

# Unraveling the Cross-Channel Marketing Strategy

A Data Driven Deep Dive




# Introduction

In the dynamic landscape of today's business world, there's no one-size-fits-all approach to cross-channel marketing success. Every business is a unique entity, influenced by a multitude of factors, from industry nuances to dynamic customer behaviors, geographic variations, and stages of organizational growth. To navigate this complexity, a data-driven approach to cross-channel marketing, becomes indispensable. Join us as we embark on a journey to unravel the intricacies of creating a successful cross-channel strategy, exploring how data can empower businesses to tailor their approach in a rapidly evolving marketplace.

Multi-channel marketing involves leveraging various channels—email, social media, websites, and more—to interact with customers. While offering diverse interaction options, these channels typically operate independently, potentially leading to inconsistencies and fragmented experiences. Cross-channel marketing, on the other hand, epitomizes user engagement by seamlessly unifying interactions across channels and providing aggregated insights on customer behavior. It further prioritizes consistency, personalization, and continuity throughout the customer journey. Cross-channel strategies ensure users consistently receive relevant personalized messages and services, configured to match the stage of their journey, regardless of the channel. This customer-centric approach cultivates heightened satisfaction and loyalty, propelling sustained success.

This report will focus on the last mile strategy of cross-channel marketing i.e is the channel strategy. With the emergence of multiple marketing channels, businesses, as a part of their growth journey, are looking for different ways to leverage these channels to expand their customer reach and engagement and in this pursuit, it becomes important for them to select the right number and mix of channels. We've looked at more than 600+ businesses across the globe and examined various factors that could influence or shape the channel strategy, and while there are many, we've picked out a few key factors we explore in this report as outlined below.

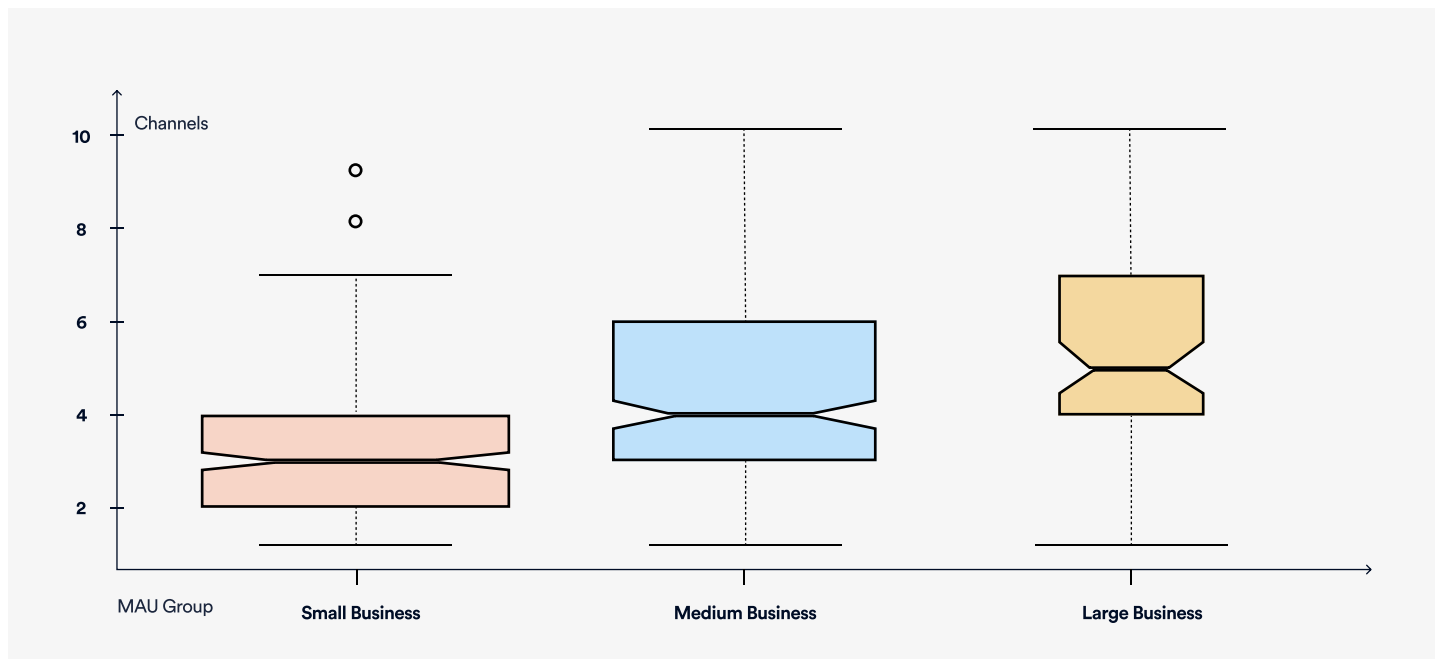
-  Business Growth Stage
-  Geographical Nuances
-  Industry Dynamics
-  Customer Lifecycle Milestones
-  User Retention



# Evolving Channel Strategies Alongside Business Growth Stage

The cross-channel strategy of a business involves selecting the right number of channels and the right mix. What drives this selection is also dependent on the stage of growth the business is in at any given point in time.

## Number of Channels Relationship with MAU and Vertical



It is observed that as the business grows, the number of channels as a part of its cross-channel strategy also increases. Monthly active users is a key indicator of business growth. Businesses in the initial stages of growth leverage anywhere between 2 to 4 channels as a part of its cross-channel strategy. The spread (range) of channels typically increases by 1 with every 20% increase in the number of MAUs.

Business Size	Channel Category	Average Conversion Rate	Uplift in Conversion
<b>Small</b> (MAU <= 150K)	2 channels	13.45%	Baseline
	3 channels	16.34%	21%
	4 More than 3 channels	22.09%	35%
<b>Medium</b> (MAU between 150K and 3 Million)	2 channels	36.61%	Baseline
	3 channels	40.88%	11%
	4 More than 3 channels	43.12%	18%
<b>Large</b> (MAU > 3 million)	2 channels	14.12%	Baseline
	3 channels	16.51%	16%
	4 More than 3 channels	27.95%	49%

It is also observed that, higher the number of channels, higher the conversion rate. Businesses which use 3 channels, have seen a significant uplift in the conversion rate over leveraging 1-2 channels. Moreover, those businesses which are aggressive in their cross-channel strategy (4+ channels) have witnessed much higher uplift in conversion rates.

### Most Popular Channels per Group

G1 - Push, Inapp, Email

G2 - Push, Inapp, Email, SMS, Notification Inbox

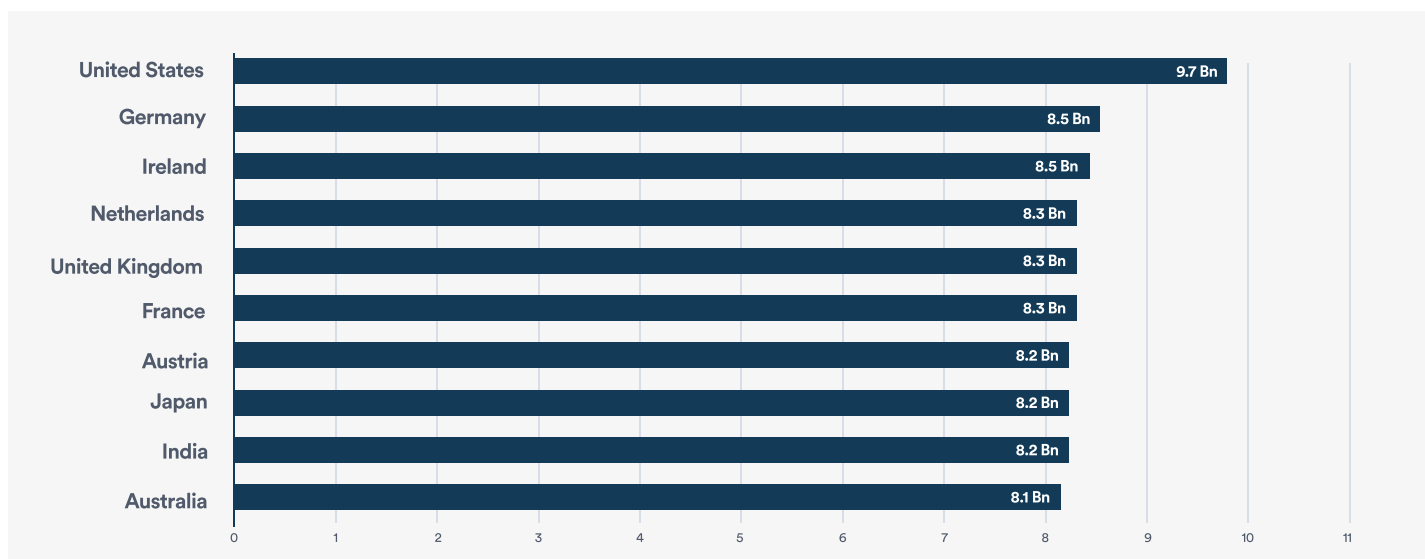
G3 - Push, Inapp, Email, SMS, Notification Inbox, Whatsapp, Webhook

Businesses in their initial growth phase seem to prioritize cost efficiency by leveraging low-cost channels like Push Notifications, Inapp, Notification Inbox and Email. SMS and WhatsApp, being channels with higher cost as compared to the aforementioned channels, becomes a part of an cross-channel strategy as businesses grow in terms of MAUs in order to justify the investment in them.

## Tailoring Channel Strategy to Geographical Nuances

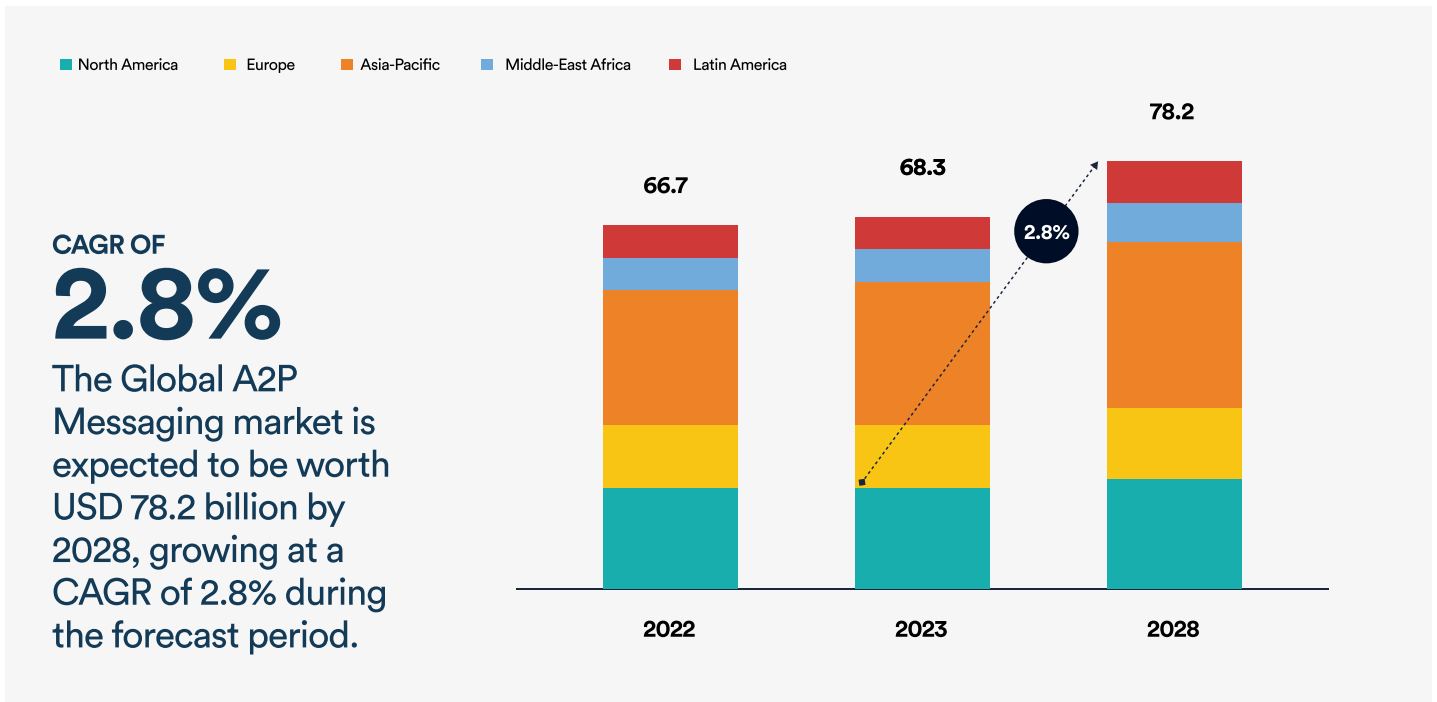
With channel adoption revealing fascinating subtleties across various global regions. Understanding how various regions engage with different channels becomes paramount. As app channels (push, in-app notifications, app inbox, etc) remain universally accessible across the world, we will restrict the premise of our report to channels where there are global variations in adoptions. By exploring these regional distinctions, businesses can unlock the potential of tailored strategies that resonate with local audiences while maintaining a cohesive global presence.

## Email



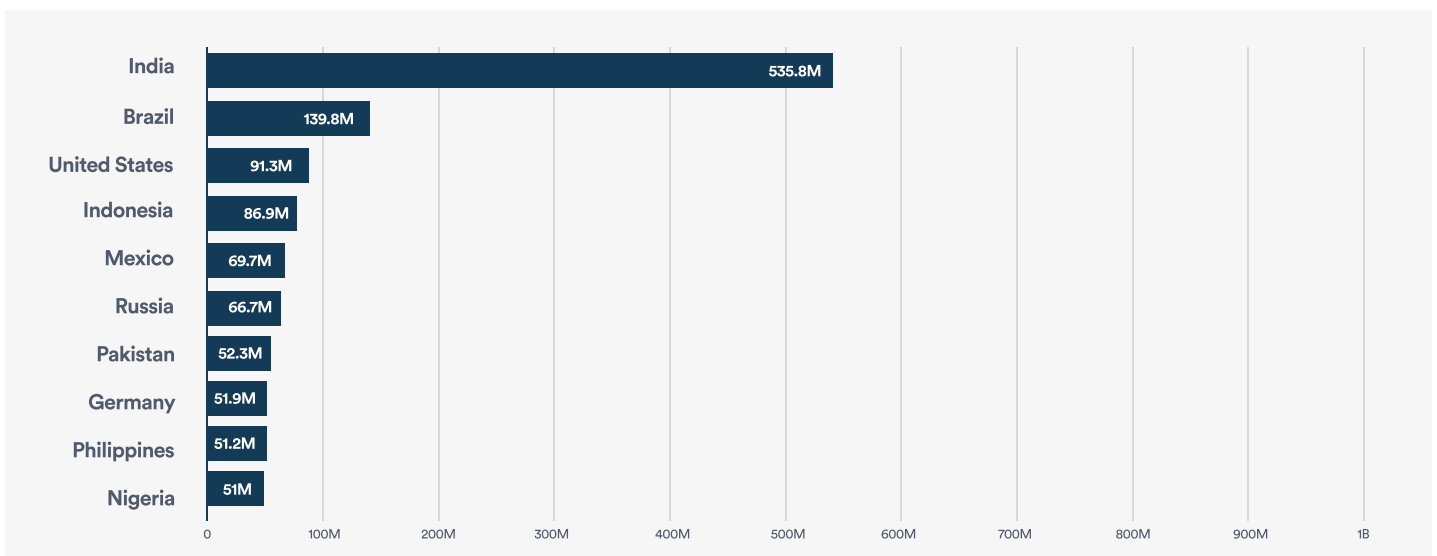
Source : DUMMY LINK

The United States dominates daily email volume, reaching nearly ten billion on April 4, 2023, while the UK, Belgium, the Netherlands, Japan, India, and Germany collectively contribute 8.3 billion daily emails each. These markets continue to be immense for email, especially the expansive U.S. market. Asia continues to grow as an Email consuming region driven by high usage in Japan and India.



Almost 65% of the global population, or nearly 5 billion individuals, send text messages. The US SMS market, valued at \$16.5 billion in 2022, signifies SMS's substantial impact in business. China, forecasted to reach \$14.4 million by 2026, stands as the second-highest country for SMS usage. Asia Pacific commands 30% of the SMS market, driven by populous nations like India and China. With over 272 million cell phone owners, the US emerges as one of the most accessible markets for SMS exploitation.

## WhatsApp



WhatsApp dominates messaging in South America, boasting 400 million users, with Brazil leading globally, followed by Argentina and Colombia. North America sees over 100 million active WhatsApp users, while Asia commands a staggering 1.5 billion users, led by India, Indonesia, and Philippines. Although popular in Europe, particularly Italy, Spain, and Germany, WhatsApp is surpassed by Facebook Messenger in countries like England and France. In the Middle East, it reigns supreme in countries like Saudi Arabia, the UAE, and Egypt, showcasing its global popularity and diverse user base.


# Adapting Channel Strategies to Industry Dynamics


It's widely recognized that user behavior is not uniform; it varies significantly across different sectors. Understanding these industry-specific nuances is crucial for crafting effective cross-channel approaches. For example, customers in the fashion industry may lean towards visual platforms like WhatsApp for engagement, while those in the financial sector may prioritize secure communication through dedicated apps. Recognizing these disparities empowers businesses to tailor their strategies to meet industry-specific needs.


Assessing the level of customer engagement driven via channels across industries involves tracking metrics related to message delivery, open rates, click-through rates, and response rates. It's advisable not to compare channels or favor one over the other solely based on these factors. Instead, they should be considered as parameters when determining the optimal mix of channels.


## Channel Performance Across Industries

Vertical	Push CTR	Email CTR	In-app CTR	Notification inbox open rate	Email open rate	Webpush Delivered Rate	Webpush CTR	Whatsapp Delivery Rate	Whatsapp View Rate	Whatsapp Reply Rate	SMS CTR
eCommerce	4.87%	1.20%	21.80%	1.19%	47.97%	20.37%	0.85%	<b>89.66%</b>	56.14%	3.39%	<b>16.78%</b>
FinTech	<b>8.58%</b>	1.43%	20.50%	1.02%	38.31%	15.79%	0.90%	83.98%	<b>58.26%</b>	3.23%	2.25%
Gaming	4.89%	<b>5.79%</b>	19.06%	3.57%	46.45%	<b>25.23%</b>	<b>3.24%</b>	58.81%	39.90%	<b>3.99%</b>	2.82%
Subscription	4.94%	3.09%	<b>23.58%</b>	<b>6.54%</b>	<b>48.29%</b>	14.88%	1.24%	79.35%	48.42%	1.10%	1.69%

 **WhatsApp**, as a dominant channel in the APAC region, boasts the highest delivery and view rates, compared to other channels. E-commerce and Fintech sectors, in particular, have experienced higher success rates with WhatsApp, likely due to the transactional nature of these industries. On the other hand, businesses in the Subscription and Gaming sectors should prioritize building engagement strategies around in-app experiences. Leverage chatbot and conversational AI capabilities within WhatsApp, a feature not readily available in other channels, and achieve a response rate of over 3%.

 While **email** maintains its traditional status and commands respect with high open rates competing strongly with other channels, it falls short in terms of CTRs. However, businesses should explore the advantage of emails in terms of their widespread presence across geography and industry. With their high open rates, emails serve as an excellent channel to initiate initial engagement, potentially leading to conversions through other channels.

 **In-app** experiences dominate across industries from a CTR perspective, comprising Native Display and App Inbox functionalities. Among these, Native Display stands out with the highest CTR, making it crucial for businesses to maximize its utilization once users are within the app environment. Push Notifications and App Inbox serve as supporting channels to enhance the overall in-app experience.

 The performance of the web push channel varies notably across different industries. The gaming industry exhibits exceptional web push performance, indicating robust user reach and engagement. E-commerce closely follows the gaming industry in reach and engagement, while the FinTech and Subscription industries display comparatively lower levels, suggesting differences in online behaviors and audience preferences.

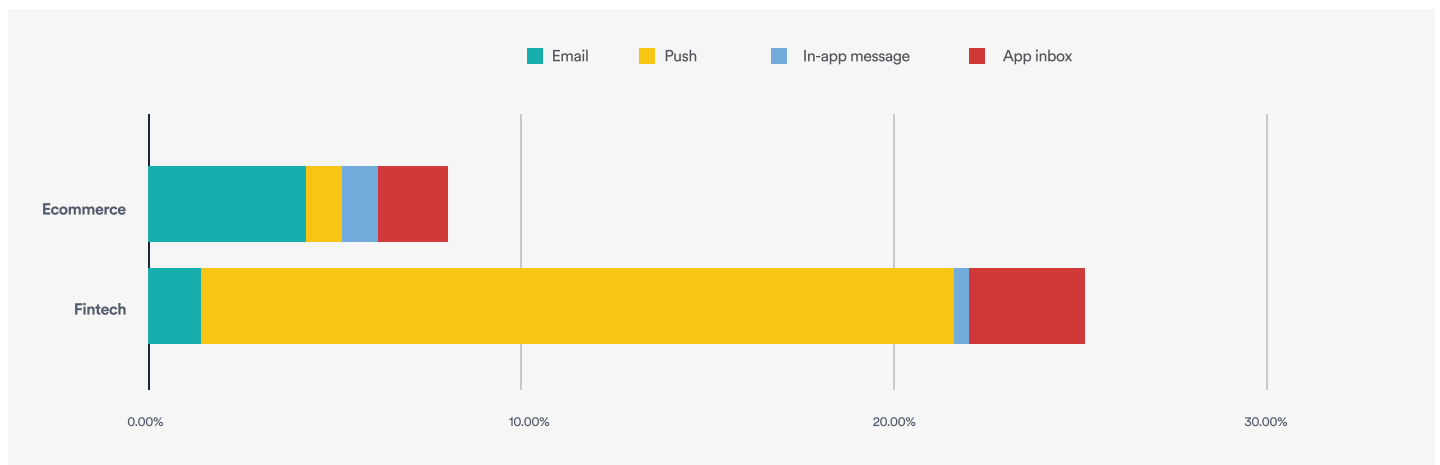
- Examining SMS channel performance reveals eCommerce leading in SMS CTR, highlighting its effectiveness in engaging a broad audience and reflecting the transactional nature of the business. Conversely, FinTech industries show relatively lower CTRs, indicating a preference for more trusted and personalized experiences. The Subscription and Gaming sectors also exhibit low engagement, likely favoring visually rich channels for communication.

## Optimizing Channel Strategy for Customer Lifecycle Milestones

Growth marketers meticulously track user milestones such as onboarding, conversion, and engagement. As you construct a cross-channel strategy aimed at achieving these goals, it's crucial to consider channel attribution. Utilizing the last touch attribution model with attribution windows of 5 days for Email Open, 1 day for Push Notification Click, and 1 hour for In-App/App Inbox Click, the following deductions emerge:

### Onboarding

#### Onboarding Channel Attribution



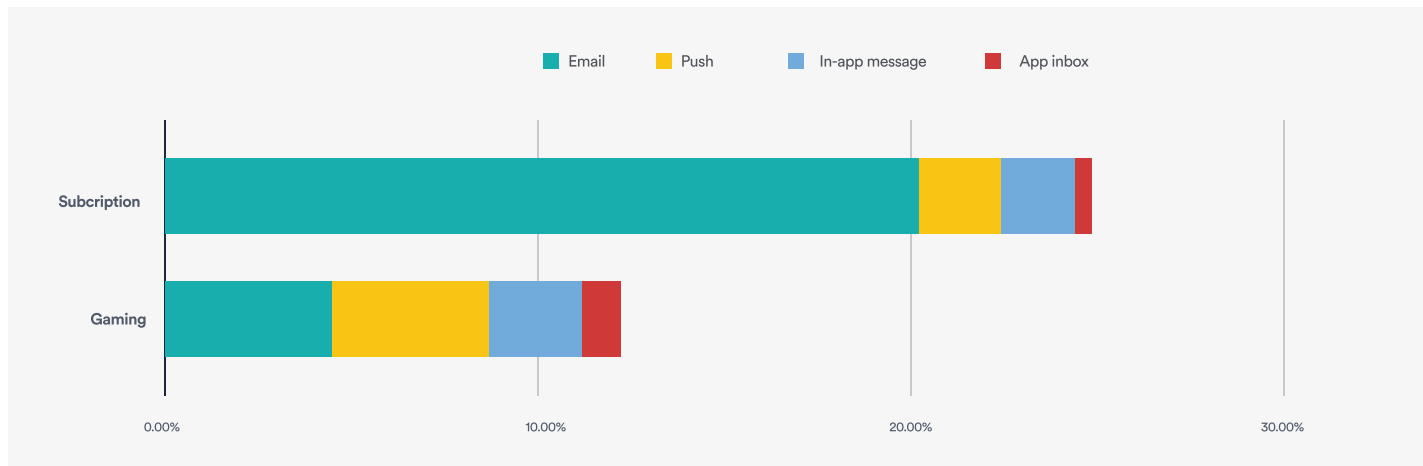
Completion of **onboarding often coincides with the completion of the first transaction, particularly within the E-Commerce and Fintech sectors.**

And incorporating at least four channels into your cross-channel strategy can lead to a notable increase in the onboarding rate. Specifically, it boosts onboarding by 9% in E-Commerce and 26% in Fintech. In-app messages and app inbox features collectively contribute 3.02%, complementing the onboarding journey with in-app guidance and information.

In financial services, push notifications prove highly effective in facilitating first transactions within stock trading, banking, and payment apps due to their real-time nature.

These notifications deliver immediate alerts on investment updates, account activities, security information, and transaction confirmations, fostering trust and enhancing user experience. While email remains relevant, contributing at a rate of **1.53%**, it provides informational and transactional communication during FinTech onboarding. Additionally, app inbox and in-app messages play supplementary roles, contributing **3.73%** collectively by providing users with comprehensive information within the app environment.

# Onboarding Channel Attribution



Similarly completion of **onboarding** is often marked by the achievement of a predefined set of **engagements within the first month**, particularly within the Gaming and Subscription sectors.

And again incorporating at least four channels into your cross-channel strategy can significantly enhance the onboarding rate, with an increase of 13% in gaming and 26% in Subscription. It is crucial to include Email and Push notifications in your strategy for optimal results.

For Subscription services, email emerges as the most impactful channel, driving a substantial 21.16% of first-month engagement. The informative and personalized nature of emails likely contributes to this effectiveness. Push notifications and in-app messages play supportive roles, contributing 2.35% and 2.08%, respectively. While push notifications deliver timely alerts, in-app messages provide contextual guidance within the app environment. The app inbox shows negligible impact on first-month engagements, suggesting minimal reliance on this channel during the initial engagement phase.

In the Gaming industry, engagement across channels is more evenly distributed. Both email and push notifications play significant roles, contributing 4.65% and 4.43%, respectively. These channels are likely leveraged for delivering updates, promotions, and incentives, ensuring sustained user engagement. In-app messages contribute 2.64%, highlighting their role in providing contextual information within gaming apps. The app inbox contributes 1.05%, indicating a modest impact during the initial engagement phase.

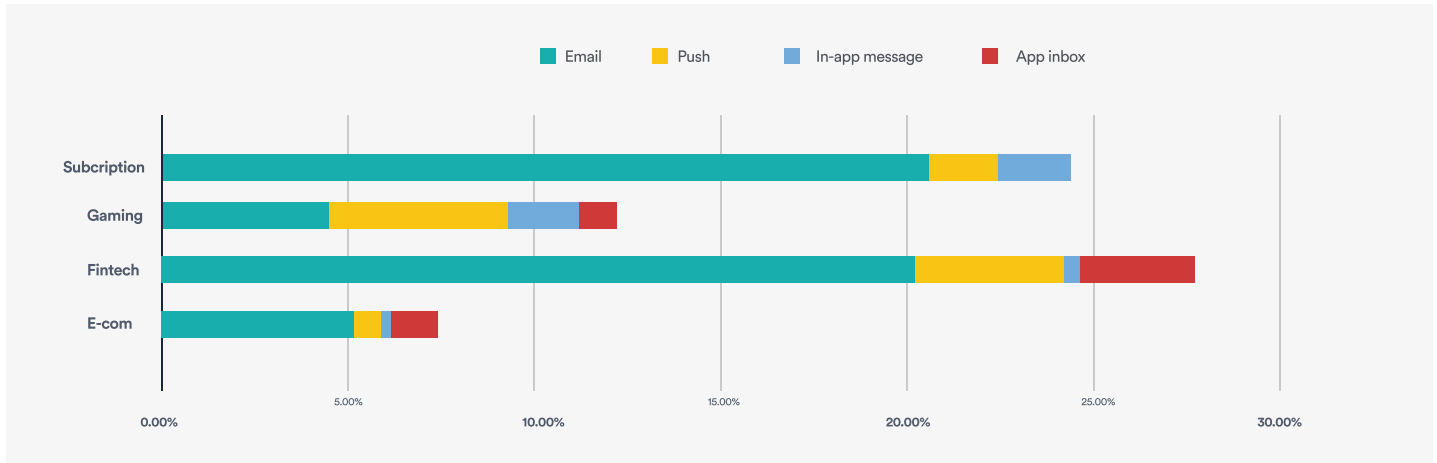




# Engagement

Once you've onboarded your customers, the next thing to do is to keep them engaged. Since engaged users are more likely to convert, remain loyal, and advocate for your brand. However, driving meaningful engagement requires a strategic approach that encompasses leveraging multiple channels.

## Title Engagement Channel Attribution



Subscription businesses can leverage email as a powerful tool to announce new releases or programs, effectively keeping users engaged in these pivotal events. With email as a channel, engagement levels can soar up to **16%** within the subscription model. Combining email with other channels can further elevate engagement levels, potentially surpassing **20%**. Emails play a significant role in driving app usage by providing content updates, recommendations, and fostering engagement in health and wellness businesses through goal tracking and progress updates. Push notifications, on the other hand, can cultivate habits like daily content consumption, wellness goal tracking, and weekend content binges. Lastly, in-app messages enhance the user experience by facilitating catalog discovery and contributing to a seamless app experience.

**In the Gaming industry**, essential announcements garner high engagement levels when utilizing channels such as email, push notifications, in-app messages, and app inbox. Engagement levels can peak at **13%** with these channels combined. Push notifications excel in bringing users back to complete levels, resume gameplay, and provide updates on game progress and rankings. Emails are instrumental in conveying offers, incentives, new levels, and events, as well as announcing leaderboards and launching new games. In-app messages contribute significantly to the discovery of new in-game events, characters, levels, and offers, ensuring players stay engaged and informed about the latest additions to the gaming environment.

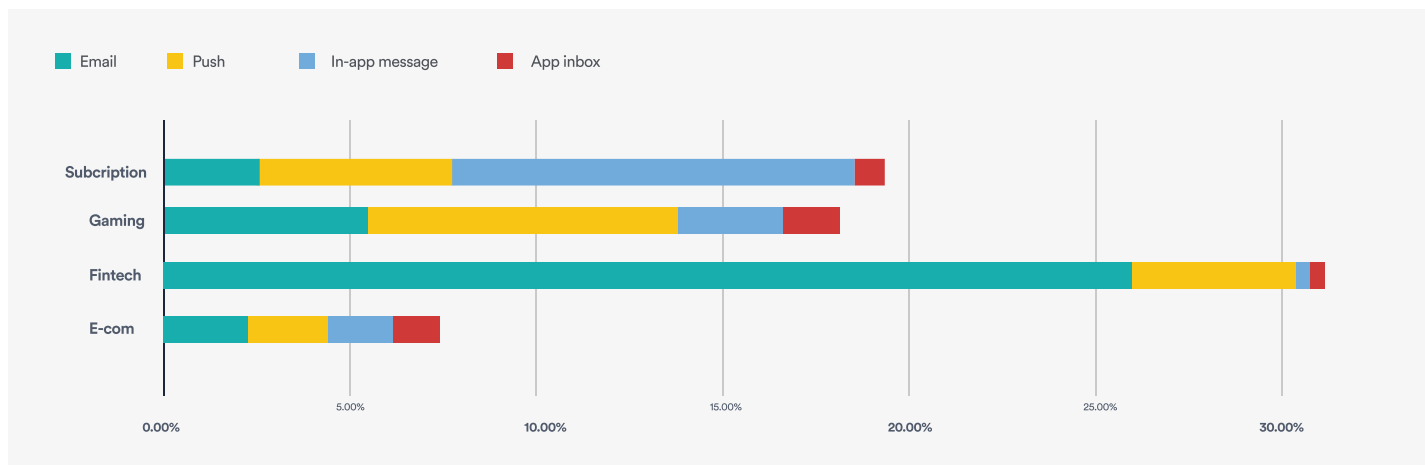
**For FinTech**, email drives substantial in-app engagement, reaching up to **15.2%** and potentially up to **23.25%** when combined with other channels. Users heavily rely on email for comprehensive information, including brochures, calculations, reports, and investment tracking details, facilitating informed decision-making. Push notifications play a vital role in SIP reminders and delivering real-time alerts on transactions, market updates, and important news. In-app messages strategically convey personalized offers, new products, and incentives, fostering ongoing user engagement. The app inbox serves as a repository for essential documents and statements, providing convenient access to critical information, thus enhancing the user experience.

**In e-commerce**, approximately **7.31%** of engagement can be attributed to channels, with email playing a crucial role in addressing cart abandonment, sending promotions, and communicating details about loyalty programs, product comparisons, and wishlisted items. Push notifications effectively provide time-sensitive updates on offers, restocked products, and wishlist or cart items going out of stock, ensuring timely communication of order updates. In-app messages strategically announce new offers and products, keeping users informed about the latest opportunities and product releases within the app, thereby contributing to ongoing engagement and enhancing the overall user experience.

# Conversion

Now that we've explored strategies to increase user engagement, the next step is to convert these engaged users into paying customers. To maximize conversion rates, it's essential to identify and prioritize channels that yield the highest results.

## Conversion Channel Attribution



In the Fintech sector, channels such as E-Mail, Push, In-App, and App Inbox collectively contribute to **31%** of conversions. Given the industry's emphasis on data security, traditional channels like email play a crucial role, with observed conversion rates reaching up to 26% as users often perceive email as secure channels for financial transactions and account management, leading to higher conversion rates. Push notifications and in-app messages deliver real-time alerts on important financial updates, prompting immediate action and driving conversion.

For Subscription and Gaming businesses, where exceptional in-app experiences are paramount, Push notifications, In-App messaging, and App Inbox channels are pivotal. In-app messages and push notifications often contain interactive content such as gamified elements, exclusive offers, or personalized recommendations, which engage users and drive them towards conversion. By delivering relevant and contextual messages within the app, these channels enhance the overall user experience, making it more seamless for users to navigate and interact within the app. In the Subscription industry, leveraging this combination can lead to conversion rates of up to **16%**, while in Gaming, it can reach up to **10%**.

In the ecommerce landscape, the impact of various channels on conversion rates varies significantly. Email engagement contributes a modest **0.9%**, indicating its role alongside other channels. Push notifications and In-App messages demonstrate a more substantial impact at **2.1%** each, showcasing their effectiveness in driving conversions. The App Inbox follows closely with a **1.2%** contribution. Together, these channels collectively achieve an overall conversion rate of **6.32%**, underscoring the necessity of a comprehensive, multi-channel strategy in ecommerce conversions. These channels can work really well while sending reminders for recovery of abandoned carts and also to visually showcase appealing product images, videos and share easy links to the cart, wishlist, check-out screens to drive conversions.

# Refining Channel Strategy for Enhanced User Retention

The last influencing factor we will explore in this report is Stickiness. This metric holds immense importance as it reflects the app's capacity to retain users over time. Measured by the percentage of daily active users relative to monthly active users, stickiness is significantly influenced by the number of channels being utilized.

Stickiness uplift (relative)	Stickiness	FinTech	Gaming	eCommerce	Subscription	All verticals
	Single channel	Base Level	Base Level	Base Level	Base Level	Base Level
+%	Two channels	7.86%	7.71%	9.49%	30.83%	18.00%
+%	Three channels	17.41%	21.76%	13.80%	49.91%	27.63%
+%	3+ channels	27.96%	32.14%	26.59%	71.72%	45.63%

Stickiness varies depending on the industry model. Users in the Fintech sector exhibit specific behavioral patterns where transactions often have a periodicity or sometimes compulsion attached to them, such as loan repayments (EMIs), KYC, checking bank account balance regularly or making frequent transactions. Utilizing multiple channels allows businesses to align with these behavioral patterns, resulting in higher stickiness.

Subscription services, catering to recurring needs like healthcare and grocery shopping, as well as high-urge platforms like OTT and music, see an uplift ranging from 30%+ with 2 channels to 71%+ with 3+ channels. Given the emotional attachment users have with subscription apps, optimizing channel usage is crucial for these business models.

Gaming apps, known for their inherent addictiveness, can see stickiness increase by up to 32% with 3 channels. Gaming apps offer various engagement opportunities, such as daily challenges, in-game events, and social interactions. Leveraging multiple channels allows gaming companies to promote these features effectively, encouraging users to engage more frequently and thereby increasing stickiness.

E-commerce platforms, serving more on-demand scenarios, experience a moderate uplift of 26%+ with 3+ channels. Considering that it takes an average of 8 touchpoints for a successful sale, employing multiple channels enables e-commerce platforms to engage customers across various stages of their purchasing journey and guide them through the buying process, reducing drop-offs and increasing the likelihood of conversion.

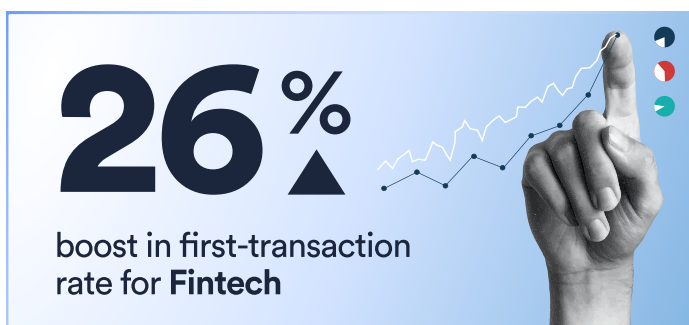
# Executive Summary

Business's cross-channel strategy evolves with its growth, with the number and mix of channels determined by its stage of development. Higher channel diversity correlates with increased conversion rates, with businesses in early growth phases favoring cost-effective options like Push, In-App, and Email, while more established entities incorporate higher-cost channels like SMS and WhatsApp.

It is really important to understand regional channel preferences for effective global marketing strategies. While email remains dominant in markets like the US and UK, SMS holds significant sway in regions like China and the US, with WhatsApp emerging as a powerhouse in South America and Asia. These insights highlight the necessity of tailoring marketing approaches to resonate with local audiences while maintaining a cohesive global presence.

Industry-specific nuances significantly influence cross-channel strategies, shaping how businesses engage with customers. For instance, in the fashion industry, visual platforms like WhatsApp drive engagement, while the financial sector prioritizes secure communication through email or dedicated apps. Understanding these distinctions empowers businesses to tailor strategies, leveraging data-driven insights to optimize channel selection and drive conversions.

Implementing a cross-channel strategy can boost the first transaction rate by **26%** in Fintech and **8%** in Ecommerce with Push and Email as the key drivers respectively. Similarly a boost in first month engagement of up to **26%** in Subscription and **12%** in Gaming sectors is noticed with email emerging as a crucial channel for both verticals, while push notifications and in-app messages playing complementary roles in enhancing user interaction.



Driving meaningful engagement post-onboarding is vital for conversion, loyalty, and brand advocacy. Subscription businesses witnessed engagement levels soaring up to **16%** with email, while combining it with other channels led it to surpass the **20%** boost levels, showcasing the power of cross-channel strategies. In gaming, a combination of email, push notifications, in-app messages, and app inbox elevated engagement by **13%**. Similarly, in FinTech, email, push notifications, and in-app messages contributed significantly to engagement, going up by **23.25%** when combined, while in e-commerce, channels like email and push notifications play pivotal roles in addressing cart abandonment and delivering timely updates, collectively driving approximately **7.31%** of engagement.

After optimizing user engagement strategies, focusing on converting engaged users into paying customers is paramount. In Fintech, email, push notifications, and in-app messages play crucial roles, collectively contributing to a conversion rate of up to **31%**, highlighting the importance of secure and real-time communication channels. Similarly, in Subscription and Gaming industries, leveraging push notifications and in-app messages with interactive content can drive conversion rates up to **16%** and **10%** respectively, while in ecommerce, a cross-channel strategy including email and push notifications can achieve an overall conversion rate of **6.32%**, emphasizing the effectiveness of personalized and visually appealing communication in driving conversions, especially in cart recovery and product showcasing.

The metric of stickiness, crucial for user retention, is also influenced by the number of channels utilized, with industries like Fintech and Subscription witnessing significant uplifts by employing multiple channels tailored to their users' behavioral patterns. Gaming apps can capitalize to effectively promote daily challenges, in-game events, and social interactions, while e-commerce platforms can benefit from the additional reach and engagement reducing drop-offs across the customer journey from the consideration to purchase stage.

**31%**

boost in conversions  
rate for **Fintech**

**16%**

boost in conversion  
rate for **subscription**

**10%**

boost in conversion  
rate for **gaming industries**

## Looking Ahead

Crafting an effective cross-channel strategy is an ongoing process, influenced by evolving user engagement trends and rapid technological disruptions, especially in the AI era. Despite capitalizing on new engagement channels for increased reach and interaction, brands still grapple with real-world challenges such as budget constraints, platform limitations leading to data silos, and inadequate visibility into channel performance, hampering the impact of their marketing strategies.

Businesses can confidently navigate the complex landscape of cross-channel marketing by staying informed about industry trends and consumer behaviors, essential for maintaining competitiveness. Additionally, investing in the necessary technology infrastructure is vital for seamless access and utilization of various channels, enabling experimentation and detailed analysis crucial for deploying effective cross-channel strategies. To learn more about how CleverTap enables cross-channel marketing, you can check out our orchestration capabilities [here](#).

CleverTap is the all in one customer engagement platform that helps brands personalize and optimize all consumers touch points to improve user engagements, retention and lifetime value. It's the only solution built to address the needs of retention and growth teams, with audience analytics, deep-segmentation, multi-channels engagement, product recommendstion, and automation in one unified product

That platform is powered by TesseractDB - the world's first purpose-built database for customer engagement, offering both speed and economics pf scale.

Backed by leading investors such as Sequoia, Tiger Global, Accel, and CDPQ the company is headquartered in Mountain view, California, with presence in San Francisco, New York, Sao Paulo, Bogota, London, Amsterdam, Sofia, Dubai, Mumbai, Singapore, and Jakarta. For more information, visit [CleverTap.com](http://CleverTap.com) or follow on [Linkedin](https://www.linkedin.com/company/clevertap)

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4 Billion+

Devices reached

01 Trillion+

User Actions/Month

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