MessageGears™

2021 B2C Digital Marketing Trends

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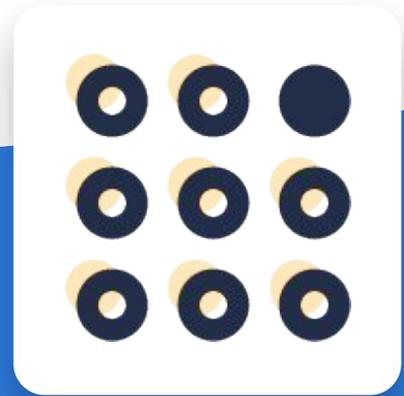
2021 B2C Digital Marketing Trends

Much changed in 2020 about the way marketers worked, from the technology they used to the frequency with which they visited company offices. But many things did not change, including the extent to which B2C marketers relied on digital messaging to engage customers and prospects.

This report seeks to understand how the COVID-19 pandemic affected marketers serving large consumer-facing brands and how those organizations plan to tackle the new reality as 2021 progresses.

Methodology

MessageGears partnered with Upwave, the brand intelligence platform based in San Francisco, who studied 151 B2C marketers between January 28, 2021 and February 01, 2021. Through Upwave's Digital Network, participants were interviewed in exchange for access to content or a service and received no monetary payment for their participation.

Participants were limited to B2C marketers manager-level and above at brands with at least $100M in annual revenue and email marketing volume of at least 5 million messages per month.

# Importance of
Cross-Channel Messaging

Messaging Impact on the Overall Business

How important are digital messages (text, email, etc.) relative to your organization's other marketing strategies?

Extremely important	90.7%
Somewhat important	9.3%
Not important at all	0.0%
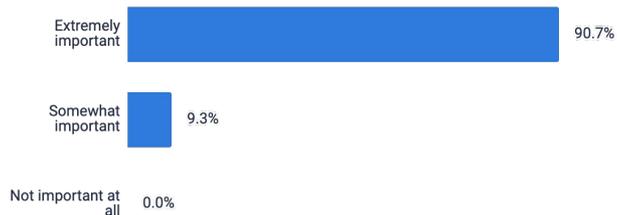
How important is digital messaging relative to the business goals of your company?

Extremely important	89.4%
Somewhat important	10.6%
Not important at all	0.0%
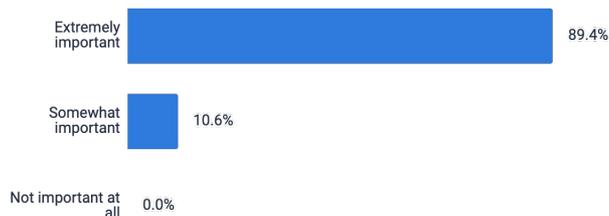
What percentage of your organization's sales come from digital messaging efforts (email, SMS, push)?

- Less than 20%: 2.6%
- 20-40%: 6.0%
- 40-60%: 32.5%
- 60-80%: 41.1%
- More than 80%: 17.9%
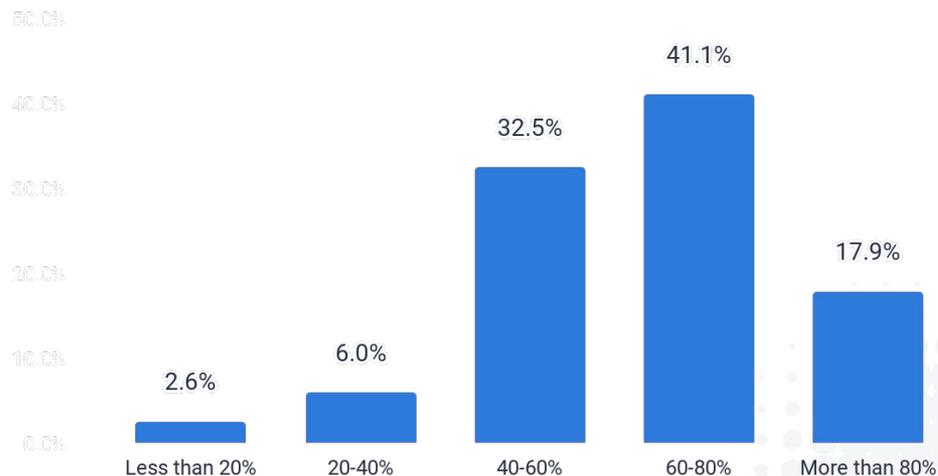
Budget Allocation

What % of your organization's overall marketing budget is spent on digital messaging?

	45.0%	
	36.4%	
7.9%		10.6%
Less than 10%	25% 50%	75% or more
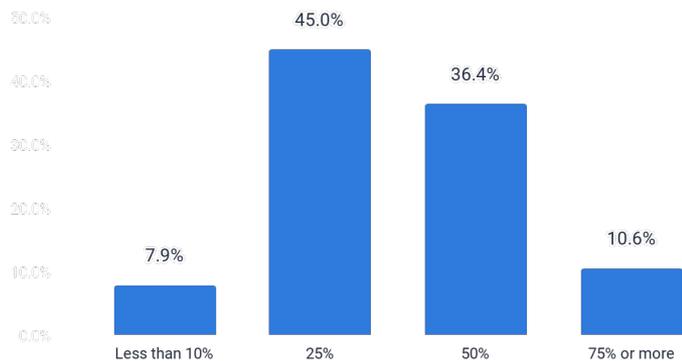
How does your organization's digital messaging budget compare to other marketing budget items?

Significantly more than other items — 19.9%
Somewhat more than other items — 44.4%
About the same as other items — 23.2%
Somewhat less than other items — 8.6%
Significantly less than other items — 4.0%
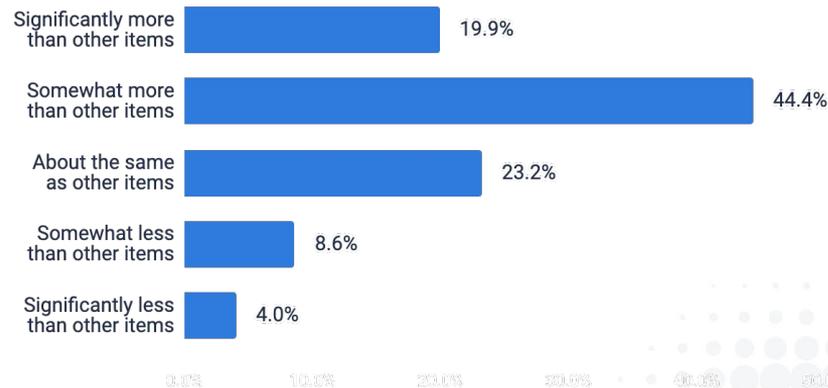
Factors for Success

What's the most important factor in making digital messaging successful?

Factor	Percentage
The right set of overall marketing technology	28.5%
Easily accessible customer data	25.2%
A talented, cohesive team to put it all together	21.9%
Support of great partners/agencies	19.2%
Buy-in and support from the executive team	5.3%
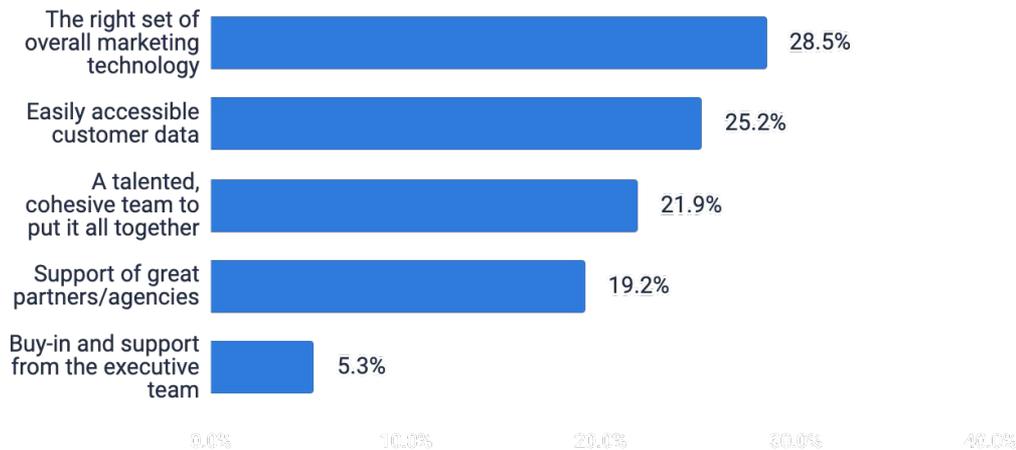
Marketers know that being able to meet and exceed consumer demands starts with being able to access relevant data and investing in the right tools to capitalize on it.

Cross-Channel Messaging Volume

Audience & Frequency

How many different people are receiving your organization's digital messages?

Category	Value
Less than 5 million	6.0%
5-10 million	27.8%
10-20 million	33.1%
20-40 million	22.5%
More than 40 million	10.6%
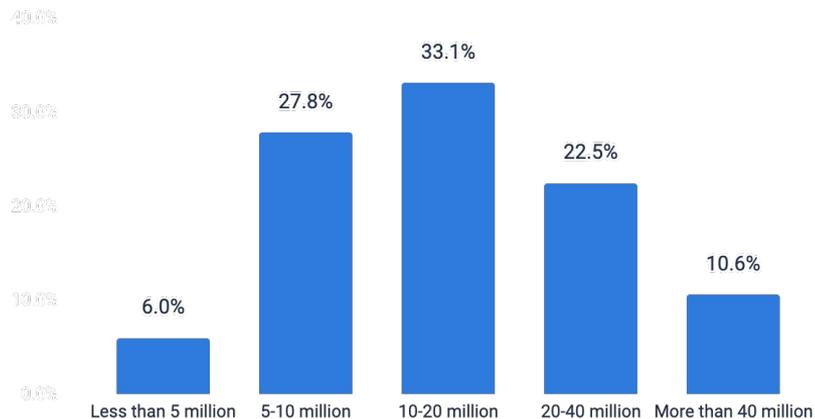
How often are marketing messages being sent?

Weekly
1.2%
Most days
12.0%

Multiple times a day
43.4%

Daily
43.4%
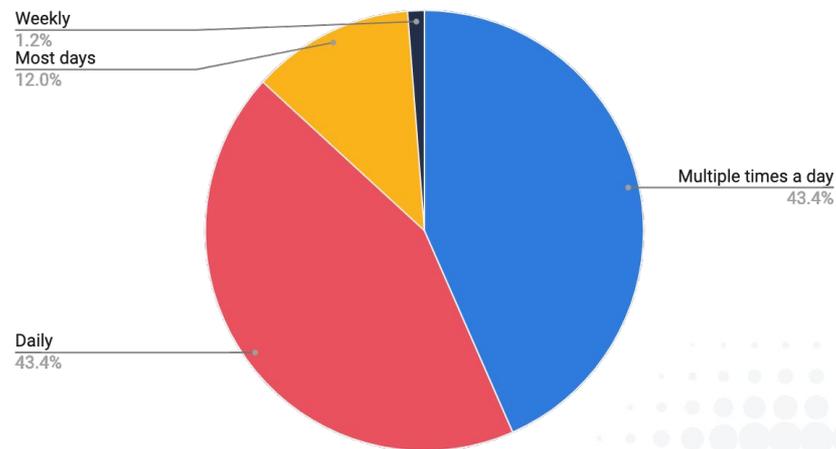
Message Volume Trends

How many digital marketing messages (email, push, SMS) does your organization send?

Legend: ■ 60-80 million ■ 80-100 million ■ 100-120 million ■ More than 120 million
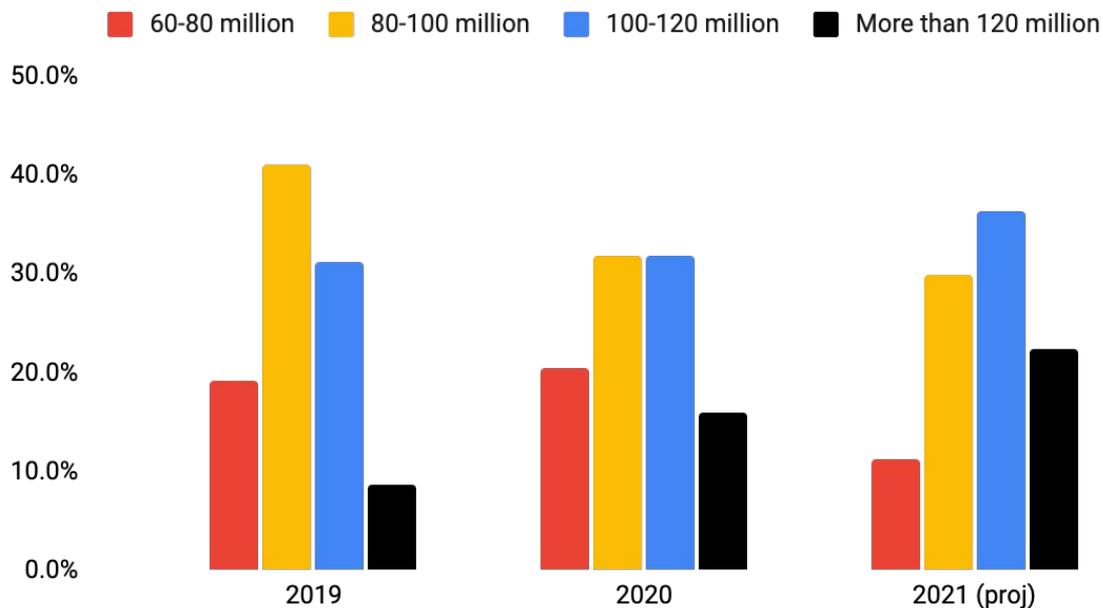
Messaging volume has increased over the past several years and marketers expect that trend to continue, with almost a quarter of respondents saying they expect to send more than 120M messages in 2021 (less than 10% sent that kind of volume in 2019).

Volume Increases

How soon do you expect to double the number of digital marketing messages your organization currently sends?

Category	Percentage
Within 2-3 Years	52.3%
By the end of 2021	33.8%
Within 4-5 Years	8.6%
5+ Years	4.6%
Never	0.7%

0.0%   20.0%   40.0%   60.0%
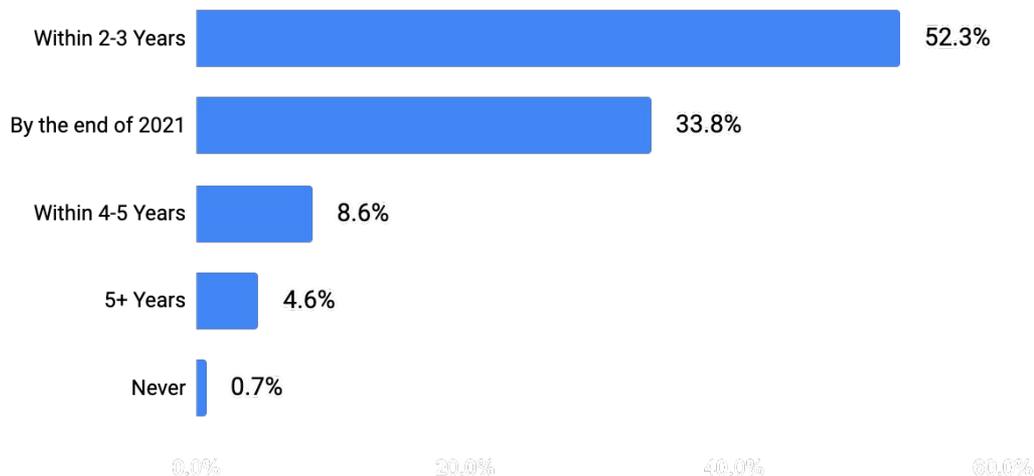
Enterprise marketers are planning to significantly increase the number of digital messages they're sending, with one-third saying they would double their number of messages sent by the end of 2021, and 53% saying their total would double by 2024.

2020 Impact

Goals

What were your organization's digital messaging goals heading into 2020?

Goal	Percentage
Improve personalization	66.2%
Modernize digital messaging tech stack	58.3%
Consolidate customer data	57.0%
Add new channels (mobile push, SMS, social, in-store, etc.) to strategy	51.7%
Explore changing to a new email service provider	41.7%
Add location-based messaging to strategy	36.4%
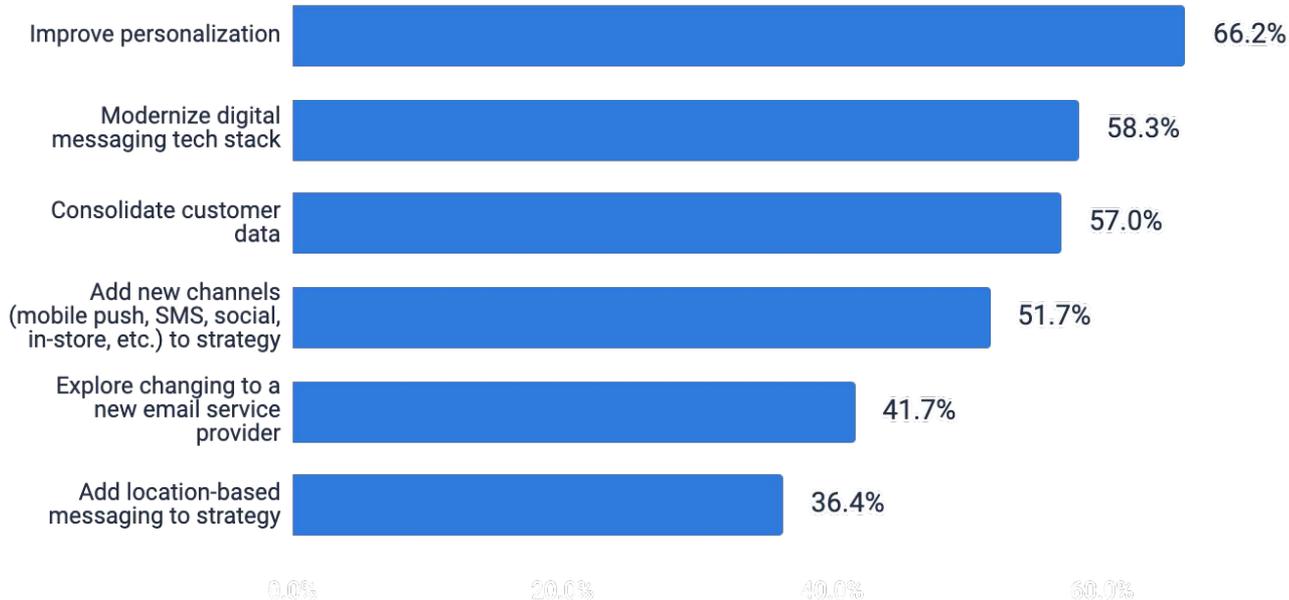
At the beginning of 2020, marketers were thinking of relatively routine enhancements and improvements to their approach.

Digital Marketing Challenges

What were your organization's biggest digital marketing challenges heading into 2020 vs. now? (choose all that apply)

	Heading into 2020	Now
How to best communicate during COVID-19	0%	36.4%
Driving new business	52.3%	14.6%
Disconnected or non-trustworthy customer data	31.1%	11.3%
Re-engaging lapsed customers	47.7%	9.3%
Needed to change email service providers	35.8%	8.6%
Silos between digital and brick-and-mortar	23.2%	7.9%
Inadequate staffing	25.2%	7.3%
Not enough budget	11.3%	3.3%
Other	2%	1.3%

Overload and Distress

How concerned are you about consumer overload from digital messages?

Not concerned at all
11.3%

Very concerned
41.7%

Somewhat concerned
47.0%
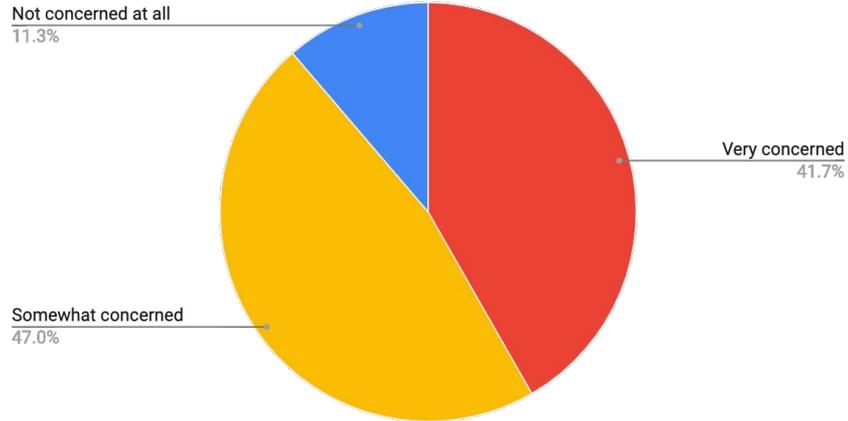
How concerned are you about consumer financial distress?

Not concerned at all
7.3%

Very concerned
39.1%

Somewhat concerned
53.6%
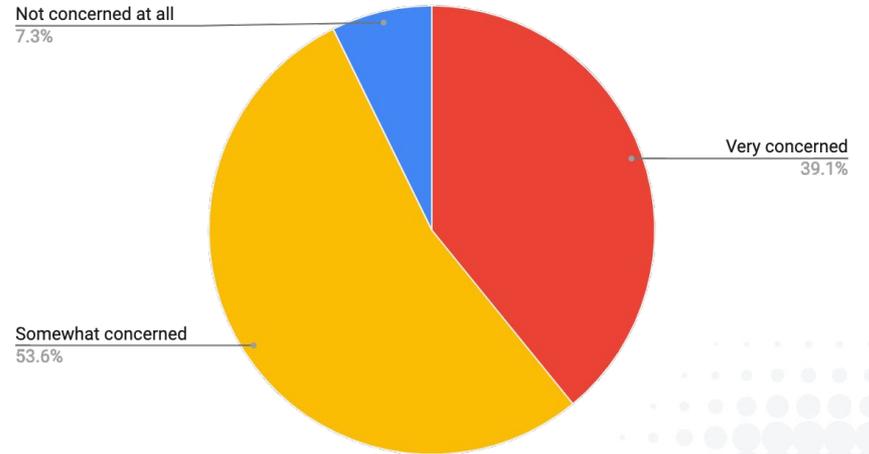
Changes

What changes did you make regarding your digital messaging strategy in 2020 based on 2020's challenges? (choose all that apply)

Category	Percentage
Adjusted messaging around COVID-19	58.9%
Improved new customer outreach program	51.0%
Increased budget	46.4%
Launched new re-engagement strategy	37.7%
Hired new digital marketing staff	29.8%
Invested in cross-channel technology to integrate digital with brick-and-mortar	27.8%
Consolidated data in a modern data warehouse or house-built database	25.2%
Switched email service providers	19.2%
We made no strategic changes in 2020	1.3%

0.0%   20.0%   40.0%   60.0%

Lessons

What digital messaging lessons did you learn in 2020? (choose all that apply)

Lesson	Percentage
Data access has to be a priority for all marketing teams	53.0%
Personalization is more important than ever	51.0%
Mobile push is worth a major investment	43.0%
Email is still our highest-ROI messaging channel	40.4%
We need to be nimble and ready to pivot when plans go awry	38.4%
Best-in-breed may be a better investment than all-in-one for our tech stack	34.4%
Sending fewer messagings can sometimes yield a better result	30.5%

Axis: 0.0%, 20.0%, 40.0%, 60.0%

In order to meet rising consumer demands, marketers understand that relevance and timeliness matters greatly. In order for those key elements to work, access to customer data must be a priority for marketing teams.

2021 Expectations

Changes

Marketers will continue to focus on the best way to message their customers as the world prepares to start opening back up in 2021.

## How will your digital messaging strategy change again this year?

Category	Percentage
Adjusting messaging around COVID-19	23.8%
Increasing budget	17.9%
Launching improved new customer outreach program	11.9%
Consolidating data in a modern data warehouse or house-built database	11.3%
Hiring new digital marketing staff	9.9%
Investing in cross-channel technology to integrate digital with brick-and-mortar	9.9%
Launching new re-engagement strategy	7.9%
Switching email service providers	5.3%
We don't anticipate any changes	2.0%

Success

What do you need to make your digital messaging strategy successful in 2021? (choose all that apply)

| Category	Percentage
Increased budget	55.0%
Better access to live customer data	51.7%
Technology that integrates messaging across channels	51.0%
Better, more responsive email service provider	45.7%
Larger digital marketing staff	41.1%
New CRM to help us manage customer database	39.7%
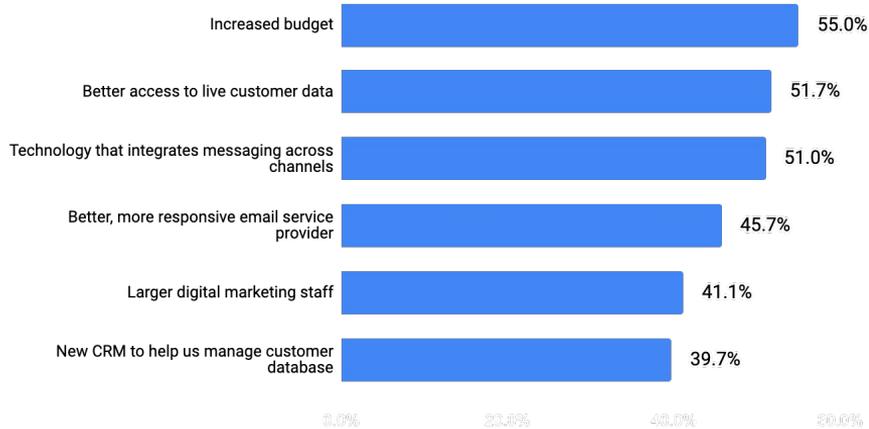
How likely is it that you'll receive the executive support necessary to achieve your digital messaging goals in 2021?

Unlikely
0.7%

Somewhat likely
25.2%

Very likely
74.1%
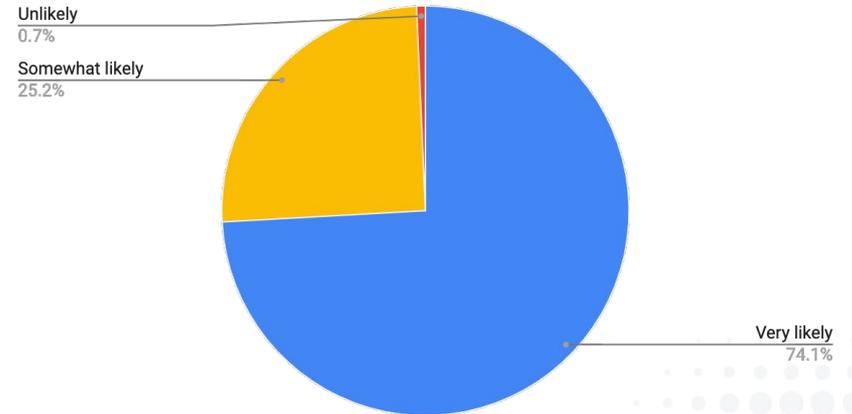
Budget

How much (people + tools) did your organization spend on messaging in 2020?

- Less than $1M: 3.3%
- Between $1M and $5M: 45.0%
- Between $5M and $10M: 35.8%
- More than $10M: 15.9%
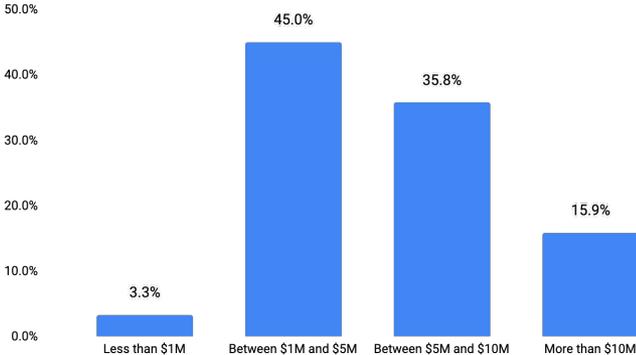
Do you expect that number to increase or decline in 2021?


- Stay the same: 16.6%
- Decrease: 3.3%
- Increase: 80.1%
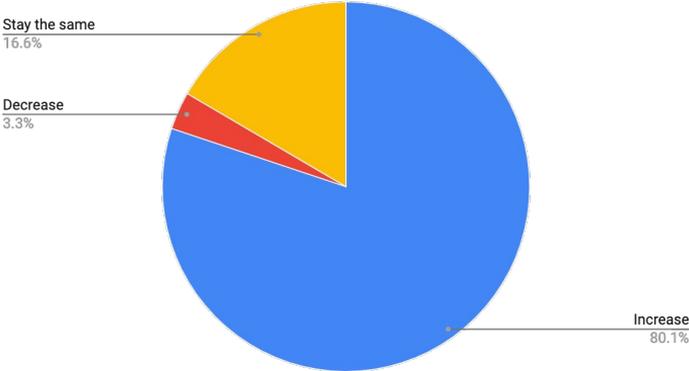
If you expect it to increase or decrease, by how much? (Choose the percentage that is closest)

	Less than 10%	25%	50%	75% or more
Increase	15.9%	39.7%	25.2%	19.2%
Decrease	50.3%	21.2%	21.9%	6.6%

Resources

How many hours per week do you spend on digital marketing strategy and execution?

Bar chart values:
- Fewer than 10 hours: 4.6%
- 10-20 hours: 34.4%
- 20-30 hours: 29.8%
- 30-40 hours: 24.5%
- 40+ hours: 6.6%
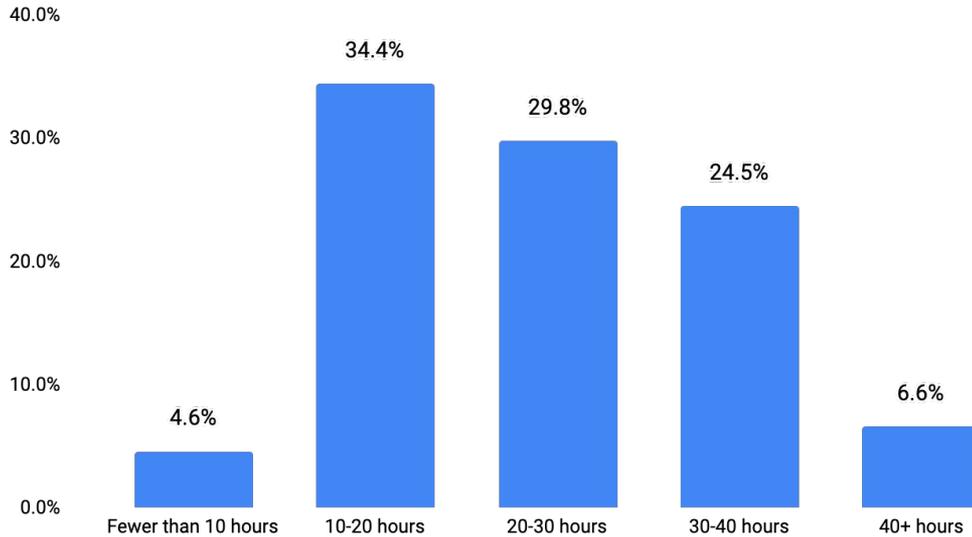
Do you expect that number to go up or down in 2021?

Pie chart values:
- Stay roughly the same: 15.9%
- Down: 4.0%
- Up: 80.1%
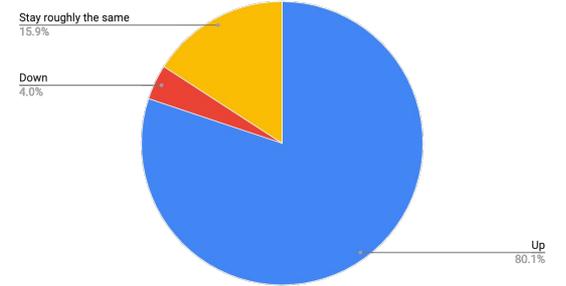
If you expect it to go up, by how much?

Bar chart values:
- Less than 20%: 7.4%
- 20-40%: 33.9%
- 40-60%: 28.1%
- 60-80%: 17.4%
- 80-100%: 10.7%
- More than 100%: 2.5%
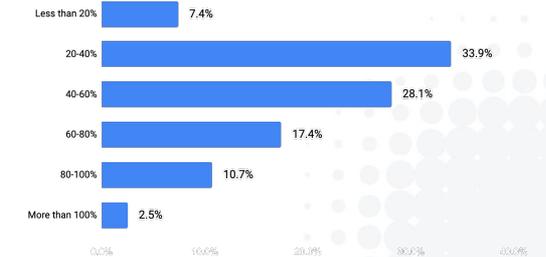
Modern Data Warehouse

Has or will your organization move to a modern data warehouse?

Response	Percentage
We plan to invest in a modern data warehouse in 2021	41.1%
We will likely invest in a modern data warehouse in the next 2-3 years	24.5%
We use a modern data warehouse (ex. Snowflake, Redshift, BigQuery)	23.2%
A modern data warehouse in not in our near-term plans	11.3%

0.0%   10.0%   20.0%   30.0%   40.0%
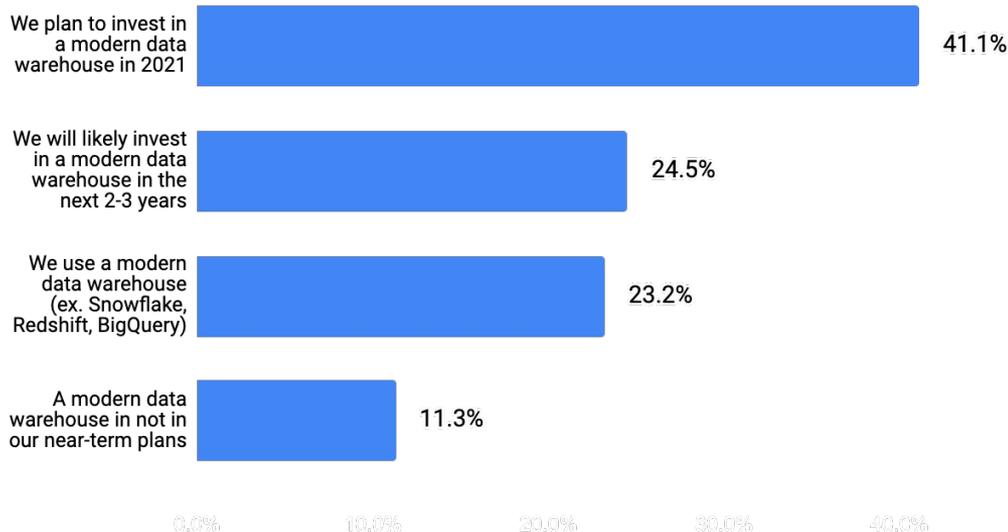
Brands will continue to migrate their data management to a modern cloud infrastructure like Snowflake, BigQuery, or Redshift. This consolidation has accelerated in the last few years as organizations look to meet customer expectations and help deliver great experiences.

Technology

Which recently acquired technology are you most excited about in 2021 as it pertains to your digital messaging strategy?

Category	Value
Integrated cross-channel technology	25.2%
Modern data warehouse or in-house database	16.6%
Render-on-open email technology	16.6%
CRM	15.2%
Email service provider	14.6%
Location-based push messaging	9.9%
We have no recently acquired technology	2.0%

0.0%　　　10.0%　　　20.0%　　　30.0%
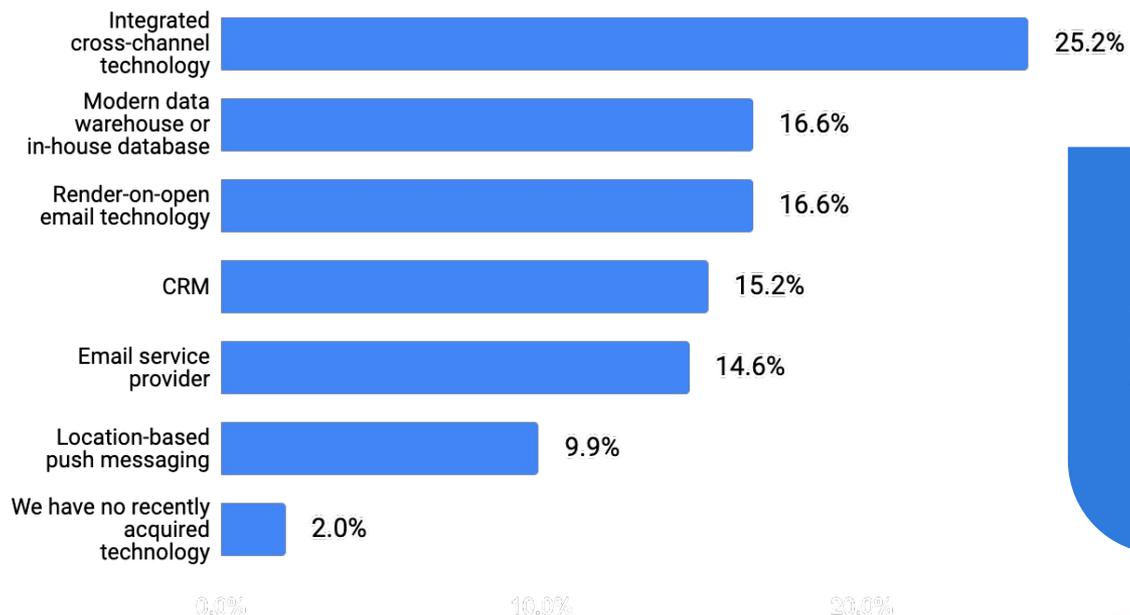
Being able to create unique experiences across channels and "surprise and delight" consumers with innovative tactics has marketers excited.