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The State of Insights-led Engagement Report 2022

Europe Edition

How insights help you connect the dots to build an impactful customer engagement strategy and provide a delightful experience.

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Foreword

In the past, we've published multiple customer surveys reports to understand changes in their behaviour, attitudes, preferences, and more. Each of these reports pointed towards an overarching truth: today's customers value personalisation and want brand communications that reflect knowing them on a personal level. For every new channel that is added to the marketing mix, a brand's engagement strategy can become more disjointed, and the use of mass communication can contribute to the risk of losing the customer.

We realised that easy access to customer insights are crucial to delivering on the customer expectation of hyper-personalised communication. With this vision in mind, MoEngage set out to gauge the pulse of 2000 marketers across the United Kingdom and Germany and their readiness to adapt to the Insights-led future of customer engagement.

This report sheds light on the findings from the survey and acts as a guide to marketers who wish to move from a campaign-centric to an **insights-led**, customer-centric approach to engagement.

Jason Smith
VP, Europe
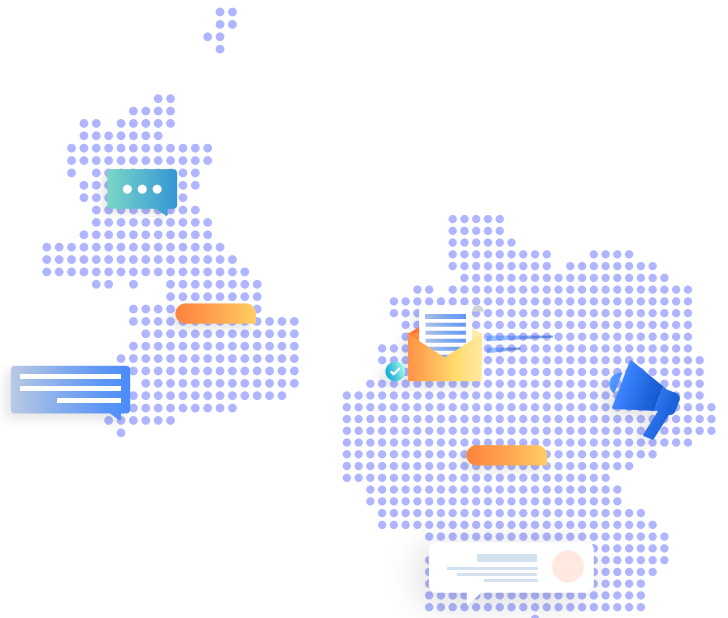
The Metamorphosis of Traditional Customer Engagement

Today's marketers must stop being data-driven. This may sound counter-intuitive, but here's what we mean.

Due to the rapid increase in digital adoption driven by the pandemic, marketers find themselves knee-deep in data. Data that indicates customer interest, preferred products, location, and more...and that's a good thing!

More data, in theory, should mean more personalised experiences for your customers. However, the path to purchase is often not linear and isn't necessarily a seamless experience. A recent Gartner report states that 63% of marketers still struggle to connect the dots across channels to create a personalised customer experience.

Businesses driven by just data make decisions based primarily on the face value of the data available. While the data shows what is working with your customers, it fails to help you predict customer actions or customise engagement campaigns based on changing customer attitudes.

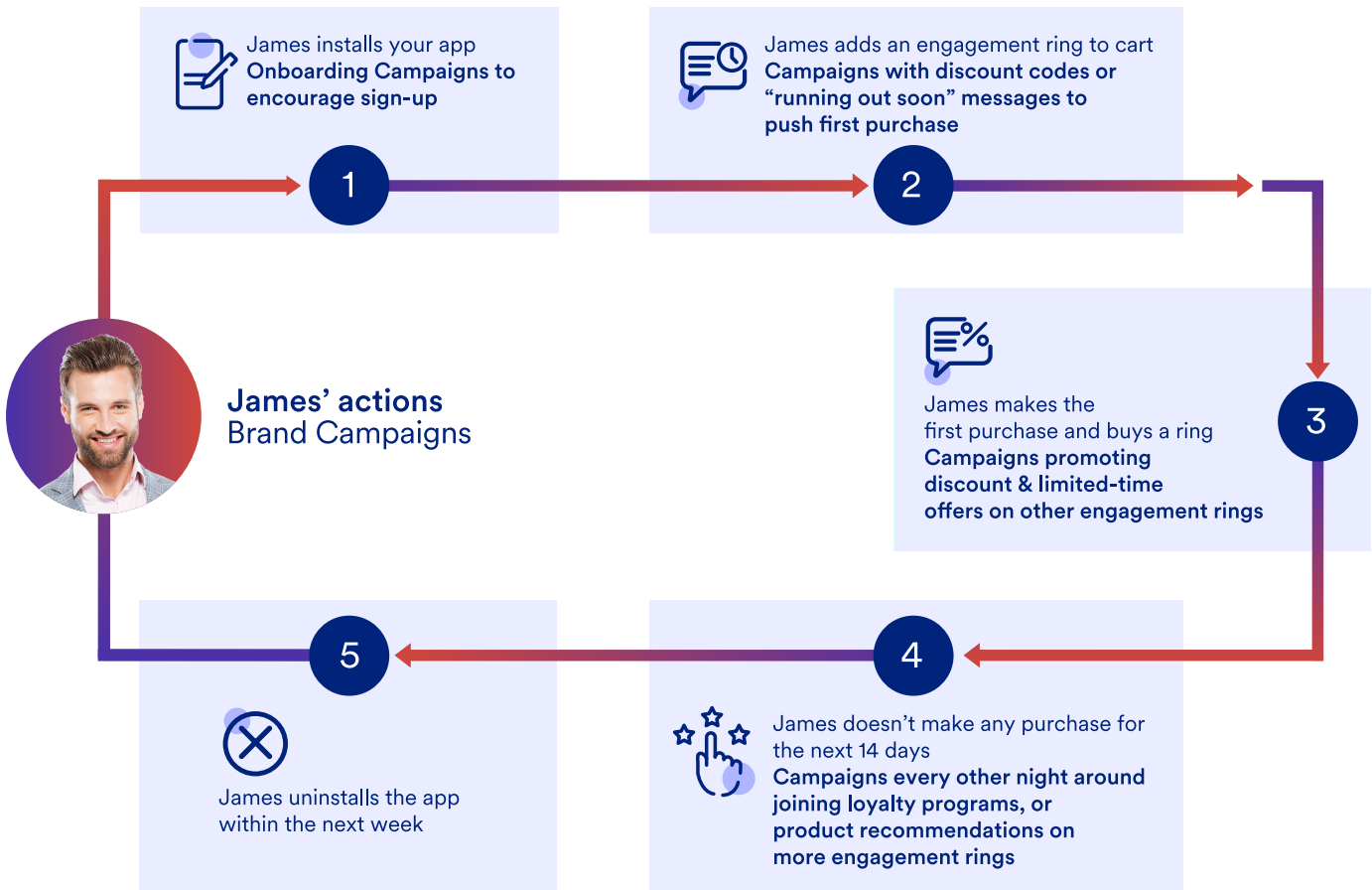This is where an Insights-led approach comes into play.

In this report, we delve deeper into what an Insights-led approach to customer engagement entails, whether it is the right time to adopt such an approach, and how the European marketer's current strategy for gathering and utilising customer insights can be improved.
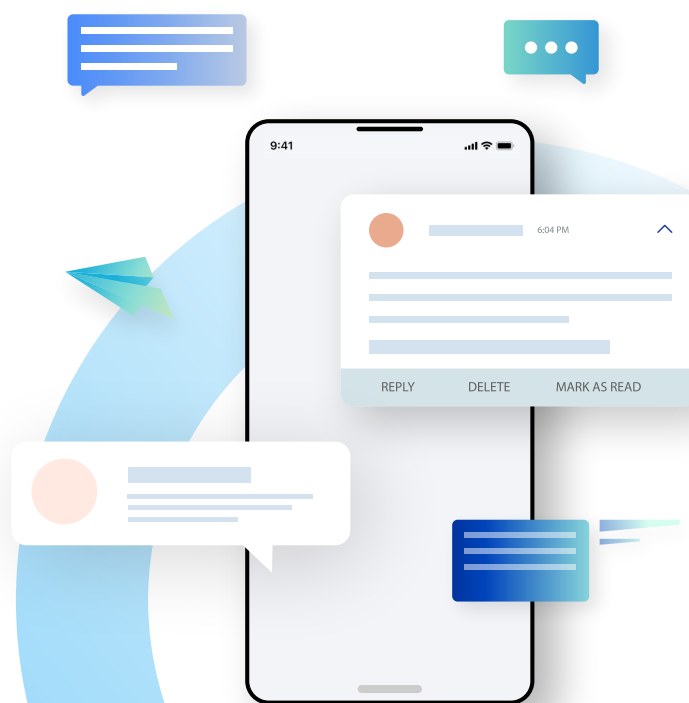
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Is There a Need to Switch to Insights-led Engagement?

To understand if this switch is needed, let's first look at a customer use case. Here is James' current purchase path and journey.

What brands imagine their customer's purchase path to look like

James installs your app
Onboarding Campaigns to encourage sign-up

1

James adds an engagement ring to cart
Campaigns with discount codes or "running out soon" messages to push first purchase

2

James' actions
Brand Campaigns

3

James makes the first purchase and buys a ring
Campaigns promoting discount & limited-time offers on other engagement rings

5

James uninstalls the app within the next week

4

James doesn't make any purchase for the next 14 days
Campaigns every other night around joining loyalty programs, or product recommendations on more engagement rings

At first glance, the customer's actions and the brand's campaign align and make logical sense. Why, then, did James uninstall after a single purchase?

The campaigns sent out were most likely part of a standard flow of lifecycle campaigns, not personalised to this particular customer's journey.

Here's what went wrong:

- One message every day for 14 days is too often for James.

- However, the nature of the product needs to be kept in mind while suggesting similar products to buy. After all, nobody goes around collecting engagement rings.

- James only checks his phone and emails in the afternoon and evening.

Driving a Smoother Customer Journey Through Insights-led Engagement

Typically, customer engagement is looked at through a very campaign-focused, hypothesis-driven lens. These engagement campaigns might run on a marketer's idea of what the customer really wants, which is why the results only have a short-term impact.

The Insights-led engagement approach, on the other hand, is a continuous loop that uses behaviour, preferences or affinity to generate real-time insights by monitoring customer behaviour, existing data, and buyer patterns across various channels.

It is also built to analyse data at scale and leverage it to predict customer behaviour in the future.

Analyse & Segment

AI

Insights-Led Engagement

Optimise
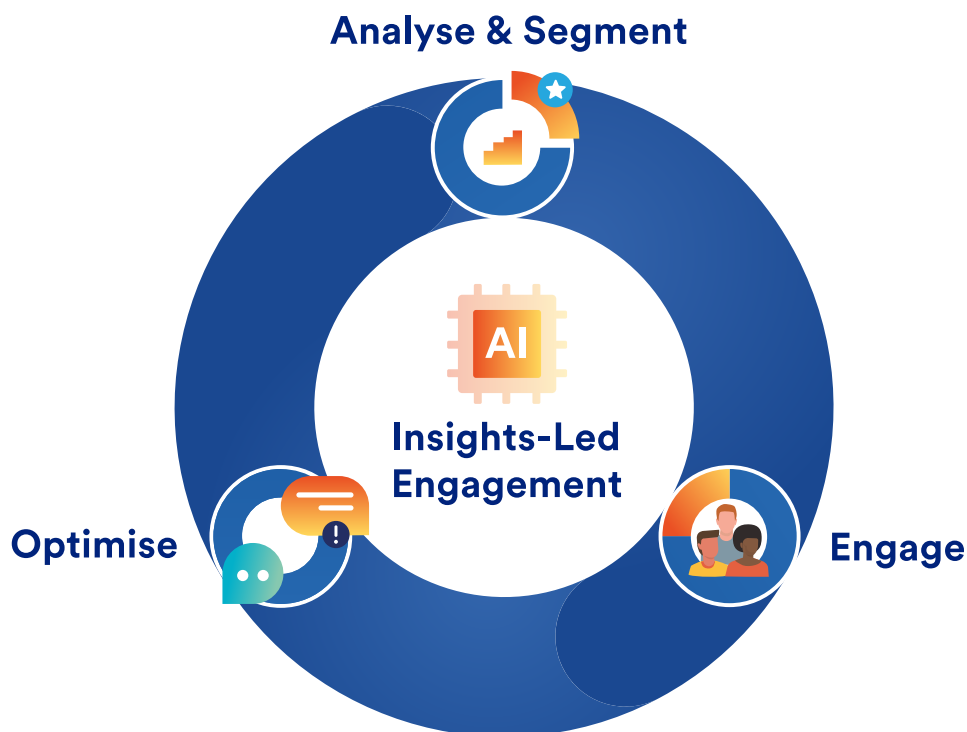
Engage

Inside the Insights

Insights-led engagement is the path to more profound, personalised customer experiences. For brands like yours to adopt an Insights-led approach, you'll need to take stock of where you currently stand. To help you better benchmark, we surveyed 2000 marketers. The sample size is balanced by age and gender for the UK and Germany. Here are some more details on the survey respondents.

1000 male and 1000 female

from the United Kingdom and Germany

in marketing and product functions

across 6 industries (Banking & Finance, Media and Entertainment, Telecom, Consumer Shopping, Ed-tech, and Grocery)

who are managers, sr. managers, directors, and C-level executives

from varying organisation sizes -- small business (0-500), mid-size business (500-1000), and enterprise (1000 to 5000+)
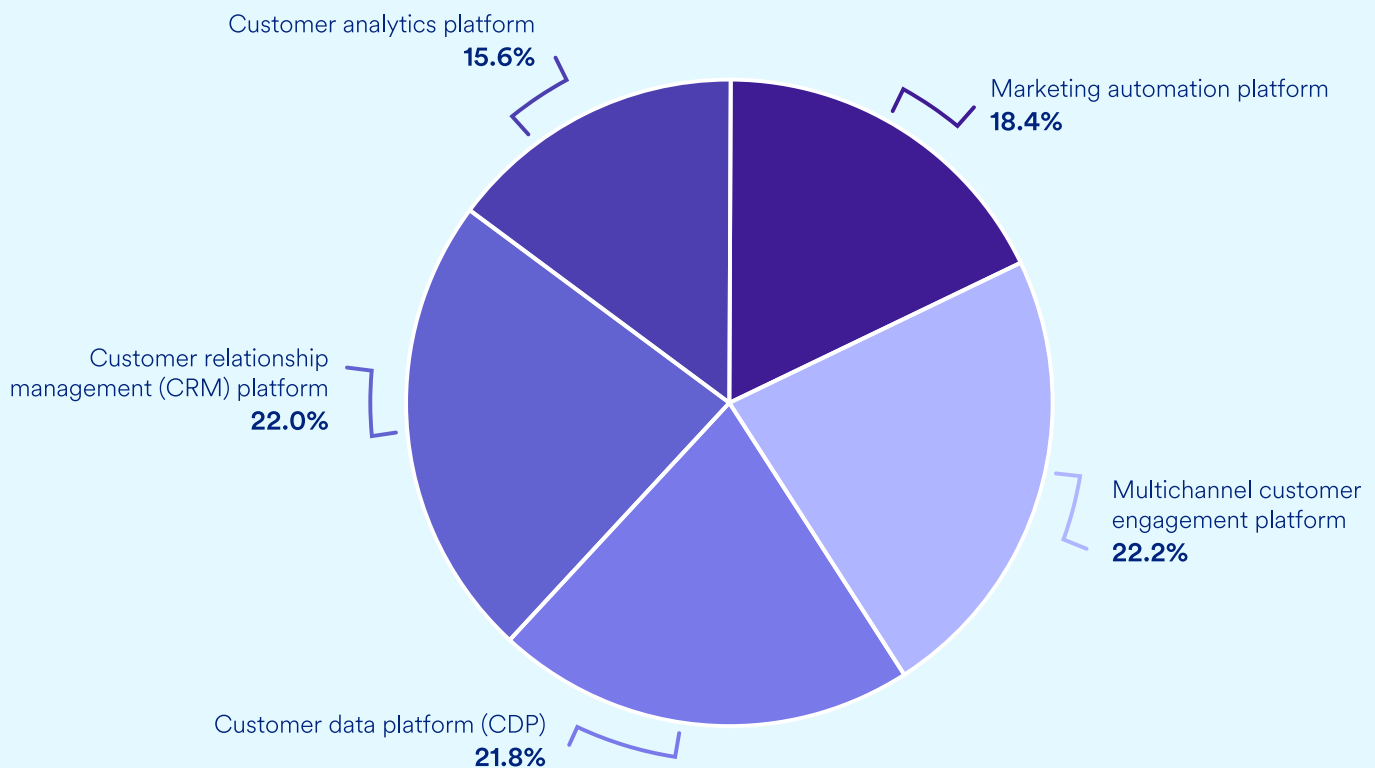
Today's Customer Engagement Landscape

Before we jump into the insights that marketers are currently scrutinising, we wanted to understand what their current customer engagement tech stack looked like and the the limitations they face in engaging with customers due to it.

Marketers prefer a CEP or a CRM platform in their tech stack

A huge part of evaluating where you currently stand is your marketing tech stack.

Customer analytics platform
15.6%

Marketing automation platform
18.4%

Customer relationship management (CRM) platform
22.0%

Multichannel customer engagement platform
22.2%

Customer data platform (CDP)
21.8%

Our report indicated that the majority (around 44%) of survey respondents either used a multichannel customer engagement platform (CEP) or a customer relationship management (CRM) platform. This was followed by 21.8% of respondents saying they used a Customer Data Platform (CDP).

Legend: Banking & Fintech · Consumer Shopping · Media & Entertainment · Ed-Tech · Telecom · Grocery/Supermarket Delivery

Categories: Marketing automation platform · Multichannel customer engagement platform · Customer data platform (CDP) · Customer relationship management (CRM) · Customer analytics platform

Breaking the survey responses into different industry verticals, it was found that a large chunk of marketers from the Banking and Financial Services as well as Consumer Shopping used a CRM, while the majority in Ed-Tech, Telecom, and Grocery marketers relied on a CEP.

When looking at the most used platform, the results are split between CRMs, CDPs, and CEPs.

Why choose a multichannel Customer Engagement Platform over your CRM?

Customer Engagement Platforms (CEPs) give you one place to communicate with your users, irrespective of the channel.
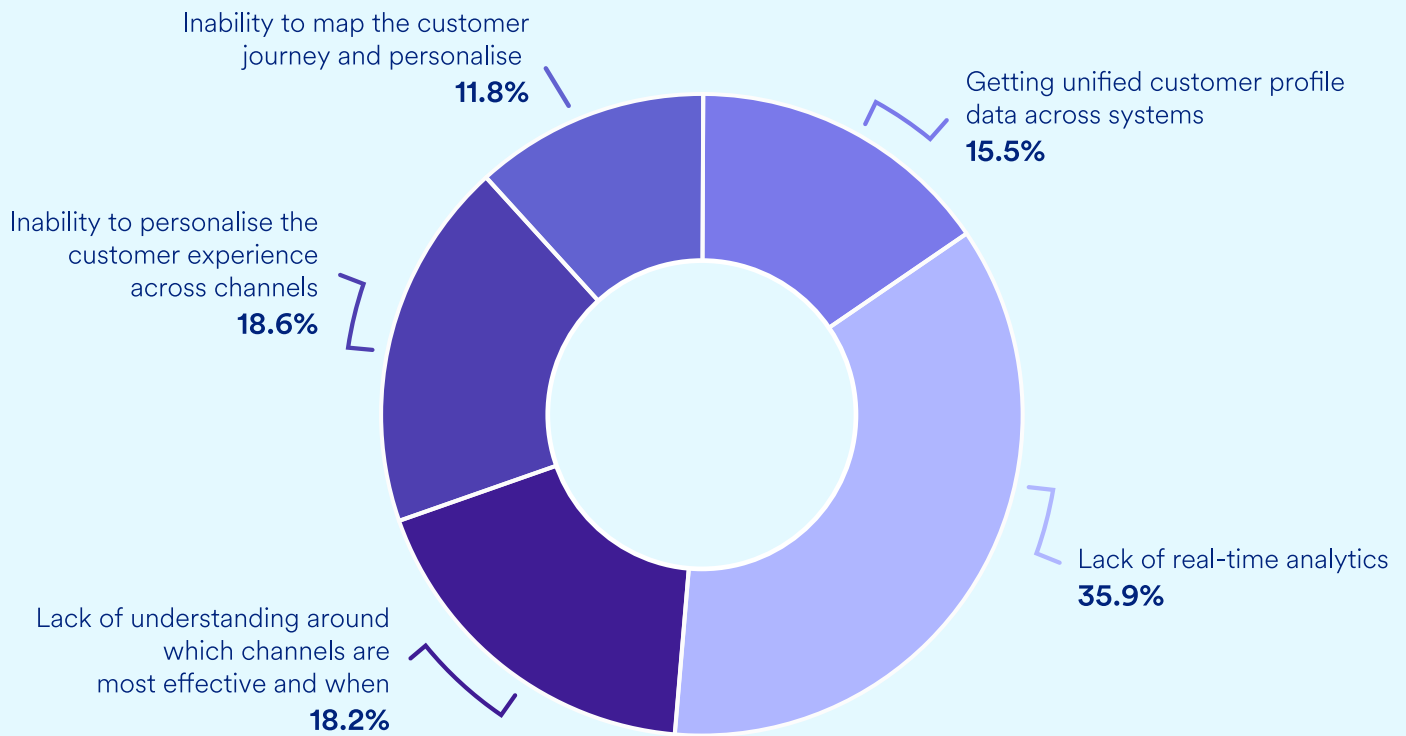

CDPs, CEPs, and CRM platforms are all tools that give you data on your customers. CDPs help you collect customer data from multiple sources, and CRM platforms aid in analysing customer interactions to optimise marketing, drive sales and improve customer support. While both these platforms help with gaining a holistic understanding of your customer, CEPs go a step further. They help you build a unified customer profile and drive a personalised, omnichannel experience for your customers. CEPs pick up where CRM platforms fall short by connecting applications across the marketing ecosystem.

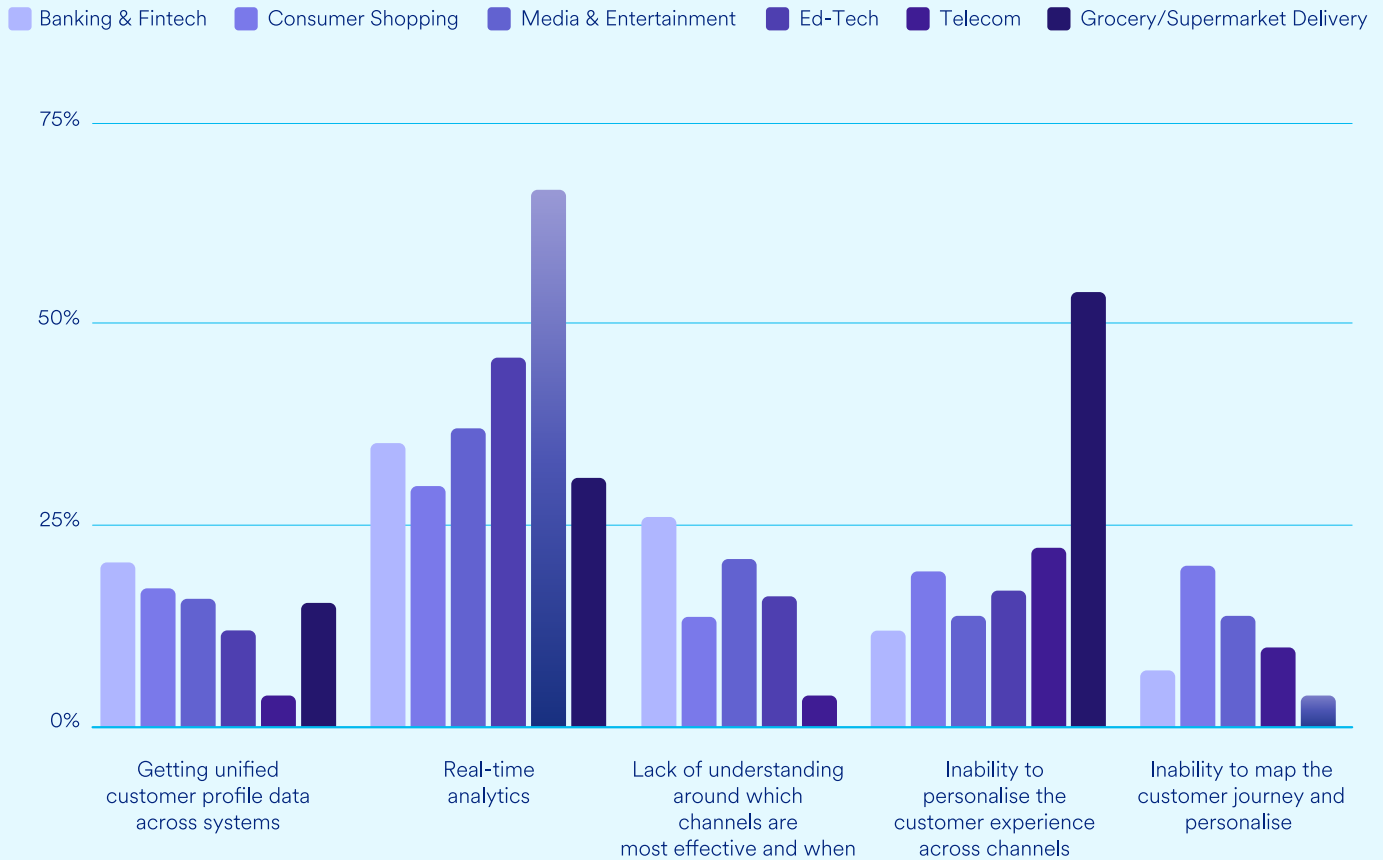# Getting real-time analytics poses a challenge to effective engagement

We then went on to see what customer engagement challenges marketers face.

Customer engagement challenges

Inability to map the customer journey and personalise
11.8%

Getting unified customer profile data across systems
15.5%

Inability to personalise the customer experience across channels
18.6%

Lack of real-time analytics
35.9%

Lack of understanding around which channels are most effective and when
18.2%

Around 36% of the respondents stated that getting real-time analytics was their top challenge, followed by an inability to personalise the customer experience across channels (18.6%).

Customer engagement challenges across varying industries

Legend: Banking & Fintech • Consumer Shopping • Media & Entertainment • Ed-Tech • Telecom • Grocery/Supermarket Delivery
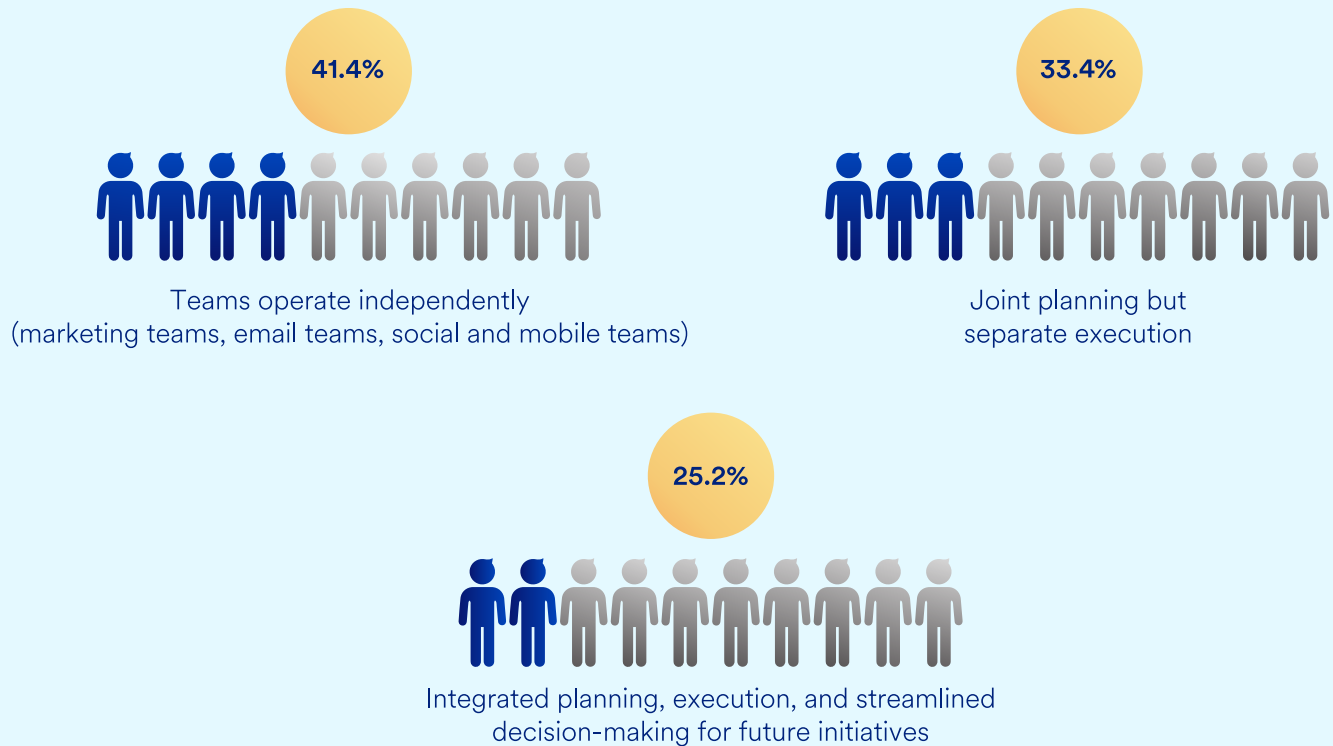

Telecom (66.7%) and Ed-tech (45.8%) stated that the biggest challenge they face is the lack of real-time analytics, while more than half (53.9%) of Hotel & Grocery vertical said their top challenge was the inability to personalise the customer experience across channels.

Siloed data leads to disjointed customer experiences

So far we've seen which customer engagement challenges European marketers face and which tools they use to effectively engage with their audience. To complete measuring the current state, we then dived deeper into how customer engagement operations are managed.

How are customer engagement resources managed?

41.4%

Teams operate independently
(marketing teams, email teams, social and mobile teams)

33.4%

Joint planning but
separate execution

25.2%

Integrated planning, execution, and streamlined
decision-making for future initiatives

Only a tiny percentage of those surveyed report that their planning and execution is centrally aligned. That reveals the distinct possibility of disjointed data flow across the email, social, mobile and various other teams involved in engaging with the customer.
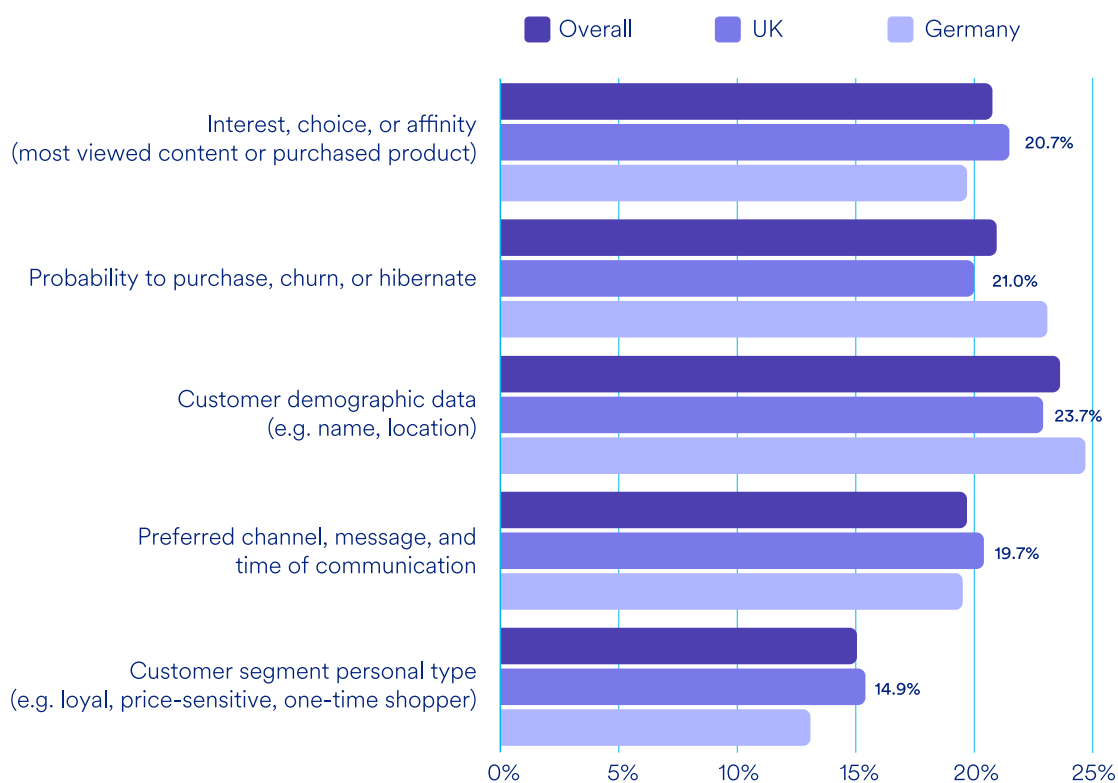
Insights on Customers

Now that we understand the state and approach to customer engagement, let's look at the current approach to insights. **We asked marketers what insights they gather on their customers, the customer journey, and campaign effectiveness.**

Here are our findings:

Demographics dominate customer insights

Customer insights measured by brands

- Overall
- UK
- Germany

Interest, choice, or affinity
(most viewed content or purchased product) — 20.7%

Probability to purchase, churn, or hibernate — 21.0%

Customer demographic data
(e.g. name, location) — 23.7%

Preferred channel, message, and
time of communication — 19.7%

Customer segment personal type
(e.g. loyal, price-sensitive, one-time shopper) — 14.9%

0% 5% 10% 15% 20% 25%

23.7% of European marketers currently measure customer demographic data, followed by 21% who measure probability to purchase or churn. This deduction holds true for both the UK and Germany where around 23% of Brits and 25% of Germans rely on such demographics.

Grouping customers based on simple demographic information can lead to brands making blanket assumptions about customers. An example of this would be the common perception that customers in the 65+ age demographic may be technologically challenged. However, in reality, this group is now the largest growing sector of casual internet customers.
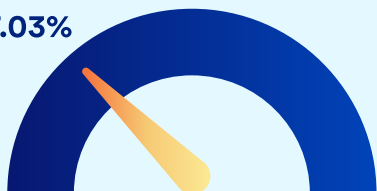
Focussing on behavioural data and predicting customer actions is imperative to engaging with customers effectively.

Channel-specific engagement persists, impeding a unified approach to personalisation
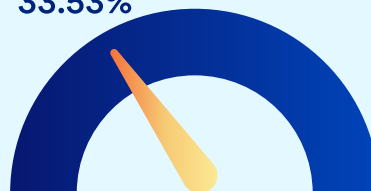
What are your engagement campaigns based on?

27.03%
Customer behaviour data to create segments and send personalised communication
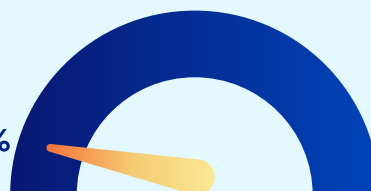
33.53%
Understand best performing channel and time by looking at previous campaigns

31.14%
Use machine learning to analyse customer data and set automated communication

8.3%
Leverage multiple channels as a part of one customer journey

One in three marketers we surveyed stated they analyse best-performing channels and the best time to send communication from previous campaigns to run future engagement campaigns. About one in four use behavioural data, and only 8.3% leverage multiple channels as part of one customer journey.

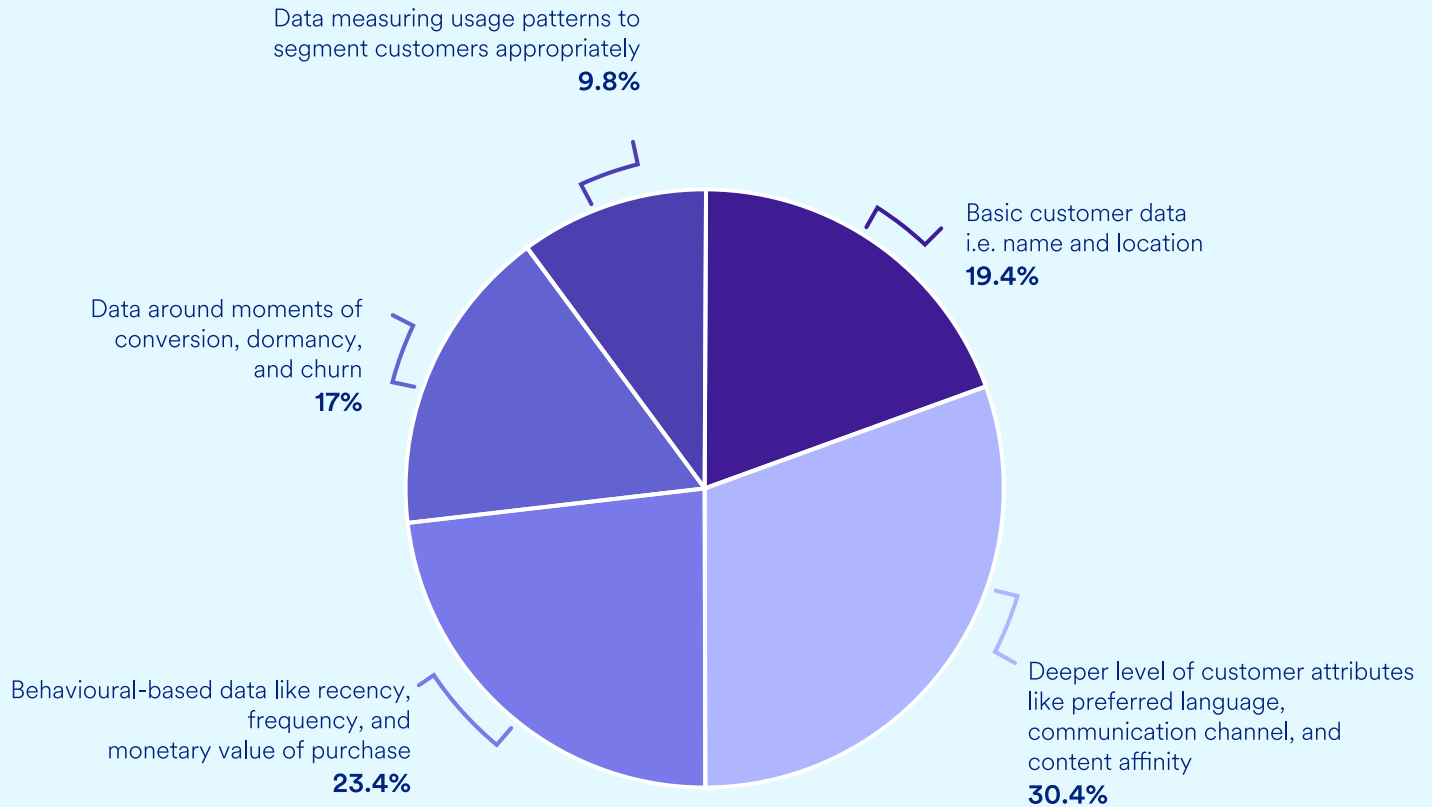Moreover, 31% of respondents now use machine learning to analyse customer data and use that data to set automated communications. This might be the best trend for brands to optimise engagement, but they must learn to move beyond a campaign-centric approach of just looking at the best performing channels or time.

Marketers need to build personalised engagement campaigns on behavioural data and customer journeys.

Intelligent customer insights translate into better ability to personalise

How do brands personalise communication?

Data measuring usage patterns to segment customers appropriately
9.8%

Basic customer data i.e. name and location
19.4%

Data around moments of conversion, dormancy, and churn
17%

Deeper level of customer attributes like preferred language, communication channel, and content affinity
30.4%

Behavioural-based data like recency, frequency, and monetary value of purchase
23.4%

A promising sign is that almost one third (30.4%) of the surveyed marketers personalise based on customer attributes like language, preferred channel and content affinity, followed by personalisation based on purchase recency, frequency, and how much they spent on the brand (at 23%). However, most of the survey respondents couldn't predict customer actions like churn, dormancy, conversion etc., to base personalisation on.
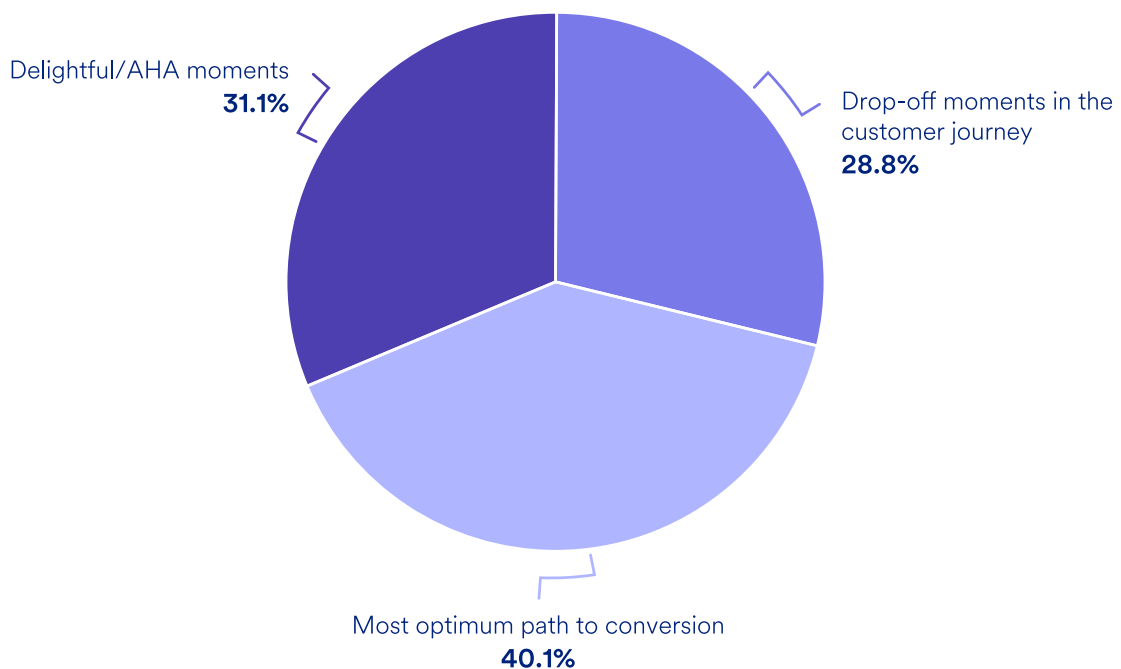
Insights on Journey

To engage with your customers effectively, it is crucial to understand their journey with you across all channels. Knowing how customers navigate your website, mobile app and other channels is essential to optimise the customer experience effectively.

Campaign-centric vision hinders seamless customer journeys

Customer journey insights brands measure

Delightful/AHA moments
31.1%

Drop-off moments in the customer journey
28.8%

Most optimum path to conversion
40.1%

The majority (40.1%) of European marketers measure the optimal path to conversion; this remains a priority for both managers and C-suite

Customer journey insights brands measure across industries

Legend: Banking & Fintech · Consumer Shopping · Media & Entertainment · Ed-Tech · Telecom · Grocery

	Drop-off moments in the customer journey	Most optimum path to conversion	Delightful/AHA moments
Grocery	31.8%	40.9%	27.3%
Telecom	31.0%	41.4%	27.6%
Ed-Tech	32.4%	32.4%	35.1%
Media & Entertainment	23.1%	46.2%	30.8%
Consumer Shopping	23.2%	49.3%	27.5%
Banking & Fintech	29.5%	41.8%	28.7%
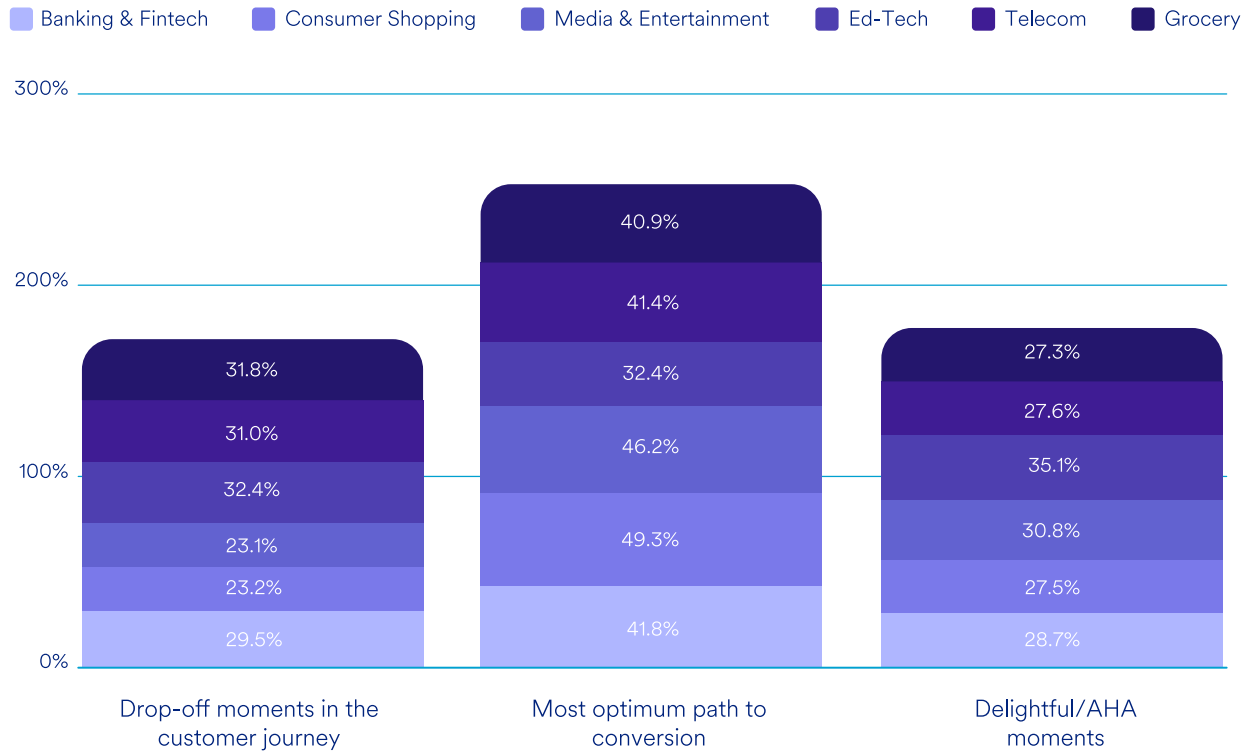
When we dissect the findings to see industry trends, Banking and Fintech (41.8%), Consumer shopping (49.2%), Telecom (20.7%), Grocery (41.4%) and Media and Entertainment (46.1%) primarily measure the optimum path to conversion. In comparison, only Ed-Tech (35.1%) is focussed on measuring what's called 'Delightful/AHA moments'.

Unfortunately, many marketers and growth leaders are still focussed on insights derived from campaigns (such as conversions) while missing out on more customer-centric insights such as drop-off moments and AHA moments, which can provide a deeper look at why customers are behaving the way they do.

> "To better onboard our customers to our app and turn them into frequent visitors, **we analysed their journeys through the app by following them step by step with the help of their activity information provided by MoEngage**. We learned that they take different routes than expected to get acquainted with our app. With the gathered insights, we optimised the onboarding flow for content and timings, significantly improving conversions and losing fewer customers along the way."
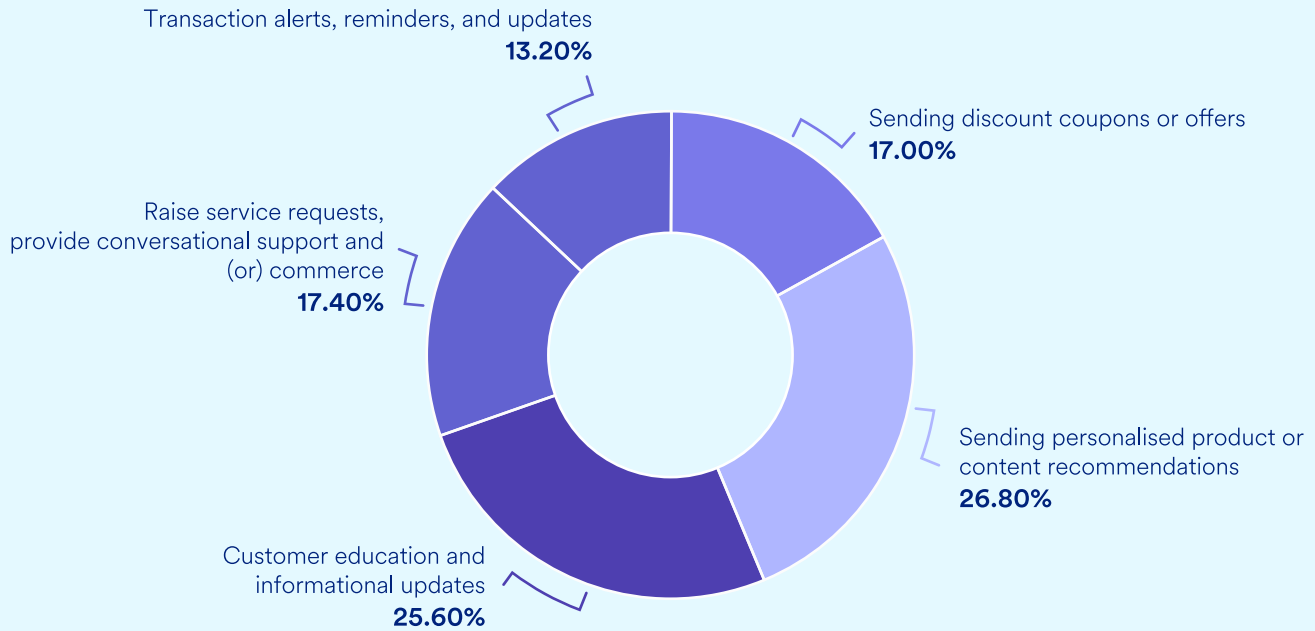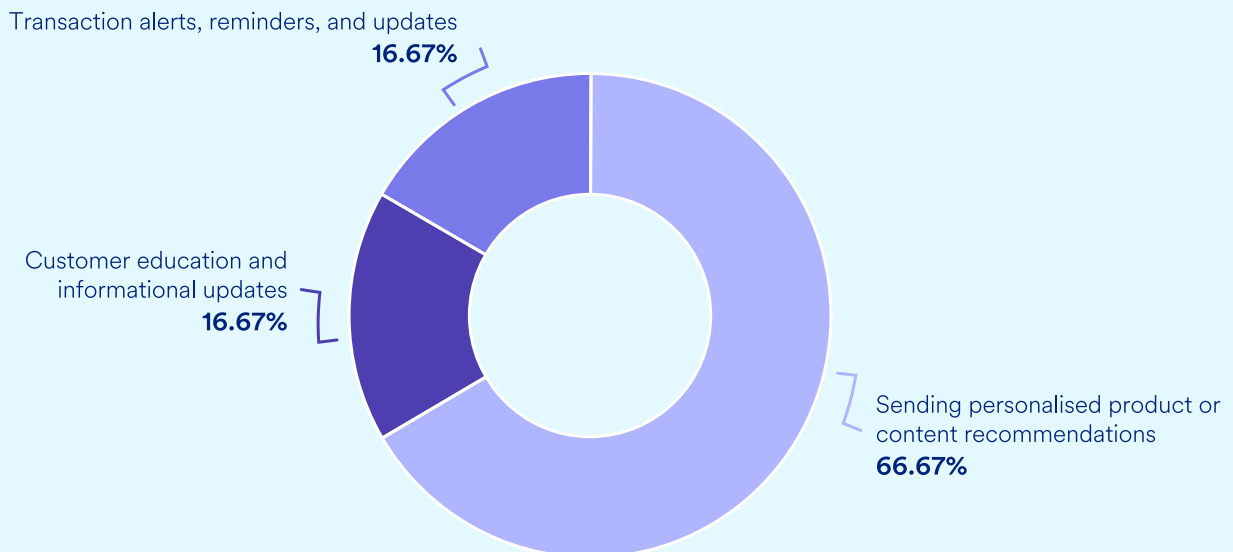
Kirsten Theiner
Product Owner - OneApp, Magenta

Magenta

Belief in personalisation has not waivered

What are brands using digital channels for?

Transaction alerts, reminders, and updates
13.20%

Sending discount coupons or offers
17.00%

Raise service requests,
provide conversational support and
(or) commerce
17.40%

Sending personalised product or
content recommendations
26.80%

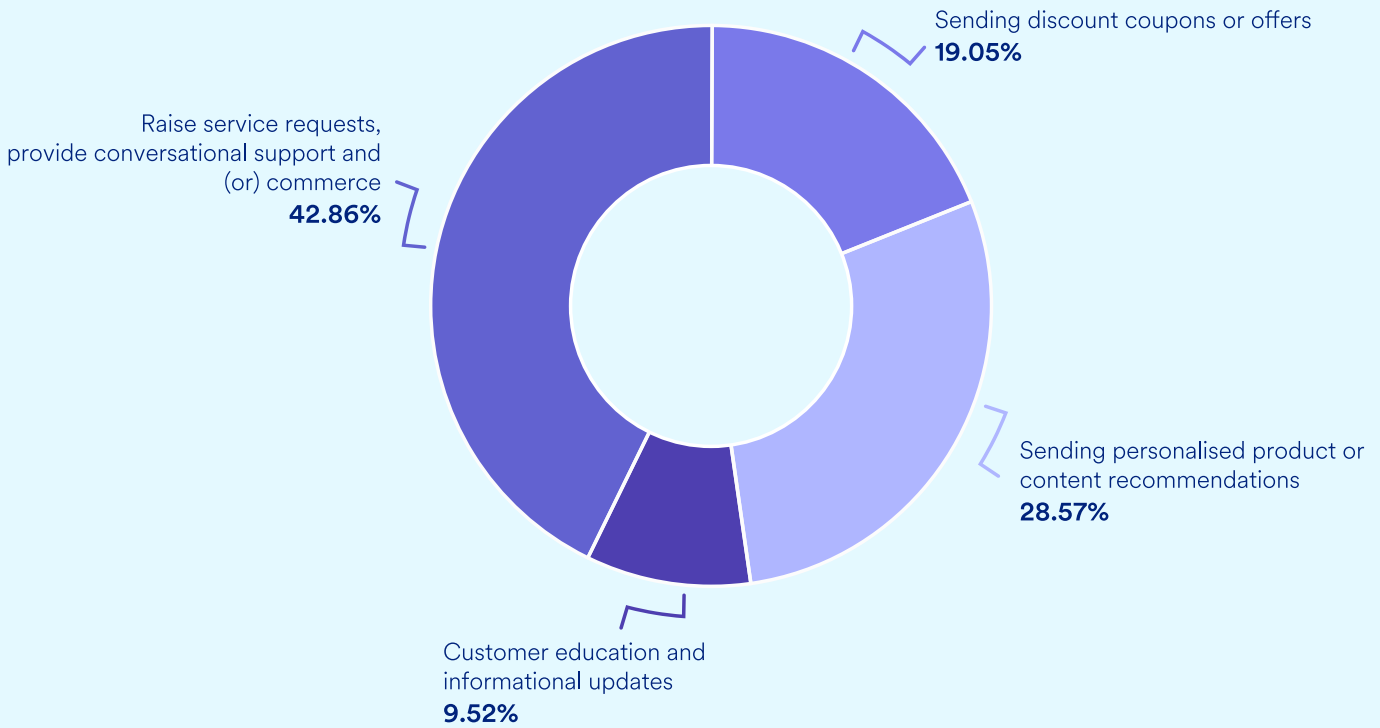Customer education and
informational updates
25.60%

Most European marketers (26.8%) utilise digital channels to send personalised product recommendations, followed by updates to educate customers (25.6%).

What are UK brands using digital channels for?

Transaction alerts, reminders, and updates
16.67%

Customer education and
informational updates
16.67%

Sending personalised product or
content recommendations
66.67%

What are German brands using digital channels for?

Sending discount coupons or offers
19.05%

**Raise service requests,
provide conversational support and
(or) commerce**
42.86%

**Sending personalised product or
content recommendations**
28.57%

**Customer education and
informational updates**
9.52%

Far more marketers in the UK (67%) use digital channels to personalise product or content recommendations than their German counterparts (29%). Most German marketers (43%) use digital channels to raise service requests and provide support, compared to a negligible amount in the UK.
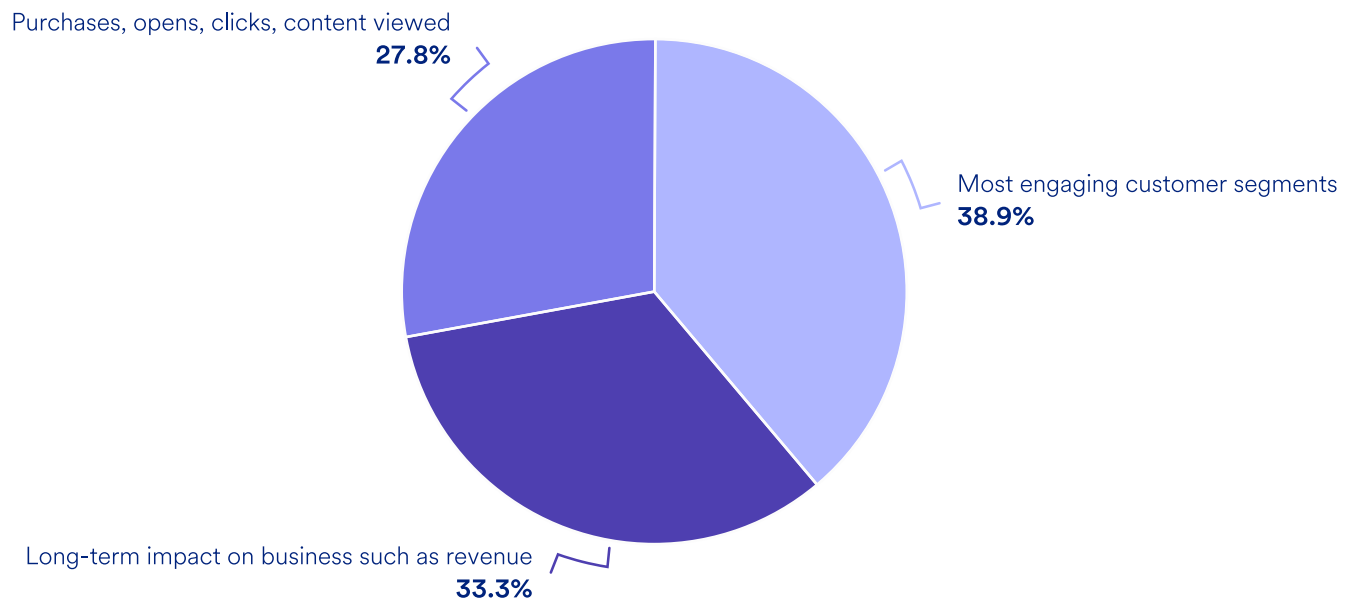
Insights on Campaigns

We've collected insights into customers and their journeys with the brand; now, we need insights into how they respond to the communication you send.
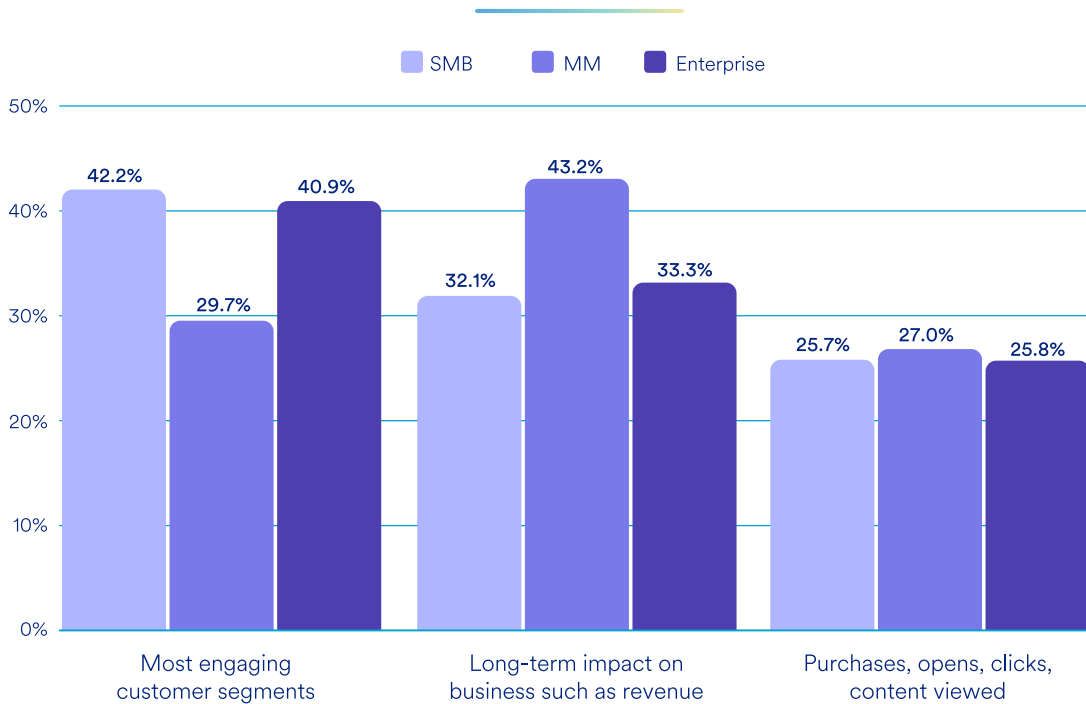
Marketers realise the impact of campaigns on business revenue

Campaign insights brands measure

Purchases, opens, clicks, content viewed
27.8%

Most engaging customer segments
38.9%

Long-term impact on business such as revenue
33.3%

Almost 38.9% of marketers measure their most engaging customer segments; one-third measure the long term impact campaigns have on their business.

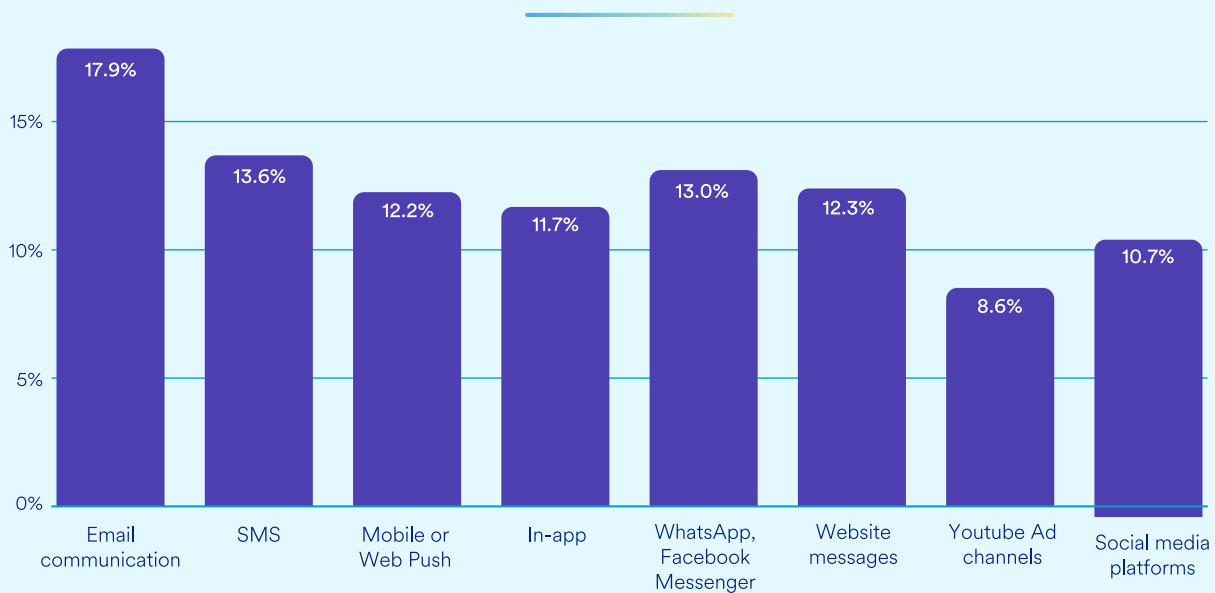**moengage**

What campaign insights do different sized companies measure?

Legend: SMB | MM | Enterprise

	Most engaging customer segments	Long-term impact on business such as revenue	Purchases, opens, clicks, content viewed
SMB	42.2%	32.1%	25.7%
MM	29.7%	43.2%	27.0%
Enterprise	40.9%	33.3%	25.8%

Small-sized businesses to Enterprise are measuring 'most engaging customer segments', however, mid-sized businesses are prioritising 'Long-term impact on business such as revenue'.

Email and SMS aren't going anywhere

What digital channels do brands use in their omnichannel strategy?

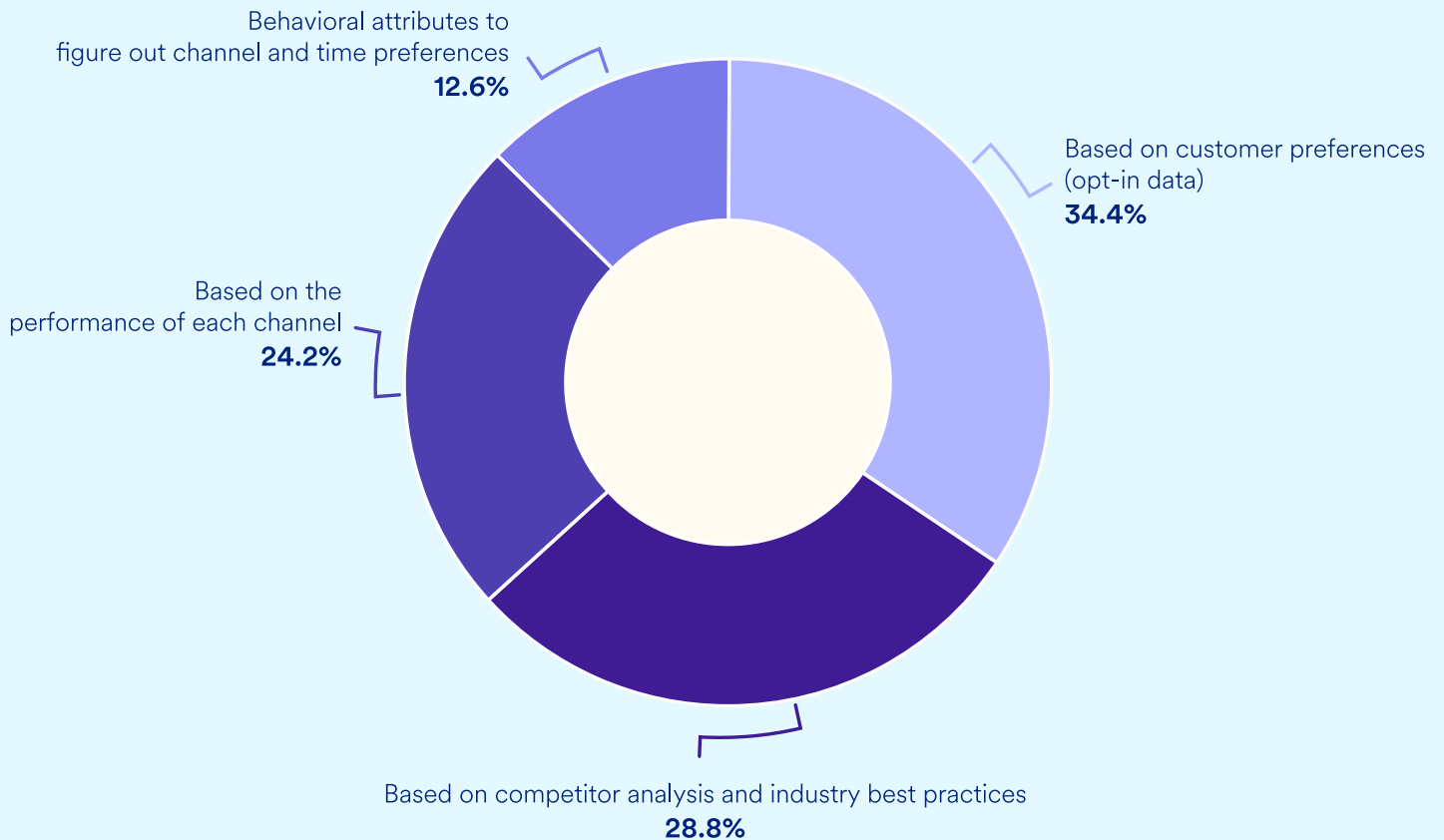| Channel	Percentage
Email communication	17.9%
SMS	13.6%
Mobile or Web Push	12.2%
In-app	11.7%
WhatsApp, Facebook Messenger	13.0%
Website messages	12.3%
Youtube Ad channels	8.6%
Social media platforms	10.7%

Email and SMS remain the most used digital channels across all industries and company sizes: most (17.9%) choose email, followed by SMS (13.6). Across all industries, the usage of Youtube ads comes in at the least-used channel at only (8%).

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# Customer preference helps marketers prioritise communication channels

How do brands prioritise channels for communication?

Behavioral attributes to figure out channel and time preferences
12.6%

Based on customer preferences (opt-in data)
34.4%

Based on the performance of each channel
24.2%

Based on competitor analysis and industry best practices
28.8%

34.4% of survey respondents prioritised communication channels based on customer preference. The second most used strategy in deciding on communication channels was informed by competitor analysis and industry best practices. While this does indicate that marketers do think about customers while planning their communication, the mark of a truly customer-focused approach would be when deeper insights like behavioural attributes and channel performance are also factored in.

# Impact of Insights on Business Metrics

Do you think customer and campaign insights are highly impactful to your business metrics?

No
21.57%

Yes
36.63%
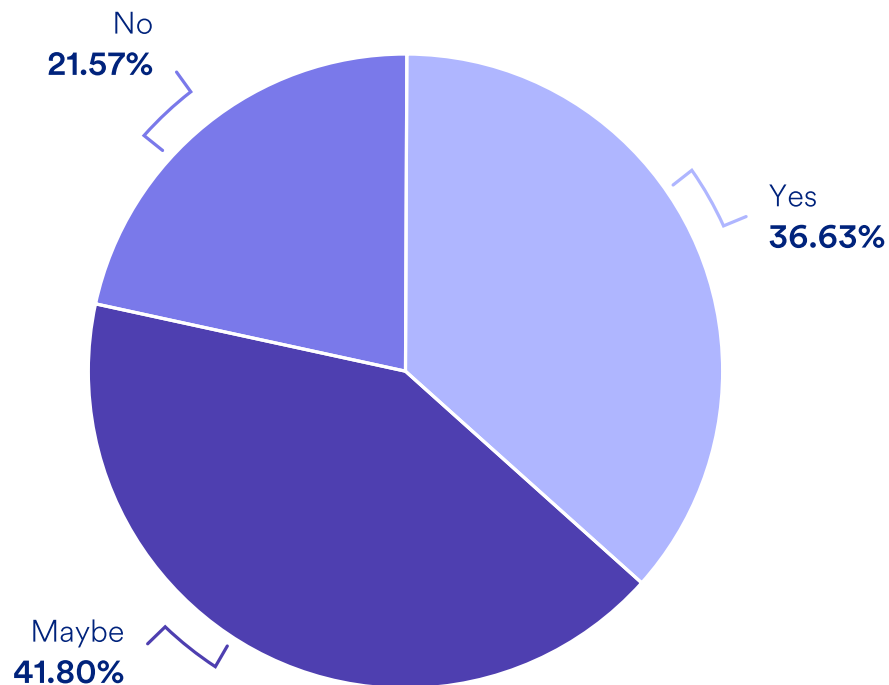
Maybe
41.80%

When asked how impactful insights were to their business metrics, 37% of European marketers appreciate that customer, campaign and journey insights are high impact, and more than 40% feel there may be some impact insights have on their business metrics.

While Media and Entertainment and Hotel and Grocery Delivery players confidently state that insights are impactful to their business, Banking and Fintech, Consumer Shopping, Ed-Tech and Telecom are on the fence on the impact these have.
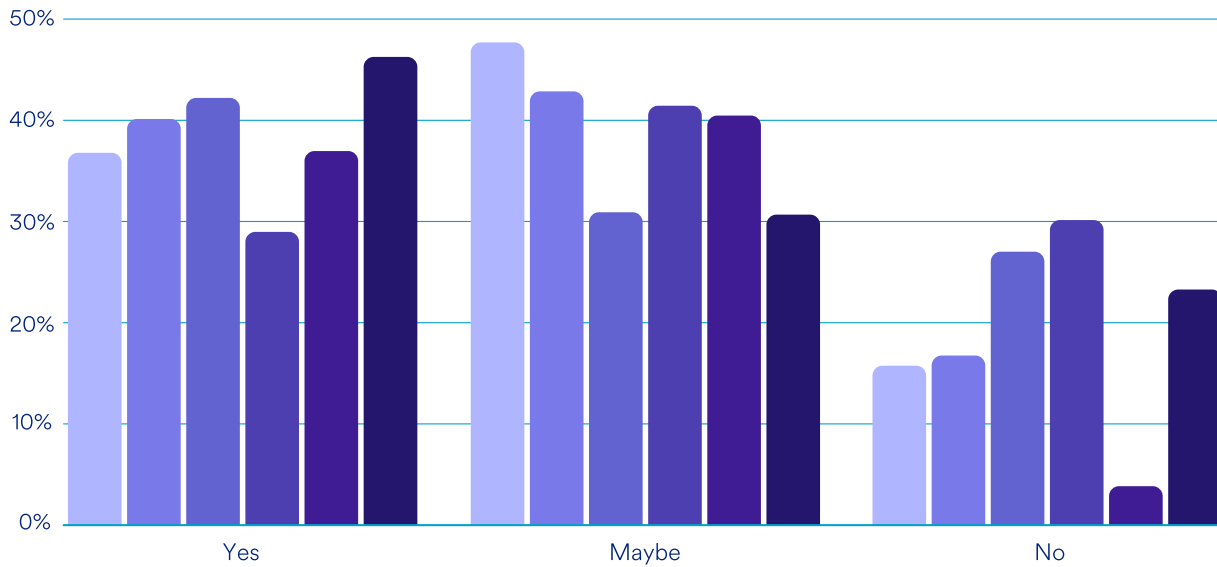
The large number of **"maybes"** for this question might be because a campaign centric approach, oftentimes, leads marketers to measure short term vanity metrics instead of the more medium and long-term insights which could contribute more meaningfully to their business metrics and ROI.

"

Collecting behavioural insights and measuring campaigns is crucial for us, and analysing this behavioural data and events allows us to understand what's working best. We're investing money, time, and resources for a crystal clear view - a panorama if you like - to see how those efforts (campaigns, ideas, etc.) help us achieve our business goals. We're a data-driven company, and it's essential for us to have a holistic 360° view of our customers. If something is not quite working as planned, we can tweak it in real-time. This agility gives us the edge.

Eduardo E. Gómez
Marketing Leader, Waynimovil

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Keeping a Foot on the Gas Pedal of Insights-led Engagement

When it comes to engaging customers, a limited capability platform, disjointed view of the customer and a campaign-centric approach can deliver a flawed experience. Marketers who adopt the Insights-led approach and engage with their customers more meaningfully will boost customer retention and improve loyalty long term.

However, reshaping the customer engagement approach to an Insights-led one isn't always an easy feat. Let's look at some best practices to help you smoothly transition to an Insights-led customer engagement approach.

1. Don't rush into omnichannel engagement:

Customer purchase paths have evolved into a labyrinth of touchpoints. *According to recent Think With Google research, a typical customer journey has 20-500 touchpoints, varying with the complexity of the purchase.*

Adding channels should be dealt with by looking at the data. Otherwise, you may send out disjointed cross-channel communications to customers, which can be an expensive mistake. Go back and review your customer opt-ins, see what channels they've opted in for, and work on adopting those channels into your omnichannel strategy gradually. Customers have higher expectations for their journey with the brands they shop with and expect a seamless experience across channels.

2. Measure only what matters:

Marketers must learn to move away from an "all data is good data" mindset. With the sheer volume of data flowing in, marketers at traditionally data-driven companies still struggle to identify the correct data and insights for their brands. Marketers must take the time to focus on the insights that will have a long term impact on their business.

3. Strive to build a higher expectation of personalisation:

There were 2.5 billion visits to Google Account pages to adjust ad personalisation preferences in the past year. With the increased adoption of digital channels and the resulting increase in the inflow of data, delivering meaningful personalisation is posing a new challenge to marketers.

Personalisation efforts often fail due to:

- Not having enough data to drive meaningful personalised interaction
- Confusion around the customer journey
- Siloed data across different teams
- Forgetting to consistently optimise
- Using too much personalisation or bombarding your audience

Understanding your customer holistically will require you to look at them from three different aspects and collect insights based on:

Customer Attributes:

Customer interest; choice; preferred category; their probability to purchase, go dormant, or churn; preferred channel of communication; as well as demographic data.

Journey Insights:

Moments/paths leading to conversions, drop-offs, and churns.

Campaign Insights:

Segments that actively engage and ones that don't; campaigns that led to the most churn; campaigns that led to the most revenues; what content was most viewed; and which campaigns saw the highest interaction.

4. Move beyond campaign-centric engagement:

Campaign-centric engagement leads marketers to plan campaigns based on a hypothesis of how the customer might behave and segment a broad cohort of customers. This often creates irrelevant campaign communications. A campaign-centric approach is often the result of a lack of insights, which leads marketers to skip a major step of analysing customer behaviour and journeys and creating a campaign in the dark.

A customer-centric approach helps marketers leverage AI to move beyond basic lifecycle campaigns to those based on deeper customer insights and predictions. Adopting a customer-centric, insights-led approach also ensures that marketers measure the long term impact of multiple programs to improve retention revenue and continuously optimise engagement.

5. Elevate your tech stack:

A customer-centric engagement platform helps marketers gain a holistic view of the customer, their purchase path across channels, real-time AI-driven predictive analytics, and much more. To be able to meaningfully personalise and have an impact on the customer's lifetime value (LTV), see if your current marketing tech stack has these capabilities. It can do a lot more for you if you invest in the technology and ask the right questions when evaluating an offering for your customer engagement needs.

Accelerate Your Insights-led Engagement Journey with MoEngage

All the information we've gathered tells us this: insights transform data into delightful customer experiences. Insights help you connect the dots of customer behaviour and turn them into meaningful actions. Modern Customer Engagement platforms such as MoEngage go one step further and help you automate the process of insights-led engagement, helping you uncover insights such as:
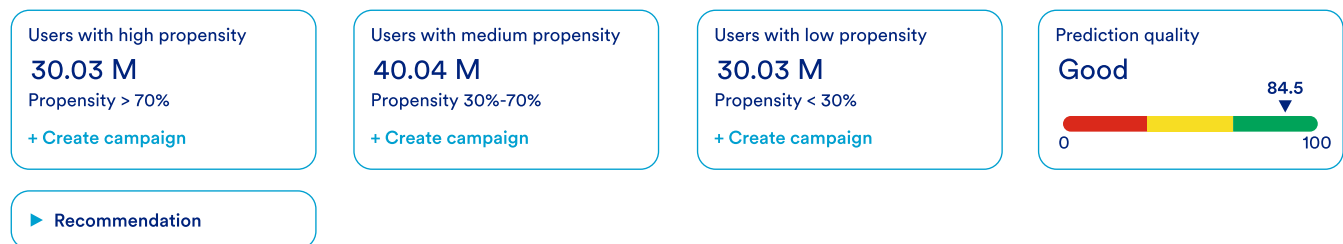
What your customers really want

To engage with your customers, you need to understand what they want—before they realise what they want themselves. This is where insights can lead the way. Insights reveal who each customer is at heart to help you create relevant conversations at every st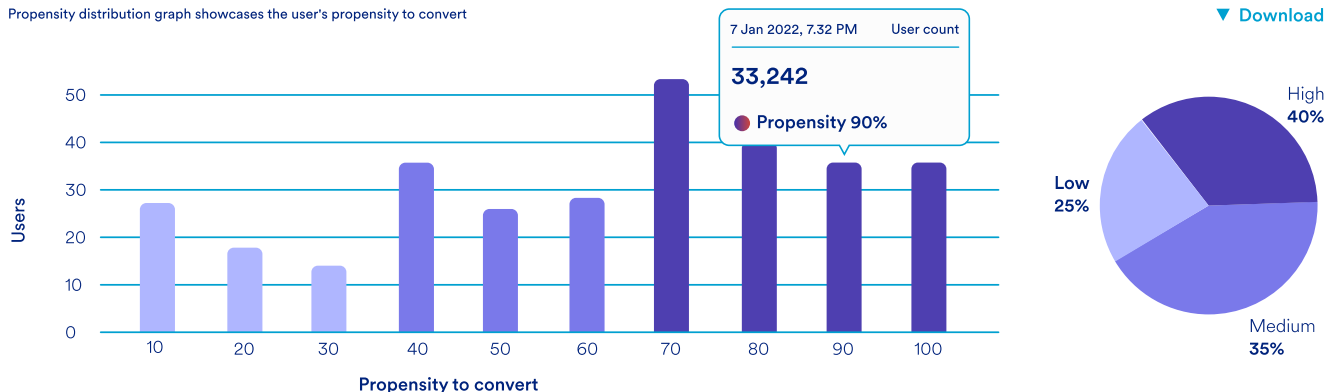ep. With MoEngage Predictive Segmentation and Recommendations, you can use a customer's behaviour and personality to predict their future actions. You can send them dynamically personalised product recommendations they are most likely to engage with at a time and channel they're most likely to respond on.

Conversion prediction overview

Users with high propensity	Users with medium propensity	Users with low propensity	Prediction quality
30.03 M	**40.04 M**	**30.03 M**	**Good**
Propensity > 70%	Propensity 30%-70%	Propensity < 30%	84.5
+ Create campaign	+ Create campaign	+ Create campaign	0 — 100

▶ Recommendation

Propensity Distribution

Propensity distribution graph showcases the user's propensity to convert

▼ Download

7 Jan 2022, 7.32 PM   User count
33,242
● Propensity 90%

High **40%**

Low **25%**

Medium **35%**

Users (y-axis: 0, 10, 20, 30, 40, 50)

Propensity to convert (x-axis: 10, 20, 30, 40, 50, 60, 70, 80, 90, 100)

# Who loves you and who doesn't

MoEngage RFM modelling allows you to automatically segment customers based on their purchase's recency, frequency, and monetary value. This way, you'll know which customers are price-sensitive, which need attention, which are hibernating or are loyalists, and communicate with them accordingly. These insights are more intelligent, more incisive, and more dynamic than raw data, and give a strategic advantage to your marketing strategy.

Price Sensitive	About to Sleep	Loyal Customers	Hibernating
	Recent Users	Needs Attention	Lost	Potential Loyalist
		Can't Lose Them	Champions	

The path to a delightful customer journey

Think of the complete customer journey for your product. In an ideal scenario, customers are delighted every step of the way and move smoothly forward on their path. But more often than not, customers get lost somewhere along the journey or get deterred by meaningless or negative experiences. Marketers need a way to truly understand the unique paths taken by each customer—and based on this—craft the perfect journey.
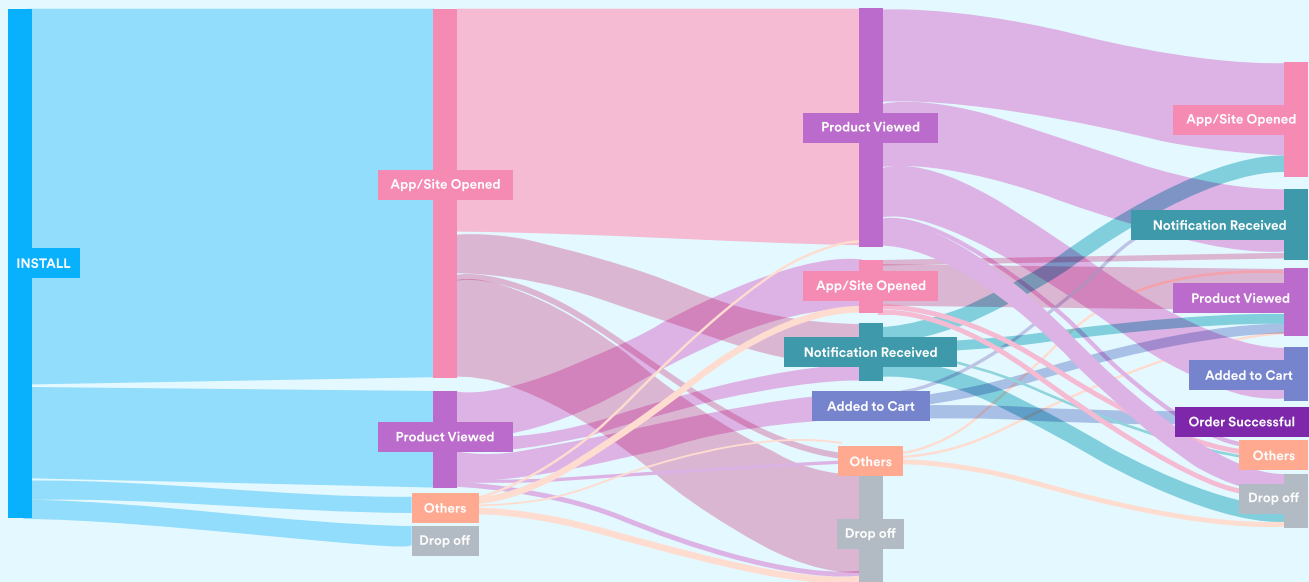

With MoEngage User Path Analysis, you can get a bird's-eye view of customers' different paths, dig deep into the steps they take from one activity to another, and fill gaps in the customer journey. You can learn what intersects the path your customers are on, understand customer requirements at every touchpoint, find out what keeps them on or off the path, and help them navigate the journey.

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Meet the Insights-led Mentors

Chris Smith
Senior Digital Growth Manager

in
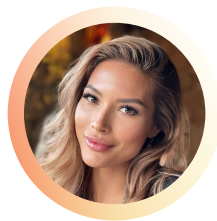
Cattleya Kitchen
Digital Growth Manager

in

Maike Haberkorn
Digital Growth Manager

in

Scott Deane
Digital Growth Manager

in

Shraddha Raj
Digital Growth Manager

in

Sumant Sharma
Digital Growth Manager

in

About
moengage

MoEngage is an insights-led customer engagement platform built for the customer-obsessed marketer.

With AI-powered customer journey orchestration, personalisation capabilities, and in-built analytics, MoEngage enables hyper-personalisation at scale across mobile, email, web, SMS, and messaging channels.

Over 1,000+ brands across 39+ countries use MoEngage to send 80 billion messages to over 1 billion customers every month. We serve enterprises such as Deutsche Telekom, Samsung, Ally Financial, Vodafone, McAfee, and internet-first brands such as Flipkart, Ola, OYO, and Bigbasket use MoEngage to orchestrate efficient customer engagement.

MoEngage was recognised as a Leader in the Gartner Magic Quadrant 2020 for Mobile Marketing Platforms and a Strong Performer in The Forrester Wave™ Report for Cross-Channel Campaign Management (Independent Platforms), Q3 2021. G2 also named MoEngage a Leader in the Fall 2020 Grid® Report and the #1 Mobile Marketing Platform in the Spring 2021 Momentum Report.

Gartner | **Gartner peerinsights**™ | **FORRESTER**® | **G2**

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The State of Insights-led Engagement Report 2022

To learn how we can help you create an insightful and dynamic customer engagement:

Request A Demo

For more insights into how to build a promotion system that works for your customers and empowers creative campaigns, talk to one of our promotion experts.

We hope you found this report interesting and actionable. If you've learned something valuable, please share your insights. For any questions related to this report, please reach out to

▶ **content@moengage.com**