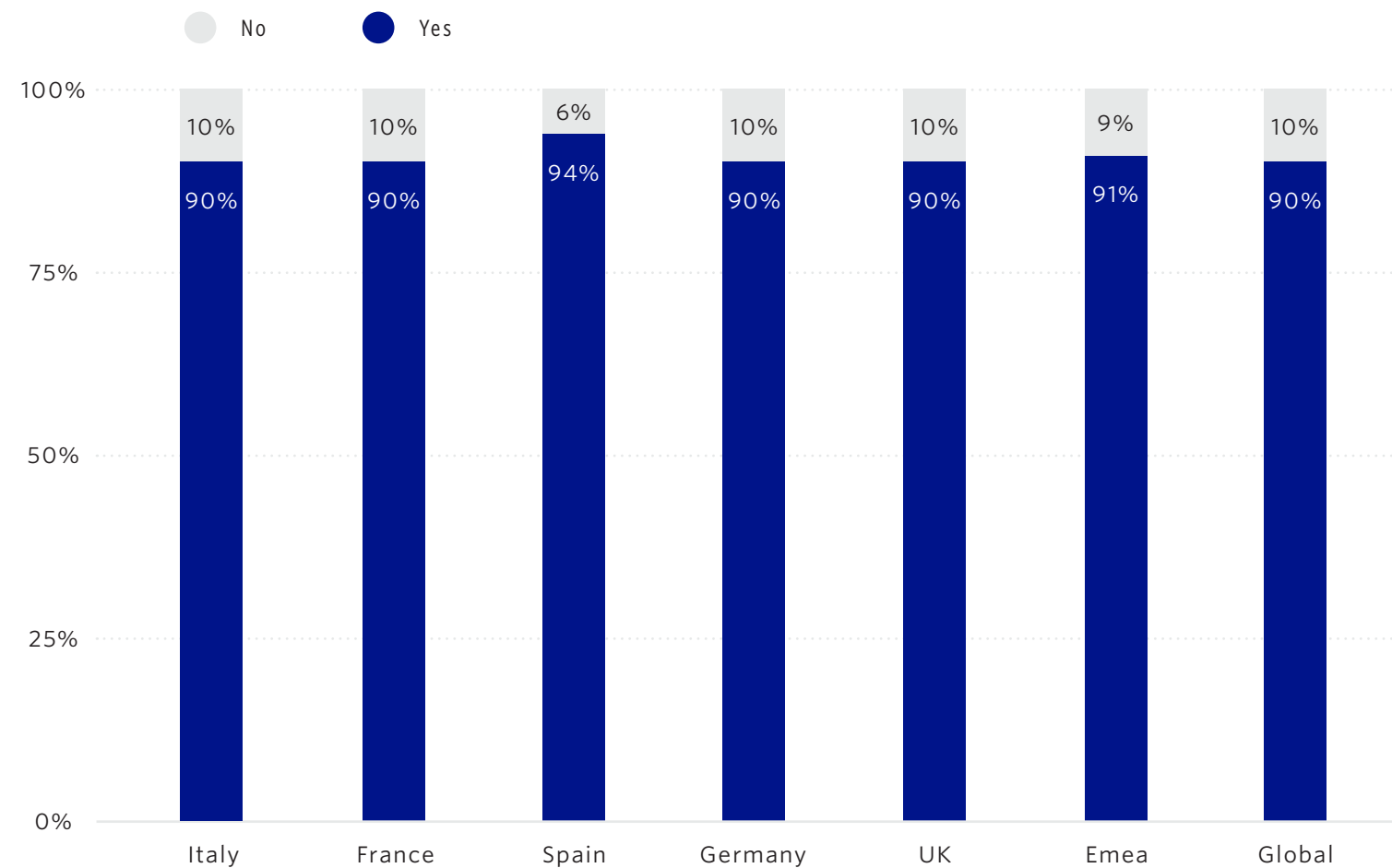
Spain	54%
Italy	54%
UK	49%
France	38%
Germany	35%

Base: 1439 EMEA companies; DK/NA removed



91% report increased customer insights as a result of greater customer engagement during the pandemic.

As a result of increased customer engagement during COVID-19, did your organization gain new insights into your customers?

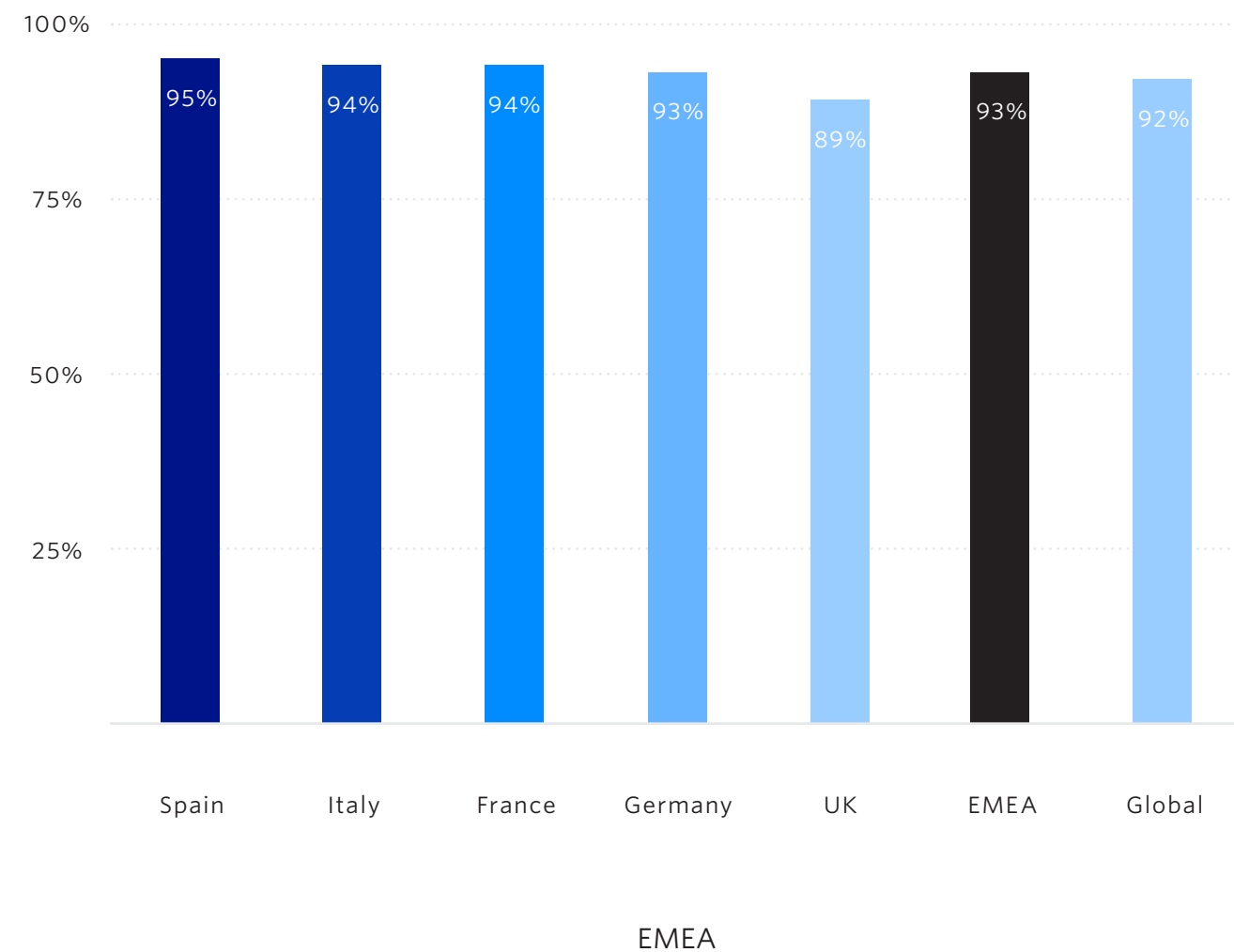


Base: 1412 EMEA companies; 2467 Global companies; DK/NA removed



Countries in EMEA agree that COVID-19 accelerated their move to the cloud.

COVID-19 accelerated my organization's move to the cloud.



93%

Of companies in EMEA say that COVID-19 accelerated their move to the cloud

Base: 1435 EMEA companies;
2551 Global companies; "Don't knows" removed



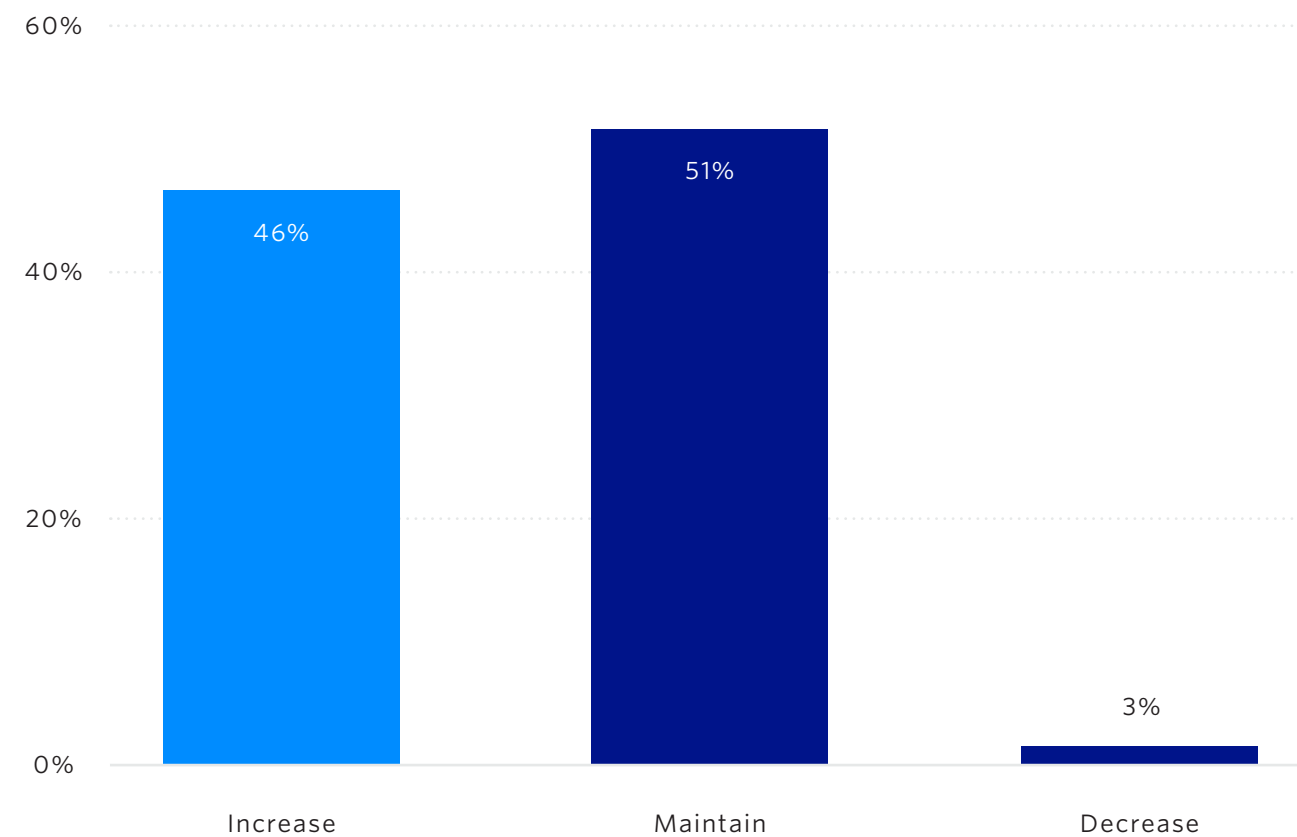
Digital engagement within regulated industries





97% of companies in highly regulated industries plan to maintain or increase their current level of investment in customer engagement.

When the pandemic is over, will your organization increase, maintain or decrease its current level of investment in customer engagement?



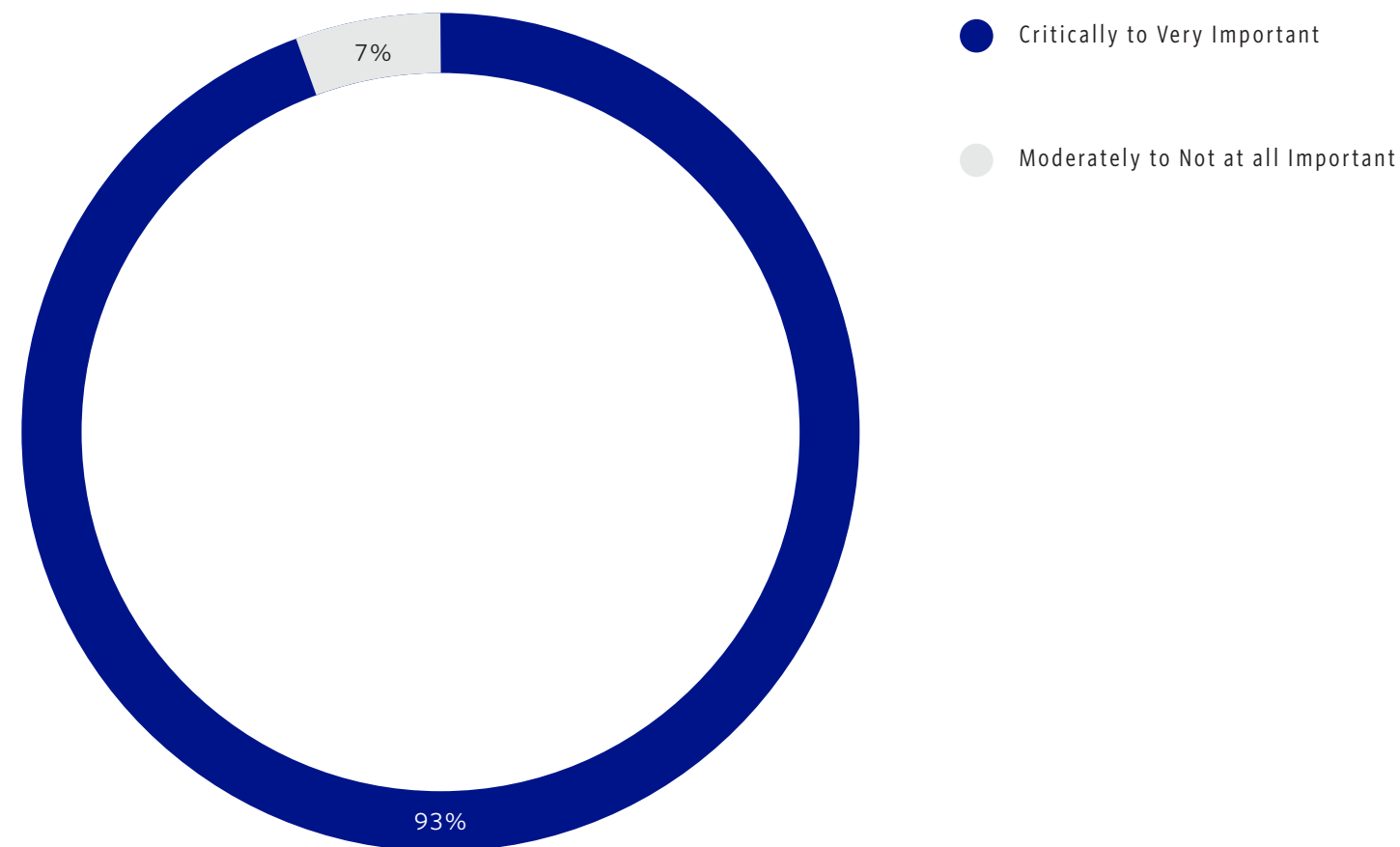
EMEA Highly regulated industries (Finance, Government and Healthcare)

Base: 200 EMEA companies in highly regulated industries (Finance, Government and Healthcare); "Don't knows" excluded



And 93% of EMEA companies in highly regulated industries report it will be critically or very important to their success going forward.

How important will digital communications be to your organization's success after the pandemic ends?



93%

Of companies in highly regulated industries expect digital communications to be critically or very important to their success going forward

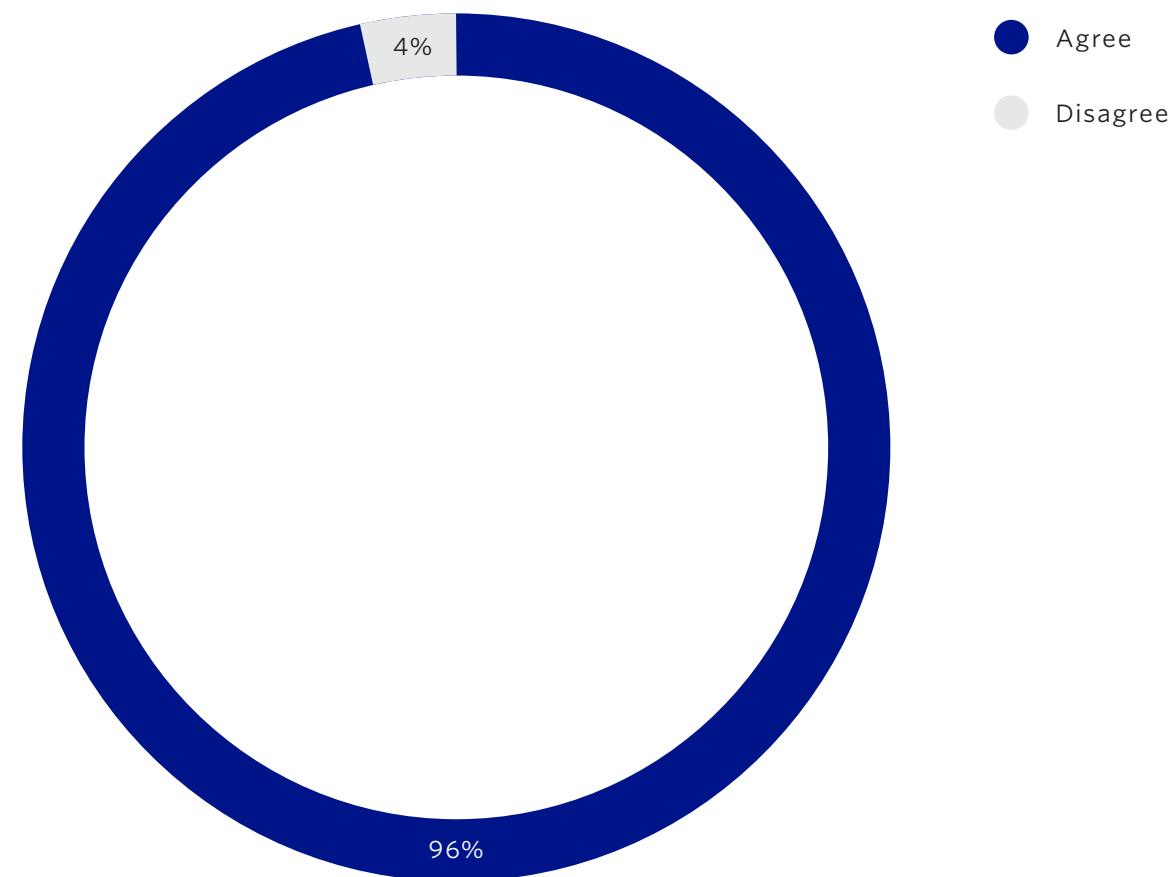
Base: 200 EMEA companies in highly regulated industries (Finance, Government and Healthcare)

EMEA Highly regulated industries (Finance, Government and Healthcare)



96% report COVID-19 spurred their highly regulated organization to explore new strategies to serve customers.

COVID-19 stimulated our organization to explore new and untested strategies to serve our customers.



EMEA Highly regulated industries

96%

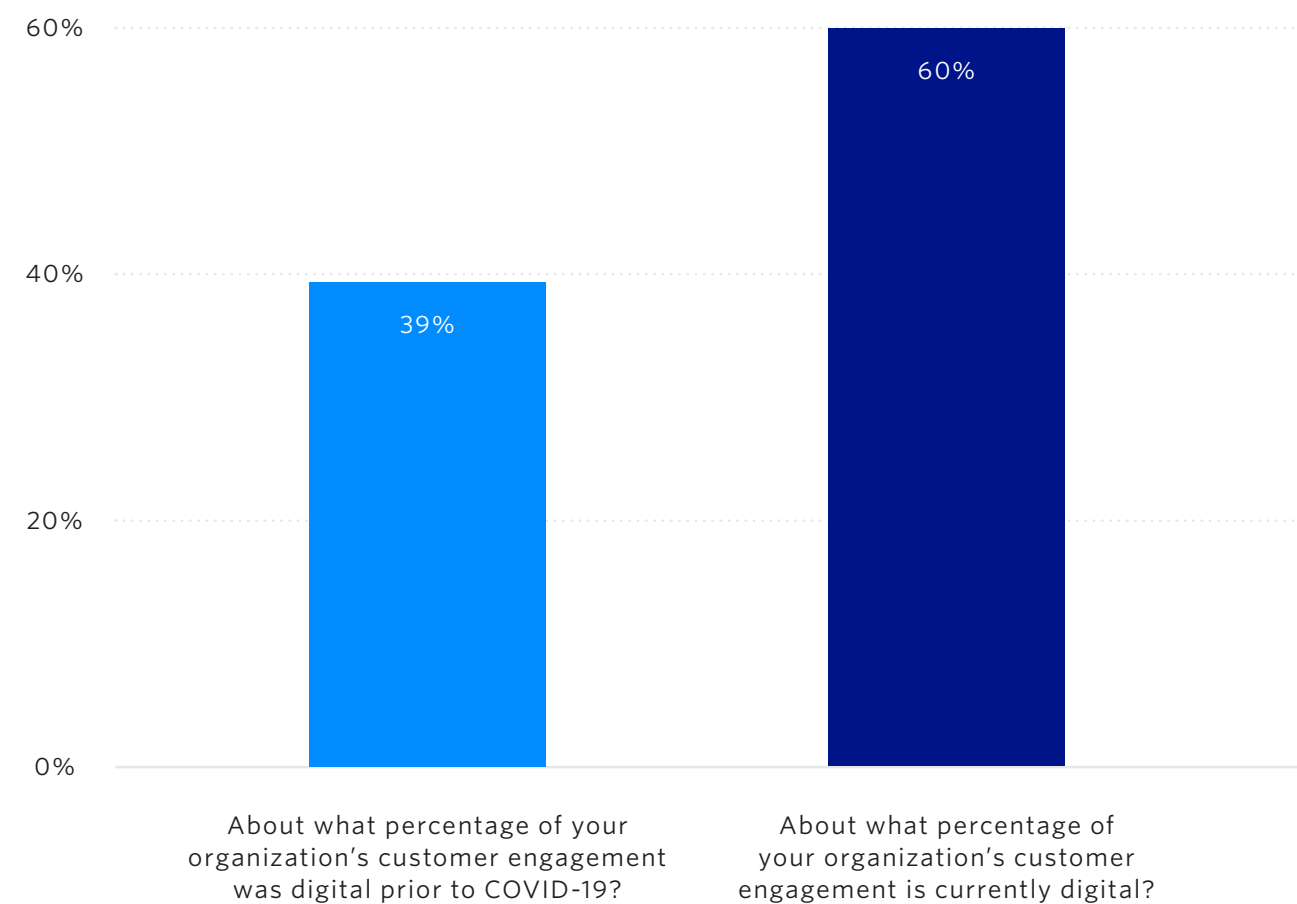
Say the pandemic caused their organization to try new strategies to serve customers

Base: 199 EMEA companies in highly regulated industries (healthcare, financial services, government); "Don't knows" excluded



Digital customer engagement in highly regulated industries increased 54% due to COVID-19.

Highly-regulated industries in EMEA



The share of customer engagement that is digital increased 21 percentage points from 39% pre-COVID-19 to 60% in December 2020, which represents a 54% increase.

Base: 199 highly regulated companies in EMEA; "Don't knows" excluded



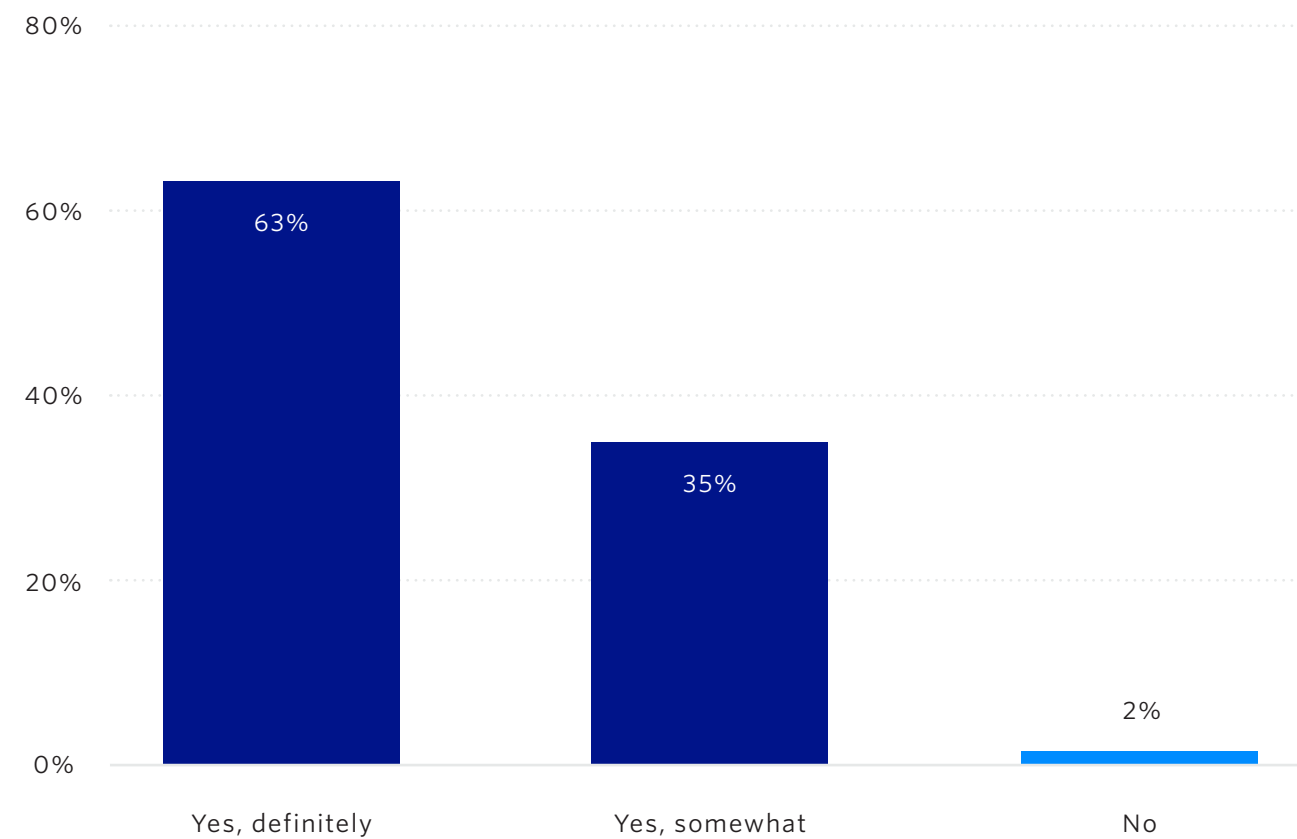
Video enhances our virtual connections





98% say their use of video communications with customers accelerated more than other channels during the pandemic.

During COVID-19, did your organization's use of video communications with customers accelerate more than other channels?



63%

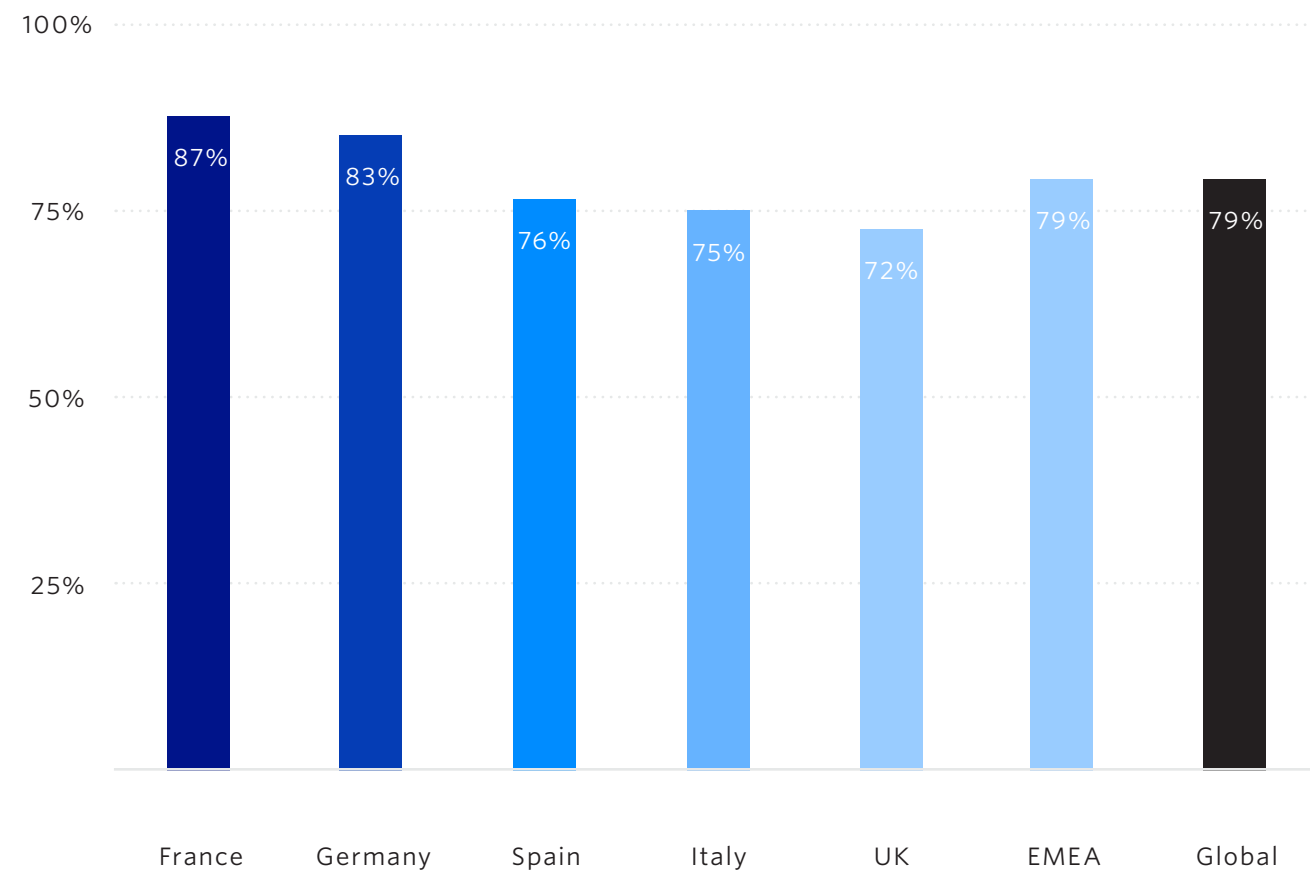
Say they their video communications with customers **definitely** accelerated more than other communications channels

Base: 1131 companies that used video in 2020; "Don't knows" removed



Almost 8 in 10 EMEA businesses are using video communications with their customers.

Does your organization currently use video communications with its customers?



EMEA

87%

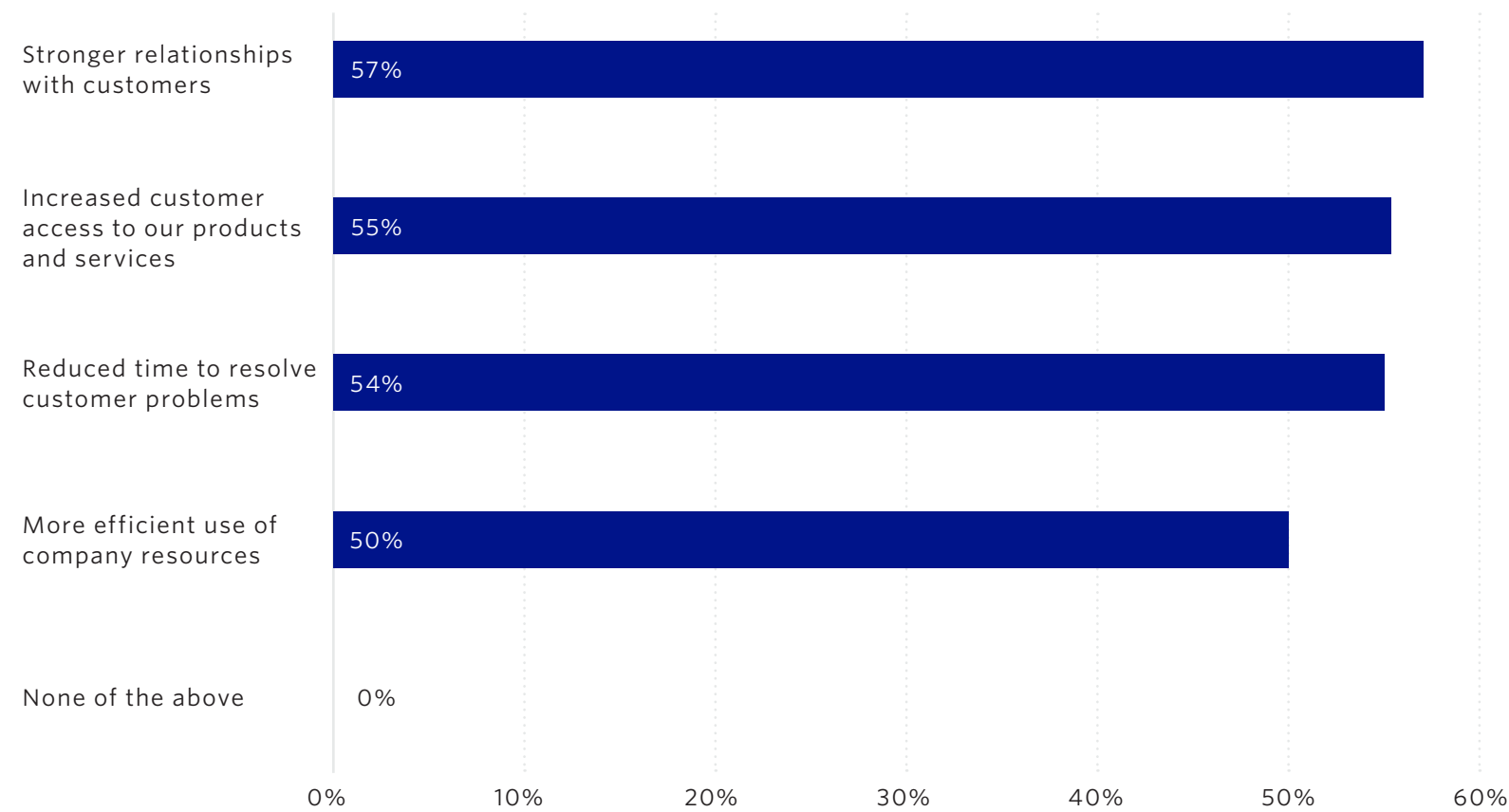
Of French companies say they currently use video communications with their customers

Base: 1437 EMEA companies;
2557 Global companies; "Don't knows" removed



Stronger relationships and increased customer access to products are top benefits of video channel use with customers.

What benefits of using video communications with your customers has your company experienced?



EMEA

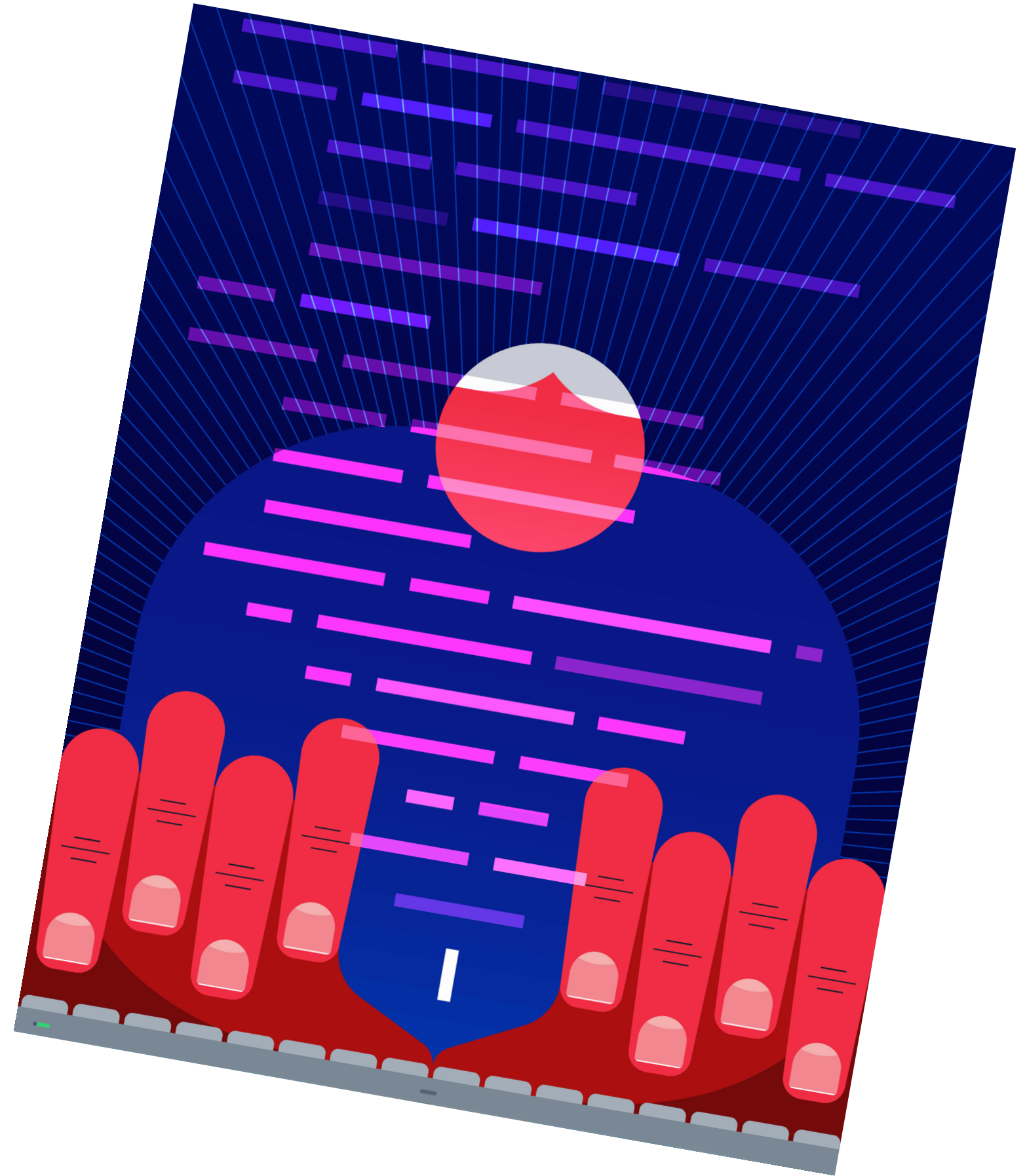
Majority experience the following benefits from using video communications with their customers:

- Stronger relationships
- Greater customer access to products/services
- More efficient use of company resources
- Quicker resolution of customer problems

Base: 1132 EMEA companies using video for customer communications; "Don't knows" removed



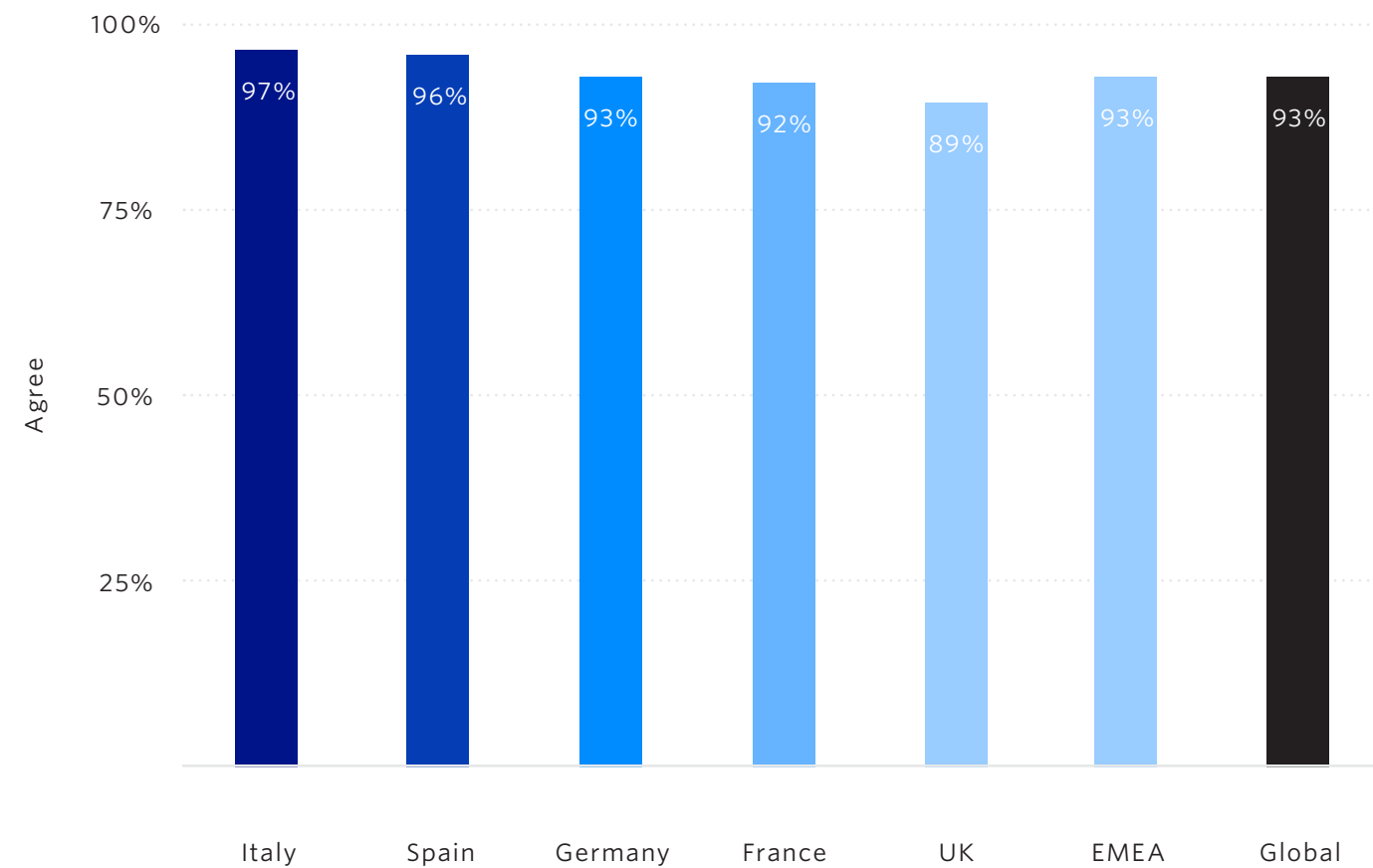
Building great digital experiences





Developers were heroes. Business leaders say that software developers were crucial to solving business challenges due to COVID-19.

Our organization's software developers were crucial to solving the business challenges caused by COVID-19.



EMEA

97%

Of Italian companies say developers were crucial to solving business challenges during the pandemic

93%

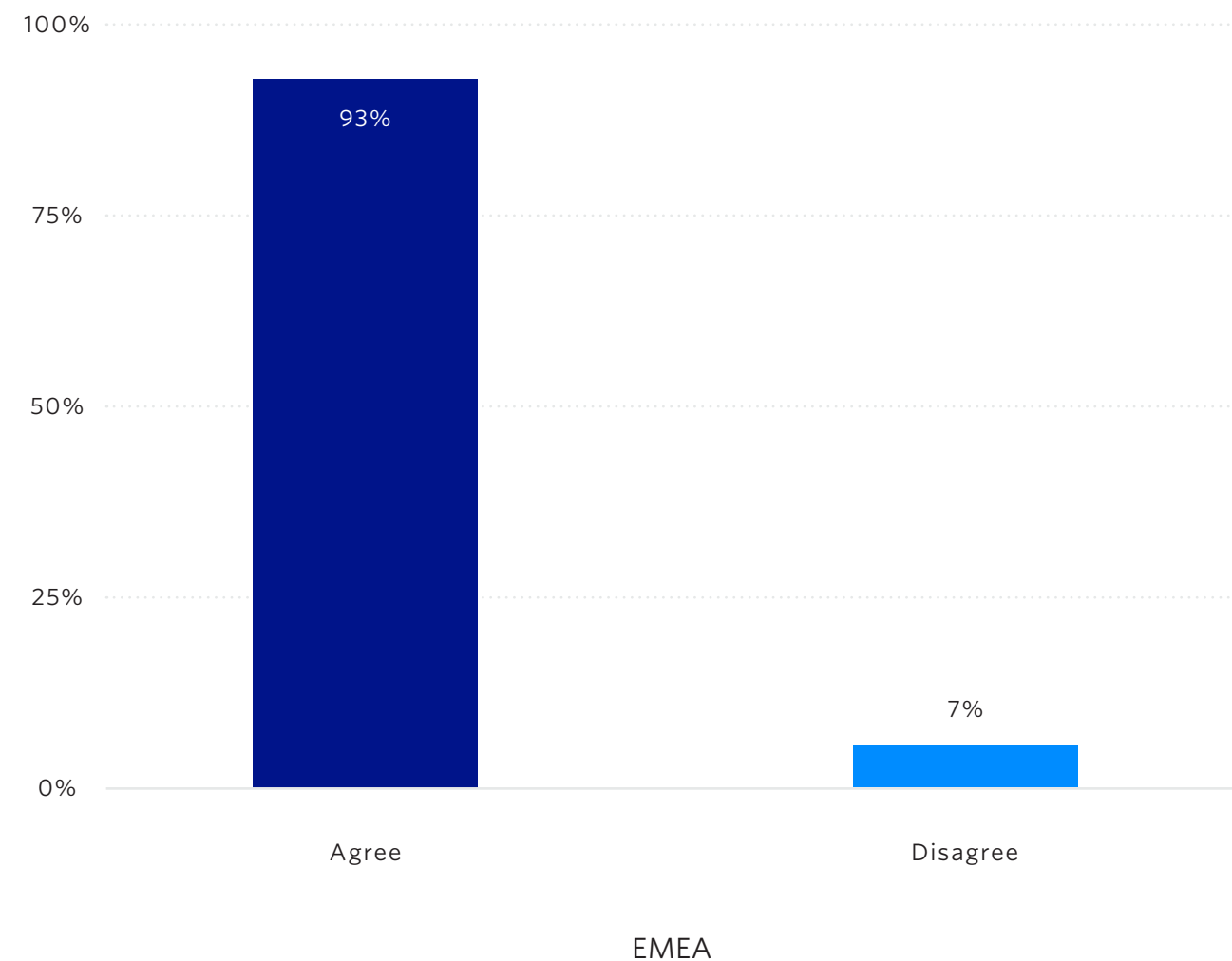
Global average

Base: 1435 EMEA companies; 2549 Global companies; "Don't knows" removed



Businesses agree their company is more likely to build communications solutions to meet customer demands in the future.

My company is more likely to build communications solutions (rather than buy a pre-configured solution) to meet customer demands going forward.



93%

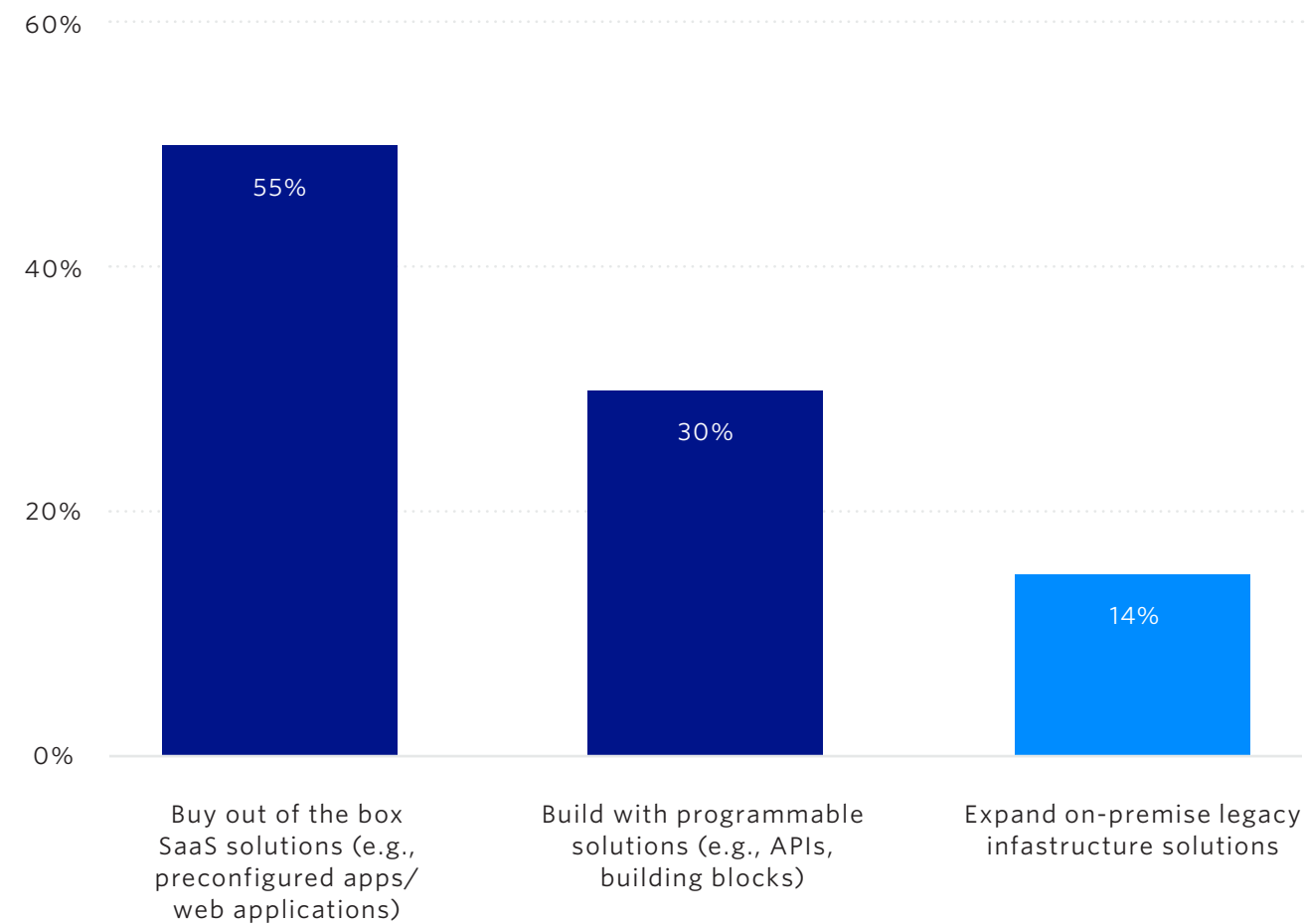
Of companies agree that their company is likely to build its own communications solutions going forward

Base: 1429 EMEA companies; "Don't knows" removed



Almost 1 in 3 companies are choosing to build with programmable solutions.

What approach does your organization most often use when adding digital communications capabilities?



30%

Most often build with programmable solutions

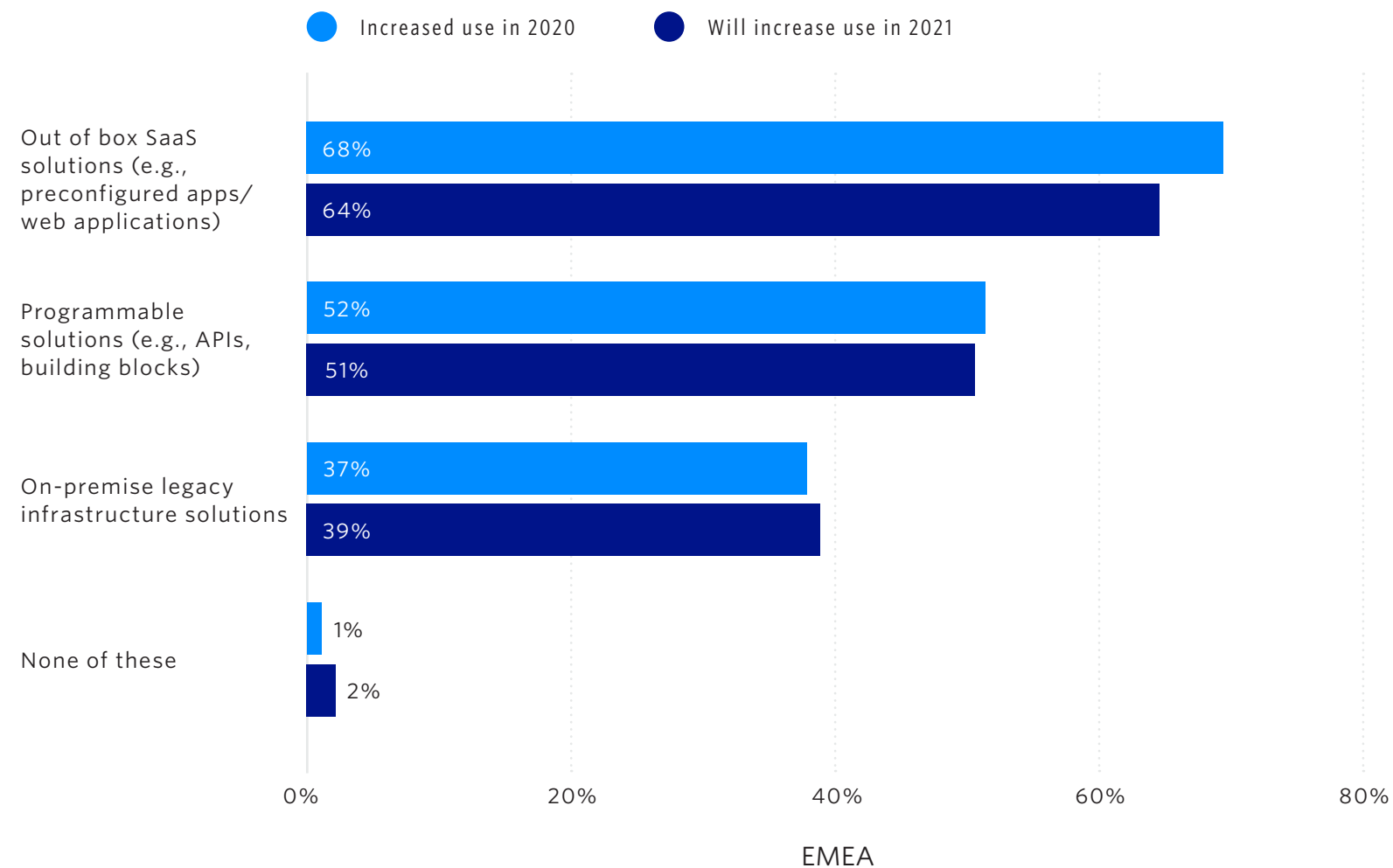
- UK less likely to buy out of the box SaaS solutions: 47%

Base: 1427 EMEA companies; "Don't knows" removed



And the majority of companies will increase use of programmable solutions in 2021.

What approaches did your organization increase its use of in 2020 and what approaches will it increase in the next 12 months?



Use of programmable solutions:

- Will increase in 51% of companies in 2021
- Increased in 52% of companies in 2020

Base: 1439 EMEA companies



EMEA countries are aligned on speed, reliability and flexibility as most important factors when choosing digital communications solutions.

What factors are most important to your organization when choosing solutions to meet your digital communications strategy?

	Italy	Spain	Germany	France	UK	EMEA	Global
Speed - ability to implement and deploy quickly	55%	58%	50%	52%	58%	54%	56%
Reliability - consistent performance	56%	47%	49%	49%	57%	52%	54%
Flexibility - ability to customize based on business needs	57%	52%	51%	44%	59%	52%	53%
Agility - ability to adapt to solve emerging/unforeseen problems	49%	54%	43%	46%	46%	47%	47%
Simplicity - ease of development/deployment	39%	49%	45%	45%	50%	45%	45%
Scalability - ability to scale up or down	32%	31%	41%	38%	43%	37%	40%
Cost	28%	35%	24%	24%	32%	28%	30%



Digital engagement in Australia, Japan & Singapore

We surveyed 825 enterprise decision makers in Australia, Japan and Singapore to understand how they're using digital communications to engage their customers. Here's a closer look at what we found.





APAC: The lasting impact of COVID-19

A closer look at how COVID-19 impacted digital communications strategies going forward.





COVID-19 helped break down barriers to digital transformation.

What barriers to digital transformation has COVID-19 broken down within your organization?

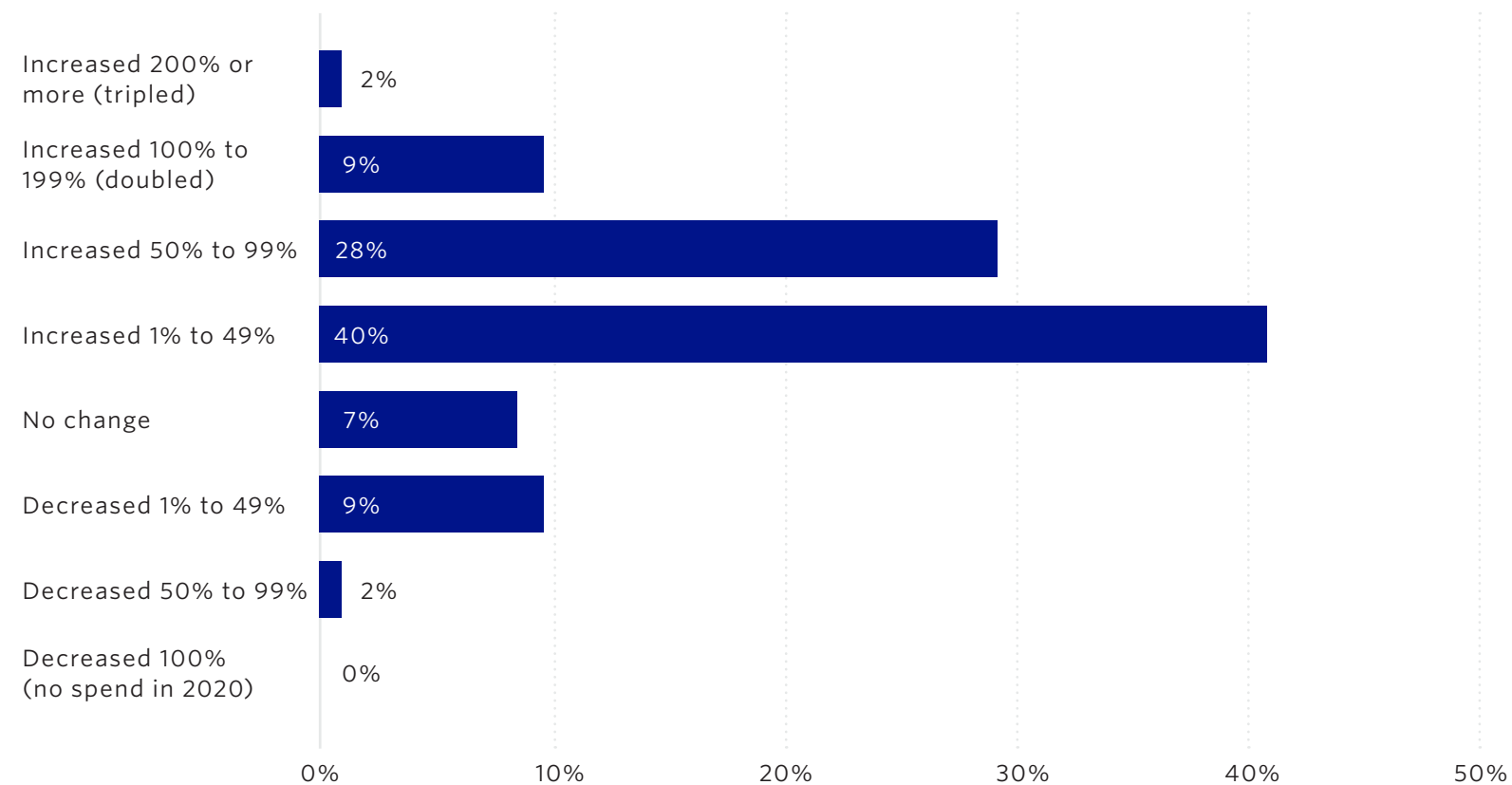
	Singapore	Australia	Japan	APAC	Global
Lack of a clear transformation strategy	48%	47%	30%	41%	36%
Lack of time	41%	36%	18%	31%	33%
Lack of skills and know-how	40%	39%	25%	34%	32%
Getting executive approval or buy-in	36%	38%	35%	36%	34%
Insufficient budget	34%	34%	37%	35%	32%
Reluctance to replace legacy software	34%	31%	31%	32%	33%
Lack of engineering support	34%	37%	24%	31%	28%
Bureaucracy	22%	17%	30%	23%	27%
Not applicable, we had no barriers	3%	1%	9%	5%	5%
None of these	0%	1%	3%	2%	2%
Average # of barriers broken down due to COVID-19	2.9	2.8	2.3	2.6	2.6

Base: 825 APAC companies; 2,562 Global companies



COVID-19 stimulated increases in digital transformation budgets.

How much did your company's 2020 spend on digital transformation increase or decrease compared to your company's 2019 spend on digital transformation?



46%

Global average percent increase in digital transformation budgets from last year

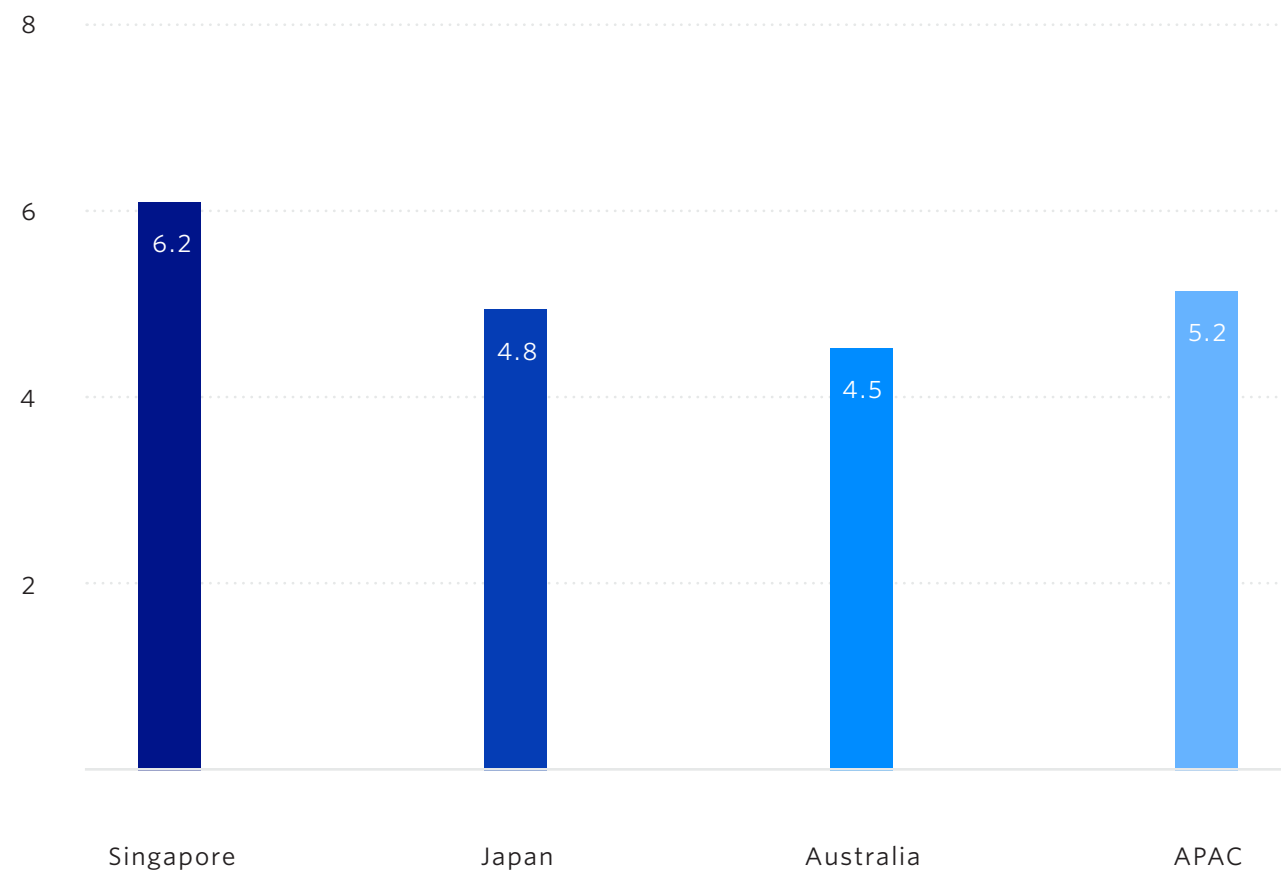
In Japan, digital transformation budgets increased an average of 59%

Base: 2,545 companies; "Don't knows" and Not applicable excluded



Singapore accelerated its digital transformation by over 6 years as a result of the pandemic.

About how many years has COVID-19 accelerated the schedule for your digital transformation strategy?



Average # of years digital transformation has been accelerated

Average # of years digital transformation accelerated due to the pandemic:

Most Acceleration:

Singapore 6.2 years

Least Acceleration:

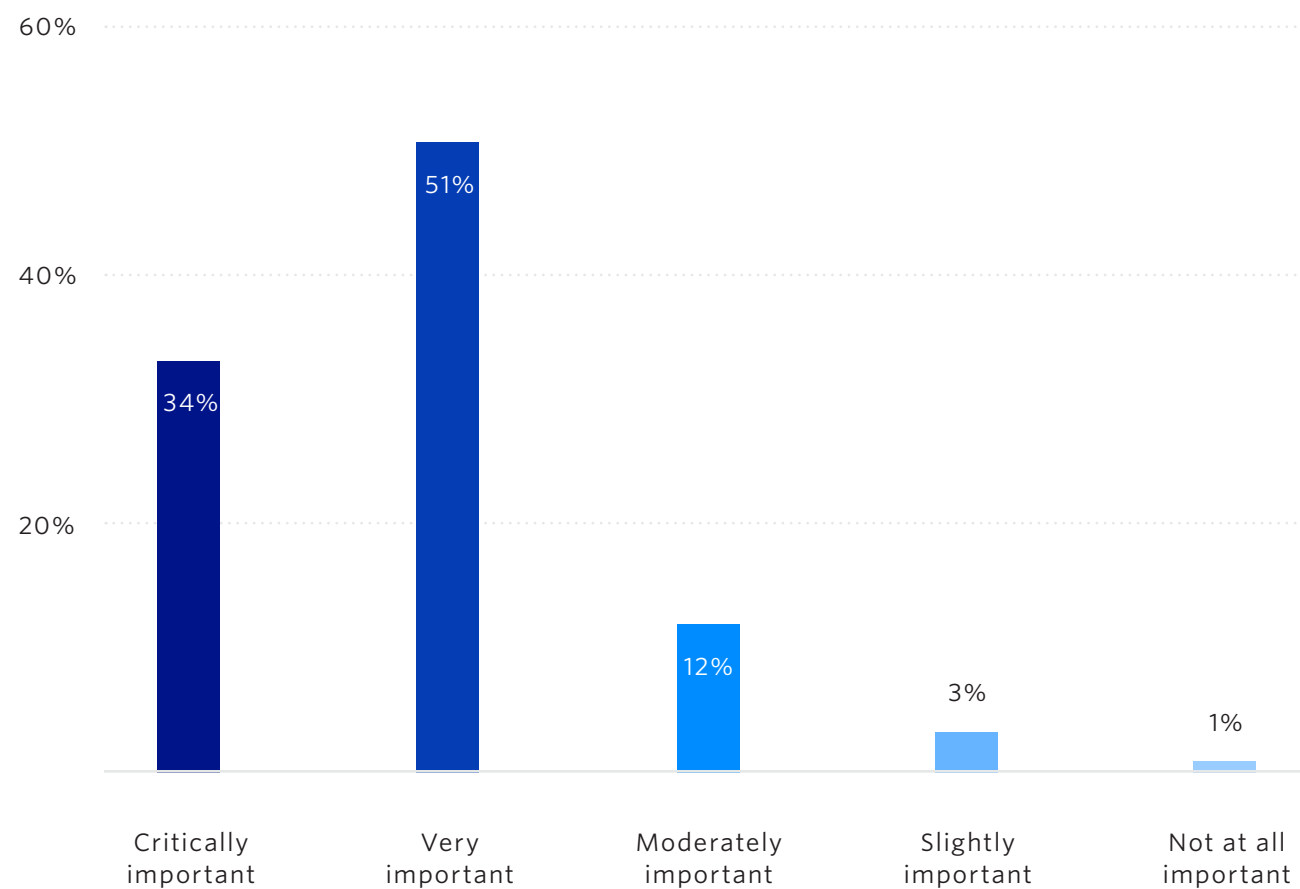
Australia 4.5 years

Base: Midpoint averages of 260 to 297 companies per country that accelerated their digital transformation strategy due to COVID-19; "Don't knows" excluded



COVID-19 showed just how critical digital communications are to business survival.

How important are digital communications (e.g., via text, video, chat, email, voice) to your organization's survival during the pandemic?



APAC

Base: 825 APAC companies (Australia, Japan, Singapore)

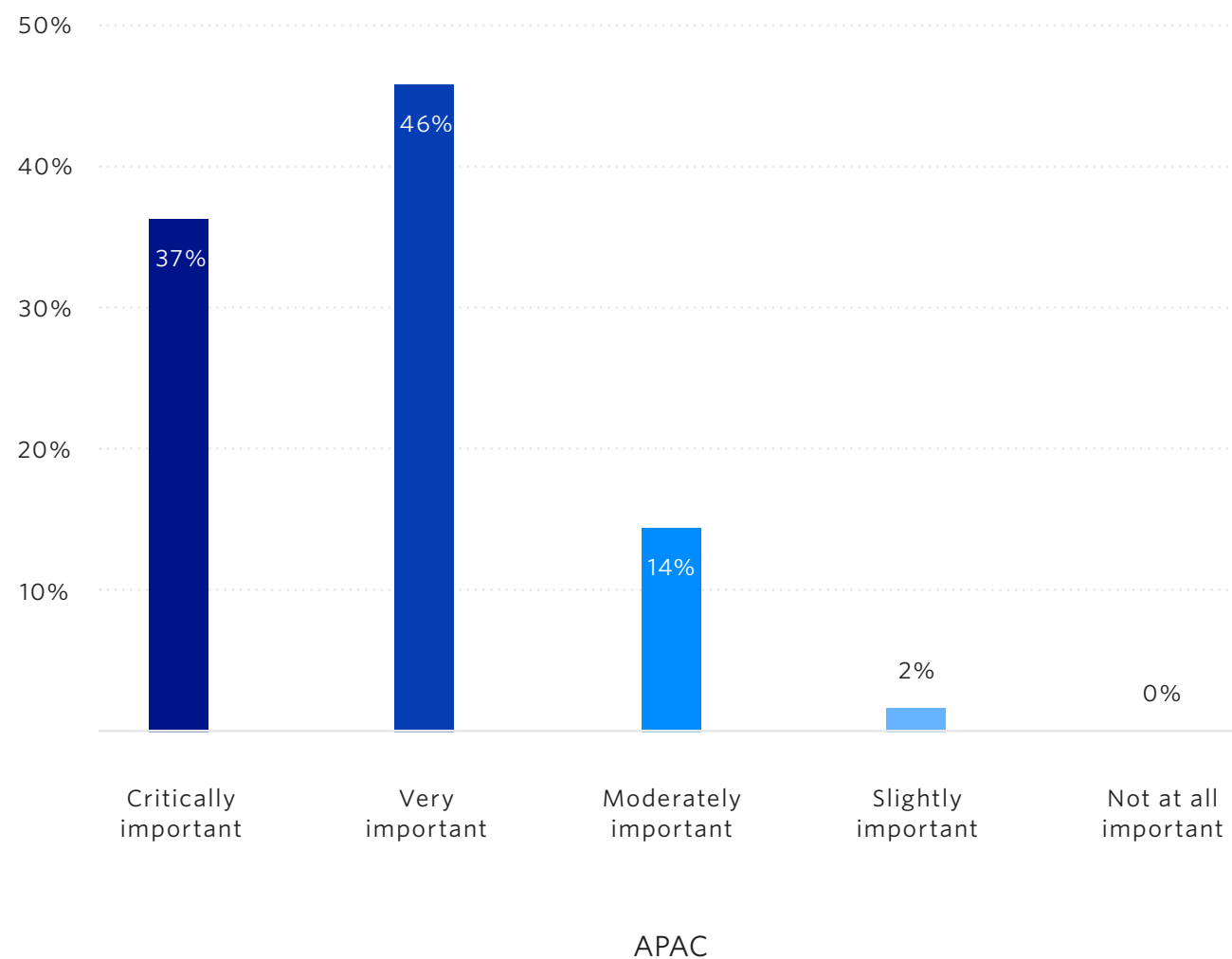
85%

Say digital communications are critically or very important to their current survival during the pandemic



And we aren't going back. 83% report it will be critically or very important to their success going forward.

How important will digital communications be to your organization's success after the pandemic ends?



83%

Expect digital communications to be critically or very important to their success going forward.

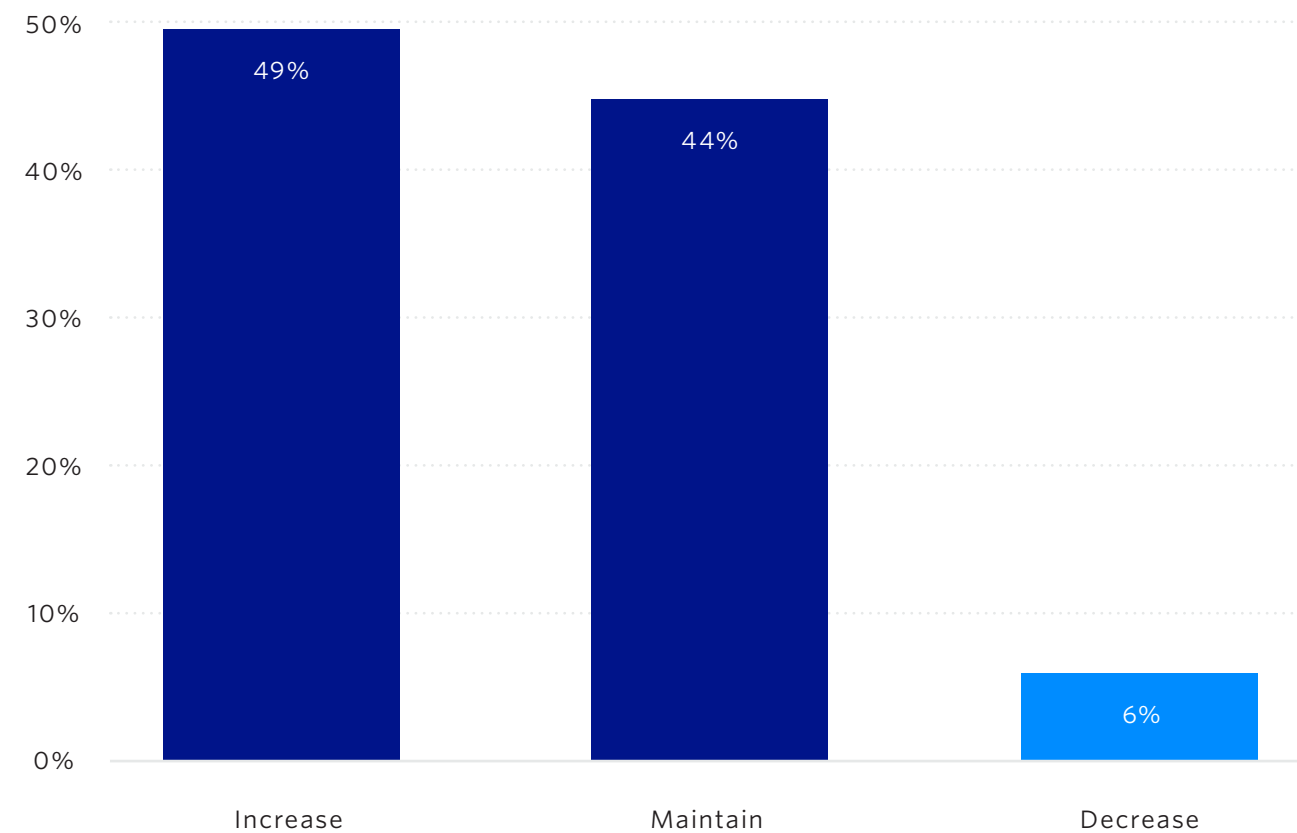
More companies in Japan say digital communications will be critically important (45% vs. 33% in Australia and 33% in Singapore).

Base: 825 companies



93% of companies expect to increase or maintain their organization's investment in customer engagement after the pandemic.

When the pandemic is over, will your organization increase, maintain or decrease its current level of investment in customer engagement?



APAC

% of companies that will increase investment in customer engagement:

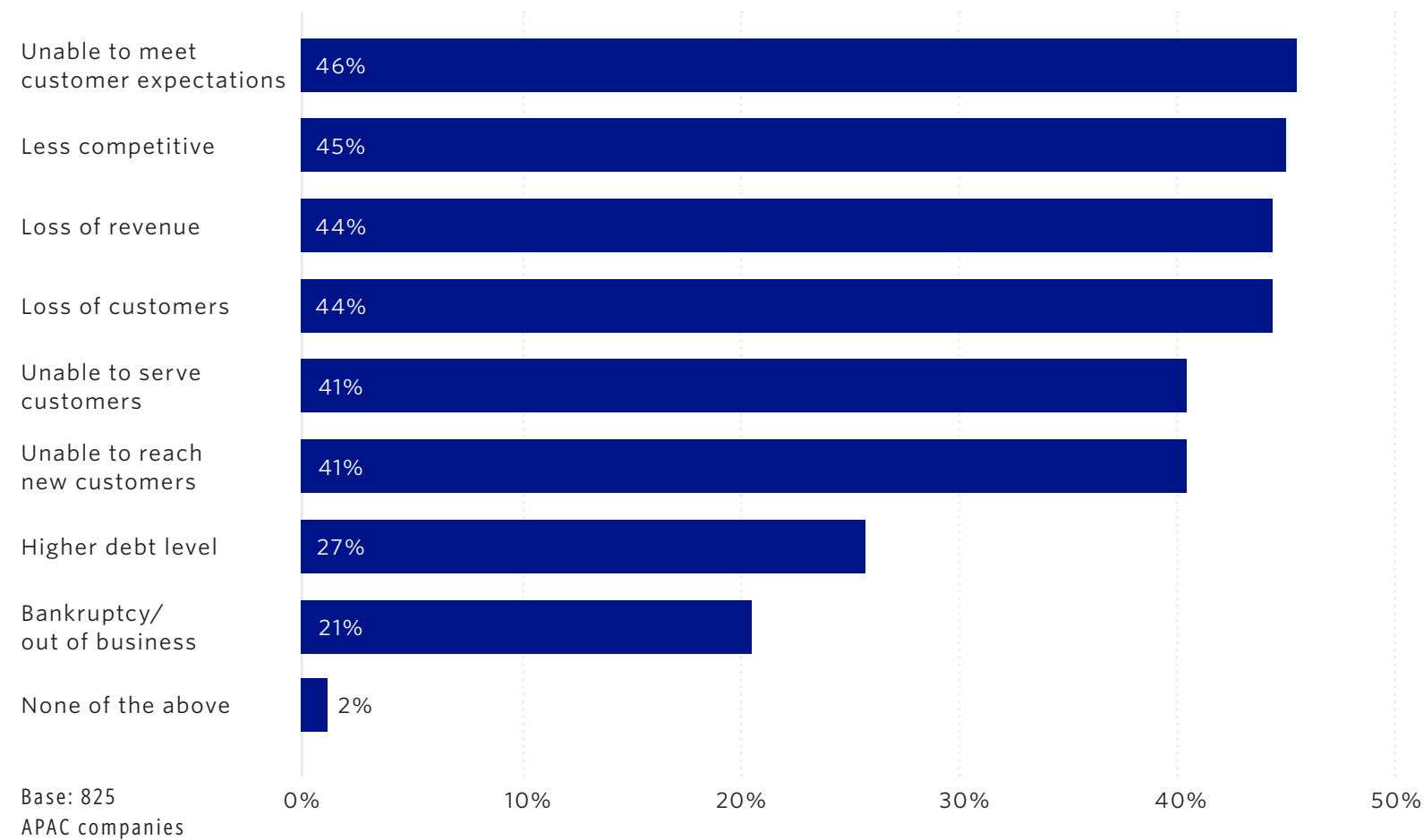
Singapore	56%
Japan	52%
Global	48%
Australia	41%

Base: 813 companies; 2545 Global companies; "Don't knows" removed



98% of organizations say NOT digitizing customer engagement would have negatively impacted their business.

What would have been the effects of not digitizing your customer engagement during the pandemic?



Effects of not digitizing customer engagement:

46% Unable to meet customer expectations
45% Less competitive
44% Loss of revenue
44% Loss of customers

Australia

46% Loss of revenue
41% Loss of customers
39% Unable to meet customer expectations
39% Unable to serve customers
39% Unable to reach new customers

Japan

48% Unable to meet customer expectations
44% Less competitive
39% Loss of customers

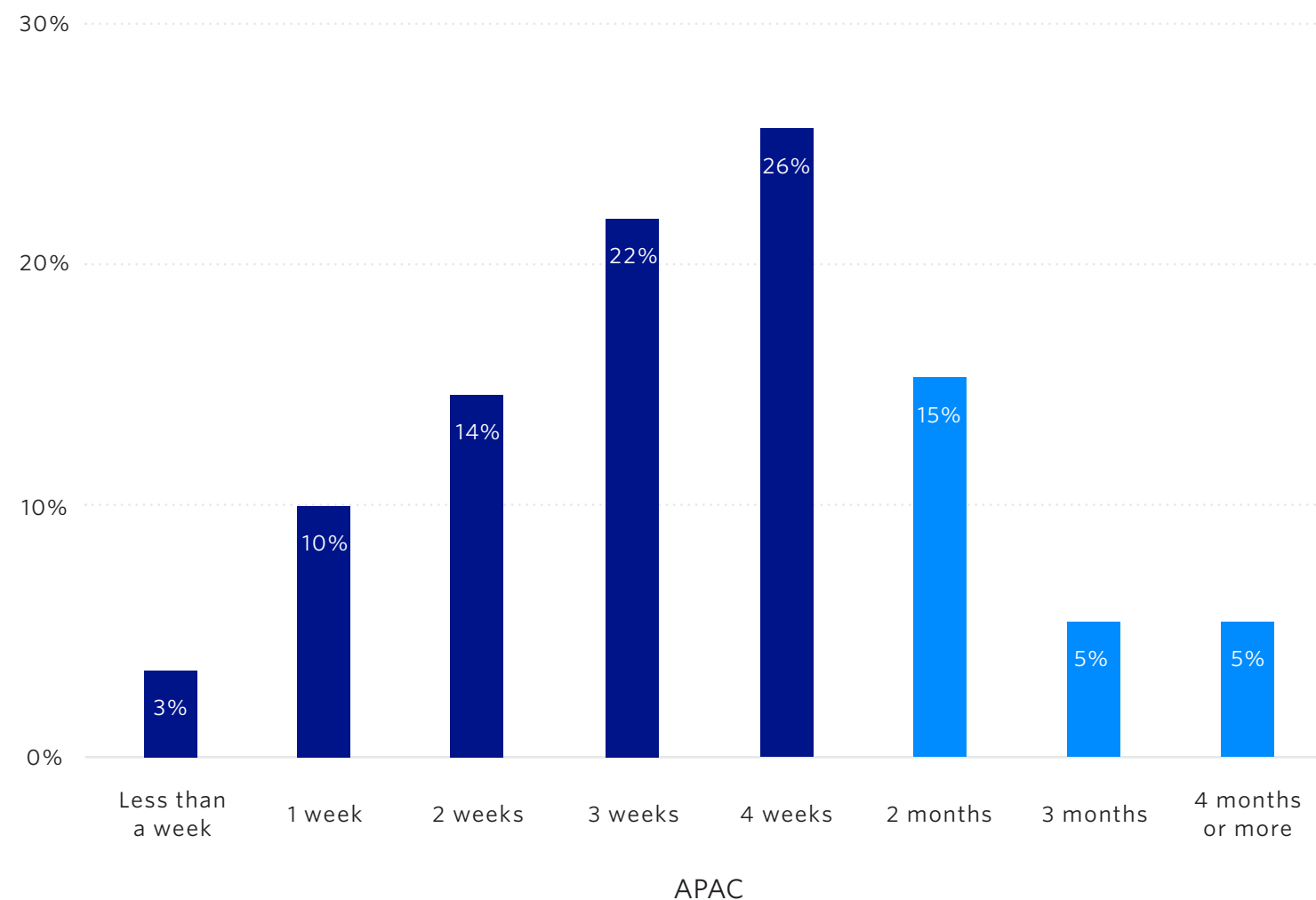
Singapore

55% Less competitive
52% Unable to reach new customers
52% Loss of customers



Change was swift. Most companies sped up their digital transformation within just weeks after the initial pandemic lockdown in their countries.

How long after the initial COVID-19 lockdown in your country did your organization begin accelerating its digital transformation strategy?



35.7 Days*

Average # of days it took APAC companies to begin accelerating digital transformation after initial COVID lockdown

Australia	32.6 days
Global	34.5 days
Singapore	34.7 days
Japan	39.4 days

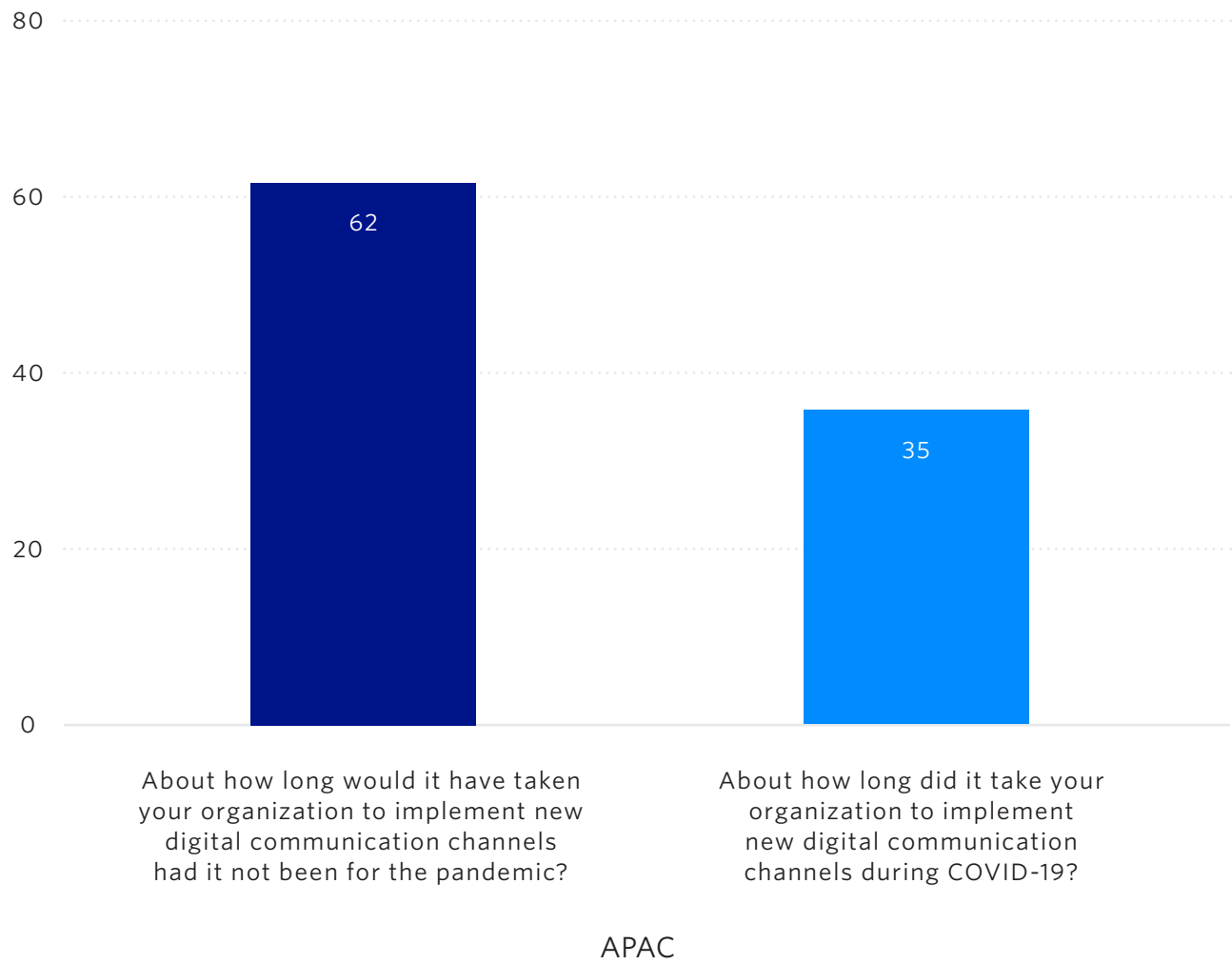
Base: 738 APAC companies ; "Don't knows" removed

*Midpoint average of 738 companies with "Don't knows" excluded



Businesses built more, faster. Due to the pandemic, organizations were spurred to implement new channels 44% faster.

Average # of days to implement new communication channels: prior to COVID-19 vs during



It took organizations **27** fewer days to implement new communication channels during the pandemic - a 44% decrease in number of days

	Prior	During Covid
Australia	45 days	30 days
Global	61 days	33 days
Japan	72 days	36 days
Singapore	69 days	39 days

Base: 761 companies during COVID-19 and 749 prior to COVID-19; "Don't knows" excluded



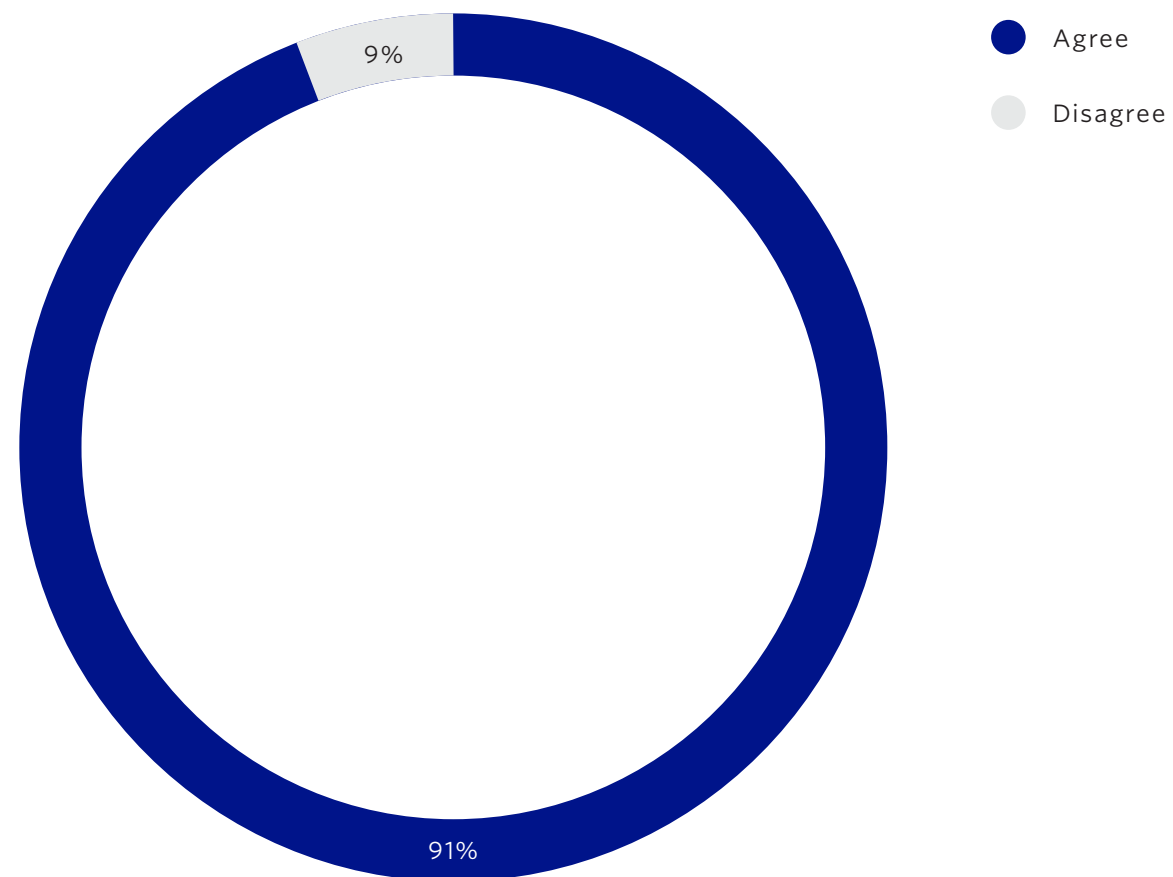
Digital Engagement in Australia, Japan & Singapore





91% report COVID-19 accelerated their move to the cloud.

COVID-19 accelerated my organization's move to the cloud.



APAC

91%

Say the pandemic sped up their organization's move to the cloud

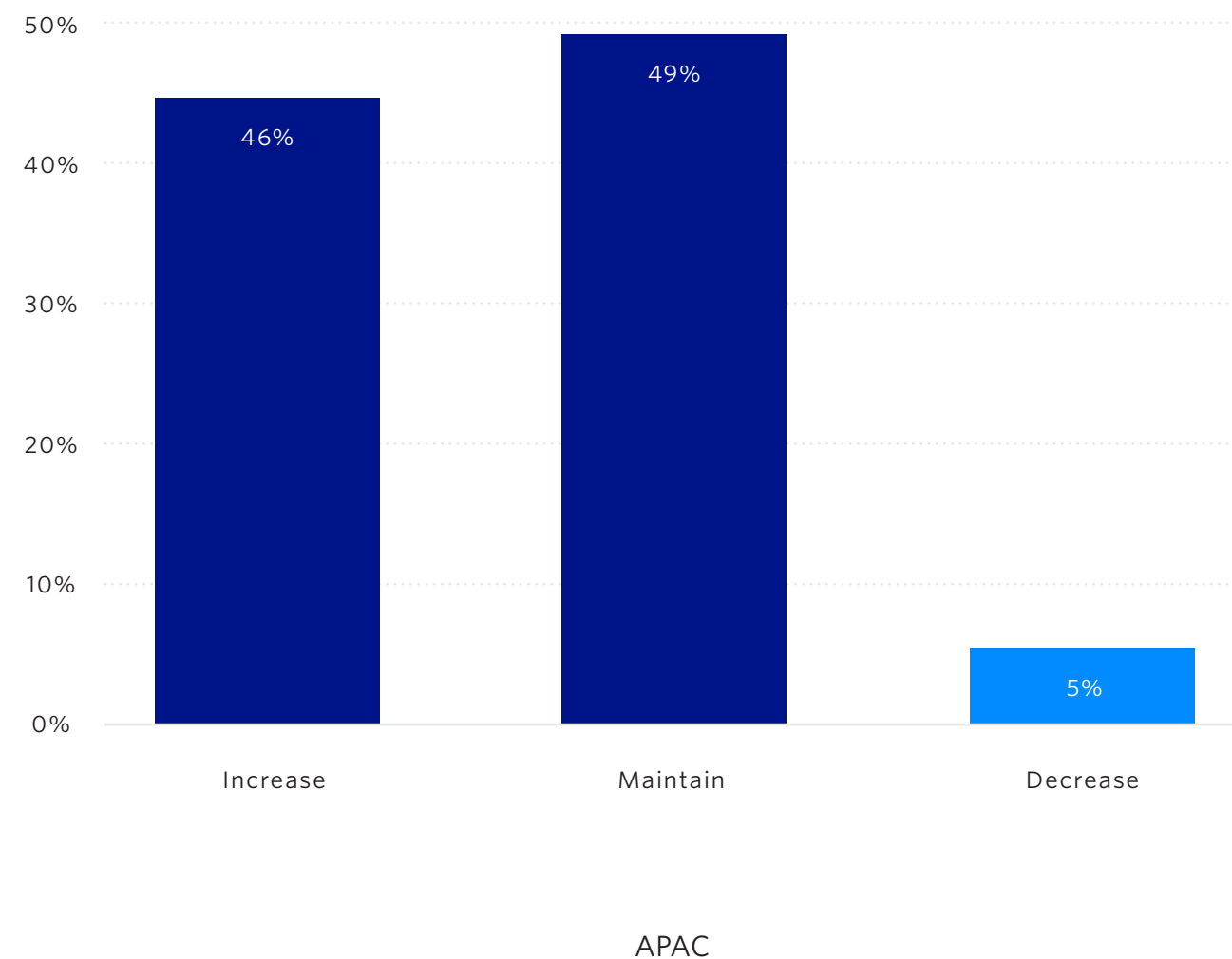
This is true no matter the size of the company

Base: 818 APAC companies: "Don't knows" removed



95% of organizations plan to increase or maintain their current communication channel offerings after the pandemic.

When the pandemic is over, will your organization increase, maintain or decrease the number of communication channels used?



97% of Japanese companies plan to increase or maintain the number of communication channels used

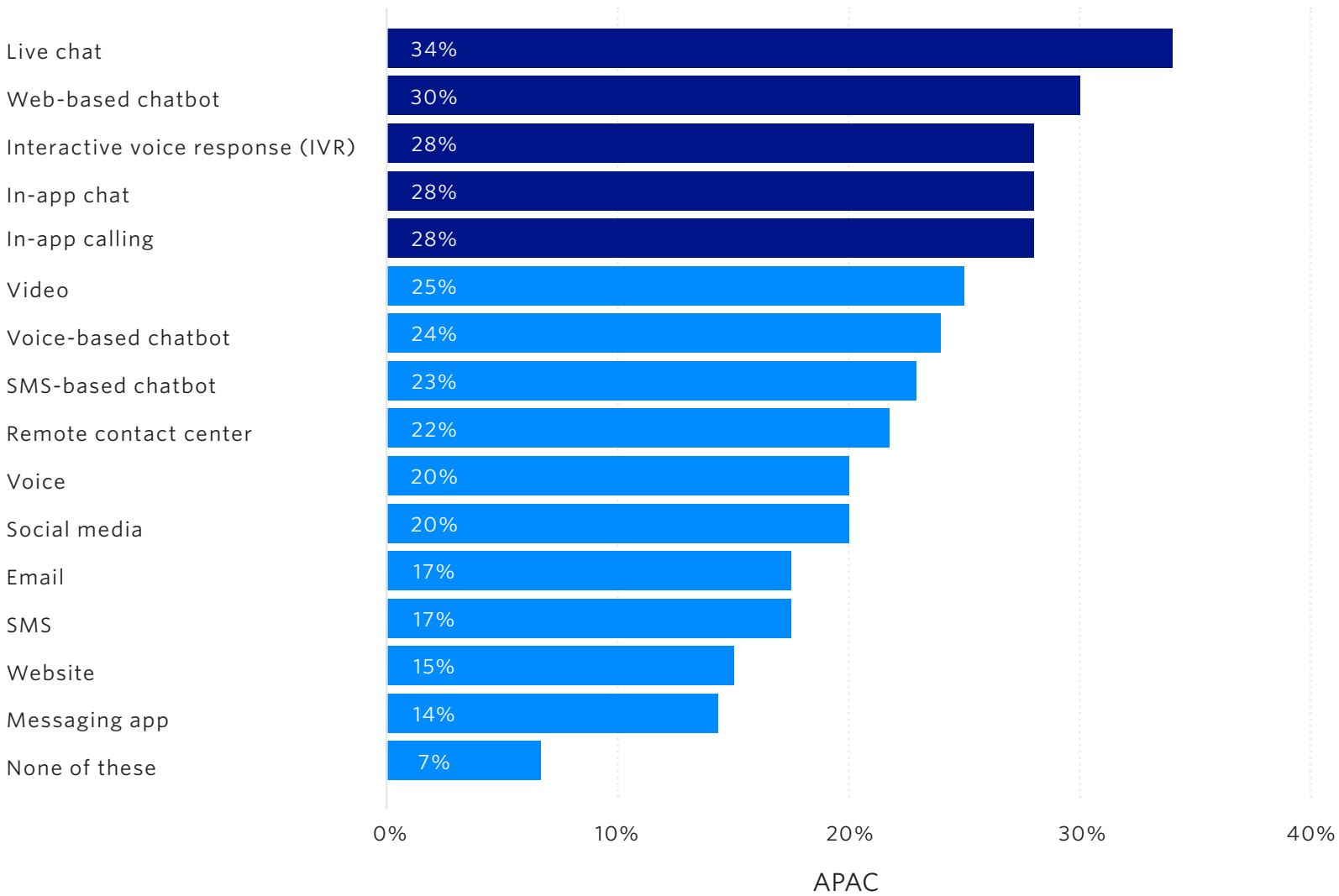
Australian companies less likely to increase their number of communication channels: 35% (vs. 53% in Singapore and 50% in Japan)

Base: 813 companies; "Don't knows" removed



And businesses plan on adding 3 new channels in the next 12 months, with a third planning to implement live chat.

What digital communication channels does your organization plan to add in the next 12 months?



3.4

Average number of channels
APAC organizations plan to add
in the next 12 months

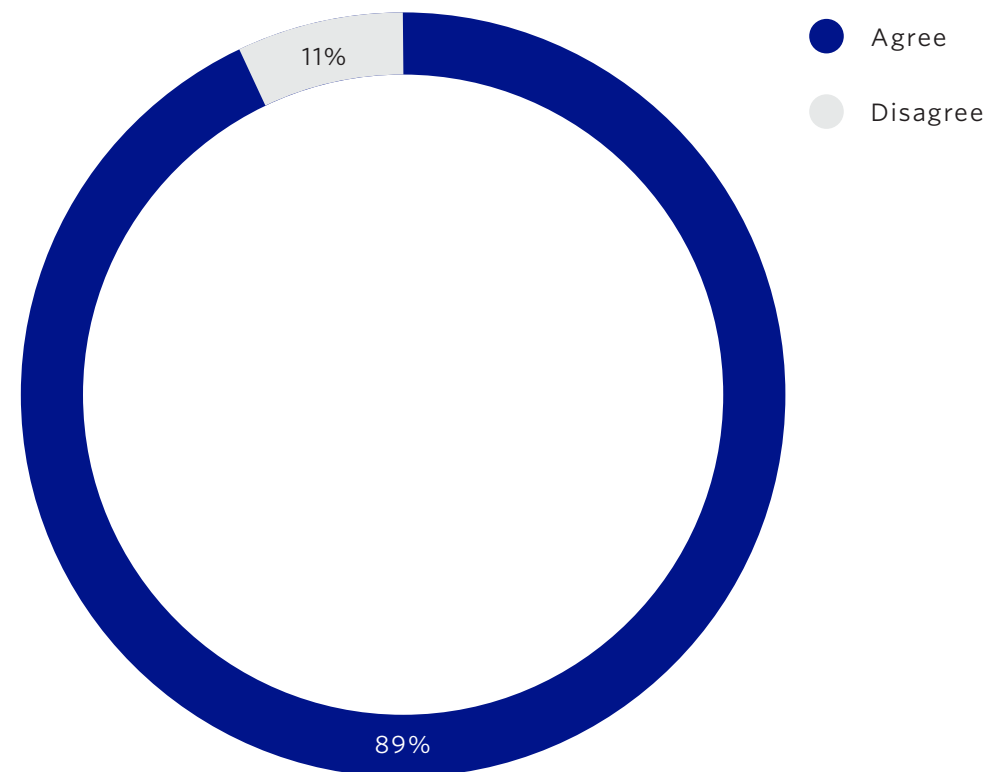
Adding in 2021		Average Number
34% Live chat	Singapore	3.9
30% Web-based chatbot	Australia	3.7
28% IVR	Global	3.5
28% In-app chat	Japan	2.8
28% In-app calling		

Base: 825 APAC companies; 2,545 companies; "Don't knows" and Not applicable excluded



89% report increased customer insights as a result of greater customer engagement during the pandemic; top benefits of digitizing engagement are better customer experience and higher customer satisfaction.

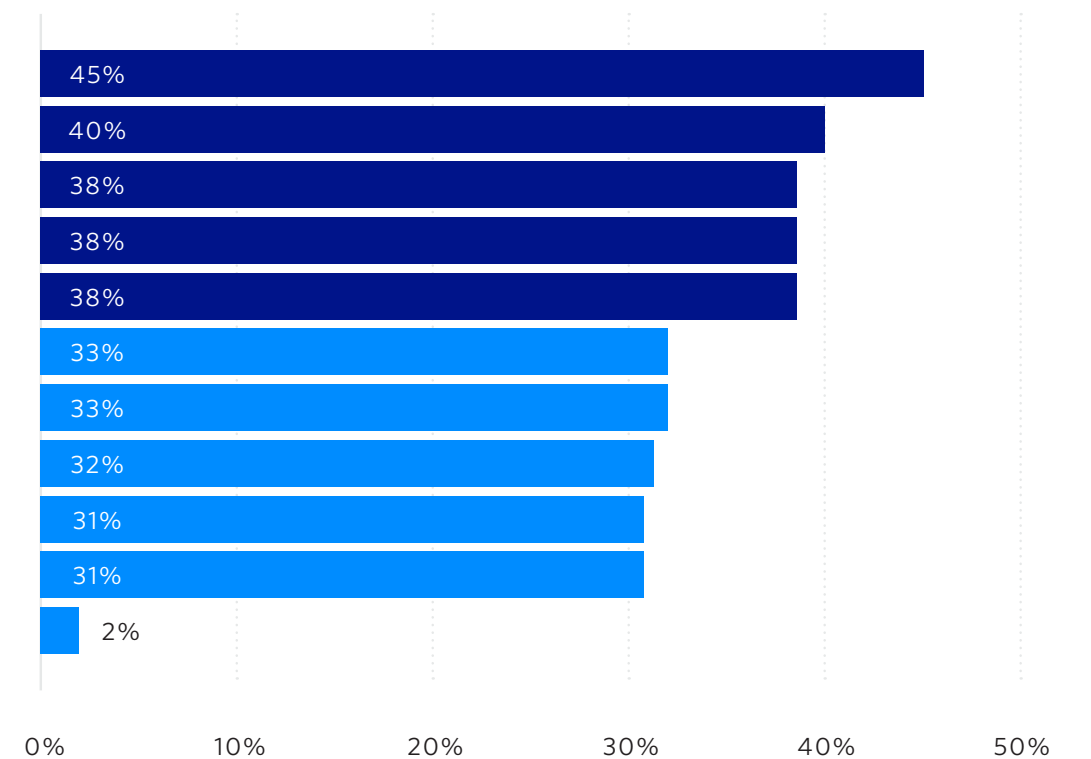
As a result of increased customer engagement during COVID-19, did your organization gain new insights into your customer?



Base: 764 APAC companies; DK/NA removed

What benefits has your organization experienced as a result of digitizing its customer engagement?

- Better customer experience
- Higher customer satisfaction
- New data-driven insights into customers
- Increased innovation
- Higher customer retention
- Reached new customer segments
- Higher conversion rates
- Increased sales
- Positive return on investment (ROI)
- Increase in customer lifetime value
- None of these



APAC

Organizations experience an average of 4 benefits as a result of digitizing their customer engagement

Base: 825 APAC companies



Other benefits experienced as a result of increased digital engagement.

What benefits has your organization experienced as a result of digitizing its customer engagement?

Column %	Singapore	Australia	Japan	Global
Better customer experience	54%	43%	40%	47%
Higher customer satisfaction	48%	34%	37%	44%
Increased innovation	42%	38%	35%	42%
New data-driven insights into customers	47%	36%	32%	37%
Higher customer retention	46%	39%	29%	40%
Reached new customer segments	41%	33%	26%	37%
Higher conversion rates	40%	39%	21%	32%
Increased sales	41%	34%	21%	36%
Increase in customer Lifetime Value (LTV)	36%	34%	25%	30%
Positive Return on Investment (ROI)	32%	36%	25%	32%
None of these	0%	1%	5%	1%

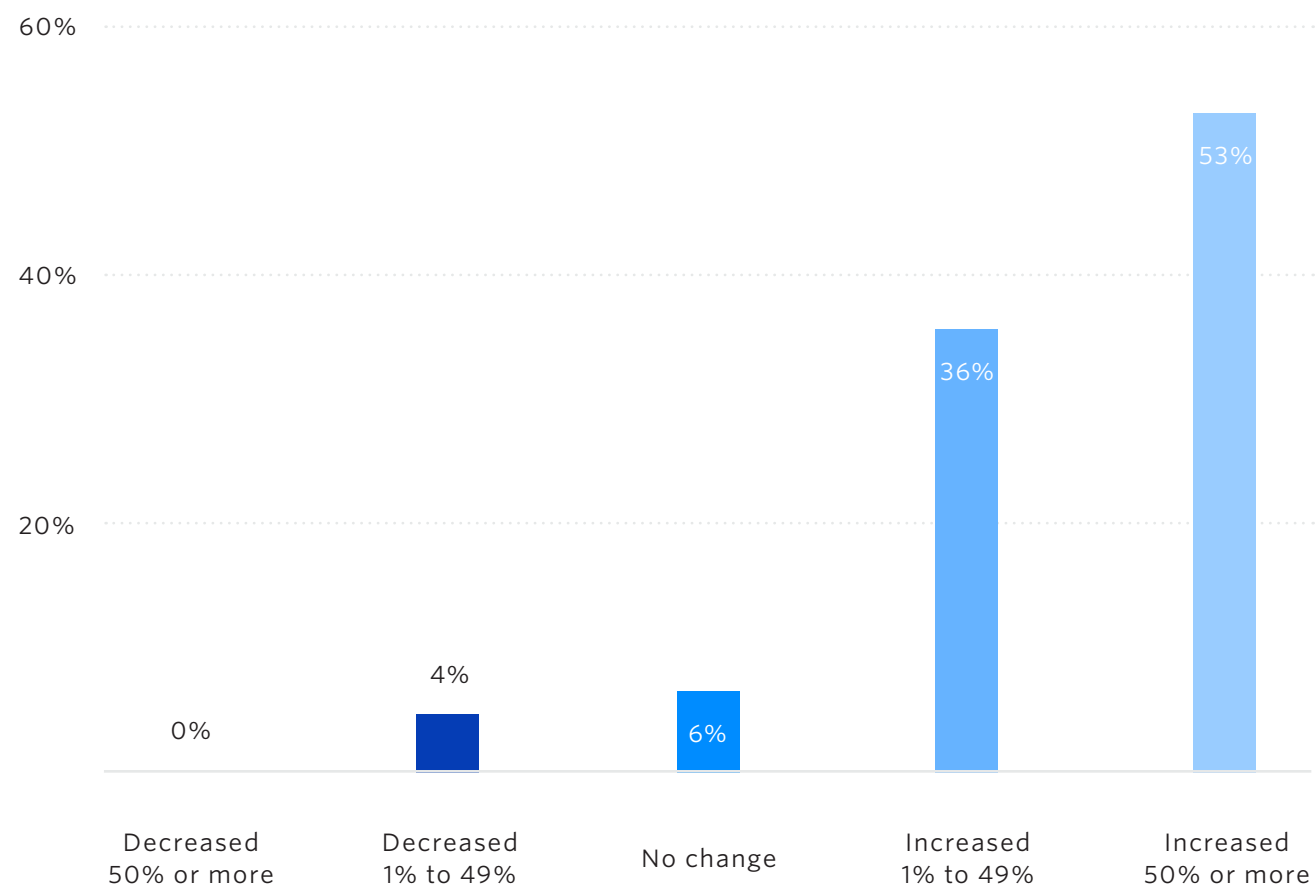
Singapore more likely than Australia and Japan to experience: Better customer experience, Higher customer satisfaction, Obtaining new data-driven insights into customers, Higher customer retention, Ability to reach new customer segments, and Increased sales.

Base: 825 APAC companies



Over half of organizations report their digital interactions increased 50% or more during the pandemic.

About how much did the number of digital interactions with customers increase or decrease during COVID-19?



APAC

53%

Saw an increase in digital interactions of 50% or more

61%

Average increase in number of digital touchpoints with customers during COVID-19

Average Increase in Digital Interactions

67% Singapore

63% Global Average

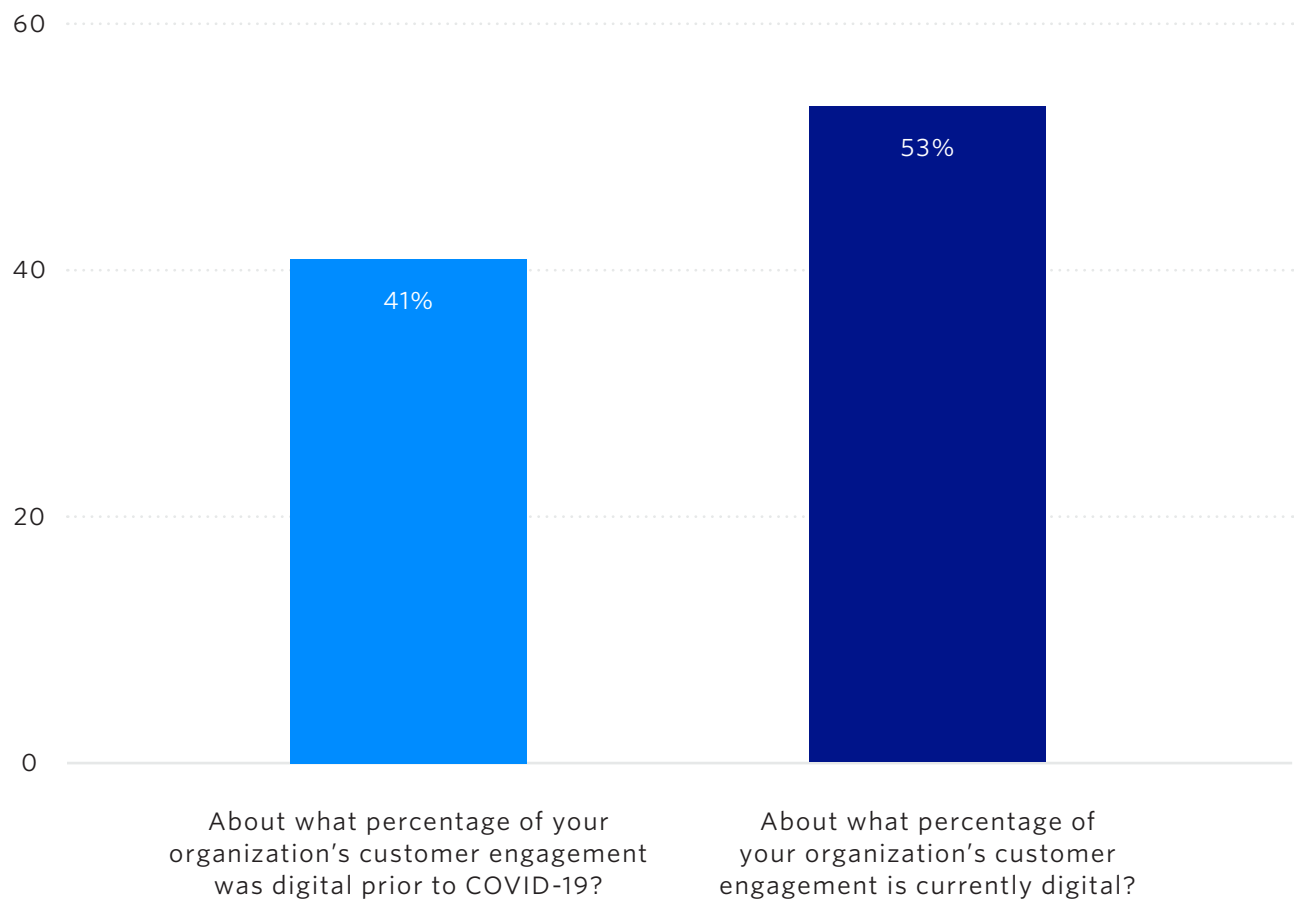
62% Japan

52% Australia

Base 816 APAC companies; 2550 Global companies; "Don't knows" removed



Overall, companies' digital customer engagement increased 29% since the pandemic.



APAC

The share of customer engagement that is digital increased 12 percentage points from 41% pre-COVID-19 to 53% in December 2020, which represents a 29% increase.

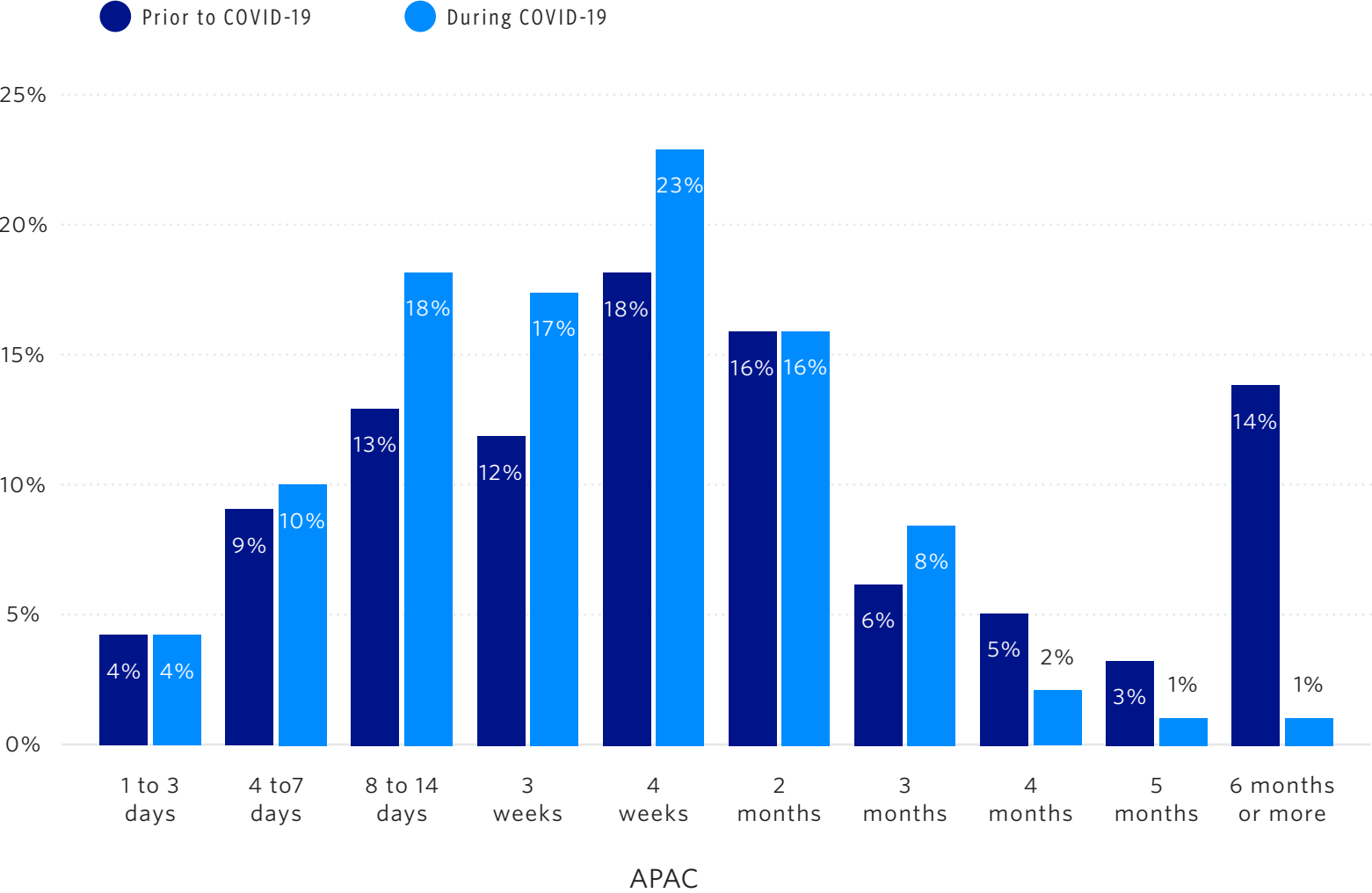
	Prior	During COVID
Global Average	43%	58%
Singapore	41%	56%
Japan	42%	54%
Australia	40%	50%

Base: 814 companies pre-COVID and 825 during COVID; "Don't knows" excluded



Due to the pandemic, 32% of organizations implemented new channels within 2 weeks.

Time to implement new digital communication channels during COVID-19 vs prior to the pandemic



The pandemic spurred a rapid response for implementing new digital communication channels:

- 32% within 2 weeks during COVID-19 vs. 26% prior to the pandemic
- Prior to COVID, 21% of Japanese companies took 6 months or more

Average Number of Days to Implement new Channels

	Prior	During Covid
Australia	45	30
Global Average	61	33
Japan	72	36
Singapore	69	39

Base: 1439 EMEA companies; DK/NA removed



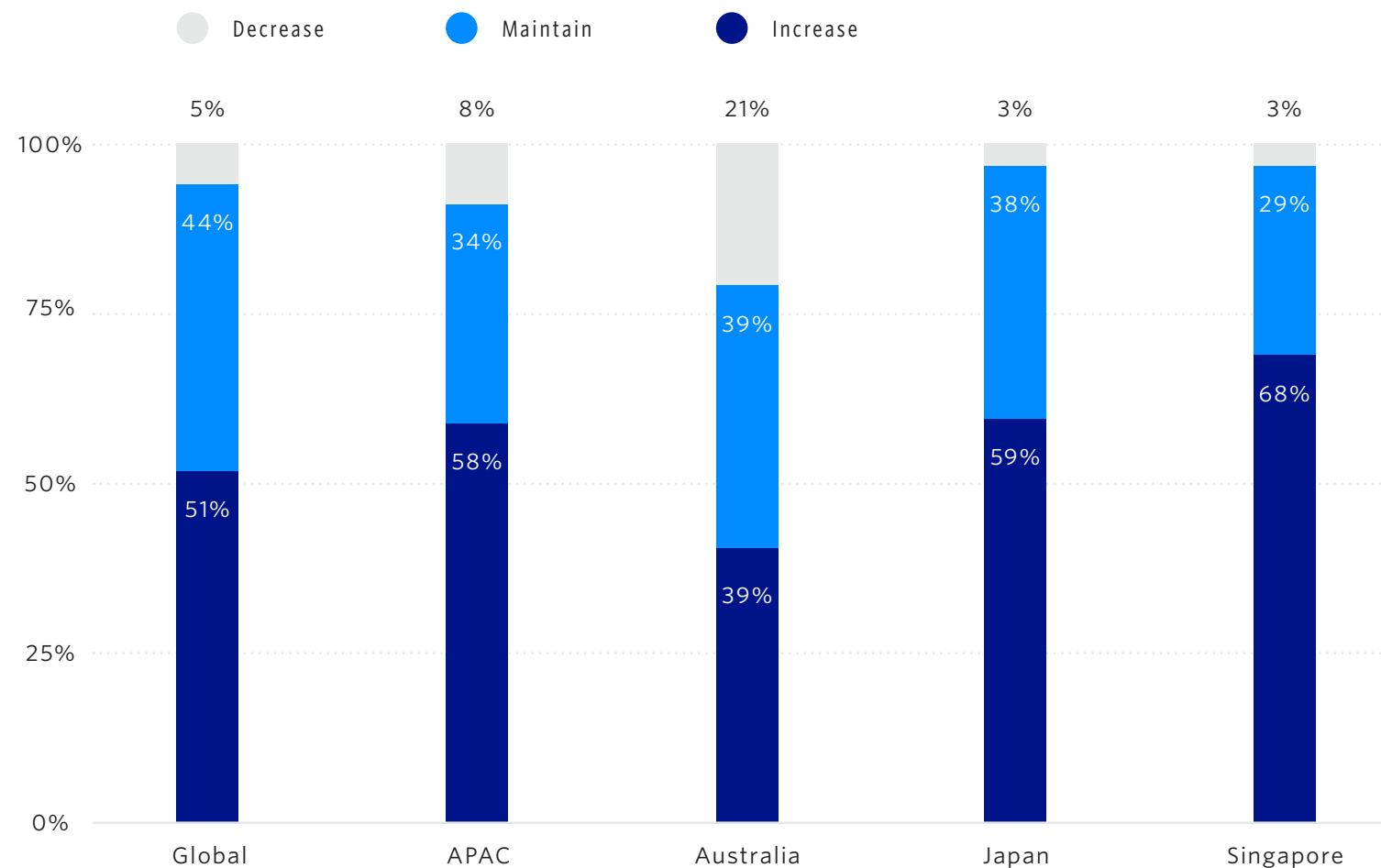
Digital engagement within regulated industries





92% of companies in highly regulated industries plan to maintain or increase their current level of investment in customer engagement.

When the pandemic is over, will your organization increase, maintain or decrease its current level of investment in customer engagement?



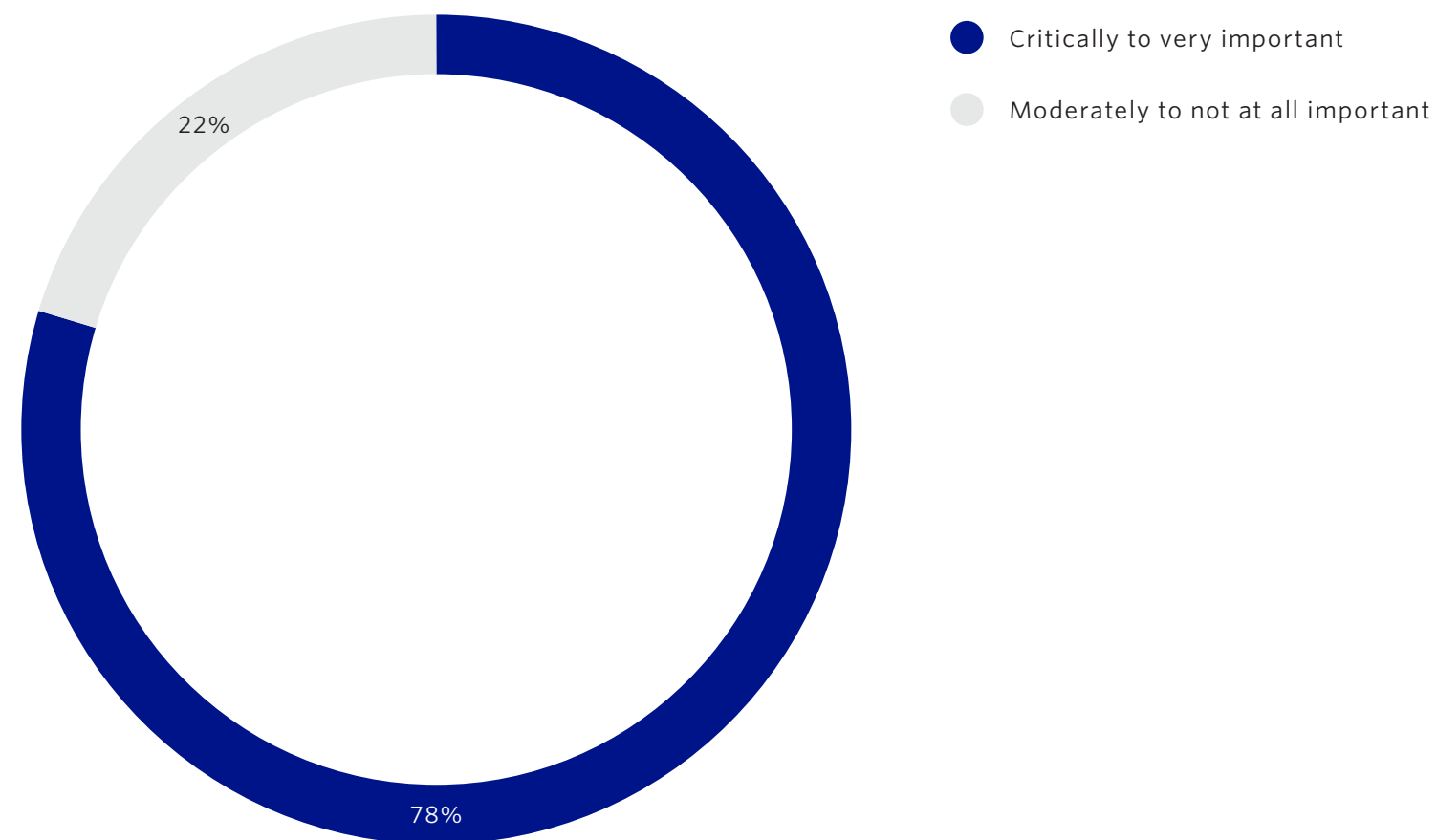
Highly regulated industries

Base: 127 APAC companies in highly regulated industries (Finance, Government and Healthcare); 375 Global companies in highly regulated industries; "Don't knows" excluded



And 78% of APAC companies in highly regulated industries report it will be critically or very important to their success going forward.

How important will digital communications be to your organization's success after the pandemic ends?



78%

Of companies in highly regulated industries expect digital communications to be critically or very important to their success going forward

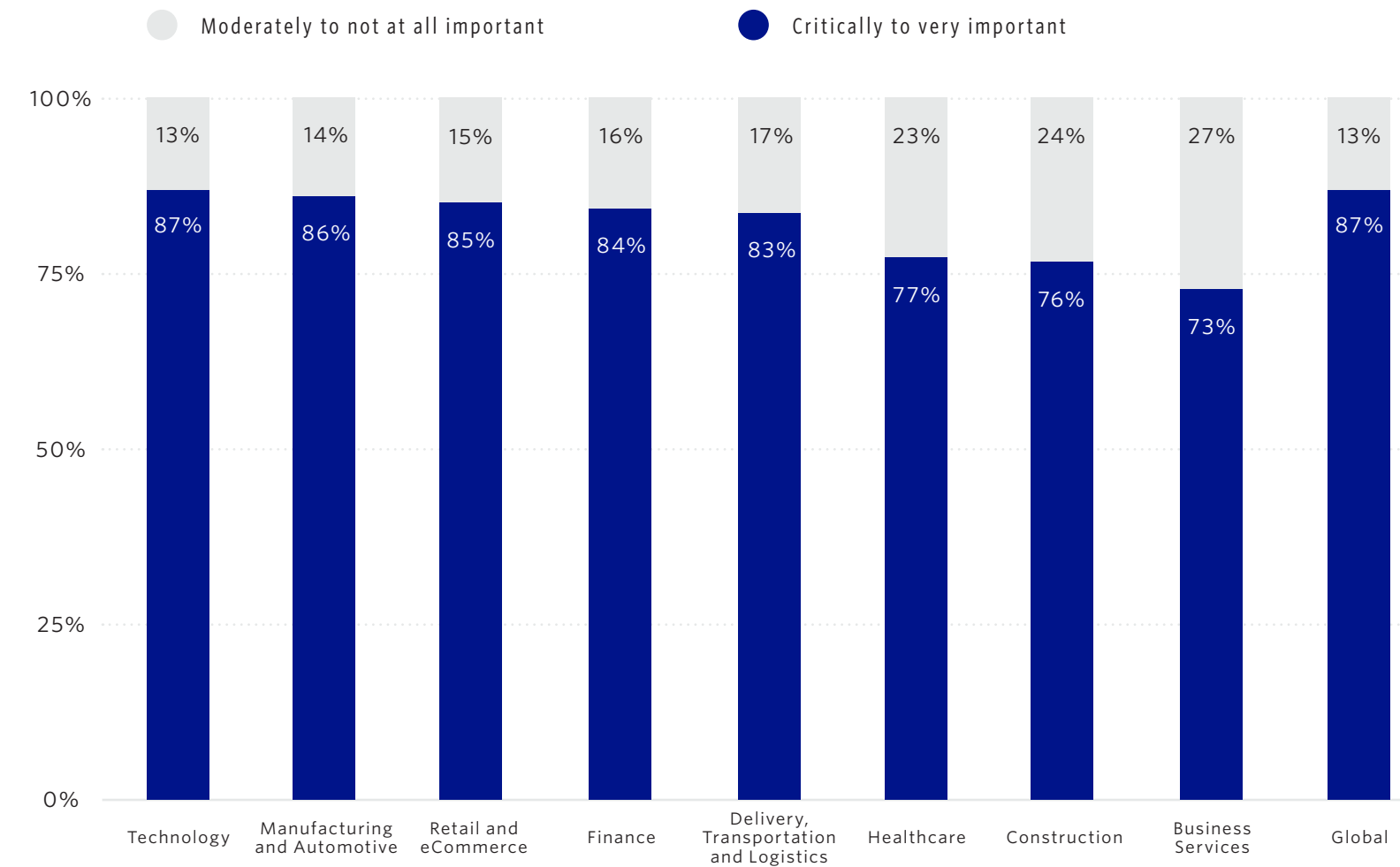
Base: 129 APAC companies in highly regulated industries (Finance, Government and Healthcare)

APAC Highly regulated industries (Finance, Government and Healthcare)



APAC industries are aligned in their view that digital communications will be critical to their success after the pandemic.

How important will digital communications be to your organization's success after the pandemic ends?



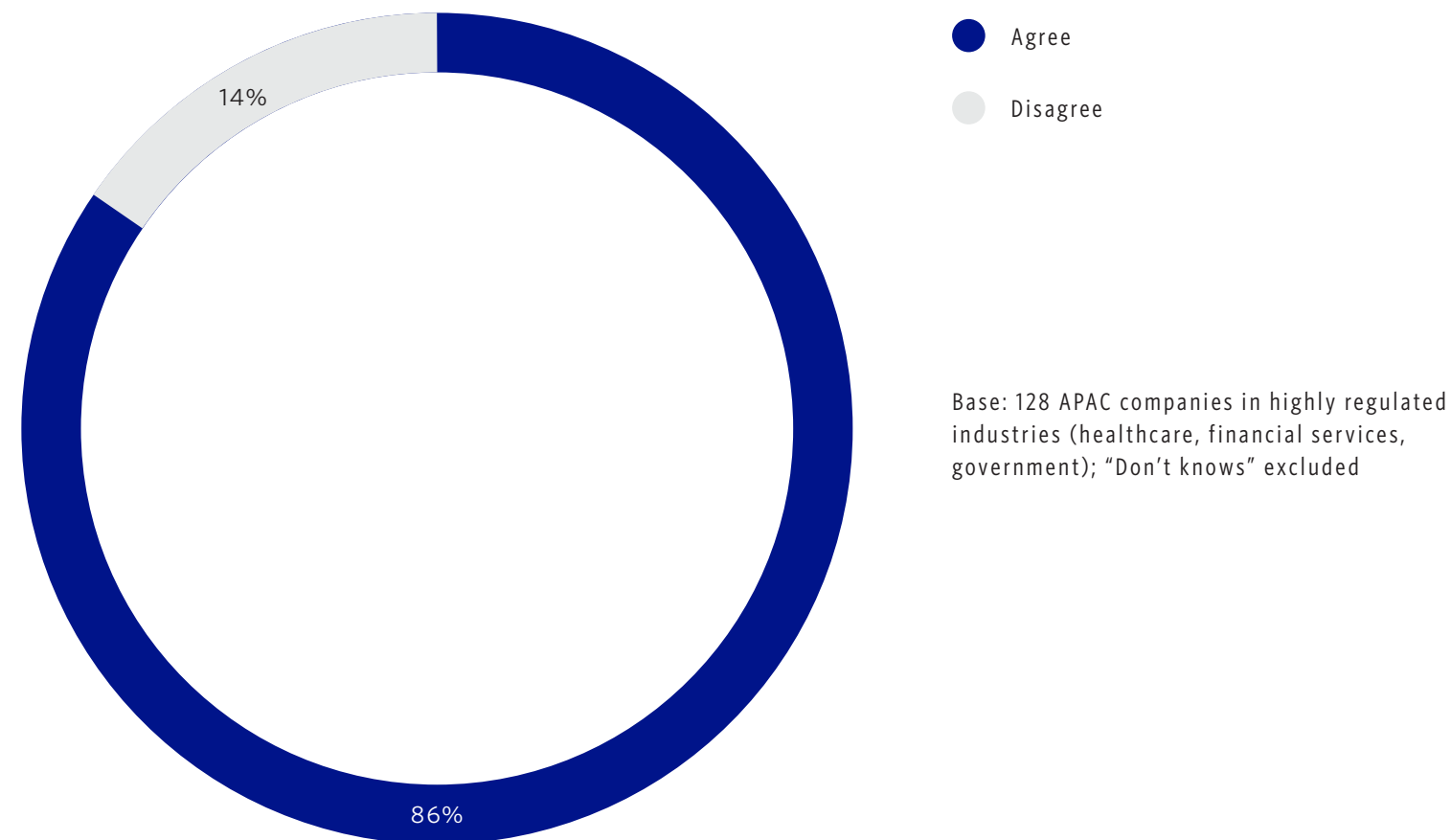
No significant differences by industry

Base: 30 to 171 APAC companies per industry; "Don't knows" removed



86% report COVID-19 spurred their highly regulated organization to explore new strategies to serve customers.

COVID-19 stimulated our organization to explore new and untested strategies to serve our customers.



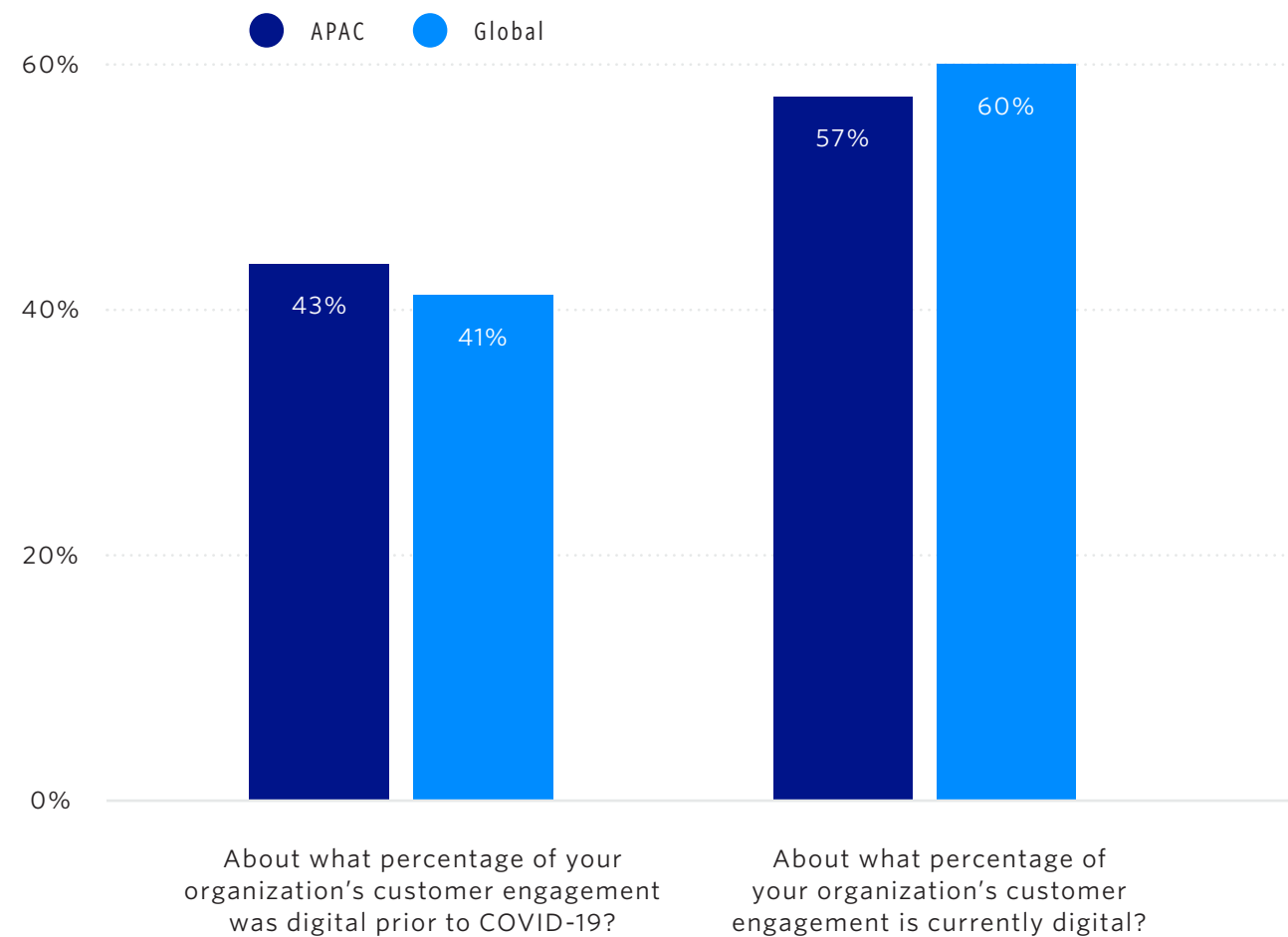
Base: 128 APAC companies in highly regulated industries (healthcare, financial services, government); "Don't knows" excluded

APAC Highly Regulated Industries



Digital customer engagement in highly regulated industries increased 33% due to COVID-19.

Highly regulated industries APAC vs. global



Highly regulated/APAC vs global

The share of customer engagement that is digital increased 14 percentage points from 43% pre-COVID-19 to 57% in December 2020, which represents a 33% increase (vs. a 46% increase in highly regulated industries globally).

In Australia 67% of customer engagement was digital during COVID (vs. 52% in Japan and 55% in Singapore)

Base: 128 highly regulated companies in APAC pre-COVID and 128 during COVID; "Don't knows" excluded



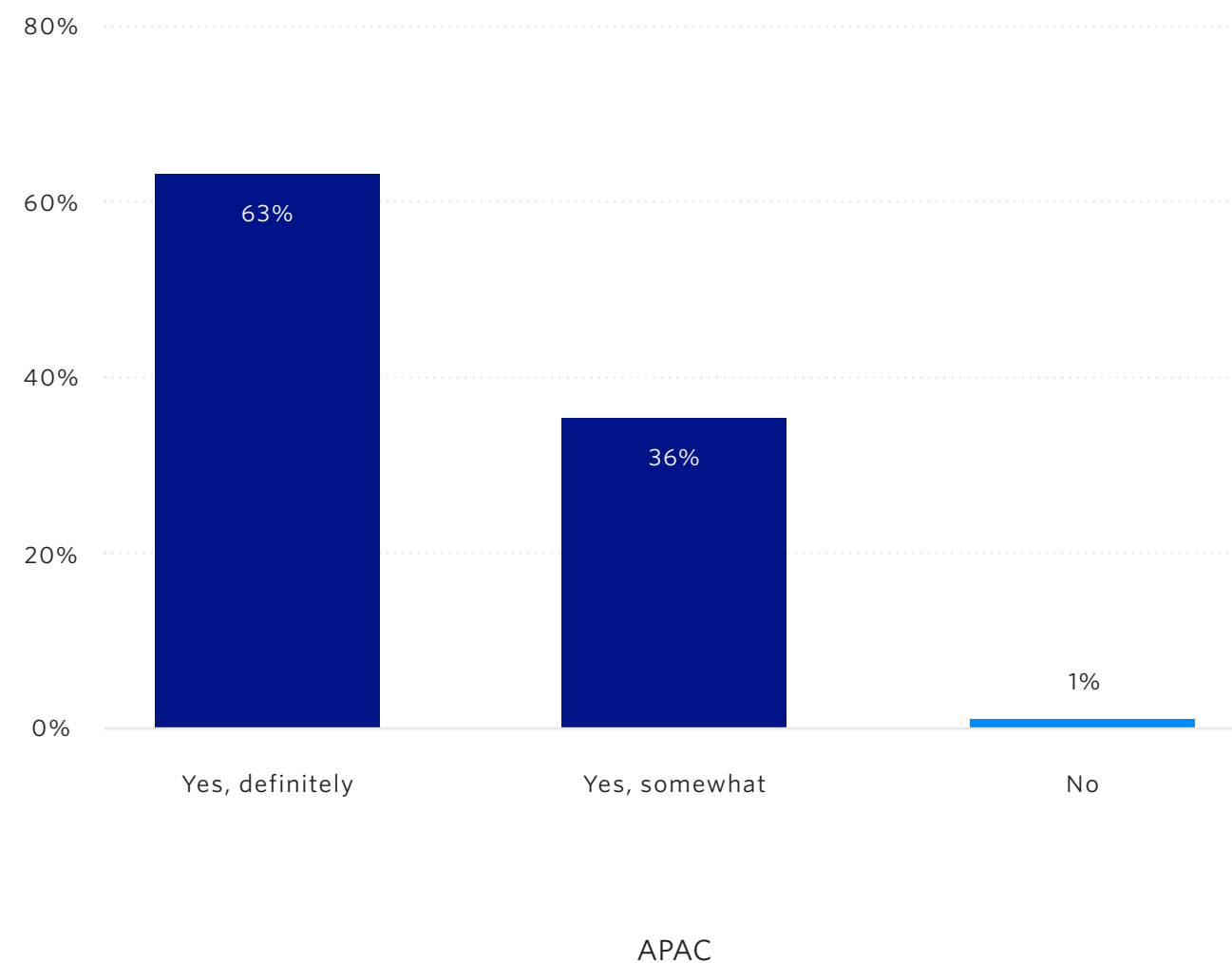
Video enhances our virtual connections





99% report their use of video communications with customers accelerated more than other channels during the pandemic.

During COVID-19, did your organization's use of video communications with customers accelerate more than other channels?



63%

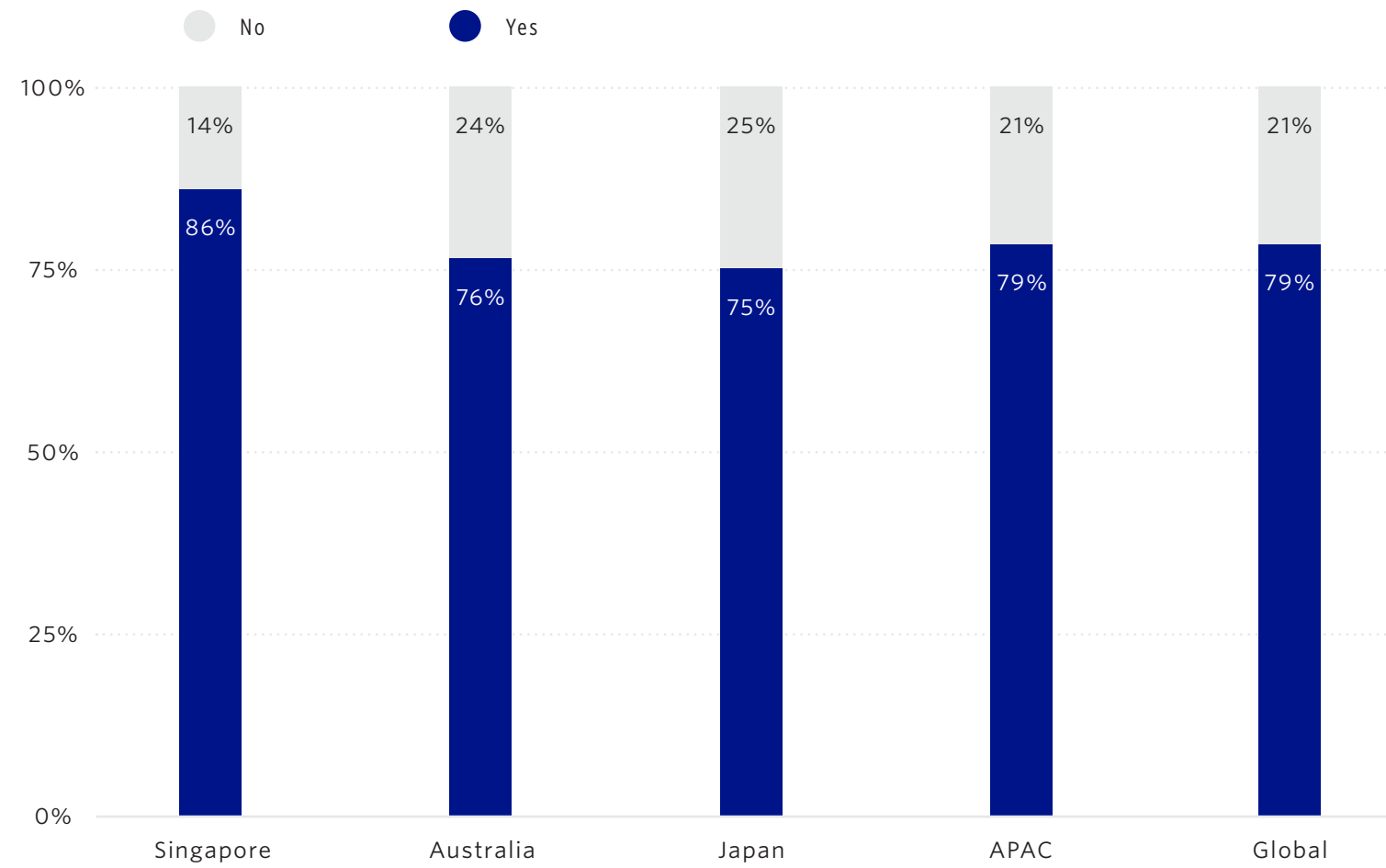
Say their video communications with customers definitely accelerated more than other communications channels

Base: 647 APAC companies that used video in 2020; "Don't knows" removed



More than 3 in 4 organizations now use video communications with their customers.

Does your organization currently use video communications with its customers?



APAC

79%

Say they currently use video communications with their customers

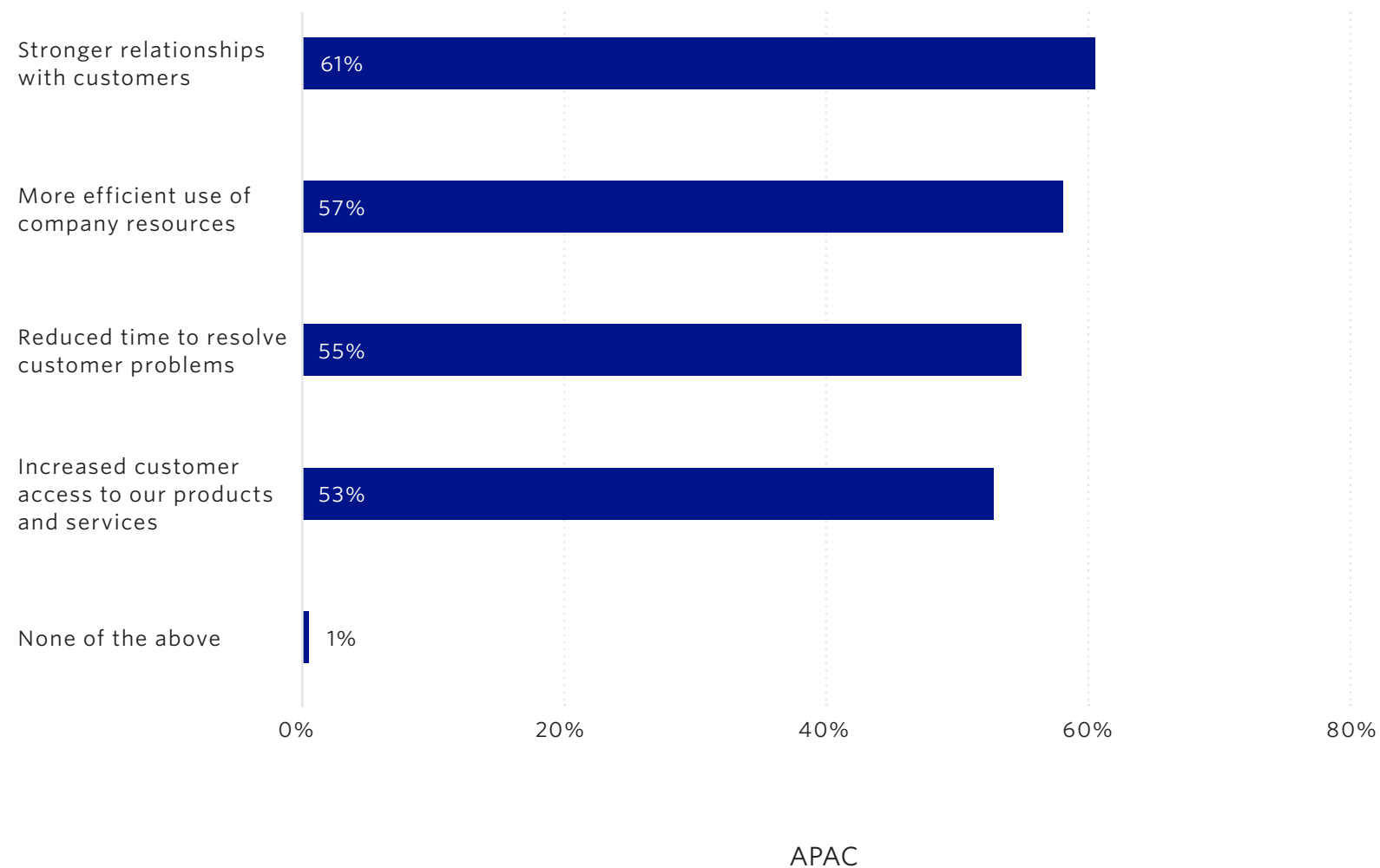
Singapore more likely to use video than Australia and Japan

Base: 821 APAC companies; 2557 Global companies "Don't knows" removed



Stronger relationships and more efficient use of company resources are top benefits of video channel use with customers.

What benefits of using video communications with your customers has your company experienced?



Majority experience the following benefits from using video communications with their customers:

- Stronger relationships
- More efficient use of company resources
- Quicker resolution of customer problems
- Greater customer access to products and services

Base: 649 APAC companies using video for customer communications; "Don't knows" removed



Singapore more likely than Australia and Japan to experience benefits of using video communication.

What benefits of using video communications with your customers has your company experienced?

Column %	Singapore	Australia	Japan	APAC	Global
Stronger relationships with customers	68%	58%	57%	61%	59%
More efficient use of company resources	64%	53%	53%	57%	54%
Reduced time to resolve customer problems	62%	48%	54%	55%	54%
Increased customer access to our products and services	59%	58%	42%	53%	56%
None of the above	0%	0%	2%	1%	0%

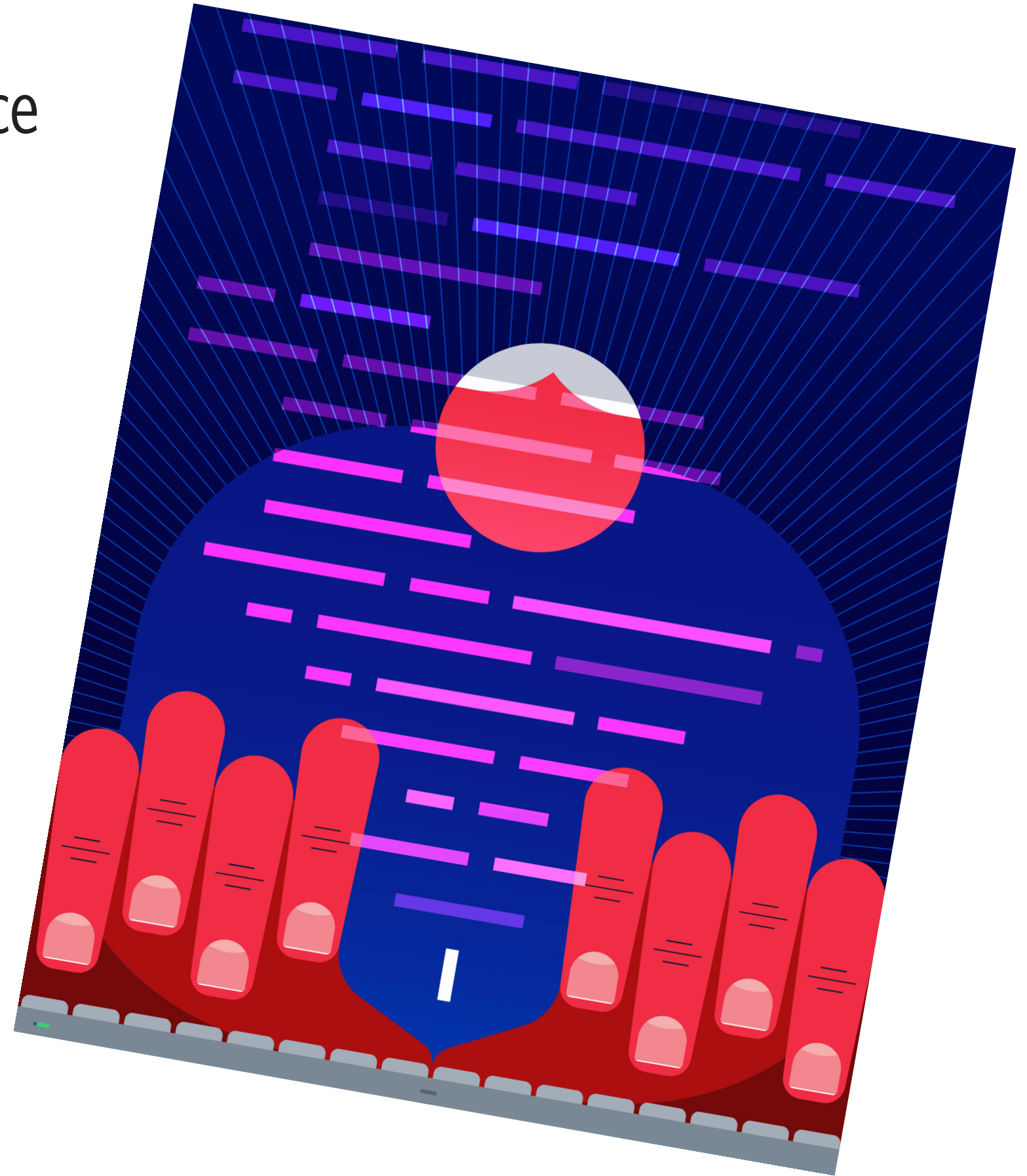
Base: 649 APAC companies that used video in 2020; “Don’t knows” removed

68%

Of companies in Singapore say their video communications with customers resulted in stronger customer relationships



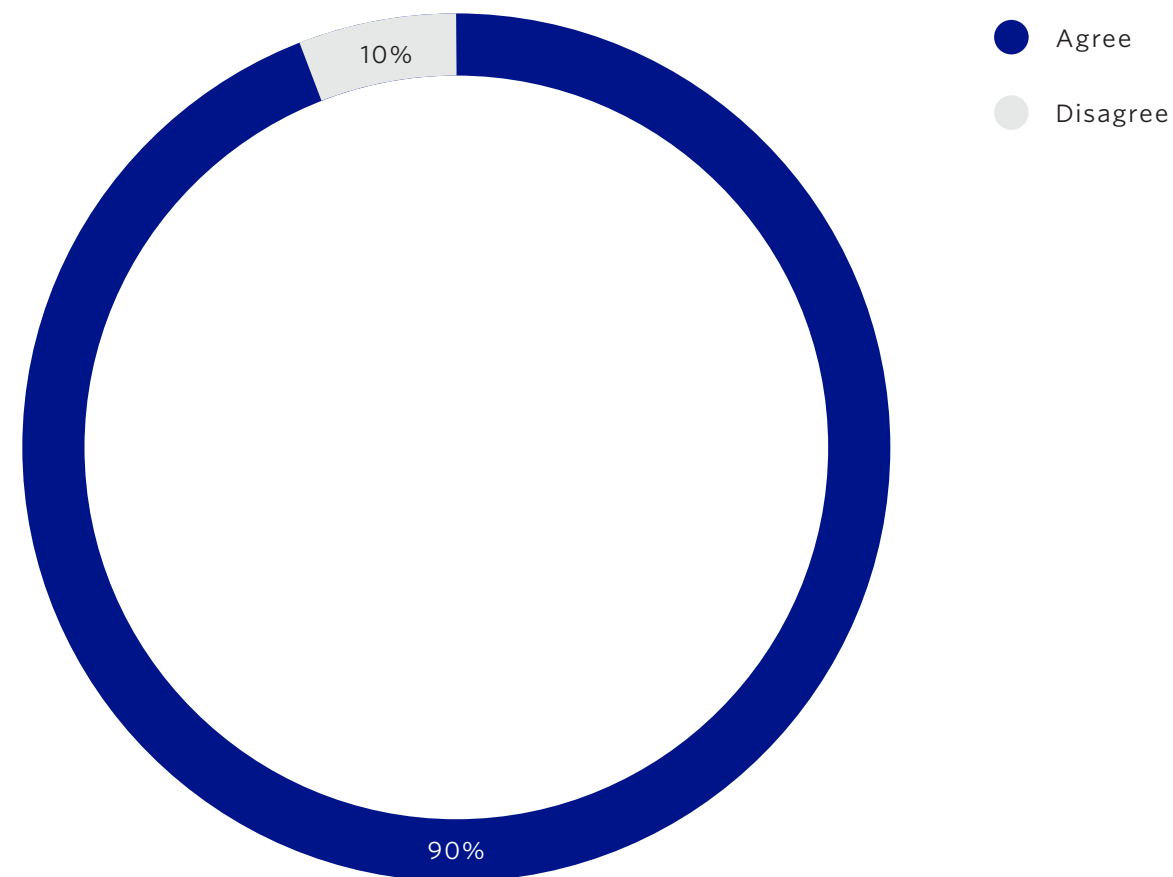
Building great customer experience





Developers were heroes. Organization leaders say that software developers were crucial to solving business challenges due to COVID-19.

Our organization's software developers were crucial to solving the business challenges caused by COVID-19.



APAC

90%

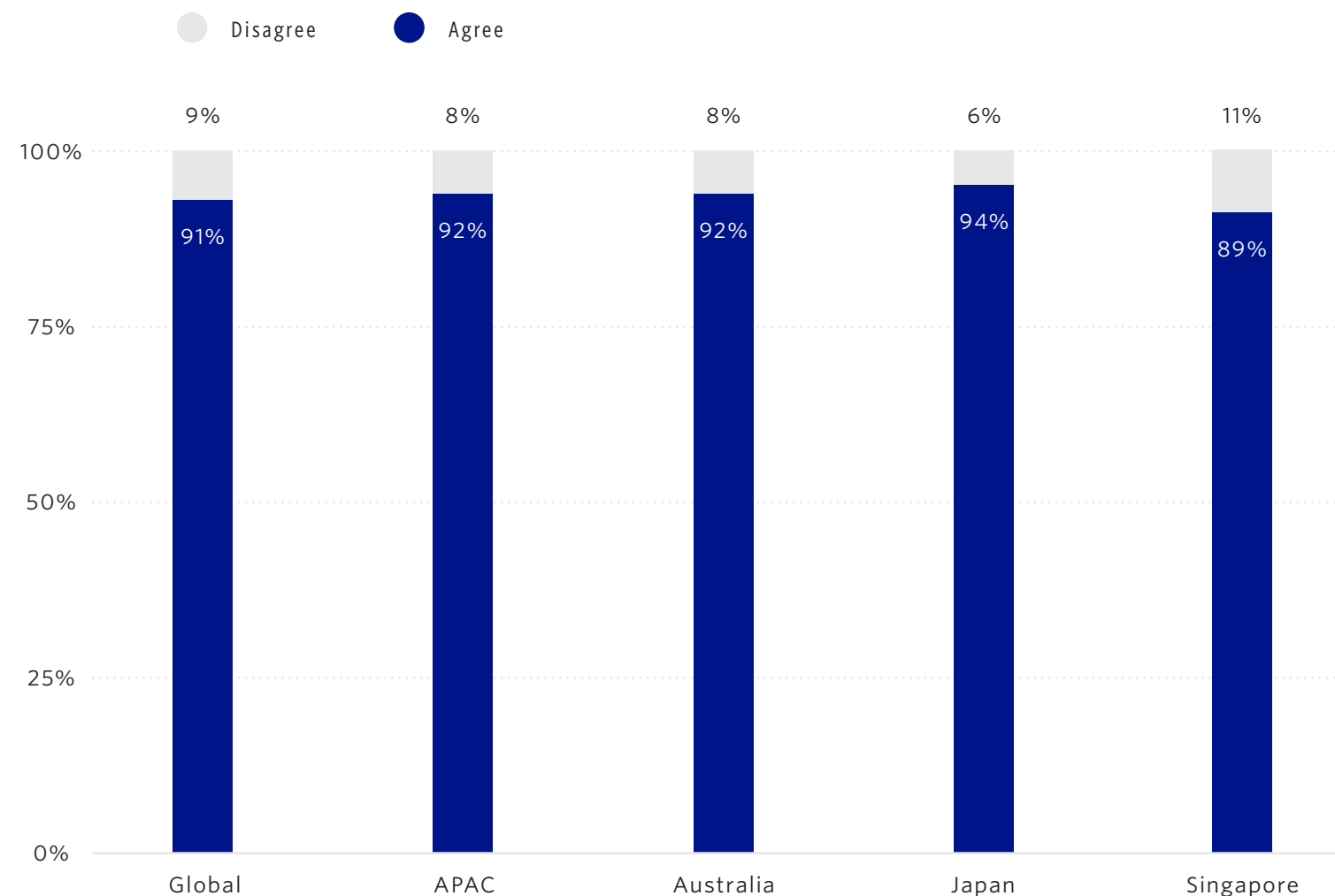
Say the software developers were crucial to solving business challenges that arose from the pandemic

Base 815 APAC companies: "Don't knows" excluded



92% say their company is more likely to build communications solutions to meet customer demands in the future.

My company is more likely to build communications solutions (rather than buy a pre-configured solution) to meet customer demands going forward.



92%

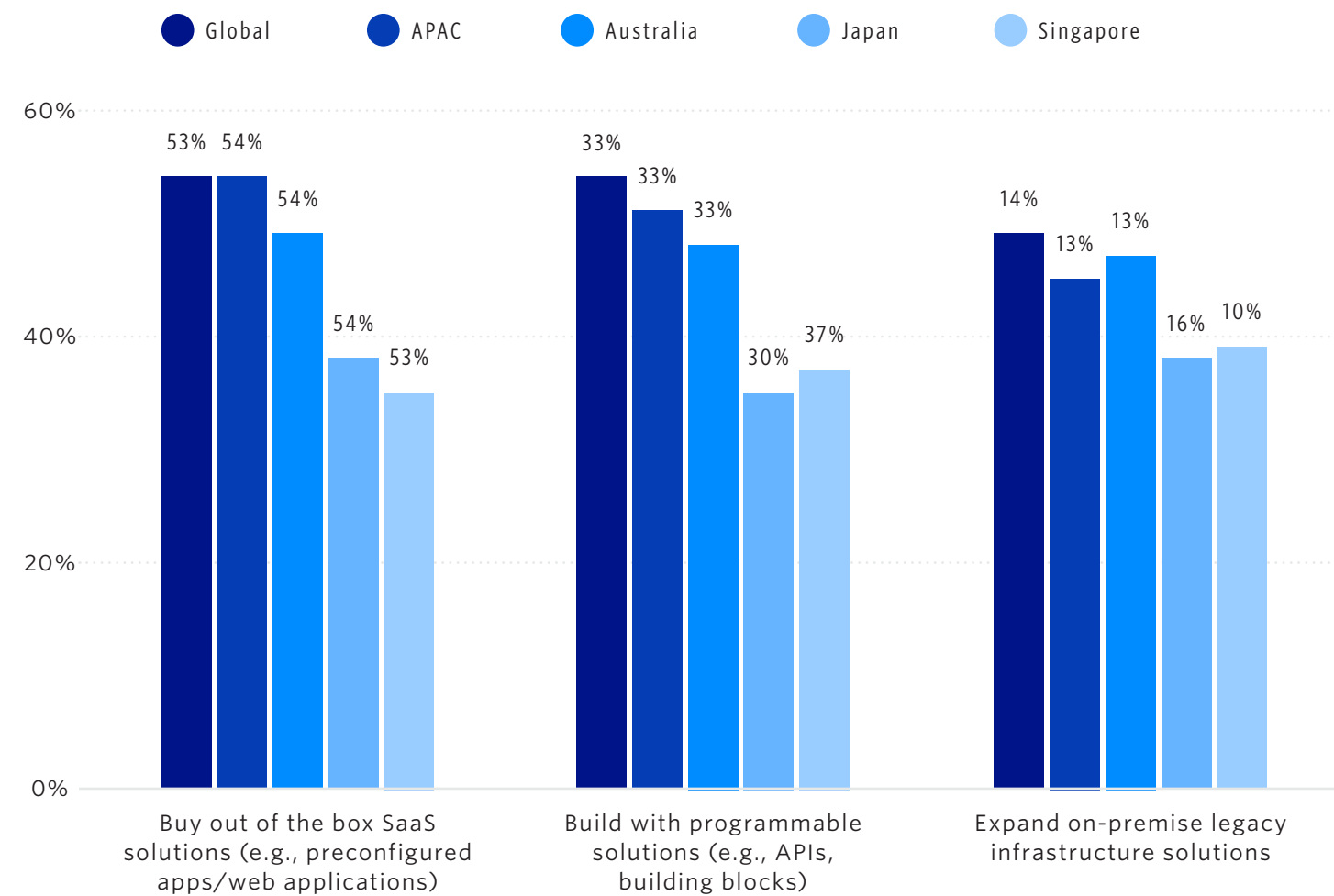
Of APAC companies agree that their company is likely to build its own communications solutions going forward

Base: 817 APAC companies; 2545 Global companies "Don't knows" removed



1 in 3 APAC companies are choosing to build with programmable solutions.

What approach does your organization most often use when adding digital communications capabilities?



33%

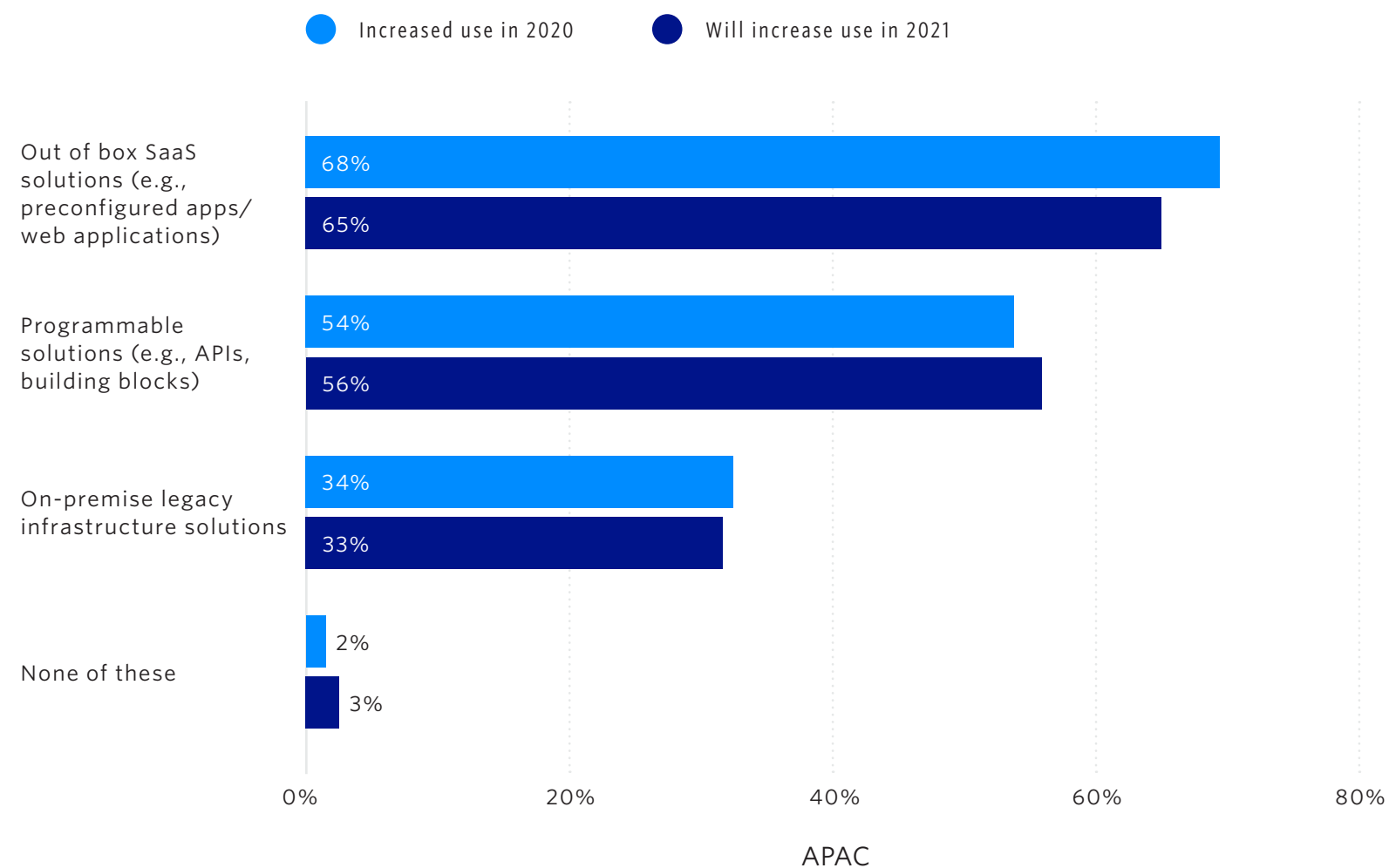
Build with programmable solutions

Base: 796 APAC companies; 2515 Global companies; "Don't knows" removed



And the majority of companies will increase use of programmable solutions in 2021.

What approaches did your organization increase its use of in 2020 and what approaches will it increase in the next 12 months?



Use of programmable solutions:

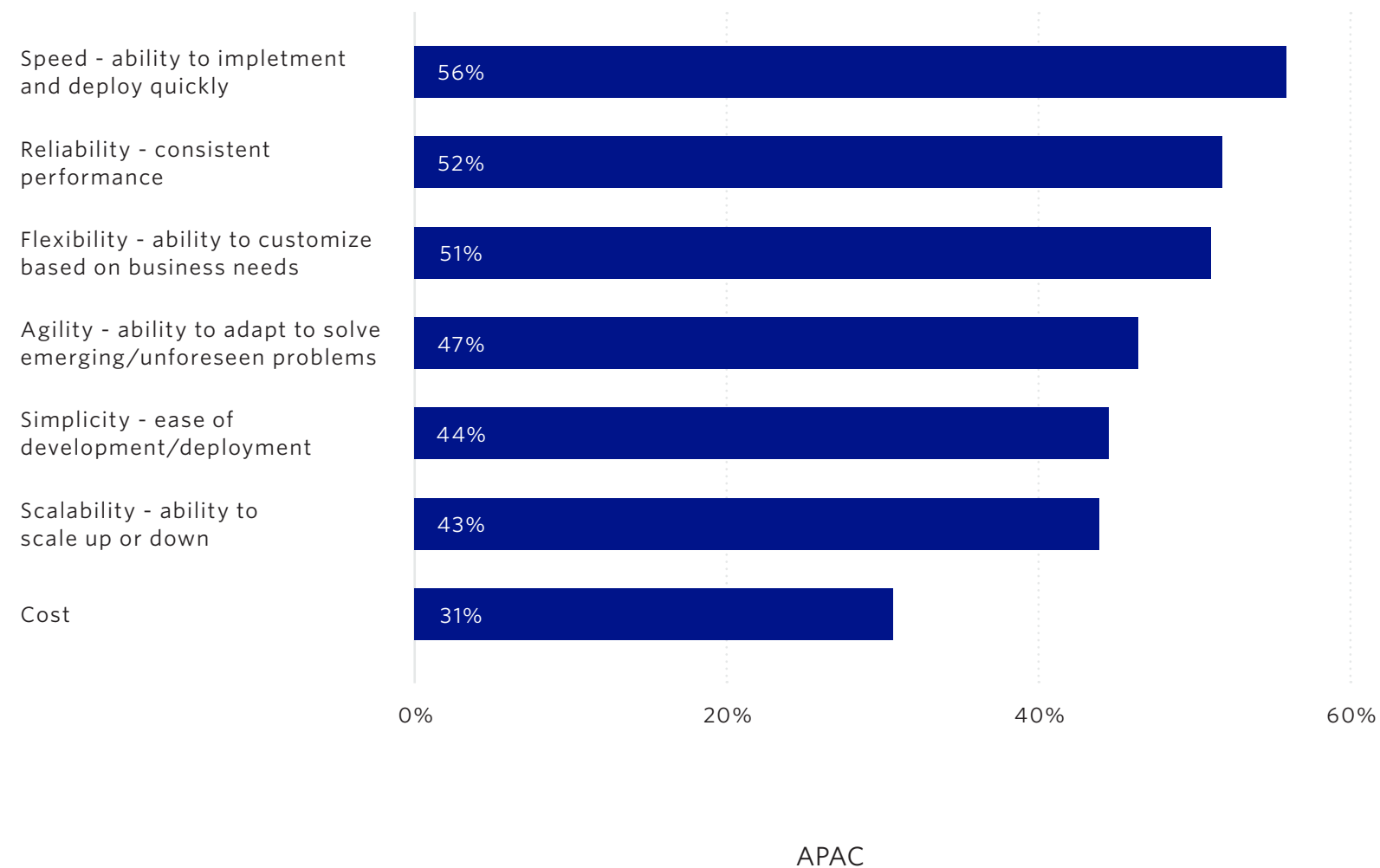
- Increased in 54% of companies in 2020
- Will increase in 56% of companies in 2021

Base: 825 APAC companies



Speed, reliability, and flexibility are the most important factors when choosing digital communications solutions.

What factors are most important to your organization when choosing solutions to meet your digital communications strategy?



Top Factors When Choosing Digital Communications Solutions:

- Speed 56%
- Reliability 52%
- Flexibility 51%

Base: 825 APAC companies; "Don't knows" removed

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