

SMS Guide 2021

Text Messaging Trends To Watch During Crisis

Trusted by Businesses Worldwide
An ISO-27001:2013 (Information Security
Certified) Company)



We are MOBtexting

Our Vision

Build the future of communication & enable businesses to connect, engage & enhance customer's experience effectively, efficiently & instantly using multiple communication channels across the globe.

What's Inside?

- 01** Global A2P SMS & CPaaS Market
- 02** Business Communication In The Customer Experience Era
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Global A2P SMS & CPaaS Market



Mobile marketing is becoming an increasingly powerful tool for marketers to connect with consumers around the world and has emerged as a popular and effective digital marketing trend.



It not only has a wider reach than any other type of direct marketing, but it is an immediate and intimate communication channel that prospects and consumers favor.



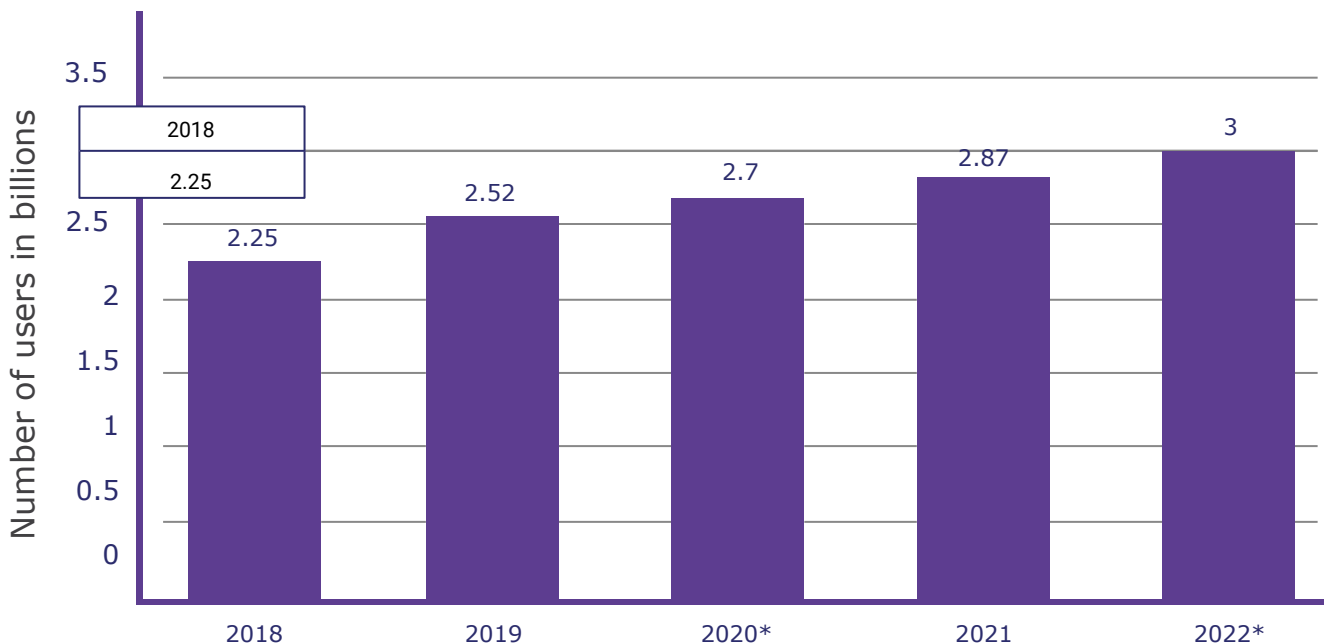
While not everyone has a smartphone with internet access, 5 billion people in the world can send and receive SMS messages.

According to Verified Market Research, the Global A2P SMS Market was valued at \$64,110.88 Mn in 2019 and is projected to reach \$90,229.17 Mn by 2027, growing at a CAGR of 4.39% from 2020 to 2027.

China (1,081M) and India (730M) have the most people who send SMS messages.

You can start a conversation – As many as 45% of people reply to branded text message blasts they receive. 23 Bn text messages are sent each day worldwide.

Number of mobile phone messaging app users worldwide from 2018 to 2022



SMS trends



Conversion Rate

SMS boasts a near 14% conversion rate leading revenue streams, generating ROI of 45% & more.



Cross Selling

77% of consumers have a positive perception of companies that keep them informed through text message updates.



Demand For Personalization

72% of consumers now only engage with personalized marketing



Engagement Rates

75% of people have suggested that they'd be happy to receive an offer via SMS



Collect More Reviews

SMS-based surveys enjoy high conversion, with 31% of consumers responding to such invitations, on average within five minutes.



Messaging Preferences

64% of consumers prefer texting instead of a voice call for customer service needs.



Higher Open-rates

At around 98%, the SMS open rate is almost triple that of the average email open rate.



Market Growth

SMS marketing market is expected to grow to \$83.03 billion by 2024.



Alarming Phone Usage

56% of people have increased their cell phone usage since COVID-19 began.

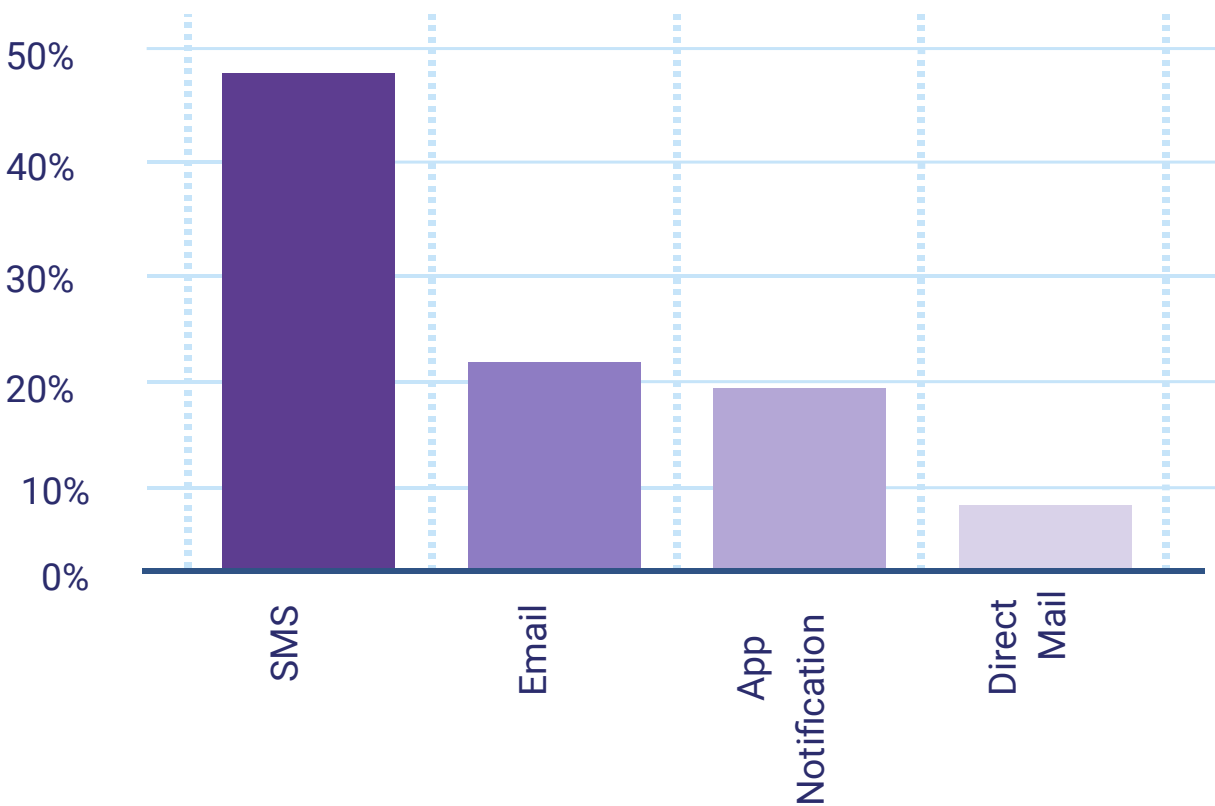


Phishing Alerts

53% prefer SMS for fraud and service outage messages compared to 34% for email.

Consumers are more likely to open text messages before any other form of mobile communication.

SMS v/s Other Conversational channels



Average Response Time

SMS = 90 seconds
Email = 90 minutes



Marked as SPAM

SMS = 10%
Email = 49.7%

90% of SMS messages are read within 3 minutes.

The new normal

34% of businesses adopted SMS because of the pandemic, and 77% of them say they'll continue texting post-COVID.

64% of consumers said appointment reminder texts were the most valuable, while 48% said updates on shipments and 29% said discounts on products or services

20%

Increase in the daily commercial SMS traffic in India due to higher post-pandemic digital adoption.

**1.3
B**

Commercial SMSs are sent every day

70%

India's traffic is transactional and service notifications, while the rest is promotional. 20% increase in transactional SMSs.

1.12T

A2P SMS traffic is still projected to be approximately 1.12 trillion

Business Communication In The Customer Experience Era

Brands need to stay on the cutting edge of marketing to maintain and grow their customer base.

The mode of business communication can make or break a business as it helps build a relationship with the customers.

Text messaging gives businesses a direct line of communication with your most loyal base with quick deliverability, higher open and conversion rates, and platform flexibility.

What do a customer want?

An average person casually checks her phone about 63 times a day. Businesses are interacting with their customers one way or another via email, surveys, calls, text messages, or social media.

1 Consumer's preferred channels for receiving brand updates



SMS



Email



App
Notification



Direct
Mail

48% of consumers prefer SMS messages for receiving brand updates, followed by email marketing with 22%.

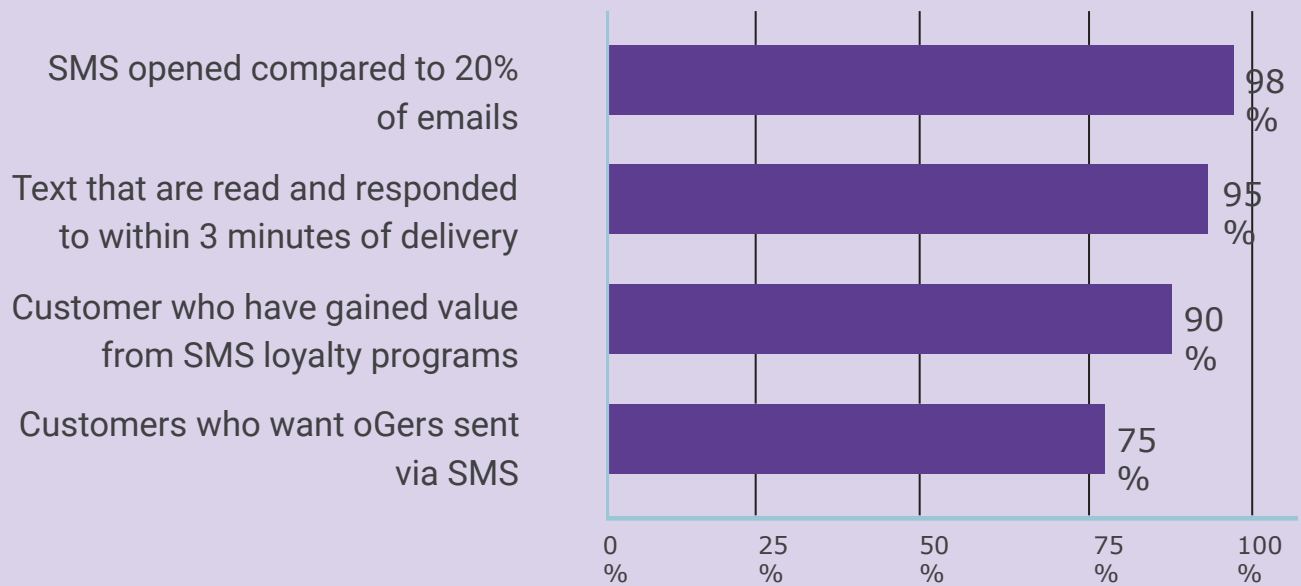
Experts predict that 3.5 trillion SMS business messages will be sent in 2023, up from 2.5 trillion in 2019.

SMS messages have a 209% higher response rate than voice messages, email, or Facebook.

When it comes to sales, 90% of leads prefer to be texted, compared to being called on the phone.

84% of businesses use or plan to use texting in their sales and marketing efforts

2 State of SMS Business use



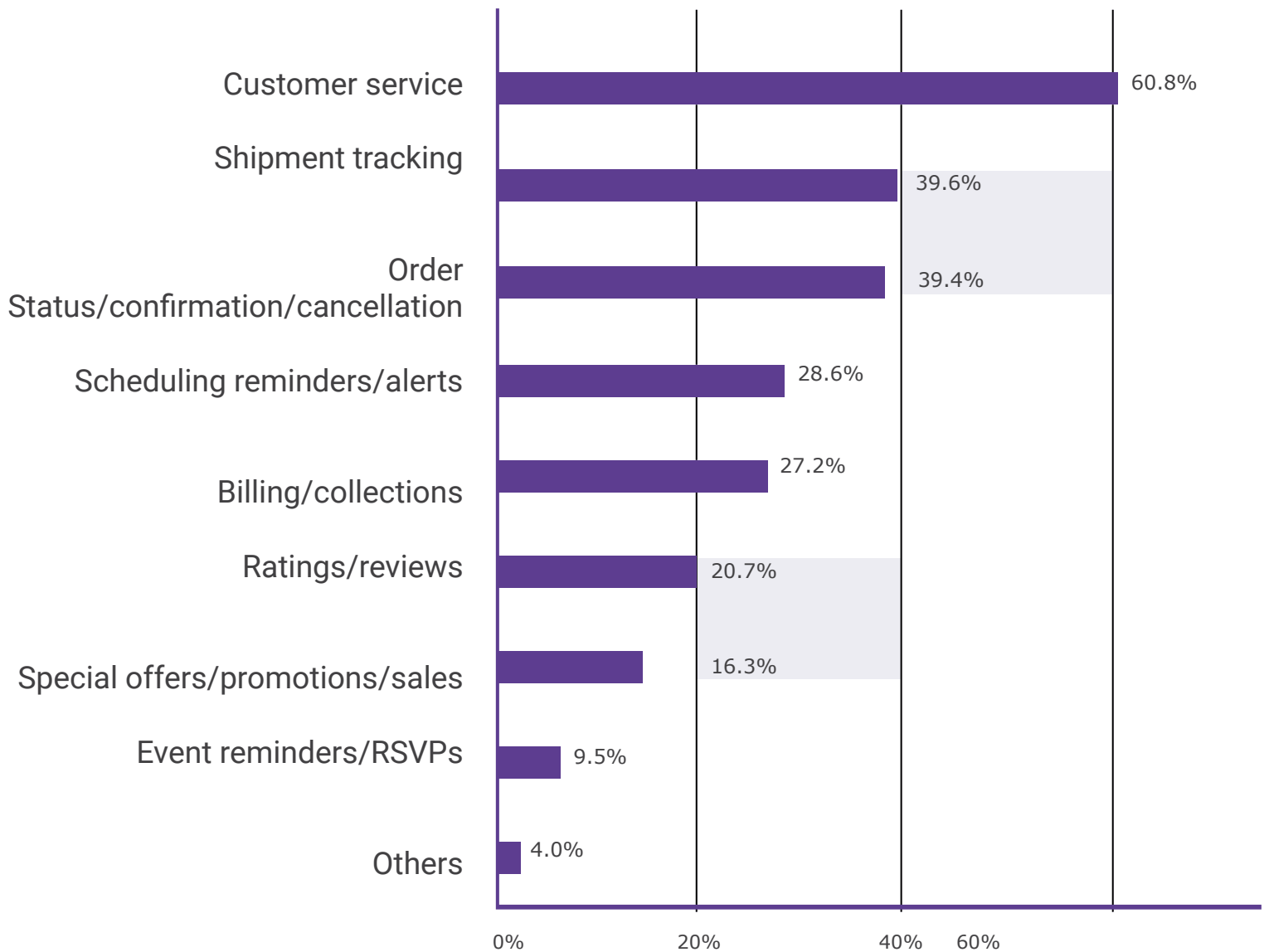
96% of marketers rated mobile welcome SMS as “very effective / effective” or “somewhat effective”.

Sending business appointment reminders to customers through SMS reduced missed appointments by 26%.

The top three reasons marketers say they like using SMS marketing are:

- They have a large existing mobile audience of 52%
- For strengthened customer engagement which is 44%
- They have high open rates of 43%

Which topics would you like the capability to take businesses back?



SMS marketing is one of the most cost-effective and efficient ways to reach customers.

How do big brands use SMS Marketing?

Facebook

Facebook uses text messages to improve security of customer profiles & connect with users.

Google

Google sends Account verification or password change notifications.

Flipkart

Authentication, Offer update & shipment related communication happens via SMS.

Amazon

Authenticate, collects feedback from customers on their orders for market research and better customer service & much more.

Netflix

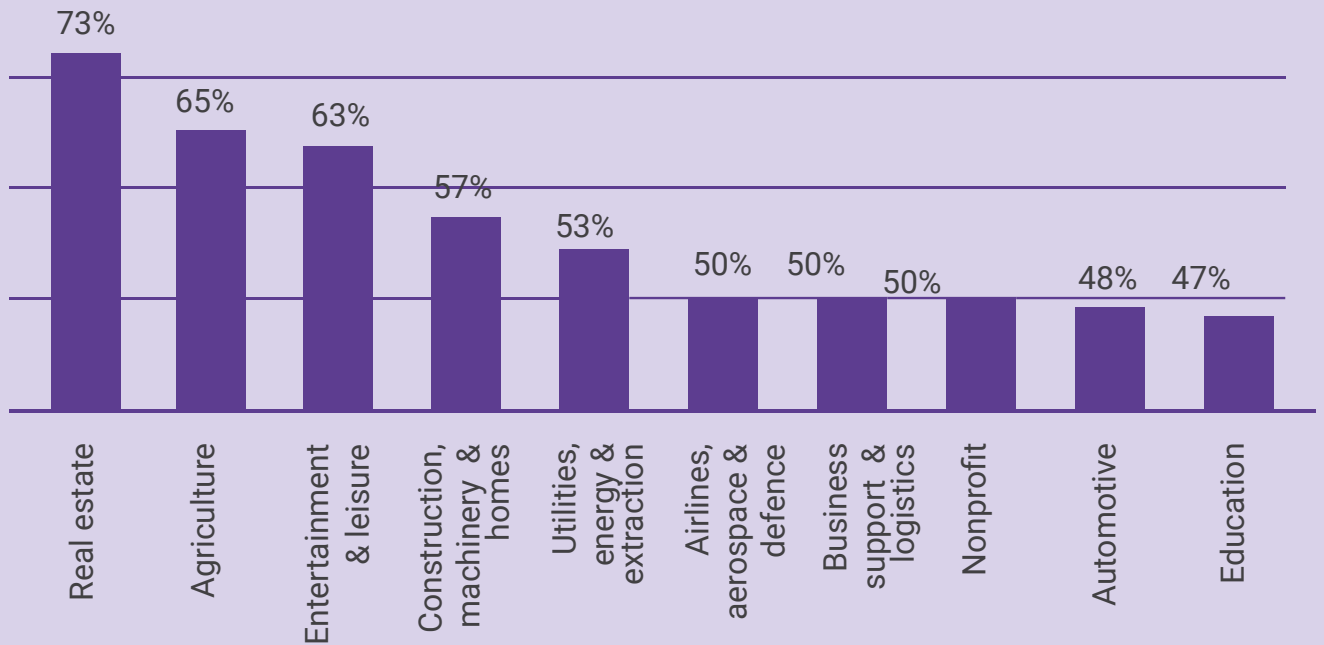
Netflix uses multi-channel messaging experiences across customer lifecycle to drive acquisition, retention & member engagement.

SMS across industries

Communication is at the heart of human interaction, and it can make or break a business. Being able to communicate effectively with customers can lead to increased sales, repeat business and referrals.

Businesses across the world consider SMS marketing as an effective channel of communication to engage with the user and bring positive ROI.

3 Top industries that use texting with customers

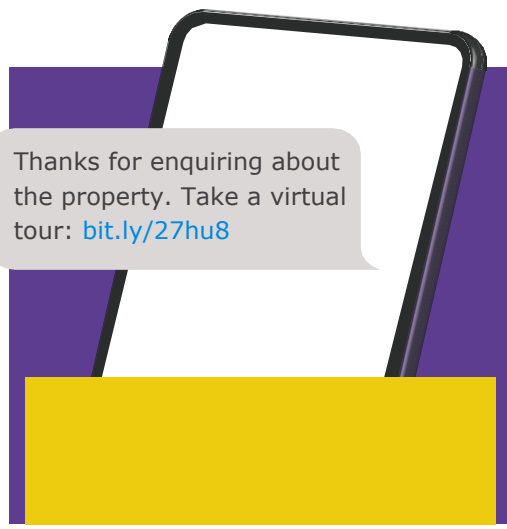


Real estate leads with 73% marketers using text advertising for business.

Top industry use cases

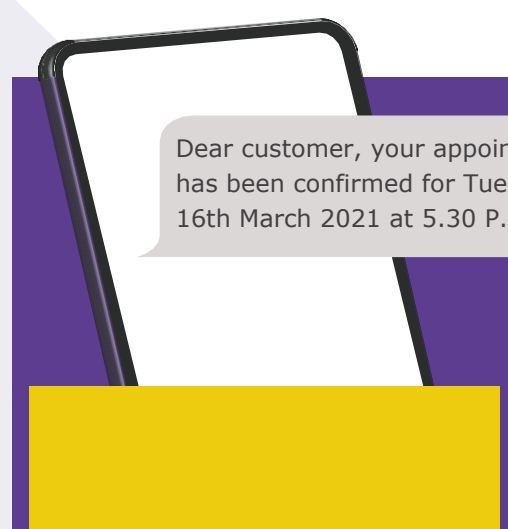
REAL ESTATE

One of the first industries to take advantage of SMS marketing is real estate. A property listing provides more information than it can be seen by a passer-by. It helps investors to advertise directly and quickly.



Thanks for enquiring about the property. Take a virtual tour: bit.ly/27hu8

“98% open rates of text messaging helps realtors generate more leads.”



Dear customer, your appointment has been confirmed for Tuesday, 16th March 2021 at 5.30 P.M.

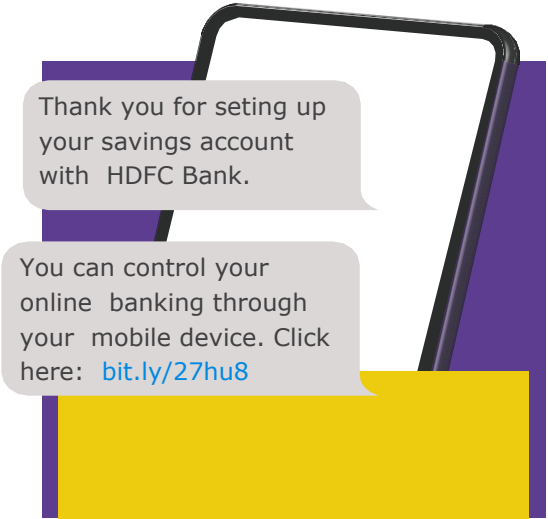
HEALTHCARE

From hospitals to pharmacies, all sectors of health care are opting for SMS for communicating with their customers. Texting is a great platform to notify patients and customers regarding health and prescription updates, setting appointments, and much more.

“42.5% of consumers are likely to opt into text messaging for health care facilities.”

BFSI

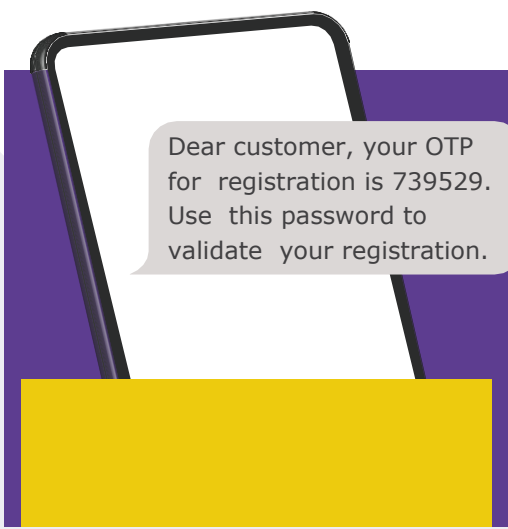
SMS marketing plays an important role in the financial sector since consumers want maximum security for their finances. SMS works best here when customers are kept informed about their money or aid in financial situations.



Thank you for setting up your savings account with HDFC Bank.

You can control your online banking through your mobile device. Click here: bit.ly/27hu8

“41.4% of the consumers prefer getting updated regarding their financial information through SMS.”



Dear customer, your OTP for registration is 739529. Use this password to validate your registration.

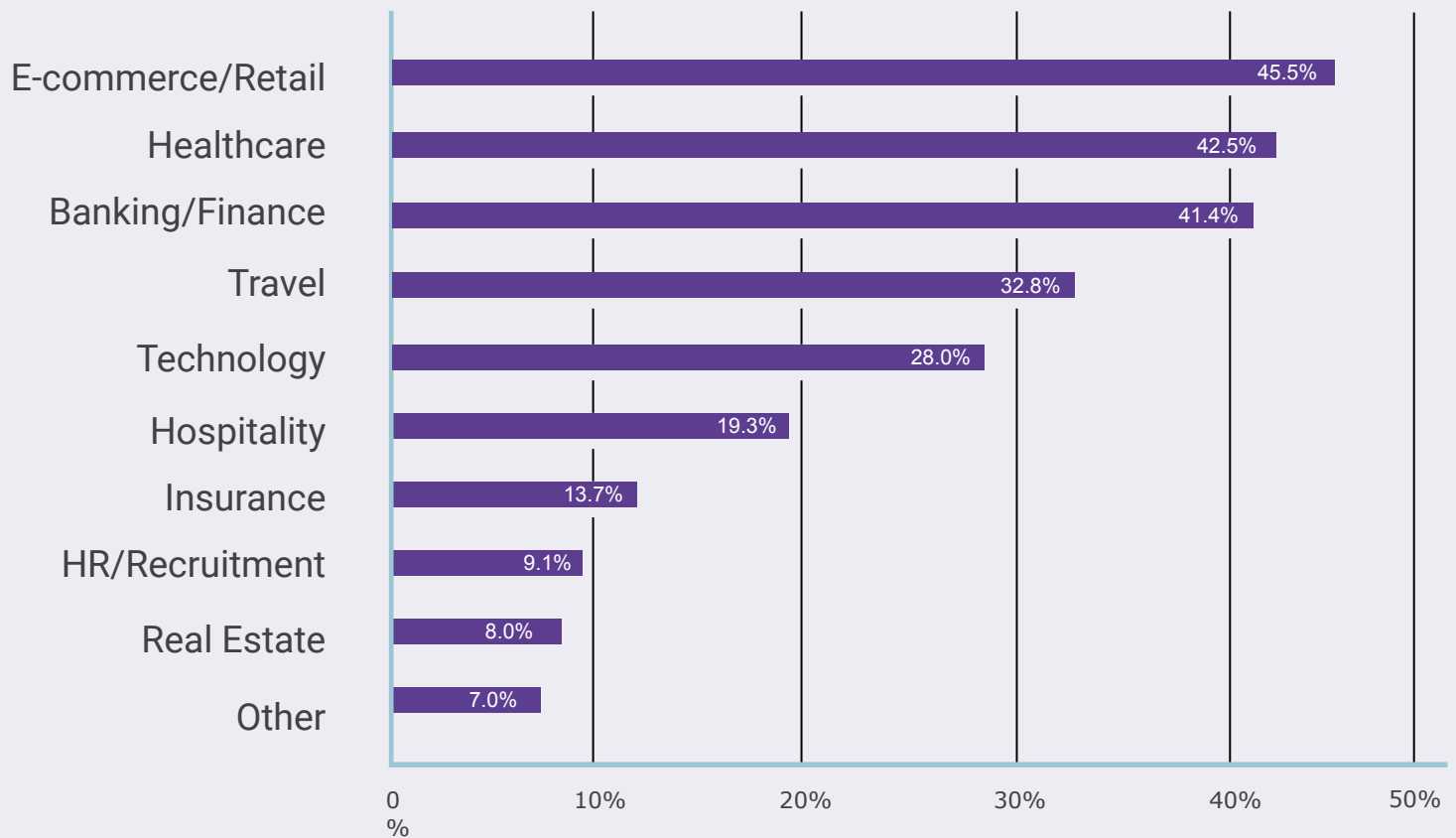
RETAIL

With the development of text marketing, many retail businesses are able to attract customers by using in-store, on-demand coupons, promotional offers, newsletters, rewards, account confirmation, shipping details, and much more to increase their sales.

“Transactional SMS have open rates of around 95%”

SMS opt in rate for industries

From which industry are you most likely to opt in to text messages ?



77% of consumers said they opted-in to a brand's text messages to receive coupons or deals.

97% of companies found they communicated with consumers more efficiently after launching texting initiatives.

64% of consumers think businesses should contact them via text messages more often.

SMS Marketing helps businesses deliver messages to the right people, at the right time, and convert more leads into customers.

Communication Platform as a Service

SMS is cost-effective and mighty powerful. A well-defined, persistent SMS marketing campaign can help businesses gain an automatic edge over the competition.

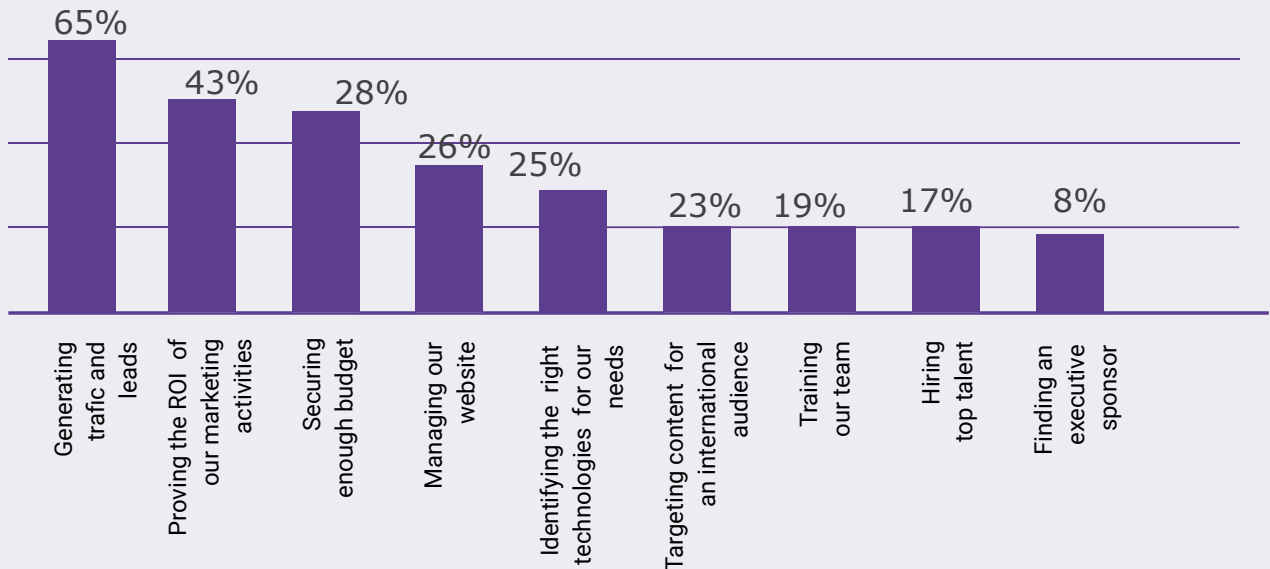
From promotional text for upcoming deals, confirming shipping delivery, follow-up for customer support; to scheduling an appointment, SMS is widely being used today.

SMS encourages purchases, nurtures relationships, and builds loyalty in an immediate personalized way.

Challenges faced by modern businesses

Generating traffic and leads, proving ROI, securing budget to using the right technology, modern marketers face many challenges.

What are your company's top marketing challenges



Solution?

SMS marketing, also known as text message marketing, where businesses and organizations send out transactional, promotional, one-time messages via highly targeted, permission-based, opt-in text messages.

Enterprises can limit to a max of 160 characters and even go beyond using rich media.

The top priority for marketers now is generating leads. As many as 54% of customers prefer SMS for promotions over other communication channels.

53.85% of marketers surveyed say they even measure Customer Acquisition costs. For 2020, 64% of marketers said their marketing budget has increased.

SMS produces engagement rates six to eight times higher than email marketing when used for redemption, data collection, and brand awareness.

Messaging is the new normal

Personalization

91% of consumers say they're more likely to shop with brands who recognize, remember & provide them with relevant recommendations.

Simplification

Conversations around information overload are on a rise, growing 3.4 times in 21 months across the globe.

Consolidation

Across the world, 45% of people say that they'd prefer to have fewer apps on their mobile phones.

Two-Way

The beauty of messaging is that it is two-way when required and in line with consumer's expectations.

Easy-To-Use

Due to the speed, directness, and visual nature of the medium, it allows for multiple conversations to happen at the same time.

Time Saving

A survey found out that 60% of people would pay more for convenience if they didn't have to go through a long journey.

Reliable

People tend to messaging when they want a brand's guidance or expertise, updates, more streamlined shopping experience etc.

Quick Responses

Among people surveyed, the majority expect a faster response than if they had used a traditional mode of communication.

Anywhere, Anytime

As mobile technology extends its reach across the world, 71% of people surveyed said their preference for business messaging has gone global.

Effective

People who use visuals more frequently are 1.59 times more likely effective.

Tech-Enabled

Adoption of new technology in emerging markets are 2.4 times more likely than those in mature mobile markets to say they message businesses.

Confidence & Trust

More than 55% are more confident using messaging over emailing.

The global pandemic in 2020 has made smartphones people's go-to place to fulfil their day-to-day activities.

56% of people have increased their cell phone usage since COVID-19 began, and more companies are adopting text marketing in 2021.

Consumers are using their phones to shop, and there has been a drastic increase of 146% in online orders.

61% of businesses and marketers surveyed increased their text marketing budgets in 2020 as brands need a digital way to reach customers directly on the phone, and hence SMS has taken over.

77% of consumers aged 18 to 34 have positive perceptions of brands with texting, and 78% of consumers say that text messaging is the fastest way to reach them.

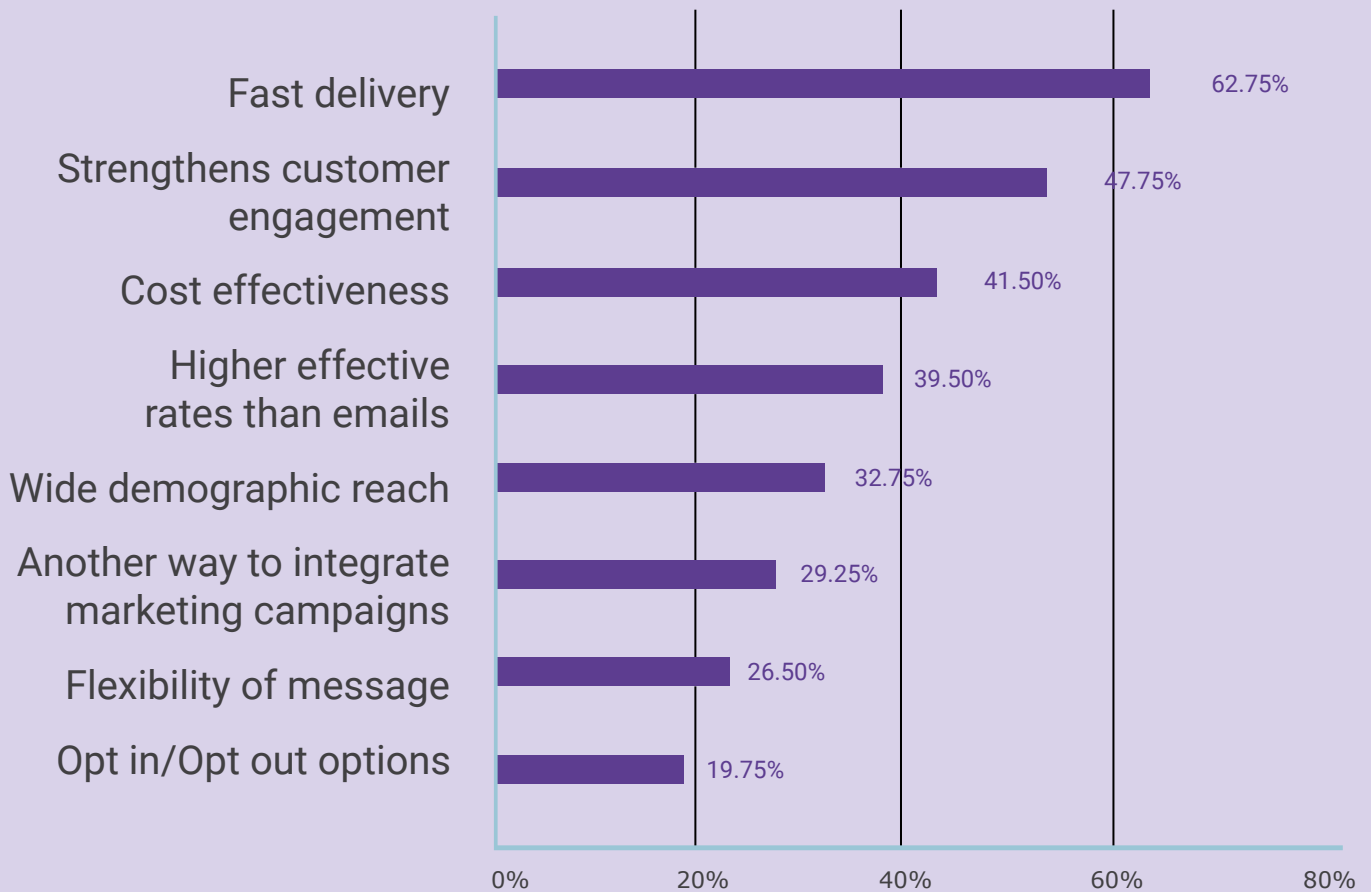
23 Billion text messages are sent every day across the globe.

Text messages have a 5x likelihood for a message to be opened v/s other channels.

75% of consumers are OK with receiving SMS messages from brands (after they've opted in).

Benefits of SMS Marketing

What do you think are the biggest benefits of texting your audience?



From higher customer satisfaction to increased conversion rates, businesses that use mass text messaging are reaping the benefits.



Boost Sales

Bulk SMS broadcasts promotional, and limited time offers to grow revenue.



Build Relationships

Provides support and service with A2P messaging and 2-way conversations.



Customer Engagement

Helps share updates, announcements, and content.



Generate Excitement

Grabs attention via text-to-win campaigns or text-to-vote polls.



Collect Leads

Prospects can sign-up for texts.



Nurture Leads

SMS keeps the target audience engaged by following up with leads.



Manage Database

You can use shortcodes to simplify response and build your database.



Track ROI

Save money & improve ROI by profiling & segmenting out numbers.

SMS & ROI

Delivery Rate

A successful SMS campaign is accurate recipient numbers. The cleaner your data is the higher your delivery rate will be.

Click-Through Rate (CTR)

With texts, 98% of messages are opened and links receive an average CTR of 17%.

Conversion Rate

The average SMS conversion rate is about 45%.

Response Rate

Keeping track of response report will let user know what format for messages is most effective.

Unsubscribe Rate

Unsubscribe rates should be less than 3% per campaign. Measure churn rate weekly/monthly.

List Growth

The average SMS conversion rate is about 45%.

Website Traffic

Send traffic to your website to track the clicks on your URL within your text message.

ROI

To determine the overall effectiveness of text marketing, either on a per-campaign basis or over all your campaigns.

Usage of SMS in business

Sales Promotion

SMS has a whopping 98% open rate, making it an extremely attractive and cost-effective option for promoting sales.

Orders

Up to 80% of consumers preferred to track once the order is shipped.

Marketing Campaigns

Reach potential customers in several places, and in a number of different ways, before you can convert them to purchase.

Product Launches

Consumers who get SMS marketing messages are 40% more likely to convert than those who don't.

Product Verification/Password Confirmations

82% people keep notifications switched on for authentication SMS.

Appointments & Reminders

67% of people would rather text with a business about appointments & scheduling.

Customer Support

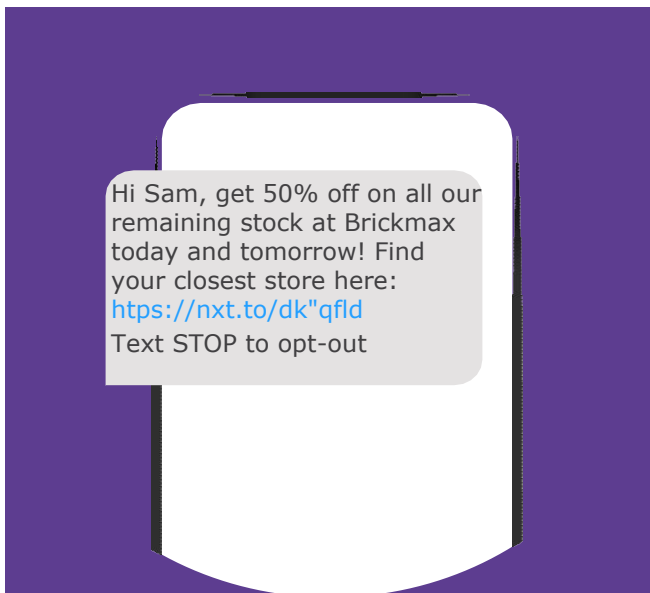
64% of users think businesses should contact them via text SMS.

Short Surveys

Using texting to gather customer feedback is a really good way to do some market research with a quick turnaround time.

Use of technology

There are new technology trends which tend to pop up every year and they're the perfect pairing with SMS. Some of the new and emerging technology trends and how they can work together with the ever-present SMS include:

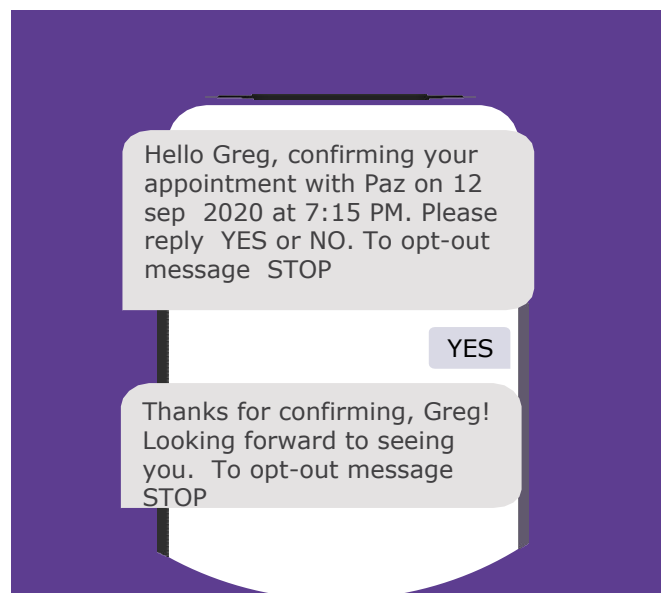


A2P SMS

Application-to-Person(A2P) SMS is when companies send SMS messages to their customers from an SMS application.

This can be used by companies to send reminders, alerts, one-time passwords (OTPs), and for many more purposes.

In 2024, the global application to person (A2P) SMS API market will reach \$245.9 million based on a CAGR of 4.1 percent from 2017 to 2024.

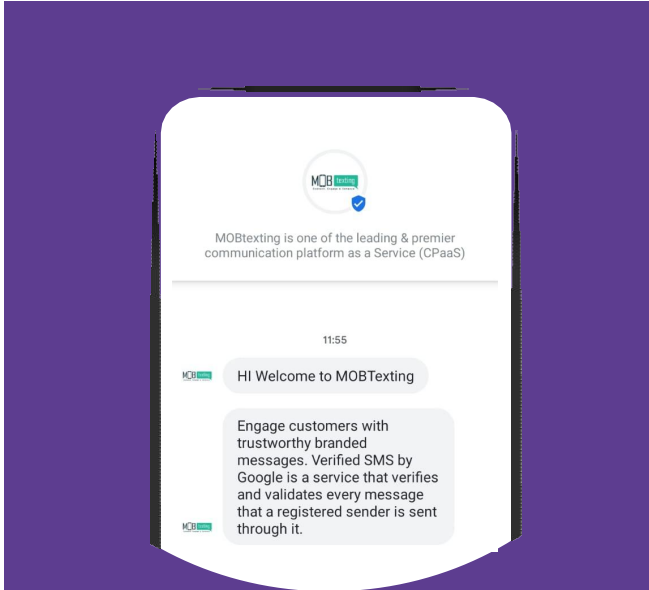


Two-way SMS

Two-way, or replicable messaging is used by businesses to engage with their customers and get responses.

64% of customers would prefer to communicate with a business about customer service activities via two-way messaging, rather than over the phone.

This quick and personal way of communicating with customers leads to up to 24% higher conversion and is a more efficient and convenient way to solve queries.

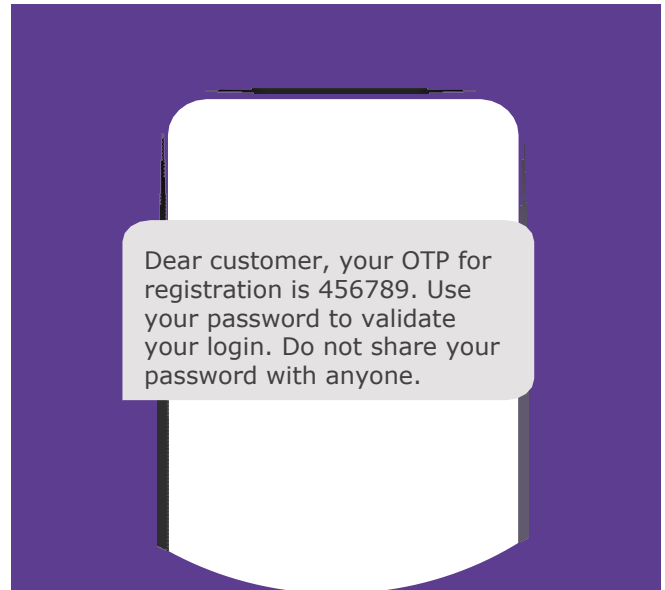


Google Verified SMS

Verified SMS is a new service that adds sender verification & branding to business SMS messages so recipients can trust incoming messages at a glance.

The service decreases the chances of phishing crimes and scam messages to near zero.

According to Statista data, 1.5 trillion messages were sent by SMS in the U.S. alone in 2017.

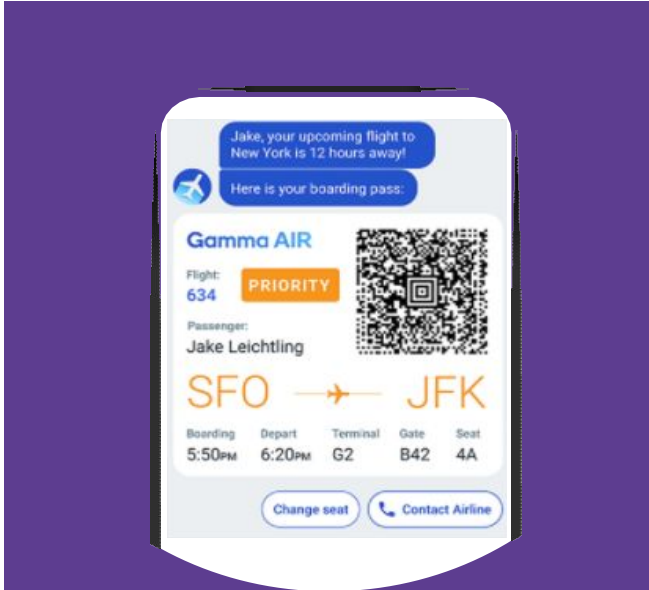


2FA OTP SMS

Two-factor (2F) authentication is a secure method for granting access to applications and devices to users.

Global Two-Factor Authentication Market is projected to expand at 17.28% CAGR over the forecast period (2019-2024) with market size of \$8.9 Bn

The COVID-19 pandemic has pushed the increased need for remote work and working-from-home. Enterprises are employing 2F authentication for ensuring access to the right personnel and protecting their digital assets.



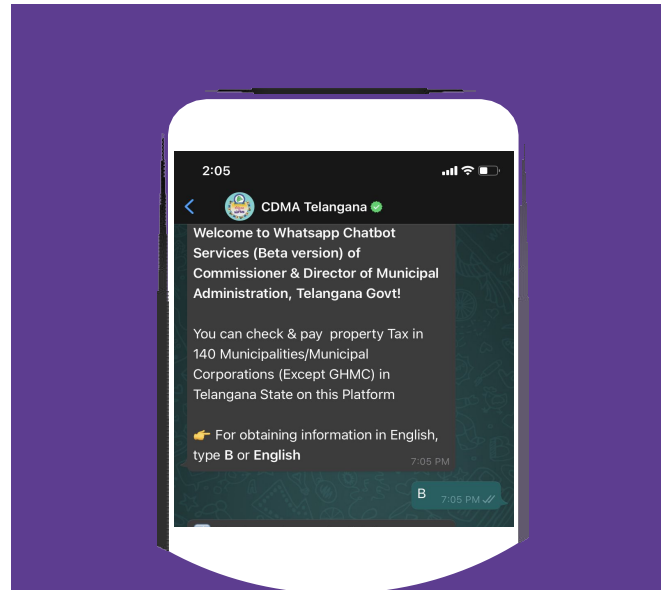
RCS

Improve and enhance customer communication by sharing images, electronic tickets, video tutorials, audio files, QR codes, the location of the closest store, and any sort of documents via default messaging app.

67% of the people who have used the application found RCS to be more secure than other messaging services.

A survey showed that 60% of the population preferred a service that was convenient. They wanted all features like messages, videos and images in one place.

83% of the people preferred RCS because the location services through it allowed more innovative and dynamic messages to be sent to people.



WhatsApp For Business

Using WhatsApp API for Business opens the door for better business communications– leading to better customer experience, increased credibility, and long-term customer loyalty.

WhatsApp Bot is simply automating the chat system connected to a Business WhatsApp phone number.

There are currently more than 2 billion WhatsApp users around the globe and rising. Today, there are 50 million businesses active daily on the WhatsApp Business App

As per the most recent WhatsApp usage data, the messaging app handles close to 65 billion messages every day, about 41 million messages per minute.

Overview of SMS Market

Market size Estimates

SMS market is expected to reach \$90 billion in 2022 from \$60 billion in 2018 with an 11% CAGR.

The global SMS and CPaaS market size is expected to gain market growth in the forecast period of 2020 to 2025 and will reach \$25 billion in 2025.

Trend and Forecast Analysis

SMS marketers are increasing their focus on A2P messaging to increase their revenue and to grow in an upward direction. This has increased the implementation of SMS firewalls by mobile operators.

Integration of numerous technologies via hybrid cloud-based messaging platforms is a major trend in the market.

Growth Opportunities

Agreements, collaborations, and partnerships are likely to be key growth strategies adopted by market players in the next five years.

Emergence cloud API messaging is expected to offer lucrative growth opportunities for market players.

Segmentation Analysis

The global enterprise A2P SMS market was valued at US\$ 28,974.7 M in 2018 and is forecast to reach a value of US\$ 49,724.2 M by 2027 at a CAGR of 6.0% between 2019 and 2027.

Bulk A2P SMS's rising popularity as a cost-effective and efficient mode of handling business communications will ensure that the segment remains at the forefront of the market in the coming years.


SMS and Beyond: History Of Texting

Texting has evolved over the last few decades. From a quick way to communicate with friends and family to becoming businesses' major mode of communication.

Brands and enterprises capitalize on the potential of this communication leading to the evolution of Business SMS Campaigns. This enabled enterprises and brands to reach their customers for alerts, product launches, and promotional messages.

SMS has acquired an important place in our lives, aiding us to communicate, from SMS messaging to SMS marketing.


The first ever SMS message was sent




1992

1993

The first SMS enabled mobile phone was produced




The first commercial SMS was sent




1994

1995

Slick-fingered texters became popular




Text messages crossed networks for the first time




1999

2000

SMS for business initiated! First mobile news service was delivered



More than 250 billion SMS messages sent worldwide



2002

Marked the invention of short codes



2003

2010

SMS hit 8 trillion messages!!!



2012

"Texting" is officially added to the dictionary as a verb



2013

A2P SMS Messaging saw a significant growth



2016

SMS use for P2P Communication witnessed a major decline



2018

Google rolled out verified SMS



2019

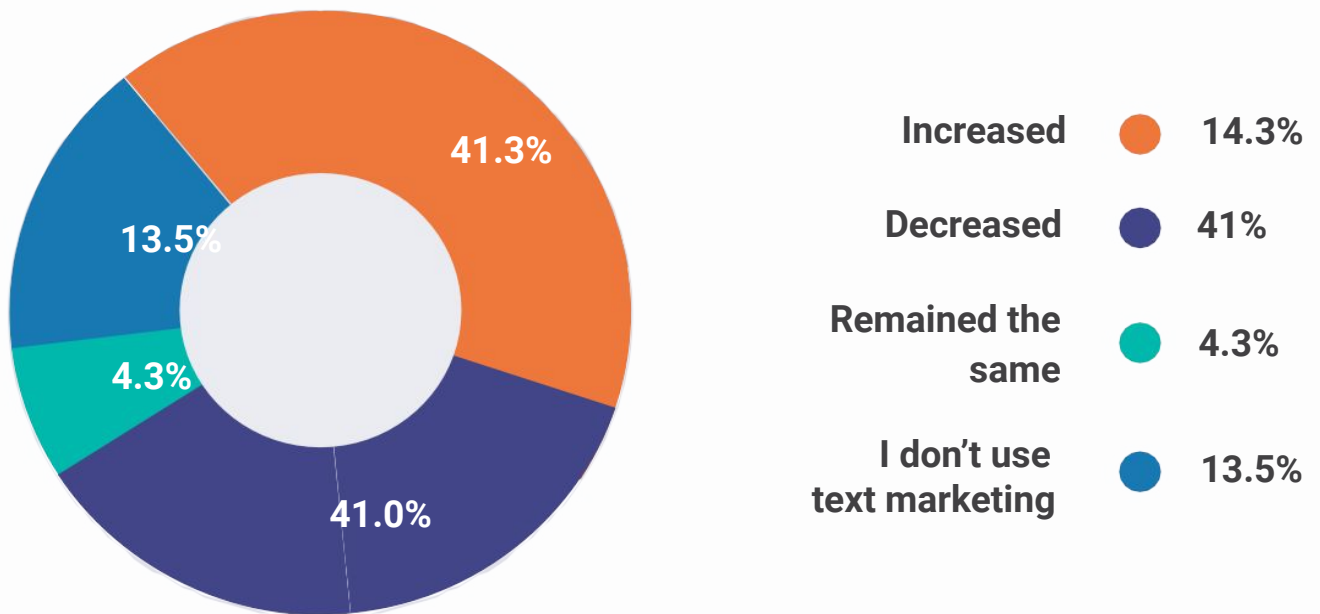
RCS messaging introduced



Today SMS has revolutionized the way businesses engage with consumers.

SMS remains the king for businesses!

41.3% of businesses have seen an increase in opt-in rates over the past year.



Text messaging has now been around for decades. It's about time SMS marketing becomes popular.

Why 2021 & SMS is a match made in heaven?

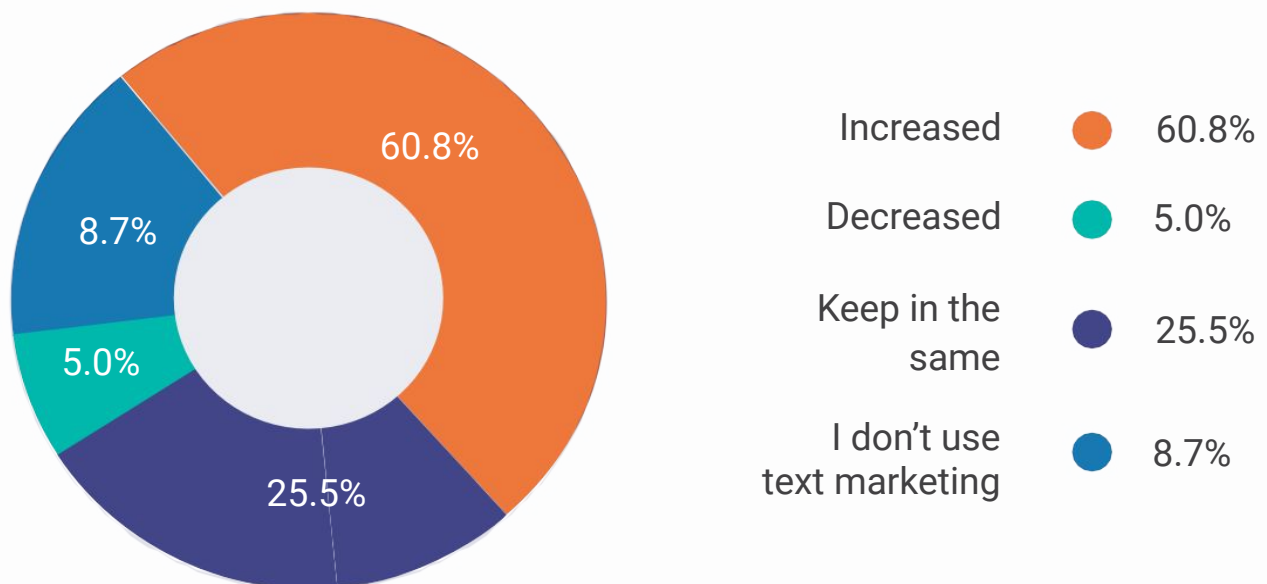
90% of mobile users who participated in an SMS loyalty program felt they had gained value from it.

57% of consumers say they are interested in opening into brand's SMS loyalty program.

Consumers redeem SMS-delivered coupons 10 times more than other types of coupons.

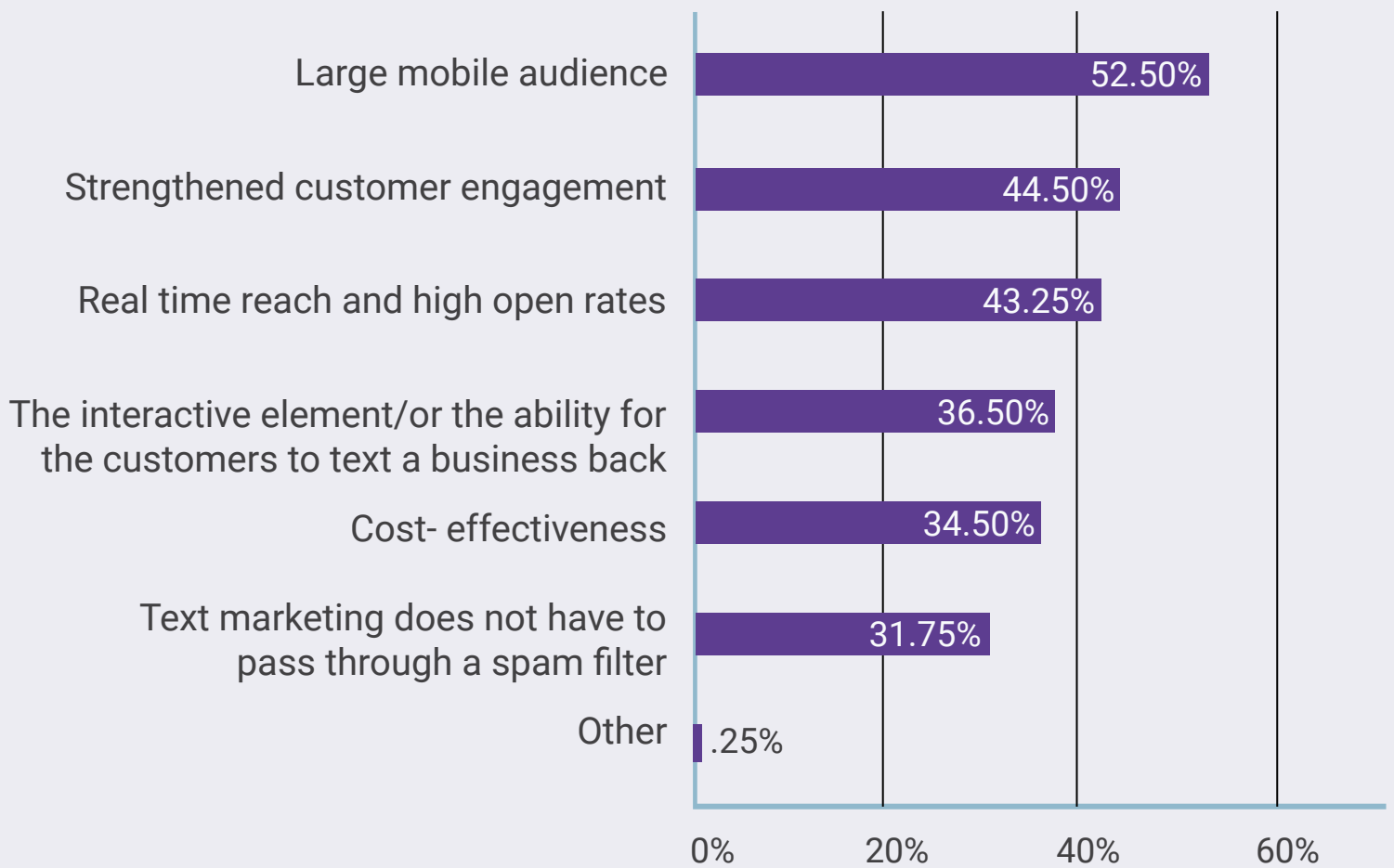
61% of businesses and marketers surveyed are increasing their text marketing budgets in 2021.

Do you plan on increasing or decreasing your text marketing budget in 2020?



Over 52% of businesses and marketers listed a large mobile audience as their primary motivator for investing in text marketing.

What is your primary motivation for investing on text marketing?



56% of businesses use SMS marketing for scheduling reasons.

What does your business use texting for? (Select all that apply)

Scheduling	56%
Customer service/support	48%
Alerts/Reminders	43%
Internal communication	37%
Sales/Inquiries	30%
Marketing/Promotions	24%
Billing/Collections	18%
Recruiting/Staffing	18%
Shipment tracking	17%
Returns	9%
None of the above	2%
Other (please specify)	1%

Consumers are already spending more than five hours per day on their mobile phones. Leveraging this platform can help businesses gain an automatic edge over the competition.

The Future Of Business Text Messaging

Over the last two decades, SMS has turned into a dynamic and versatile business platform, enabling not only intra-team and intra-company communications, but engagement with customers as well.

There is no marketing channel more primed for improvements and future development than SMS marketing. Hence, SMS marketing will be used by more businesses.

More and more businesses are expected to begin incorporating SMS strategies into their marketing plans in the future. As many as 60% of business owners plan to increase their SMS marketing budget.

Challenges faced by Consumers and Businesses

94%

Android users have received spam (SMS) asking for personal details or linking with some shady website

50%

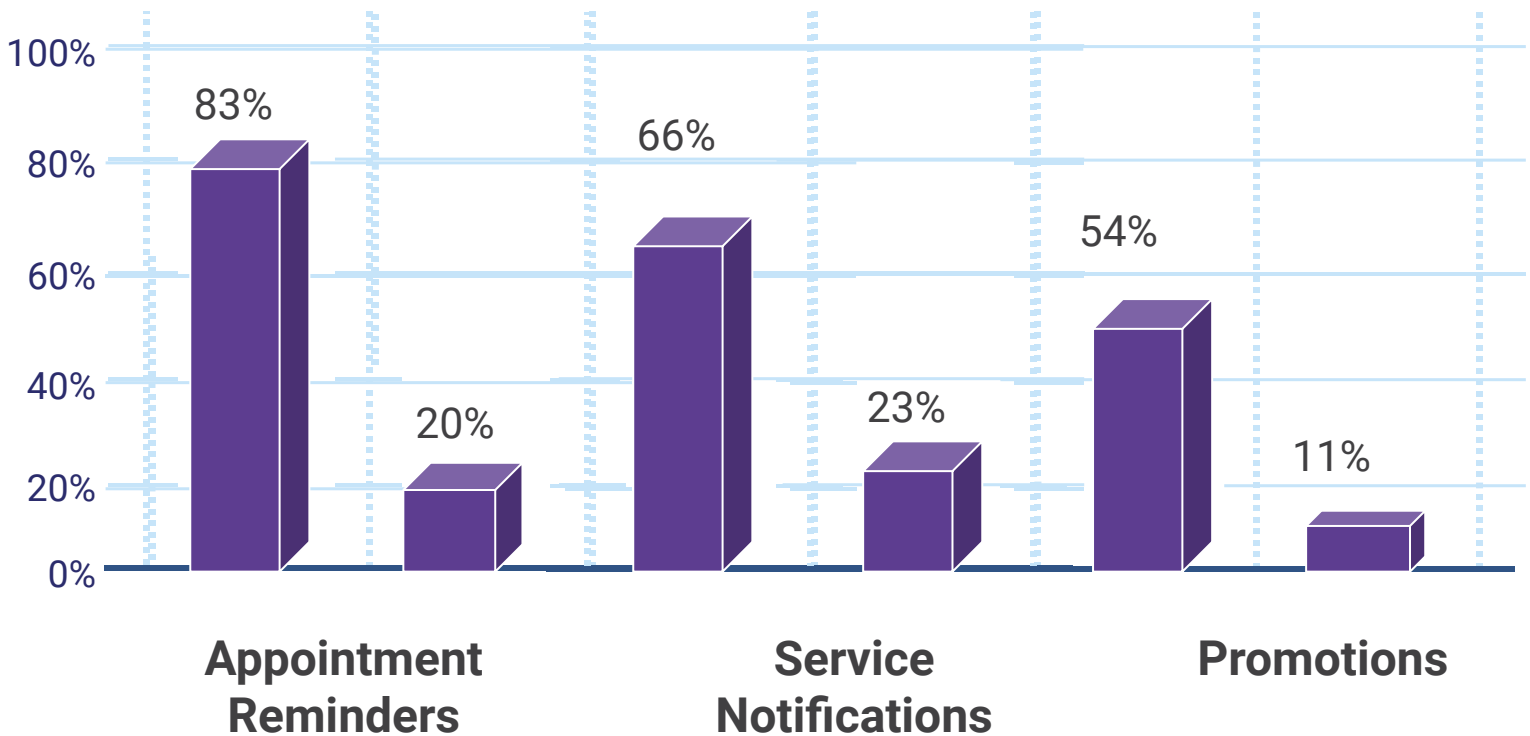
People feel their carriers or brands send them unwanted and spam SMSes

36%

Number of SMS-OTP based debit card frauds only in India increased by 36% from 2017 to 2018

SMS messages are limited to 160 characters. There's less room for businesses to include the nitty-gritty details of their campaign, product, or service.

Consumer Preferences Vs Business Practices



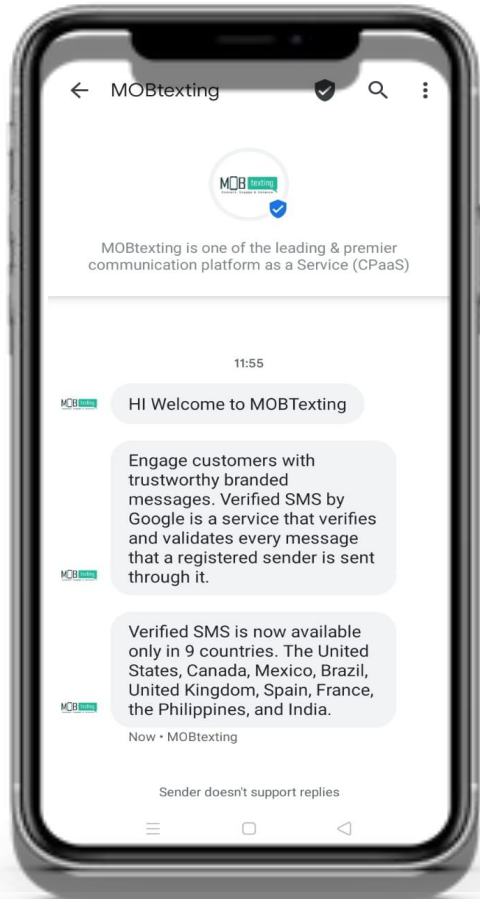
83% of consumers would like to receive appointment reminders via text, but only 20% of businesses send them this way.

66% of consumers would like to receive service notifications via text, but only 23% of businesses send them this way.

54% of consumers would like to receive promotions via text messages, but only 11% of businesses send them this way.

Consumers prefer SMS text messaging for appointments, services and promotions. A low amount of businesses offer these services.
www.mobtexting.com

Trusted messaging with verified SMS



Verified SMS, a tool developed by Google, helps businesses enhance their conversations with users, build trust, prevent scams and stands out in a customers' SMS inbox.

Users see the sender's business name, business logo, and a verification badge in the message thread.

71%

Feel more confident about a business using vSMS

77%

Prefer verified SMS over regular SMS

85%

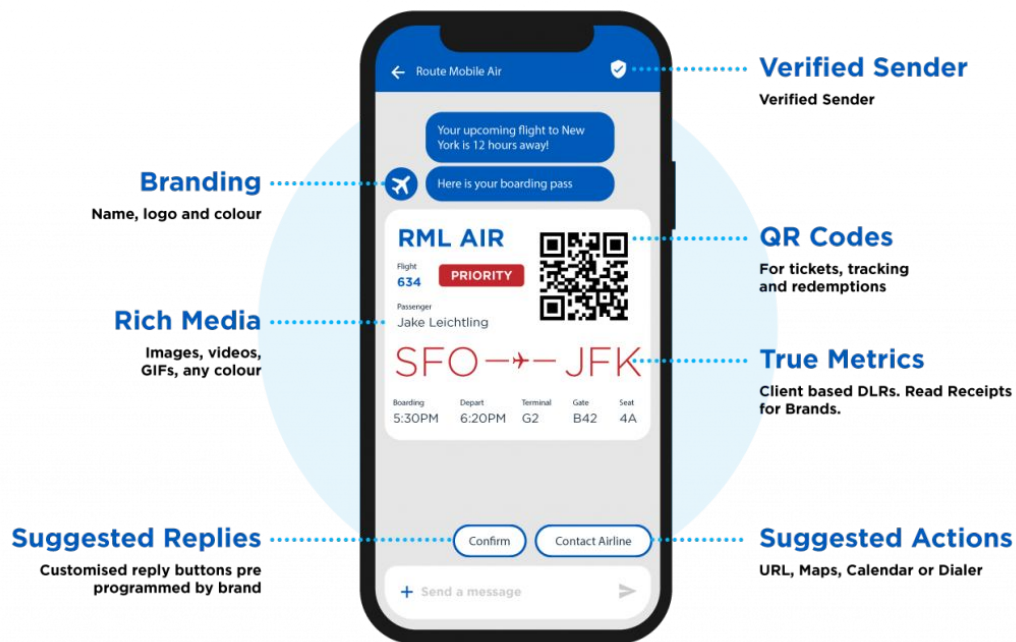
Prefer verified SMS over regular inbox

Verified SMS warns against unverified messages(including URLs), displays a warning for unverified messages, and provides the option to report spam.

Redefine engagement with RCS Messaging

RCS (Rich Communication Services) Business Messaging, tool developed by Google, increases conversions, engagement and open rate, thus helping businesses reach in powerful new ways.

It offers features such as rich media, sender verification, improved location functionality, customizable branding opportunities, chatbots, and provides real-time analytics.



more likely to purchase online if they can ask questions in real-time



more likely to engage with a brand through RCS



more likely to read RCS messages than emails

Branded short links have 39% more CTR than generic ones. Google brings RCS, the next-gen upgrade to SMS. Businesses can now enter a world of smart messaging.

What does the future hold for SMS Marketing?

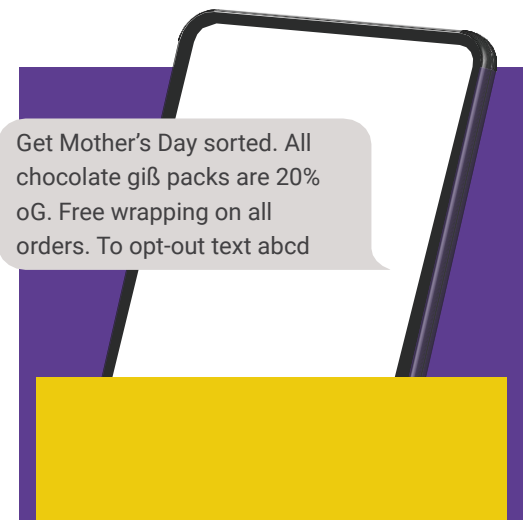
With the help of SMS marketing, businesses find new opportunities to reach out to their customers and prompt them to act.

More Personalized

In the future, SMS will become more personalized.

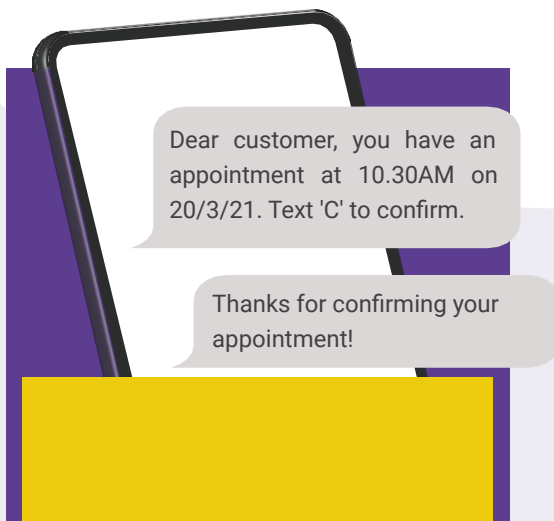
AI can keep a track of consumers past interactions and create more personalized campaigns.

Integration across marketing channels will broaden the scope and reach.



Get Mother's Day sorted. All chocolate gift packs are 20% off. Free wrapping on all orders. To opt-out text abcd

“80% of customers more likely to purchase product or service from a brand that provides personalized experiences”



Dear customer, you have an appointment at 10.30AM on 20/3/21. Text 'C' to confirm.

Thanks for confirming your appointment!

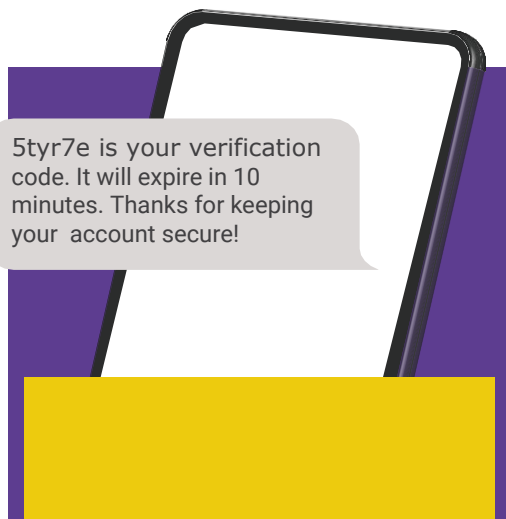
More Intuitive

While SMS is a great platform as a support channel, in the future, SMS bots will be automating tasks, from booking appointments, answering repetitive queries to raising an issue ticket.

“More than 50% of customers prefer contacting support through text messaging compared to all other major communication channels.”

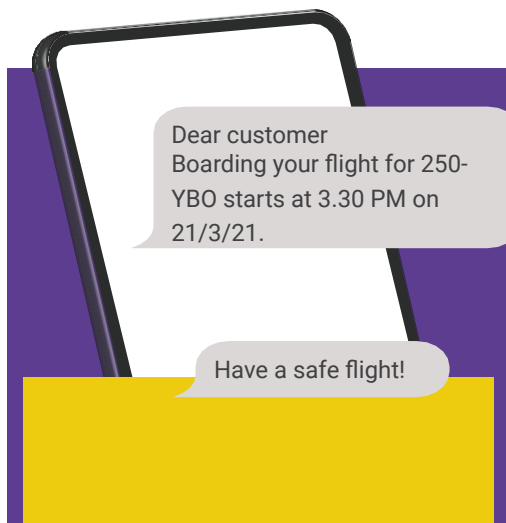
More used by Businesses

Marketers are turning to SMS as it is generating powerful, repeatable, and cost-effective results. More and more businesses are expected to incorporate SMS in their marketing plans.



5tyr7e is your verification code. It will expire in 10 minutes. Thanks for keeping your account secure!

“85% of interactions between brands and customers will be managed without speaking.”



More Innovative Uses

As more and more businesses start realizing benefits of text message marketing, many more innovations are expected to be seen. Marketers will leverage platform to drive bigger results.

91% of users who opt-in to receive texts from a brand see those messages as “somewhat useful” or “very useful”.

Marketing message volume will increase by 40% in 2021 as brands try to hold on to customers to drive new purchases.

SMS has held its ground and doesn't seem to be disappearing any time soon. It's proving to be not only the past, but also the present and the future of communication.

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