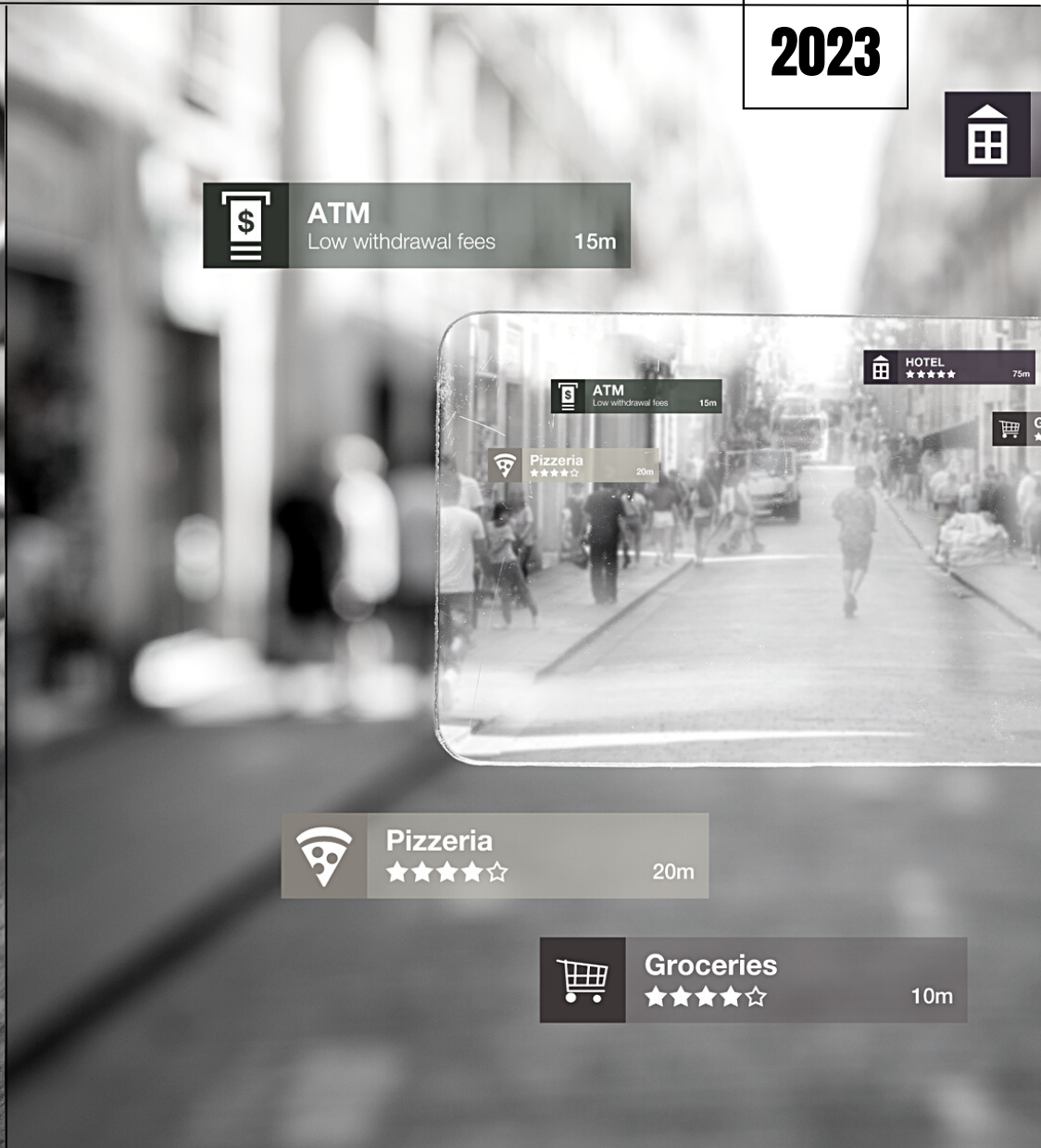


Consumer Channel Preferences for Communicating with Businesses

April

2023



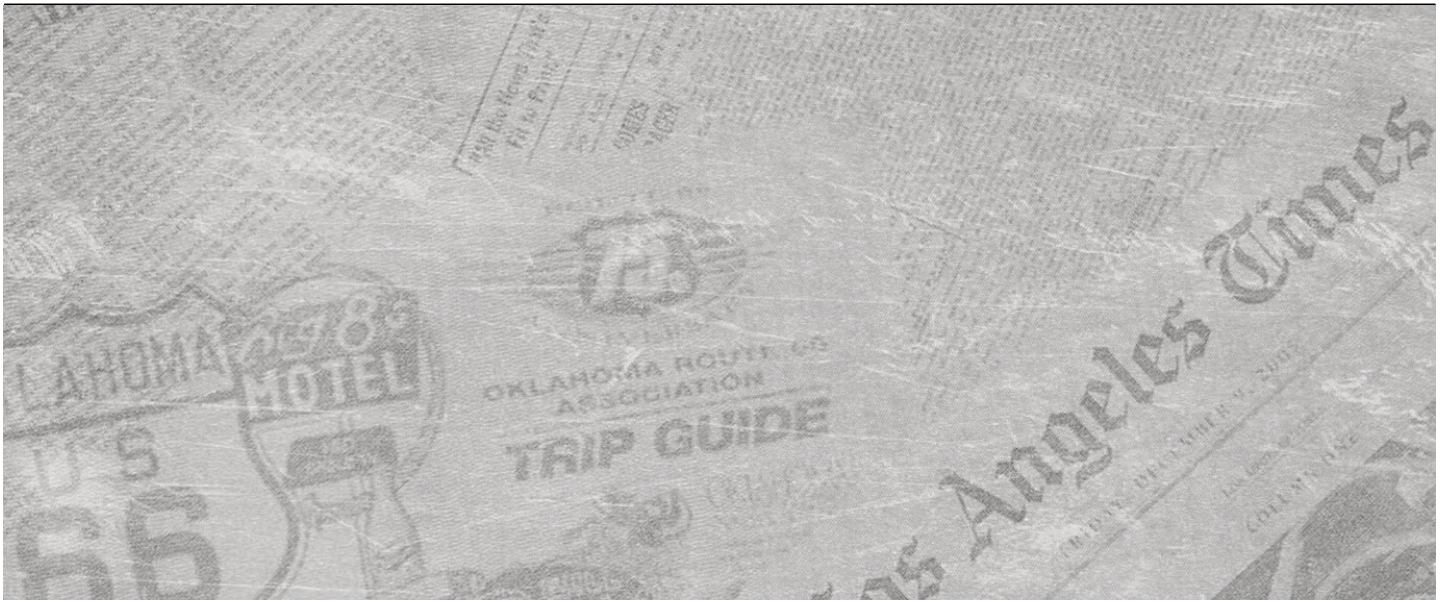


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Consumer preferences have evolved as communication channel choices proliferate and consumers spend more time in mobile applications. To better understand these preferences and how they have changed over the past year Arion Research conducted a global survey of consumer communication preferences sponsored by Sendbird. The survey details and demographics are included on page 17.

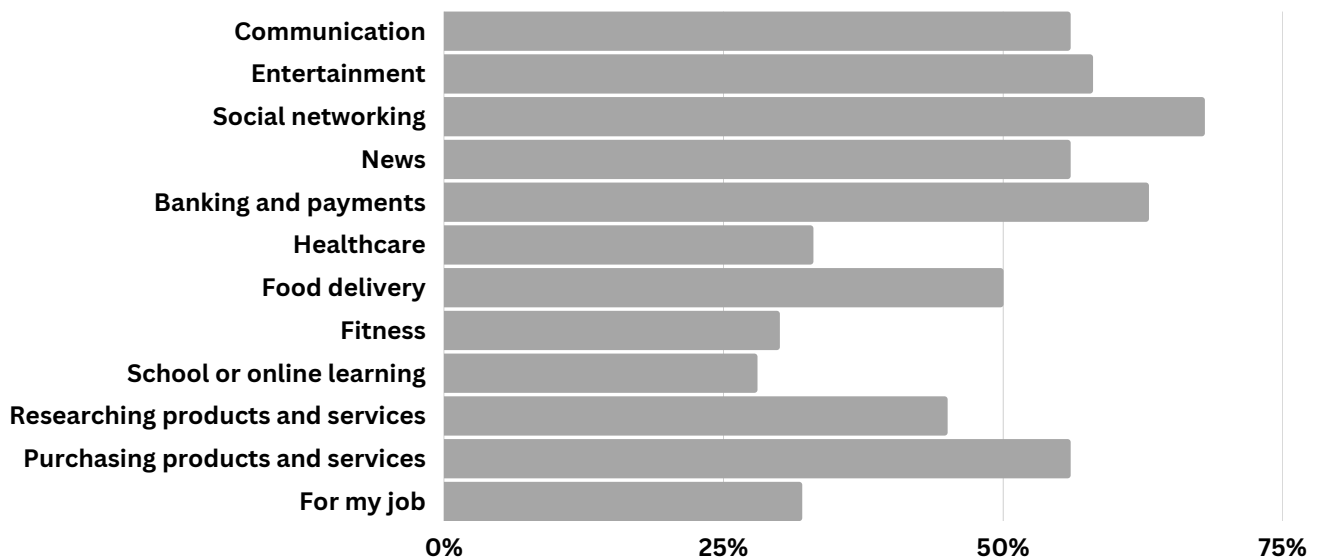
This report examines the preferences of consumers for interacting and communicating with businesses. All the major communication channels, including email, phone / voice, text / SMS, push notifications, live chat, automated chat, public messengers (WhatsApp, Facebook Messenger, Telegram, etc.), and social media (LinkedIn, Instagram, Facebook, etc.) are included. The survey spanned overall consumer communications preferences as well as specific channel preferences across a variety of online activities like banking, eCommerce, entertainment, social networking, online learning and healthcare. Key findings include:

- When businesses use the consumers' preferred communication channel, they are more likely to **remain a customer (82%)**, **buy more (69%)** and **become an advocate (66%)**.
- The penalty for poor communication practices can be stiff, with nearly **1 in 4** respondents having **switched brands or not renewed a subscription** because the company sent too many emails or text / SMS messages.
- Over communicating leads **1 out of 2 consumers to miss or ignore communications** by phone, email, text / SMS and social media.
- **Trust** is an important factor for consumers in choosing a communication channel.
- Overuse of **text / SMS** is creating **fatigue** in consumers who reported receiving more text / SMS unwanted and/or spam over the past 12 months (34%) and 72% reported that **text / SMS is the least trusted** communication channel from businesses.
- Push notifications are at risk for overuse with **56%** of respondents reporting getting too many push notifications which makes it hard to find useful information, but offer a good alternative for many types of communications when **implemented correctly** in the business mobile application.



Communicating With Customers

I regularly use mobile applications on my smart phone or tablet for:



Globally 93% of Consumers Use Mobile Apps

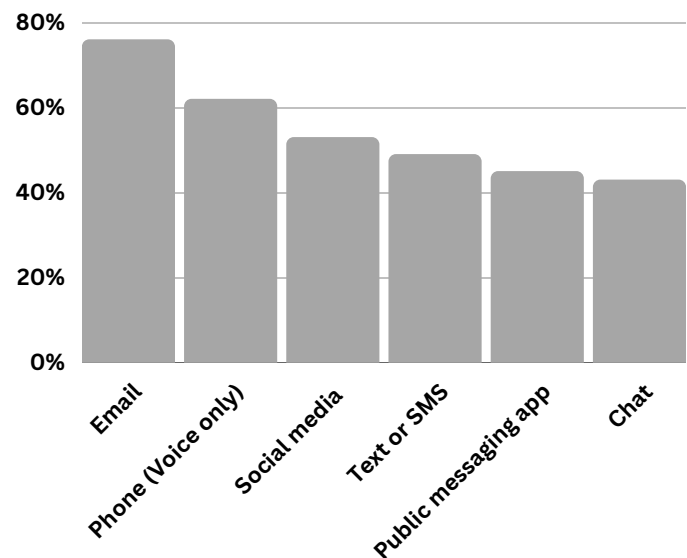
The modern customer experience meets the customer where they are, providing multiple communication channels across the entire customer lifecycle. But according to consumers, different channels work best for different types of communication. Organizations need to pay attention to these trends since offering choice comes with both business benefits and with enhanced customer satisfaction.

“When businesses use my preferred communication channel, I’m more likely to remain a customer (82%), buy more (69%) and become an advocate (66%)”

Retention, attention and advocacy are all high value outcomes for a company as a result of effective communications

Consumers interact with businesses across various channels, which leads many businesses to implement an omnichannel communication strategy. The survey shows that preferences and usage vary by function and online activity, as does consumer trust of each channel based on the type of activity. Consumers expect you to provide multiple channels that give them choice. Empowerment is critical for satisfaction and while there are rewards for meeting expectations, communication practices that poorly align with customer preferences can have significant negative business consequences.

In the past year what communication channels have you used to interact with a company or other business institution?



When a business communicates with me using my preferred channel I'm more likely to:

Remain a customer

82%

Pay attention to comms

75%

Make a new purchase

69%

Recommend the business

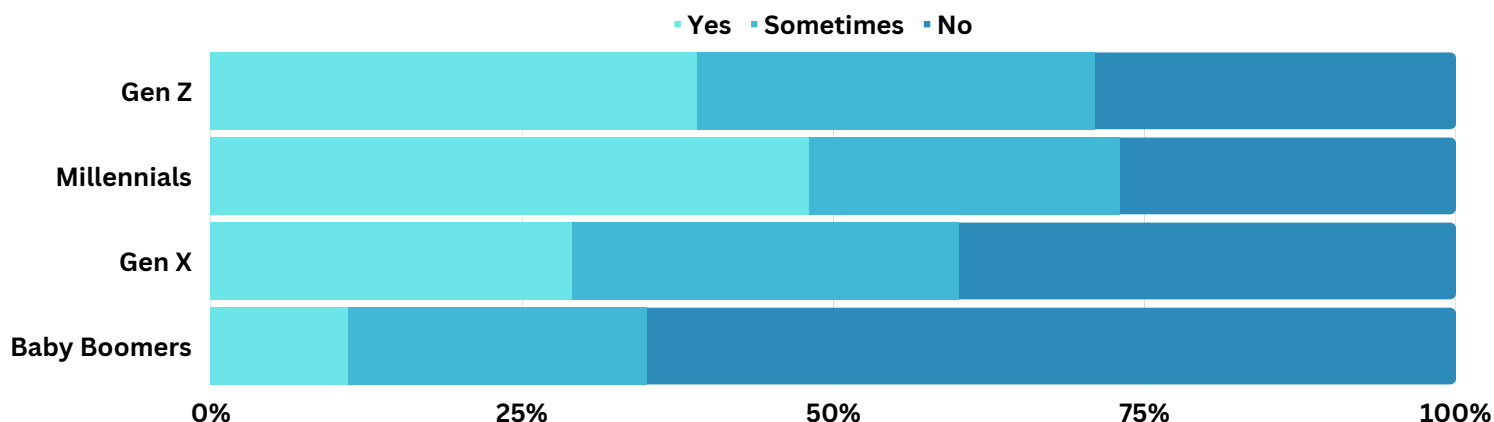
66%

The rewards for meeting customer expectations by providing access to their preferred channel are clear. **Retention, attention and advocacy** are all high value outcomes for a company, particularly for businesses that are offering some or all products in a subscription model. In an economy where ongoing customer relationships are desirable, or even necessary for long term business health, keeping customers positively engaged is a high priority. An **omnichannel communication strategy** is essential for growth and long term business health.



85% of respondents usually allow (some or all) applications and/or websites to track their activity across other applications and websites

Do you usually allow applications and/or websites to track your activity across other applications and websites?



Consumers are willing to share more data if it's for more personalized offers and experiences. In other words, the value to the consumer has to be obvious to encourage the sharing, and your communication practices must be well managed. Overall **85%** of respondents usually allow (some or all) applications and/or websites to track their activity across other applications and websites. There is also a marked difference by generation in how open and willing they are to share data.

In the past 12 months, I chose to switch brands or not renew a subscription because:

Company sent too many emails.

25%

I had a bad customer service experience with a chatbot / automated system.

Company sent too many text or SMS messages.

24%

The company had a poor mobile application experience.

The company did not use my preferred communication channel.

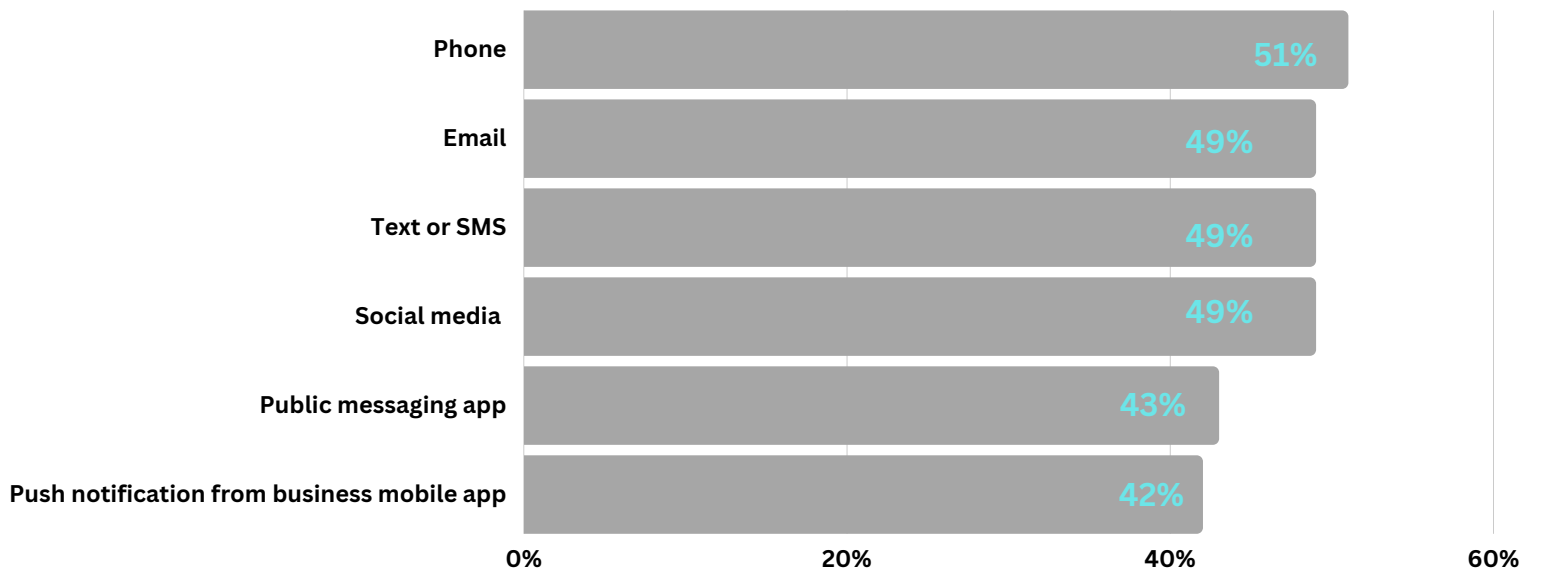
0% 5% 10% 15% 20% 25%





32% of Millennials and 27% of Gen Z report companies sending too many text / SMS messages

Do you ignore or miss communications from a business in any of these channels?



Consumers struggle with the volume of communications and with the variety of channels that are competing for limited attention. While the phone and email are often cited as preferred channels, they suffer from both the frequency of spam on both platforms and from the ease that devices offer to "ignore" unwanted communication.

In general push notifications appear to be the channel with the least amount of "noise". That may be a result of the sheer volume of spam phone calls (robocalls), emails and text / SMS.

Looking at the channel noise issue by generation, Millennials and Gen Z are feeling the increased volume and growing use of text / SMS. These two generations are the core target set of consumers for many companies .

Company sent too many text or SMS messages.

Gen Z	27%
Millennials	32%
Gen X	18%
Baby Boomers	12%

Even with the increased level of spam from email and robocalls, email and phone are still the channels that are most likely to be in use. **Text / SMS was the least likely to be used (70%)** for communicating with businesses. Seeing text / SMS as the least likely channel might be surprising, but **33% of the respondents also reported that the number of spam / unwanted text / SMS messages had increased over the past 12 months**. This could indicate that consumers are tiring of the overuse of text / SMS for business communications.

Trust and Communication

Each communication channel has positive and negative attributes and levels of trust which vary by activity and individual preferences. The level of trust in a channel incorporates the culture of the country, the generation and experience with the channels and the positive or negative experiences of each individual. The level of trust of an individual can be degraded or even lost if the channel is overused or the customer has a specific bad experience. Regaining trust is extremely difficult.

	Most Trusted		Least Trusted	
Japan	Phone	48%	Social Media	29%
South Korea	Phone	36%	Social Media	28%
United States	Email	25%	Social Media	25%
India	Email	30%	Text / SMS	22%
Mexico	Email	33%	Text / SMS	27%
Australia	Phone	41%	Public Messaging App	22%
Brazil	Email	27%	Text / SMS	27%



	Most Trusted		Least Trusted	
Singapore	Email	30%	Text / SMS	24%
United Kingdom	Phone	37%	Social Media	33%
France	Email	34%	Social Media	36%
Germany	Email	38%	Social Media	42%
Israel	Email - Phone tie	24%	Social Media	26%
United Arab Emirates	Public Messenger	25%	Text / SMS - Social Media Tie	16%
South Africa	Email	39%	Text / SMS	30%

The type of online activity and consumer trust with each channel drives channel preference. Perceived security for each channel is also a contributor, particularly for higher risk activities like banking or healthcare. In general **email (82%) and phone (77%)** are the most trusted communication channels, but close behind is **live chat via website (58%) and live chat via mobile app (46%)**.

Activity	Communication Preferences by Activity		
	#1	#2	#3
Banking	60% Email	52% Phone	41% Live Chat
Shopping	58% Email	48% Public Messenger	46% Tied: Text / SMS and Chatbot
Entertainment	67% Social Media	60% Public Messenger	47% Chatbot
Healthcare	42% Phone	34% Email	33% Live Chat



Live chat has grown significantly as people spend more time online and more businesses deploy mobile apps with live chat capabilities. This shows broad adoption and acceptance of live chat across a variety of activities and for many companies offers an opportunity to increase customer satisfaction and retention.

Email is the most trusted channel (82%) and social media is the least trusted (93%)

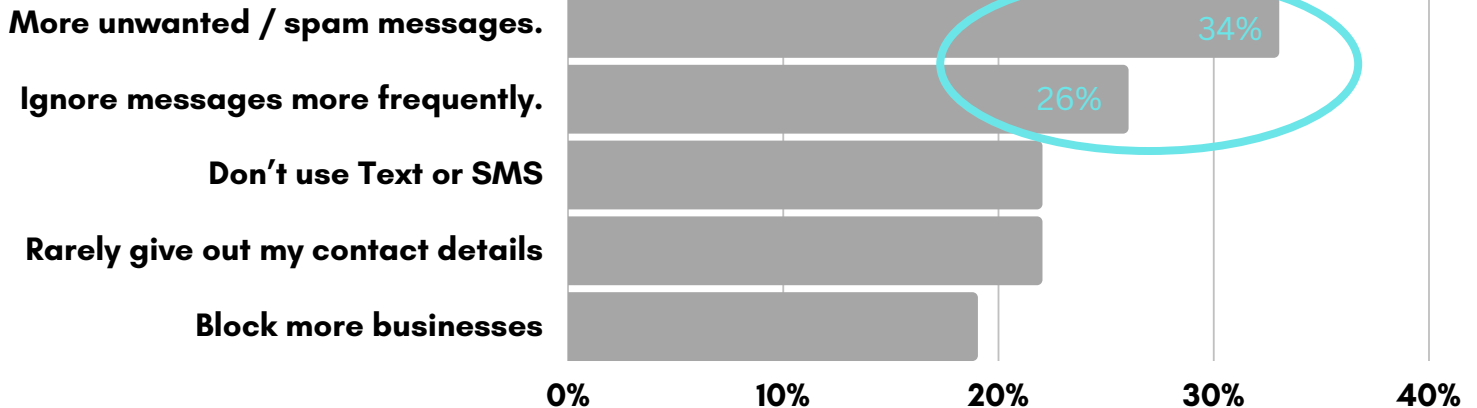
Least trusted channel by generation.		
Gen Z	22%	Text / SMS
Millennials	25%	Tie: Text / SMS & Social Media
Gen X	30%	Social Media
Baby Boomers	49%	Social Media

Least trusted channel by activity.		
Banking	82%	Social Media
eCommerce	62%	Phone
Entertainment	68%	Phone
Healthcare	83%	Social Media

Text / SMS

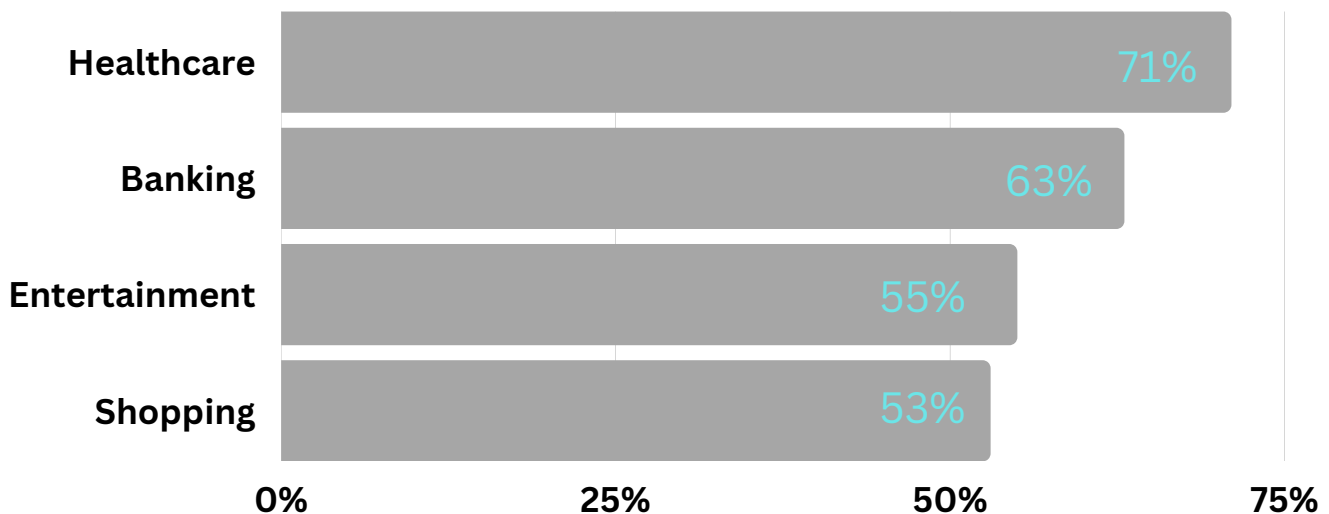
Text / SMS and live chat are an essential part of consumer interactions with businesses. But the use of text / SMS for business communications, which has increased rapidly over the past 3 years, is showing signs of reaching a saturation point and consumers are showing signs of SMS fatigue. Only 11% prefer text / SMS to communicate with businesses.

How has your experience with Text or SMS from businesses changed over the past 12 months?



SMS fatigue is getting worse for consumers. Trust is a key part of the choice consumers use to determine which channel they prefer to use. When you look at activities, the more risk there is in an activity for the individual, the less they trust text / SMS. In healthcare, an activity that has both privacy and personal health risk, 71% of the respondents indicated that they do not trust text / SMS. Banking, an activity with security and privacy risks, 63% of consumers do not trust text / SMS.

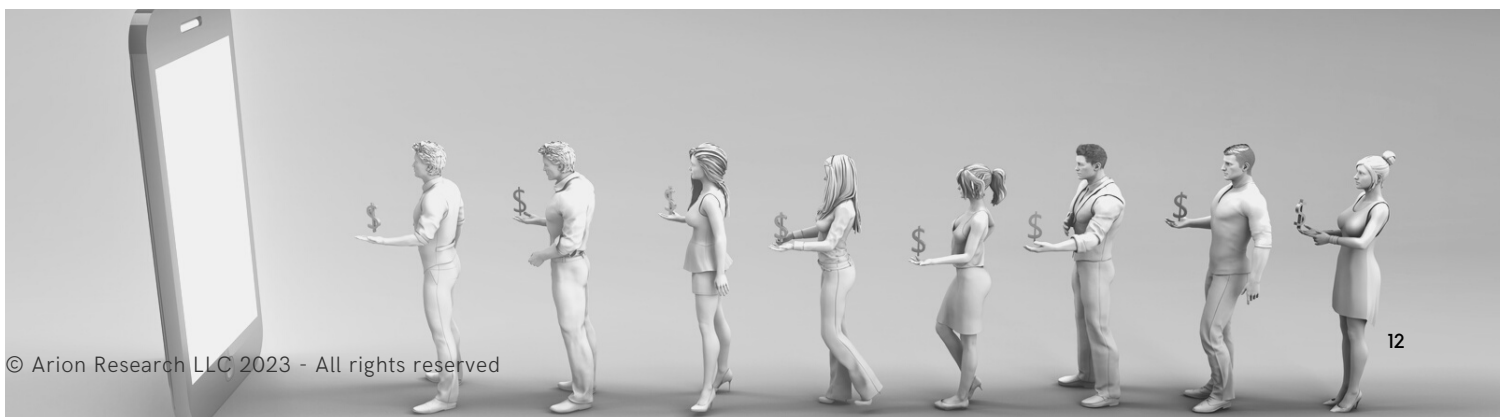
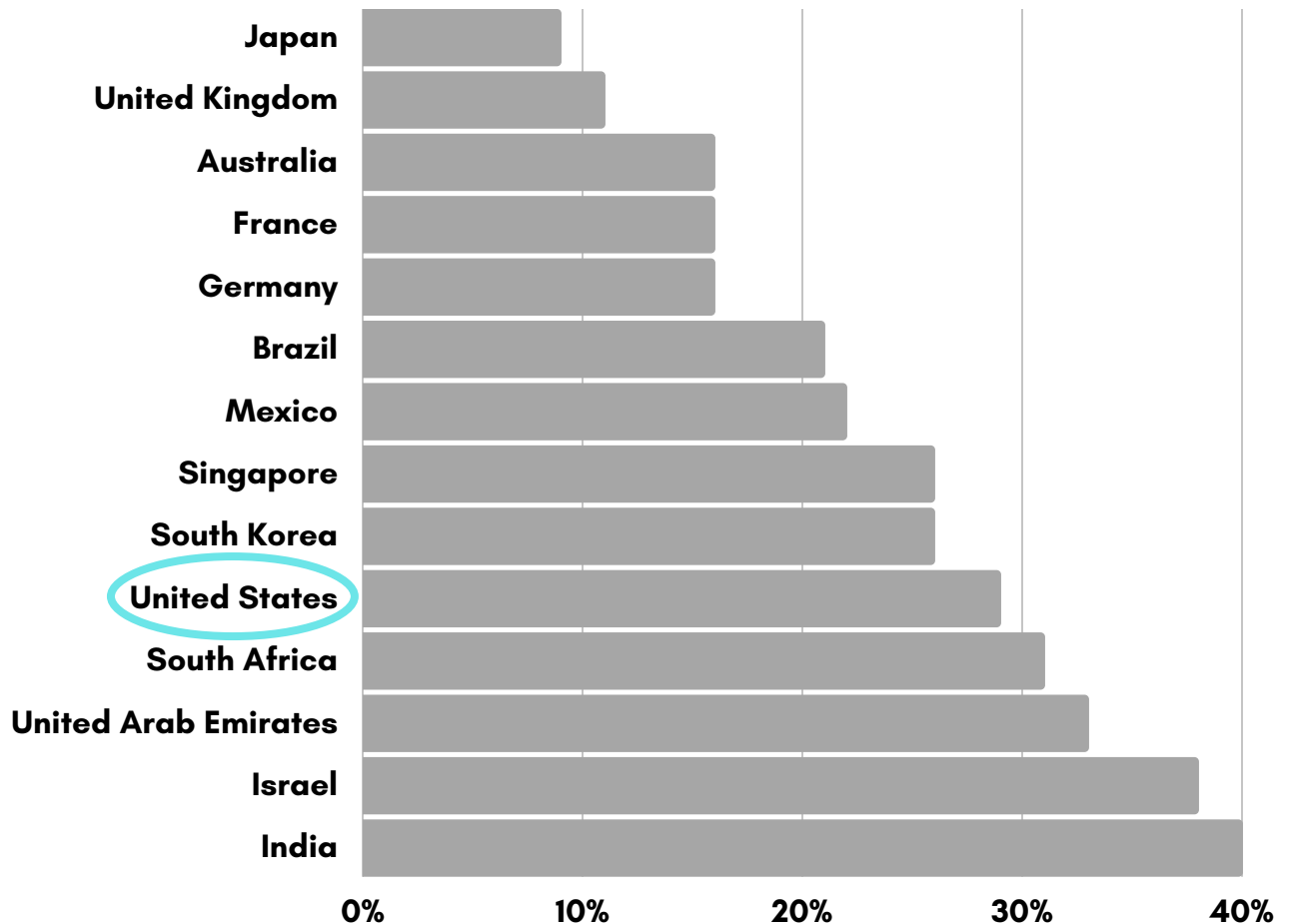
Do not trust text / SMS for:



1 in 4 consumers said they would switch brands or not renew a subscription because the company sent too many text / SMS messages

Poor communication experiences have a negative impact on customer retention and loyalty no matter the channel. With text / SMS **24%**, or 1 in 4 survey respondents said they would switch brands or not renew subscription because the company sent too many text / SMS messages. In the US nearly 1 in 3 consumers reported more unwanted or spam text / SMS messages in the past 12 months. Even as a practical matter, connecting with customers is getting more difficult as **70%** report giving businesses false information all of or most of the time so they do not spam them.

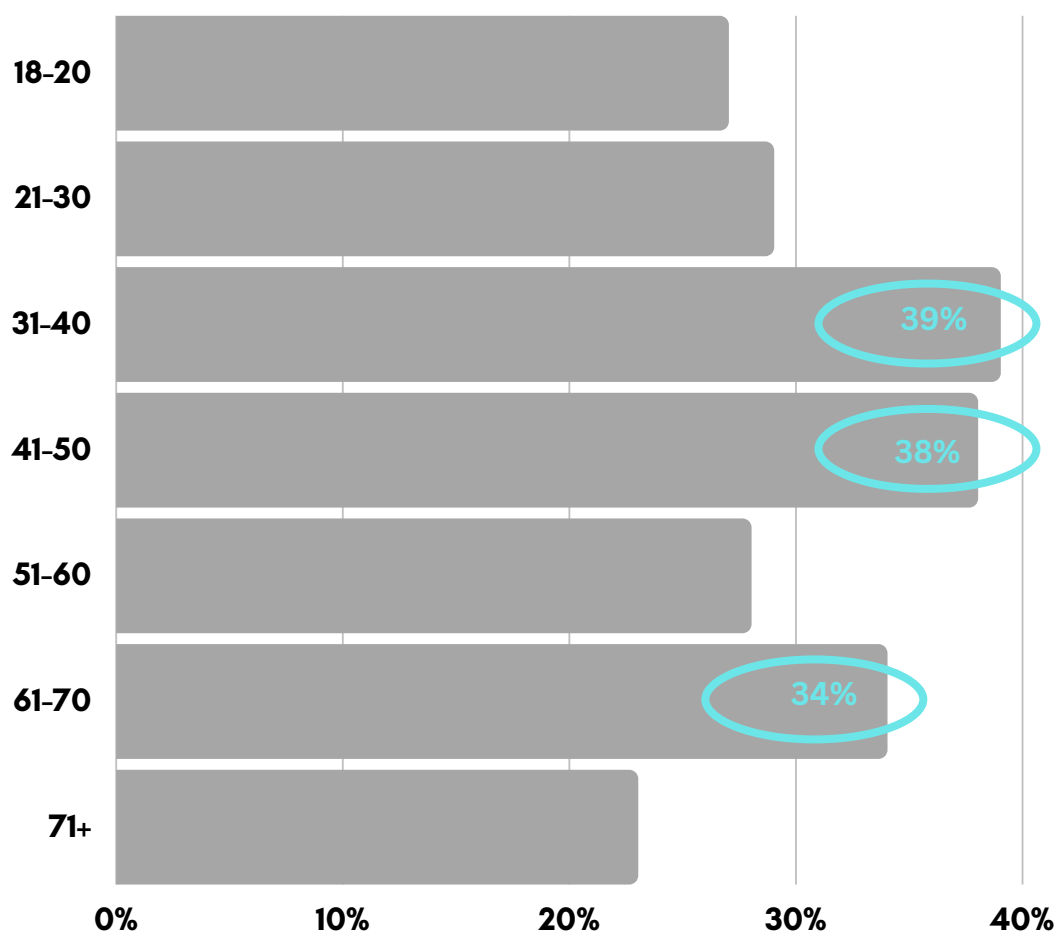
How has your experience with Text or SMS from businesses changed over the past 12 months? "More unwanted / spam messages, by country"



Nearly 40% of consumers age 31-50 said they get more unwanted or spam text / SMS messages now versus a year ago.

Looking at the responses by country for "more unwanted or spam text / SMS messages" shows a range of dissatisfaction with text / SMS, with only Japan below 10% and 4 countries between 30-40% (South Africa, UAE, Israel and India). The US responses fell just below 30%, at 29% or [nearly 1 in 3](#). Examining the data for the same question by age, two of the highest value consumer target age groups, 31-40 and 41-50 were both nearly 40%. Clearly the signs of fatigue, especially in key consumer segments, are at levels that should make companies very concerned over the effectiveness of their text / SMS usage.

How has your experience with Text or SMS from businesses changed over the past 12 months? "More unwanted / spam messages, by age"

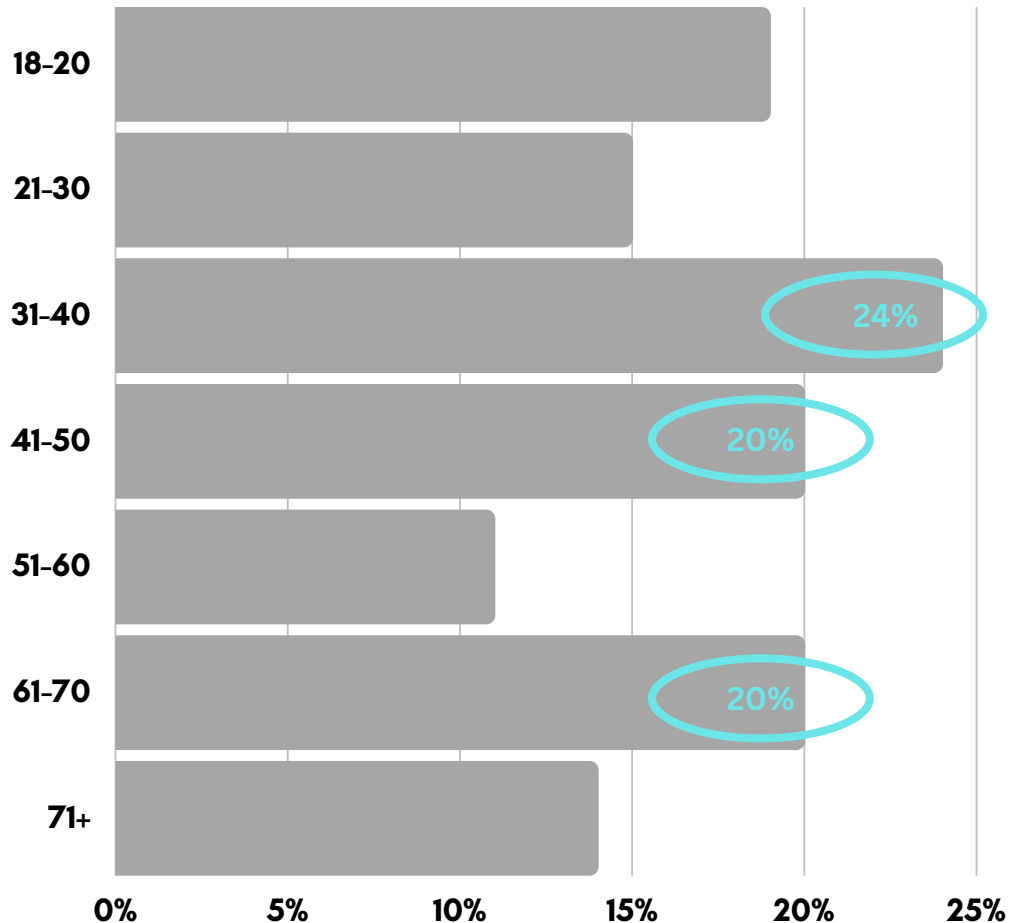




For the 31-40 age group, nearly 1 in 4 report blocking text / SMS messages

Ignoring business communications has never been easier for consumers. With text / SMS this is particularly relevant as mobile phones have evolved and provide easy ways to ignore messages, and in the case of SMS, block, the channel completely. You can see a correlation to the data by age for both reporting more spam text / SMS AND in blocking those communications. The age groups that reported the highest response to the text / SMS spam question, 31-40, 41-50 and 61-70, are the three highest groups most likely to block text / SMS. For the 31-40 age group, nearly 1 in 4 report blocking text / SMS messages.

How has your experience with Text or SMS from businesses changed over the past 12 months? (I block more businesses from text / SMS, by age)





Push Notifications

Push notifications from business apps, much like text / SMS are increasing in use. There is some evidence that consumers give notifications more attention than other communication methods. The experience appears to be somewhat mixed though. The respondents reported:

- 56% get too many push notifications making it hard to find useful info
- 43% use "do not disturb" to silence notifications

There are methods for making push notifications more effective though. Some of the device manufacturers, for example, have created some method for grouping notifications and providing them in a daily summary. This approach helps address the growing volume, but does have a downside, as it can obfuscate time critical notifications by holding them until the daily summary. The bundled notifications can be deleted easily with a single click, making it easy to eliminate all the notifications without reading and acknowledging important notifications. Some development platforms are designed to create in-app notification management capabilities that allow the user to re-read past notifications and take appropriate action. Providing capabilities for the mobile app to manage and "hold" its own notifications can improve the experience by providing a historical record of the notifications and also more readily surface time critical issues. Having a user controlled notification center available gives consumers more control over the volume, lowering distractions and improving the overall experience without hiding important information from the consumer. As more consumers engage with **mobile business apps** for **banking** (63% regularly use mobile business apps for banking), **communication** (56% regularly use mobile business apps for communication) and **eCommerce** (56% regularly use mobile business apps for purchasing goods and services) it's more important than ever for businesses to provide a robust mobile applications experience with push notification management capabilities.

So What?

- Providing a positive customer experience should include **expanding communication channels** from email and phone to include text / SMS, live chat via both website and mobile app, and, when used with some restraint and quality control, chatbots. **Omnichannel communications** needs to be the standard for businesses who want to optimize the customer experience.
- The preferred communication channels change based on the online activity. **Trust** plays a key role in the communication experience.
- Not meeting the customer where they are has **significant business risk**.
- The increased use of text / SMS has reached the point of saturation and is creating a backlash from the growing **text / SMS fatigue**.
- **Over communicating** through any channel can have unintended negative consequences. Departments across the company need to coordinate channel and frequency of communication to prevent customer fatigue.
- Push notifications are also at risk for overuse if the business doesn't provide an effective method for managing them. **In app push notification management** is a very effective approach for businesses to improve the communication experience.
- **Retention, attention and advocacy** are all high value outcomes for a company that are directly related to a full spectrum communication strategy.

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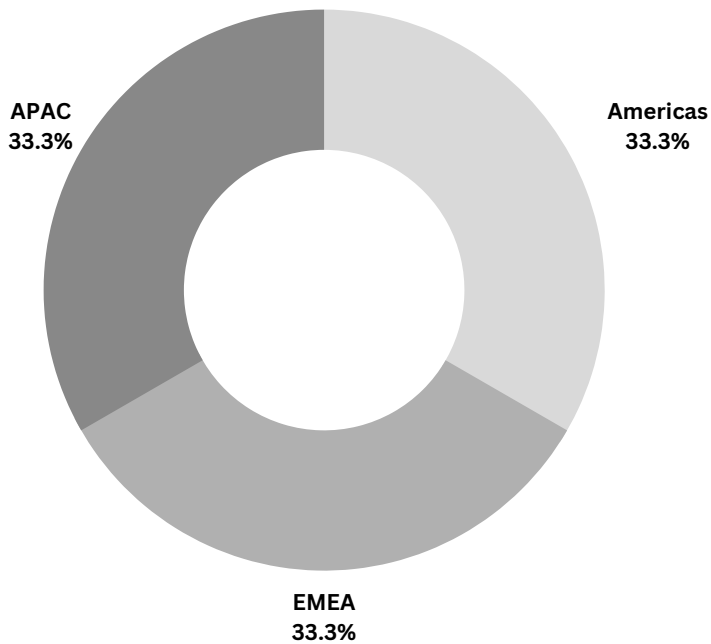
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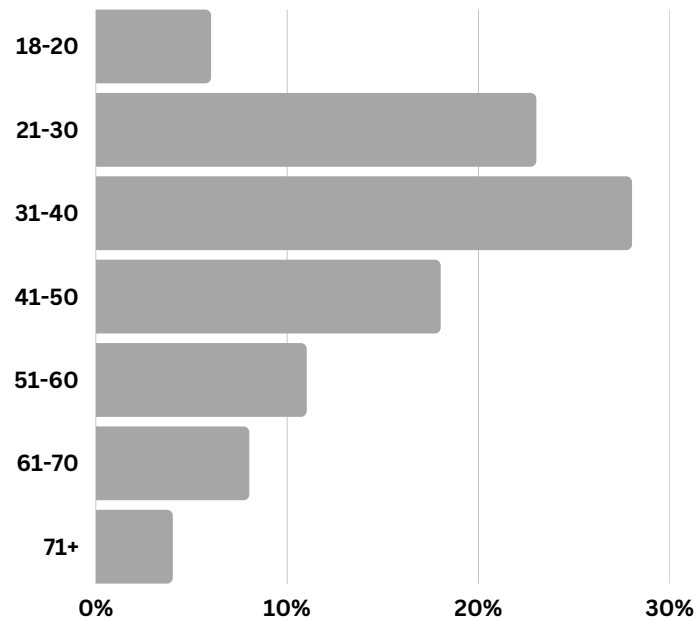


The Study

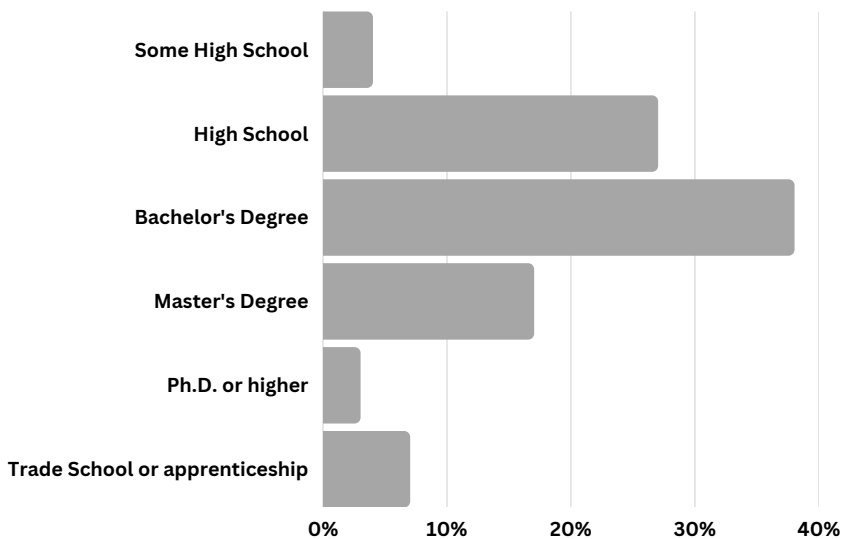
Arion Research conducted a global survey of consumer communication preferences sponsored by Sendbird. The survey, which ran Jan-Feb 2023, collected responses from 1200 consumers in 14 countries in North America (NA), Europe, Middle East and Africa (EMEA) and the Asia Pacific (APAC) regions.



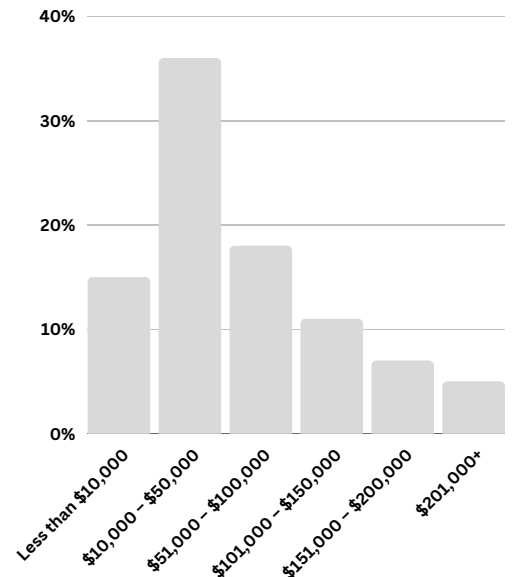
Region



Age



Education



Income

