

# State of Wallet Messaging

AN IN-DEPTH LOOK INTO AN EMERGING MARKETING CHANNEL

## Introduction from Drew

Marketing communications and messaging to date have been dominated by owned, permission-based channels like email and SMS; organic, “rented” audiences on social media; or paid, interruptive channels like digital advertising. Despite their age, these communication modalities are still the dominant way of communicating for marketers.

Today, there are over [4.37 billion](#) email users and [5.6 billion](#) active phone numbers on the planet. Email and SMS marketing are still the most effective engagement channels for the vast majority of consumer brands. I’ve seen this firsthand working at the messaging pioneer ExactTarget (acq. by Salesforce for \$2.5B) and investing in next-generation messaging platforms Attentive, Cordial, Humankind, Narvar, and others at High Alpha.

For web3 brands, though, this is an entirely different story. Their customers are pseudonymous (or anonymous) wallet addresses and they have no way of communicating to them. I believe this is the most fundamental challenge for every business building in this space. You cannot build a durable, sustainable business without being able to talk to your customers.

This is just from a brand’s perspective, though. If you couple that with the evolving consumer demand for greater ownership, interoperability, trust, and privacy, you can see why a web3 messaging layer needs to exist.

In the past, users have used unconventional, ineffective methods to communicate between wallets, including airdropping spam NFTs, sending messages on centralized platforms like Etherscan, or spamming X (fka Twitter) or Discord DMs. A number of companies are tackling this problem to create a web3-native way of communicating and messaging, which we termed “wallet messaging”.

Our partner, [XMTP](#), has become the early dominant player, bolstered by their partnership with Coinbase and launch of the Coinbase Wallet Inbox in July 2023. With the advent of this new technology, business and marketing use cases have also emerged, giving marketers the first opportunity to reach any wallet directly with marketing platforms like [Holder](#).

Given this momentum, our team at Holder set out to conduct the first comprehensive research study around wallet messaging in our inaugural State of Wallet Messaging. Our research surveyed nearly 200 B2C marketers to develop a benchmark around wallet messaging familiarity, goals, interest, value, and effectiveness, and I’m eager to share our findings with you.

After all our research was complete, we partnered with our friends at XMTP Labs, the primary contributor behind XMTP, to produce and promote this report. XMTP is a secure messaging protocol and decentralized communication network for web3. XMTP messaging is supported by all XMTP-enabled applications, including [Coinbase Wallet](#), [Orb](#), [Hey](#), [Converse](#), [Unstoppable Domains](#), [Snapshot](#), [Holder](#), and [many more](#). In this report, we also highlight a couple of our customers at Holder who have seen early success with wallet messaging campaigns, including [Zerion](#), [Floor](#), and [Airstack](#). Thank you to everyone who played a part in pulling this together!

I hope you find our “State of Wallet Messaging” report a helpful guide in navigating the ever-changing marketing landscape and building lasting relationships with on-chain consumers.

**DREW BEECHLER**  
CEO & Co-Founder  
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SCAN TO MESSAGE  
[DREWBEECHLER.ETH](#)

## Executive Summary

In our State of Wallet Messaging, we found that wallet messaging is making significant waves, encouraging brands to rethink customer engagement. The majority of marketers (67%) are familiar with the concept of wallet messaging and a vast majority (79%) are interested in leveraging the channel.

One of the most telling — and most surprising — findings, though, was that 71% of marketers believe a wallet address is more valuable than an email address.

In this report, you'll not only develop a better understanding of wallet messaging, but also see what other leading marketers are thinking regarding wallet messaging and the future of their marketing strategy.

### ABOUT THE RESEARCH

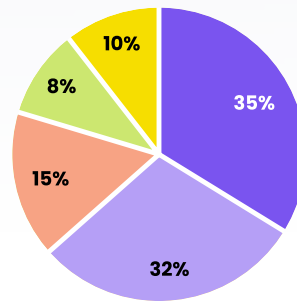
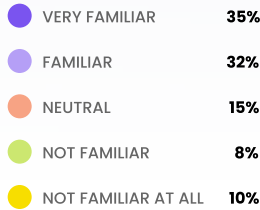
Holder surveyed 175 B2C marketers from C-level executives to individual contributors to better determine the overall awareness, adoption, and value of wallet messaging. Brands surveyed range in size, industry, and target audience (reference page 12-13 for full demographics).

Responses were collected in a blind, third-party audience panel from [Centiment](#) in the fall of 2023 — [Centiment's data collection process](#) ensures a lack of bias and accurate data. All percentages are rounded to whole numbers after including the full number and decimal within the calculations. **This report was published November 29, 2023.**

# Wallet Messaging Is The Future of Web3 Communication

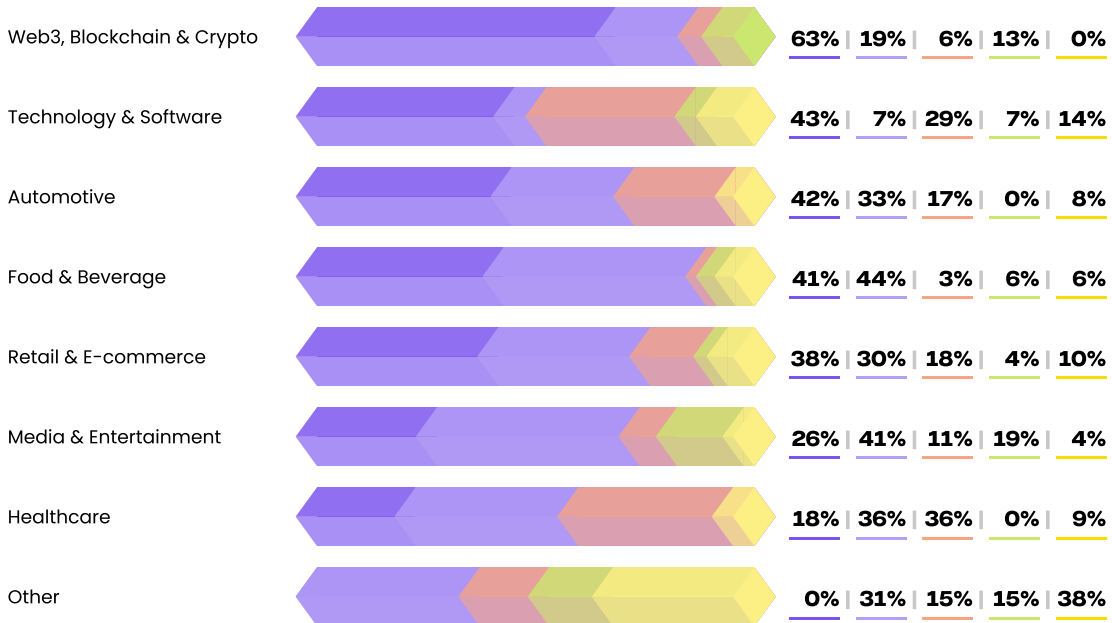
Although wallet messaging is still in its infancy, we found that 67% of B2C marketers are already familiar with wallet messaging as a marketing and communication channel. It may come as a surprise considering the mass adoption of wallet messaging users compared to email, but as we discussed earlier, the need for wallet communications has been dire. It's also very easy to see the parallel between traditional SMS messaging and sending messages to crypto wallet addresses – the functional modality and way of thinking about the marketing channel are essentially the same.

## OVERALL FAMILIARITY OF WALLET MESSAGING



The food and beverage; web3, blockchain, and crypto; automotive; and retail and ecommerce sectors exhibit a higher degree of familiarity with wallet messaging compared to other industries. Unsurprisingly, leaders in these industries have been some of the prominent early adopters of web3, launching many NFTs projects and on-chain loyalty programs (Starbucks, Nike, Porsche, Mercedes-Benz, PepsiCo, Coca-Cola, etc.), which may have contributed to their familiarity with a concept like wallet messaging.

## FAMILIARITY OF WALLET MESSAGING BROKEN DOWN BY INDUSTRY



# Brands Are Looking To Communicate With Customers Through Wallet Messaging

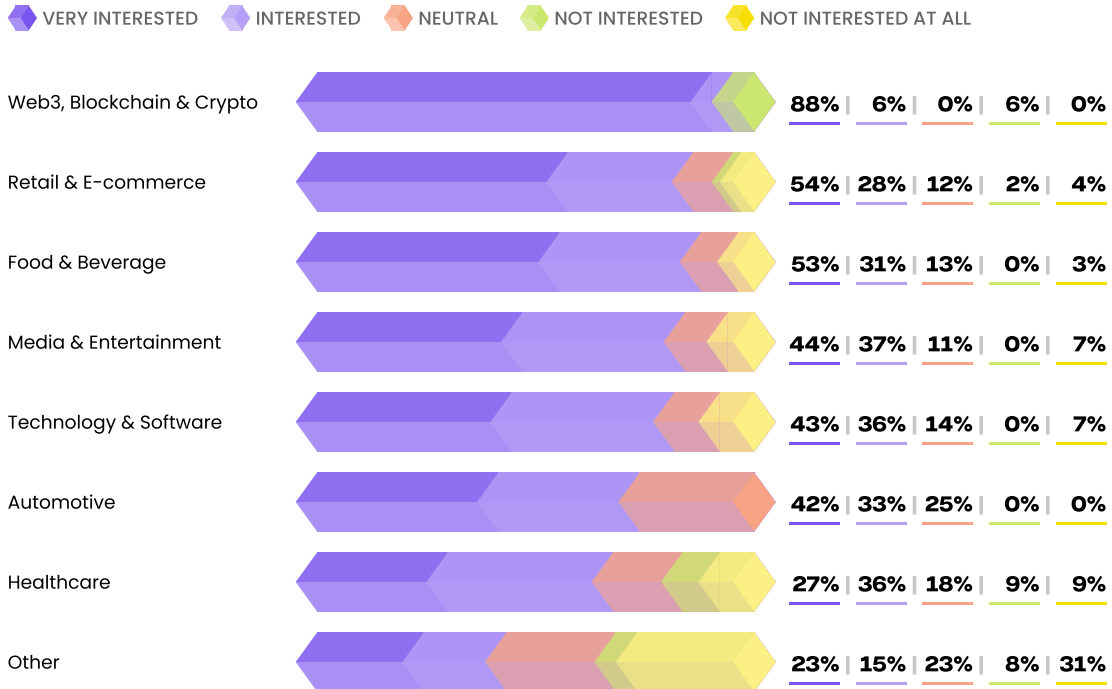
Any information tied to a crypto wallet is publicly displayed on the blockchain's general ledger – meaning any customers' blockchain-based assets, coins, NFTs, transaction history, DAO voting, and more could be used by a brand to gain deeper customer insights. Because of this, over 79% of B2C brands are interested in wallet messaging as a new marketing channel with 40% saying they are very interested.

## OVERALL INTEREST IN WALLET MESSAGING AS A MARKETING CHANNEL



The blockchain and food and beverage industries displayed the highest interest compared to other industries. Media and entertainment and the retail and ecommerce sectors were tied for third place.

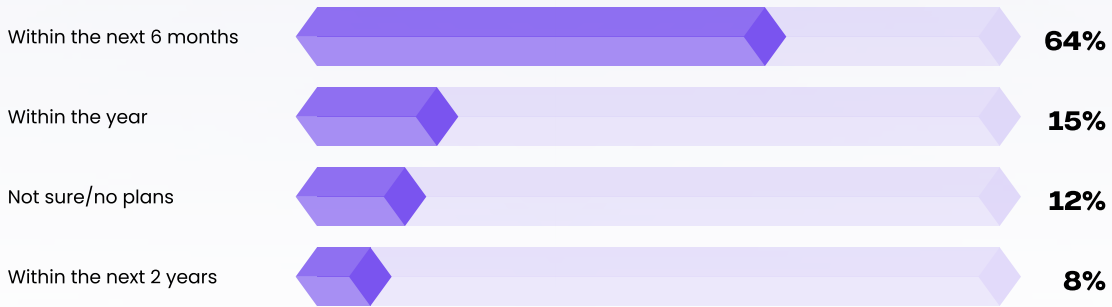
## INTEREST IN WALLET MESSAGING AS A MARKETING CHANNEL BROKEN DOWN BY INDUSTRY



**STATE OF WALLET MESSAGING**  
FINDINGS

We also asked marketers what their timeline and plans were for adopting this new channel and technology. We were surprised by the results with over 80% having plans to adopt wallet messaging in the next 12 months. Only 12% said they have no plans or are unsure.

**OVERALL IMPLEMENTATION TIMELINE FOR WALLET MESSAGING**

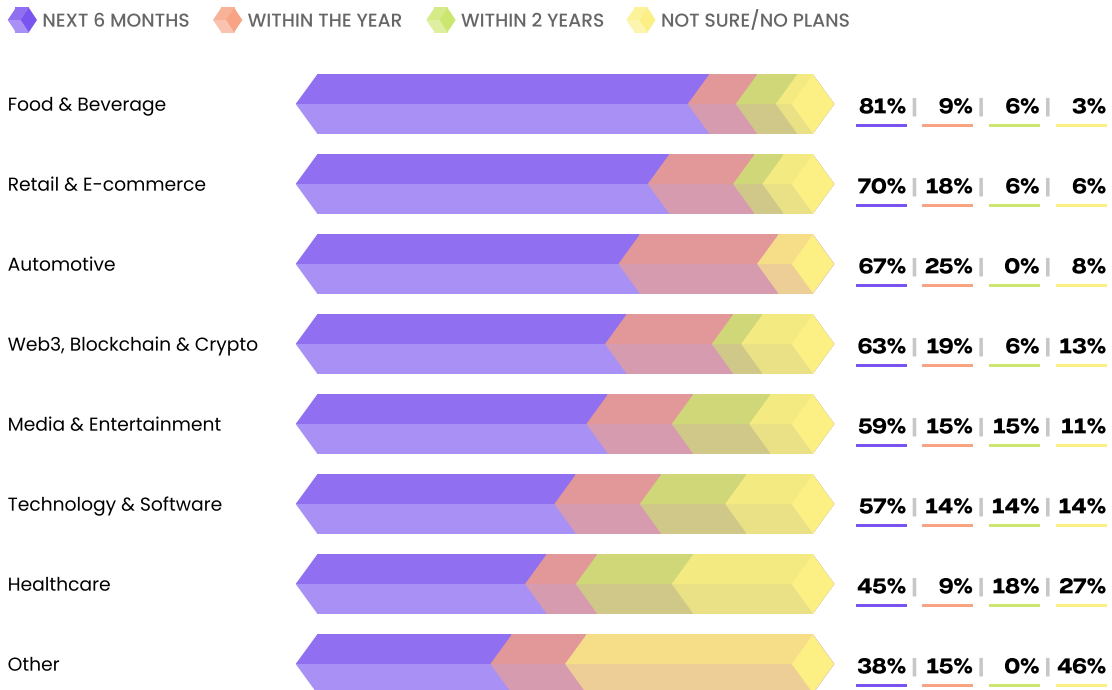


81% of the food and beverage industry has plans to fully implement wallet messaging into their marketing strategy within the next six months – in fact, only 3% have no plans to implement wallet messaging within the next two years.

Over the next six months, about 70% of retail and ecommerce brands anticipate implementing wallet messaging, and a cumulative 94% plan to incorporate it over the next two years.

Just over 89% of the media and entertainment industry believe that their companies will communicate with their customers through wallet messaging over the next two years. On the opposite end of the spectrum, 25% of the healthcare sector is still determining if wallet messaging will be appropriate for their audiences and have no plans to adopt in the next two years.

**IMPLEMENTATION TIMELINE FOR WALLET MESSAGING BROKEN DOWN BY INDUSTRY**

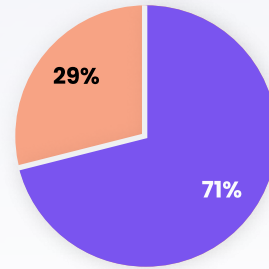


## A Majority of Marketers Believe Wallets Are More Valuable Than Email Addresses

### VALUE OF A WALLET ADDRESS COMPARED TO AN EMAIL ADDRESS

● WALLET ADDRESS ● EMAIL ADDRESS

Wallets are the new email — a shocking 71% of B2C marketers believe a wallet address is more valuable than an email address.



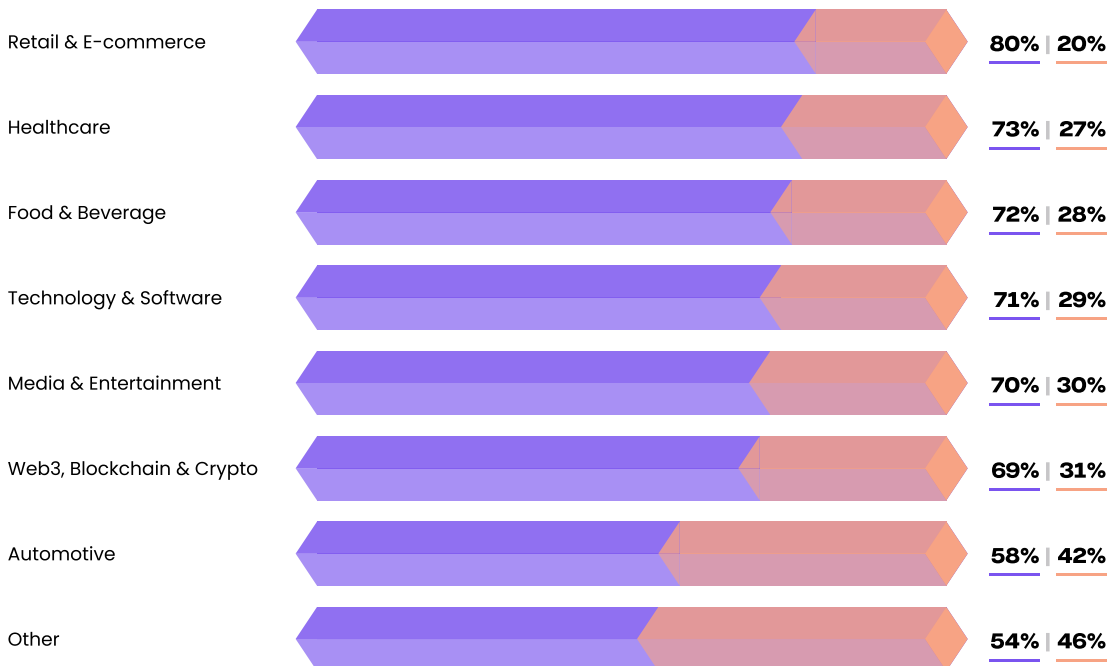
When we slice the data by industry, we find that 80% of retail and ecommerce marketers value a wallet address over an email address. Despite only 64% of the healthcare industry showing interest in adopting wallet messaging as a channel, 73% still believe the wallet address is more valuable than an email address.

Another surprising finding was that only 42% of the automotive industry considers an email address to be more valuable than a wallet address, even though a majority of luxury automotive and racing brands have already been active in web3 (Porsche, Mercedes-Benz, Škoda, Lamborghini, McLaren, Formula 1, Red Bull Racing, and many more).

Focusing on the web3, blockchain, and crypto sectors of this study, the value linked to a wallet address is 2% lower than the overall average for B2C marketers. In contrast to other industries, brands using blockchain technology already have access to their customers' wallet addresses and don't typically have access to email addresses. They still see more value overall in a wallet address, but have an above-average rating for the value of an email address.

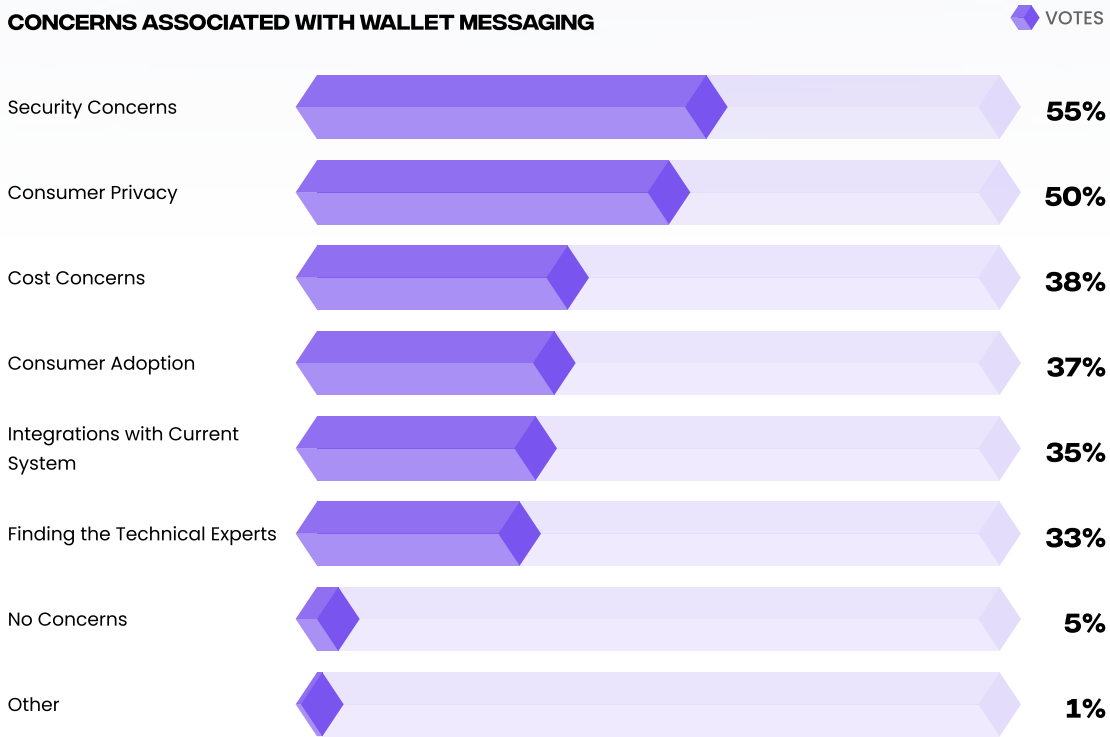
### VALUE OF A WALLET ADDRESS COMPARED TO AN EMAIL ADDRESS BROKEN DOWN BY INDUSTRY

◆ WALLET HOLDS MORE VALUE ◆ EMAIL HOLDS MORE VALUE



## Security and Consumer Privacy Are Brands' Largest Concerns Associated with Wallet Messaging

Only 5% of all B2C marketers don't have any concerns associated with wallet messaging, while half of the study voiced two major concerns — security and consumer privacy. Even in traditional marketing, security and consumer privacy are some of the most important challenges facing marketing executives across the board. A [study](#) done in 2023 by Salesforce showed that 76% of consumers remain more loyal to brands that provide better data security. [McKinsey & Company](#) found that 87% of consumers said they “wouldn't do business with a company if they had concerns about its security practices”.



Fortunately, brands and consumers can rest assured knowing that all XMTP wallet messages are fully secure and [encrypted end-to-end](#), adding an extra layer of privacy and data security to each wallet message on the [XMTP network](#).

The third most significant concern revolves around the cost tied to wallet messaging. With any new technology (and certainly in tougher economic climates like 2023), brands are often hesitant about the initial up-front costs and unknown costs associated with a new technology platform. As we'll talk about in the next section, the early results and success are far outweighing any costs currently associated with wallet messaging.



## Early Adopters Are Proving That Wallet Messaging is A Better-Converting Channel

Because wallet messaging is still an emerging channel, we wanted to include a handful of specific brand case studies from early adopters sending XMTP campaigns on Holder's wallet messaging platform. Holder customers are experiencing an incredible lift in customer engagement and conversions by connecting through native web3 channels.

Floor, the leading NFT portfolio tracker, uses Holder Messaging to engage with users who own their NFTs but have not yet started using Floor. By sending XMTP messaging campaigns through Holder, they saw major success.

“WE SAW A 5%+ FULL-FUNNEL CONVERSION RATE USING HOLDER WALLET MESSAGING, WHICH IS UNHEARD OF — IN ANY INDUSTRY.

— ZACK BRENNER, PARTNERSHIPS LEAD



Zerion, a leading web3 crypto wallet provider, uses Holder to deliver product update communications and engage their existing userbase. They recently used Holder for the launch of their new browser extension.

**They saw a 12x increase in conversions after their initial wallet messaging campaign went live.**

Wallet messaging is an emerging — and very effective — marketing channel and every brand should be thinking about how it plays into their marketing and communication strategy. Today, Holder is the leading provider in this space and would love to help your brand navigate this new technology and adopt wallet messaging. We make it easy to [get started on your own](#) or you can [reach out to our team](#) for more strategic guidance and custom implementation.

## Wallet Messaging Best Practices

WHILE WALLET MESSAGING IS A NEW MARKETING CHANNEL, MOST MARKETING COMMUNICATION BEST PRACTICES STILL APPLY.

- Keep the content of the message concise. Customers are more likely to engage with shorter messages.
- Add a flare of personalization to your messages — personalized messages are better for capturing attention and greater resonance. Use on-chain data and history to hyper-tailor the message and offer to the individual.
- Use emojis where appropriate.
- Include CTAs to elicit action and get consumers to act immediately. On-chain CTAs are particularly successful — mints, swaps, claims, doing something with a wallet, etc.
- Set up automation triggers to engage customers at the perfect time.
- Use the [Ethereum Name Service](#) (ENS) to change your wallet address into a verifiable domain name, like 'holderxyz.eth'. Create branded subnames for specific campaigns or subscriptions (support.holderxyz.eth, marketing.holderxyz.eth, ETHNY.holderxyz.eth, etc.).

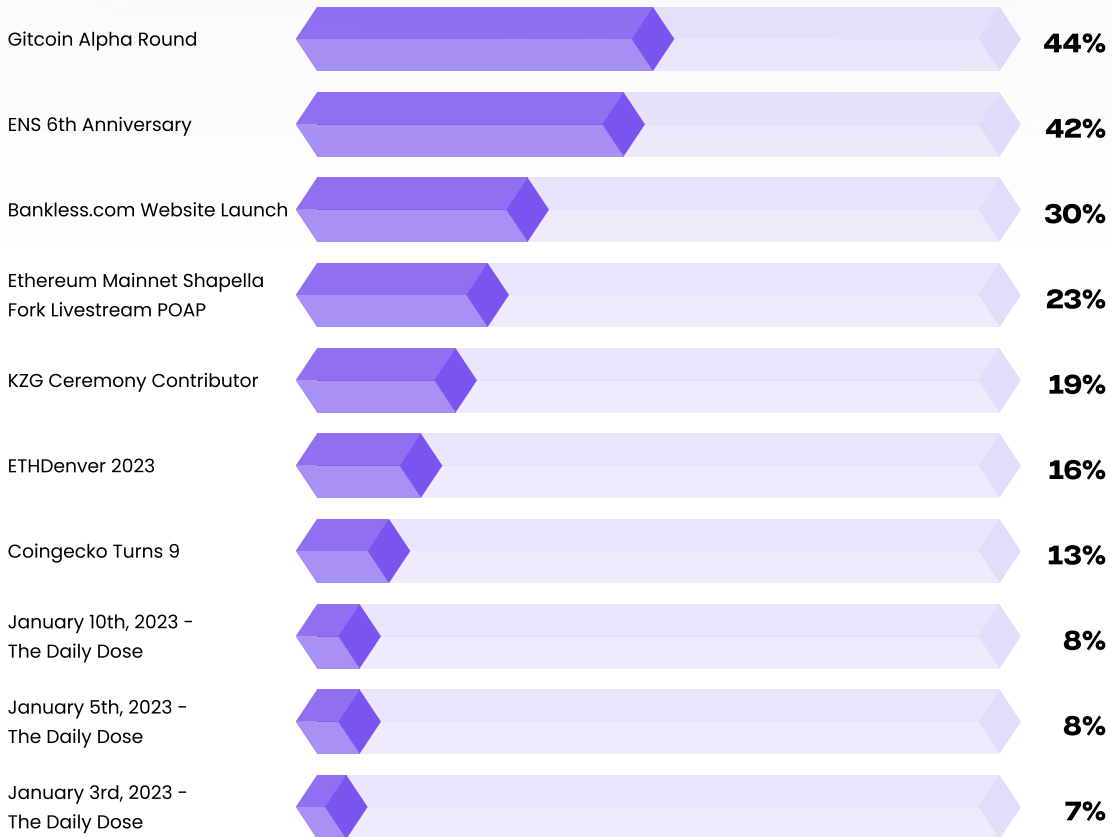
# The Anatomy of a Wallet Messaging User

POWERED BY AIRSTACK

We partnered with [Airstack](#), a developer platform for querying web3 data, and used their data to better understand the other on-chain behaviors of an XMTP user today. We looked at event attendance (through POAP holdings), social profiles, ENS ownership, and much more. Ultimately, we found that despite wallet messaging being an emerging channel, a large number of active web3 participants are already using XMTP and wallet messaging.

## TOP TEN POAPS AND XMTP-ENABLED USERS

 % OF XMTP ENABLED



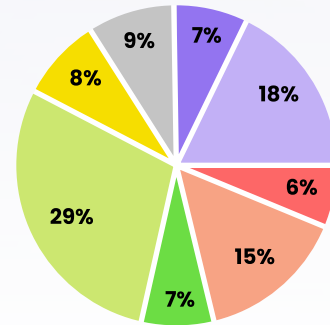
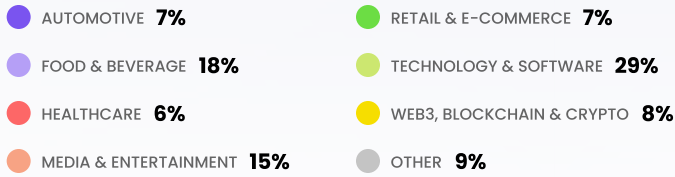
# Conclusion

## **SURVEY DEMOGRAPHICS**

## Survey Demographics

The State of Wallet Messaging Report survey was conducted online in mid-2023. The survey was sent to a panel of B2C marketers via [Centiment](#), a survey and market research firm. A total of 175 respondents completed the survey. We show the survey respondents' demographics here.

### SURVEYED INDUSTRIES



### SIZE OF COMPANY SURVEYED



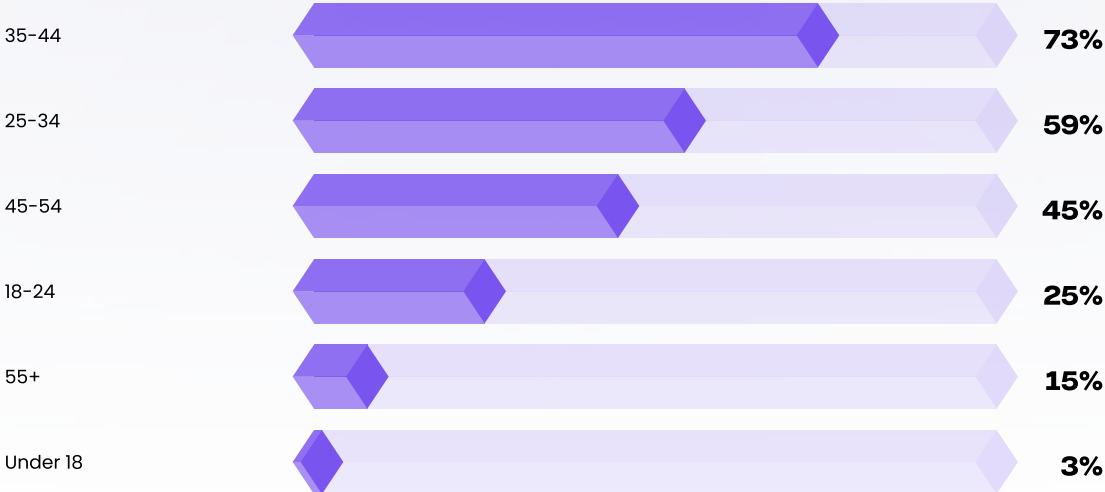
### SENIORITY LEVEL OF SURVEYED RESPONDENTS

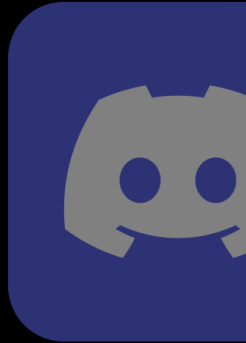
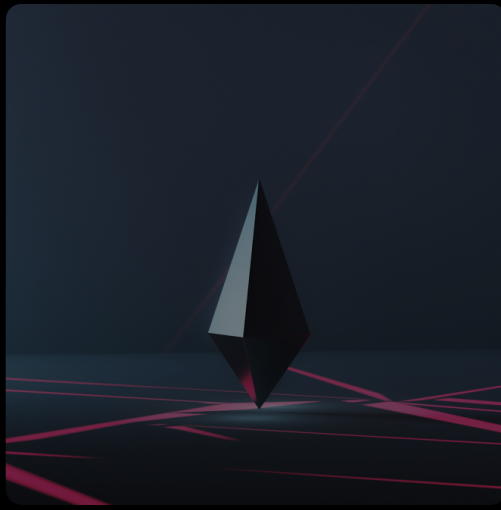
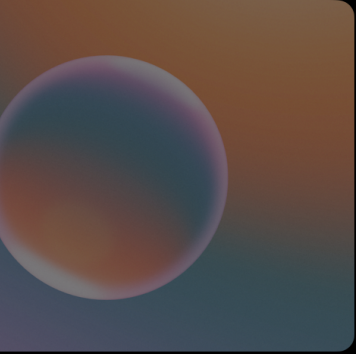


STATE OF WALLET MESSAGING

CONCLUSION

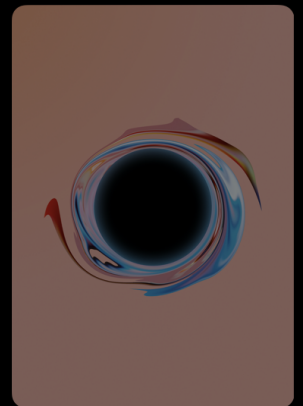
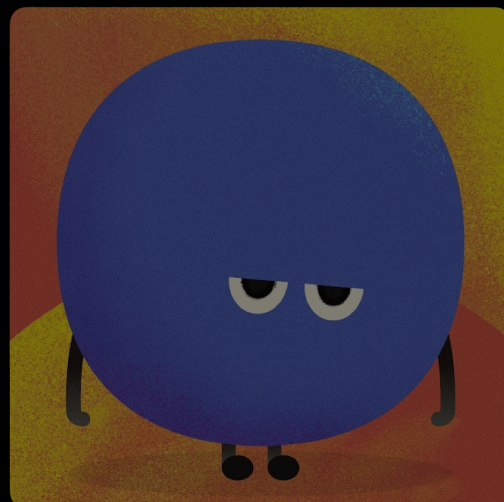
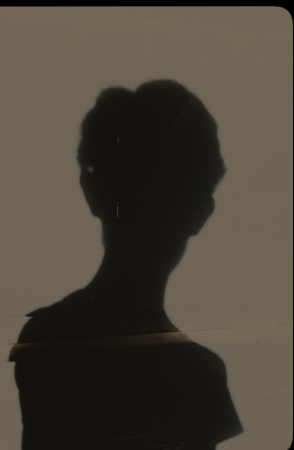
TARGET AUDIENCE AGE RANGE OF SURVEYED BRANDS





Holder is a web3 CRM and customer engagement platform for the tokenized world.

Learn more at [holder.xyz](https://holder.xyz)



Do you need help navigating  
wallet messaging?

[LEARN MORE](#)