Messaging Apps and Chatbots for Brand Marketing

2017 LIVEWORLD MARKETING SURVEY WHITEPAPER

Brand INNOVATORS

LiveWorld

The case for branded conversations via messaging app is strong yet far from fully realized.
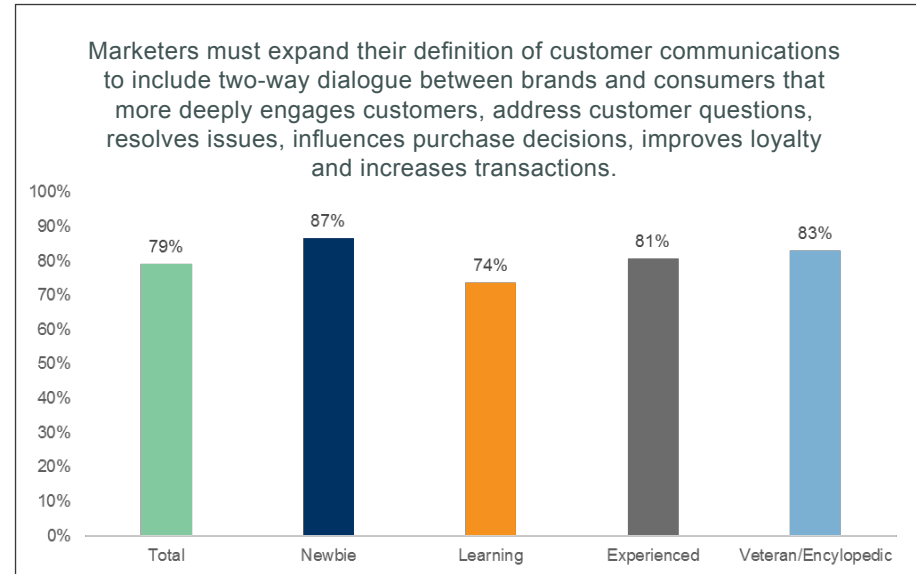
Key questions emerge: Who is using messaging apps for marketing and customer service and why? What advantages do marketers see in branded conversations? What challenges limit the advancement of conversation marketing within the platform? And how will messaging app deployments change in the future?

In an attempt to answer these questions, LiveWorld conducted a survey of 216 Fortune 500 brand marketers across multiple B2C industries. The survey, fielded in April 2017 by partner research firm, Brand Innovators, captured the opinions and perceptions of brand marketers working in Retail (20%), Food and Beverage (17%), Financial Services (10%), Personal and Household Goods (9%), and Media and Entertainment (7%). Other industries represented included Automotive, Healthcare, Insurance, and Telecom.
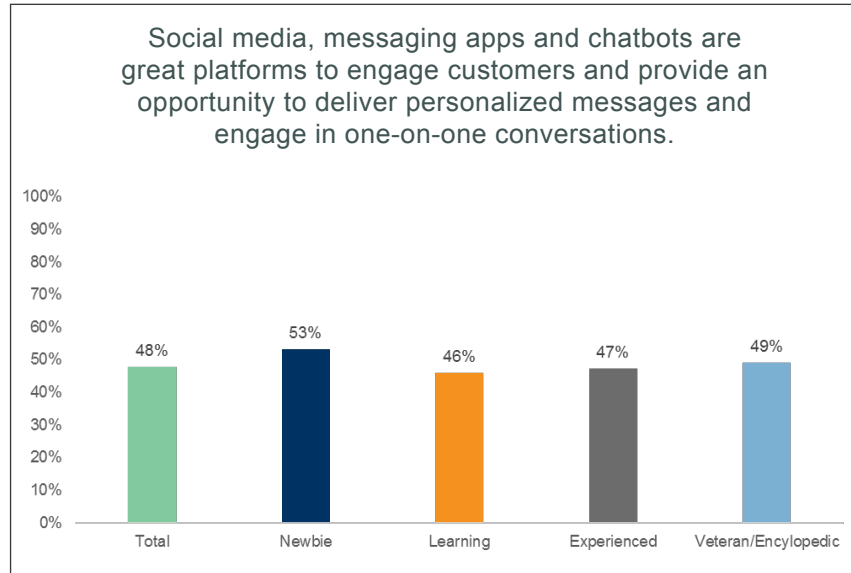

" Marketers agree customer communications now includes real-time 1-on-1 conversations. "

Enthusiasm toward this sentiment was strong, with an average ranking of 4.8 on a 5-point scale. Newcomers to digital marketing were especially likely to express this view, with 87% in agreement.

Marketers must expand their definition of customer communications to include two-way dialogue between brands and consumers that more deeply engages customers, address customer questions, resolves issues, influences purchase decisions, improves loyalty and increases transactions.

Category	Value
Total	79%
Newbie	87%
Learning	74%
Experienced	81%
Veteran/Encyclopedic	83%

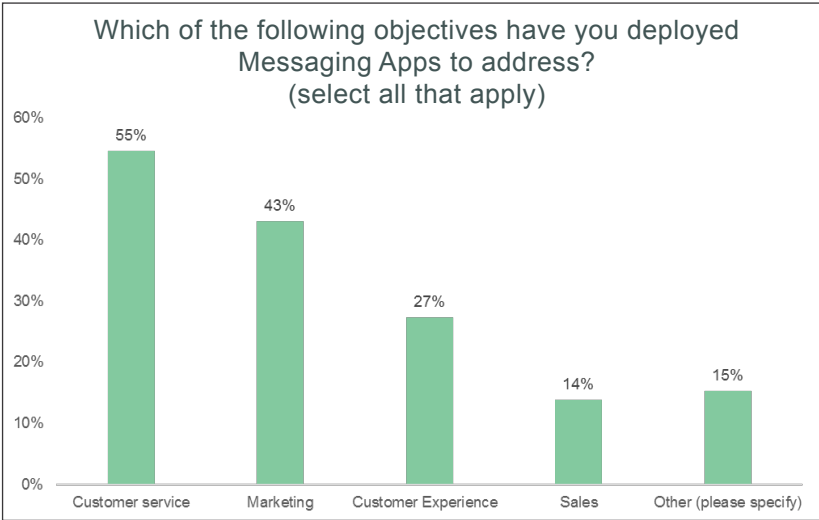# Uncertainty around existing tools to drive branded conversations

Despite enthusiasm for fostering meaningful two-way conversations, less than half of respondents expressed confidence in the ability of existing two-way communications platforms and tools (social media, messaging apps, and chatbots) to meet their needs.

Social media, messaging apps and chatbots are great platforms to engage customers and provide an opportunity to deliver personalized messages and engage in one-on-one conversations.

	Total	Newbie	Learning	Experienced	Veteran/Encylopedic
	48%	53%	46%	47%	49%

Customer service first among those currently using messaging apps

In addition, less than half of all marketers surveyed reported using messaging apps for marketing purposes, and slightly more than half affirmed using them for customer service.

Which of the following objectives have you deployed Messaging Apps to address? (select all that apply)

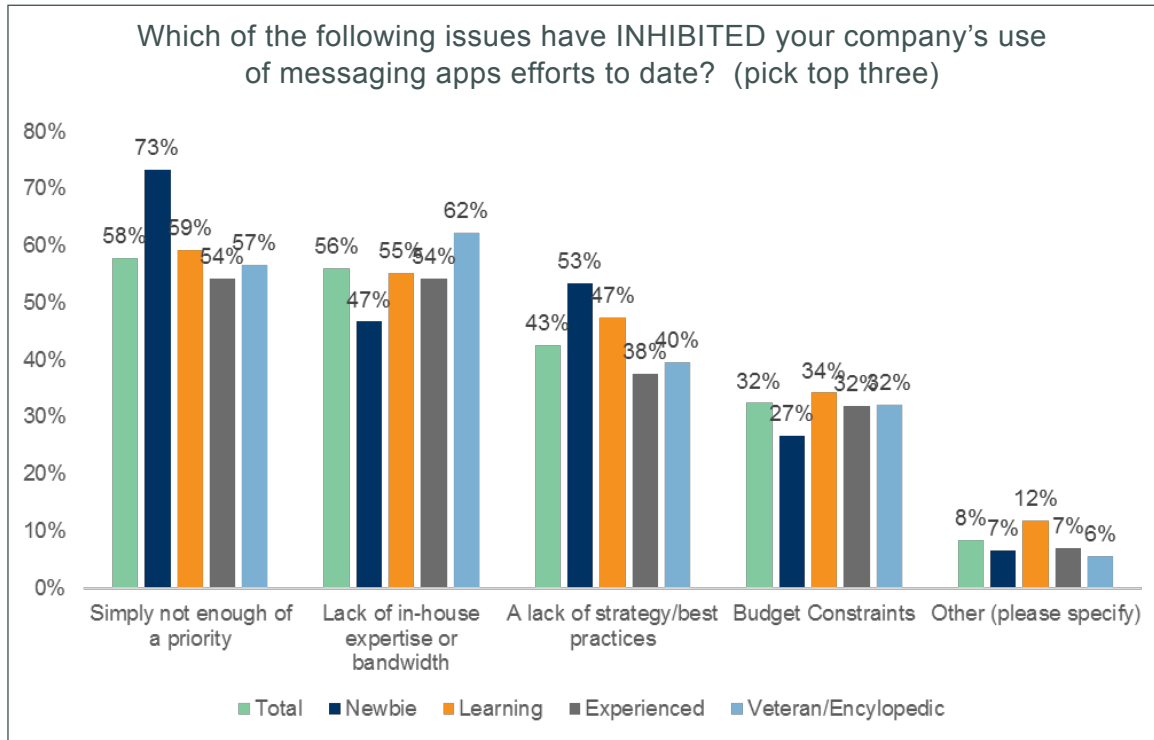| Objective	Percentage
Customer service	55%
Marketing	43%
Customer Experience	27%
Sales	14%
Other (please specify)	15%

Facebook Messenger ranked highest among these marketers, and WeChat (near universal in China but comparatively tiny in the US) ranked a distant second. Skype closely followed (possibly by virtue of added features that appeal to younger consumers), while Japanese powerhouse LINE and Kik received limited mentions.

Expertise, bandwidth and budget challenges inhibiting messaging apps

To understand the reasons behind slower adoption of messaging apps for marketing purposes, the study asked respondents to define the challenges impeding their deployment.

Which of the following issues have INHIBITED your company's use of messaging apps efforts to date? (pick top three)

| Category	Total	Newbie	Learning	Experienced	Veteran/Encylopedic
Simply not enough of a priority	58%	73%	59%	54%	57%
Lack of in-house expertise or bandwidth	56%	47%	55%	54%	62%
A lack of strategy/best practices	43%	53%	47%	38%	40%
Budget Constraints	32%	27%	34%	32%	32%
Other (please specify)	8%	7%	12%	7%	6%

Overall, 58% of marketers surveyed indicated that marketing via messaging apps was simply not a high enough priority within their respective organizations. Meanwhile, a similar percentage attributed the problem to a lack of in-house expertise and bandwidth. Unclear usage strategy and budget constraints were also notable responses. While fewer than 10% of respondents selected "other," these self-reported challenges are likely attributable to marketers in the Financial Services and Healthcare industries, who cite concerns such as "legal constraints" in a "highly regulated industry" and "HIPPA compliance."

**58%** of marketers surveyed indicated that marketing via messaging apps was not a high priority

Experienced marketers more apt to experiment with chatbots

Chatbots typically live within messaging apps, enabling users to interact (via software) with a brand or other entity. As enthusiasm for messaging apps was tepid among the marketers surveyed, it's perhaps no surprise that enthusiasm for chatbot usage was also low.
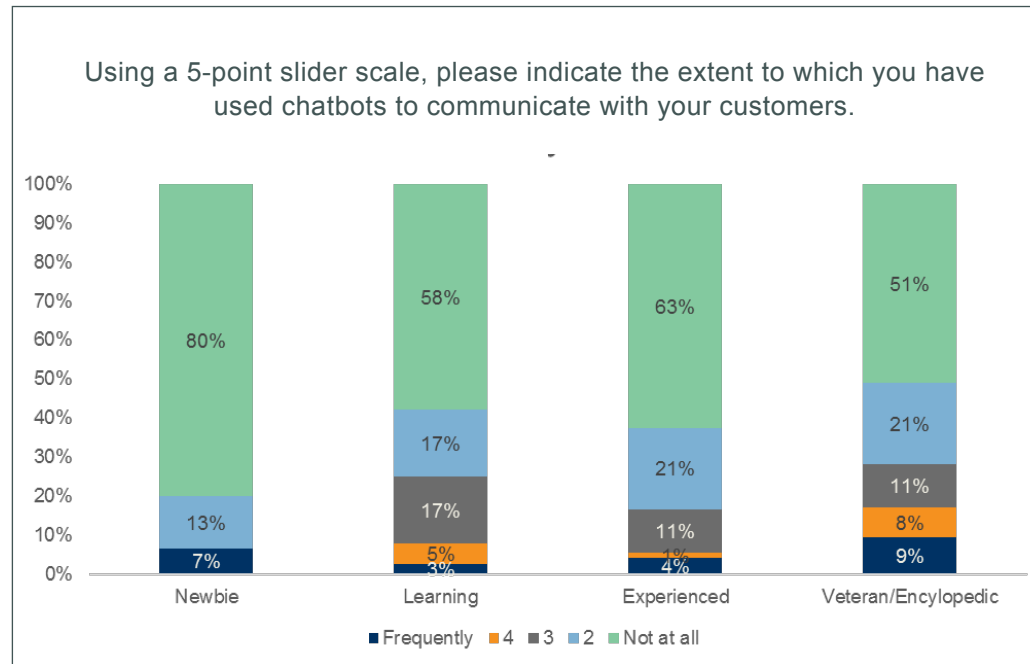
Nearly 60% of respondents indicated they had not used chatbots for customer interaction at all, and another 20% ranked their level of interaction at a 2 on a 5-point scale. 5% of marketers affirmed the use of chatbots for customer interactions frequently.
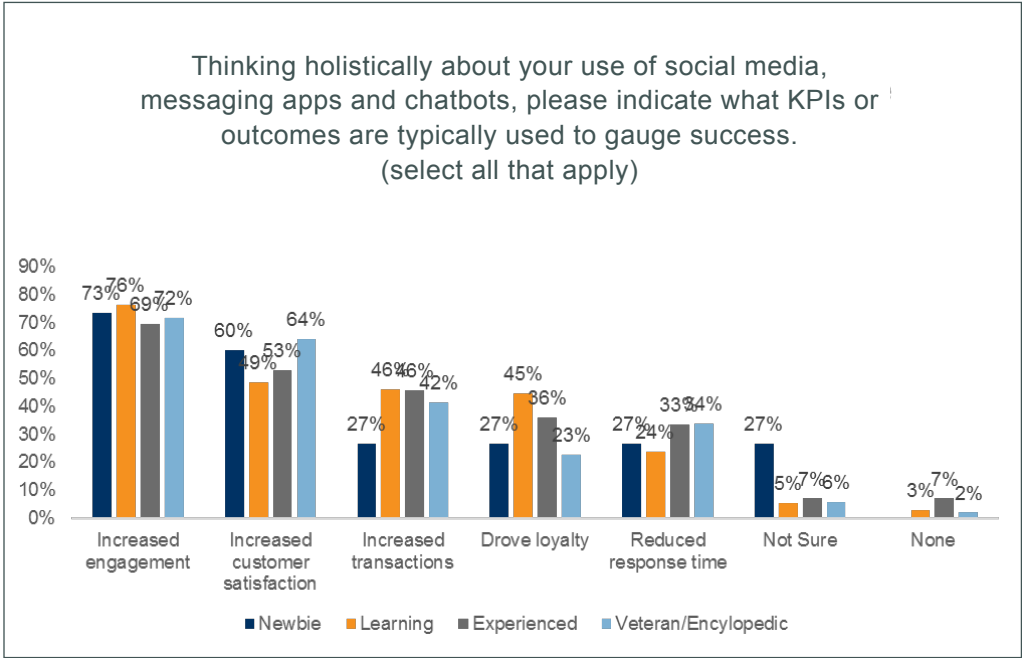
60%
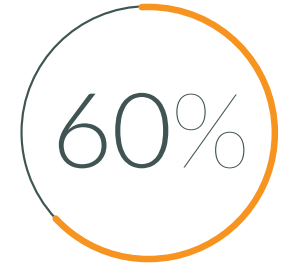
Despite these numbers, experienced marketers who led the way in messaging app deployment could perhaps lead the way to expanded use of chatbots. While about half of veteran marketers said they didn't use chatbots at all, nearly one in ten reported using chatbots frequently.

Using a 5-point slider scale, please indicate the extent to which you have used chatbots to communicate with your customers.

	Newbie	Learning	Experienced	Veteran/Encylopedic
Not at all	80%	58%	63%	51%
4	13%	17%	21%	21%
3		17%	11%	11%
2		5%	1%	8%
Frequently	7%	3%	4%	9%

Legend: Frequently, 4, 3, 2, Not at all

Engagement and customer satisfaction are leading KPIs

Looking more broadly at the collective leverage of social media, messaging apps and chatbots, marketers surveyed report increased engagement to be the most often used KPI.

Thinking holistically about your use of social media, messaging apps and chatbots, please indicate what KPIs or outcomes are typically used to gauge success. (select all that apply)

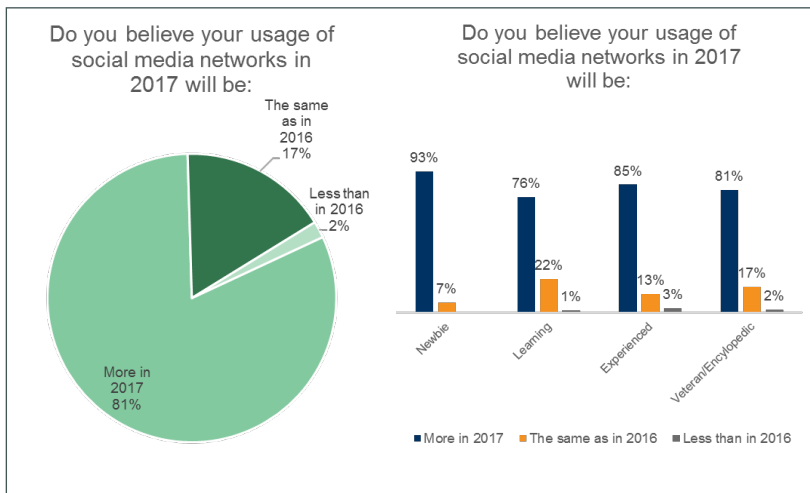|	Newbie	Learning	Experienced	Veteran/Encylopedic
Increased engagement	73%	76%	69%	72%
Increased customer satisfaction	60%	49%	53%	64%
Increased transactions	27%	46%	46%	42%
Drove loyalty	27%	45%	36%	23%
Reduced response time	27%	24%	33%	34%
Not Sure	27%	5%	7%	6%
None	3%	7%	2%	

Increased customer satisfaction follows closely behind, with increased transactions, customer loyalty, and reduced response time also reasonably represented after.
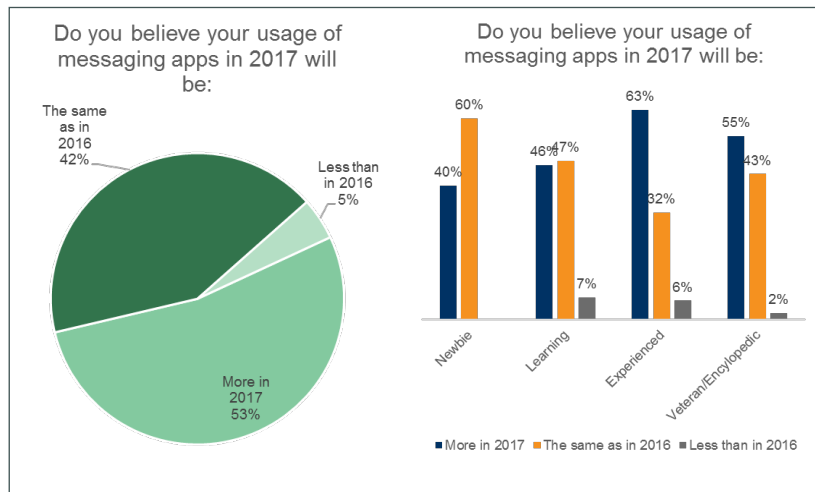
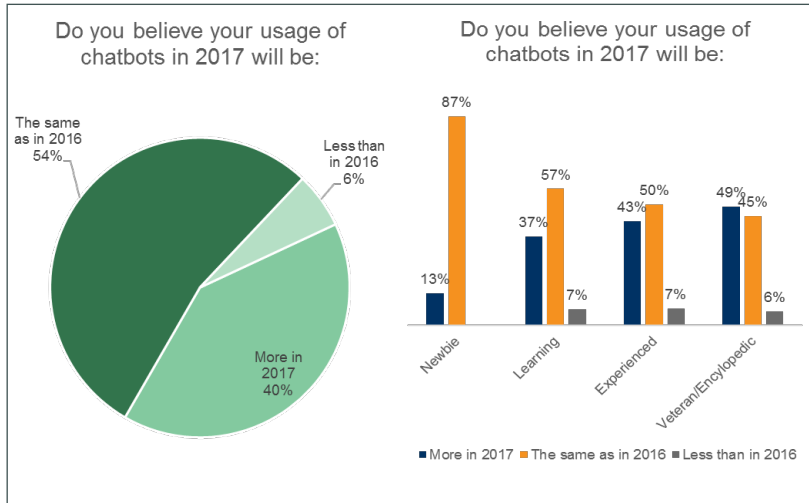# More than half of marketers plan to increase use of messaging apps

Do you believe your usage of social media networks in 2017 will be:

- The same as in 2016 — 17%
- Less than in 2016 — 2%
- More in 2017 — 81%

Do you believe your usage of social media networks in 2017 will be:

	Newbie	Learning	Experienced	Veteran/Encyclopedic
More in 2017	93%	76%	85%	81%
The same as in 2016	7%	22%	13%	17%
Less than in 2016		1%	3%	2%

■ More in 2017 ■ The same as in 2016 ■ Less than in 2016

Going forward, more than 80% of survey respondents anticipate their social media network use will increase.

Do you believe your usage of messaging apps in 2017 will be:

- The same as in 2016 — 42%
- Less than in 2016 — 5%
- More in 2017 — 53%

Do you believe your usage of messaging apps in 2017 will be:

	Newbie	Learning	Experienced	Veteran/Encylopedic
More in 2017	40%	46%	63%	55%
The same as in 2016	60%	47%	32%	43%
Less than in 2016		7%	6%	2%

■ More in 2017 ■ The same as in 2016 ■ Less than in 2016

Slightly more than half predict their use of messaging apps will increase, led by marketers with six years of experience or more.

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40% believe chatbot usage will increase

Do you believe your usage of chatbots in 2017 will be:

The same as in 2016 54%

Less than in 2016 6%

More in 2017 40%

Do you believe your usage of chatbots in 2017 will be:

	Newbie	Learning	Experienced	Veteran/Encylopedic
More in 2017	13%	37%	43%	49%
The same as in 2016	87%	57%	50%	45%
Less than in 2016		7%	7%	6%

■ More in 2017 ■ The same as in 2016 ■ Less than in 2016

Four in ten respondents believe their chatbot usage will increase.

LiveWorld

Veteran marketers
leading the way toward branded conversations

LiveWorld's survey of digital marketers suggests that marketers and customer service representatives are searching for footing as they consider how best to advance toward their conversation marketing goals. The study indicates that the more experienced marketers, perhaps understanding the opportunity to be gained (or lost), are consistently among the first to expand their use of social media to include messaging apps.

Early returns also suggest veteran marketers are working out the challenges and opportunities specific to deployment of chatbots in hopes of improving customer engagement and satisfaction scores in a scalable way.

This view is tempered, of course, by the very tangible challenges marketers face when adopting a robust conversation marketing platform that includes messaging apps and chatbots. In LiveWorld's survey, respondents self-reported a variety of obstacles to deployment, including: integration of data from multiple sources, ROI measurement, resource management, connecting to in-house teams, and sharing customer data with enterprise systems.
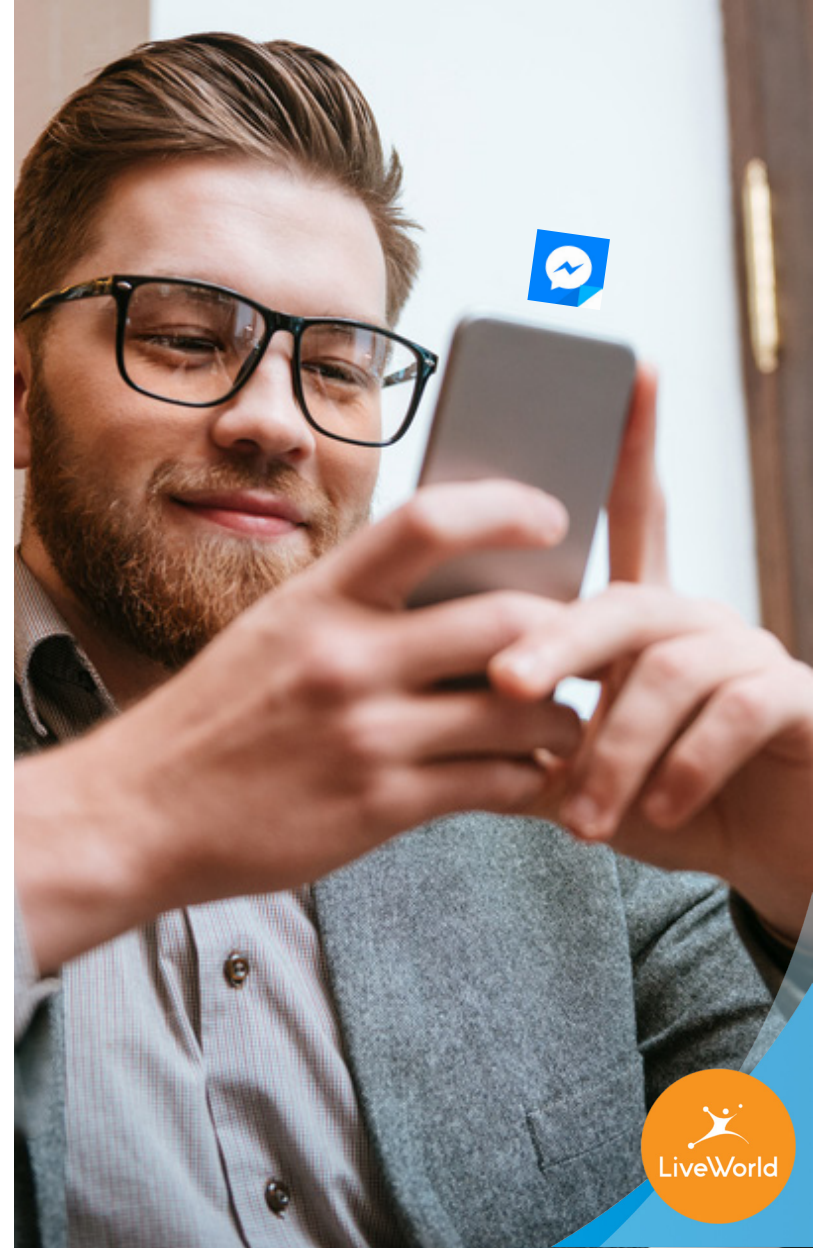
The trend toward deeper customer engagement is not going away

One-to-one communication with consumers represents the new competitive landscape. Social media platforms like Facebook, Instagram, and Twitter have opened the door for conversation marketing to take root, with messaging apps acting as the catalyst for new and dynamic growth in customer relationships. To be sure, the near-term goal is not to replace one-to-many platforms like social media, but rather to build on their efficacy, engaging consumers more deeply and in a way that is convenient, helpful, and emotionally imbued.

With today's leading brands already exploring the possibilities afforded by this next wave of conversation marketing, and maturation of existing messaging app platforms accelerating, the time is now for marketers to consider how they, too, can engage with customers in a way that is meaningful yet scalable.

LiveWorld Conversational Marketing Software & Services

At LiveWorld, we provide conversation management software, consulting, and online agent workforce services. These empower companies to manage conversations in messaging apps and social media to develop deeper relationships with customers. We specialize in handling the speed and scale requirements of brands to engage customers 1-on-1 in real-time and deliver personalized interactions with a human touch. Our conversation-centric software is designed to track and manage dialogue, engage customers, and integrate chatbots and human agents with enterprise systems. Companies are able to quickly solve the scale, security, automation, and multi-social channel challenges associated with marketing and customer service programs. LiveWorld services include strategy, campaign management, content moderation, engagement, customer service, and social analytics.

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