# braze

# 2021 Global
# Customer Engagement Review

Ten years ago, we founded Braze on the belief that doing a better job of communicating with people would yield better business results. At the time, smartphones were still a novelty and mobile strategy often focused on vanity metrics—more downloads, more installs, and more users pouring into the top of the funnel without much attention to what happened to them afterward.

As we begin 2021, we now know with conviction what we intuitively understood all along:

"The secret weapon that differentiates exceptional, enduring companies is the quality of their **customer engagement**, encompassing the full set of activities through which companies build direct relationships with their customers."

That's why we've undertaken the work of this review, and are proud to introduce the first annual Global Customer Engagement Review as a tool for businesses to evaluate and elevate their own relationship-building efforts. The review and accompanying analysis reveal that excelling at customer engagement directly results in higher customer lifetime value and lower customer acquisition costs, resulting in long-term, capital-efficient business growth.

The new framework assesses the maturity of brands' customer engagement practices across multiple factors, and identifies opportunities for greater success. Brand stewards must work effectively to listen to what their customers are telling them, understand those signals, and then act in a way that is relevant and personal to that individual. Today's technology, powered by live customer data, makes it easy to deliver valuable messaging experiences to customers across all relevant channels while respecting their privacy.

We are confident that you will find useful information and inspiration to help shape your own strategies in this report, with customer satisfaction as your north star. We look forward to advancing the practice of customer engagement together for the next 10 years, and beyond.

Bill Magnuson
CEO and Cofounder, Braze

# Introducing the First Annual Global Customer Engagement Review

In our inaugural edition, we define what great customer engagement looks like, how that translates directly to business goals, and where brands can find opportunities to improve their customer engagement strategies. To support these efforts, we analyzed data from three different sources.

**1** **Decision-Maker Survey:** Conducted by Wakefield Research on behalf of Braze, this survey gathered insights from 1,300 VP+ marketing executives from B2C companies with an annual revenue of $10M+ across 10 global markets (Australia, France, Germany, Indonesia, Japan, Malaysia, Singapore, Thailand, the UK, and the US) to help assess brands' strategy, goals, and success. Based on the results, we indexed respondents into three customer engagement maturity stages: Activate, Accelerate, and Ace.

**2** **Braze Customer Data:** As a leading customer engagement platform that powers experiences for 1,000+ brands, Braze has a unique view of the evolving marketing and technology landscape. Our research drew on data aggregated from over five billion global users to provide insights for improving the activation, retention, and monetization metrics associated with customer engagement.

**3** **Customer Stories:** To demonstrate the tangible success that comes with best-in-class customer engagement strategies, we spoke with leading brands in five industries:

| PAYOMATIC | headspace | NBA | GRUBHUB | GOAT |
|---|---|---|---|---|
| **Financial Services** | **Health and Wellness** | **Media and Entertainment** | **QSR and Delivery** | **Retail and Ecommerce** |

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# Top Trends in Customer Engagement in 2021

- **Marketing budgets will increase, with customer engagement as a priority**

- **Even brands that are confident in their strategies will struggle to show success**

- **More brands will view customer engagement as critical to business growth**

After surveying 1,300 VP+ marketing executives at consumer-facing brands across the globe, we found three clear and pervasive themes to expect this year when it comes to customer engagement.

# Marketing Budgets Will Increase—With a Heavy Focus on Customer Engagement Tools

## Brands Respond to the Digital Imperative With Customer Engagement

As the ongoing COVID-19 pandemic emphasizes the importance of digital-first and digital-only consumer experiences, 60% of marketing decision-makers said their budget will increase in the next 12 months. Reflecting this direction, the top three areas brands plan to invest in are:

- Customer satisfaction measurement
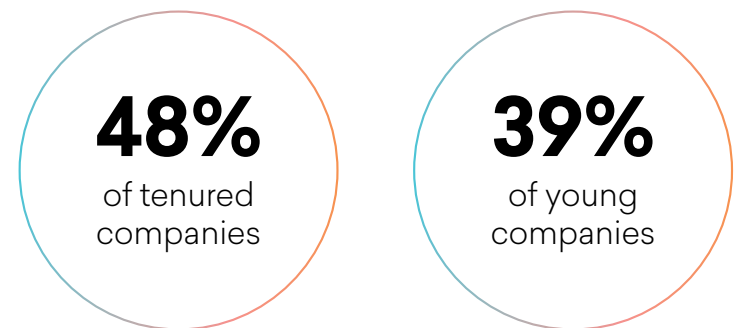- Customer engagement
- Mobile optimization/apps

## Bigger, Older Companies Plan to Invest More in Customer Engagement

For both bigger and older brands, meeting consumers' rising expectations and demand for effective customer engagement is the top priority for marketing investment. 48% of tenured companies (20+ years) ranked investment in customer engagement technology first, while only 39% of younger businesses did the same.

### In 2021, Most Brands Will Increase Their Budgets

**60%** Increase

**13%** Decrease
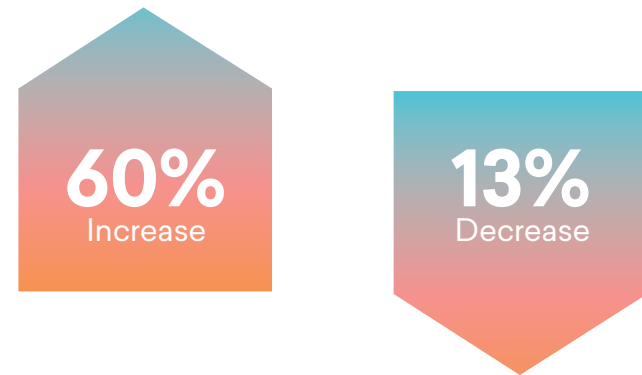
### Ranked Customer Engagement as a Top Investment Priority

**48%** of tenured companies

**39%** of young companies

# Even Brands That Are Confident in Their Strategies Will Struggle to Show Success

## It's Difficult to Translate Metrics to Business Outcomes

We know people are clicking and converting, but what is the greater impact of customer engagement? 88% of marketers believe their teams have excellent or good customer engagement practices, but most (74%) still worry their metrics don't translate into tangible business outcomes.

## Brands Need a Company-Wide Definition of Success

One of the main factors contributing to the problem is that teams within a given organization don't always agree on what success looks like. Only 26% of marketing leaders say their firms have a shared, company-wide definition of success when it comes to their customer engagement campaigns.

### Other Top Customer Engagement Challenges in 2021

Breaking through or standing out in a crowded market

Using or training employees on new technology or approaches

Coordinating messages across channels, devices, and touchpoints

# More Brands Will View Customer Engagement as Critical to Business Growth

When excellent customer engagement drives business growth, it's more likely that brands will expand their efforts. Those who rated their own customer engagement practices as "excellent" were more likely than those who rated it as "poor" to hit their revenue goals.

| Self-Assessment | Exceeded Revenue Goals | Fell Short |
| --- | --- | --- |
| Excellent | 67% | 12% |
| Good | 44% | 18% |
| Fair/Poor | 14% | 54% |

Those who rated their customer engagement as "excellent" are also increasing their budgets more than other groups.

| Self-Assessment | 2021 Budget: Increase | Decrease |
| --- | --- | --- |
| Excellent | 75% | 6% |
| Good | 60% | 12% |
| Fair/Poor | 16% | 41% |

*Note: "Met revenue goals" and 2021 budgets stated as "flat" not shown.*

## Successful Customer Engagement Forms a Strong Business Case for Increased Investment

83% of brands who exceeded their revenue goals stated they plan to increase how much they will spend on customer engagement efforts in 2021, compared to just 23% of those who fell short.

## A WORLD OF DIFFERENCE: SELF-ASSESSMENT BY REGION

Effective customer engagement can be a challenge for any global brand. However, our survey found that North American brands collectively lead the pack when it comes to expressing confidence in their engagement efforts, with Asian brands close behind and European brands bringing up the rear.
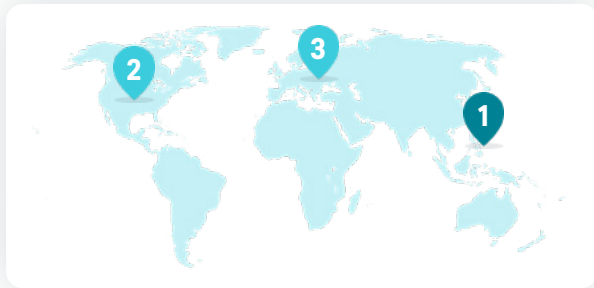
### Plan To Increase Marketing Budgets Over the Next 12 Months

1. Asia: 66%
2. US: 61%
3. Europe: 52%
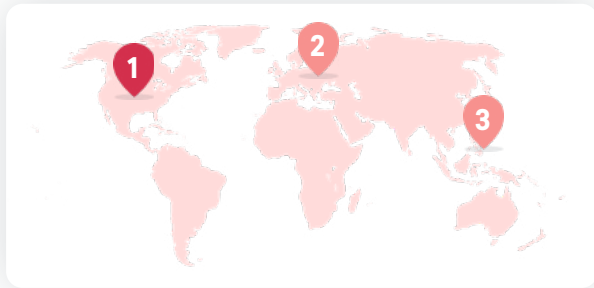
### Concerned Customer Engagement Metrics Aren't Translating Into Business Outcomes

1. US: 78% said they are concerned
2. Europe: 73% said they are concerned
3. Asia: 68% said they are concerned

### Most Confident in Their Customer Engagement Efforts

1. US: 93% ranked themselves as doing an excellent/good job at customer engagement
2. Asia: 88% ranked themselves as doing an excellent/good job at customer engagement
3. Europe: 82% ranked themselves as doing an excellent/good job at customer engagement

# The Braze Customer Engagement Index

As part of this analysis, we developed a framework to help assess the maturity of brands' customer engagement strategies. We chose 12 factors* for evaluation across two key axes.

| Tech | Channels | Classification | Data | Orchestration | Performance | Personalization |
|------|----------|----------------|------|---------------|-------------|-----------------|
| Teams | Culture | Experimentation | Metrics | Objectives | Staffing | Strategy |

Based on survey responses from marketing executives, we indexed each brand against these 12 factors and found three clear levels of maturity: Activate, Accelerate, and Ace.

| | |
|---|---|
| **Activate** | *Just beginning to recognize customer engagement as important to business goals, these brands likely only focus on campaign- and channel-specific solutions with limited metrics.* |
| **Accelerate** | *Brands on this level collaborate across departments, have a strong experimentation culture, and robust metrics. However, they still are campaign-oriented and lack a comprehensive view of customers across platforms and channels.* |
| **Ace** | *At these top performing brands, customer engagement is lifecycle-centric, owned by cross-functional teams, and built on streaming data.* |

*Complete description and methodology available on page 33*

## How Brands Around the World Perform Against the Braze Customer Engagement Index

How sophisticated are most brands' customer engagement efforts? In order to get a top-level comparison, we plotted survey respondents against the Braze Customer Engagement Index.

**Activate 34%**     **Accelerate 49%**     **Ace 17%**
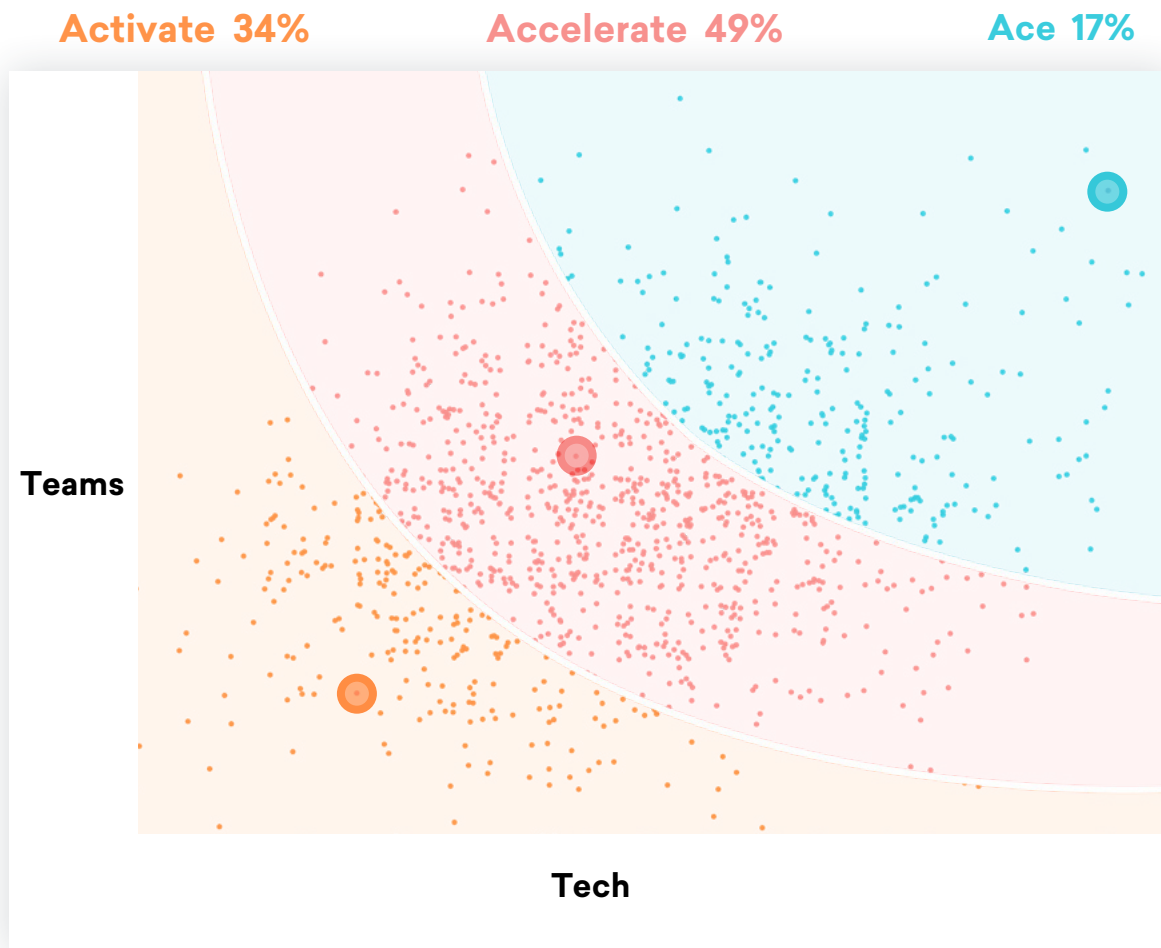


## Sample Survey Respondents:

**Ace**
**Country:** United States
**Industry:** Healthcare
**Years in business:** 70
**Employees:** 1,050
**Tech:** Single solution for multiple simultaneously-used channels
**Team:** Cross-functional digital team including marketers, engineers, product managers, and data scientists

**Accelerate**
**Country:** Japan
**Industry:** QSR
**Years in business:** 11
**Employees:** 250
**Tech:** One solution for multiple channels, but with just one channel primarily in use
**Team:** Marketing, with once-a-quarter engineering collaboration

**Activate**
**Country:** Germany
**Industry:** Media/Publishing
**Years in business:** 40
**Employees:** 240
**Tech:** Separate solutions for multiple channels
**Team:** Engineering team, with once-a-quarter marketing collaboration

# Strengths: Where Do Brands Excel?

**Areas where the most brands demonstrated Ace competencies**

While investigating survey responses and self-assessments against our 12-factor framework, we identified two notable areas where all brands excel—not just Ace brands.

To be categorized as Ace in the Index, brands must demonstrate all experimentation and channel competencies outlined here.

## 🧪 Experimentation

Customer engagement teams are employing rich, continuous testing based on evolving customer data.

**63%**
Regularly **partner with Business Intelligence (BI) teams** to get the data they need

**60%**
Run tests using **multiple variants** and granular audience segments

**59%**
**Experiment on a continuous basis** with multiple tests and advanced analytics

## 💬 Channels

The most effective brands provide a valuable, cohesive experience as consumers jump from one platform to the next.

**80%**
Execute campaigns across **multiple customer engagement channels**

**56%***
Use a **single solution** that executes across channels

**35%***
Use **channel optimization** to automatically identify the ideal message channel for each customer

*Percentage of respondents who said they use multiple channels*

# Opportunities: Where Can Brands Improve?

**Areas where the fewest brands demonstrated Ace competencies**

While brands generally performed well across all 12 customer engagement factors, we discovered two areas where brands just touched the surface of what's possible. Here are some learnings to help teams further develop their efforts in 2021.

## Staffing

For most brands, a single team owns customer engagement with limited collaboration with other teams. Only 5% of all brands have permanent cross-functional teams in place, and even Ace brands still struggle to implement formal multidisciplinary staffing. Customer engagement is a company-wide initiative: Messages originating from different parts of the organization throughout the customer journey can lead to disjointed experiences.

**Percent in each segment with a dedicated cross-functional digital team:**

**12%**
Ace Companies

**5%**
Accelerate Companies

**2%**
Activate Companies

## Personalization in Real Time

Many brands use a rich set of data to personalize campaigns, but few act on data in real time. While teams may have a "complete" view of the customer, it's a view of the past that makes it difficult to meet consumers' needs in the present and anticipate their motivations in the future.

**10%**
Personalize communications based on **real-time data**

**61%**
Use **past customer behavior** like browsing, clicks, and views

**57%**
Use **customer names or other account information** to personalize
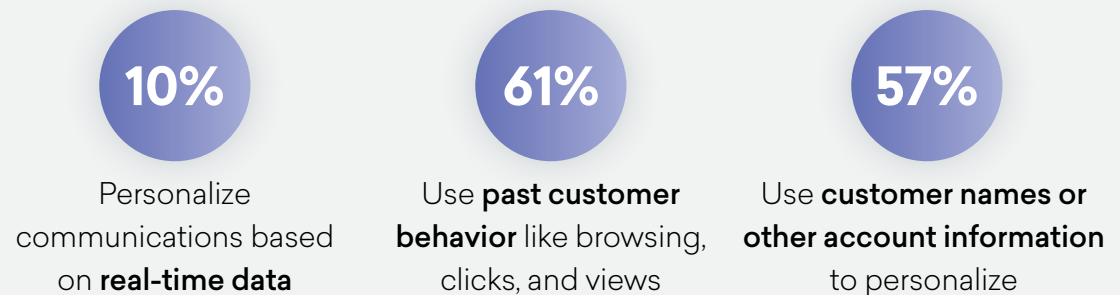
# The Ace Factor: What Customer Engagement Practices Impact Success?

# It All Starts Here: Messaging Your Users

In our increasingly online world, it's clear that brands need a digital-first strategy. But the truth is, you can't have an effective digital strategy without customer engagement; however, too many brands still don't have a customer engagement approach in place. Some don't message their users at all, which is more than a missed opportunity—it's a mistake.

## The Value of Communicating With Customers

Customers Who Receive Messages in One Channel*:

Are **7.2X More** Likely to Make Purchases

Make **9.8X More** Purchases

Are Retained **3X Longer**

**\*** *Compared to users who receive no messages*

# Consumers Use More Than One Channel; Brands Should, Too

While many brands technically leverage multiple consumer channels, they tend to rely on only one for the majority of their campaigns. For example, older companies are often email-centric while startups often overuse push notifications. It's not necessarily ineffective—sending messages via a single channel is better than sending none at all—but nothing beats orchestrating campaigns across multiple coordinated channels.

## Messaging Customers on Two Channels* Results in:

**73%** More Likely to Make a Purchase

**4.2X** Increase in Lifetime Value (LTV)

**76%** Longer User Lifetime

**58%** Increase in 30-day Retention

*Compared to users who received messages in a single channel*

# The Difference Between Presence and Participation: The Cross-Channel Approach
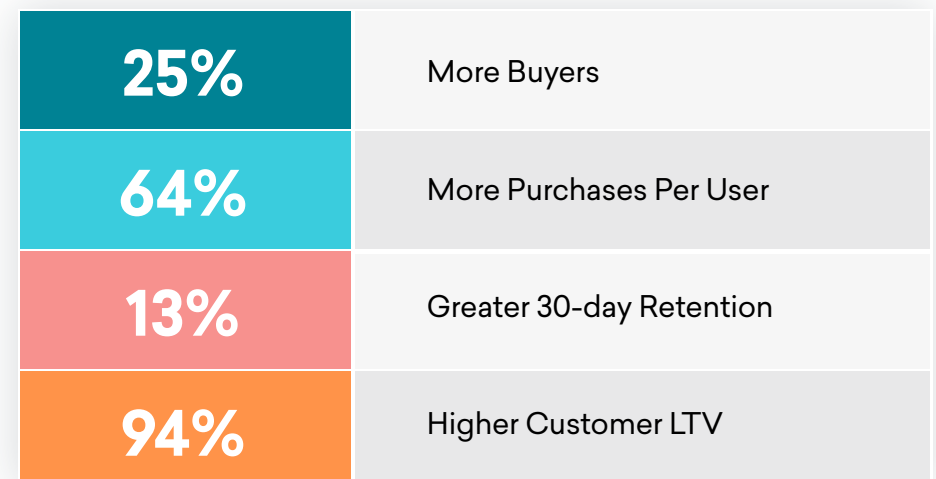
Showing up isn't even half the battle. When messaging is an afterthought, customers feel that way, too. In order to create seamless, memorable experiences, brands need to use each channel based on its particular strengths.

When creating a best-in-class strategy, it's important to understand the two main categories of messaging:

| In-Product Messages | Out-of-Product Messages |
|---|---|
| ● In-App Messages | ● Email |
| ● In-Browser Messages | ● Push (Mobile/Web) |
| ● In-App Inboxes or Feeds (Braze calls them Content Cards) | ● SMS |

Our research found that brands who take a cross-channel approach that blends both in-product and out-of-product messaging channels tend to have the highest overall performance.

## Brands Make Messages More Valuable With a Cross-Channel Approach*

| | |
|---|---|
| **25%** | More Buyers |
| **64%** | More Purchases Per User |
| **13%** | Greater 30-day Retention |
| **94%** | Higher Customer LTV |

*Compared to users who received messages in any two messaging channels, rather than a cross-channel combination that included both in-product and out-of-product messages*

# Great Customer Engagement Doesn't Just Drive Engagement—It Drives Revenue

A cross-channel customer engagement strategy can have a direct impact on business goals tied to activation, monetization, and retention—but only if brands define and measure the appropriate metrics. Without that definition and measurement, we see marketers struggling to quantify the effectiveness of their engagement against company goals.

According to our research, brands who used a diverse set of benchmarks were 55% more likely to exceed their revenue goals in 2020.

| Index Score | Exceeded Revenue Goals | Fell Short |
|:---:|:---:|:---:|
| Ace | 56% | 19% |
| Accelerate | 49% | 18% |
| Activate | 41% | 25% |

## Benchmarks to Quantify Customer Engagement Success

**Activation**
- Likelihood to make a purchase
- Session frequency

**Monetization**
- Customer LTV, or average revenue per user
- Repeat buyers
- Purchases per user or per buyer

**Retention**
- Day *N* retention
- Average user lifetime

# Growth Levers: What Sets Ace Brands Apart

Brands need to continuously develop their use of both technology and teamwork in order to reach Ace status—and thus reap the full benefits of customer engagement. Here's how the most mature brands do it.

## The Methods

**Tech:** Beyond "implement, test, and iterate," Ace brands commit to deeper levels of personalization, data-driven optimization, and a cross-channel approach.

**83%** More likely to **trigger campaigns with real-time data via APIs**

**62%** More likely to use **3+ channels**

**41%** More likely to **continuously export event data** for deep analysis

**Team:** Ace brands have adapted their organizational structures, team cultures, and definitions of success to maximize the impact of their customer engagement solutions.

**2X** More **continuous collaboration** across departments and functions

**1.5X** More **continuous testing by design** with multiple experiments running at once

**2.2X** More **use of a single, company-wide definition of success** for customer engagement that spans all teams involved

## The Impact

Rather than just driving an increase in engagement metrics, adopting these practices leads to tangible business results.

**12X** More Purchases Per User

**18X** More Average Revenue Per Buyer

**8X** More Buyers

# Activation, Monetization, and Retention by Industry

A cross-channel approach should combine in-product and out-of-product messaging across multiple channels. We know this kind of approach has an impact; let's see how it plays out industry-by-industry, and what specific tactics drive up important customer engagement metrics—and revenue.

# Financial Services: Gaining Momentum With Customer Engagement

Not too long ago, anything beyond a password reset email felt impossible in an industry marked by heavy regulations and heightened data privacy concerns. However, in recent years, a few ambitious startups and some older (but still nimble) companies have led the way in recalibrating what best-in-class financial services experiences look like. Now, banks aren't just trying to out-message each other, they're competing against Amazon, Apple, and other tech giants in the battle for consumer attention. This makes it even more essential to drive stronger, more sustainable relationships with their users.

## Financial Services Brands Are Confidently Investing in Customer Engagement

**91%**
Rank their customer engagement efforts as "excellent" or "good," higher than any other industry

**55%**
Plan to increase their 2021 marketing budget

**49%**
Plan to increase investment in customer satisfaction measurement

## The Impact of a Cross-Channel Engagement Strategy in the Financial Services Industry

**Activation**

**5.1X** Increase in Sessions per User*

**Monetization**

**3.9X** Increase in Customer LTV*

**Retention**

**2.9X** Increase in 90-day Retention*

*with a cross-channel approach, compared to performance with a single channel*
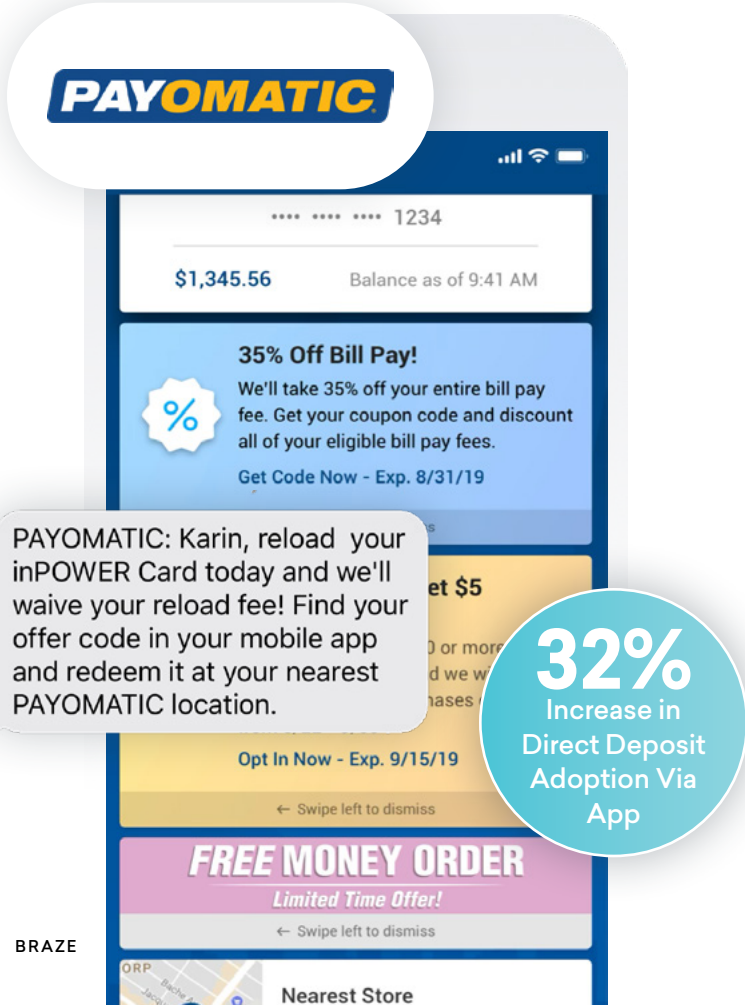
**ACE TIP**

When financial service brands add in-app messages and mobile push to email, they see an average 2.3X increase in customer LTV.

They also see a 3.6X increase in 30-day retention when adding in-app messages to email.

# Payomatic Employs a Data-Driven Strategy to Drive Higher Lifetime Value

As New York's largest provider of check cashing and financial services, Payomatic wanted to revitalize its digital marketing strategy to more effectively encourage users to **carry out high-value actions like enrolling in direct deposit, reloading prepaid cards, and sending money to family and friends**. By using Braze in concert with **Snowflake's** Data Cloud, Payomatic was able to leverage their wealth of consumer data to **create a highly personalized cross-channel customer journey**. With this cloud-based, 360-degree view of their customers, Payomatic drove 50% prepaid cardholder mobile app penetration, an 11% lift in mobile app engagement, and a 32% lift in direct deposit adoption via their mobile app.

**32%**
Increase in Direct Deposit Adoption Via App

While Payomatic demonstrates all **Ace Factors**, here's where they really shine.

💬 Channels    🎛 Data    📊 Performance    🖼 Personalization

🗺 Objectives

# Health and Wellness: Headfirst Into a Digital Transformation

When gyms shut down and therapists closed their offices at the onset of the COVID-19 pandemic, it could have easily signaled an insurmountable blow to the health and wellness industry. However, this vertical's pivot has proved to be one of the business world's most staggering and successful. As people made mental health a priority, wellness apps experienced a boom and the challenge became how to stand out from the crowd.

There are no signs this digital-first trend will subside—in fact, all signs point to a permanent change. To continue adapting, health and wellness brands need to focus on leveraging cross-channel campaigns to provide rich, personal consumer experiences.

## Health and Wellness Brands Focus on Demonstrating Success

**71%**
Are concerned their engagement metrics don't translate into business outcomes, the least of any industry
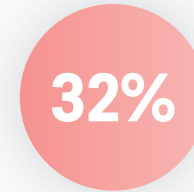
**32%**
Rank breaking through an overcrowded market as a challenge

**51%**
Use customer satisfaction as a metric for success

## The Impact of a Cross-Channel Engagement Strategy in the Health and Wellness Industry

**Activation**
**4.4X** Increase in Sessions per User With Multichannel Messaging*

*when using two channels vs. one*

**Monetization**
**3X** Increase in Customer LTV**

**Retention**
**2.3X** Increase in 90-day Retention**

**with a cross-channel approach, compared to performance with a single channel*

**ACE TIP**

By adding email and in-app messages to mobile push, fitness brands can see an average 58% increase in 30-day retention.

For telemedicine brands, adding in-app messages to mobile push and email results in an average 43% increase in 30-day retention.

# Headspace Invests in User Relationships With a Free Membership
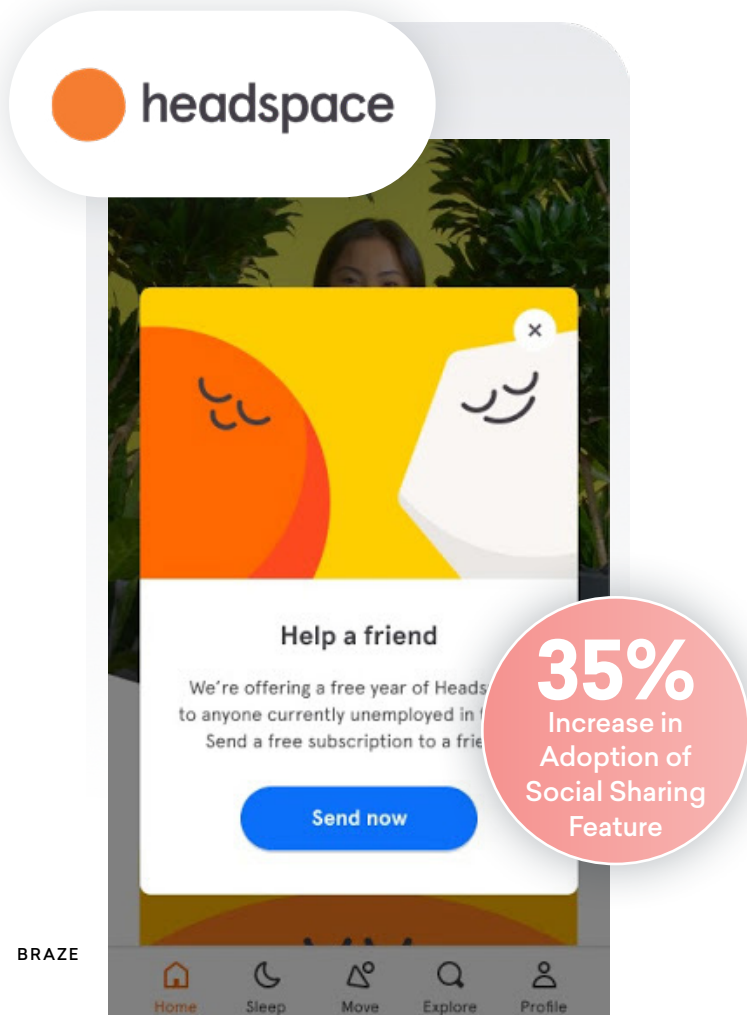
Headspace, an international wellness brand known for its meditation app, strives to improve health and happiness around the world. To help combat rising levels of stress and anxiety due to the COVID-19 pandemic, they offered **one-year of their premium subscription free to anyone facing unemployment** in the UK and US. Using Braze Canvas, our customer journey tool, Headspace designed a **multi-path onboarding experience** to support their new members. They also **used in-app messages to capitalize on the success of SMS for driving referrals:** When customers clicked on a custom in-app message, it gave members a pre-populated SMS with the membership offer to send to their friends.

**35%**
Increase in Adoption of Social Sharing Feature

### Help a friend
We're offering a free year of Heads to anyone currently unemployed in Send a free subscription to a frie

**Send now**

While Headspace demonstrates all **Ace Factors**, here's where they really shine.

| Classification | Channels | Orchestration |
| --- | --- | --- |
| Culture | Strategy | |

# Media and Entertainment: The Acceleration of Streaming

If 2020 was the **year of streaming**, then 2021 will be the year of retention. We've seen an explosion of growth as new services, shows, and live events crop up in response to COVID-era quarantining. With this surge in opportunity comes even deeper competition as the table stakes for what impresses customers continues to rise.

To tackle this challenge, media brands must recognize that great content should be complemented by a robust, personalized customer engagement strategy to achieve long-term success.

## Media and Entertainment Brands Work to Stand Out in a Crowd
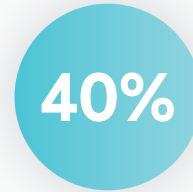
**40%**
List standing out in a crowded market as their top challenge this year
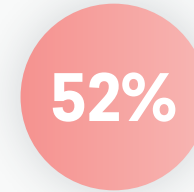
**52%**
Of their budget is allocated toward acquisition

**30%**
Spend more than half their budget on retention

## The Impact of a Cross-Channel Engagement Strategy in the Media and Entertainment Industry

**Activation**
**2.4X** Increase in Sessions per User*

**Monetization**
**3X** Increase in Customer LTV*

**Retention**
Retained **80% Longer***

*with a cross-channel approach, compared to performance with a single channel*

**ACE TIP**
By adding mobile messages (push or in-app) to email, streaming brands see an average 2.2X increase in 30-day retention.

# NBA Re-Engages Users With a Cross-Channel Mobile Approach

In the midst of the pandemic, everyone wanted to know how the National Basketball Association (NBA) would respond, and fans checked the league's mobile app daily. Given the challenge of restarting the NBA season at a time when fans are not accustomed to watching the games, the NBA knew they had to be strategic with **announcing their new Restart plans in order to get users to subscribe and watch via League Pass**, the league's live game subscription service. To re-engage users, the league created **in-app messages (IAM) with custom HTML that updated daily** with upcoming games. They also supported Restart events with **out-of-product messaging through rich push notifications** personalized with each recipient's favorite teams and dynamic content that allowed viewers to sync their calendars to the schedule. The start of the season saw a 9.5X increase in daily active users, a 25X lift in sessions, and a 17X increase in new users.

**9.5X**
Increase in Daily Active Users

While the NBA demonstrates all **Ace Factors**, here's where they really shine.

💬 Channels    🎛 Data    🖼 Personalization

🗺 Objectives    ❌ Strategy

# QSR and Delivery: A Divided Industry Still Serves it Up

There's no sugarcoating it: The restaurant industry bore the brunt of the COVID-19 pandemic. Although delivery has soared, the almost year-long disruption continues to dominate the restaurant landscape as brands balance providing a tangible product in an increasingly online-focused world. The most successful brands have embraced digital-first experiences to better acquire and retain customers.

On the flip side, delivery brands benefited as consumers stayed home throughout most of 2020. In this crowded industry, brands need to focus on every aspect of the customer journey to stand out.

## QSR and Delivery Brands Focus on Achieving Revenue Goals

**32%**
Exceeded revenue goals over the past 12 months, the least out of any industry

**84%**
Are concerned with translating customer engagement metrics to revenue goals, the highest of any industry

**48%**
Say acquisition is harder than retention, which tracks with QSR brands spending more money on acquisition

## The Impact of a Cross-Channel Engagement Strategy in the QSR and Delivery Industry

**Activation**
**5.9X** Increase in Sessions per User*

**Monetization**
**4.7X** More Purchases per User*

**Retention**
Retained **2.4X** Longer*

*with a cross-channel approach, compared to performance with a single channel*

**ACE TIP**
QSR brands see an average 43% increase in repeat buyers when they add mobile push to email.

# Grubhub Leveraged Dynamic Personalization to Increase Referrals

**GRUBHUB**

Kaitlyn's
**TASTE**
OF **202**

YOUR YEAR IN REVIEW

TOP DISH
**Awesome Bowl**
Times ordered: 13

FIRST ORDER OF 2020

**18%**
Lift in Word-of-Mouth Referrals

**100%**
Increase in Social Media Mentions

Always pushing for more meaningful consumer experiences, leading food delivery brand Grubhub wanted to create personalized year-in-review emails for each diner. The email was **customized across 32 different attributes**, giving diners an engaging rundown of their ordering activity during the past year. Using the Braze API to pull in data directly from Grubhub's data warehouse, the emails also leveraged Braze **dynamic personalization** features to ensure that each diner had a unique, highly relevant experience. The yearly summary email saw a 100% increase in social media mentions year-over-year and a 18% lift in word-of-mouth referrals to the app–**all from a campaign based on first-party data from Grubhub diners.**

While Grubhub demonstrates all **Ace Factors**, here's where they really shine.

| 💬 Channels | ⚙️ Data | 📋 Personalization |
| --- | --- | --- |
| 💎 Culture | 🐾 Staffing | |

# Retail and Ecommerce: Brand Loyalty Is Even More Important—and Harder to Earn

In retail, **loyal customers** are hard to come by. Consumers aren't just looking for great products or brands, they're looking for great experiences. More than almost any other industry, retail customers want to feel connected to—and understood by—the brands they shop from. It's no surprise that customer engagement is a major priority within this vertical.
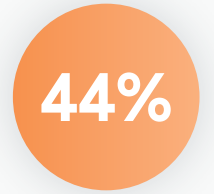
## Retail Brands Continue to Invest and Evolve

**61%**
Plan to increase their marketing budget in 2021, the highest of any industry
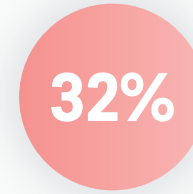
**32%**
Of retail/ecommerce brands are ranked as Activate

**44%**
Plan to invest more in customer satisfaction measurement and customer engagement

## The Impact of a Cross-Channel Engagement Strategy in the Retail and Ecommerce Industry

**Activation**
**58%** More Likely To Make a Purchase*

**Monetization**
**3.2X** Increase in Customer LTV*

**Retention**
**73%** Increase in 90-day Retention*

*with a cross-channel approach, compared to performance with a single channel*

**ACE TIP**
Adding mobile push and in-app messages to email can result in an average 48% increase in repeat buyers for retail and ecommerce brands.
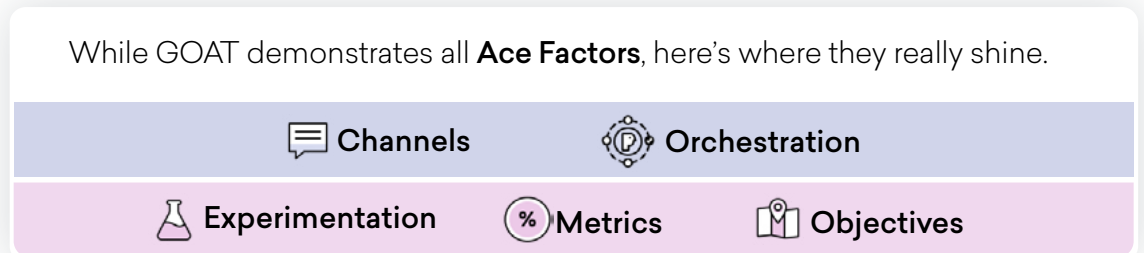
# GOAT Drives 39% Repeat Purchase Rate With Iterative A/B Testing

The global destination for buying and selling authentic sneakers, apparel, and accessories, GOAT wanted to **increase repeat purchase rate for one-time buyers** by using a promo code to drive second purchases.

They developed **a cross-channel campaign using Canvas**, the Braze customer journey builder, to send a dynamic set of emails and push notifications over a 30-day period to users that were predicted to drive incremental value. Members received an email with a unique promo code as well as **personalized product recommendations** dynamically pulled in via the Braze platform's Connected Content personalization feature. The team also leveraged **A/B testing and uplift modeling**, ultimately driving a 39% repeat purchase rate and 9% increase in gross merchandise value (GMV).

**39%**
Repeat Purchase Rate

**9%**
GMV Increase

While GOAT demonstrates all **Ace Factors**, here's where they really shine.

💬 Channels 　　　　 Orchestration
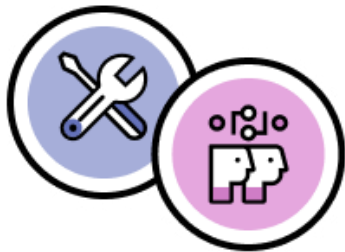
🧪 Experimentation 　　 % Metrics 　　 Objectives

# Conclusion

**Customer Engagement is More Important Than Ever**

This year, more brands around the world see customer engagement as critical to growth and will point more of their growing budgets towards it while working to connect metrics to tangible business outcomes.

**Ace Brands Combine Tech and Teams to Achieve Ace Results**

Top-performing brands embrace cross-team collaboration, data agility, and other customer engagement must-haves, supporting exceptional relationships that drive real business value.

**Every Brand Has a Toolkit Available to Activate and Retain Valuable Customers**

By using a cross-channel approach, brands can leverage the best technology, latest channels, and real-time data to succeed in the face of new and unforeseen challenges.

Get in touch to learn more
### BRAZE.COM/CONNECT-WITH-SALES

# Methodology

**WAKEFIELD**

## Survey Data

The Braze Customer Engagement Survey was conducted by Wakefield Research among 1,300 Marketing Executives with a minimum title of VP, working at companies with a minimum annual revenue of $10m. The survey was conducted between December 15th–December 23, 2020 using an email invitation and online survey. The survey was fielded in 10 markets: US, UK, France, Germany, Singapore, Indonesia, Malaysia, Thailand, South Korea, and Australia.

**braze**

## Customer Data

For this analysis, Braze pulled anonymized and aggregated behavioral data from over 770 brands across our US, APAC, and EU clusters to analyze app activity, message engagement, and purchasing trends by industry. These statistics span January 1–December 31, 2020 and include data from over 5 billion user profiles and 56 sub-industries. The raw data has been cleaned using volume and company count checks so that no one brand or group of brands is over-represented. For all purchase- and messaging-related stats, only brands tracking the relevant information have been included so as not to skew the analysis.

## METHODOLOGY: KEY DEFINITIONS

- **Average user lifetime** is defined as the time elapsed in days between the user's first session date and their last session date.

- **Buyers (%)** is defined as the % of users who made at least one purchase.

- **Customer lifetime value (LTV), or average revenue per purchaser** is defined as total spend in dollars divided by the total number of buyers.

- **Purchases per buyer** is defined as total purchases divided by total buyers.

- **Purchases per user** is defined as total purchases divided by total users.

- **Repeat Buyers (%)** is defined as the % of first-time buyers (repeat buyers divided by total buyers) who make at least one more purchase.

- **Retention:** All retention numbers are calculated as *the number of users who open the digital property on or after day N* divided by *the number of users with a first session on day 0,* multiplied by *100%.* This is a standard rolling retention methodology. We conducted these analyses according to each user's first session date (day 0) and their last session date (day N). The difference between these two dates is the number of days that the user was retained in total. The user is counted as retained for all days between their first and last session, regardless of how often they actually return to the digital property within that range.

- **Session frequency** is defined as the total number of sessions divided by the total number of users.

# Customer Engagement Index Methodology

The Braze Customer Engagement Index measures brands' sophistication across 12 competencies. For this analysis, the Braze customer engagement survey asked global brands to describe their approach to these competencies in a series of twelve questions. Each answer earned respondents 0-2 points, for a total of 0-12 points for Organizational Maturity and 0-12 points for Technological Maturity.

| TECH | | | |
|---|---|---|---|
| Competency | Activate | Accelerate | Ace |
| **CHANNELS** Technology choice | Mix of in-house and vendor-supplied solutions, or different technology solutions supporting different channels | Single vendor solution in place that executes across in-product and out-of-product channels | Single vendor solution in place, plus use of channel optimization |
| **CLASSIFICATION** How customer segments are sorted | Based on the channels through which customers selected to receive messages | Based on customer information and past behavior or engagement | Sorted on a real-time basis as new inputs are collected |
| **DATA INGESTION** Data sources | Combination of zero-, first-, and third-party data | Combine many sources of data like Activate brands, plus use of AI or modeling to generate additional insights | Have the same characteristics as Accelerate brands, plus data flows in real-time |
| Data relevance | Not real time | Not real time | Real time |

| TECH Competency | Activate | Accelerate | Ace |
|---|---|---|---|
| **ORCHESTRATION** How customer experiences are orchestrated | One primarily-used channel, or campaigns within multiple channels that are not orchestrated or connected | Multiple channels in a single interface; campaign-oriented | Multiple channels in a single interface; instrumented for automated customer lifecycles |
| **PERFORMANCE** How performance feedback is analyzed and acted upon | Static results from one campaign informs decision-making for the next | Results are synced with insights/data generated from other platforms | Results are synced with insights/data generated from other platforms, plus performance feedback automatically updates audience rules and adjusts in-progress programs |
| **PERSONALIZATION** How personalization is triggered | Customer-provided account information like birthdays and names, or past customer behavior like views and purchases | Customer engagement with digital properties, like browsing behavior, clicks, and views, or based on customer context from internal systems or public APIs | Use the same personalization tactics as Accelerate brands, plus send-time optimization based on real-time data |

| TEAMS | | | |
|---|---|---|---|
| Competency | Activate | Accelerate | Ace |
| **CULTURE** How work gets done | Waterfall, with collaboration occurring rarely or less frequently than once per month | Bi-weekly or weekly collaboration | Agile, several times per week or continuous/non-stop |
| **EXPERIMENTATION** Strength of test and learn culture | No framework in place, or one-off experiments | Continuous testing with many experiments running at once | Continuous testing like Accelerate brands, and with counterparts on other teams |
| **METRICS** How success is measured | Mix of message engagement and product adoption | Mix of message engagement and product adoption, plus some advanced metrics like customer lifetime value (LTV) | Longtail of basic engagement metrics, product adoption, and top-line/bottom-line business metrics |
| **OBJECTIVES** How success is defined | Mostly team-focused, with each team or department evaluated for its part | A mix, with a single definition of success across the company split out based on the role each team played | Company-wide, with a single definition of cross-functional success across all teams |

| TEAMS | | | |
|---|---|---|---|
| Competency | **Activate** | **Accelerate** | **Ace** |
| **STAFFING** Ownership of customer engagement programs | A single team, either marketing or non-marketing (e.g. IT) | The marketing team, in collaboration with other teams like engineering | Cross-functional digital team(s) |
| Involvement of ancillary teams (e.g. merchandising, store or branch operations, supply chain, branding) | Not involved | Not involved | Highly, somewhat, or slightly involved |
| **STRATEGY** | Not specific, with few metrics in place | Somewhat specific, with activities that generally support overall business goals | Very specific, with planned or known business outcomes that point back to specified growth benchmarks over time |

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