2019 STATE OF CONVERSATIONAL MARKETING
Drift and SurveyMonkey Audience have teamed up to bring you the 2019 State of Conversational Marketing, the ultimate resource for exploring how people prefer to communicate with businesses today. Inside, you’ll uncover insights and benchmarks for helping you have better customer conversations so you can create the best buying experience possible (and, in turn, drive more revenue).

Based on a survey of 1,000+ consumers, the 2019 State of Conversational Marketing is a follow-up to our 2018 State of Chatbots. In last year’s report, we looked at the expected benefits of chatbots, the blockers that were preventing people from using chatbots, as well as how chatbots compared to other communication channels. In this year’s report, we’re expanding our focus: Instead of looking exclusively at chatbots, we’re studying how chatbots fit into a broader conversational strategy.

THE RISE OF CONVERSATIONAL MARKETING

While some folks may still view chatbots as an alternative to human-to-human communication channels, the reality is that today, companies need both. It’s no longer a matter of “bots vs. humans.” Instead, the goal of modern businesses should be to make it as easy as possible for people to start conversations and buy on their terms, in real-time, when it’s most convenient for them. That’s what conversational marketing is all about. And over the past year, more and more businesses have been catching on.

Today, the global research firm Gartner recognizes conversational marketing as an independent category and notes that adopting a conversational strategy can help “reduce friction, enable service, improve conversions and raise satisfaction.” [Tweet this!] Meanwhile, the software review site G2, which also recognizes conversational marketing as an independent category, notes that “conversational marketing platforms help provide a higher standard of customer service at scale and simplify the overall buying process for potential customers around the world at any time of day.” [Tweet this!]

WHO IS THIS REPORT FOR?

Anyone who has a passion for driving growth and is eager to learn about the latest innovations in sales and marketing will find value in this report. Whether you work in sales, marketing, or customer success—or you’re an executive, business owner, or entrepreneurially-minded manager—the 2019 State of Conversational Marketing is for you.

For those of you who are new to the world of conversational marketing, think of this report as your introduction to a revolutionary new methodology—one that replaces lead capture forms and follow-ups with real-time conversations. As you’re about to discover, today’s buyers have a new set of expectations, which have been molded by their experiences with on-demand services like Uber, Netflix, and Amazon Prime Now. This is true even for business-to-business (B2B) buyers, who, like every other buyer today, expect answers NOW, not later.

For those of you who already have a conversational marketing strategy up and running, this report will highlight areas for improvement and offer insight into how buyer communication preferences are evolving. Regardless of your experience level, the findings from this year’s survey will help you fine-tune your strategy and drive revenue growth.
A SNEAK PEEK AT WHAT’S INSIDE...

Here are a few of our key findings from the 2019 State of Conversational Marketing:

1. Conversations, not forms. When asked what would prevent them from having a conversation with a chatbot, just 14% of survey respondents said that they’d prefer to fill out a website form. [Tweet this!] This finding illustrates the success of the “no forms” movement. As more and more companies abandon lead capture forms, buyers are becoming more comfortable having one-to-one conversations with chatbots.

2. The need for speed. One of the primary reasons today’s buyers prefer conversations over filling out forms is speed. Case in point: Just 11% of survey respondents expect immediate responses from forms, compared to 39% for one-to-one video calls and 42% for chatbots. Overall, people’s expectations of chatbot response times are nearly identical to their expectations for response times during face-to-face conversations. [Tweet this!] Which begs the question... why are 79% of Cloud 100 companies still using forms?

3. Email isn’t going anywhere. For years, so-called “thought leaders” have been predicting the end of email. But as we discovered in our survey, email usage has grown more than any other customer communication channel, with a third of survey respondents reporting that they used it more frequently over the past year. [Tweet this!]

4. Chatbots have a perception problem. Despite acknowledging the benefits that chatbots can provide—like being able to answer questions and resolve issues quickly, 24/7—buyers are still 2X more likely to say that chatting with a live human (e.g. via online chat) provides a better customer experience. [Tweet this!]

Keep reading for a deeper dive into this year’s survey results.

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The online experiences most businesses provide today no longer match the way people prefer to buy. With the rise of real-time, on-demand services, buyer expectations have evolved. Today, you can order just about anything online—like groceries or a ride to the airport—and have it arrive at your door in just a few hours (or minutes). Likewise, your favorite TV shows, movies, and music are all now just a few clicks away.

These days, buyers expect to be able to get what they want, when they want it. Unfortunately, not all businesses have caught on. There are still some major gaps between buyer expectations and the reality of the experiences businesses are providing. In our survey, we asked buyers to think about the online products and services they use on a regular basis, like search engines, mobile apps, and product websites. We then asked them about the frustrations they had experienced with those online products and services over the past month. Here’s what we found:

The top three frustrations people are facing online today are 1) getting answers to simple questions, 2) dealing with websites that are difficult to navigate, and 3) finding basic details about a business (e.g., address, hours of operation, or phone number).

Taken together, these three frustrations point to a broader underlying issue that’s been plaguing online experiences for years:

People can’t find the information they’re looking for quickly and easily.

When we look at last year’s survey, it’s the same story. People reported the same top three frustrations (albeit they appeared in a slightly different order). Overall, people have become less frustrated by online experiences year-over-year, with two key exceptions. First, more people reported being frustrated by not being able to get answers to simple questions. And second, more people reported being frustrated by not being able to receive service outside normal operating hours—or put another way, more people are frustrated that they can’t receive 24/7 service.

The good news here is that conversational marketing, and chatbots in particular, are perfectly suited to help ease these frustrations. Keep reading to learn more about how you can use conversational marketing and chatbots to answer customer questions and deliver the best experience possible, 24/7.

But if that’s the case, it begs the question: Why did just 13% of people report using chatbots in the past year? Given the chatbot can provide the same fast and simple experience as online chat—with the added benefit of being available around the clock—shouldn’t more people be using them?

One explanation to consider here is that more people are using chatbots, they just don’t know it. Since the survey data we’re looking at here is self-reported, it’s likely that some of our respondents chatted with—or scheduled a meeting—with a chatbot without even knowing they were interacting with a chatbot. In some cases, they may have thought they were talking to an actual human, which, for the record, is not ideal from a marketing and sales standpoint. (Pro tip: When using a chatbot on your website, you should always make it abundantly clear to visitors when they’re interacting with it.)

You can accomplish this by giving your chatbot a non-human-sounding name and by using an icon that is not a photo of a human face. See example below.)

It’s also worth noting that while chatbots have generated a ton of hype in the past few years, they’ve yet to saturate the market and gain widespread adoption like online chat has. (Translation: there’s still a ton of opportunity for businesses to use chatbots to engage with leads and customers.)

### How People Communicate with Businesses Today

For decades, telephone and email have been the dominant customer communication channels, and nearly every modern marketing, sales, and customer success team continues to rely on those two channels as part of their day-to-day operations. So when we asked survey respondents how they communicated with businesses over the past year, it wasn’t much of a surprise to see telephone and email at the top of the list. However, while telephone and email still reign supreme, it’s clear that buyers are also turning to newer communication channels to talk with businesses. For example, a third of survey respondents reported using online chat, which aligns with what we already know about the evolving expectations of buyers: They want faster, simpler experiences. And what could be faster and simpler than typing a question into a chat box and getting a response in real-time?
As new channels emerge and move to the forefront of customer communication, some “thought leaders” have predicted that older channels—like email—will inevitably fall by the wayside. But as our survey reveals, this just isn’t the case. Not only is email alive and well, it’s flourishing.

The overall trend is that younger customers are more likely to use these newer channels more frequently. But as you can see, there are some anomalies. For example, 25- to 34-year-olds report using online chat more frequently than the age group below them (18 to 24-year-olds). But at the same time, 25- to 34-year-olds report using video calls and chatbots less frequently than the age group above them (35- to 44-year-olds). Still, at a high-level, there’s no denying that younger people are more likely than older people to use newer communication channels more often.

A similar trend emerges when we filter the data based on the number of internet-connected devices (e.g. computer, tablet, smartphone, etc.) a person owns. In general, the more devices a person owns, the more likely it is that that person will use newer customer communication channels more often.

For businesses looking to increase engagement with leads and customers, understanding communication preferences is crucial. When reaching out to younger and more tech-savvy people (i.e. people who own lots of internet-connected devices), you may find that newer channels—like video messaging—will have a bigger impact, whereas the opposite will likely be true for people who are older and less tech-savvy. For those latter cases, sticking to the old stalwarts of customer communication—phone and email—may yield the best results.

Ultimately, your goal should be to communicate the way your leads and customers prefer to communicate. Remember: conversational marketing isn’t about forcing people to use specific channels, it’s about having conversations and providing the best experience possible.

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The Strengths (and Weaknesses) of Different Communication Channels

Now that we understand what communication channels people are using, let’s explore why people prefer to use them.

In our survey, we asked respondents to select the benefits they associated with popular customer communication channels. As you can see, the results provide an incredibly granular view of the strengths and weaknesses of these different channels.

Of all the channels we looked at, online chat earned the highest mark in any single benefit category, with a whopping 50% of respondents citing the channel’s convenience. Of those who associate with convenience with online chat.

One of the key takeaways here is that while telephone and online chat are beloved for a variety of reasons, they still can’t provide the round-the-clock service today’s buyers have come to expect. For that, businesses need chatbots. Or they need to set up service centers in different time zones and staff them with actual people, which, for a lot of businesses (especially startups) isn’t financially feasible. Chatbots make it possible for businesses of all sizes to provide a level of service that once only huge, multinational corporations were able to provide.

When we do a one-to-one comparison of the benefits of chatbots vs. online chat, it’s clear that people have higher expectations of the latter in virtually every benefit category, save the one we already mentioned: getting 24-hour service. In the next section, we’ll explore why people’s expectations of chatbots pale in comparison to their expectations for online chat and other human-to-human channels. But for now, let’s turn our attention to another important consideration when evaluating customer communication channels: response time.

As many marketers and salespeople already know, having a fast response time is crucial when trying to convert website visitors into leads, and leads into customers. Research shows that if you don’t respond to a new lead within five minutes, there’s a 10X decrease in your odds of ever connecting with that lead. If you don’t respond within 10 minutes, your odds of qualifying that lead will decrease by 400%. (That’s according to research by InsideSales.com, which was published in the Harvard Business Review.)

In our survey, we asked respondents to rate how soon they expect to get responses from different customer communication channels. The results reveal that website forms are among the slowest channels, while chatbots and video calls are among the fastest.

Specifically, just 11% of survey respondents expect immediate responses from forms, compared to 39% for one-to-one video calls and 42% for chatbots.
HOW ATTITUDES TOWARD CHATBOTS ARE CHANGING

When artificial intelligence (AI) researchers first introduced chatbots to the world,12 people tended to view them, at worst, as a gimmick, or at best, as an intriguing but ultimately useless technology. Flash forward to today, and there’s no doubt that attitudes toward chatbots are changing.

These days, people expect chatbots to be responsive and helpful. Instead of seeing them as gimmicky or useless, people are now starting to view chatbots as valuable alternatives to older, outdated technologies—like lead capture forms. As it turns out, Baby Boomers are more likely to expect benefits from chatbots than Millennials in four of the nine benefit categories we looked at.

After asking our survey respondents what benefits they would expect to enjoy from using chatbots, we filtered the results by Millennials (which we defined as 18- to 34-year-olds) and Baby Boomers (which we defined as 55- to 75-year-olds). As it turns out, Baby Boomers are more likely to expect benefits from chatbots than Millennials in four of the nine benefit categories we looked at.

1. Answers to simple questions (54% of Baby Boomers vs. 46% of Millennials)
2. Complaints resolved quickly (40% of Baby Boomers vs. 34% of Millennials)
3. Detailed / expert answers (29% of Baby Boomers vs. 27% of Millennials)
4. Easy communication (40.9% of Baby Boomers vs. 40.6% of Millennials)

And while these findings are certainly promising for businesses who are looking to use chatbots to engage with leads and customers across different age groups (or with older leads and customers in particular), don’t expect people to come running with open arms once you’ve got a chatbot up and running on your website. Because despite the fact that chatbots can solve the top problems people have with online experiences today (re: getting answers to questions, 24/7), chatbots have a perception problem.

As our survey reveals, people tend to view communicating with a live human (e.g. via telephone, online chat, video call, or video messaging) as a friendlier and more approachable experience than communicating with a chatbot. What’s more, they believe that those human-to-human channels provide a better customer experience overall.

Granted, this isn’t much of a surprise. Because when given the choice between talking to a human or talking to a chatbot, people are naturally going to perceive talking to a fellow human as a superior experience. But in practice, when leads and customers visit your website in search of information, the thing they care about the most isn’t friendliness or approachability, it’s finding what they’re looking for and getting their questions answered when it’s most convenient for them (i.e. in real-time, while they’re live on your site).

The reality is that chatbots do provide the type of customer experience people are seeking out, even if they don’t acknowledge it. And our survey data backs that up.

When we asked respondents what tasks they would use chatbots for, nearly a third said answering a question. Next came getting detailed answers or explanations (29%), followed by resolving a complaint or problem (27%) and receiving customer service (27%). What these findings also illustrate, however, is that most people don’t recognize the full potential of chatbots.

Instead of seeing chatbots as multi-purpose tools that can help with a variety of tasks, most people view chatbots primarily as question-and-answer machines. They typically don’t trust them to handle more important tasks, like scheduling meetings or making reservations at restaurants or hotels.

But why is this case? As you saw in an earlier chart—when we asked what would stop people from using a chatbot—nearly a quarter of survey respondents said they’d be afraid that a chatbot would make a mistake. And while making a mistake when answering a customer service question (e.g. by returning the wrong help doc) isn’t necessarily a big deal, messing up a reservation or calendar invite can be a big deal. Despite these fears, chatbots are actually better-suited for those types of tasks, since they remove the possibility of human error from the equation.

And as the data reveals, this is something that our tech-savviest respondents already understand.
How Attitudes Toward Chatbots Are Changing

When we filter our findings by the number of internet-connected devices people own, the overall trend is that people with lots of devices are more likely to use chatbots for important tasks than people with fewer devices. For example, a person who owns ten or more internet-connected devices is 2.3X more likely to use a chatbot to schedule a meeting than a person who owns between one and three devices. [Tweet this!]

Now that you have a better understanding of how people use chatbots, let’s take a look at where people use chatbots (i.e. at home or at work?), as well as who people use chatbots to communicate with (i.e. what types of organizations?). To hone in on the “where,” we started by identifying the people who are using chatbots the most for communicating with businesses. Next, we isolated that group—who we refer to as chatbot “power users”—and asked them how often they use chatbots at work versus in their personal lives.

As you can see, respondents who use chatbots more than five times per week (a.k.a. power users) do so at work more frequently than they do in their personal lives. [Tweet this!] Specifically, 45% of power users use chatbots at work more than five times per week, compared to 33% who use them in their personal lives more than five times per week. Again, this highlights how attitudes toward chatbots are evolving. People who use chatbots the most frequently aren’t simply using them for fun or because they’re curious about them, they’re using chatbots at part of their job.

As a result of these benefits, retailers are implementing chatbots at a higher rate than other industries. Juniper Research predicts that by 2023, more than 70% of the world’s chatbots will be retail-based. That same research firm predicts that retail sales from chatbots will double every year for the next several years, eventually reaching $112 billion by 2023. [Tweet this!]

All that being said, retail isn’t the only industry that will see chatbot-related growth in the near future. This becomes immediately apparent when we filter our survey data by age. For survey respondents between the ages of 18 and 24, software—not retail—is the top industry for chatbot engagement. And overall, younger respondents were more likely than older respondents to report engaging with chatbots across three of the nine industries we looked at. In addition to software, these include news media and government. Specifically, 18- to 24-year-olds are 8X more likely to engage with software companies via chatbot than people 55 and older; [Tweet this!] they’re 4X more likely to engage with the news media via chatbot than people 55 and older; and they’re 2.5X more likely to engage with governments via chatbot than people 55 and older.

As the years go on, these younger buyers will continue to make up a larger proportion of your potential customer base, regardless of the industry you’re in. In order to engage them, you’ll need to communicate the way they want to communicate. And that means pretty soon chatbots will no longer be a nice-to-have, but a must-have.
CONVERSATIONAL MARKETING TRENDS

This is the second year that Drift and SurveyMonkey Audience have teamed up to study how customer communication preferences are evolving. So we thought it’d be worthwhile to compare last year’s findings to this year’s to see what potential trends might be emerging.

Here are three key conversational marketing trends we uncovered:

1. Email isn’t dying, it’s growing. For years, headlines have claimed that email is on its way out. But when we look at our survey data from this year and last year, the opposite appears to be true: Email isn’t dying, it’s growing. In fact, of all the customer communication channels we analyzed, email is the only channel that grew year-over-year.

2. People now expect slower response times from forms (and faster response times from online chat and chatbots). Last year, 34% of survey respondents expected to get a response from a company within five minutes of filling out a website form. This year, that figure dropped to 27%.

3. The barriers preventing people from using chatbots are crumbling. Here’s another sign that the "no forms" movement is gaining steam: People are becoming more comfortable using chatbots as an alternative to forms. Last year, when we asked respondents what would stop them from using chatbots, 26% said that they’d prefer to fill out a form on a website and wait for a follow-up. This year, just 14% of respondents said the same.

The same trend holds true with other chatbot blockers, including preferring to interact with people (43% last year vs. 38% this year) and worrying about chatbots making mistakes (30% last year vs. 24% this year).

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For more data and analysis, visit https://www.drift.com/blog/inbound-automation-whiteboard-lessons/
FINAL THOUGHT: THE FUTURE OF CONVERSATIONAL MARKETING

Marketing and sales have always revolved around conversations between buyers and sellers. But somewhere along the line, marketers and salespeople lost their way. They started focusing more on blasting their messages out and focusing less on listening to what leads and customers had to say. It was a one-sided conversation, which, as we all know, isn't a conversation at all.

With the rise of conversational marketing, marketers and salespeople are getting back to their roots and returning to the days when buyers and sellers engaged in an actual dialogue. [Tweet this!] As you've seen in this report, communication channels like online chat, chatbots, and video calls now allow for one-to-one conversations to happen in real-time, 24 hours a day. And as the technologies powering these channels continue to improve, there's no doubt that customer experiences will continue to improve as well. In the future, we can look forward to buyers being connected to sellers faster, with more and more companies delivering on the NOW experience that people crave.

While abandoning the traditional, lead capture form and follow-up approach to marketing will be crucial for companies moving forward, this report has also shown that older communication channels, like telephone and email, still have a role to play. The future of conversational marketing will never be about adopting specific channels. The ultimate goal will always be to build relationships by having quality conversations.

P.S. Need help getting those conversations started? Drift's got your back. Learn how Drift makes it easy to connect your sales team with your future customers NOW.