2021 State of Conversational Marketing

Enhancing the Buyer Experience and Driving Pipeline with Conversational Marketing
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Introduction

In 2020, buyer and seller conversations moved almost exclusively online. Now, both parties say there’s no going back.

Customers now expect personalized experiences, 24/7 support, and instant access to the brands they do business with. Why? Because they know what’s possible.

As buying journeys grow more complex, removing friction from your digital channels is essential. Companies that rise to meet these consumer expectations — while differentiating themselves from competitors — will become leaders in their markets.

And many of these companies are looking to Conversational Marketing to improve their digital customer experience today.

Many of these companies are looking to Conversational Marketing to improve their digital customer experience today.

In our most recent survey, 8 out of 10 respondents reported having a Conversational Marketing solution. Of the small group who did not have one, 74% want to add a Conversational Marketing solution to their marketing strategy.

In this 2021 benchmark research report — conducted in partnership with Heinz Marketing — you’ll discover how:

• The B2B customer experience has transformed over the past year
• Businesses are using Conversational Marketing to create better digital customer experiences and achieve their pipeline goals
• Your business can engage buyers more effectively to accelerate revenue across the marketing funnel
To understand the state of Conversational Marketing in B2B, Drift and Heinz Marketing conducted a survey in July 2021. The following data comes from 503 B2B professionals across multiple experience levels, company sizes, and industries.
What is Conversational Marketing?

Conversational Marketing is one of the quickest ways to move buyers through your sales funnel. Through the power of real-time conversations and customer-centric data, B2B marketers can create meaningful, authentic experiences for buyers at every stage, right when they need it.

Conversational Marketing uses targeted messaging and intelligent chatbots to engage with buyers 24/7/365.

Conversational Marketing solutions empower customers throughout their buying journey and help companies build relationships, pipeline, and revenue through exceptional, authentic user experiences.

Become Conversational Marketing-Certified
Looking to become a Conversational Marketing expert — or learn more about using Conversational Marketing in the field? Take our free Conversational Marketing Certification on Drift Insider.
PART 2

2021 Key Findings

1. **Overall frustration with B2B experiences is on the rise**
   Patience is scarce. And with information readily available across multiple channels, buyers are more likely to disengage and seek resources elsewhere when experiencing frustration with a B2B product or service. Learn more about the future of marketing and sales SLAs.

2. **Quick, authentic experiences are a priority for both businesses and buyers**
   Customers and buyers want better digital experiences from companies. Like consumers, businesses want effortless interactions — even if they struggle to deliver them at their own company.

3. **Personalization is a necessity**
   Personalization is taking the B2B marketing landscape by storm. Demand for tailored content and experiences is on the rise. Personalized engagement will continue to be a major selling point for Conversational Marketing solutions.

4. **COVID-19 accelerated Conversational Marketing adoption**
   COVID-19 was the catalyst B2B marketers needed to add Conversational Marketing solutions to their marketing strategies. Initially, some marketers thought of these solutions as a quick fix to a temporary problem. But now, B2B marketers understand that Conversational Marketing is essential to their marketing mix.

5. **AI-powered Conversational Marketing solutions are gaining traction**
   Artificial intelligence (AI) is the new frontier for Conversational Marketing. And those companies who are pioneering AI solutions are seeing stronger engagement between sales and marketing. Of those who currently utilize AI-enabled technology, 82% find their solution to be a very valuable asset in their current sales and marketing strategy.
Overall Frustration with B2B Digital Experiences is Rising

In our 2020 benchmark report, we focused on how the pandemic accelerated “digital transformation” in B2B companies. In 2021, we’ve found that B2B marketers are struggling to pivot their strategies around these new digital experiences and buyer expectations.

With more information accessible at all points of the customer journey, buyers are likely to disengage and seek resources elsewhere when experiencing frustration with a B2B website, product, or service.

Our research shows that consumer patience has worn thin when interacting with B2B businesses:

- **20%** Increase in frustration with accessing basic business information
- **25%** Increase in frustration with website navigation
- **27%** Increase in frustration with old school forms

Thinking about the B2B products and services you use every day, which of these frustrations have you experienced in the last month?

![Bar chart showing the increase in frustration with various factors over the past year.](chart.png)
Unfortunately, Conversational Marketing was not immune to these B2B channel frustrations. Compared to 2020, positive user experience with Conversational Marketing solutions dropped by 10%. When considering all the outlying factors that affected B2B organizations during the pandemic, here are a few reasons for this slight decline in positive user experience:

- Hasty onboarding and integration into current systems
- General uncertainty in the market
- Overall frustration with B2B products and services

![User Experience with Conversational Marketing Solutions](chart)

We expect experiences with Conversational Marketing solutions will rebound as businesses have more time and proper training to align their solutions in their marketing strategies.
Quick & Authentic Experiences are a Top Priority for Businesses and Users

B2B buyers want better digital experiences from companies. And businesses want to deliver on those expectations. Today, buyers research products and services on their own time and expect lightning-fast responses to their inquiries.

That’s why one of the most appealing features of a Conversational Marketing solution is **revealing buyer insights**. Here are the top features Conversational Marketing users care about:

- **46.3%** say learning more about customers is a top feature
- **36.2%** say their solution provides a more human, authentic experience
- **50.7%** say they can provide quicker response times to visitor questions

If businesses want to provide a better buyer experience across their channels, they must engage with customers quickly and authentically.
Personalization is a Necessity

Personalization is no longer a “nice-to-have” feature of Conversational Marketing strategies – it’s a necessity. Our research shows buyers’ expectations for quick, personalized experiences have grown by 26%. This is the biggest shift in positive user experience factors next to instant response times.

According to Folloze Research, 77% of B2B sales and marketing professionals believe personalized marketing experiences improve customer relationships. B2B marketers are expected to deliver relevant content to their customers through preferred communication channels that match their buying journey stage.

As a user, which two of the following factors are most important to you in having a positive experience while using a conversational marketing tool?

COVID-19 Accelerated Conversational Marketing Adoption

Spurred by “digital transformation” during the pandemic, more businesses implemented Conversational Marketing solutions to provide a holistic customer experience and drive sales pipeline.

- More than half of respondents (58%) adopted a Conversational Marketing solution in response to COVID-19
- 99% of respondents said their Conversational Marketing solution was valuable to highly valuable — with 62% finding it is highly valuable
- Almost half of the respondents (45.2%) say their engagement rates increased during the pandemic
Why marketers chose to adopt Conversational Marketing depended greatly on their needs at the time. Here, we see a breakdown of the most common triggers:

According to Gartner, COVID-19 increased both the speed and scale of digital transformation, “escalating digital initiatives into digital imperatives.” This holds true in our findings. In 2020, some companies might have seen these new tools as quick fixes to a temporary problem. But now in 2021, most B2B marketers understand their Conversational Marketing solutions are essential to their marketing strategy. The pandemic forced many B2B organizations to transform the way they capture interest, engage buyers, and convert demand to deliver meaningful results to their bottom line.
The pandemic forced many B2B organizations to transform the way they capture interest, engage buyers, and convert demand to deliver meaningful results to their bottom line. Marketing to improve their digital customer experience today.

AI-Powered Conversational Marketing Solutions are Gaining Traction

Artificial intelligence (AI) is the new frontier of Conversational Marketing. According to a recent benchmark report of AI technology, marketers believe AI-enabled tools will be essential in B2B industries in the next five years. 82% of respondents who use an AI-enabled technology find their solution to be very valuable to their marketing mix. More specifically, respondents enjoy the strong sales and marketing engagement that AI-enabled solutions offer.

82% of respondents who use an AI-enabled technology find their solution to be very valuable to their marketing mix

Of marketers who saw engagement with their Conversational Marketing solutions increase, 56% experienced increased sales productivity. Other AI-enabled benefits reported were:

- The ability to qualify customers in real-time (49%)
- The ease of engaging buyers 24/7 across the globe (41%)
- Efficient ticket support with online concierge (35%)
AI-enabled Conversational Marketing solutions have the power to automate common marketing tasks, accelerate revenue, and reduce costs. In 2021 alone, Gartner projects AI will create $2.9 trillion in business value. AI-enabled solutions give marketers a unique opportunity to have a competitive advantage by:

- Creating personalized consumer experiences
- Increasing marketing attribution
- Generating greater ROI on campaigns
- Getting more actionable insights from marketing data
- Streamlining repetitive business operations
- Shortening the sales cycle

**Top Benefits of Implementing an AI-enabled Conversational Marketing Solution**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualify customers in real time</td>
<td>57.2%</td>
</tr>
<tr>
<td>Increased sales productivity</td>
<td>52.8%</td>
</tr>
<tr>
<td>Efficient ticket support with online concierge</td>
<td>51.3%</td>
</tr>
<tr>
<td>Engage buyers 24/7 across the globe</td>
<td>44.2%</td>
</tr>
<tr>
<td>Accelerated sales pipeline</td>
<td>37.2%</td>
</tr>
<tr>
<td>Increased ROI of conversational marketing strategy</td>
<td>28%</td>
</tr>
</tbody>
</table>

**Conversational Marketing & AI**

AI is transforming B2B marketing as we know it. Overlooking its potential could leave your business at a disadvantage. Learn more in our 2021 State of Marketing AI Report.

GET THE GUIDE
Communicating with Businesses Today

To better understand how prospects and customers interact with Conversational Marketing solutions, we asked respondents about their experiences as end-users rather than business implementers across inbound and outbound channels.

Real-time takes the top-spot, email loses place in the food chain

Even as the world has gone digital, real-time interactions (i.e., live chat and phone/video calls) are still the most popular channels that deliver a high degree of empathy and interactive problem-solving.

Despite our digital reality, people still crave real-time connections. Year-over-year usage of live chat has increased by 35.5%, while more static channels are in decline. Email usage has dropped by 25% since 2020. Spikes in online chat, phone and video calls, and chatbots show that buyers want to reach out to companies on their own time without being inundated with more emails.
Despite our digital reality, people still crave real-time connections. Year-over-year usage of live chat has increased by 35.5%.

Inbound Conversational Marketing use cases continue to grow

Conversational Marketing gives consumers the power to start conversations and seek support when they need it. Of all the ways consumers use Conversational Marketing solutions, communicating with businesses, getting content or valuable resources, and scheduling a meeting emerged as the top use cases.
Roadblocks Affecting the Conversational Marketing Experience

Conversational Marketing is not immune to frustrations with B2B experiences

Although a large majority of respondents had positive experiences with their Conversational Marketing solutions, overall sentiment has dropped in 2021. Here are the main reasons for the drop:

• The rapid adoption of Conversational Marketing solutions driven by necessity in 2020 led to the improper implementation and stressed onboarding

• Changing work environments and team dynamics as B2B companies figured out remote work could also have been a factor in the 2021 user experience

Though the dust hasn’t settled yet, communication uncertainty continues to be a major challenge for B2B industries. Providing strong communication channels through Conversational Marketing will help B2B companies stand out in their market.

Bad information is hurting the bottom line

Inaccurate responses are the leading deterrent for B2B customers. 60% of respondents find inaccurate information or the inability to find answers to questions as their biggest buying roadblocks. Providing timely and accurate information with Conversational Marketing solutions is key for creating positive user experiences, retaining customers, and driving revenue across B2B channels.

As a user, which of the following would stop you from using a conversational marketing solution?
Respond quickly or they’ll leave

The demand for **immediacy** grew in almost every communication category by an average of **64% YoY**:

- **59%** of respondents expect a response within 5 seconds or less when using a chatbot.
- Social media response rates grew **2x**.
- **32%** of respondents expect webforms to be completely automated.

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The expectations of an immediate response between 2019, 2020, and 2021

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The demand for immediacy grew in almost every communication category by an average of **64% YoY**.
How to Create a Positive Conversational Marketing Experience

We shared the typical user experiences and expectations that come with Conversational Marketing solutions, messaging tools, and communication practices. But what do B2B buyers and customers value most in a Conversational Marketing solution? What do they prioritize?

We asked respondents which factors are most important to a positive experience when using a Conversational Marketing solution. From 2020 to 2021, the greatest increases in user benefits were:

- Receiving personalized results (21% YoY)
- Getting instant responses (16% YoY)
- Friendliness and approachability (15% YoY)

As a user, which two of the following factors are most important to you in having a positive experience while using a conversational marketing tool?
PART 4

Conversational Marketing for B2B Business

Making the Case for Conversational Marketing

B2B customers expect businesses to understand their current needs and provide solutions to their pain points. This desire to be understood, have meaningful conversations, and engage promptly has heightened over the past year. Companies were challenged to recalibrate their marketing strategies to meet new consumer behaviors and demands.

Below, we asked marketers to share their experience with Conversational Marketing as a part of their current business strategy.

Conversational Marketing solutions drive better lead engagement

With Conversational Marketing, companies generate more high-quality leads and create meaningful engagement with buyers.

- **54.8%** of survey respondents reported a greater volume of high-quality leads
- **48.8%** of respondents saw better lead engagement

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Which of the following benefits have you experienced when it comes to implementing a conversational marketing solution within your own business?

<table>
<thead>
<tr>
<th>Benefit</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learned more about our buyers and customers</td>
<td>57%</td>
<td>53%</td>
</tr>
<tr>
<td>Generated a greater volume of higher quality leads</td>
<td>44.5%</td>
<td>48.8%</td>
</tr>
<tr>
<td>Shortened/accelerated sales cycle</td>
<td>37.8%</td>
<td>44.3%</td>
</tr>
<tr>
<td>Longer times on website and/or more pages per session</td>
<td>38.7%</td>
<td>44%</td>
</tr>
<tr>
<td>Greater, more predictable engagement from leads and accounts</td>
<td>39.5%</td>
<td>46.8%</td>
</tr>
<tr>
<td>Reduced customer churn</td>
<td>10.7%</td>
<td>23%</td>
</tr>
<tr>
<td>Personalized the customer experience</td>
<td>NO DATA</td>
<td>30.6%</td>
</tr>
</tbody>
</table>
Enhancing the customer experience is paramount to B2B marketers

Buyers have higher standards. That’s why improving the customer experience continues to be a top priority for businesses with Conversational Marketing solutions. And speed and authenticity are what defines “good” today. Quicker response times and more authentic customer experiences are among the highest-rated benefits of Conversational Marketing seen by businesses today.

![Bar chart showing factors of conversational marketing success]

- 56.7% of respondents believe quick response time and answers are the most successful factor.
- 28.3% believe a more human, authentic experience is key.
- 18.8% believe a user’s quick and easy access to content is important.
- 22.5% believe integrated campaigns and experiences across channels are successful.
- 28.8% believe relevant messaging for users is crucial.

Speed and authenticity are what defines “good” today. Quicker response times and more authentic customer experiences are among the highest-rated benefits of Conversational Marketing seen by businesses today.
Success found in engagement, retargeting, and nurture

While it’s clear that Conversational Marketing provides a wealth of benefits, some of the most successful use cases in 2021 were:

- Increase **website engagement** (49.1%)
- Increased ROI on **digital ads**, paid social ads, **PPC**, or **retargeting** (41.0%)
- Improved **emails/nurture programs** (35.9%)
Roadblocks Affecting Business Use of Conversational Marketing Solutions

Success starts at the beginning for Conversational Marketing adoption

The number of respondents who reported using Conversational Marketing solutions ineffectively went from **11.6%** (2020) to **20%** (2021). Improper onboarding and the state of uncertainty in the market were key factors driving this shift.

Still, our research shows that marketers know Conversational Marketing solutions are valuable; however, they might not have the best resources to implement their solutions effectively. **97.2%** of marketers believe Conversational Marketing to be valuable to their marketing strategy.

If You Read Any Book on Conversational Marketing, Read This

Set your Conversational Marketing strategy up for success. Download a free copy of Drift’s Conversational Marketing Blueprint. You’ll get access to templates, frameworks, and Conversational Marketing plays you can put into practice today.

GET THE BLUEPRINT
Sales & marketing alignment solves Conversational Marketing challenges

One of the challenges marketers face when implementing Conversational Marketing is aligning sales around the customer’s buying journey. Over 40% of respondents said a lack of lead follow-up or engagement from sales were the main roadblocks to optimizing Conversational Marketing.

Companies that saw high engagement had better sales efficiency (56%) and coordination with marketing to qualify leads in real-time (49%). Focusing on sales and marketing alignment will increase the success of engaging prospects and achieving revenue goals.

What factors do you believe made your conversational marketing program most challenging?

<table>
<thead>
<tr>
<th>Factor</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of marketing resources to maintain messaging and keep fresh</td>
<td>48.2%</td>
<td>40%</td>
</tr>
<tr>
<td>Lack of engagement from sales to staff conversations</td>
<td>44.3%</td>
<td>40.3%</td>
</tr>
<tr>
<td>Lack of engagement from sales to follow up with</td>
<td>24.2%</td>
<td>40.6%</td>
</tr>
<tr>
<td>Difficult to set up and implement</td>
<td>10.6%</td>
<td>32%</td>
</tr>
</tbody>
</table>

So, what can we expect around Conversational Marketing in 2022?
PART 5
Predictions & Recommendations for 2022

Predictions for the Future of Conversational Marketing

Based on this and last year’s report, we have five predictions for Conversational Marketing in 2022:

1. **Removing friction in the buyer’s journey will be a major priority for marketers**
   The largest B2B channel frustrations were with poor quality web forms (26.8%), poor website navigation (24.5%), and difficulty getting answers to simple questions (20.2%). As B2B buyers and sellers seek new ways to engage and optimize their buying experience, frustrations with traditional communication channels may grow. Removing as many friction points as possible across B2B marketing channels will be a huge advantage for companies.

2. **Demand for immediate responses will grow until it becomes a baseline feature**
   B2B buyers want answers now. Demand for immediate responses grew by 64% across most two-way communication channels (i.e., chatbot, phone, social media, web form, and email). This was one of the biggest increases from our 2020 benchmark report. 61% of marketers who saw increased engagement with Conversational Marketing attributed their success to quicker response times. We expect B2B companies to deliver on their customers’ expectations for timely service by becoming more efficient with their communication strategies.
3. **Digital transformation growing pains with Conversational Marketing solutions will rebound**
   The high and rapid adoption of Conversational Marketing during the pandemic led to poor onboarding and rollouts. We expect that experience to spring back as businesses have adequate time and proper training to optimize their solutions in their marketing strategies. As companies enhance usage and implementation, we expect satisfaction and engagement to increase back to 2020 levels (44% in 2020 vs. 39% in 2021).

4. **Demand for accessible, relevant information will expand and AI-enabled Conversational Marketing will meet that demand**
   AI-powered Conversational Marketing solutions offer the real-time personalized experience buyers demand. Solutions like **AI chatbots** saw the largest growth in usage (45% YoY) within the last year. Advances in these types of solutions will improve response time and heighten personalization for years to come.

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5. **How we communicate is changing, and your business needs to keep up**
   Buyers are growing increasingly frustrated with B2B communication channels across the board. With email dethroned as the primary B2B communication channel (-26% reported usage YoY), marketers should try to connect with buyers in new, effective, and customer-centric ways. Like, for example, via hybrid events, AI-driven content personalization, and customizable demos.
Level Up Your 2022 Conversational Marketing Strategy

Using data from our research, we’re sharing insights to inform your Conversational Marketing strategy in 2022 and beyond:

1. **Reevaluate your sales and marketing touchpoints to reduce friction**
   Friction along the buying journey is a roadblock to engaging and retaining potential buyers. Examples of friction could include:
   - Too many emails
   - Difficulty navigating a website or getting questions answered
   - Inaccessible content or reps

   Some ways to help reduce friction and frustration include:
   - Reducing response times
   - Increasing availability
   - Using customer-initiated conversation solutions

2. **Don't assume a return to pre-pandemic marketing strategies**
   The pandemic shifted how buyers and customers engage with companies. The bottom line: People want greater control of their buying experience. Companies must lean into this “new normal” by focusing on customer-centric marketing strategies and communication channels.

   Businesses that effectively use Conversational Marketing saw increased benefits in their website performance (58%), paid media performance (46%), and sales enablement (39%). These channels will continue to be marketers’ bread and butter. Now is the time to improve them.

3. **Automate as many touchpoints as you can**
   Demand for instant responses isn’t going anywhere. AI Conversational Marketing solutions provide an opportunity to meet user expectations for response times without sacrificing personalized experiences.
4. **Align sales and marketing functions to get the most out of Conversational Marketing**

Conversational Marketing relies heavily on a strong alignment between sales and marketing. 40% of respondents said that a lack of sales engagement, both in lead follow-up and buyer conversations, impacted the effectiveness of Conversational Marketing.

Sales teams that engage earlier with Conversational Marketing strategies will see the benefits sooner. Our data shows that Conversational Marketing solutions can provide better **real-time qualification** (45%), increased **sales productivity** (41%), and **accelerated pipeline** (27%).

5. **See how Conversational Marketing can improve other areas of your business**

The opportunities to transform your buying experience and generate predictable pipeline are endless. Consider using Conversation Marketing for virtual event engagement, webinar registration, paid media, and more.
Final Thoughts

Over half of the respondents implemented Conversational Marketing solutions during one of the biggest upheavals of modern-day business.

Some might have seen these solutions as a quick fix to a temporary problem. But many B2B marketers understand that Conversational Marketing is essential to their marketing strategy. Adoption and implementation of Conversational Marketing solutions will not slow down in the coming years. With AI growing more advanced and accessible every day, B2B companies have an opportunity to optimize their user experience and drive pipeline with Conversational Marketing.

About Drift

Drift brings your go-to-market teams together to deliver personalized conversations with your customers in real-time — so you can increase your revenue, shorten your sales cycles, and strengthen your brand.

More than 50,000 businesses use Drift to align sales and marketing on a single platform to deliver a unified customer experience where people are free to have a conversation with a business at any time, on their terms. For more information, visit www.drift.com.

About Heinz Marketing

Heinz Marketing is a B2B marketing and sales acceleration firm that delivers measurable revenue results. Every strategy, tactic, and action has a specific, measured purpose. Instead of focusing on the activities, we focus on the outcomes. What really matters is sales pipeline, closing business, and accelerating revenue. For more information, visit www.heinzmarketing.com.

Disclaimer: Response percentages may not add up to 100% due to rounding. Response percentages may exceed 100% if the question allows respondents to select multiple answers.