

THE GLOBAL CUSTOMER ENGAGEMENT REPORT, 2021

No Turning Back: The Customer Engagement Revolution

What every organization needs to know about consumer communications behaviors to win—and retain—customers in the era of digital immediacy

Executive Summary

Vonage's Global Customer Engagement Report, 2021—the tenth in the series—shows just how much the world has changed in two years, changes that would have been impossible to predict.

In 2020, companies were just catching up to rapidly evolving consumer preferences and new communications channels when physical stores and in-person services suddenly shut down. COVID-19 lurched businesses into the digital realm and transformed how consumers engage with each other as well as with companies and service providers.

With the world reopening in 2021, we surveyed 5,000 consumers from 14 countries about how exactly COVID-19 changed the way they communicate with the brands they buy from and the services they rely on across a range of industries. What did we find out?

Customer engagement broke away from the one-way, disjointed, frustrating communication experiences of the past. Digital channels emerged, with sharp and sustained growth in video chat, chatbots, app-based messaging and calling, while stalwart communication methods such as SMS, email, and traditional voice calls held steady. We're now in an age where customers expect ultra-fast, seamless, and dynamic customer experiences catered to their needs at any given moment. And they are ready to leave any business when their experiences consistently fall short.

This report is what every organization needs to navigate the ever-evolving demands of customer engagement to stay ahead in this new era.

Consumer expectations have changed forever—there is no turning back—and businesses that fail to engage their customers digitally will lose them to those who are.

THE STATE OF PLAY

A New World of Customer Behavior and Expectations

Before we explore how companies can best take advantage of the transformation in customer engagement, we first need to know where things stand—how are people around the world using communications channels today, and how has that changed?

The Big Movers in 2021

Video Chat Is the New Phone Call

- 3/4 of respondents worldwide video chat with friends and family.
- 1 in 5 video chat every day.
- There has been 300 percent growth in the number of respondents who chose video chat as the number one channel for talking to companies.
- **3 in 5** consumers worldwide are video chatting with businesses or service providers more now than they were 18 months ago.

Might of the Messaging Apps

- Consumers use and prefer WhatsApp to call and text more than any other messaging channel, beating SMS and Facebook Messenger.
- WhatsApp is 160 percent more popular now than SMS.
- Nearly 1/2 of all consumers use WhatsApp to connect with businesses.

Live Chat Comes to Life

• 1 in 5 consumers use live chat or in-app chat daily.

Email Has Gone the Way of the Snail

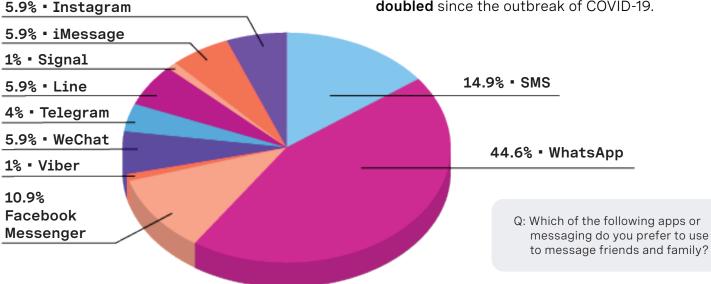
When connecting with businesses, consumer preference for email is on the decline. Among the top three preferred communication channels, it has dropped 14 percent since January 2020, and messaging is nipping at its heels.

Mobile and SMS Aren't the Only Way

While everything is happening on mobile devices, preferences for messaging apps, embedded voice calling, and video chat, have shot up alongside the native voice and SMS apps.

SMS no longer reigns supreme. While still popular, as consumers flock to messaging apps, we've seen a 21 percent decline in the daily use of SMS to communicate with business and service providers since January 2020.

Consumer preference for messaging apps has **doubled** since the outbreak of COVID-19.



Channel Leaderboards

Channels Used for Communicating With Businesses and Service Providers on a Daily Basis

Consumers are increasingly using emerging digital channels to connect with businesses every day. While traditional channels such as voice calls (via mobile phone or messaging app), email, and messaging (via SMS or messaging app) remained at the top, emerging channels such as chatbots and video experienced strong, sustained growth over the past two years.

TOP EMERGING CHANNELS

% CHANGE January 2020 to July 2021



Q: How often do you connect with any business or service provider using each of the following? ... Daily

Preferred Channels for Communicating With Businesses and Service Providers

The stalwart channels that people have come to rely on over decades — preferences that even the unprecedented events of 2020 couldn't completely disrupt — aren't going anywhere. Voice calls, email, and messaging still lead in consumer preferences, but the popularity of emerging digital channels such as video and messaging apps surged during the pandemic.

Favorite Channel	% Ranked in Top 3 July 2021
Mobile phone call	56%
Email	48%
Landline phone call (including VoIP)	25%
Phone call via messaging apps	25%
Messaging via non-SMS apps	22%
SMS text message	19%

FAVORITE CHANNEL

% CHANGE January 2020 to July 2021

Video chat

Messaging via non-SMS apps

29%

Phone call via messaging apps

14%

Q: What are your favorite ways to connect with a business or service provider?

Businesses and service providers will always need to engage customers and prospects with calls, texts, and emails, but the ones that adopt a multichannel strategy are best positioned to win now and in the future.



SUSTAINED TRANSFORMATION

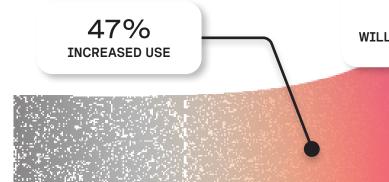
The Point of No Return for Customer Engagement

The data is emphatic and universal: The spikes in digital engagement we saw during COVID-19 were not a momentary blip. Consumers who embraced new and emerging channels of communication during the pandemic did not revert back to old habits. Customer engagement has permanently changed and there will be no return to the pre-2020 norms.

Usage of digital channels (video chat, chatbots, non-SMS messaging apps, etc.) has grown considerably, while more traditional channels (SMS, mobile voice calls, email) have declined.

Nearly half of respondents (47 percent) have increased their use of these digital channels to engage with businesses and service providers in the past 12-18 months.

How the Pandemic Has Increased Consumers' Overall Digital Engagement With Businesses and Service Providers



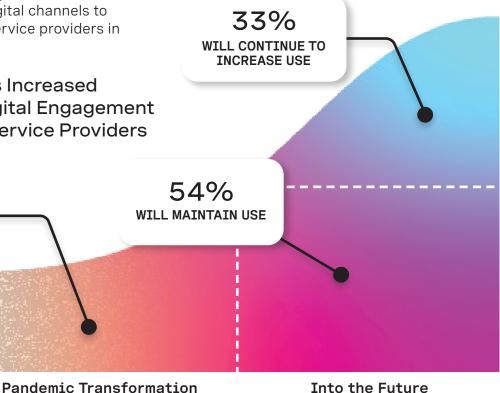
Q: Since the outbreak of COVID-19, has your digital engagement with [businesses and service providers]

increased, decreased, or stayed the same?

Jan 2020 - Aug 2020

No Signs of Slowing

- More than 1/2 of consumers (54 percent)
 expect to maintain this level of digital
 engagement in the next 6-12 months
- 33 percent say they will increase it even further in the next 6-12 months
- Nine out of 10 of consumers (87 percent) will not be going back to the way they engaged with businesses and service providers before the pandemic



June 2022 and beyond

Q: And in the next 6-12 months, will your digital engagement with [businesses and service providers] increase, decrease, or stay the same?

Pre-Covid

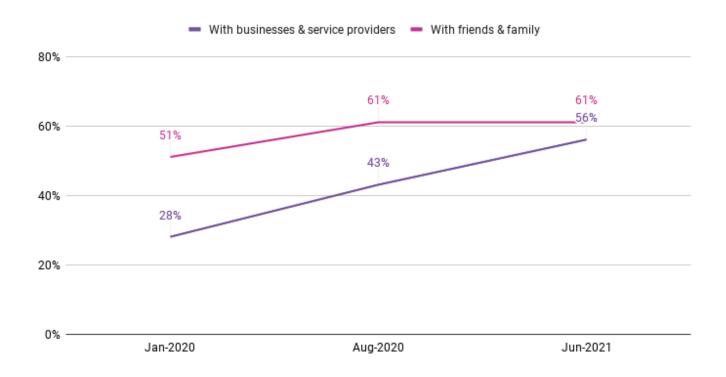
Spotlight

The Incredible (and Ongoing) Rise of Video Chat

Let's look specifically at video chat, the rising star of the emerging digital channels.

Tracking global video chat usage since January 2020 shows the stunning increase in consumer-to-business video communication. While personal use of video chat grew strongly initially (to 61 percent penetration), use of video chat in consumer-to-business **doubled** to reach almost the same level (56 percent) as personal usage.

Growth of Regular Video Chat Globally



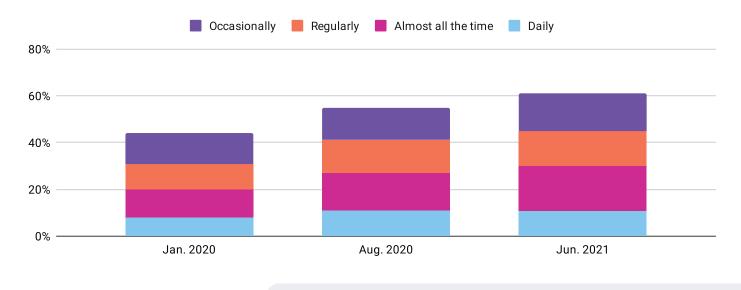
In the U.S. we can track the adoption of video chat back even further. Our data shows an initial growth from 2015 to 2018, slight stagnation for two years, and then unprecedented growth since January 2020. The use of video chat in consumer-to-business scenarios is now only slightly behind personal use with friends and family.

Not only are more people video chatting, but they are doing it more often as well.

- Q: How often do you currently communicate with friends and family using each of the following? ... Video chat
- Q: How often do you connect with any business or service provider using each of the following? ... Video chat



Frequency of Video Chat With Businesses and Service Providers



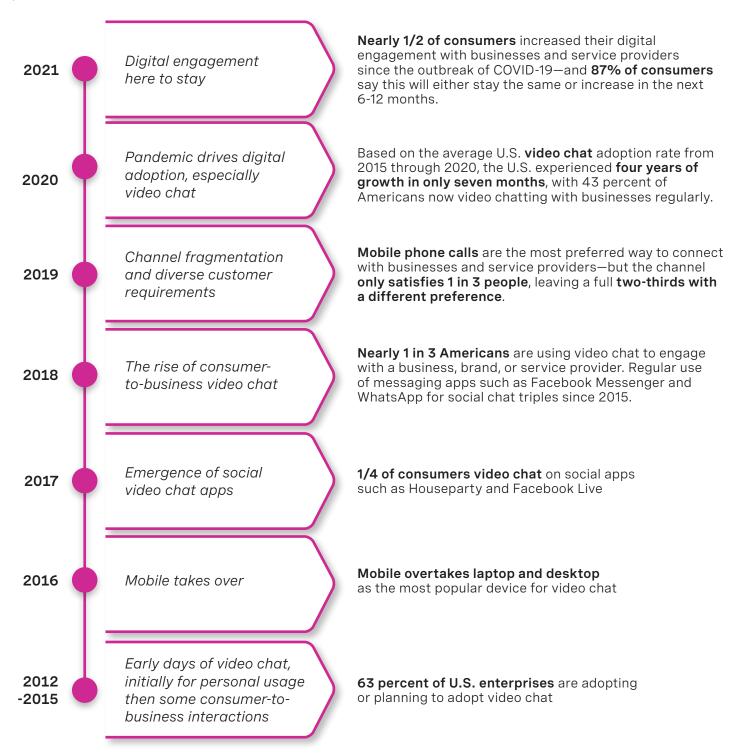
Q: How often do you connect with any business or service provider using each of the following? ... Video Chat

While that level of growth is remarkable, what's even more so is there is no sign of letting up. Four in five respondents expect their use of video chat with friends and family to stay the same (55 percent) or increase even further (35 percent) during the next six months, a harbinger of video's continued growth in business communications.



Customer Engagement Timeline

Looking back at previous Vonage Customer Engagement Reports, we identified the trends and inflection points that have led us to this new era.



In hindsight, it is easy to see that consumer adoption of digital channels is a continuum. Clearly, COVID-19 restrictions accelerated it, but as customers grew more digitally savvy and demanding and new communication channels emerged, we were destined for this new era of digital engagement. And the stakes have never been higher for businesses and service providers.

THE BUSINESS IMPACT OF DIGITAL EXPECTATIONS

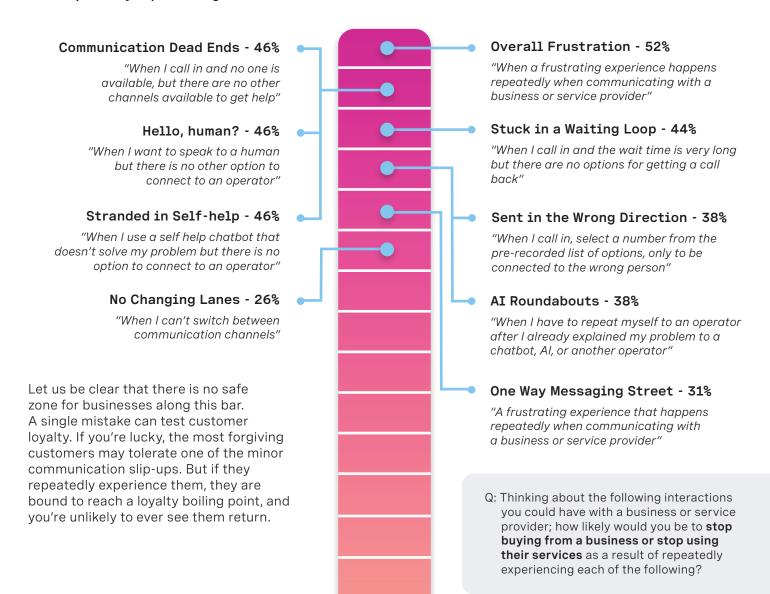
Customer Engagement Danger Zones

In previous years, the Vonage Global Customer Engagement Report has highlighted which customer experience mishaps annoy customers most. Is it long wait times, or repeating information, or a lack of communication options? For the first time, this report dives into the business impact of these frustrations. How much will a customer tolerate before their loyalty is exhausted and they go elsewhere? With customer expectations increasing, loyalty is tenuous at best, but some communications nuisances are far riskier than others.

Customer Loyalty Breaking Point

This is the zone no business or brand wants to enter—where one of these costly customer engagement mistakes can make up to **half** of your customers **stop buying from you or using your services**.

Here are the proportion of consumers who are very likely to stop buying from a business or using its services after repeatedly experiencing these interactions.



The 2021 Customer Engagement Rule Book for Any Business

While COVID-19 is a global pandemic, the impact has not been universal. Different responses by governments, unique challenges and opportunities for different industries, and even stages of life have altered how people feel, behave, and respond.

This section dives into customer behavior and expectations across different industries, geographies, and age groups.

Find your industry and read the insights relevant to your organization.



Healthcare

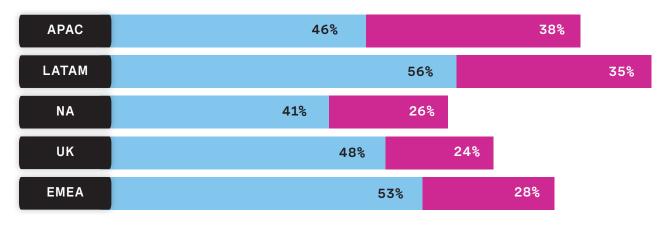
Digital Engagement is Here to Stay

- Consumers are using video chat to connect with healthcare services 50 percent more today than they were in 2020.
- 1 in 4 consumers use video chat in key healthcare scenarios including remote consultations, remote therapy, and describing symptoms.
- 44 percent of consumers worldwide have increased their digital engagement with healthcare providers since the outbreak of COVID-19.
- 56 percent say they will continue to engage at this rate in the next six months, while another 31 percent say it will increase again in the next six months.
- Consumers under 40 years old (Millennials and Gen Z) are set to increase their digital engagement in healthcare more than those aged 40 and older.

	Increase	Decrease	Stay the Same
Under 40	37%	15%	49%
40 and Over	26%	11%	63%

Q: And in the next 6-12 months, will your digital engagement with HEALTHCARE providers increase, decrease or stay the same?

Increase in Healthcare Digital Engagement



- Since Covid Outbreak
 Now 2022
- Q: Since the outbreak of COVID-19, has your digital engagement with HEALTHCARE providers increased, decreased, or stayed the same?
- Q: And in the next 6-12 months, will your digital engagement with HEALTHCARE providers increase, decrease, or stay the same?



Most Preferred Channels

Voice call, video chat, SMS, messaging (non-SMS), Al/chatbot, choice of any channel

	Channel	% Chosen
	Voice call	35%
Speaking with a therapist for a counseling session	Video chat	28%
	Choice of any channel	14%
Consulting a doctor or specialist about a non-emergency condition	Voice call	37%
	Video chat	25%
	Choice of any channel	13%
Making an	Voice call	31%
appointment or receiving and replying to updates about an	Messaging (non-SMS)	21%
appointment	SMS	18%

Q: Still thinking about HEALTHCARE, what communication channel would you prefer to use in each of the following scenarios?

Banking & Finance

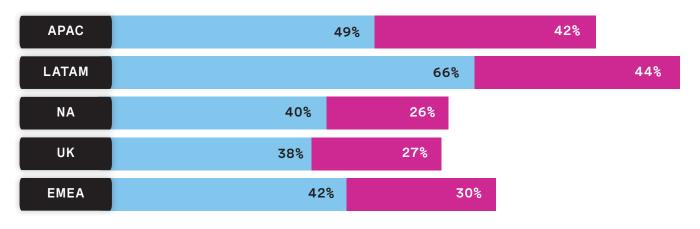
Digital Engagement is Here to Stay

- Consumers are using video chat to connect with banking and financial services 25 percent more today than they were since the outbreak of COVID-19 in 2020.
- 1 in 4 consumers use video chat in key banking and finance scenarios including getting step-by-step advice about a banking product or discussing investments with a financial planner.
- 48 percent of consumers worldwide have increased their digital engagement with banking and financial services since the outbreak of COVID-19.
- **55 percent** say they will continue to engage at this rate in the next six months, while another **35 percent** say it will increase again in the next six months.
- Consumers under 40 years old (Millennials and Gen Z) are set to increase their digital engagement more than those aged over 40.

	Increase	Decrease	Stay the Same
Under 40	41%	12%	47%
40 and Over	29%	6%	64%

Q: And in the next 6-12 months, will your digital engagement with BANKING & FINANCE providers increase, decrease or stay the same?

Increase in Banking & Finance Digital Engagement



Since Covid Outbreak
Now - 2022

- Q: Since the outbreak of COVID-19, has your digital engagement with BANKING & FINANCE providers increased, decreased, or stayed the same?
- Q: And in the next 6-12 months, will your digital engagement with BANKING & FINANCE providers increase, decrease, or stay the same?



Most Preferred Channels

Voice call, video chat, SMS, messaging (non-SMS), Al/chatbot, choice of any channel

	Channel	% Chosen
Discussing	Voice call	47%
and viewing investment options with your financial planner	Choice of any channel	15%
or advisor	Video chat	13%
Getting step-by- step advice about a banking service	Voice call	42%
	Choice of any channel	15%
	Video chat	13%
Receiving and replying to updates about your account balance or account activity	Voice call	27%
	SMS	26%
	Messaging (non-SMS)	19%

Q: Still thinking about BANKING & FINANCE, what communication channel would you prefer to use in each of the following scenarios?

Education

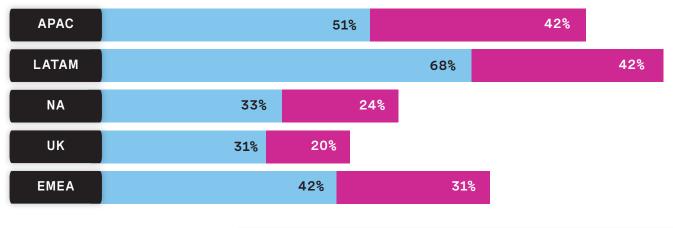
Digital Engagement is Here to Stay

- Consumers are using video chat to connect with education providers 35 percent more today than they were since the outbreak of COVID-19 in 2020.
- More than one third of consumers video chat in key education scenarios including remote tutoring and virtual classrooms.
- 47 percent of consumers worldwide have increased their digital engagement with education providers since the outbreak of COVID-19
- **53 percent** say they will continue to engage at this rate in the next six months, while another **34 percent** say it will increase again in the next six months.
- Consumers under 40 years old (Millennials and Gen Z) are set to increase their digital engagement more than those aged over 40.

	Increase	Decrease	Stay the Same
Under 40	41%	15%	44%
40 and Over	27%	10%	62%

Q: And in the next 6-12 months, will your digital engagement with EDUCATION providers increase, decrease or stay the same?

Increase in Education Digital Engagement



Since Covid Outbreak
Now - 2022

- Q: Since the outbreak of COVID-19, has your digital engagement with EDUCATION providers increased, decreased, or stayed the same?
- Q: And in the next 6-12 months, will your digital engagement with EDUCATION providers increase, decrease, or stay the same?



Most Preferred Channels

Voice call, video chat, SMS, messaging (non-SMS), Al/chatbot, choice of any channel

	Channel	% Chosen
	Video chat	37%
Learning and studying remotely with a tutor	Voice call	20%
	Choice of any channel	18%
Engaging with other students and teachers in a virtual classroom	Video chat	42%
	Choice of any channel	17%
	Voice call	16%
	Messaging (non-SMS)	27%
Receiving and replying to updates	SMS	20%
	Choice of any channel	17%

Q: Still thinking about EDUCATION, what communication channel would you prefer to use in each of the following scenarios?

Retail & Ecommerce

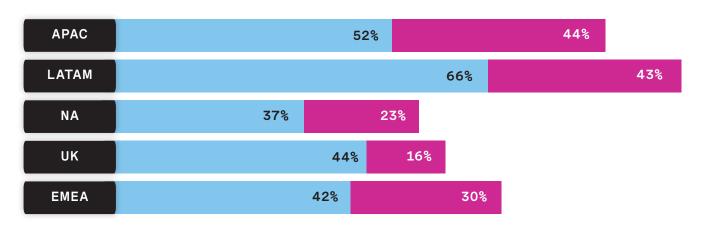
Digital Engagement is Here to Stay

- 48 percent of consumers worldwide have increased their digital engagement with retailers and e-commerce platforms since the outbreak of COVID-19.
- 55 percent say they will continue to engage at this rate in the next six months, while another 34 percent say it will increase again in the next six months.
- Consumers under 40 years old (Millennials and Gen Z) are set to increase their digital engagement more than those aged over 40.

	Increase	Decrease	Stay the Same
Under 40	39%	13%	48%
40 and Over	28%	10%	62%

Q: And in the next 6-12 months, will your digital engagement with R ONLINE OR RETAIL STORES providers increase, decrease or stay the same?

Increase in Retail & Ecommerce Digital Engagement



- Since Covid Outbreak
 Now 2022
- Q: Since the outbreak of COVID-19, has your digital engagement with ONLINE OR RETAIL STORES providers increased, decreased, or stayed the same?
- Q: And in the next 6-12 months, will your digital engagement with ONLINE OR RETAIL STORES providers increase, decrease, or stay the same?



Most Preferred Channels

Voice call, video chat, SMS, messaging (non-SMS), Al/chatbot, choice of any channel

	Channel	% Chosen
Shopping for	Voice call	28%
an expensive or specialized item with the help of a	Messaging (non-SMS)	17%
retail sales advisor	Choice of any channel	17%
	Messaging (non-SMS)	24%
Receiving and replying to order updates and track deliveries	SMS	23%
deliveries	Voice call	19%
	Voice call	28%
Chatting with a buyer or seller to look at an item or organize the sale	Messaging (non-SMS)	21%
organize the sale	Choice of any channel	15%

Q: Still thinking about RETAIL/E-COMMERCE, what communication channel would you prefer to use in each of the following scenarios?

Media, Gaming, Online Dating

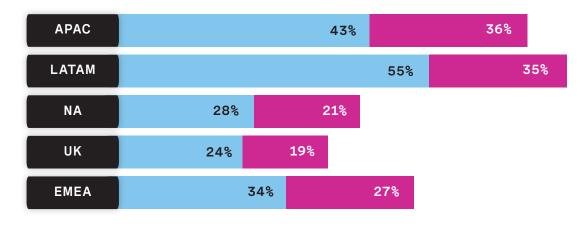
Digital Engagement is Here to Stay

- Consumers are using video chat to join a live broadcast online 25 percent more today than they were since the outbreak of COVID-19 in 2020.
- 1 in 5 consumers prefer to video chat when chatting with a person through a dating app.
- 39 percent of consumers worldwide have increased their digital engagement with media, gaming and online dating platforms since the outbreak of COVID-19.
- 57 percent say they will continue to engage at this rate in the next six months, while another 29 percent say it will increase again in the next six months
- Consumers under 40 years old (Millennials and Gen Z) are set to increase their digital engagement more than those aged over 40.

	Increase	Decrease	Stay the Same
Under 40	36%	15%	49%
40 and Over	23%	12%	65%

Q: And in the next 6-12 months, will your digital engagement with MEDIA, ENTERTAINMENT, GAMING, ONLINE DATING providers increase, decrease or stay the same?

Increase in Media, Gaming & Online Dating Digital Engagement



- Since Covid Outbreak
 Now 2022
- Q: Since the outbreak of COVID-19, has your digital engagement with MEDIA, ENTERTAINMENT, GAMING, ONLINE DATING providers increased, decreased, or stayed the same?
- Q: And in the next 6-12 months, will your digital engagement with Media, ENTERTAINMENT, GAMING, ONLINE DATING providers increase, decrease, or stay the same?



Most Preferred Channels

Voice call, video chat, SMS, messaging (non-SMS), Al/chatbot, choice of any channel

	Channel	% Chosen
	Choice of any channel	26%
Joining a live broadcast online	Video chat	15%
	Voice call	15%
	Choice of any channel	26%
Engaging with other players in a live multiplayer online game	Video chat	22%
	Voice call	17%
Chatting with a person through a dating app	Choice of any channel	25%
	Messaging (non-SMS)	21%
	Video chat	18%

Q: Still thinking about MEDIA, ENTERTAINMENT, GAMING, ONLINE DATING, what communication channel would you prefer to use in each of the following scenarios?

Transportation & Travel

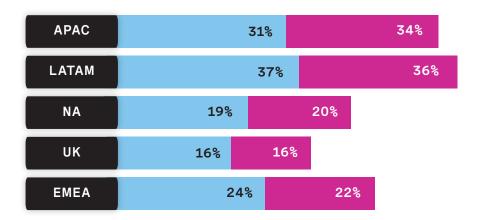
Digital Engagement is Here to Stay

- 27 percent of consumers worldwide have increased their digital engagement with ridesharing platforms since the outbreak of COVID-19.
- 54 percent say they will continue to engage with ridesharing platforms at this rate in the next six months, while another 27 percent say it will increase again in the next six months.
- 35 percent of consumers say they will increase their digital engagement with travel services such as airlines, booking platforms and accommodations in the next six months.
- Consumers under 40 years old (Millennials and Gen Z) are set to increase their digital engagement more than those aged over 40.

	Increase	Decrease	Stay the Same
Under 40	41%	19%	40%
40 and Over	28%	14%	57%

Q: And in the next 6-12 months, will your digital engagement with TRANSPORTATION & TRAVEL providers increase, decrease or stay the same?

Increase in Ride Sharing Digital Engagement

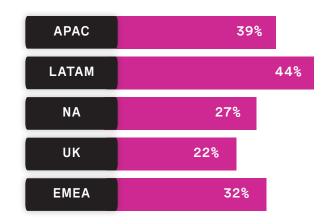


- Since Covid Outbreak
 Now 2022
- Q: Since the outbreak of COVID-19, has your digital engagement with TRANSPORTATION & TRAVEL providers increased, decreased, or stayed the same?
- Q: And in the next 6-12 months, will your digital engagement with TRANSPORTATION & TRAVEL providers increase, decrease, or stay the same?

Increase in Travel Digital Engagement

While services including airlines, accommodation and booking platforms virtually came to a standstill during the peak of COVID-19, consumers say they will increase digital engagement with these services in the next 6-12 months.

Q: In the next 6-12 months, will your digital engagement with TRAVEL services such as air travel and accommodation or booking sites increase, decrease, or stay the same?





A Percentage Scoreboard for How **Consumers Want to Connect**

	Most Preferred Channels Voice call, video chat, SMS, messaging (non-SMS), Al/chatbot, choice of any channel		
	Channe1	% Chosen	
Receiving and replying to updates about a flight	SMS	23%	
	Voice call	22%	
	Messaging (non-SMS)	22%	
Speaking to your host, hotel or guide about a booking	Voice call	39%	
	Messaging (non-SMS)	17%	
	Choice of any channel	14%	

Q: Still thinking about TRANSPORTATION & TRAVEL, what communication channel would you prefer to use in each of the following scenarios?



At Work

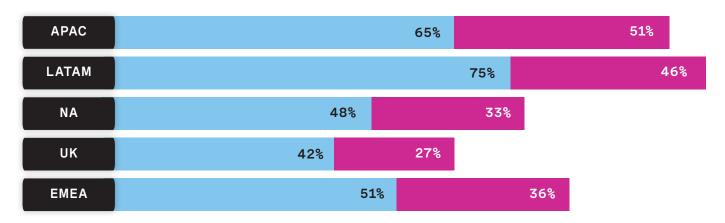
Digital Engagement is Here to Stay

- 59 percent of workers worldwide have increased their digital engagement while working from home, in the office or on the road since the outbreak of COVID-19.
- 46 percent say they will continue to use digital engagement at this rate in the next six months when at work, while another 46 percent say it will increase again in the next six months.
- Workers under 40 years old (Millennials and Gen Z) are set to increase their digital engagement more than those aged over 40.

	Increase	Decrease	Stay the Same
Under 40	44%	15%	40%
40 and Over	38%	10%	52%

Q: And in the next 6-12 months, will your digital engagement while WORKING FROM HOME, IN THE OFFICE, OR ON THE ROAD increase, decrease or stay the same?

Increase In Digital Engagement Working From Home, in the Office, or on the Road



- Since Covid Outbreak
 Now 2022
- Q: Since the outbreak of COVID-19, has your digital engagement while WORKING FROM HOME, IN THE OFFICE, OR ON THE ROAD increased, decreased, or stayed the same?
- Q: And in the next 6-12 months, will your digital engagement while WORKING FROM HOME, IN THE OFFICE, OR ON THE ROAD increase, decrease, or stay the same?



Most Preferred Channels

Voice call, video chat, SMS, messaging (non-SMS), Al/chatbot, choice of any channel

	Channel	% Chosen
Demonstrating, servicing or selling a product/service to a customer	Video chat	33%
	Voice call	26%
	Choice of any channel	14%
Collaborating with your team or customer on an important project	Video chat	38%
	Voice call	24%
	Messaging	12%
When you are on the road or out in the field and need to join a meeting	Voice call	31%
	Video chat	26%
	Choice of any channel	13%

Q: Thinking about WORKING FROM HOME, THE OFFICE, OR ON THE ROAD, which communication channels have you used in each of the following scenarios?

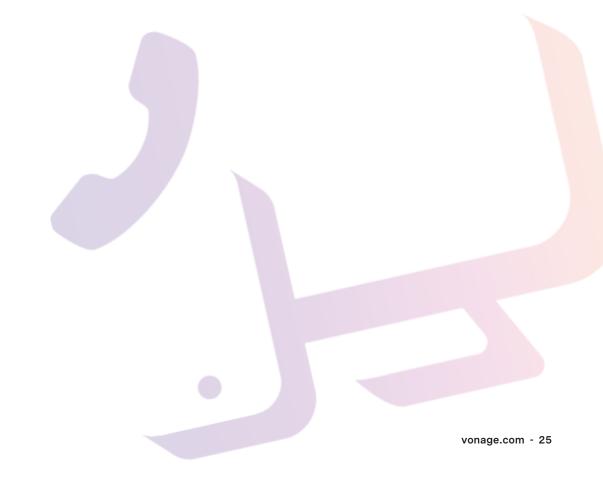
CONCLUSION

Winning in the New Era of Digital Customer Engagement

If the last two years have taught us anything, it's just how quickly businesses and service providers must react to our unpredictable world and the customer communication preferences that change with it.

The remarkable growth in digital engagement since the outbreak of COVID-19 is here to stay. Customer engagement has moved into the digital realm forever, and there is no turning back.

As the world reopens, companies simply cannot afford to be lulled into inactivity. With customer expectations increasing, simply adding digital channels alone is not enough. If you want to win—and retain—customers in this new era of customer engagement, every digital conversation on every channel needs to work together flawlessly. A single mistake can test even the most loyal of customers. But how can you avoid these costly customer experience mistakes? And how can you integrate the array of preferred digital channels to deliver winning customer experiences each and every time?



How Vonage Can Help

With Vonage's cloud contact center software, communications APIs, and flexible global platform, it's now easier than ever to deliver outstanding customer engagement across a worldwide customer base.

Vonage offers an **integrated experience** that unifies the contact center with the rest of the organization on the same communications platform. This enables agents to collaborate with experts across your entire organization to most effectively resolve customer issues.

Vonage Contact Center also tightly **integrates** with Salesforce, enabling features such as advanced routing to the best available agent and customized dashboards with updated details for service and sales teams. Organizations leverage this integration to reach customers on their channels of choice, automate resources to create time and address more complex asks, and link with Einstein Analytics to unlock hidden insights.

Vonage APIs are communications building blocks you can use to make every interaction count. From growing startups to established organizations, companies such as Alibaba, Expedia, and Uber rely on Vonage APIs to build best-in-class communications solutions at scale with programmable messaging, voice, video, and more.

Newly added to Vonage's suite of products is the Jumper.ai platform, which helps any organization enable Al-powered conversational commerce by turning notifications into conversations. Jumper. ai creates omnichannel, messaging-first customer engagement and shopping journeys across social, messaging, and web (WhatsApp, Facebook Messenger, Apple Business Chat, Instagram, Twitter, SMS, LINE, Google Ads, websites, and more).

Get up and running fast with our team of experts and flexible plans that can scale to meet your business needs. Choose from simple **pay-per-use pricing** or add the services you need, including our **Enterprise Plan** with hands-on support, consulting expertise, accelerated integration, and platform SLAs.

Get Started

Vonage APIs
Learn more | Contact us

Vonage Contact Center Learn more | See plans

About the Study

In partnership with Boston Research Services, Vonage interviewed 5,000 consumers across four continents and 14 countries (United States, Canada, United Kingdom, Australia, China, Japan, Indonesia, Malaysia, Germany, France, Russia, United Arab Emirates, Mexico, and Brazil) to further understand the lasting impact of COVID-19 on how consumers engage with businesses and with each other. The global study, The Global Customer Engagement Report, included a statistically representative distribution of respondents across age (18-55+), region, and country to understand response differences among gender, generational, and geographical segments. The survey was conducted in July 2021.

