

#### A Word From our CEO

Marketers never stand still. They need to constantly adapt to changing customer behaviors, find new ways to engage new and current audiences, and embrace new channels as they appear.

Above all, marketers need to find ways to be heard above the noise of crowded spaces filled with competitors.

Conversational marketing is the way to do that. By inviting customers into one-to-one exchanges, conversational marketing is a messaging-first, privacy-first, and customer-first approach poised to become one of the top marketing channels. By leveraging conversational marketing through the messaging apps and platforms where your customers already spend their time, your brand can sit in their inbox right next to their friends and family.

At Spectrm, we've enabled over 30 million one-to-one customer interactions for our clients just in 2021 alone. But we wanted to better understand how marketing teams in general are using conversational marketing. Are they finding success, improved metrics, and better returns? What particular channels are the most effective for them? Will conversational marketing be a focus for their marketing team going forward?

In order to uncover more about conversational marketing programs and strategies, we surveyed 400 B2C marketers across the globe about their experiences and approaches. We hope you find these insights helpful as you implement your own marketing strategies for 2022.



# Here are seven of the major insights we learned from the marketers we surveyed.

**72% find their conversational marketing effective.** 42% say their conversational marketing program is very effective, and 30% find it somewhat effective. Top contributors to effectiveness include engaging with customers via messaging, using AI to automate customer conversations, using data collected to personalize customer interactions, and driving paid traffic to conversations.

**59% say their tactics are less effective because of privacy regulations.** Six out of ten respondents say that their marketing tactics have become less effective because of the increase in data privacy regulations when it comes to collecting customer data.

**41% said collecting zero-party data has never been more important.** Additionally, 39% said zero-party data, or data collected directly from the customer, is very important to their long-term objectives. 41% also said first-party data, or data collected from customer interactions, is very important to their long-term objectives.

**Social media marketing is in decline.** For our respondents, social media marketing is the channel they're seeing decline the most as it's becoming more difficult to get users' attention and stand out amongst the high volume of posts. Other channels that are declining the most include influencer marketing, email marketing, and SMS marketing.

The top challenge to marketers today is acquiring new customers. They're also facing other challenges that include retaining existing customers and generating more sales from them, increased competition in their market, and shifting consumer expectations.

Creating more humanlike experiences is a top priority. Priorities for 2022 include creating more humanlike interactions in their conversational marketing channels, driving paid traffic to their conversations, and improving connections to their tech stack.

Instagram Messaging is the most effective channel. The channels that are proving very effective include Instagram Messaging (44%), WhatsApp Business (42%), Facebook Messenger (40%), Google's Business Messages (39%), and a chatbot on their own website (37%).

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PART #1

General State of Digital Marketing Today



Marketers want to connect with their audiences, engage them with thoughtful content and interactions, and guide them to the products and services they're looking for. Yet the channels through which marketers work are constantly evolving — and new platforms and new mediums need new approaches. Are marketers keeping up, or finding efforts that once worked now failing?



### **Top Digital Marketing Channels in Decline**

Only 9.25% of respondents said they've not seen any of their digital marketing channels in decline. However, the remaining 90.75% have seen the following channels losing effectiveness over the past year:

#### • 16.7% - Social media marketing

The largest segment of respondents say it's becoming harder to catch the attention of users scrolling through their social media feeds, and to stand out amongst the high volume of posts.

### • 11.5% - Influencer marketing

They also find that partnering with creators to increase brand awareness isn't as effective as it once was.

### 10.2% - Email marketing

Despite once being touted as the best, most direct channel, email marketing is losing efficacy and blending into inboxes.

#### 10.2% - SMS marketing

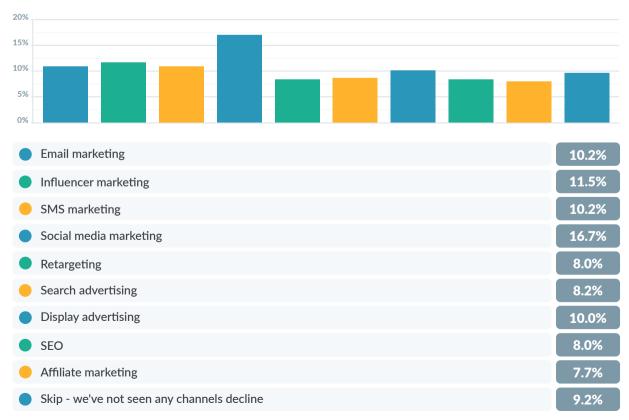
Another channel in decline is SMS marketing and texting customers directly with product or service information.

### • 10.0% - Display advertising

Also in decline is display advertising, likely due to just too many banner ads out there that they no longer catch anyone's attention.

Other channels in decline include search advertising (8.25%), retargeting (8%), SEO (8%), and affiliate marketing (7.75%).

### ▶ What digital marketing channel have you seen decline the most over the past 12 months?



### **Top Challenges to Marketing Teams Today**

In addition to channel decline, marketers face other challenges as they seek to engage customers. Here are some of the biggest challenges facing marketing teams today.

### • 17.0% - Acquiring new customers

The biggest challenge is acquiring new customers: determining your target audience, designing compelling creative and copy, running campaigns, posting to various channels but never really knowing if your efforts are going to result in engagement or sales.

- 12.2% Retaining existing customers and generating more sales from them
   Another big challenge is continuing to engage current customers, and finding ways to generate new interest and new sales from them. Part of this is also due to the challenge of retargeting channels being less effective today, as we'll see below.
- 10.7% Increased competition in our market and shifting consumer expectations
   As seen above, many channels are likely declining because of too much competition for attention. Additionally, customer expectations around how they want to be engaged by brands is changing as well.
- 9.2% Less effective retargeting and ongoing engagement channels
   Alongside the challenge of retaining current customers is the challenge of how to retarget them effectively, and how to keep up ongoing engagement.
- 9.0% Privacy and data sharing regulations
   Customer behaviors are also changing when it comes to privacy preferences as well, resulting in increased regulations that restrict what data marketers can collect.

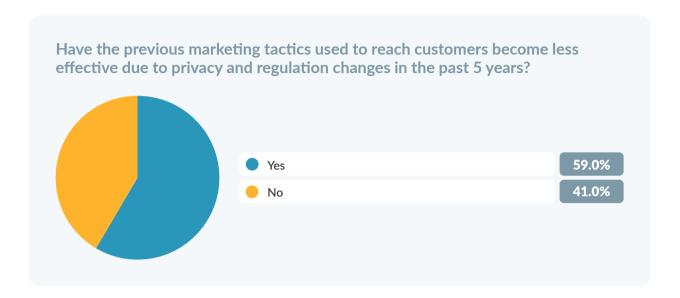
Other challenges include delivering personalized customer experiences at scale (8.25%), marketing attribution and tracking (8.25%), fragmented and complex customer journeys across devices, sites, and apps causing signal loss (8%), and collecting relevant and useful data on our customers (5.75%). Finally, 11.5% reported other challenges not listed here.

### ▶ Generally speaking, what is the #1 challenge your marketing team is facing?



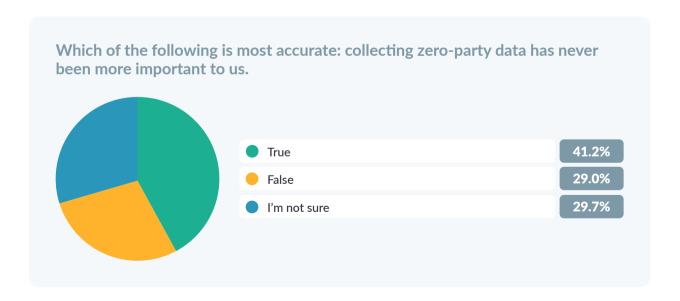
## For 59%, marketing tactics are becoming less effective because of privacy and regulation changes

Over half of our respondents (59%) reported that the marketing tactics they've previously used to reach customers are becoming less effective due to privacy and regulation changes. 41% replied that's not the case.



### 41% said collecting zero-party data has never been more important

For 41.25% of our respondents, collecting zero-party data, or data that customers volunteer through their interactions, has "never been more important to us." However, 29% don't feel that collecting zero-party data is of the highest importance. Additionally, 29.75% replied that they weren't sure.



### **Summary**

It's getting more difficult to find and connect with customers today, as our respondents well know. Their top challenges include acquiring new customers and retaining and generating more sales from their existing customers — top challenges for any marketer, who are tasked with not only targeting their audience but keeping them engaged for the long term.

But their third biggest challenge comes in the form of increased competition in their market, as well as shifting consumer expectations. With so many brands vying for customer attention, it's becoming difficult to be heard above the noise out there — which is why 91% of respondents have seen at least one of their marketing channels in decline.

One of the ways customer expectations are shifting is in regards to privacy. Customers today are more concerned about how their data is being shared. They don't want to be tracked across sites, apps, and have their data sold to other businesses. These growing concerns have prompted the recent rise in data regulations around what kind of information can be collected about customers: regulations like GDPR and CCPA, ad blockers and third-party cookie blocking in major browser updates, mobile operating system privacy changes, and more. For 59% of our respondents, those data privacy regulations are making their marketing tactics less effective.

That's why marketers are turning to zero-party data, or declared data offered directly by the customer in a conversation, as a way to gather information that's not only private but completely theirs to own and use. In fact, 41% said collecting zero-party data has "never been more important" to their team.

In our next section, we'll look at how effective respondents' conversational marketing programs are, and if they're achieving their marketing objectives with those initiatives.

PART #2

Conversational Marketing Program Objectives, Successes, and Challenges



The marketers we surveyed are actively using conversational marketing as a way to connect with and engage their audiences. But marketers could pour time and efforts into a channel and not see engagement or returns from it. Are our respondents finding success and meeting their objectives, or are there specific challenges that are keeping their efforts from truly making conversational marketing an effective channel?



### **Top Objectives for Conversational Marketing**

Marketers implementing new channels should have a list of goals or objectives they want to accomplish with that channel. What are some of the top objectives that our respondents are striving for with their conversational marketing channels?

### • 35.5% - Acquiring new customers

The top objective for marketers is essentially addressing their number one challenge: How do we acquire new customers? Further objectives around acquiring new customers could be exploring new channels, evaluating better engagement methods, and even better utilizing analytics to understand customer behavior.

### • 33.5% - Create stronger engagement on social

The second biggest objective for marketers is addressing the channel where they're seeing the most decline head-on. Instead of moving on from social media marketing, they want to "fix" their approach and explore new ways to stand out to customers.

### • 31.5% - Improve awareness and demand

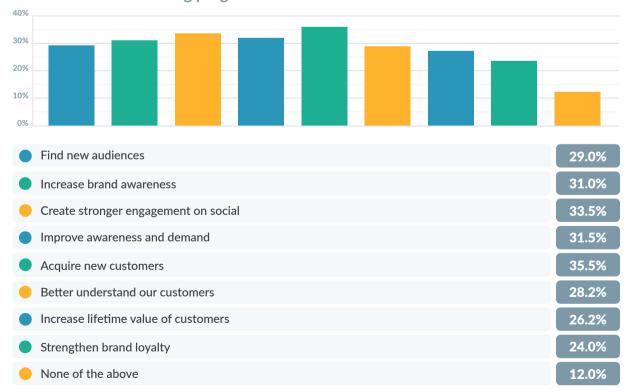
Another objective is being able to improve awareness for their products or services and increase the demand for them.

### 31.0% - Increase brand awarenes

Another ongoing objective? Increase brand awareness, especially amongst new customer segments.

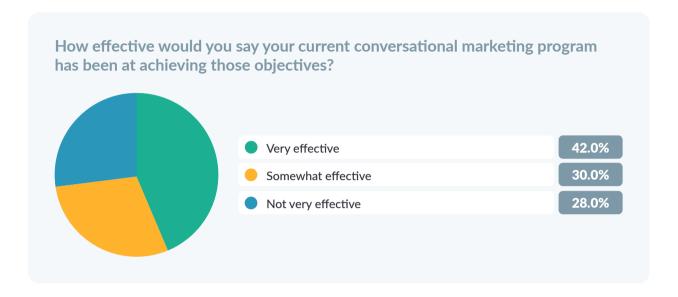
Other objectives include finding new audiences (29%), better understanding their customers (28.25%), increasing lifetime value of customers (26.25%), and strengthening brand loyalty (24%). Finally, 12% had other objectives than those listed here.

► What would you say are the top objectives you are aiming to achieve with your conversational marketing program?



### 72% find their current conversational marketing program effective

How effective is their current conversational marketing program, and are they achieving their objectives? 42% say that their conversational marketing program is very effective, with an additional 30% finding it somewhat effective. However, over a quarter of respondents (28%) find it not very effective at all.



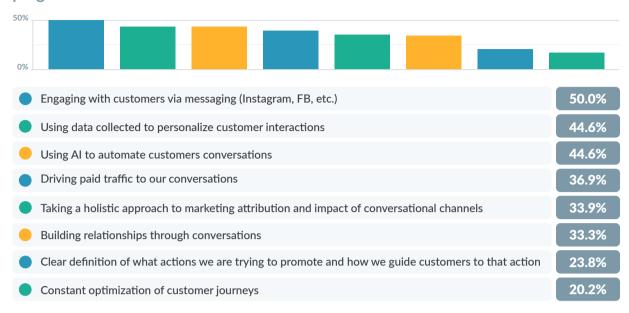
### **Top Factors for Effective Conversational Marketing**

What makes a conversational marketing program effective? For those who answered that their conversational marketing program is "very effective," here's what they found works (and they chose all that applied).

- 50.0% Engaging with customers via messaging
   For those with very effective conversational marketing programs, they attribute their success to engaging with customers through messaging on platforms like Facebook Messenger, Instagram, WhatsApp, and others.
- 44.6% Using AI to automate customer conversations
   They also attribute their success to using AI in their customer interactions. Conversational AI has evolved to the point where interactions can be fully automated yet responsive, guided, and personable, leading to enjoyable engagement.
- 44.6% Using data collected to personalize customer interactions
   The same number of respondents also said that their success is based on using the data they've collected on their customers to better personalize their interactions.
- 36.9% Driving paid traffic to our conversations
   Another way they've seen success is by using paid channels to drive audiences directly to the conversations.

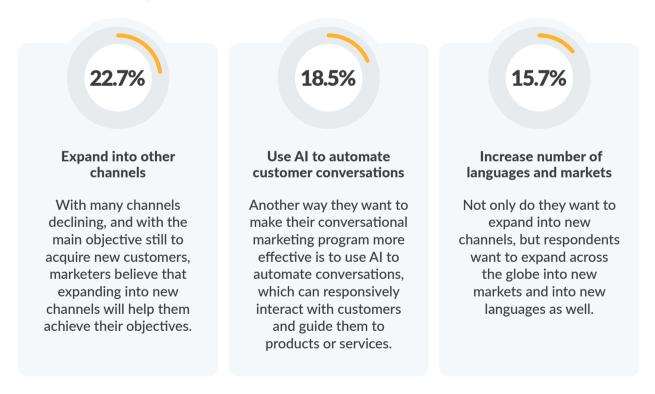
Other factors for efficacy include taking a holistic approach to marketing attribution and impact of conversational channels (33.93%), building relationships through conversations (33.33%), clear definition of what actions we are trying to promote and how we guide customers to that action (23.81%), and constant optimization of customer journeys (20.24%).

▶ What would you say are the top factors that make your conversational marketing program so effective?



# Expanding into other channels would provide the most impact for their conversational marketing

In order to better achieve their objectives, respondents believe the following factors will have the most impact.



Other factors that would have an impact include having better analytics, conversion tracking, and attribution (14.75%), gathering more declared data on customers to gain actionable insights into their audiences (14.50%), and having more targeted segmentation and automated re-engagement (13.75%).



### Top Challenges to a Conversational Marketing Strategy

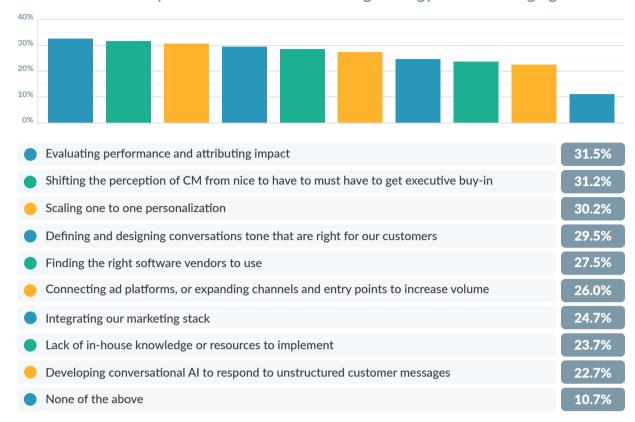
We've already looked at ways a conversational marketing program can be more efficient, and what could change to increase its impact. Overall, what are some of the challenges marketers experience with their conversational marketing strategy (we asked them to choose all that applied)?

- 30.2% Scaling one-to-one personalization
   The biggest challenge to their conversational marketing strategy is creating personalized interactions at scale which is impossible to do sustainably and cost-effectively without automation.
- 31.5% Evaluating performance and attributing impact
   Another big challenge to their strategy is effectively tracking the data that can give them insights into channel performance, and especially into channel attribution and effectiveness.
- 31.2% Shifting the perception of conversational marketing from nice-to-have to must-have to get executive buy-in
   Another challenge for them isn't external but internal, in that they're having trouble convincing leadership of the impacts and benefits of conversational marketing.
- 29.5% Defining and designing a conversational tone that is right for our customers
  Respondents are also challenged by chatbot design: How do we establish a style and tone that aligns with our brand, that's personable, and that keeps customers chatting?
- 27.2% Finding the right software vendors to use
  Finally, another challenge comes in the form of finding the right chatbot vendor to partner with who will help them create those one-to-one personalized conversations at scale.

Other challenges include connecting ad platforms or expanding channels and entry points to increase volume (26%), integrating their marketing stack (24.75%), lack of in-house knowledge or resources to implement (23.75%), and developing conversational AI to respond to unstructured customer messages (22.75%).

Finally, 10.75% of respondents didn't face any of the challenges listed.

### ▶ What factors make your conversational marketing strategy most challenging?



### Conversational marketing is improving CAC, LTV, and other metrics

Conversational marketing has its immediate positive effects on the customer and their experience. But what other metrics is conversational marketing impacting (we asked respondents to choose all that applied)?

### • 38.7% - Cost to acquire new customers

With the primary objective being to acquire new customers, marketers are finding that conversational marketing is helping to lower the cost of acquisition.

### • 38.7% - Lifetime value of existing customers

Respondents also find conversational marketing efforts increasing the lifetime value of their customers — which can help with the objective of retaining current customers.

### 38.5% - Return on ad spend

With conversational marketing, respondents are also finding they get "more bang for their buck," as they see greater returns on their advertising budgets.

#### • 35.5% - Open and click rates for messages

Because of the personalized nature of conversational marketing, respondents are also seeing higher open and click-through rates as well.

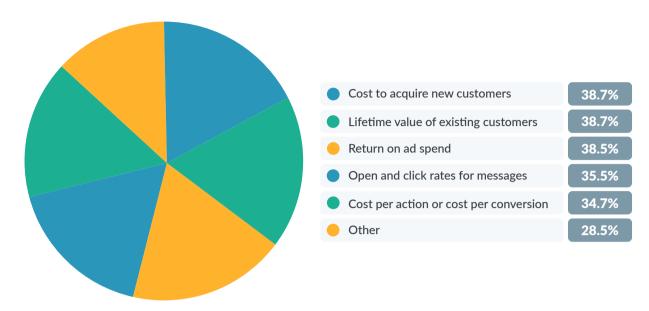
### • 34.7% - Cost per action or cost per conversion

Because of those higher open and click-through rates, they're also finding that conversational marketing is leading to lower costs per action and lower costs per conversion, too.

### • 28.5% - Other

The high percentage of respondents who also chose "other" indicates that conversational marketing's impact positively affects other metrics not listed here.

► What metrics are you seeing positively impacted the most by your conversational marketing efforts?



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### **Summary**

When it comes to their conversational marketing approaches, nearly three-quarters (72%) of respondents say their program is effective. The action that's contributing to that success the most is engaging with customers via messaging, and conducting conversations through messaging apps and DMs where customers are already having conversations with their friends and family.

Another contributor to conversational marketing's effectiveness is using AI to automate customer conversations. This not only allows brands to scale their one-to-one interactions with customers, and thus scale personalization. AI also allows chatbots to be responsive to customers and to guide them through the conversation, as well as being fun to interact with.

Having an effective conversational marketing program also comes from using the data that's been collected from customers to personalize future customer interactions. This isn't just through analyzing customer data for insights and trends, but feeding that data back to the AI to make it smarter, delivering better, more informed customer interactions.

All of these initiatives are trying to accomplish the top objectives of acquiring new customers, creating stronger engagement on messaging channels, improving product and services awareness and demand, and increasing brand awareness. Of course, meeting marketing objectives helps when an initiative is able to improve many tracked metrics, including customer acquisition cost, lifetime value, return on ad spend, and more.

For those who want to improve the efficacy of their conversational marketing program, respondents say that expanding into other channels would provide the most impact. In our next section, we'll look at some of those channels and how effective they are.

PART #3

Conversational Marketing Channels and Campaigns



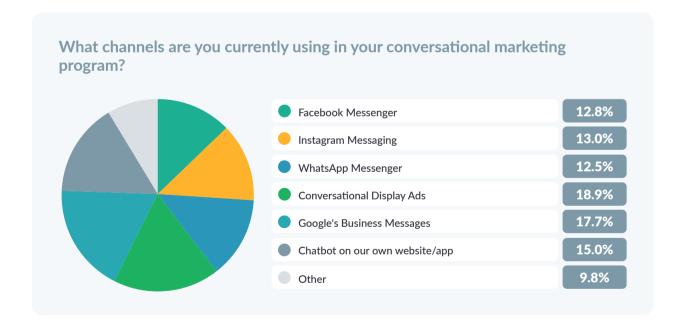
Audiences don't just use one social media channel or one messaging app. They're on various apps and platforms each day, all day, interacting with brands and with friends and family. Therefore, conversational marketing can't just be relegated to one channel to effectively engage a brand's audience. But are there channels that are more effective for conversational marketing than others?



### **Most Used Marketing Channels**

The channels most used by our respondents are as follows (and we asked them to choose all that applied).

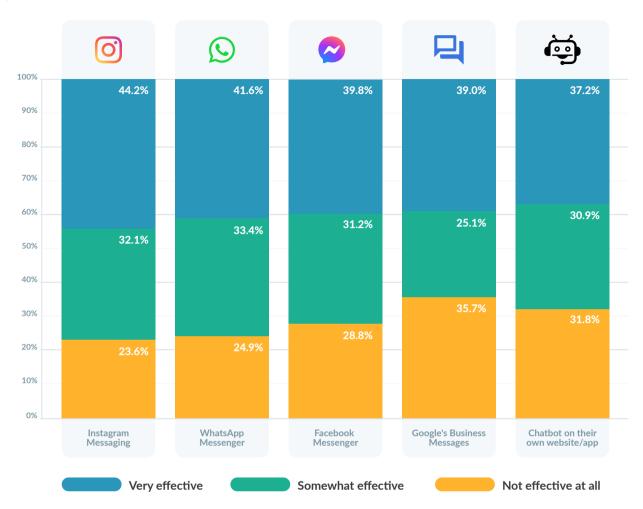
- 39.5% Conversational Display Ads
   Respondents are using display ads that invite their audience into a conversation the most.
- 33.2% Google's Business Messages
   They're also using Business Messenger, where an audience can open a chat directly from Google search or maps.
- 31.2% Chatbot on our own website or app
   Additionally, respondents are focused on chatbot engagement on their own website or through their app.
- 28.0% WhatsApp Business
   Respondents are also utilizing WhatsApp for their conversational marketing.
- 27.5% Facebook Messenger
   Interacting on Facebook Messenger is also part of their strategy.
- 27.2% Instagram Messaging
  They're also DMing on Instagram.
- 26.2% Other
   Finally, our respondents are including a number of other channels in their conversational marketing efforts.

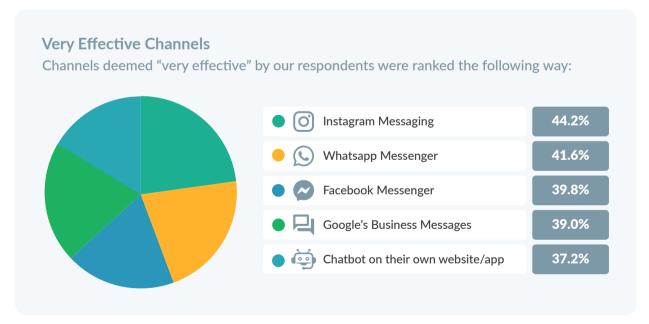


### **Most Effective Marketing Channels**

Respondents may be using a specific channel — but is that channel the most effective? Here are the ways in which they ranked the effectiveness of Instagram Messaging, WhatsApp Business, Facebook Messenger, Google's Business Messages, and a chatbot on their own website.

### **▶** Channel Effectiveness



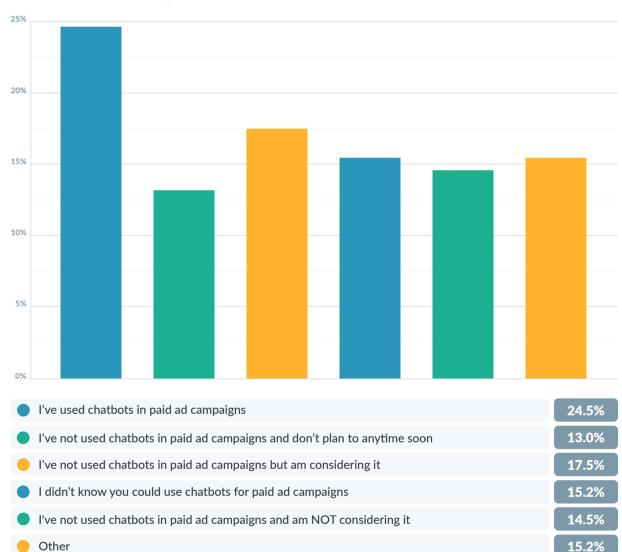


# 25% have used chatbots in a paid campaign and another 18% are considering it

Our respondents are approaching chatbots as a part of their conversational marketing program in a few different ways — especially as part of paid campaigns. About a quarter of respondents (24.5%) have used chatbots in paid ad campaigns. Others have not used chatbots in paid ad campaigns, but are considering it (17.5%). 15.25% didn't know you could use chatbots for paid ad campaigns.

However, some have not used chatbots in paid ad campaigns, and are either not planning to anytime soon (13%), or are not considering it at all (14.5%). Finally, 15.25% feel some other way about chatbots and paid ad campaigns.

### ▶ Which of the following is most accurate:



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### **Summary**

In our last section, we learned about the effectiveness of our respondents' conversational marketing program overall. Here, we learned more about what specific marketing channels are the most effective. For our respondents, Instagram Messaging is the most effective for their efforts, followed by WhatsApp Business, Facebook Messenger, and Google's Business Messages.

Despite being one of the most used channels, having a chatbot on their own website seems to be the least effective of the channels, compared to those used for messaging. The reason for that is because chatbots on a website are waiting for customers to find them. It's a passive, wait-and-see approach rather than proactively engaging customers through messaging, which are the more effective channels, as seen above.

In looking more closely at chatbot usage, only 25% have used chatbots in a paid campaign where paid traffic is funneled to a conversation with a chatbot — and 15% didn't know you could use chatbots for paid ad campaigns. Additionally, another 18% are considering it. As we'll see in our next section, driving paid traffic to conversations will be a top priority for 2022.

### PART #4

# Plans and Priorities for the Future



Our respondents are already actively using conversational marketing in their efforts, and many are finding it to be an effective and exciting channel. In order to continue to reap the engagement and revenue from those approaches, marketers need to not only focus on what's been working, but make improvements around what's not. What are the priorities for conversational marketing in the next year?



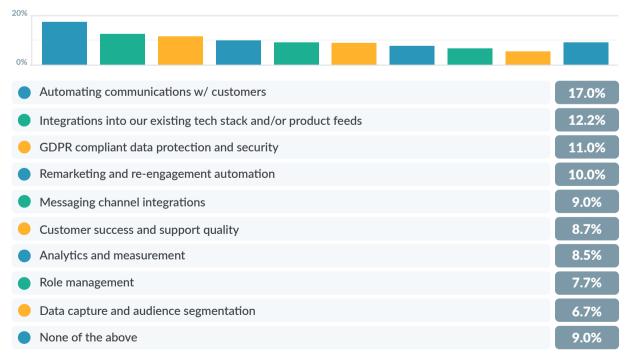
### **Top Capabilities in a Conversational Marketing Platform**

Marketers who want to use a conversational marketing platform in their initiatives look for certain capabilities above others. We asked our respondents to choose the top capability they desire in a conversational marketing platform.

- 17.0% Automating communications with customers
   Considering that respondents want one-to-one personalization at scale, the top thing our respondents are looking for in a conversational marketing platform is the ability to automate their interactions with customers.
- 12.2% Integrations into our existing tech stack and/or product feeds
   They also find that partnering with creators to increase brand awareness isn't as effective as it once was.
- 11.0% GDPR-compliant data protection and security
   Their ideal platform also needs to have built-in data protection and security that is compliant to all current privacy regulations.
- 10.0% Remarketing and re-engagement automation
   Considering that some of their biggest challenges are engaging current customers through retargeting efforts, they want a platform that's able to retarget and re-engage their audience through automated means.
- 9.0% Messaging channel integrations
   Finally, they want to ensure that the platform will integrate across their messaging channels.

Other capabilities they would like include customer success and support quality (8.75%), analytics and measurement (8.50%), role management (7.75%), and data capture and audience segmentation (6.75%). Finally, 9% say they would prefer other capabilities than those listed.

▶ If you are evaluating a conversational marketing platform, what capability would be most important to you?



### **Top Priorities for a Conversational Marketing Program**

In addition to their channel focus for 2022, here are some of the initiatives that our respondents are prioritizing for their conversational marketing program.

### • 16.5% - Creating more humanlike experiences

Creating a chatbot that feels human, has a personality, and that is fun to interact with while also effectively guiding the conversation takes effort and focus to create — and it can make or break conversational marketing. That's why it's the top priority for respondents this year.

### • 13.5% - Driving paid traffic to our conversations

Respondents also want to focus on paid channels, and how they can integrate conversations and messaging into paid traffic channels.

### • 11.7% - Improving connections to our tech stack

Considering that some of the top features they want in a conversational marketing platform include seamless integrations, one of their priorities is to streamline their backend.

### • 10.7% - Collecting zero-party data on potential customers

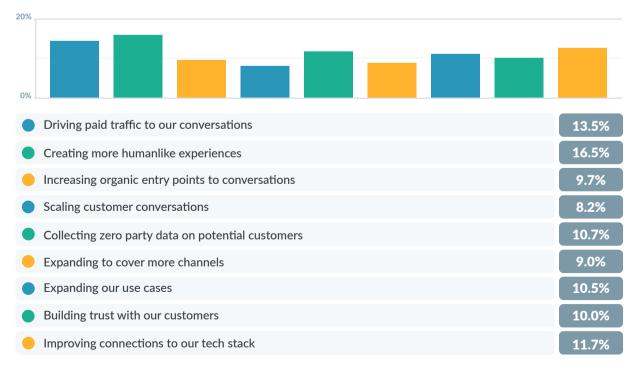
Another priority for marketers is to actively collect zero-party data, or the data that customers tell them in their various conversations, and use that to improve customer experiences overall.

### • 10.5% - Expanding our use cases

Finally, respondents want to expand the use cases they can apply conversational marketing to, including pre-purchase interactions, guided shopping, and more.

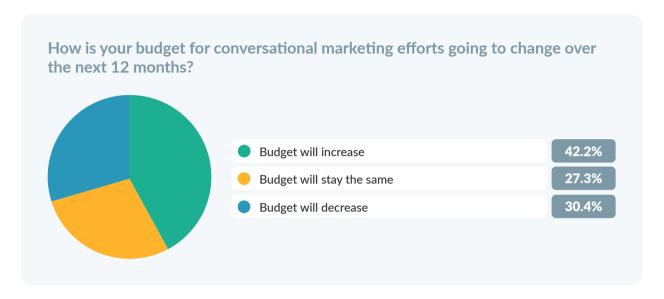
Other priorities include building trust with their customers (10%), increasing organic entry points to conversations (9.75%), expanding to cover more channels (9%), and scaling customer conversations (8.25%).

► What would you say is the #1 priority of your conversational marketing program over the next 12 months?



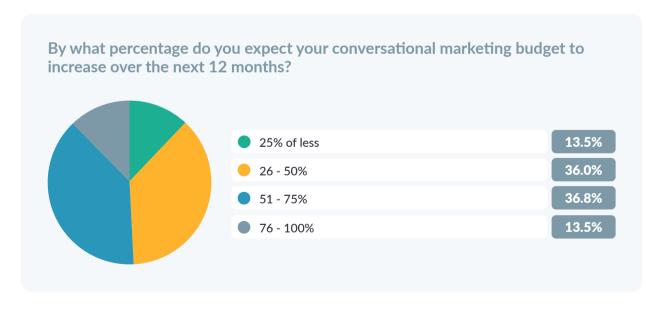
### 42% of respondents said their budget for conversational marketing efforts will increase in 2022

Over the next year, the conversational marketing budget will increase for just under half of respondents (42.22%). For about a quarter (27.3%), the budget will stay the same. However, 30.48% say that their budget will decrease for conversational marketing.



### Budgets will grow by 51% to 75%

For those from the last question whose budget will increase, by what percentage do they expect it to grow? The largest segment of respondents (36.84%) expect their budget to grow by 51% to 75%. An additional 36.09% expect to see it grow by 26% to 50%. 13.53% expect to see it grow by 25% or less, and 13.53% expect to see it grow by 76% to 100%.



### 39% said zero-party was very important to their long-term objectives

How are they viewing zero-party data collection? The largest segment of respondents (38.75%) say that zero-party data is very important to their long-term marketing objectives. 33.25% of respondents see zero-party data as somewhat important to their long-term marketing objectives. Finally, 28% say that zero-party data is not important to their long-term marketing objectives.

▶ When it comes to zero-party data, which of the following is most accurate? [Definition: Zero-party data is data that your customers intentionally share with you. This can include preferences, purchase intentions, personal information, communication preferences, and how the individual wants the brand to recognize them.]



## 41% said first-party data is very important to their long-term objectives

How are they viewing first-party data collection? The largest segment of respondents (40.5%) say that first-party data is very important to their long-term marketing objectives. 30.75% of respondents see first-party data as somewhat important to their long-term marketing objectives. Finally, 28.75% say that first-party data is not important to their long-term marketing objectives.

► When it comes to first-party data, which of the following is most accurate? [Definition: First-party data is data collected directly from your audience, as opposed to being acquired and sent to you by a third-party.]



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### **Summary**

As we saw earlier, the top priorities for marketers are acquiring and retaining customers. But what are some of the priorities when it specifically comes to conversational marketing? Top priorities include creating more humanlike experiences in their chatbots through the use of AI, driving paid traffic to their conversations using the most effective channels found above, improving connections to their tech stack in order to seamlessly integrate channels, collecting zero-party data on potential customers, and expanding the use cases for their conversational marketing.

One of the ways respondents can improve integrations and data collection is through a conversational marketing platform. For our respondents, an effective and robust platform would need to be able to automate communications with customers, integrate into our existing tech stack or product feeds, and have GDPR-compliant data protection and security.

Since the ways in which marketers collect data is being restricted due to new privacy regulations, our respondents are turning to collecting zero- and first-party data from their customers. Or, they should be doing so. However, less than half of respondents see collecting data given directly to them by their customers as very important to their long-term objectives.

Finally, in order to meet and hopefully exceed all of these objectives, 42% of respondents say they'll see their budget grow in 2022.

PART #5
Key Takeaways
for Marketers

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Marketing over the past few years has grown increasingly more challenging. Too many competitors trying to get audience attention all at once has caused once-successful marketing approaches through social media and email to no longer be as effective as they once were. Customer behaviors are changing as to how and when they want to interact with brands. Customer preferences around privacy and data sharing has led to restrictions on how marketers can collect data on their customers as well.

That's why marketers are turning to conversational marketing. Our respondents are finding success not only in utilizing conversational marketing in general, but through engaging with customers on messaging platforms like Instagram, WhatsApp, and Facebook Messenger. By also using AI and data collected from their customers, they're able to engage them through chatbots, guide them through responsive conversations, and offer up options for products and services.

Another benefit for marketers is that these one-to-one conversations give them the chance to collect zero- and first-party data from their customers, which they can then use to improve customer experiences and personalization. And conversational marketing is improving metrics all-around, so that marketers can get a more effective return on their investments.

For marketers who want to embark upon a new conversational marketing strategy, or for those who want to improve their efforts, here are some actionable steps to take.

# Turn the decline of social media marketing into gains by leveraging messaging platforms

The number one channel in decline is social media marketing. Contributing to that decline are data privacy regulations like GDPR and CCPA, ad and third-party cookie blocking in major browser updates, and the privacy changes in iOS 14. Marketers now have fewer signals to optimize their campaigns, retarget website visitors, and build more targeted prospecting audiences. Increased competition in the market also means more crowded social feeds and rising CPCs for advertisers on social.

What's a solution? Turn brand discovery on social media platforms into sales and build long-term customer relationships by engaging your target audience with helpful and personalized experiences right in the private messaging social channels where they already are. Running social ads that ask customers to "Click to" Messenger, WhatsApp, or Instagram will help you stand out from other advertisers.

You can also accelerate your marketing funnel by offering more personalized customer experiences on the messaging apps people prefer. "Click to Messenger" ads open a direct one-to-one retargeting channel that is privacy-first and doesn't rely on third-party cookies. These ad formats are currently underpriced as well. Additionally, every customer that interacts with you can be re-engaged via Messenger notifications.

# Leverage zero- and first-party data for improved customer engagement

In addition to contributing to the decline of social media marketing channels, new and stricter privacy regulations are contributing overall to marketing tactics becoming less effective than they were five years ago. This is why respondents believe that collecting zero-party data is more important than ever, and why both zero- and first-party data collection is part of their long-term marketing strategies.

One way to leverage this data is by engaging and converting customers on messaging apps that are end-to-end encrypted and offer a privacy-first approach to marketing. Using the right conversational marketing platform also allows you to track every customer interaction and collect a wealth of zero-party data on customer preferences. This can then be used to personalize their experiences, as well as build hyper-specific audience segments you can retarget directly on messaging apps using mobile push notifications. Make sure to use a software solution that enables actionable data capture at scale, that is GDPR compliant, and is fully secure in order to protect your customer data.

# Improved metrics mean more effective customer acquisition efforts

For marketers, the top objective for their conversational marketing program is to acquire new customers. However, the biggest challenge they face is also acquiring new customers. Seeing that metrics across the full funnel are being positively impacted by conversational marketing programs means that customer acquisition efforts should start there.

Use conversational marketing to improve metrics across every stage of your customer lifecycle. By engaging your audience at each funnel stage in a one-to-one conversation that is privacy-first, messaging channels turn into an audience-building engine filled with customer insights. Take advantage of paid, organic, and owned channels as well to drive more customers into your messaging channels. This will allow you to grow a directly-reachable messaging audience you can continuously monetize in order to build long-term business value.

Messaging channels can also acquire new audiences who you can engage, qualify, and convert. Drive repeat conversions with one-to-one re-engagement, increase loyalty, and lift customer lifetime value with your personalized approach.

# Taking action on goals and use cases through the right messaging channels

As we found, conversational marketing is very effective at achieving objectives for the majority of marketers. Additionally, they found that every channel was effective to some extent at achieving their outcomes.

In order to be more impactful with your conversational marketing, be where your customers are by engaging them in one-to-one conversation. As such, your brand could be sitting right next to all of their closest friends in their messaging inbox. Being a first-mover in today's most underpriced attention channel can give you the advantage of offering something different to your customers, and being the only one doing so.

But in order to be effective, you need to choose the right messaging channels. Think about the unique entry points and features of each messaging channel and how they align with your goals and use case:

- Evaluate if your best-paid entry point is on search, social, or display
- Think about the ideal customer journey based on the entry point and channel
- Identify where your highest value audience is
- Consider what message types and features are available
- Know the retargeting options and time windows
- Loop in relevant teams early

# Scaling quickly and broadly for maximum effectiveness

For our respondents, many of their budgets for conversational marketing programs are increasing substantially. Marketers said expanding to other channels, increasing languages and markets, and using AI to automate conversations would have the biggest impact on making their conversational marketing programs more effective going forward.

As such, the ability to quickly scale your conversational marketing program into new channels, languages, and markets is key — and you need to choose a conversational marketing platform that can do this. Find a platform that can easily duplicate entire bot structures and specific conversation paths into new channels so that you're not rebuilding those experiences each time. Find a platform that easily translates messages as well, so that you can expand into new markets across the world. Duplication and translation can greatly reduce operational costs when scaling, which enables you to maximize the ROI of your investments.

Finally, adopt an "always on" conversational marketing strategy in order to grow your reachable audience, optimize your conversion rates, and develop better conversational AI than your competitors. Ensure your conversational AI is focused on driving outcomes valuable to your business as well. For example, once you identify a customer's intent, make sure you respond in a way that is relevant and helpful while also nudging them to take a valuable action.

# Conversational Marketing is the Future of Customer Relationships Marketing changes rapidly. As customer behavior shifts and as new channels appear and old ones fade, marketers must constantly be evaluating and adapting their approaches in order

Marketing changes rapidly. As customer behavior shifts and as new channels appear and old ones fade, marketers must constantly be evaluating and adapting their approaches in order to stand out from their competition. In a time where it's hard to get a customer's attention, conversational marketing is proving to be the approach that will differentiate you from your competitors, gain your customers' attention, and create audiences who will be with you for years to come.

Who We Surveyed:

Methodology and Participant Demographics

Starting on February 22, 2022, we surveyed 400 marketers across the globe whose company focuses on B2C sales, and for whom conversational marketing is currently part of their marketing program and they're highly involved in it.

The survey was conducted online via Pollfish using organic sampling. Learn more about the Pollfish methodology here.

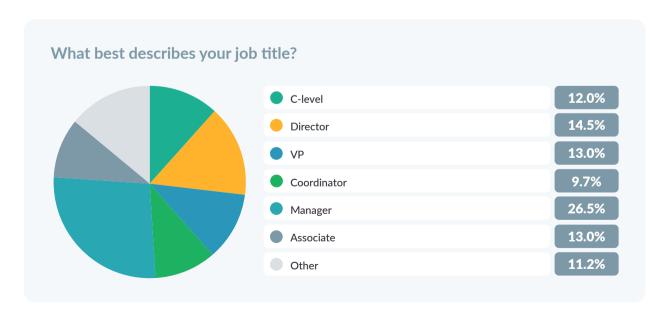
Gender					
Male					54.7%
Female					45.2%
Age					
18 - 24					20.0%
25 - 34					31.2%
35 - 44					33.5%
45 - 54					9.0%
> 54					6.2%
Country					
Belgium	5.0%	Finland	5.7%	Italy	1.7%
Denmark	3.2%	Croatia	3.2%	US	50.0%
Netherlands	1.3%	Sweden	2.6%	Ireland	1.3%
France	4.0%				
Number of E	Employees				
26 - 50					2.7%
51 - 100					1.3%
101 - 250					5.3%
251 - 500					16.0%
501 - 1000					30.6%
					18.6%

▶ What best describes the team you are on at work?



### Most are marketing managers

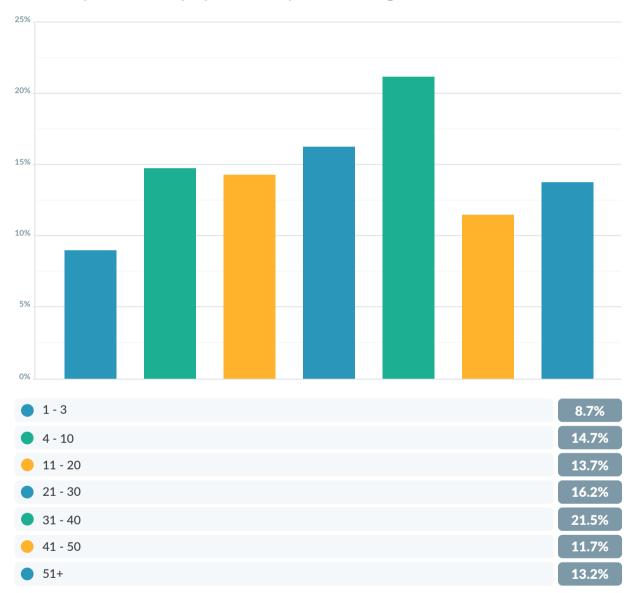
While our respondents hold different job titles and work at different levels in their companies, the largest segment (26.5%) are Managers. They're also C-level (12%), VPs (13%), Directors (14.5%), Associates (13%), Coordinators (9.75%), and other positions (11.25%).



### Team sizes are varied, with teams of 31 to 40 being the most frequent

The largest segment of respondents (21.5%) work on teams of 31 to 40 people. 8.75% work on teams of one to three people, 14.75% work on teams of four to 10 people, 13.75% work on teams of 11 to 20 people, 16.25% work on teams of 21 to 30 people, 11.75% work on teams of 41 to 50 people, and 13.25% work on teams of 51 or more people.

### ▶ How many full-time employees are on your marketing team?





Spectrm empowers brands to automate one to one conversations with customers in real-time on search, social and display. Marketing teams use Spectrm to build trust, drive sales and increase loyalty.

Today's consumer chooses convenience. They demand personalized, instant and effortless shopping experiences. They prefer to engage brands where they want, when they want, and how they want.

Our conversational marketing automation platform makes it possible for brands to do exactly that, at scale. We help brands build trust, drive sales and increase loyalty by engaging consumers in real-time with marketing chatbots on the world's largest messaging channels.

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