# 2015
# STATE OF SMS

# Contents

## Who are we?

Burst SMS is one of the easiest to use SMS platforms in the world. We build simple, highly intuitive, and feature-rich SMS tools. Innovation is what we strive for, by building new features with our clients in mind. Our products are designed by us, but refined by our customers.

go.burstsms.com
helpdesk@burstsms.com

## 2015 State of SMS

Some say that SMS is fading, but the truth is that people are just scratching the surface on what they can do with it. Here at Burst SMS, we have recently celebrated a record breaking month for total SMS messages sent in December.

Throughout this year of growth, we have collected a pool of intriguing data. The contents of this report include a mixture of our internal data, and reliable external data sources.

Similar to the Burst SMS platform, we have designed this report to be as transparent, and as useful as possible.

We hope you enjoy the read.

Sincerely,
Burst SMS

# Global Mobile Statistics

7,120,000,000
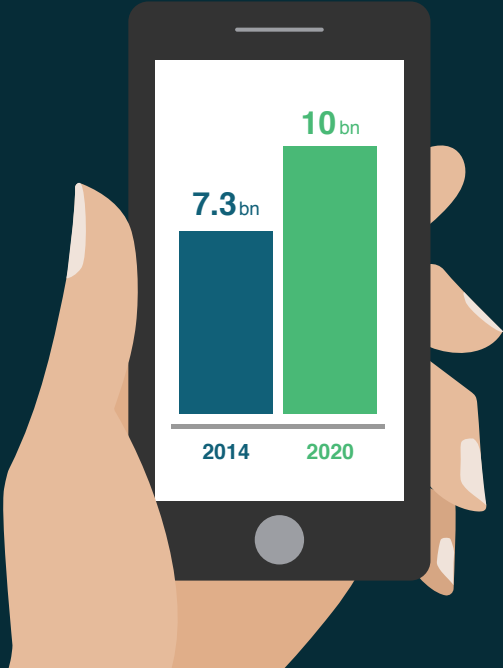**2015 TOTAL WORLD POPULATION**

## Mobile Penetration Rate

2014 **50**%

2020 **59**%

## Unique Mobile Users

2014 **3.6** billion

2020 **4.6** billion

*Ref: World Bank, GSM Mobile Economy

## Global SIM Connections

**7.3**bn
**10**bn
2014 2020

# SMS vs Email

Here at Burst we believe that SMS and email should work in perfect harmony. They are however often compared, and should be used strategically. That's why we provide SMS to email, and email to SMS services. That being said, here is a comparison between these two messaging services:

| | CTR | Open Rate | Time to Reach Consumers | Opt-outs | Complaints | CPS |
|---|---|---|---|---|---|---|
| SMS | 8.6% - 13.3% | 98% | 3 mins | 5% | 0.2% - 0.3% | $0.04 - $0.07 |
| Email | 2.2% - 3.1% | 22% | 47 mins | 5% | 0.02% - 0.03% | $0.02 - $0.04 |

CTR = Click-through rate · CPS = Cost per send

*Ref: MailChimp, Oracle, ABC News

# SMS vs Leading CPC Marketing Tools

Marketers, business professionals, and developers often overlook the effectiveness of SMS. Here is a breakdown of how SMS stacks up against the competition:

| | Average CPS / CPC Cost | Average CTR | Average Cost Per 10,000 CPS / CPC |
|---|---|---|---|
| Burst SMS (CPS) | $0.059 - $0.089 | 8.6% - $13.3% | $590 - $890 |
| Google Adwords (Text Ads CPC) | $1.00 - $2.00 | 2% - 5% | $10,000 - $20,000 |
| LinkedIn (CPC) | $3.2 - $3.80 | 0.018% - 0.020% | $32,000 - $38,000 |
| Facebook (CPC) | $0.29 - $0.39 | 0.165% - 0.919% | $2,900 - $3,900 |
| Twitter (CPC) | $0.25 - $0.29 | 0.25% - 2% | $2,500 - $2,900 |

CPC = Cost per click  ·  CPS = Cost per send  ·  CTR = Click through rate

*Ref: Word Stream, Business Insider, Salesforce,  Adweek

# SMS Campaign Reporting Averages

We took 50 average sized campaigns from different clients and processed the average reported rates.

**There are two general numbers when dealing with accurate SMS:**

1) **New list**
   Defined as recipients which have not received text before, where the list has not been cleaned of invalid numbers

2) **Quality list**
   Defined as recipients which have received texts before, where the list has been cleaned of invalid numbers

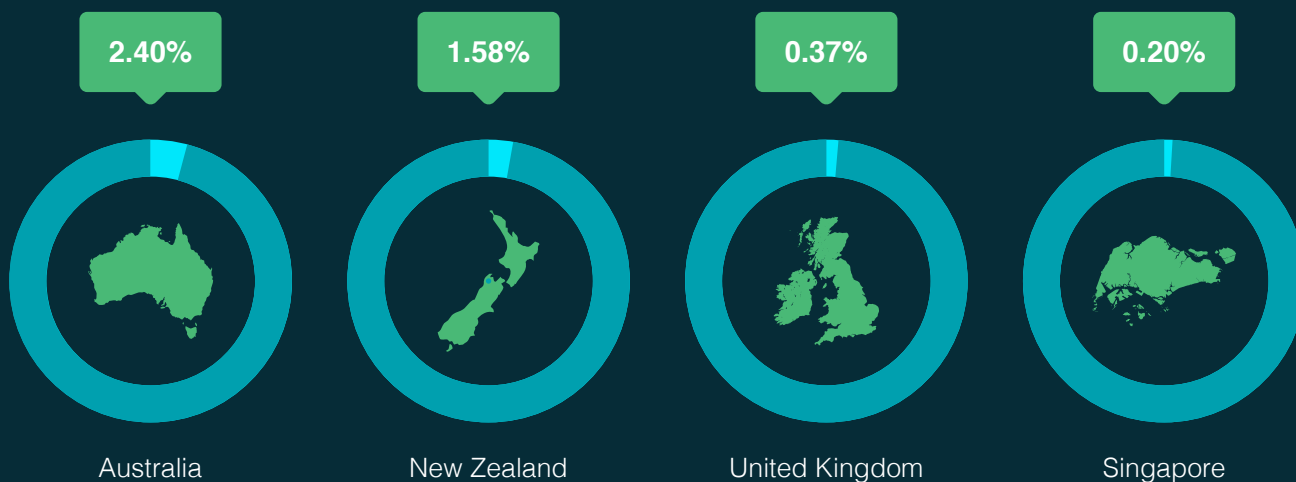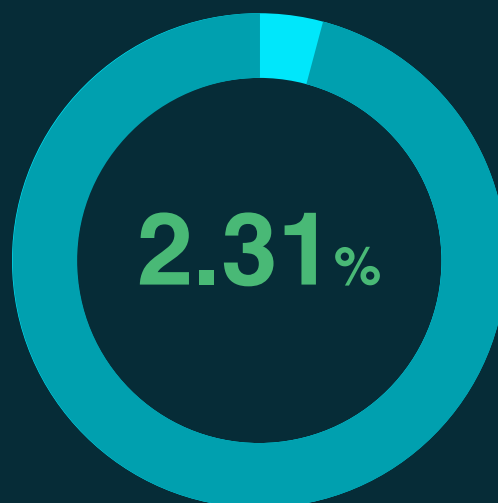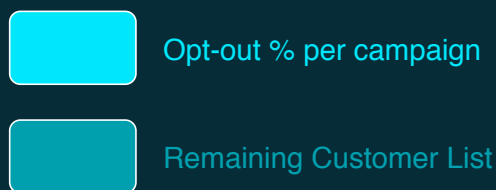| New List | | Quality List |
|---|---|---|
| 86.2% | Deliveries | 93.3% |
| 13.8% | Bounces | 6.4% |
| 7.9% | Opt-outs | 1.1% |
| 0.1% | Unprompted Replies | 0.1% |
| 5.2% | Prompted Replies | 8.7% |

# Opt-Out Benchmarks

After sending a campaign, you will want to make sure that it's performing at its optimal potential. We have pulled the following statistics from our Burst database to help you measure your current SMS campaigns.

## Global Platform Average

According to our internal data, the global platform opt-out percentage in 2015 was 2.31%.

**2.31%**

Opt-out % per campaign

Remaining Customer List

| 2.40% | 1.58% | 0.37% | 0.20% |
|---|---|---|---|
| Australia | New Zealand | United Kingdom | Singapore |

# Carrier Statistics

Australian carriers generally announce their own statistics based on accounts, however we think it's misleading - as there are a lot of active accounts not in use. The following is a real percentage breakdown by actual message delivery receipts, which we feel gives a more accurate look at which carriers have the most active users.

**Burst SMS Carrier % Australia 2014 - 2015**
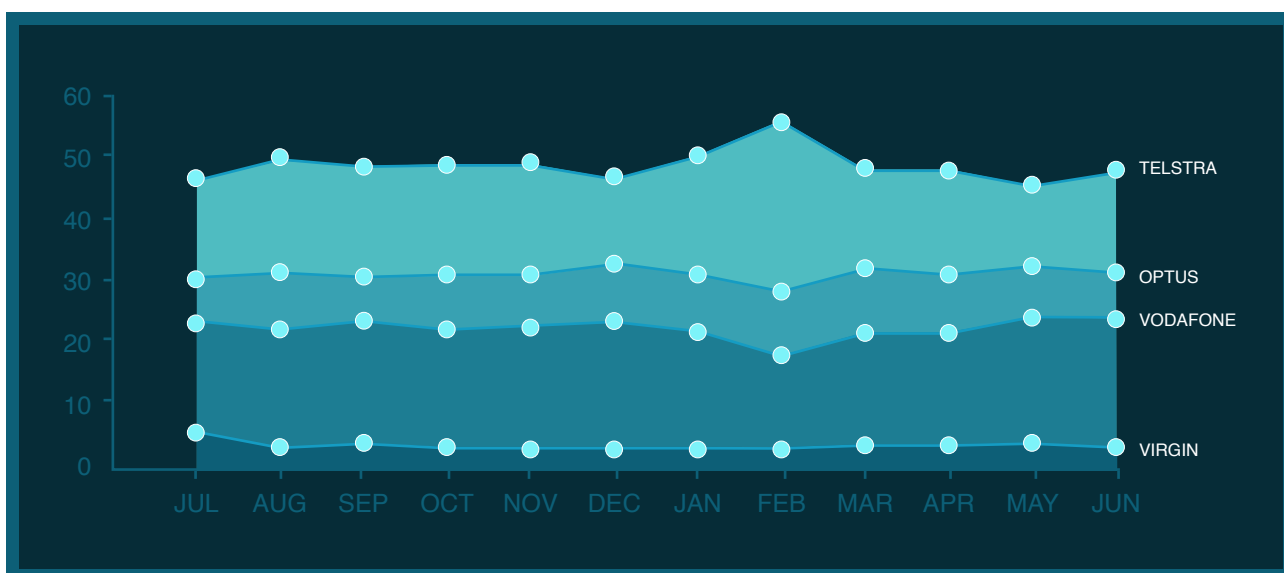


|  | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Vodafone | 21.8 | 21.0 | 21.4 | 20.8 | 21.1 | 22.2 | 20.3 | 16.9 | 21.2 | 21.1 | 23.2 | 22.5 |
| Optus | 29.0 | 29.4 | 29.1 | 29.2 | 29.5 | 30.8 | 29.2 | 26.9 | 30.2 | 29.5 | 30.7 | 29.7 |
| Telstra | 45.3 | 48.4 | 48.2 | 48.7 | 48.3 | 45.9 | 49.2 | 55.1 | 47.3 | 47.6 | 44.3 | 46.5 |
| Virgin | 3.9 | 1.1 | 1.3 | 1.3 | 1.2 | 1.1 | 1.3 | 1.1 | 1.3 | 1.8 | 1.8 | 1.4 |

# Industry Trends and Predictions

Here at Burst, we keep a watchful eye on the industry landscape, and listen attentively to what our clients request. Thus we believe that 2016 will be the year of conversion optimised campaigns. Clients will want more reporting tools, efficiency services, and more methods of targeting specific customer groups. More importantly, they want to stand out from their competitors, by looking for new tools to help elevate existing campaigns.

## Conversion Optimised Campaigns

Expect to see a surge of optimisation tools launching in 2016. If you're a Burst SMS customer, look forward to the following product launches coming soon:

| URL Reporting & Opt-outs | Targeted Customer Lists | Automated Messaging |
|---|---|---|

URL reporting and creating custom URL opt-outs is one of the most requested features of 2015. Campaigns links will soon be trackable, and shown in the Burst SMS reporting system.

Customer segmentation is another highly requested new feature. Clients want more control of how they send messages. They want to create multiple lists, and target specific audiences in a variety of scenarios.

If you need a tool to automate your recurring campaigns, you have this to look forward to in 2016. For example if you create a campaign on Friday at 2pm, and want that message to be sent at the same time every Friday - you use this tool instead of creating new campaigns each time.

# Introducing: UTF-8 Encoded Characters

Another trend that you will see is - the use of UTF-8 encoded characters in SMS messages. With the recent addition of UTF-8 to our growing Burst SMS platform, special characters can now be included in SMS messages. This also includes sending text messages in different languages, and picture symbols.

## Multilingual Support

UTF-8 support opens up a whole new world of possibilities, especially for sending and receiving SMS messages in multiple languages. Popular Unicode compatible languages include: Chinese, Hindi, French, Japanese, Portuguese, Russian, and Spanish.

**For the full list of compatible languages:**
http://www.unicode.org/cldr/charts/latest/supplemental/languages_and_scripts.html

## Emojis

The way we communicate in our day-to-day lives is changing, and has been making a shift towards something that most would consider an after-thought. According to the Oxford dictionary, the official word of 2015 was "emoji". A single emoji can set the tone of a message, and also be used to summarise an entire paragraph. Emojis can be used to express an infinite combination of emotions, perfect for helping your SMS messages stand out.

# Best Time-of-Day to Send an SMS

A question we frequently receive is - when is the perfect time to send an SMS? The answer depends on who you are targeting, and what you are trying to accomplish. Here are a few common scenarios:

## General Marketing Messages

| | | |
|---|---|---|
| **10:30am - 11:30am** | **2:30pm - 3:30pm** | **5:30pm - 6:30pm** |

" The key here is to send your message after all your competitors are done sending their ads. This way your message is less likely to be lost in promotional clutter. These times have shown to produce the best results. That being said, always remember who you are targeting. Whenever possible, try to not send a message during peak hours of work efficiency, which is usually between these recommended hours.

## Appointment Reminders

" When it comes to appointments, although customers want to prioritise these events, there is chance they can still forget. Reminders have shown to be the most effective 24hrs before an appointment, and again 1hr before the appointment. This gives the customer a chance to put the appointment in their schedule 24hrs before. This also sets a secondary reminder for more forgetful customers 1hr before the appointment - giving them optimal time to organise last minute commute routes.

## Special Weekend Sales

> If you would like customers to keep your promotion in mind ahead of a weekend sale, send them your campaign the Thursday before. Apply the General Marketing rule, and adjust it to your customer's profile as needed.

**Thursday**
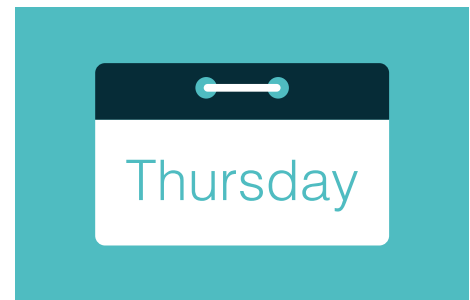
## Restaurants and Food-related Promotions

**Breakfast**

8:00
AM

> If you're trying to catch the early crowd before work, send a message 1hr before their shift. As a general courtesy rule - try to not send an SMS anytime earlier than 8am.

**Lunch**

11:00
AM

> Research has shown that 72% of people decide where they want to eat 1hr before they eat. Therefore if most people take their breaks between 12pm-1pm, then 11am-11:30am will be the sweet spot.

**Dinner**

5:30
PM

> Similar to the breakfast and lunch concept, you want to target your consumers when they are thinking about what to eat. Research shows that 46% of people decide where they want to eat for dinner 1hr before. The remaining 54% need more time to decide. Keeping this in mind, dinner ads may not convert as immediately as breakfast or lunch ads, however consistency is key.

# The Evolution of SMS Services

## Past to Present

The graph on the next page shows how the use of SMS has evolved from 2013-2015, in accordance to our Burst SMS database. In 2013, SMS was mainly used as a marketing tool (31.32%). Since then SMS has become more widely accepted among a variety of industries, thus creating a more balanced split. Total messages sent between 2014-2015 have also increased, by a Burst SMS platform average of 57.86%.

## Our Prediction

We believe that 2016 will see continued growth in **sale alerts**, **appointments**, and **reminders**. As long as digital security remains a cornerstone, **security and identification** services will continue to grow as well. Bulk SMS Marketing will decrease in favour of fast growing, individually targeted, personalised and automated SMS marketing strategies.

# Evolution of SMS Services from 2013-2015

**Legend:**
- 2013
- 2014
- 2015
- SMS Marketing
- Appointments and Reminders
- Sale Alerts
- Ordering and Deliveries
- Security and Identification
- People Management
- Other Services

**Total Database Split (%)** — y-axis: 0, 5%, 10%, 15%, 20%, 25%, 30%, 35%



## 2014-2015 Burst SMS Service Growth

Measured By: Total SMS sends as per the Burst SMS database



- 69.72%
- 69.72%
- 70.17%
- 52.52%
- 55.59%
- 47.92%
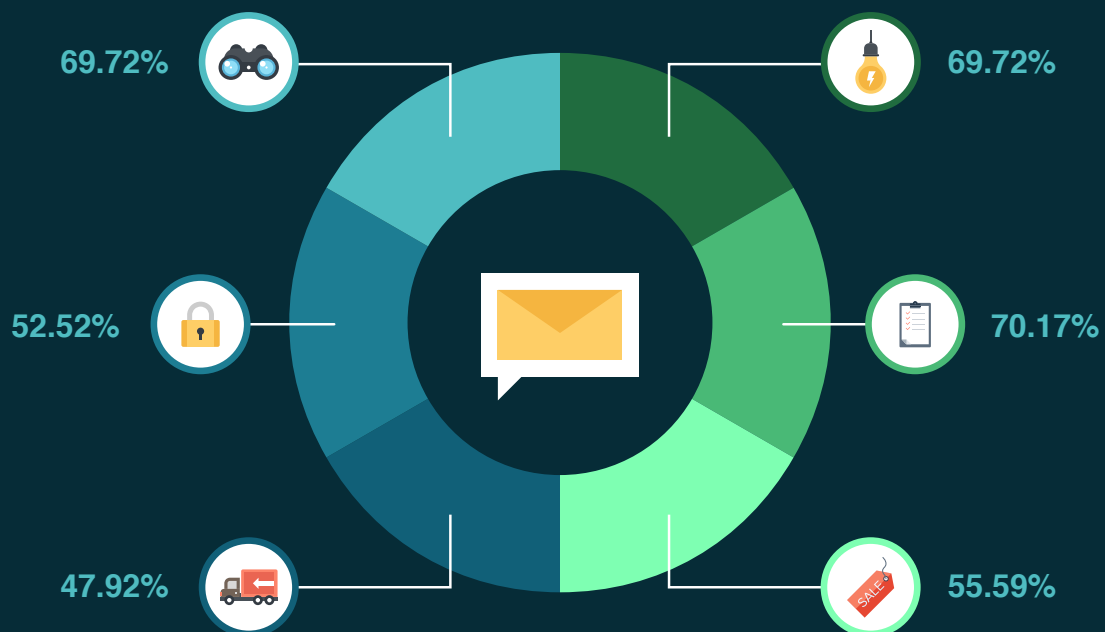
# How to Integrate SMS with your Business

## Integration Made Easy

When it comes to integrating SMS into your business, the opportunities are limitless. This condensed list just scratches the surface. It's quick, and easy. The setup process can be completed within minutes.
For more information on what you can do to start giving your company a boost with SMS - have a browse through: go.burstsms.com.

## SMS MARKETING

**Database Split:** 2013 - **32.56%**  |  2014 - **18.18%**  |  2015 - **15.55%**  |  2015 Growth: **69.72%**

⇨ Stay in touch with your clients by sending personalised messages

⇨ Keep customers engaged by creating quick SMS competitions

⇨ Create fully trackable keyword marketing campaigns

⇨ Schedule campaigns to send at strategic times

⇨ Perfect for sending time sensitive promotions

**Most Commonly Used By:** Marketing Agencies, Tourism Professionals, Retailers, Event Planners, and Athletic Clubs

## APPOINTMENTS AND REMINDERS

**Database Split:** 2013 - **20.09%** | 2014 - **21.91%** | 2015 - **18.63%** | 2015 Growth: **70.17%**

⇨ Send appointment reminders directly to your client's mobile device, and email at the same time

⇨ Appointment reminders can also contain confirmation requests

**Most Commonly Used By:** Fitness Clubs, Physiotherapists, Travel Agencies, Realtors, Health and Wellness Professionals, and Event Planners

## SALE ALERTS

**Database Split:** 2013 - **16.06%** | 2014 - **16.69%** | 2015 - **17.92%** | 2015 Growth: **55.59%**

⇨ Get your client's attention, by sending an intriguing sales alert

⇨ Perfect for flash sales, and creating urgency

⇨ Add another level of customer interaction by combining these alerts with keyword opt-ins to unlock more specials

**Most Commonly Used By:** General Shops, Fashion Stores, Grocery Chains, Restaurants, and Bars

## ORDERING AND DELIVERIES

**Database Split:** 2013 - **5.99%** | 2014 - **12.66%** | 2015 - **47.92%**

⇨ Let customers know when their orders are confirmed, shipped, and delivered

⇨ Solidify customer relationships by personalising delivery messages

⇨ You also have the option of controlling messages within all delivery stages to keep consumers informed

**Most Commonly Used By:** Caterers, Food Services, E-commerce Websites, and Delivery Services

## SECURITY AND IDENTIFICATION
**Database Split:** 2013 - **9.35%**  |  2014 - **14.79%**  |  2015 - **15.32%**  |  2015 Growth: **52.52%**

⇨ Secure your processes and transactions from abuse and spam with SMS fraud protection

⇨ Prevent credit card fraud, by verifying an identity within seconds

**Most Commonly Used By:** Web Developers, Software Creators, IT Professionals, and Mobile Applications

## PEOPLE MANAGEMENT
**Database Split:** 2013 - **15.95%**  |  2014 - **15.77%**  |  2015 - **15.32%**  |  2015 Growth: **61.40%**

⇨ Use 2 way SMS to keep in touch with your team

⇨ SMS groups can be created, where team members can send and receive urgent tasks or updates

⇨ You can also tie in reminders and alerts into SMS groups as well
   Ex: Meeting, birthday, construction, and cancellation alerts and reminders

**Most Commonly Used By:** Government Workers, Construction Employees, General Labourers, Realtors, Office Workers, and Event Planners

## READY FOR A BOOST?

See how Burst SMS can enhance your business by signing up for a no obligation, 14 day free trial. Send your first text in seconds, or start a campaign within minutes.

**Sign-up at:** Go.burstsms.com