The Roadmap to Building Consumer Trust

twilio

The future of customer engagement

The COVID-19 pandemic and its unprecedented upheaval of the business environment has forced companies to expand their interactions with customers, with hundreds saying **the crisis has accelerated their digital communications strategy by <u>six years</u>.** Consumers are relying on brands that support their changing needs as they face growing uncertainty about the pandemic's long-term impact.

McKinsey reports online shopping and remote engagement has seen up to 75 percent <u>growth</u>, with consumers making most or almost all of their purchases online.

This is leading to a **new urgency to enable consistent, humanized experiences through omnichannel customer engagement.** Brands are no longer perceived as just providers but also trusted advisors to support consumers. And to fulfill this role requires scalable, flexible systems that enable companies to keep pace with consumers, continuously experiment and ensure business continuity — now and through potential future disruptions.

In this report, we share key tenets of establishing consumer trust going forward and findings from a survey among 502 Twilio customers to explore how companies are leveraging a customer engagement platform to drive business outcomes.

What's inside

Establish trust with continuous engagement

This unexpected crisis is proving to be a litmus test for customer loyalty. Sixty-five percent of consumers say how well a brand responds to this crisis will have a huge impact on their likelihood of buying from that brand in the future. So how can brands leverage this engagement to sustain customer relationships?

It's already well-established that one of the key pillars to build consumer trust is personalizing communications. But the increased necessity for digital and remote services calls for consistent personalized experiences — providing relevant information at the right time. Consumers are feeling wary. They are uncertain about the future of the economy and therefore becoming increasingly mindful of purchase decisions. Now is the time for brands to demonstrate genuine care for customers with proactive communication, solidifying trust that will outlast the virus.

While customers prefer receiving brand communication via email, **text/SMS/ MMS is preferred 2.5x more than email for urgent communications**, such as change of plans, delivery or arrival notifications, appointment reminders, and order notifications. With open rates of ~98 percent, the likelihood of important information being read is much higher.

SMS also allows for a more immediate, two-way conversation where consumers can respond, take surveys, or be routed to speak with someone directly. The rise of such conversational messaging is at least partially due to a growing preference for contactless delivery. **According to Twilio's recent consumer pulse survey, 47 percent of consumers are increasingly turning to chat to receive support in real-time.**

Customer experience leaders need to be at the forefront of creating an engagement strategy that serves meaningful and reliable solutions, at the right time, to the problems consumers are facing today and will face in the future. Humanizing the brand-customer relationship through proactive, relevant interactions will be key to fostering loyalty.

Twilio customers were asked: "Since using Twilio for customer account notifications & reminders, is your company experiencing improved message deliverability?"
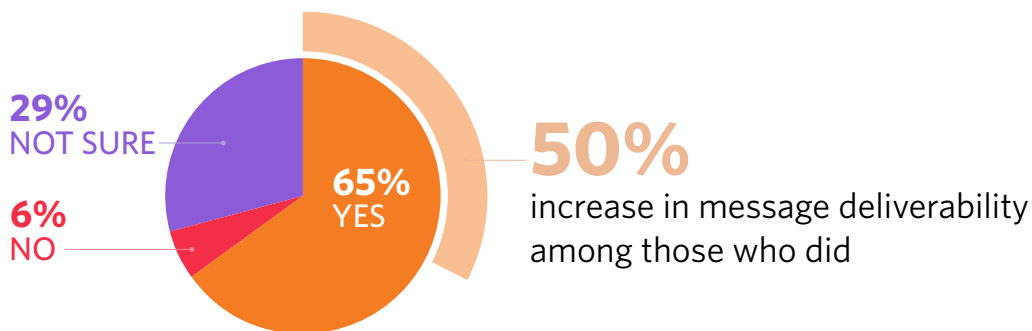
29%
NOT SURE

6%
NO

65%
YES

50%
increase in message deliverability among those who did

Based on a survey among active Twilio customers in January 2020. Data collected from 214 responses indicating the use of Twilio for customer account notifications & reminders. Percentages are an average of those provided by respondents who have quantified this improvement in message deliverability and deployment time since using Twilio.

## Proactive two-way notifications with LensDirect

LensDirect helps more than 9,000 customers a month get their contact lenses on time. By switching from its legacy email vendor to the Twilio platform, LensDirect has the flexibility to edit customer workflows and programmatically create new SMS messages regarding prescriptions, including low-supply reminders.

Once a prescription is starting to run low, LensDirect.com uses Twilio Programmable SMS to alert the customer via text, and subsequently the customer can place an order with a quick reply. **Compared to low-supply reminders sent via email, text messages saw a 370 percent increase in conversion — resulting in a 225 percent increase in orders.**

"Our goal is to be at the forefront of any type of communication that will impact our customer experience."

Rob Reynolds
VP of Technology
at Lens Direct
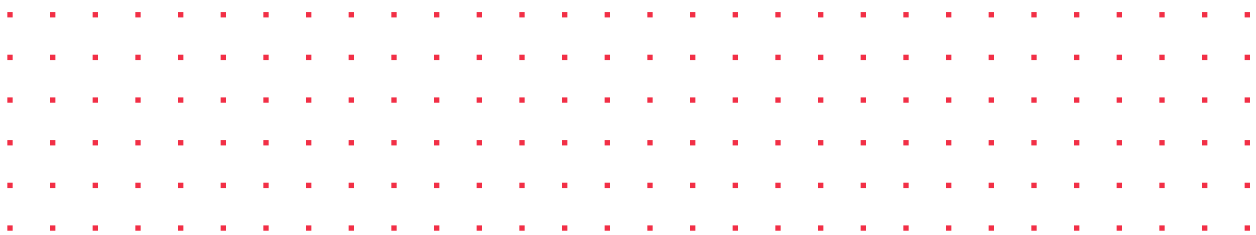
Increase efficiency with a digital-first strategy

Most consumers want to continue using digital channels for sales interactions post-COVID-19, even after businesses reopen. And we know that even though the public health crisis will subside, the economic impact will persist. **Businesses can improve efficiencies without sacrificing quality customer experience by adopting digital service channels that accurately address customer needs.**

 Companies delivering strong digital experiences will not only see greater customer acquisition and retention but will create greater value for stakeholders in the long-run. The total returns to shareholders of publicly traded companies during the 2007-09 crisis were 3x higher from companies recognized as leaders in Forrester's Customer Experience Performance Index.

Even in traditional sectors, such as banking, "digitally resistant" consumers who prefer interacting with an agent can be persuaded to adopt digital channels with a low-effort, personalized self-service experience that accelerates resolution time.

In fact, customer effort is 40 percent more accurate at predicting loyalty than customer satisfaction. **In comparison to live channels such as phone, live chat, and email, which cost brands an average of $8.01 per contact, self-service channels cost about $0.10 per contact**. Using intelligent automation and machine learning, companies can fully understand why customers are calling and more accurately route them to the appropriate representative.

Since using Twilio for IVR, customers saw:

38% reduction in average call handle time

37% lower operating costs

Based on a survey among active Twilio customers in January 2020. Data collected from 85 responses indicating the use of Twilio for IVR. Percentages are an average of those provided by respondents who have quantified reduction in operating costs since using Twilio.

In addition to self-service, <u>consumers report</u> a high likelihood that they will continue to use buy-online-pickup-in-store (56 percent) and grocery delivery (45 percent) after the pandemic — indicating an increasing customer affinity toward low-touch experiences.

For businesses traditionally dependent on high-touch, face-to-face interaction with customers, video conferencing is now supporting use cases such as distance learning, telehealth, clienteling, virtual wealth management and financial planning, among other services. Telemedicine for mental health has seen ~150 percent increase in <u>user growth</u> with 47 percent of new users intending to continue post-COVID-19. Healthcare systems can, for example, address growth in telehealth demand by embedding video capabilities into their regular clinical workflows to <u>streamline their care experience between the physician and patient</u>. This enables systems to scale — allowing the provider to access all the patient information needed in a single pane of glass.

On their own, a delivery, video visit, or single interactive voice response (IVR) engagement isn't enough to retain customers. **An automated, integrated experience that seamlessly connects all customer touchpoints without losing context will be essential to expand customer footprint in a cost-effective manner.**

Reliable, scalable telehealth with MDLive

Telemedicine provider MDLive conducts virtual visits with board-certified physicians and licensed therapists anytime and from anywhere. MDLive integrates Twilio's Programmable Voice, Video, and Messaging application programming interfaces (APIs) into their platform to enable faster and easier communication with patients through phone calls, video chats, video recordings, and automated SMS reminders and alerts.

For example, a patient requesting a 2 AM consultation in a rural area may not find a provider nearby. But based on the state in which the patient is located, the messaging solution within MDLive sends an alert to an available provider who is fully licensed to practice medicine in that patient's state and can meet with the patient on a video conference.

"Getting patients connected with providers quickly when it is time for their appointments is critical for MDLIVE, when it comes to creating a positive experience for the patient and keeping the provider on schedule."

Axel Adida
Platform Development Director
at MDLive

MDLive's results using Twilio:

16%
increase in the success rate of video consultations

+70
increase in NPS since improving video capabilities

Foster loyalty with humanized conversation

Evolving customer needs and new business models have led to many new companies entering the market and existing companies expanding their product offerings. Consumers are overwhelmed with choice — exposed to 10,000+ brands every day. More than 75 percent of consumers have experimented with a different shopping behavior during the crisis, including trying new brands and places to shop, with availability, convenience and value as the main decision drivers.

The reality is that it is no longer enough to market product and price alone. The real differentiator between brands is the conversations they're building with their customers — relevant interactions that create value for the customer. **Research shows that consumers are willing to spend up to 16 percent more for a better experience**. As uncertainties around the post-pandemic impact continue, personalized attention is now more important than ever.

Generally, 94 percent of consumers are annoyed by the communications they receive from businesses, yet 7 in 10 consumers prefer receiving marketing messaging once a week or more. So, what's the problem? Businesses are communicating with customers over the wrong channels. Rather than use messaging to just send outbound notifications, **market leaders are enabling consumers to engage with intelligent assistants or humans, in the same message thread, on the same channel, with context**. More specifically, application-to-person (A2P) channels, such as the WhatsApp Business API and Apple Business Chat, are allowing businesses to deliver this experience.

As the omnichannel wave continues to grow, marketers should consider both SMS and email in creating holistic promotional marketing campaigns based on channel and frequency preferences. Consumers want to interact with brands just like they do with friends and family.

Since using Twilio for promotional messaging, customers have seen improvements in the following metrics:

46% operating costs

58% deployment time

63% customer engagement rate

On average, customers have seen a

37% improvement in engagement rate since using Twilio

Based on a survey among active Twilio customers in January 2020. Data collected from 82 responses indicating the use of Twilio for promotional messaging. Percentage improvement in customer engagement rate is an average of those provided by respondents who have quantified this improvement.

Customer conversations on the right channels with HubSpot

Nearly 70,000 companies use HubSpot as an all-in-one platform for managing all things marketing, sales, and service. To provide a holistic experience to customers, HubSpot has to have a holistic view of each customer. Twilio provides the HubSpot support team with a single source of truth for customers, pulling in disparate data from different sources to create a complete picture of each customer and their relationship with the company. The company has integrated new channels and messaging options easily for better conversations with customers, including a rapid integration with WhatsApp.

In its emails to prospects in Brazil, **the company added an option to chat on WhatsApp next to its standard "Book a meeting" call-to-action (CTA) and consequently, saw 88 percent more clicks on the WhatsApp CTA**. In India, the results were similar: 86 percent more clicks on the WhatsApp option than the meeting option.

"We just know our customers are living in more places than ever, and we know that certain people — maybe based on geography or use case or something else — want to be reached in a different kind of way than we might assume."

Connor Cirillo
Senior Conversational Marketing Manager
at HubSpot

Maintain market relevance with agile infrastructure

Customer circumstances are changing rapidly, and with that so is their behavior. Brands need the flexibility to continuously respond to these changes and test new use cases. To address the ambiguity ahead, the foundation of an effective business continuity plan will be characterized by a flexible and scalable communications infrastructure. This means building **an agile model that allows for quick deployment and testing of new customer experiences**, making iterations and changes based on response, and releasing innovations before new market changes occur.

More recently, communication platform as a service (CPaaS), contact center as a service (CCaaS), and unified communications as a service (UCaaS) are gaining momentum as they allow full ownership over the the development and deployment of a business' systems enhancements, thereby avoiding limitations of another vendor's roadmap. These models leverage cloud technology to develop and embed customer engagement channels without purchasing purpose-built applications. Businesses can use cloud-based APIs to integrate communications capabilities into business applications rather than build their own communications infrastructure from scratch.

APIs are becoming increasingly valuable to the customer experience as the easiest and fastest way for companies to target specific moments in the customer journey. Organizations can pick which APIs best fit their use case to build the solution required and use them as communication building blocks to adapt to new business and consumer needs.

Switching to a fully remote contact center with QVC Italia

As lockdowns descended across Italy, home shopping and entertainment channel QVC Italia migrated more than 100 agents to a remote contact center — **built on Twilio Flex and Twilio Studio in less than five days** — to continue supporting customer calls and expand to more channels.

Building on the drag-and-drop workflow editor of Twilio Studio, QVC Italia set up IVR flows modified from their existing contact center, and several customizations. Adding WhatsApp, an extremely popular messaging platform in Europe and globally, QVC Italia allows callers to "skip the queue" in the customer service IVR. Agents can manage more than one conversation on multiple channels.

In addition to the more than 1.1M minutes coming monthly through their Twilio Programmable Voice platform, the team was seeing more than 7K SMS messages and 42K WhatsApp messages monthly.

On average, customers using Twilio for their contact center experience have seen:

58% improvement
in deployment time

38% reduction in average
call handling times

Based on a survey among active Twilio customers in January 2020. Data collected from 214 responses indicating the use of Twilio for customer account notifications & reminders. Percentages are an average of those provided by respondents who have quantified this improvement in message deliverability and engagement rate.

The foundation for customer loyalty

Almost all <u>enterprise decision-makers</u> say their organization is very or somewhat likely to expand their digital communication channels as the world reopens. Product is no longer the sole pillar for brand loyalty — consumers are choosing brands that build relationships. In fact, <u>37 percent of consumers</u> have recently started using a new brand because of the innovative or compassionate way they have responded to the pandemic.

The quality, reliability, and flexibility of a brand's customer engagement will determine its ability to thrive in this new normal. Keeping a real-time pulse on consumer preferences is now imperative to be at the forefront of customer experience design. As digital channels evolve and consumers become more connected than ever, a strong one-to-one communications strategy will be the foundation for deep customer loyalty.

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Learn how you can connect
with your customers

Contact an expert