

The Growth Report 2022



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Introduction





Over the past 10 years, the growth at all cost mindset has been the norm.

Build, build more, build better, build at all costs. Just get growing.

But today, business growth looks dramatically different. With a variety of factors at play, from a tumultuous global economy to businesses shifting how and where they work, the “growth over all else” mindset is officially over. In its place is a more strategic, calculated approach to growth, where businesses are doubling down on sustainable paths, such as long-term customer loyalty and profitability.

In our annual Growth Report, Twilio Segment surveyed 1,300 marketing & CX leaders from across industries about what this shift means for the future of doing business. Here are our top takeaways about what growing as a business means today.

Key Findings



The “growth at all costs” era is over

Buckle up. With volatility in the global economy, companies have realized that a “growth at all costs” mindset is neither efficient nor scalable. With 61% of respondents reporting that the “growth at all costs” mentality is over and 93% starting to plan for a recession, companies are refocusing their workforce, budgets, and business strategy around efficiency.

Efficiency and profitability are the new north stars

Say goodbye to the bells and whistles of the growth era. 62% of respondents say their business has increased their focus on profitability over the past 12 months. Companies are now leaning into their bottom line by focusing on what works today to support any volatility tomorrow.

Marketing budgets are declining

Over half (57%) of respondents say their company is currently spending money on ineffective tools that they don’t need. As business budgets decline, marketing departments will need to be thoughtful and creative about what technology they use and how they maximize existing budgets for new campaigns.

And a wave of consolidation is coming

Is this product really delivering ROI? Can we maximize success with technology that delivers on multiple business goals? With 83% of respondents planning to simplify their marketing tech stack within the next 12 months, these are the hard questions companies will need to ask themselves.



Businesses are doubling down on what works

And it's not just a focus on product efficiency. In this volatile environment, 69% of businesses say they are leaning into channels with proven ROI and 67% of businesses are prioritizing keeping current customers happy over acquiring new ones.

Data is the next frontier of business growth

So how can businesses continue to grow amid a turbulent market? By leaning into technology that helps them understand buyer behavior, improve marketing performance, and deliver hyper-personalized customer interactions that drive revenue. In this new macro-economic climate, 71% of businesses are prioritizing capturing and leveraging first-party data better.

...And customer data platforms will be how businesses get there

Organizations who are using CDPs have reported they have seen faster revenue growth and higher customer satisfaction. As customer engagement continues to be paramount to business success, investing in technology that both collects and analyzes customer data will be essential in helping businesses continue to grow.

Methodology

Methodology

Twilio Segment conducted this research using an online survey prepared by [Method Research](#) and distributed by [Cint](#) among n=1,300 full-time employees working in marketing and customer services roles at B2B companies with 75+ employees.

The sample consisted of n=1,000 respondents from the United States and n=300 from the United Kingdom. Data was collected from August 3 to August 17, 2022.

Disclaimer

This report, The Growth Report, contains statistical data, estimates and expectations that are based on the above publicly available report. This data does not represent, and should not be construed as indicators of Twilio's historical or future financial performance or the actual or potential demand for Twilio's products and solutions, and such information is solely presented as context for broader market trends.

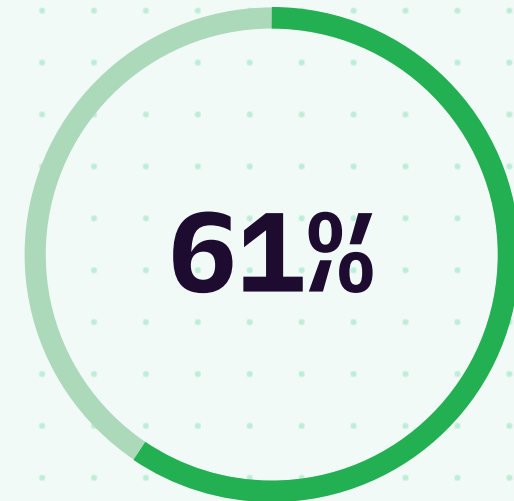


FINDING 01

**The “growth at all costs”
era has ended**

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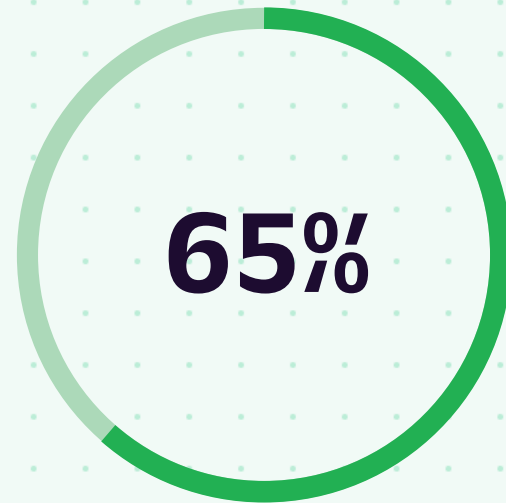
Businesses are switching gears on the ‘build as fast as possible’ mentality. In today’s economic environment, ramping up user acquisition costs at a loss indefinitely isn’t sustainable. Instead, companies are focusing on customer retention and loyalty to build scalability and profitability.



61% of marketing & customer service professionals say that the “growth at all costs” mentality is over.

The “growth at all costs” era has ended

While fear around volatility has been a major guiding force for this shift in strategy, uncertainty also breeds opportunity. Businesses are using this as an opportunity to reset, reevaluating what works and why.



65% of professionals say their company's growth strategy has changed due to fears of a recession or downturn.

“Having a focus on growth is important. But having a singular focus on growth to the exclusion of other things can be incredibly perilous – and founders that are serious about sticking around for the long haul need to keep that in mind before setting off to the races.”

Karen Rhorer

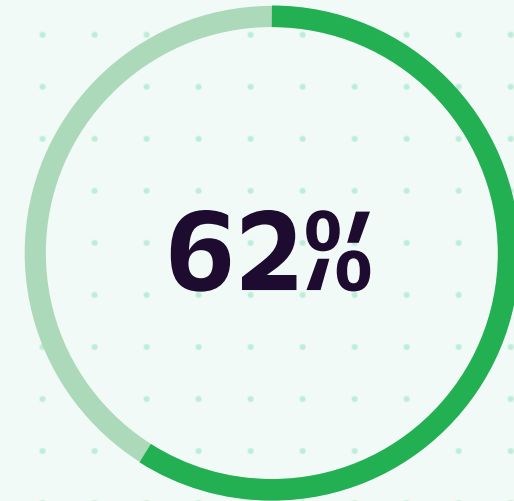
Director of Strategy & Analytics, Twilio

FINDING 02

**Efficiency and
profitability are the
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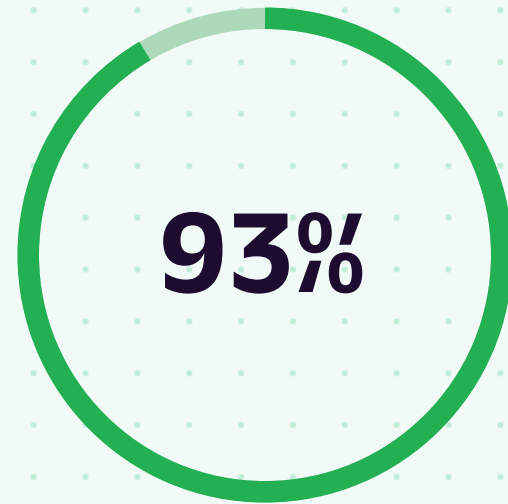
With the economy slowing, efficient growth and cost savings have become top of mind for businesses. In cyclical downturns such as this, it should come as no surprise that businesses are reflexively tightening their belts and honing in on profitability.



62% of customer service & marketing professionals say their business has increased their focus on profitability over the past 12 months.

Efficiency and profitability are the new north stars

To grow in a scalable and profitable way, businesses have put unit economics – and customer retention – under the microscope.



93% of businesses are taking steps to adapt to current macroeconomic conditions and plan for a recession, with the most common step taken being to focus on customer retention (43%).

“Our members love our product, and right now one of our top goals is sharing what we offer to potential new members. Segment and Snowflake together have helped us do this by capturing the data needed to indicate which product and marketing strategies are truly the most impactful. For us, that has meant focusing on proven channels and strategies while fine-tuning our approach where necessary using the data that we now have available.”

David Solow

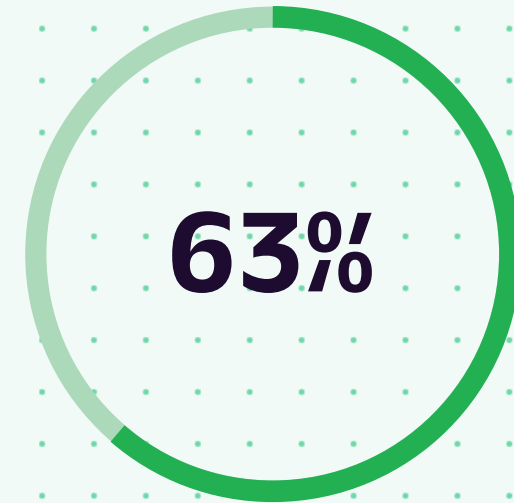
Senior Product Data Scientist, WeWork

FINDING 03

Marketing budgets are declining

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Marketing teams will be looking to simplify their budgets and streamline their tech stacks with the goal of operational efficiency and cost savings.



63% of marketers expect to decrease spending on marketing technology in the coming 12 months.

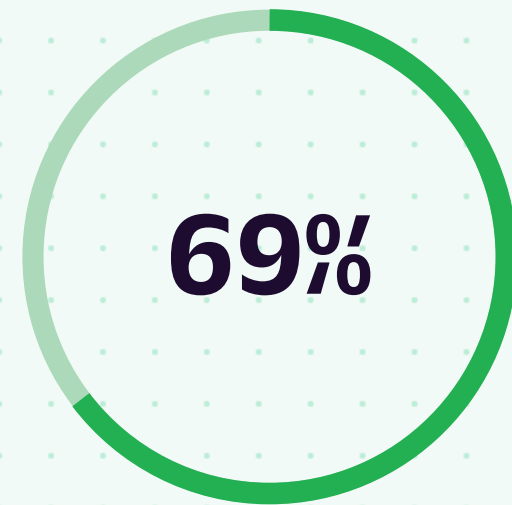
“We now have a vision of being able to track everything consistently. We knew we had to start small and focus on streamlining our approach. The starting point was delivering better insight into our customers and communicating with them in a seamless way. The end game is a better experience for our customers long term.”

Peter Ikladios

Director of Growth and User Engagement, IBM

Marketing budgets are declining

Marketing leadership will be crucial in both delivering results as well as utilizing budgets to best support channels that are already generating positive ROI. Knowing and optimizing your top-performing channels has never been more important.



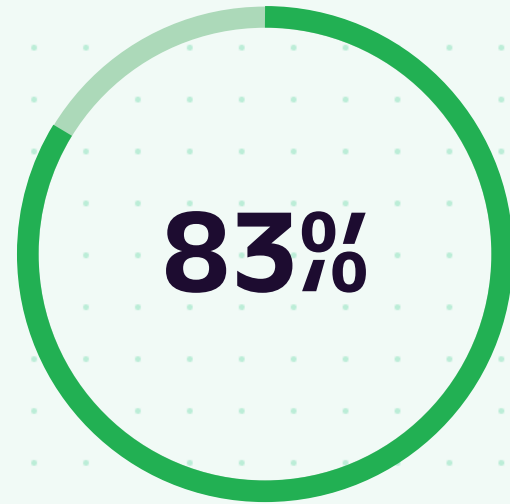
69% say they are moving budget to channels with greater ROI.

FINDING 04

And a wave of consolidation is coming

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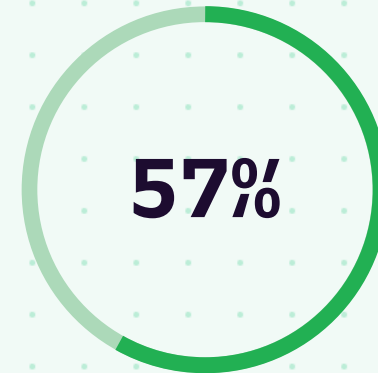
A “growth at all costs” mentality has resulted in accelerated digital adoption, with businesses utilizing more technology platforms than ever before. But this expediency has come at a cost, both in time and money.



83% of respondents plan to simplify their marketing tech stack within the coming 12 months.

A wave of consolidation is coming

As businesses begin to eliminate redundancies and inefficiencies in their tech stacks, marketing teams are looking to keep products that fulfill more than one use case, and are flexible enough to help them grow into the future.



Over half (57%) of respondents say their company is spending money on ineffective tools they don't need.



86% of respondents want technology that gives them more control and flexibility when communicating with customers.

“When we talk about platforms, these foundational systems at the center of a company’s MarTech stack, that space is getting very consolidated, and the number of choices for your foundational infrastructure is narrowing. These platforms enable companies to customize and create their own specialized apps, whether it’s for their own internal workflows or for customer-facing experiences.”

Scott Brinker

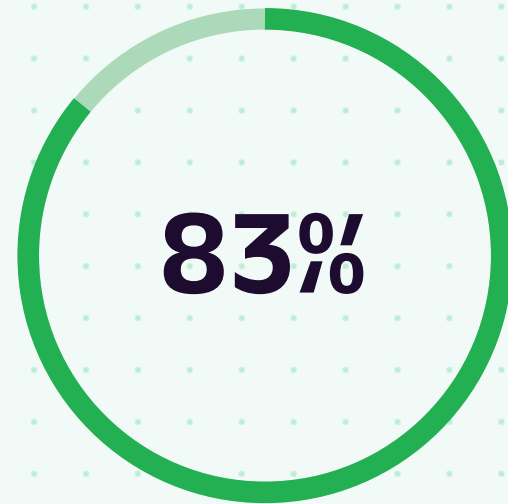
Vice President of Platform, Hubspot

FINDING 05

**Businesses are doubling
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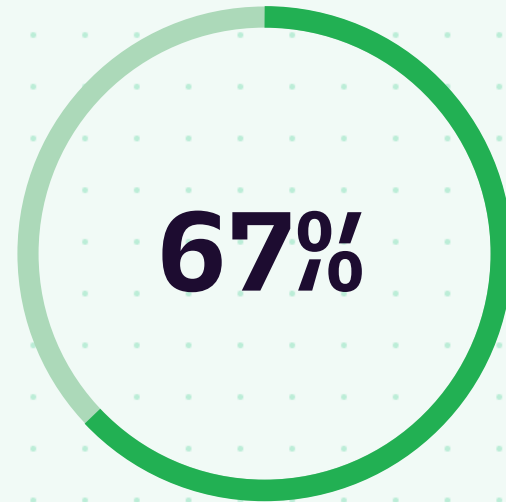
In a 'flight to safety', businesses are leaning into the channels that are already providing ROI. While experimentation is still happening, for most businesses, tried and true channels like email remain the most popular engagement channel.



83% of marketers are experimenting with other channels but state that email still remains their primary channel.

Businesses are doubling down on what works

In addition to customer acquisition, businesses are doubling down on existing customers as a source of untapped revenue. By driving repeat sales and revenue, businesses can grow without spending a dime on customer acquisition.



In response to economic circumstances, 67% of businesses are prioritizing keeping current customers happy over acquiring new ones.

“We really want to be driven by what our data is telling us so we’re creating customer experiences where users feel engaged, motivated, and want to play their instrument.”

Claire Armstrong

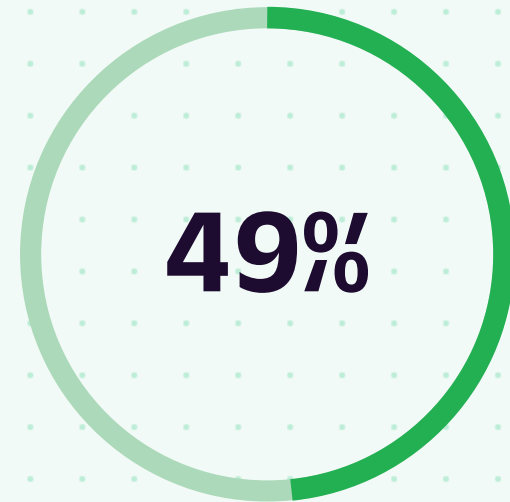
Director of Digital Product Management, Fender

FINDING 06

**Data is the next frontier
of business growth**

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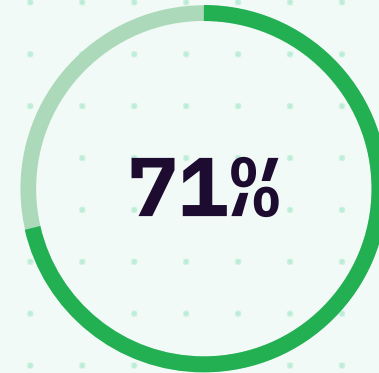
While “the growth at all costs” mindset may be over, growth still remains top of mind. How businesses get there will continue to be about customer data and using that data to provide personalized experiences that create long-term loyalty.



Half of marketing and customer service professionals (49%) say quality customer data is one of the most important ingredients for growth. Only excellent company leadership and having the best product/service on the market ranked higher.

Data is the next frontier of business growth

Consolidating tech stacks to deliver results on the best channel while also gathering customer data in a safe, secure way will be HOW growth happens.



71% of businesses are prioritizing capturing and leveraging first-party data better.



82% of respondents believe that businesses with access to excellent customer data grow faster than those without.

“If you’re looking to get additional ROI from your marketing spend, data will give you a baseline of which channels campaigns are working, and which are not.”

Erin Pryor

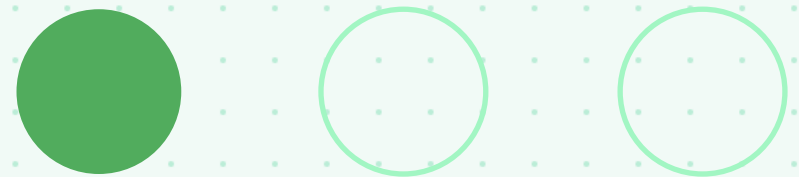
Executive Vice President, Chief Marketing Officer and Client Experience, First Horizon Bank

FINDING 07

**...And customer data
platforms will be how
businesses get there.**

...And customer data platforms will be how businesses get there

CDPs (customer data platforms) which pull in customer data from multiple channels to give one unified intelligent view, will be the platform businesses use to maximize ROI.



1 in 3 organizations using a CDP say they've seen faster revenue growth as a result.

...And customer data platforms will be how businesses get there

Not only will CDPs drive revenue, but they'll also be a necessity to customer retention.

As quality data continues to be the most important asset to your business goals, having a platform that corrals that data into real-time personalized experiences will ensure your customer base sticks around long term.



Businesses who are using CDPs report almost 2x higher customer satisfaction levels than those without a CDP.

“Having a customer data platform has changed the way we connect with our customers both online and in-stores. We’ve been able to really understand and tailor our omni-customer journey and thus, better reach individual customers regardless of how they shop with us.”

Maxime Lagresle

Head of Data, Retail & Ecommerce, Veronica Beard

Conclusion

Customer data can unlock the next frontier of business growth

A personalized experience lends itself to customer loyalty and retention. In a volatile market, engaging the customers you have on channels that they want to be communicated with has never been more important.

How do you deliver on those experiences? Quality, owned first-party data.

Learn more about what a CDP can deliver better customer engagement for your business, [sign up](#) for a free trial today, or [chat with a member](#) of the team to find out what a CDP can deliver for your business.



Related Reading

CDP Buyer's Guide

Our buyer's guide for CDPs will help you understand when it's time to buy a CDP, which features you need, and how to evaluate the various CDP vendors out there.

[Download now](#)

Ultimate Guide to Retention

Our Ultimate Guide to Customer Retention takes an in-depth look at key trends impacting customer retention, the five metrics businesses should measure that identify churn risk, and proven strategies that drive engagement and increase customer lifetime value.

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The State of Personalization Report

The State of Personalization Report features survey data from businesses and consumers around the world to explore how attitudes, preferences, and experiences with personalization have evolved over the past year.

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Twilio Segment is the world's #1 Customer Data Platform (CDP). Our platform provides companies with the data foundation that they need to put their customers at the heart of every decision. Thousands of companies, including Intuit, FOX, Instacart, and Levi's use Twilio Segment to make real-time decisions, accelerate growth and deliver world-class customer experiences.