



COVID-19 DIGITAL ENGAGEMENT REPORT

OVERVIEW

For the last twenty years, companies have been gradually transforming themselves with digital technologies to adapt to new realities of the Internet and mobile. You'll often hear brands discussing their "digital transformation" initiative. Digital transformation roadmaps could be anywhere from a year to ten years. Then COVID-19 hit.

Decade-long digital transformation roadmaps of nearly every company got compressed into days and weeks in order to curb the spread of the Coronavirus. Businesses in every industry had to figure out how to reach their customers - whether those customers are shoppers, patients, students, businesses or even, employees - essentially overnight.

To better understand the effects of COVID-19 on businesses, Twilio, a leading cloud communications and customer engagement platform, surveyed 2,569 enterprise decision makers in the US, UK, Germany, Australia, France, Spain, Italy, Japan and Singapore to gauge their views on digital engagement as a result of COVID-19.



METHODOLOGY

- **5-minute online survey using Quest B2B panel; fielded June 6th to June 24, 2020**
- **Blind survey; respondents did not know Twilio was the sponsor**
- **Designed and analyzed by Lawless Research**
- **2,569 respondents with between 225 to 300 each in Australia, France, Germany, Italy, Japan, Singapore, Spain, United Kingdom and United States**

Respondents met the following criteria:

- Full-time employees of companies with 500+ employees
- Directors and above in: Corporate Communications, Customer Experience, Customer or Technical Support, Data Analytics or Business Intelligence, Executive Leadership or Administration, IT or Engineering, Innovation, Marketing, Operations, Product Design/ Development, Sales or Business Development, Strategic Planning
- 'Moderately' or 'Very' familiar with their organizations' customer experience strategy or digital communications strategy



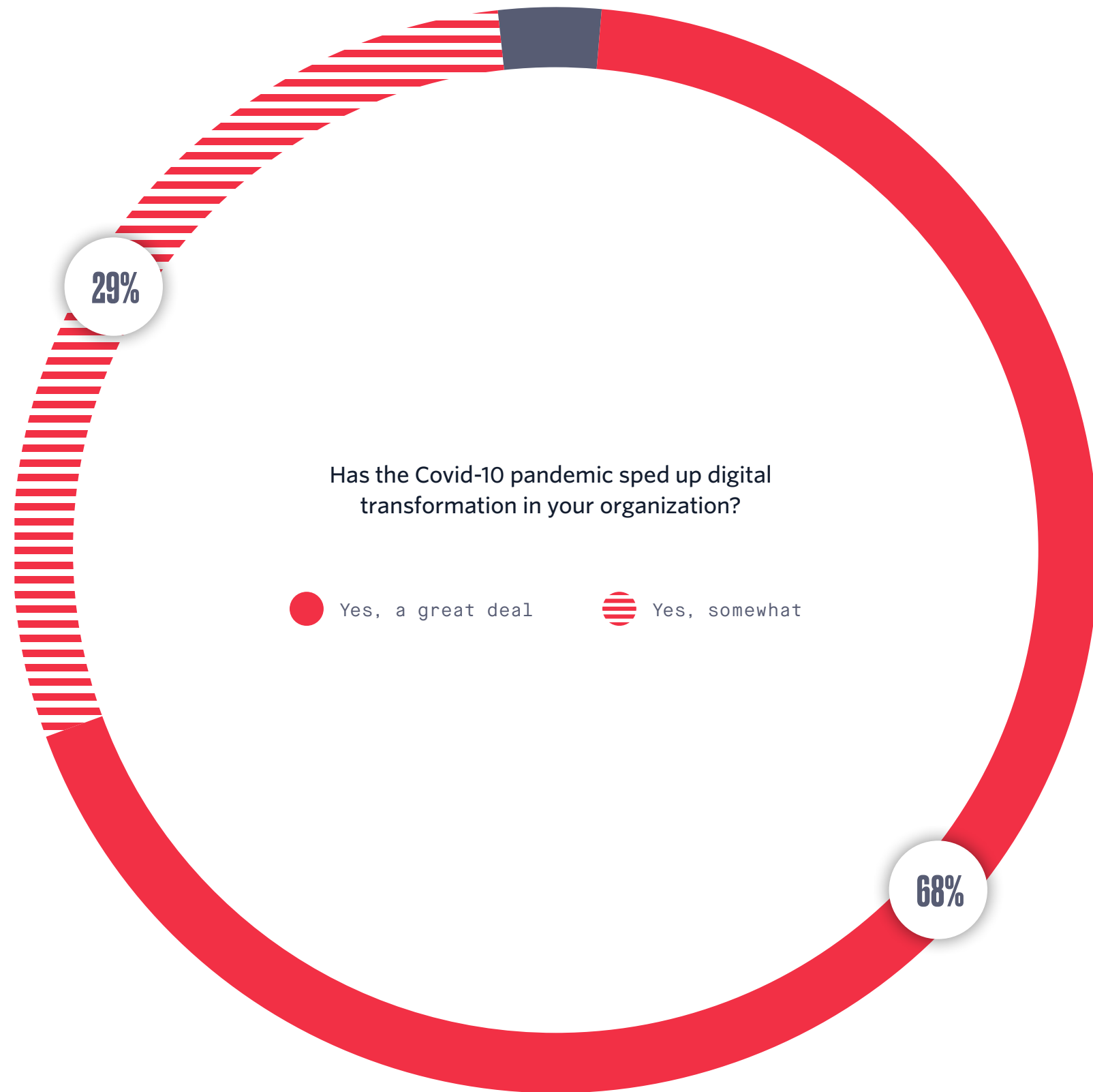
A LOOK AT THE FINDINGS



**COVID-19 WAS
THE DIGITAL
ACCELERANT
OF THE DECADE.**

97% report COVID-19 has sped up digital transformation

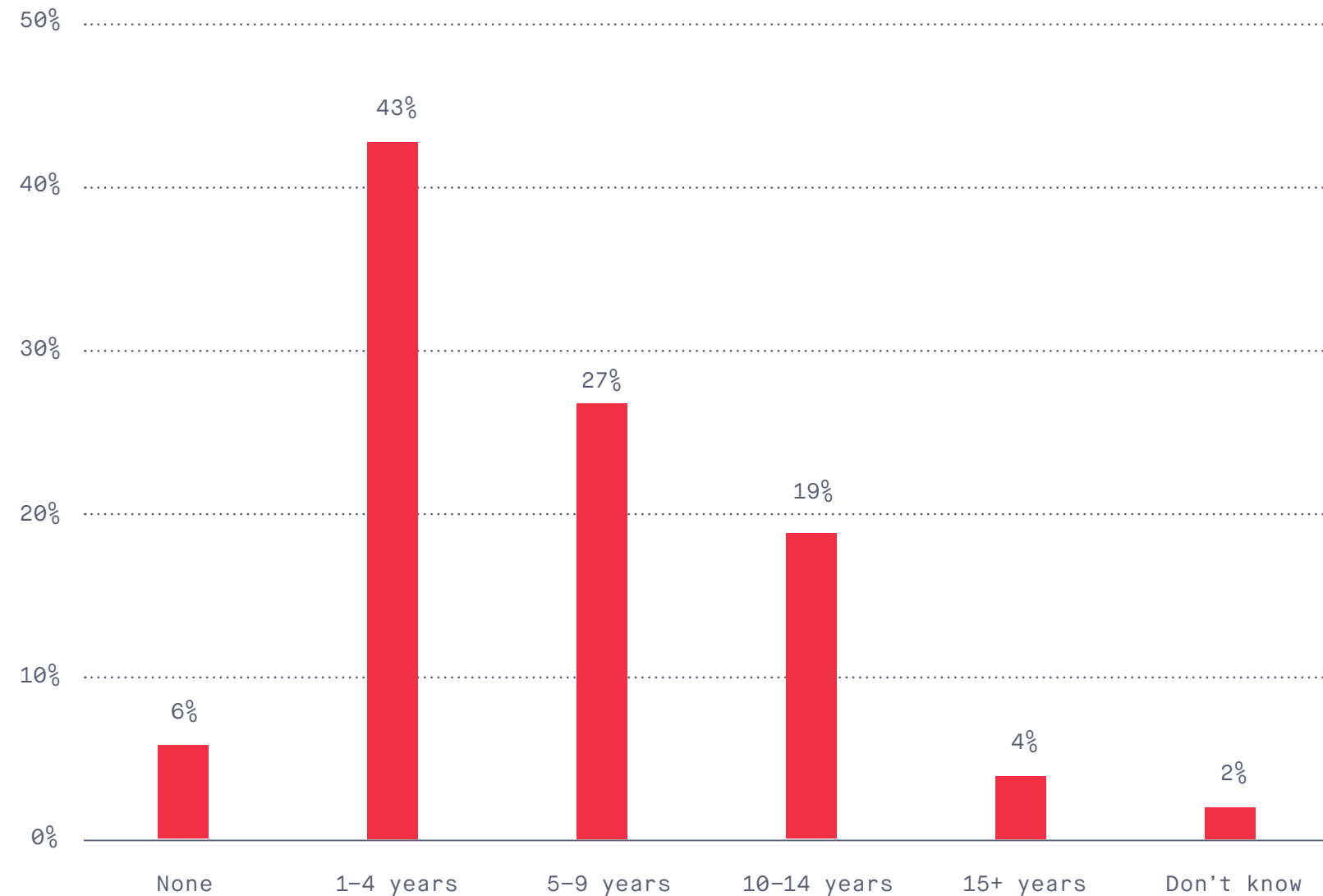
68% say the pandemic sped up their digital transformation **a great deal**



Companies say COVID-19 has accelerated their digital communication strategy by **6 years**

6 is the average # of years COVID-19 has accelerated digital communications strategy

About how many years has COVID-19 accelerated the schedule for your digital communications strategy?



Base: 2,569 Companies / *Midpoint average of 2,528 companies / Don't know' removed

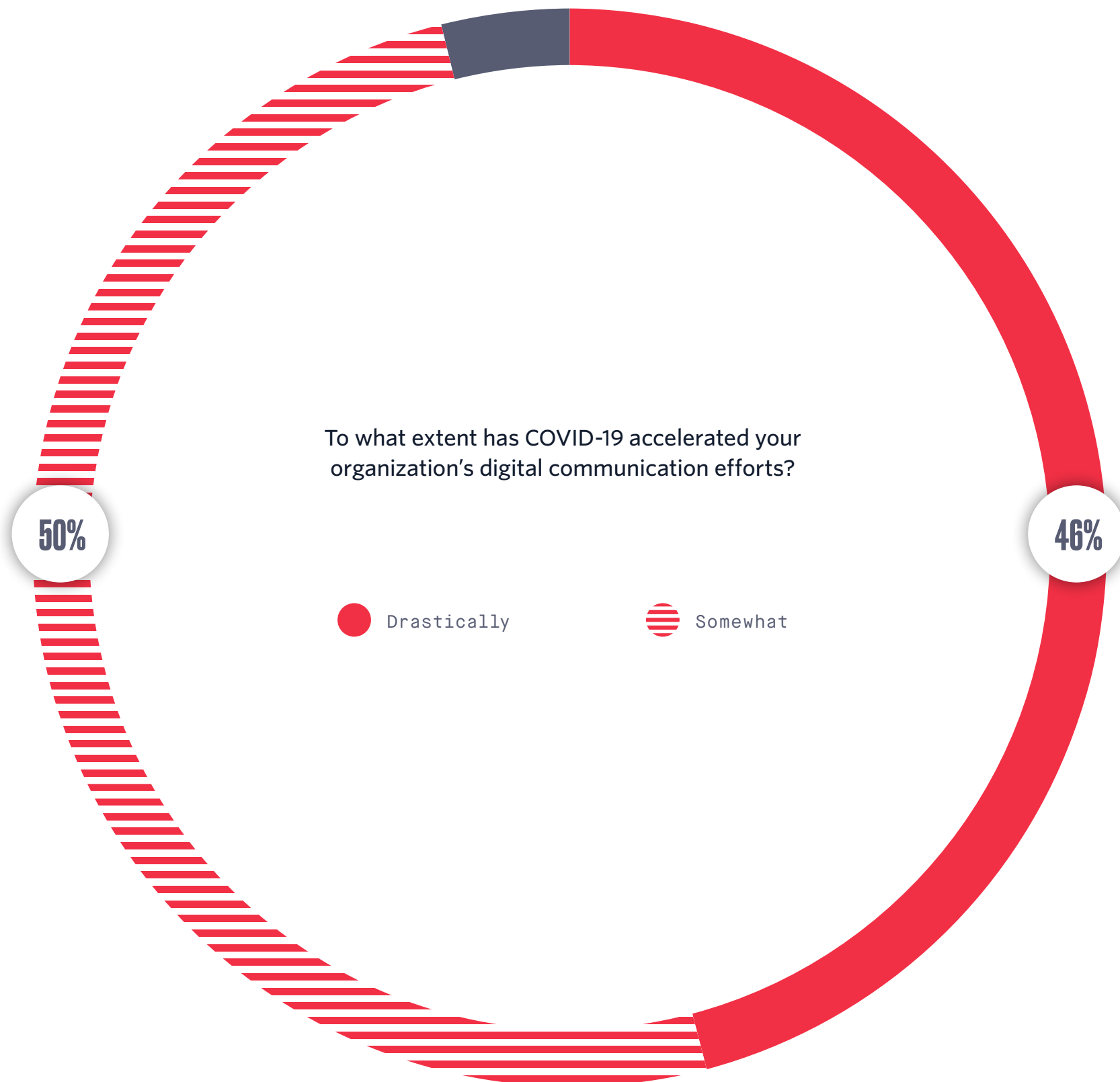


**DIGITAL COMMUNICATION
IS THE NEW LIFEBLOOD
FOR BUSINESS.**



96% say COVID-19 accelerated digital communication transformation

46% say COVID-19 **drastically accelerated** their digital communication transformation efforts



92% say transforming digital communication is extremely or very critical to address COVID-19 business challenges

46% say transforming digital communications is **extremely critical** to addressing the business challenges of COVID-19

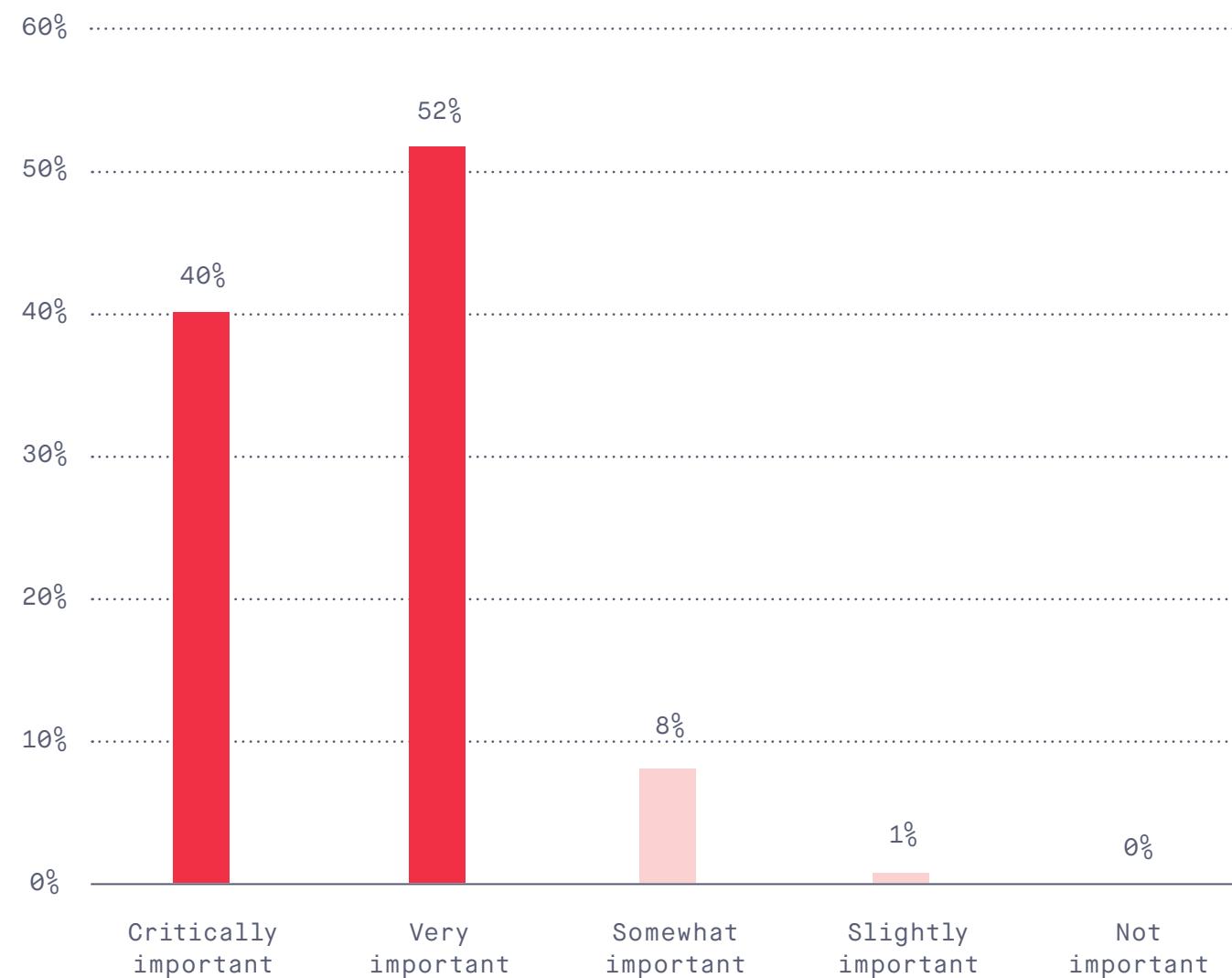
How critical is transforming your organization's digital communications to address the business challenges of COVID-19?



Enabling digital communications was critically or very important during initial response to COVID-19

92% say enabling digital communications for customers and stakeholders was **critically or very important** in their initial response to COVID-19

How important was enabling digital communications for customers and stakeholders in your initial response to COVID-19?





**PREVIOUS INHIBITORS
TO INNOVATION HAVE
BEEN BROKEN DOWN.**



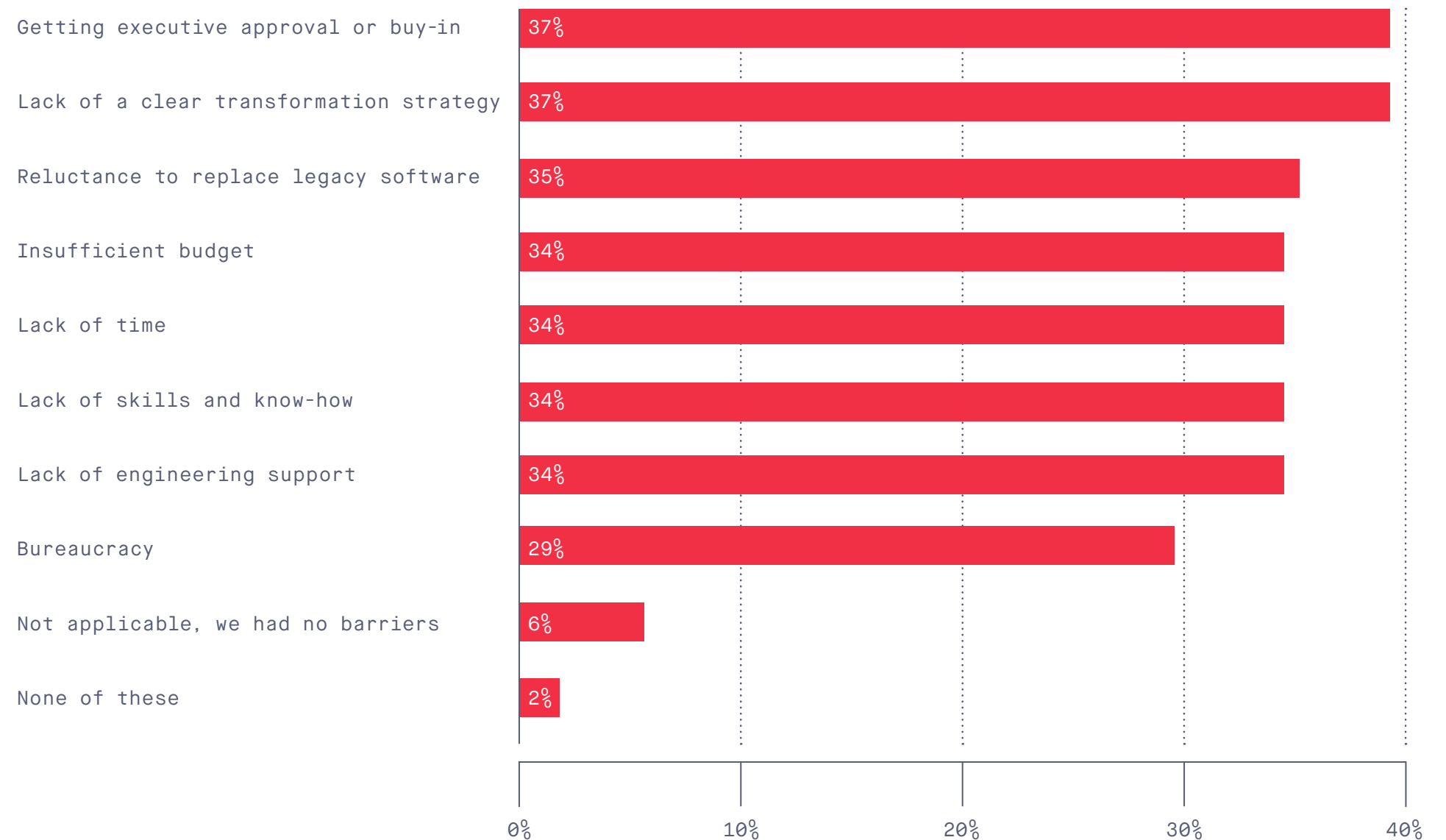
COVID-19 broke down barriers to digital transformation

Top Barriers Broken Down:

1. Getting executive approval **37%**
2. Lack of clear strategy **37%**
3. Reluctance to replace legacy software **35%**
4. Insufficient budget **34%**
5. Lack of time **34%**

Average # of Barriers Broken Down in Response to COVID-19: **2.7**

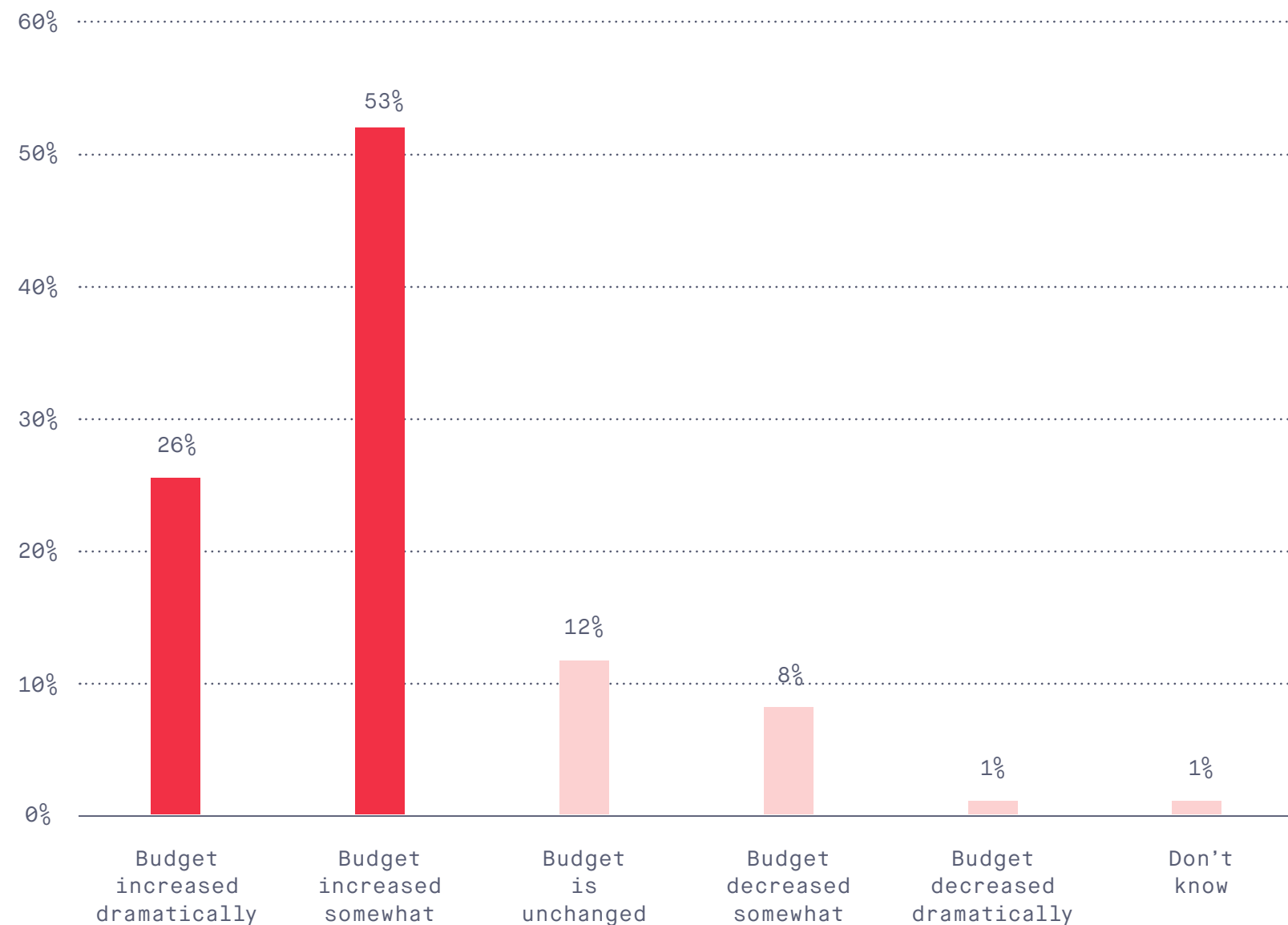
What barriers to digital transformation has COVID-19 broken down within your organization?



COVID-19 stimulated increases in digital transformation budgets

79% say COVID-19 increased their budget for digital transformation

How has COVID-19 affected your budget for digital transformation?

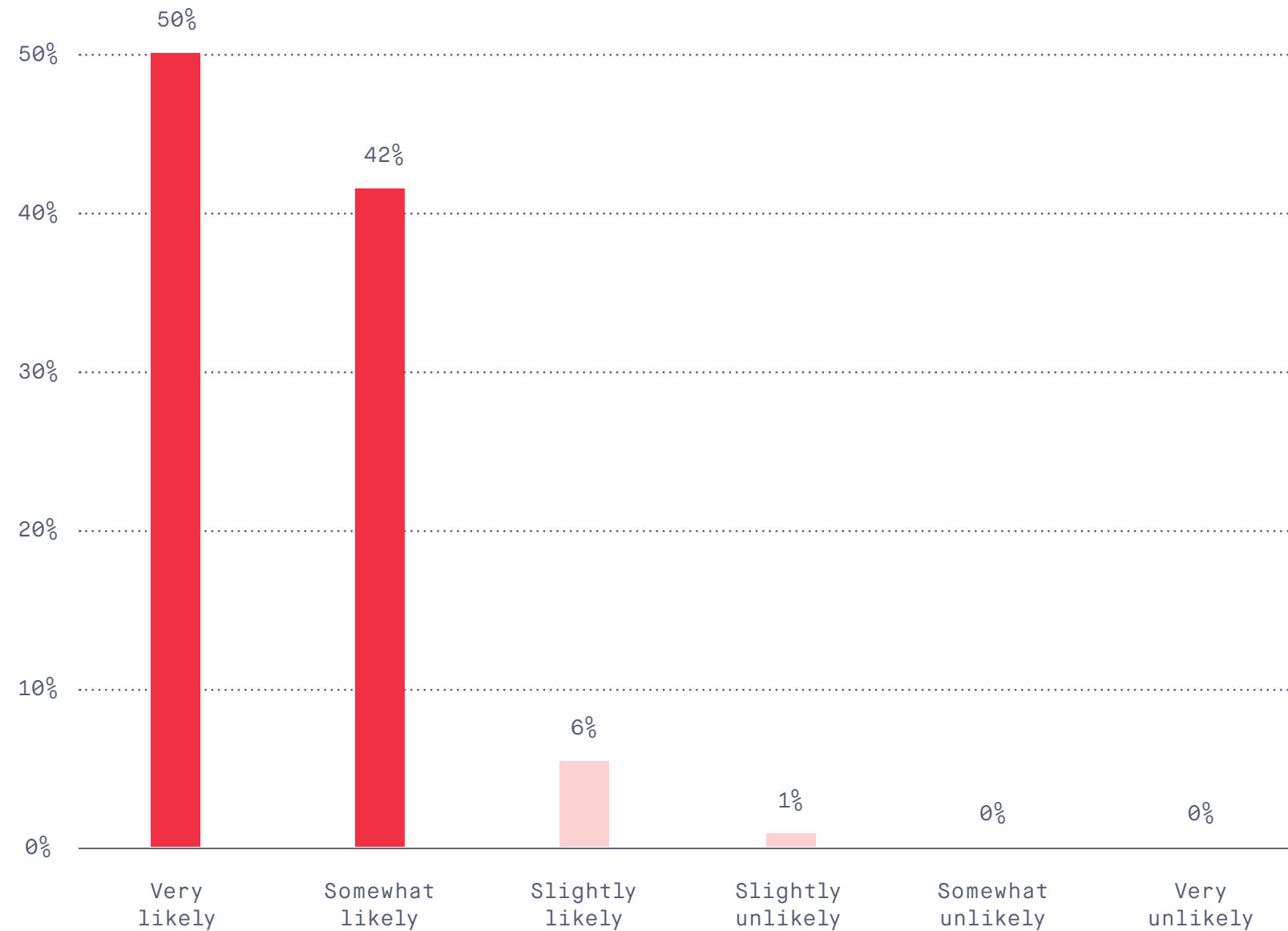


Base: 2,569 Companies

Organizations expect to expand their digital communication channels as the world reopens

92% say their organization is very or somewhat likely to expand their digital communication channels as the world reopens

How likely will your organization expand its digital communication channels as the world reopens?



Base: 2,569 Companies

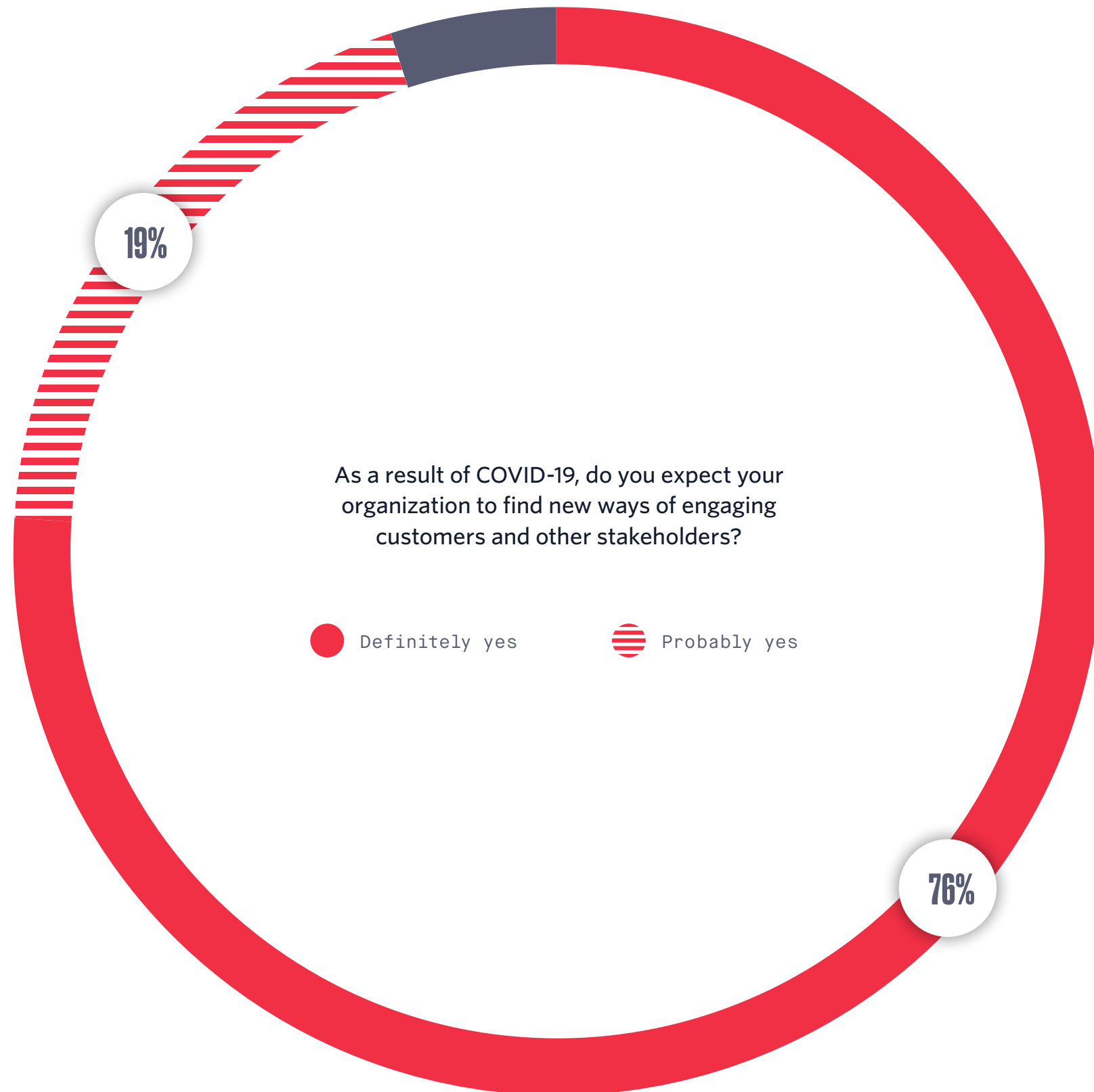


**OMNICHANNEL
COMMUNICATION
IS TAKING ON
NEW IMPORTANCE.**



Almost all companies are looking for new ways of engaging customers and stakeholders as a result of COVID-19

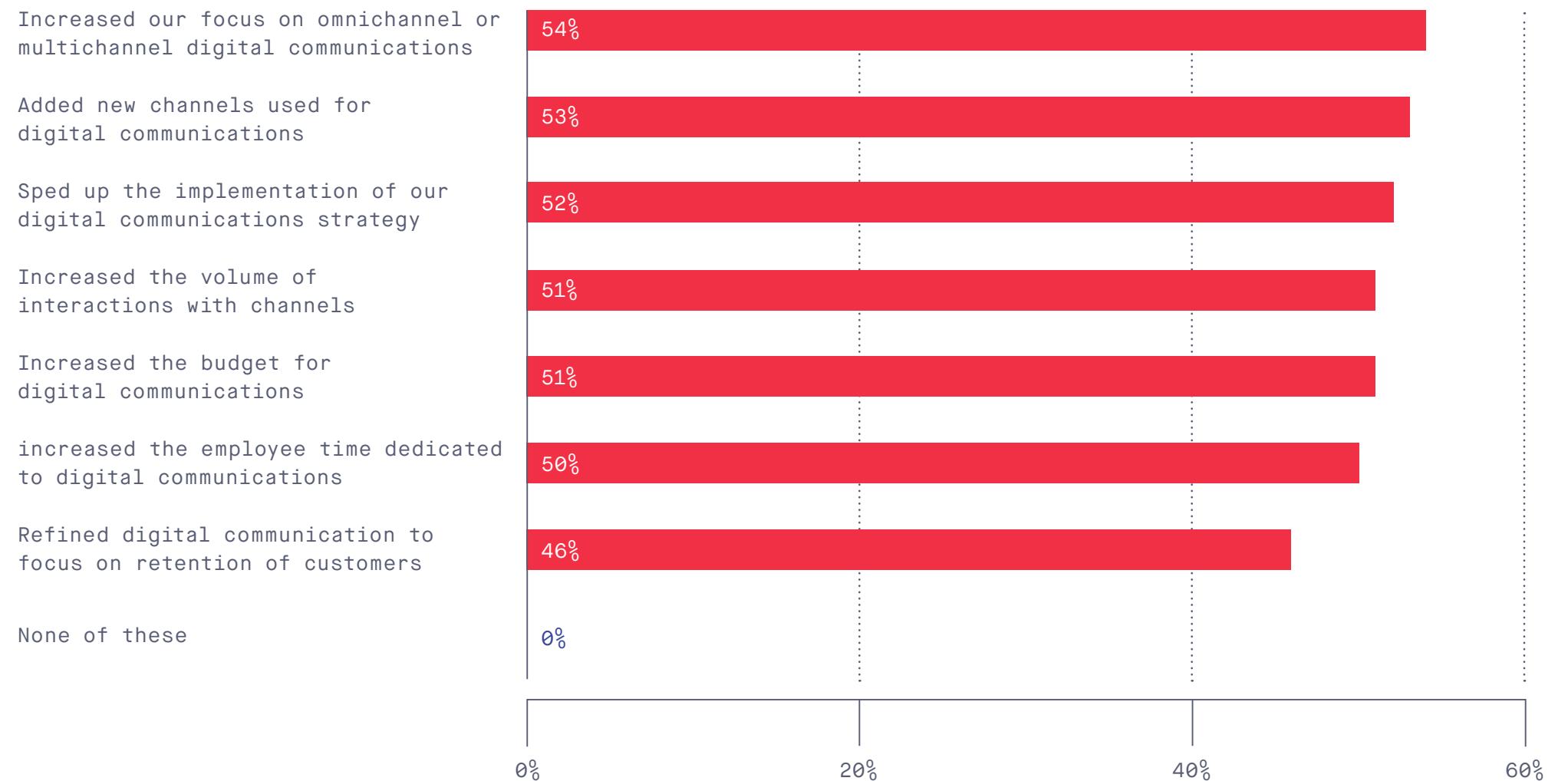
95% expect their organization to find new ways of engaging customers as a result of COVID-19



COVID-19 propelled focus on omnichannel communications

1. Increased focus on omnichannel **54%**
2. Added new channels **53%**
3. Sped up digital communications strategy **52%**

In what ways has your organization adapted its digital communication strategy in response to COVID-19?

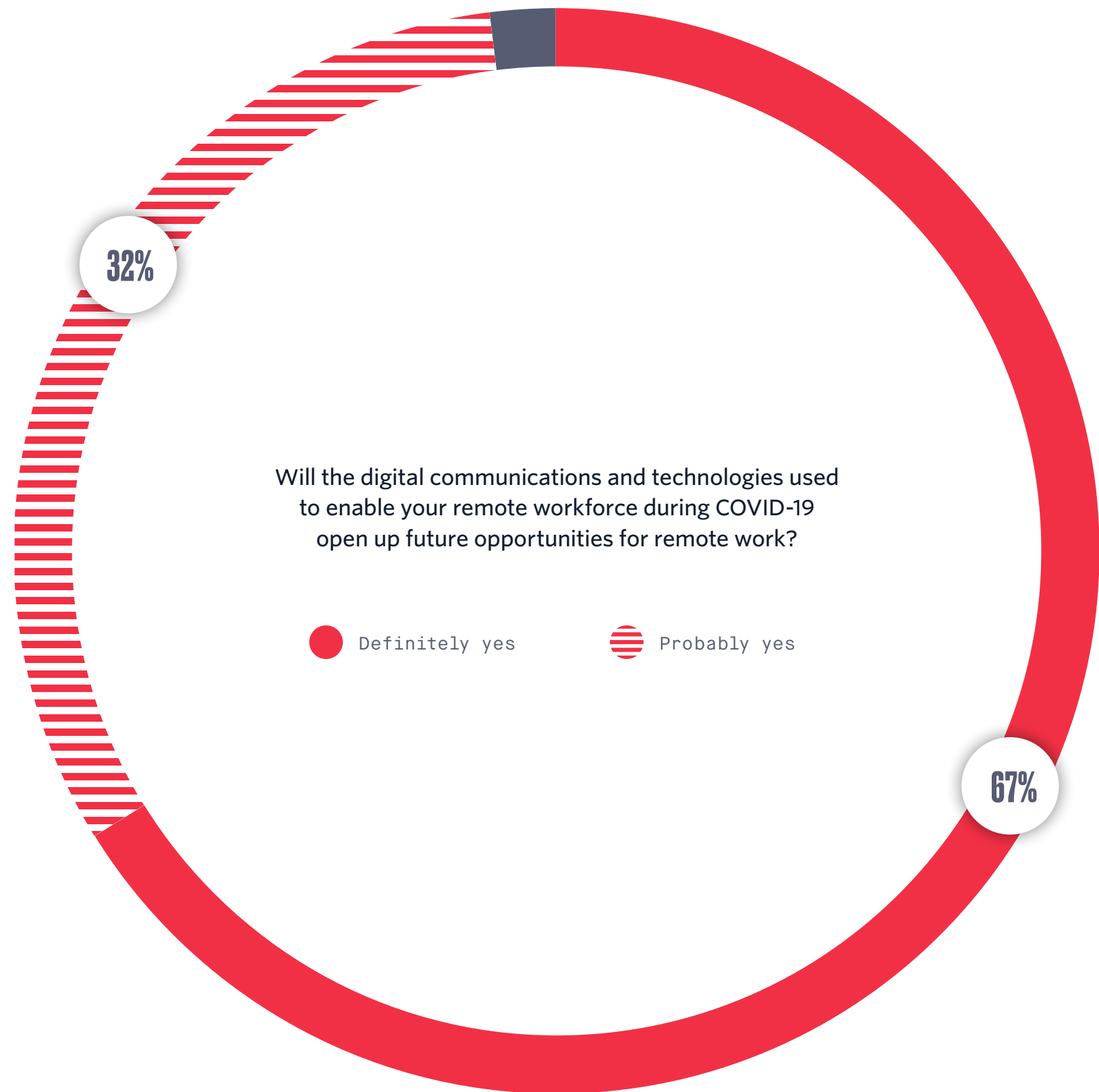


Base: 2,569 companies

99% report digital technologies used to enable remote workers during COVID-19 will open up opportunities to remote work

67% say digital communications and technologies used to enable a remote workforce during COVID-19 will definitely open up future remote work opportunities

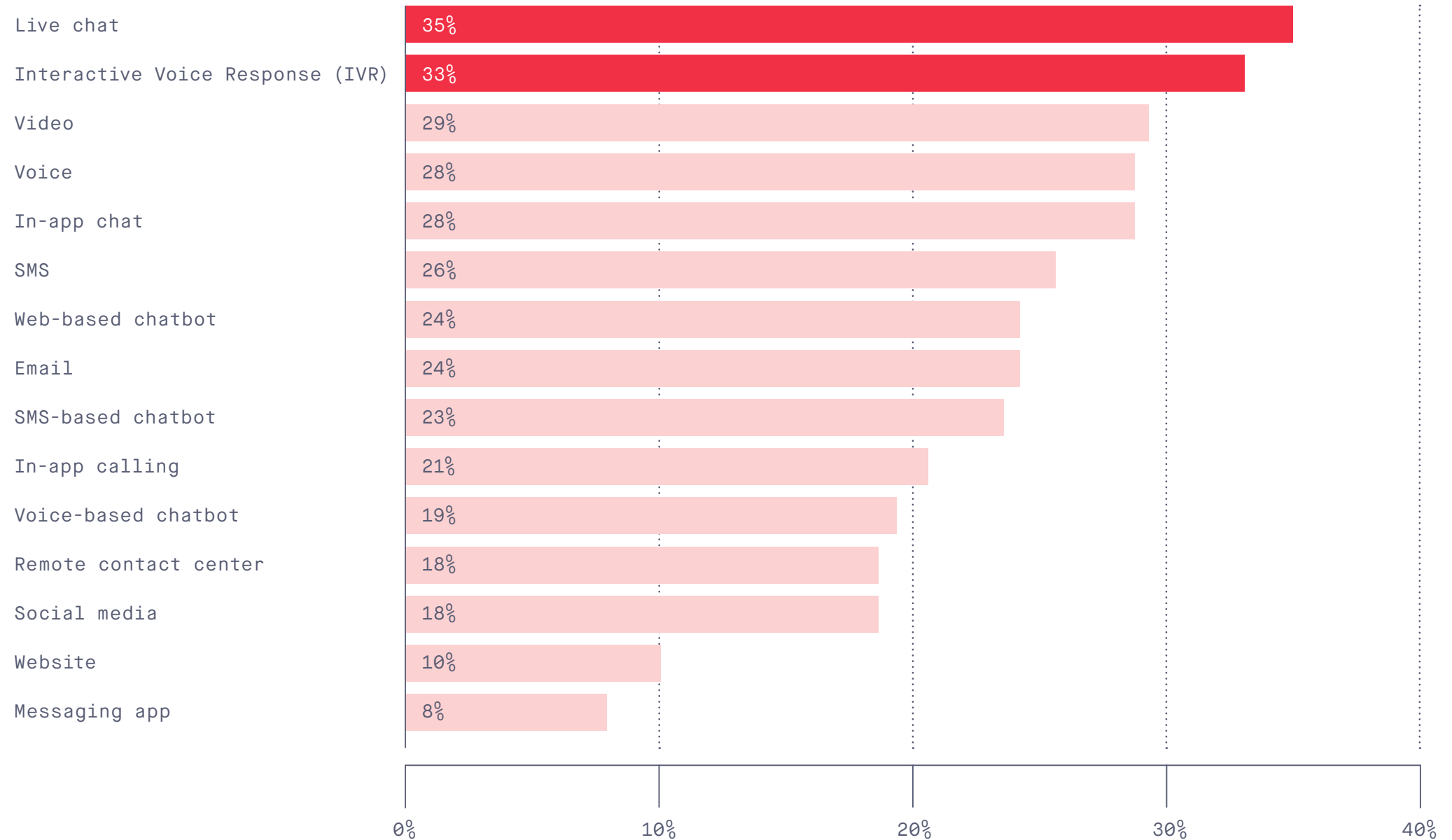
- Higher for technology companies 80%
- Lower for finance companies 60%
- Lower for Japanese companies 52%



1 in 3 companies started using live chat and IVR channels for the first time as a result of COVID-19

Average # of net-new channels companies have implemented as a result of coronavirus: **3.5**

Which of these channels did your organization begin using for the first time as a result of COVID-19?



Base: 2,569 companies

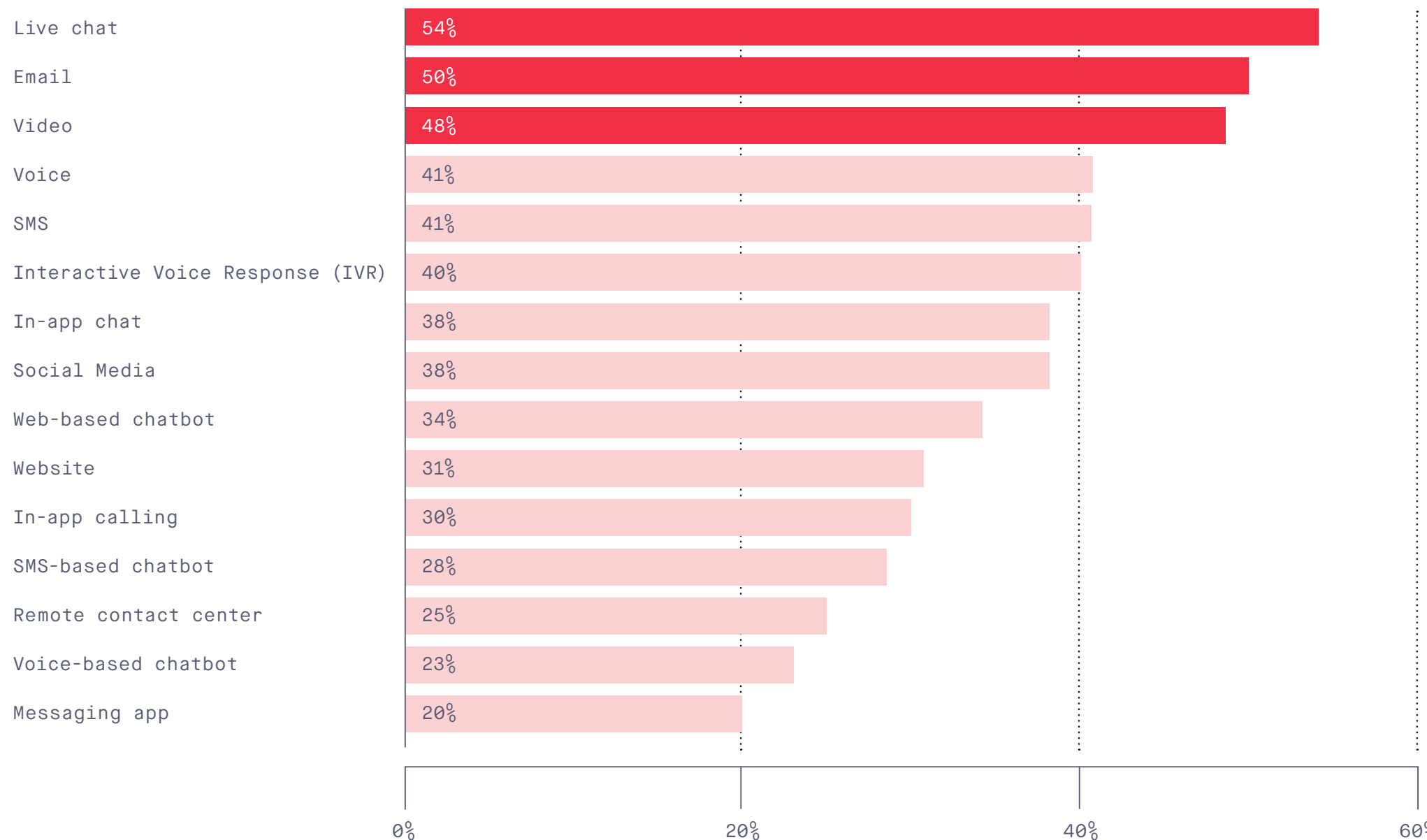


On average, companies dramatically increased use of **5.4** digital communication channels in response to the pandemic

Top channels that increased dramatically in use:

- Live Chat **54%**
- Email **50%**
- Video **48%**

In response to COVID-19, what digital communication channels did your organization dramatically increase use of?



Base: 2,569 companies



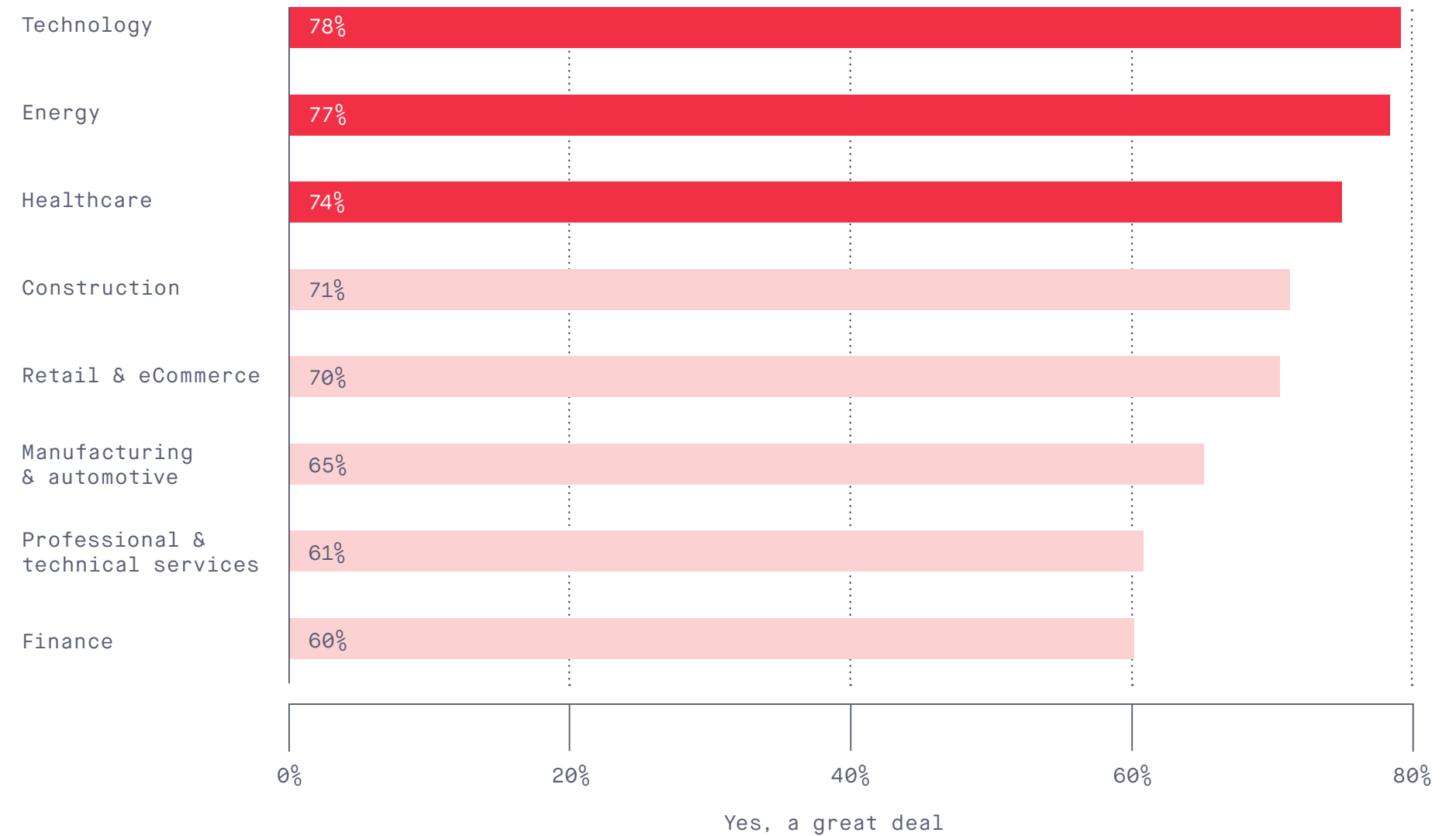
**SOME INDUSTRIES
HAVE BEEN PROPELLED
FURTHER THAN OTHERS**



Technology, energy & healthcare companies were most likely to speed up digital transformation in response to COVID-19

78% of tech companies, 77% of energy companies and 74% of healthcare organizations say the pandemic sped up their digital transformation **a great deal**

Has the COVID-19 pandemic sped up digital transformation in your organization?



Base: ranges from 100 to 509 companies per industry

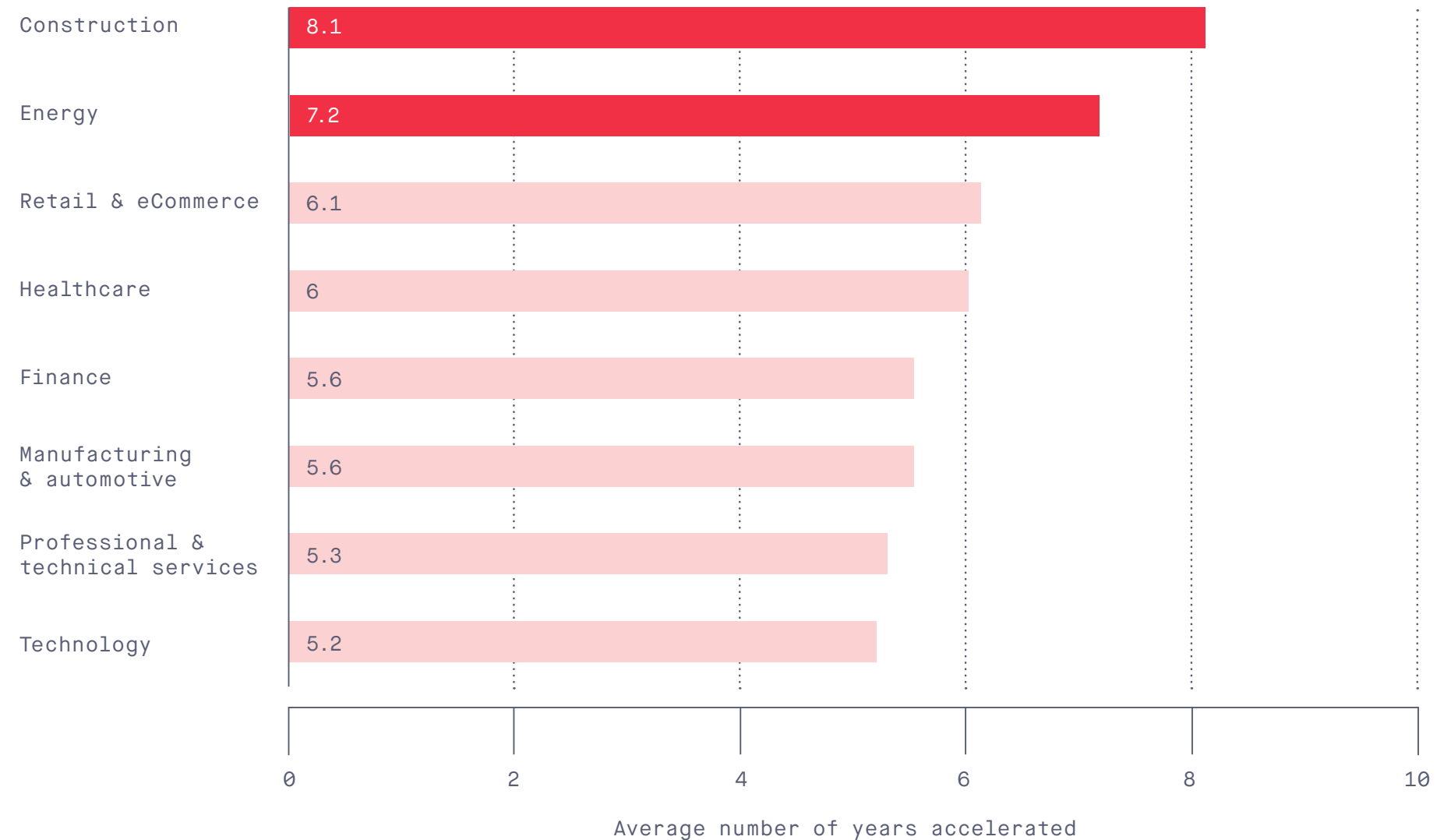


Construction and energy companies saw greatest acceleration in their digital communications strategy due to COVID-19

Average # of years COVID-19 accelerated digital communications strategy:

- Construction **8.1**
- Energy **7.2**

About how many years has COVID-19 accelerated the schedule for your digital communications strategy?



Base: Midpoint average of 2,044 companies in industries with 100+ respondents / 'Don't knows' removed



Getting engineering support became easier in the **finance industry** as a result of COVID-19

What barriers to digital transformation has COVID-19 broken down within your organization?

▲ Significantly higher

▼ Significantly lower

Barriers	Technology	Finance	Retail & eCommerce	Healthcare	Energy	Construction	Manufacturing & Automotive	Professional Services
Getting executive approval or buy-in	35%	42%	32%	36%	43%	37%	39%	34%
Lack of a clear transformation strategy	39%	37%	37%	36%	54% ▲	46%	32%	27%
Reluctance to replace legacy software	37%	40%	36%	38%	27%	36%	30%	28%
Insufficient budget	33%	36%	32%	41%	35%	36%	37%	26%
Lack of skills and know-how	33%	39%	30%	34%	53% ▲	39%	26% ▼	23%
Lack of time	42% ▲	31%	35%	27%	35%	24%	31%	29%
Lack of engineering support	33%	42% ▲	32%	29%	53% ▲	35%	24% ▼	26%
Bureaucracy	31%	32%	30%	27%	19%	21%	23%	31%
Not applicable, we had no barriers	8%	2% ▼	4%	10%	1%	11%	7%	9%
None of these	2%	4%	2%	0%	1%	0%	4%	4%
Average # of barriers broken down due to COVID-19	2.8	3 ▲	2.6	2.7	3.2 ▲	2.7	2.4 ▼	2.3 ▼

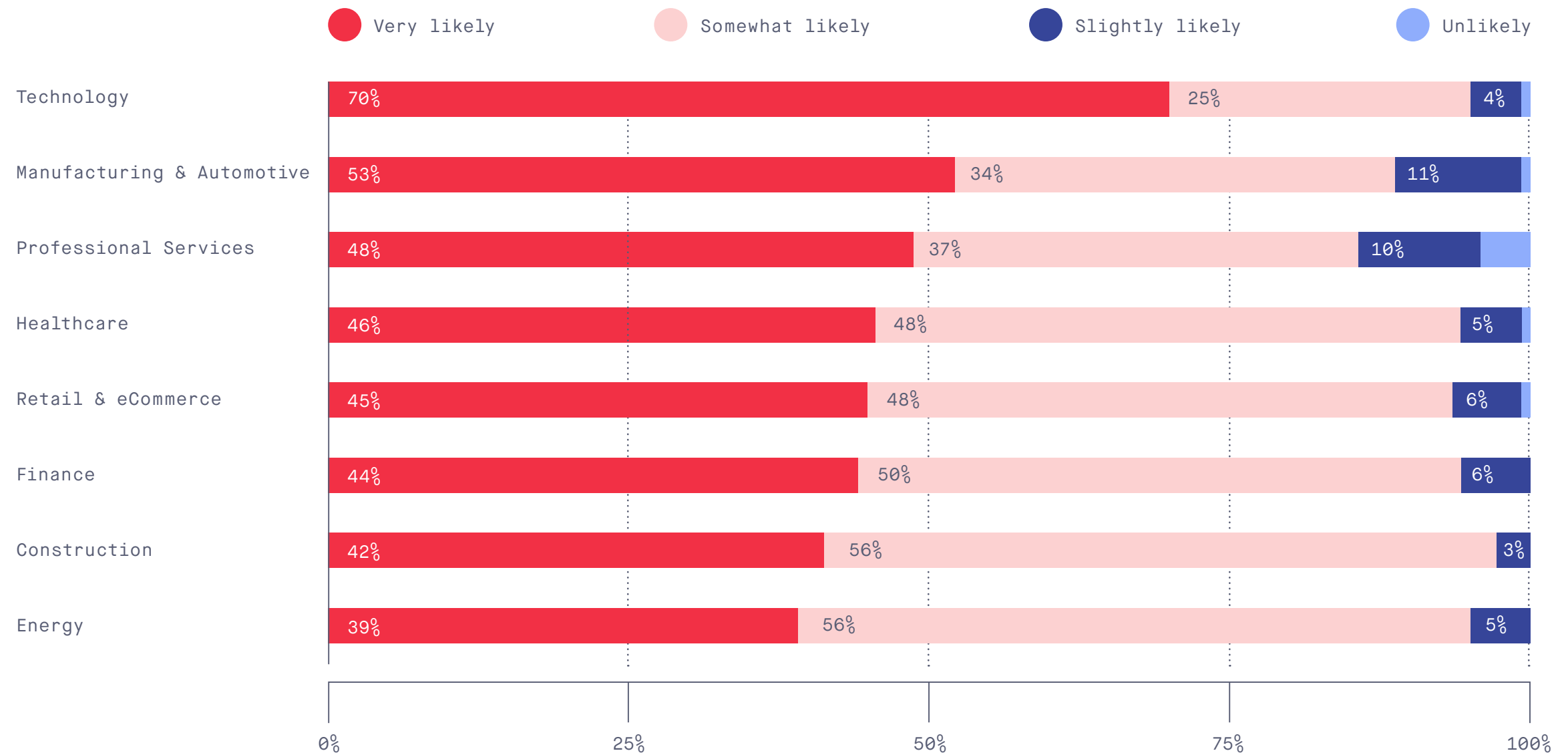
Base: ranges from 100 to 509 companies per industry



Technology companies are very likely to expand their digital communication channels as the world reopens

70% of technology companies are **very likely** to expand their digital communication channels as the world reopens

How likely is it your organization expands its digital communication channels as the world reopens?



Base: 100 to 509 companies per industry



Energy, construction & finance industries added the most net-new digital channels as a result of COVID-19

Which of these channels did your organization begin using for the first time as a result of COVID-19?

▲ Significantly higher

▼ Significantly lower

Channels	Technology	Finance	Retail & eCommerce	Healthcare	Construction	Manufacturing & Automotive	Professional Services	Energy
Live chat	34%	42% ▲	33%	34%	39%	30%	28%	44%
Interactive Voice Response (IVR)	45% ▲	31%	30%	25%	43%	27%	26%	27%
Video	42% ▲	35% ▲	20% ▼	27%	23%	23% ▼	16% ▼	35%
Voice	37% ▲	34% ▲	22% ▼	23%	33%	18% ▼	16% ▼	47%
In-app chat	25%	36% ▲	24%	18%	35%	23%	21%	36%
SMS	34% ▲	31%	25%	17%	35%	16% ▼	15% ▼	29%
Web-based chatbot	16%	30% ▲	27%	29%	26%	26%	22%	24%
Email	29%	35% ▲	20% ▼	22%	23%	14% ▼	11% ▼	30%
SMS-based chatbot	15%	28% ▲	21%	25%	23%	24%	17%	49% ▲
In-app calling	18%	25%	20%	23%	33% ▲	18%	22%	17%
Voice-based chatbot	12%	27% ▲	20%	18%	20%	18%	20%	13%
Remote contact center	10%	22% ▲	16%	19%	26%	21%	16%	21%
Social media	14%	21%	12% ▼	22%	32% ▲	16%	9%	39% ▲
Website	10%	12%	4% ▼	15%	21% ▲	7%	6%	25% ▲
Messaging app	10%	5%	6%	4%	22% ▲	9%	12%	10%
None of these	11%	6%	10%	15%	3%	12%	23% ▲	3%
Average # of net-new channels	3.5	4.2 ▲	3 ▼	3.2	4.3 ▲	2.9 ▼	2.6 ▼	4.5 ▲



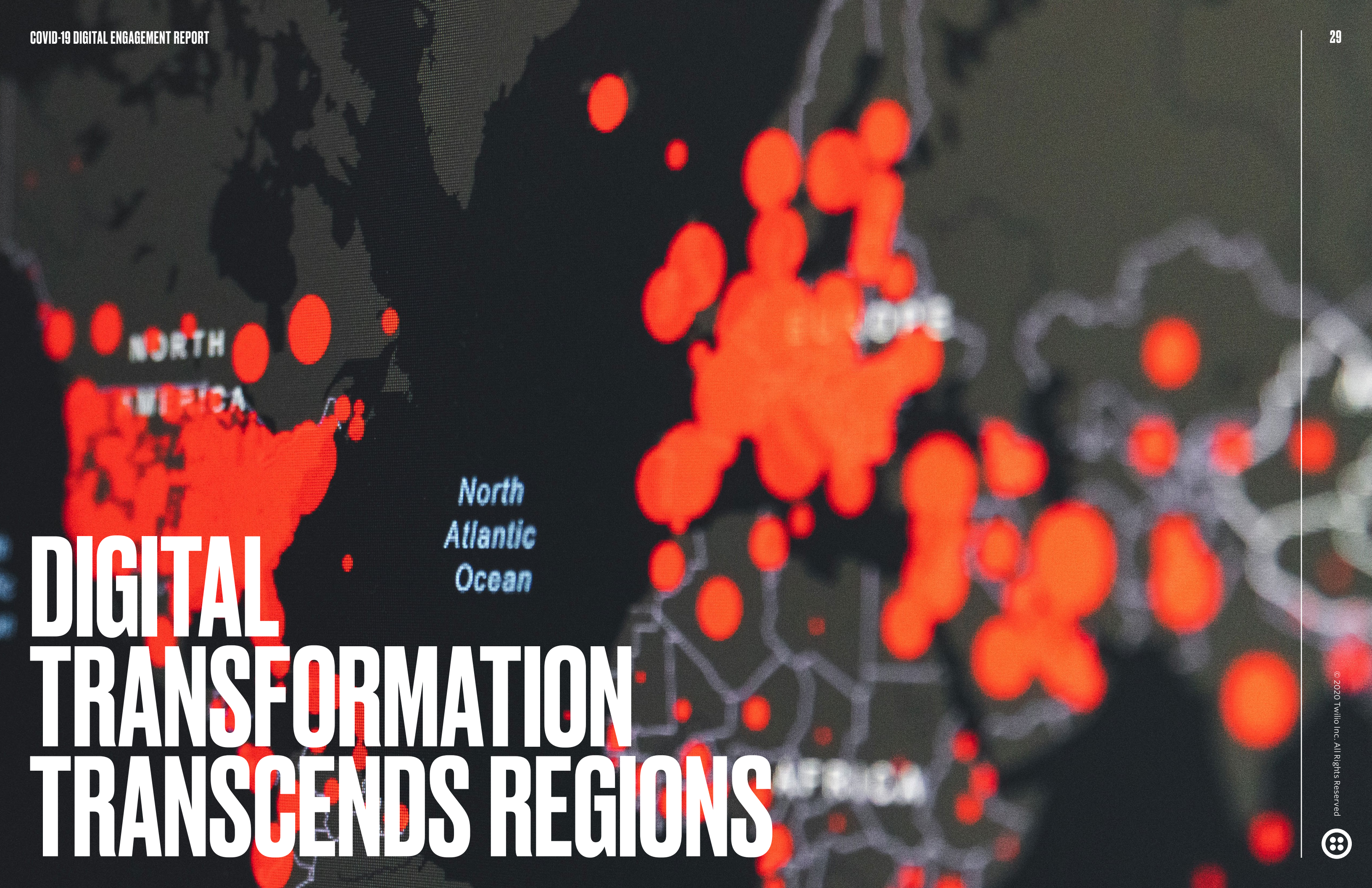
Majority of tech companies increased **email, chat and video** channel use

In response to COVID-19, what digital communications channels did your organization dramatically increase your use of?

▲ Significantly higher ▼ Significantly lower

Channels	Technology	Finance	Retail & eCommerce	Healthcare	Construction	Manufacturing & Automotive	Professional Services	Energy
Live chat	50%	54%	52%	55%	52%	63% ▲	64%	60%
Email	60% ▲	49%	50%	45%	40%	42% ▼	54%	41%
Video	57% ▲	45%	46%	43%	40%	50%	55%	42%
SMS	48% ▲	39%	49% ▲	23% ▼	49%	34% ▼	31%	34%
Voice	50% ▲	39%	39%	37%	39%	40%	39%	55% ▲
Interactive Voice Response (IVR)	49% ▲	43%	44%	34%	30% ▼	35%	35%	37%
Social media	34%	31% ▼	42%	48%	43%	38%	44%	47%
In-app chat	30% ▼	41%	40%	49%	38%	38%	45%	32%
Web-based chatbot	29% ▼	33%	39%	38%	27%	40%	41%	26%
Website	35% ▲	23% ▼	30%	35%	23%	31%	43% ▲	35%
In-app calling	28%	29%	32%	32%	34%	29%	31%	30%
SMS-based chatbot	20% ▼	30%	31%	26%	26%	26%	25%	44% ▲
Remote contact center	20% ▼	26%	23%	24%	23%	35% ▲	29%	29%
Voice-based chatbot	15% ▼	27%	28%	25%	26%	23%	25%	18%
Messaging app	25% ▲	11% ▼	24%	17%	20%	25%	30% ▲	13%
None of these	1%	0%	0%	0%	0%	0%	1%	0%
Average # of channels that saw dramatic increase in use	5.5	5.2	5.7	5.3	5.1	5.5	5.9	5.4





DIGITAL TRANSFORMATION TRANSCENDS REGIONS

North
Atlantic
Ocean



Companies in Japan, Germany and Singapore say COVID-19 has accelerated their digital communications strategy by **over 7 years**

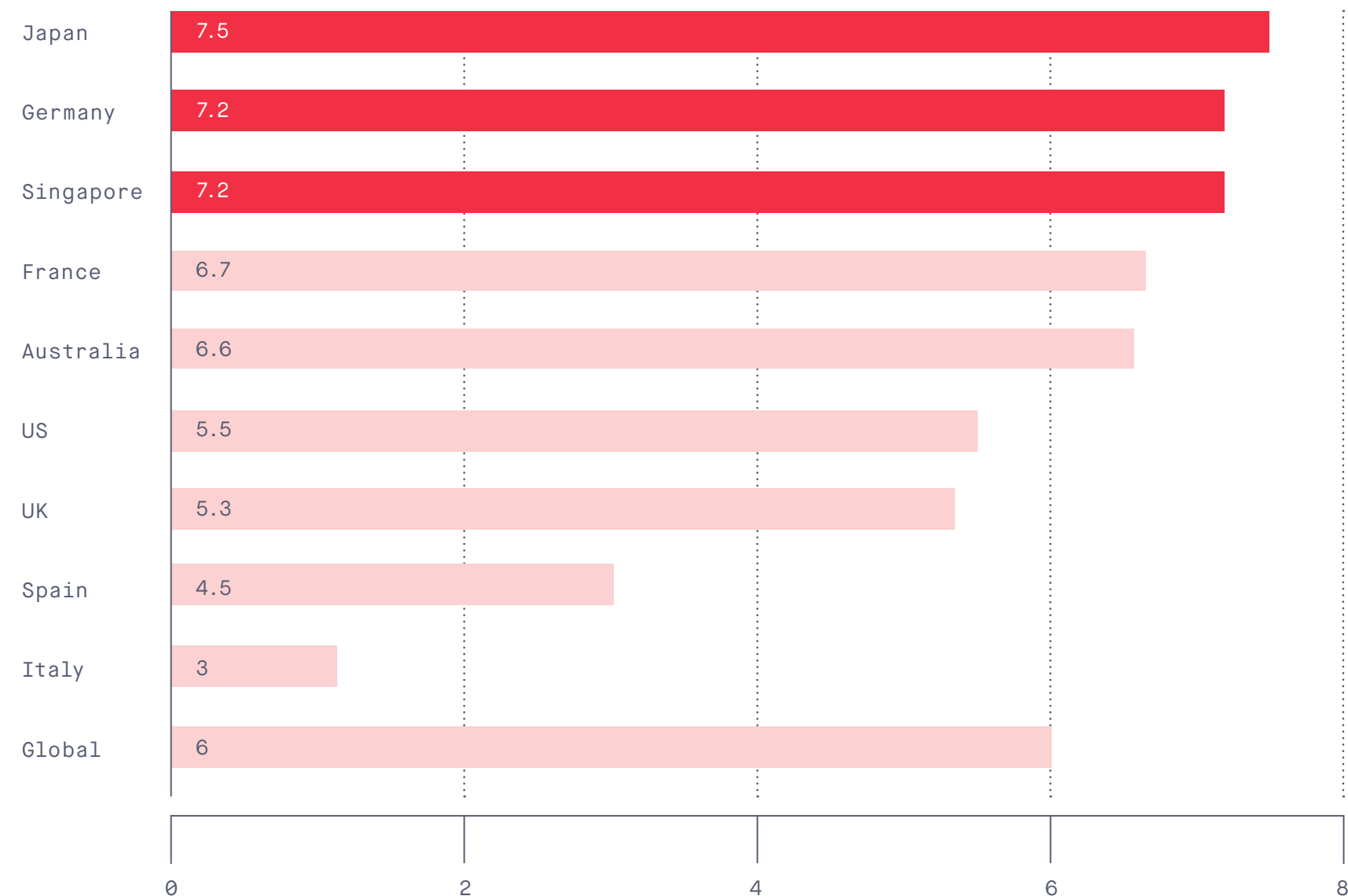
Average # of years COVID-19 has accelerated digital communications strategy:

- Japan **7.5**
- Germany **7.2**
- Singapore **7.2**

Less for Spain and Italy:

- Spain **4.5**
- Italy **3.0**

About how many years has COVID-19 accelerated the schedule for your digital communications strategy?



Base: *Midpoint average of 2,528 companies / Don't knows' removed



COVID-19 broke down more barriers in Germany, Australia, Japan and Singapore

What barriers to digital transformation has COVID-19 broken down within your organization?

▲ Significantly higher

▼ Significantly lower

Barriers	Australia	France	Germany	Italy	Japan	Singapore	Spain	UK	US
Getting executive approval or buy-in	41%	38%	43% ▲	22% ▼	43%	41%	36%	35%	33%
Lack of a clear transformation strategy	49% ▲	37%	47% ▲	20% ▼	45% ▲	42%	26% ▼	37%	28% ▼
Reluctance to replace legacy software	41%	33%	40%	19% ▼	39%	45% ▲	32%	35%	35%
Insufficient budget	33%	39%	41% ▲	18% ▼	38%	39%	32%	33%	33%
Lack of skills and know-how	44% ▲	34%	48% ▲	17% ▼	39%	39%	21% ▼	35%	27% ▼
Lack of time	34%	37%	39%	29%	31%	37%	28%	33%	34%
Lack of engineering support	39%	37%	47% ▲	16% ▼	37%	46% ▲	21% ▼	34%	24% ▼
Bureaucracy	25%	30%	28%	22% ▼	33%	31%	35%	28%	26%
Not applicable, we had no barriers	2% ▼	4%	2% ▼	17% ▲	5%	3%	4%	7%	7%
None of these	0%	2%	0%	7%	0%	1%	3%	4%	3%
Average # of barriers broken down due to COVID-19	3 ▲	2.9	3.3 ▲	1.6 ▼	3 ▲	3.2 ▲	2.3 ▼	2.7	2.4 ▼

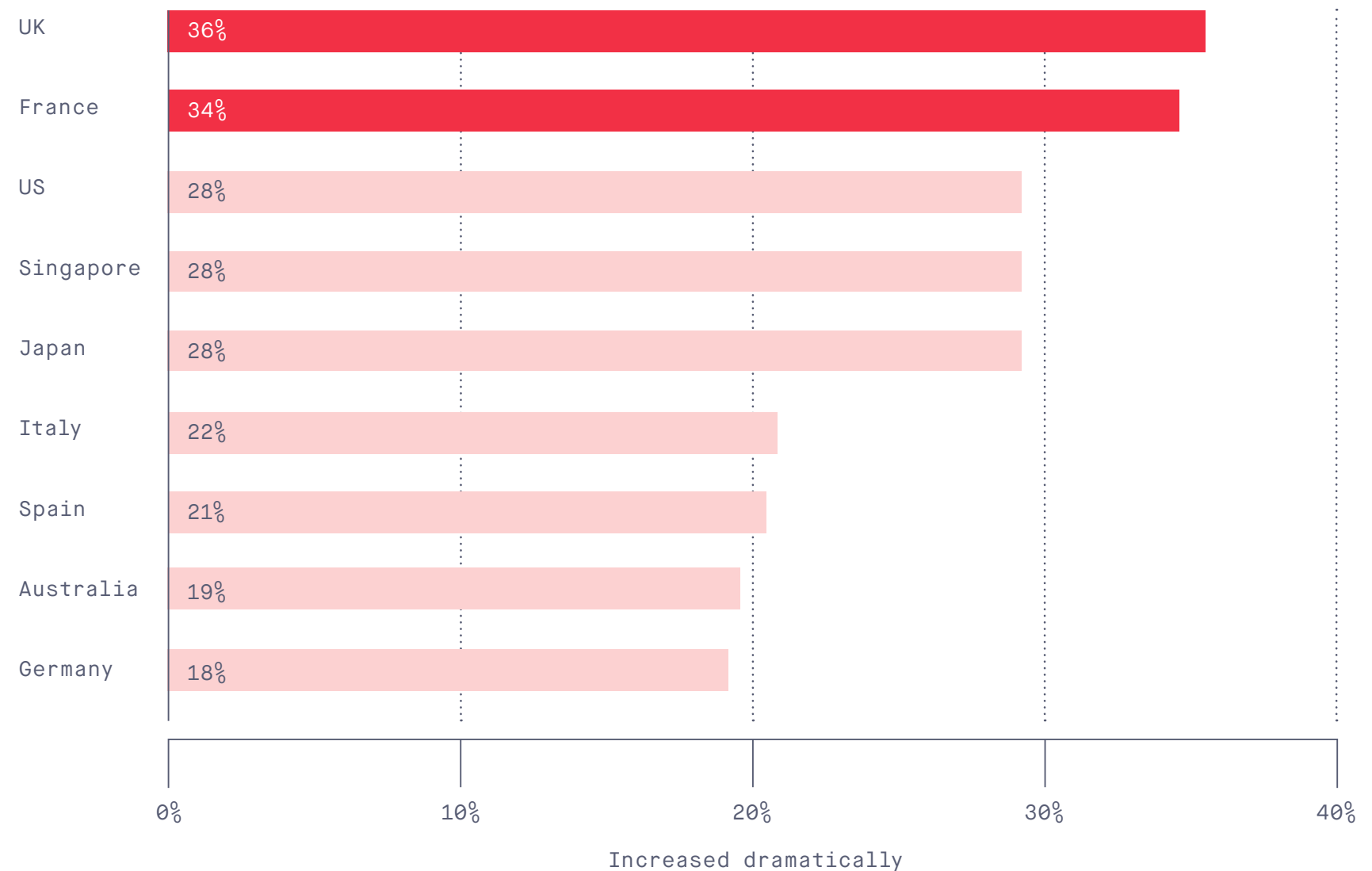
Base: 2,569 companies; 225 to 300 companies per country



Organizations in the **UK and France** saw more dramatic increases in digital transformation budgets due to COVID-19

1 in 3 organizations in the UK and France say their digital transformation budgets **increased dramatically** because of the pandemic

How dramatically has your budget for digital transformation increased due to COVID-19?



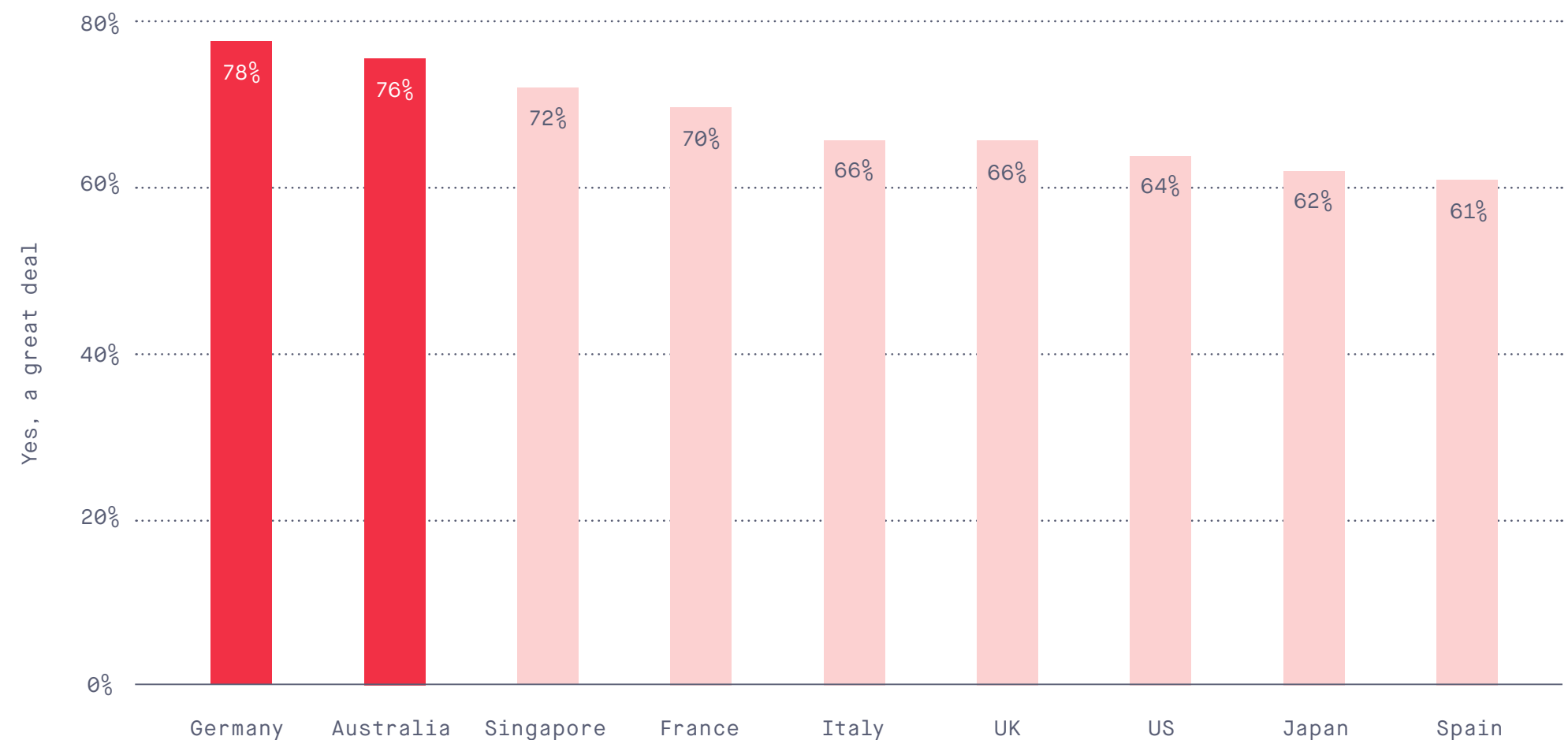
Base: 2,569 companies; 225 to 300 companies per country



German and Australian companies, in particular, accelerated their digital transformation to deal with the pandemic

78% of German companies and 76% of Australian companies say the pandemic sped up their digital transformation a great deal

Has the COVID-19 pandemic sped up digital transformation in your organization? Yes, a great deal.



Base: 2,569 companies; 225 to 300 companies per country

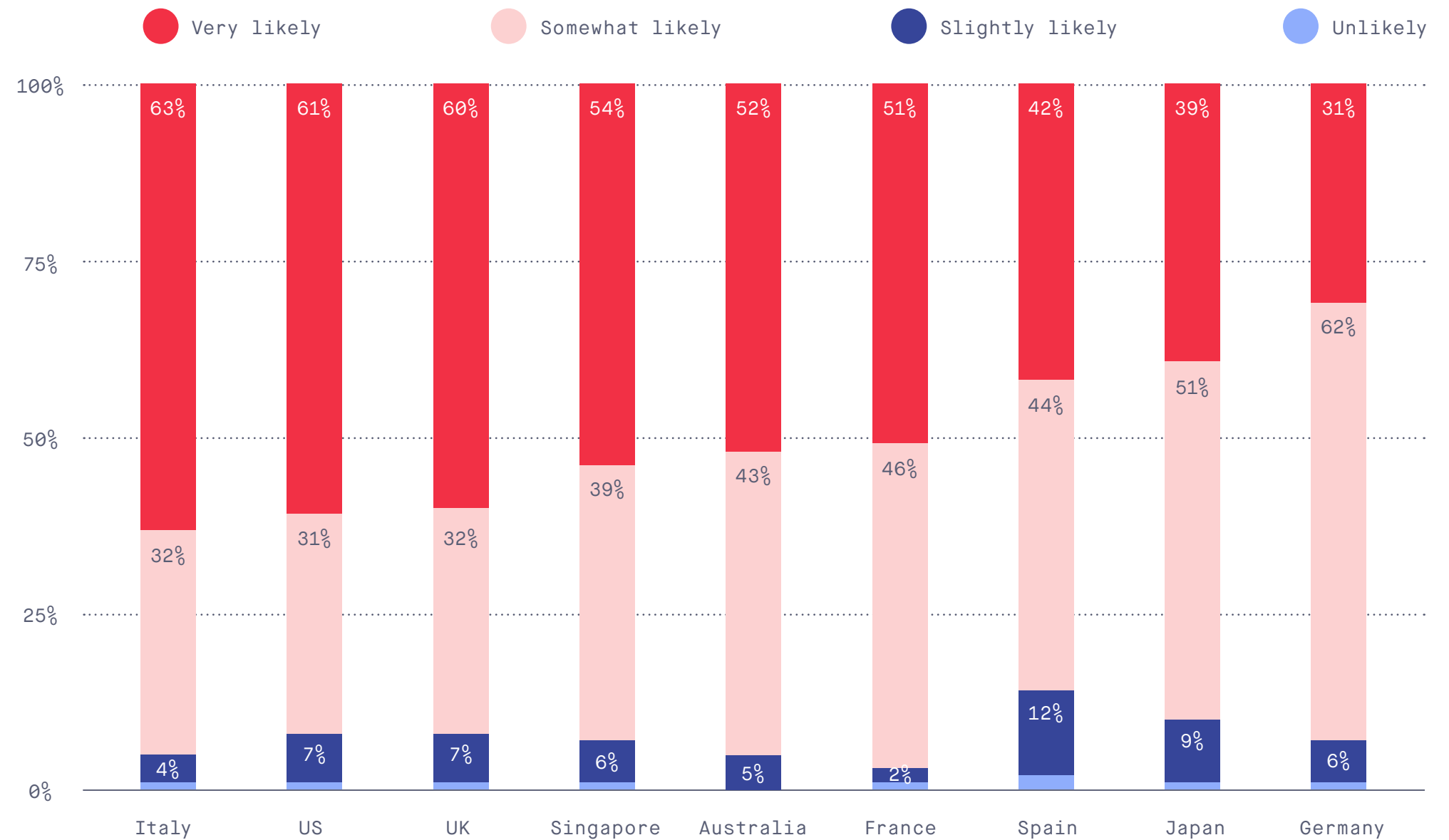


Italy, US and UK are very likely to expand their digital communication channels as the world reopens

Very Likely to Expand Digital Channels:

- Italy 63%
- US 61%
- UK 60%

How likely will your organization expand its digital communication channels as the world reopens?



Base: 2,569 companies; 225 to 300 companies per country



The UK and Spain saw digital communications use increase across the most channels

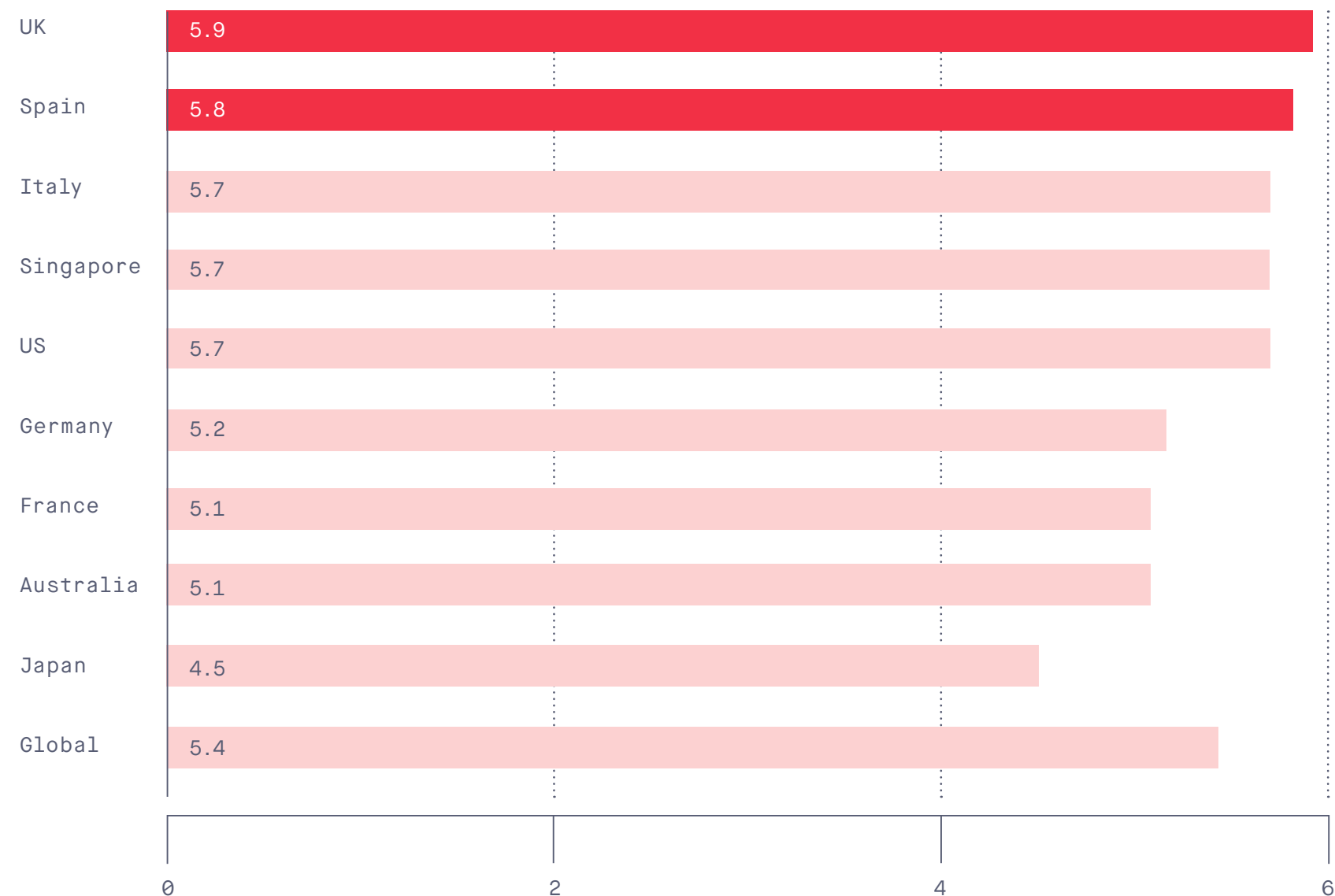
Highest average # of channels that increased dramatically in use:

- UK 5.9
- Spain 5.9

Lowest average # of channels that increased dramatically in use:

- Japan 4.5

The average number of channels that saw a dramatic increase in use as a result of COVID-19



Base: 2,569 companies; 225 to 300 companies per country



Germany and Australia have implemented the most net-new channels as a result of COVID-19

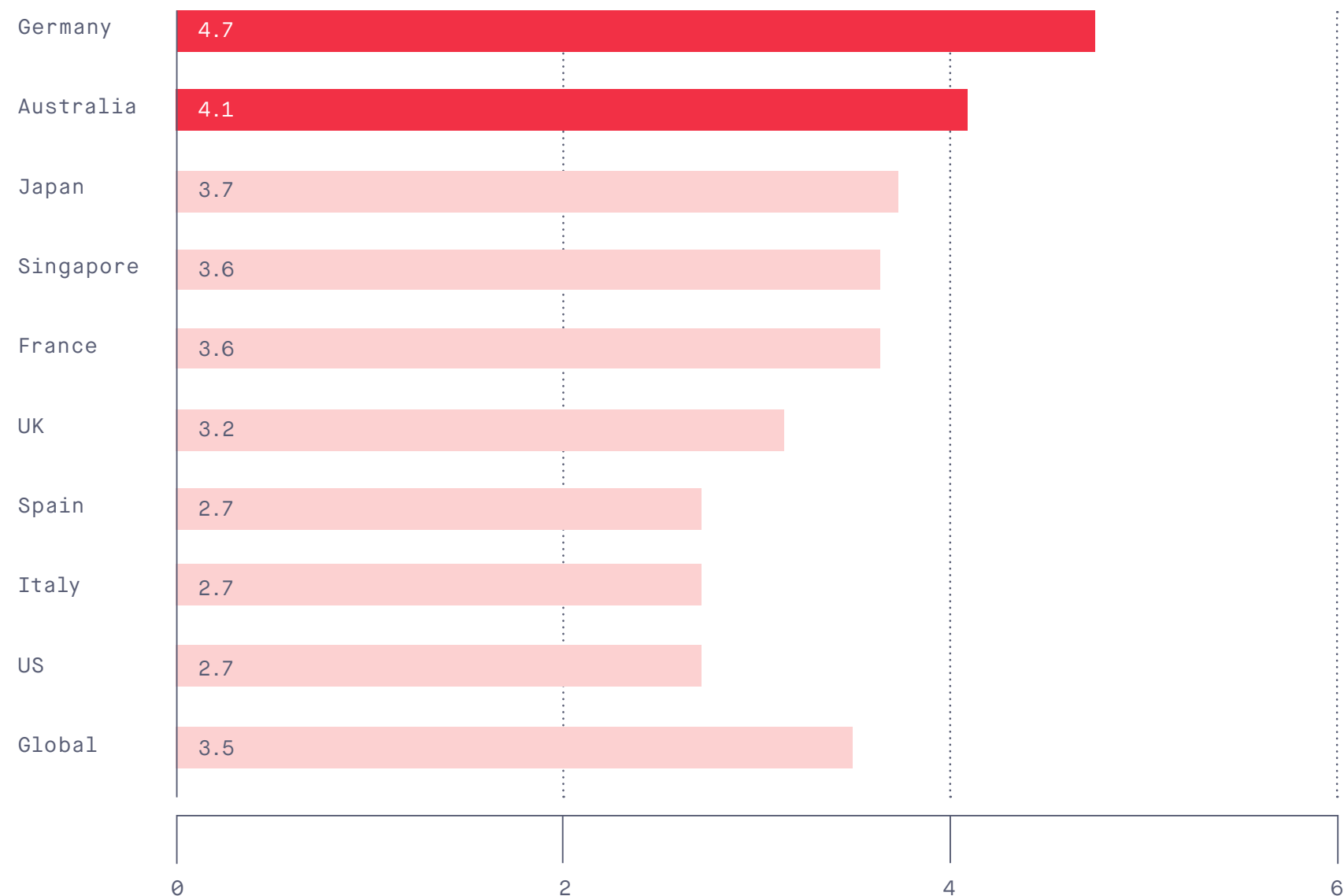
Highest average number of net-new channels added:

- Germany 4.7
- Australia 4.1

Lowest average number of net-new channels added:

- Spain 2.7
- Italy 2.7
- US 2.7

The average number of net-new channels companies have implemented as a result of COVID-19.



Base: 2,569 companies; 225 to 300 companies per country



SURVEY DEMOGRAPHICS



Participant Breakdown

Age	%
17 or younger	0%
18 to 23	0%
24 to 39	56%
40 to 55	40%
56 to 74	4%
75 or older	0%

Country	%	n
Australia	11%	272
France	12%	300
Germany	12%	300
Italy	12%	300
Japan	12%	300
Singapore	11%	272
Spain	9%	225
UK	12%	300
US	12%	300
Net	100%	2569

Job Level/Role	%	n
Director	50%	1,275
VP	17%	430
Executive or C-level	34%	864



Market & Responsibility

Which of the following does your organization primarily provide products and services to?	
	%
Businesses	84%
Consumers	80%
Citizens	37%
Students	37%
Patients	24%
Government entities	15%
Other	0%

What is your level of familiarity with the following strategies within your organization?					
	Not at all familiar	Slightly familiar	Moderately familiar	Very familiar	Total
Customer experience strategy	0%	2%	26%	72%	100%
Digital communications strategy	0%	2%	27%	71%	100%
Growth strategy	1%	3%	30%	66%	100%
Product differentiation strategy	1%	3%	32%	64%	100%



Department

Department			
	%		%
Information Technology (IT) or Engineering	47%	Corporate Communications (PR, analyst relations)	1%
Customer or Technical Support	11%	Strategic Planning	1%
Data Analytics or Business Intelligence	8%	Innovation	1%
Executive Leadership or Administration	8%	Accounting, Finance, or Billing	0%
Customer Experience	6%	Facilities Management	0%
Sales or Business Development	6%	Human Resources (HR)	0%
Marketing	5%	Legal, Compliance or Contracts	0%
Product Design or Development	3%	Manufacturing	0%
Operations	3%	Other:	0%
		Total	100%



Industry

Industry					
	%	n		%	n
Technology	20%	509	Telecommunications	2%	64
Finance	19%	500	Real Estate	2%	51
Retail and eCommerce	14%	368	Education	2%	43
Manufacturing and Automotive	10%	257	Travel and Hospitality	2%	42
Professional and Technical Services	5%	116	Media and Communications	2%	41
Construction	4%	115	Wholesale	1%	35
Energy	4%	104	Entertainment	1%	32
Healthcare	4%	100	Government or Public Sector	1%	26
Business Services	3%	68	Delivery	1%	17
Transportation and Logistics	3%	65	Agriculture or mining	0%	9
			Non-profit or Charity	0%	7
			Total	100%	2,569



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