

2019 - 2020

State of SMS

5th annual edition

Presented by:

Burst  SMS



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01 Introduction

Welcome to a new and exciting decade and our 5th annual edition of the State of SMS. In a time of reflection, it's beautiful to see businesses use this new decade as an opportunity to make a positive impact. The year 2019 marked a time of transition from archaic ways.

Modern generations expect businesses to do more and to be environmentally responsible in the wake of many historic catastrophes. This is especially true if your primary targets include Centennials and Millennials. They expect brands to act responsibly and prefer to buy from companies who are clear about the values they stand for.

Before choosing a service to establish clear lines of communication, it is important to understand the growth cycle of the messaging landscape. There was an explosion of new messaging services this past decade, with text messaging experiencing growth alongside these new innovations. Text messaging has come along way since 1992. Let's take a refresher and revisit the generational growth of messaging.

Who are we?

Burst SMS is a global messaging platform, delivering messages since 2008. We specialise in helping businesses have meaningful conversations at scale. Innovation is what we strive for, by building new features to enhance customer experiences. **Our products are designed by us, but refined by our customers.**

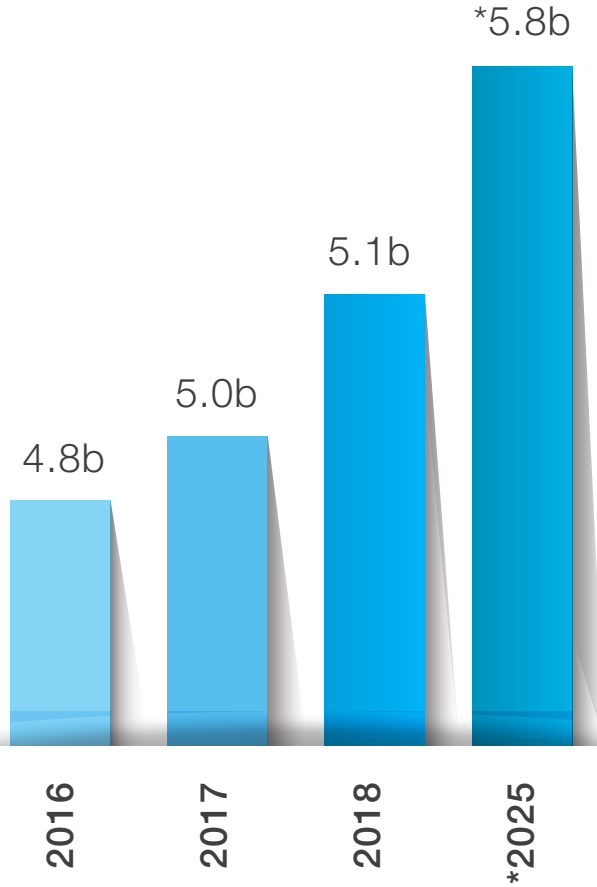


02 Global Mobile Statistics



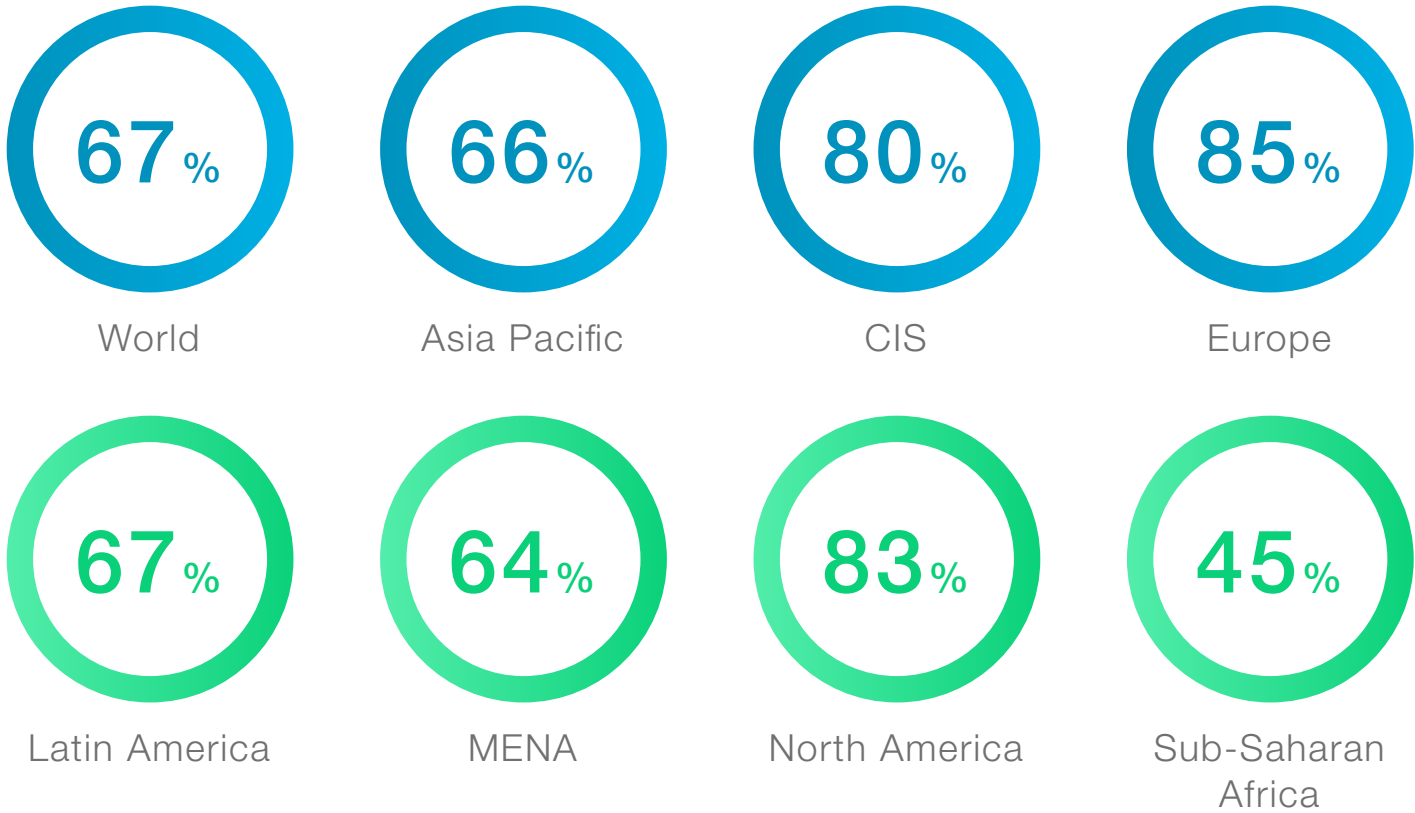
According to GSMA, the global mobile penetration reached a **5.1 billion unique subscriber milestone**, up from 5 billion in 2017. This puts 2025 at an estimated growth pace of 5.8 billion subscribers.

Unique Mobile Subscribers



Mobile Penetration

Regional unique mobile subscriber penetration rates



*Ref: GSMA

04 Generational Messaging Innovations



As we start a new chapter in 2020, let's pay our respects to these once-loved messaging apps who ceased operations in 2019.

- **HipChat:** Atlassian's core chat app was purchased by **Slack** in 2018, and it officially shut down in 2019. The remains were then merged into Slack.
- **Alo:** Google called it quits on Alo in favor of **Android Messages**, paving way and moving all resources to their new RCS application.
- **Google Hangouts:** Google started to phase out Hangouts from G Suite customers in October of 2019. It will be a slow process, carrying over to all Google Hangout users deep into this year.
- **Blackberry Messenger:** Emtek announced that Blackberry shut down BBM in 2019. Blackberry's enterprise version of the app however—BBMe, will continue as normal.

Generational Messaging Innovations

From 1946-2020

■ 1bn active users ■ 500-999 mil active users ■ 100mil - 499mil active users ■ Under 100mil active users ■ Discontinued				
Baby Boomers 1946 - 1964	Generation X 1965 - 1980	Millennials 1981 - 1996	Centennials 1996 - Now	
<p style="color: pink;">1949 Telephone Pager</p>	<p style="color: green;">1969 Email</p>	<p style="color: green;">1992 SMS</p> <p style="color: pink;">1996 ICQ Messenger</p>	<p style="color: pink;">1997 AOL Messenger</p> <p style="color: pink;">1998 Yahoo Messenger</p> <p style="color: pink;">1999 MSN Messenger</p> <p style="color: blue;">1999 Tencent QQ</p> <p style="color: black;">2000 Line</p> <p style="color: black;">2003 Skype</p> <p style="color: pink;">2005 Blackberry Messenger</p> <p style="color: black;">2005 IMO</p> <p style="color: black;">2006 Twitter</p> <p style="color: green;">2009 WhatsApp</p> <p style="color: blue;">2009 Weibo</p> <p style="color: blue;">2010 Viber</p> <p style="color: pink;">2010 HipChat - Atlassian</p>	<p style="color: black;">2010 GroupMe - Skype</p> <p style="color: green;">2011 Facebook Messenger</p> <p style="color: green;">2011 WeChat</p> <p style="color: green;">2011 iMessage</p> <p style="color: black;">2011 SnapChat</p> <p style="color: pink;">2013 Google Hangouts</p> <p style="color: black;">2013 Telegram</p> <p style="color: black;">2013 Slack</p> <p style="color: black;">2015 Discord</p> <p style="color: pink;">2016 Allo - Google</p> <p style="color: blue;">2016 Android Messenger</p> <p style="color: black;">2018 Signal Messenger</p>

*Ref: Allo, Emtek, ICQ Messenger, Slack, Statista, the Verge

05 Active Messaging Growth

Messaging Growth from 2017-2019

There were 26 mainstream messaging apps introduced since text messages were created. Currently, 69% of these newer messaging apps remain in operation. Just 15.4% have 1 billion+ active users, and 0% have a greater reach than a text message. The table below tracks the monthly active user/device growth of the top 10 most popular messaging services available today.

	Service	2017	2018	2019
1	Text Messaging	4.9 billion uniques	5 billion uniques	5.1 billion uniques
2	WhatsApp	1.2 billion	1.5 billion	1.6 billion
3	Facebook Messenger	1.2 billion	1.3 billion	1.3 billion
4	iMessage	n/a	n/a	1.3 billion
5	WeChat	989 million	1.09 billion	1.13 billion
6	Viber	754 million	891 million	1.09 billion
7	QQ Mobile	868 million	807 million	808 million
8	Android Messages	n/a	n/a	500 million
9	Line	n/a	n/a	217 million
10	Telegram	180 million	n/a	200 million

*Ref: Aio, GSMA, Statista, Tech Crunch, the Verge

06 SMS vs Leading CPC's



Businesses are always looking for the best bang for their buck. That's how SMS has stood the test of time. It's the most efficient marketing tool you can use from a performance, flexibility, convenience, and cost perspective.

Performance is usually measured by comparing **CPS** or **CPC** vs **CTR**. Although email as a marketing tool is the most comparable to SMS, let's have a look at how some of the most popular CPC tools compare with the humble text message.

	Average CPS/CPC	Average CTR	Average cost per 10,000 CPS/CPC
SMS (CPS)	\$0.069	10.91%	\$690
Google Display Ads (CPC)	\$0.34	0.55%	\$3,400
Twitter (CPC)	\$0.40	1.33%	\$4,000
Facebook (CPC)	\$0.62	1.34%	\$6,200
Instagram (CPC)	\$0.81	0.62%	\$8,100
Google Search Ads (CPC)	\$1.39	2.65%	\$13,900
Bing Search Ads (CPC)	\$1.67	3.14%	\$16,700
LinkedIn (CPC)	\$3.87	0.21%	\$38,700

CPS = Cost per send (SMS) · **CPC** = Cost per Click
CTR = Click-through rate

*Ref: Adobe, Adstage, Business Insider, CNBC, Amazon, HubSpot, Digital Commerce 360

07 SMS Marketing Benchmarks



When it comes to marketing, clicks hold more value over impressions. The same can be said for SMS and emails. Let's evaluate how both SMS and emails perform globally across these 9 core industries.

We have highlighted two important benchmark metrics:

- 1) **SMS vs Email click rates**
- 2) **Standard vs URL opt-outs**

	SMS Click Rate	Email Click Rate	Standard SMS Opt-outs	URL SMS Opt-outs
Global Average	10.91%	2.62%	2.26%	1.93%
Ecommerce & Retail	15.37%	2.13%	2.11%	1.53%
Education	14.13%	2.90%	0.98%	0.77%
Events & Entertainment	12.96%	2.36%	3.70%	1.46%
General Business & Finance	9.33%	2.72%	2.87%	1.96%
Health & Fitness	6.10%	2.69%	4.31%	1.93%
Not for Profit	19.31%	2.79%	0.93%	n/a
Recruitment	16.71%	2.53%	1.72%	n/a
Restaurants	9.73%	1.34%	4.12%	2.13%
Technology	17.84%	2.45%	2.33%	1.80%

Elements of Control:

1) Volume: Campaigns measured were larger than 500 SMS. 2) SMS click rates measured via Burst SMS URL tracking 3) Standard opt-outs defined as: opt-out reply STOP 4) List Quality: First-time send campaigns were excluded.

*REF: Transmit SMS Database, MailChimp Email Marketing Benchmarks

08 Service Trends

Service Trends from 2017-2019

The landscape of text messaging changes year-on-year. Here's what people have been searching for from 2017-2019.

Biggest gains were from **SMS Integrations** (+5), and the largest loss came from **MMS Messaging** (-4).

	2017	2018	2019
1	Virtual Numbers	Virtual Numbers	Virtual Numbers
2	SMS API	SMS API	SMS Integrations
3	SMS Marketing	Receive SMS	SMS API
4	SMS Reminders	SMS Marketing	Receive SMS
5	Receive SMS	White Label Services	SMS Marketing
6	White Label Services	Multimedia Messaging Service	Bulk SMS Gateway
7	SMS Integrations	SMS Integrations	Email to SMS
8	Email to SMS	SMS Reminders	White Label Resellers
9	SMS Reminders	SMS Automation	SMS Reminders
10	SMS Automation	Email to SMS	Multimedia Messaging Service

*REF: Burst SMS, Transmit SMS Database

09 Industry Trends

Omnichannel Communication



There are 6 messaging services with 1 billion+ active users: Email, SMS, WhatsApp, Facebook Messenger, WeChat, and iMessage. When it comes to daily communications, there are also thousands of other more general communication services such as live chat, chatbots, and of course, phone calls.

Customers wanted more messaging options, and so businesses responded. Looking back to the past seven decades, 90% of the most popular messaging tools launched in the Centennial era.

There's a new problem arising, however. There are too many options to choose from, which is why omnichannel communications has come into play. Businesses will be enquiring about these interconnected services to find and track their audiences on multiple platforms through one master channel.

Meaningful Brand Stories



The art of presenting meaningful brand stories is making a comeback. In order to differentiate themselves from their predecessors, Gen Z businesses crafted more relatable brand stories, allowing customers to feel like they have grown with them. They focused more so on being purposeful, transparent, timely, and environmentally responsible. Through this philosophy, Gen Z brands are outgrowing their generational counterparts by nearly 3x compared to the next highest group (Millennials). Consistent value-based communication is necessary in keeping your audiences engaged with your purpose.



Meaningful associations drive brand value growth, and instant recognition sustains value.

- BrandZ

Performance Anxiety Relief



Attracting users within 8-10 seconds on desktop devices is a common benchmark for web designers. When it comes to mobile landing pages, the norm was closer to 5-6 seconds. However, according to Google, **53% of mobile site visits will leave a page if it takes longer than 3 seconds to load.** That same report also discovered:

- **15.3s** - Average load time of a mobile landing page
- **79%** - Of web shoppers who have trouble with site performance say they won't return

As attention spans decrease, it's important to balance both fast response times and optimal performance as key indicators for providing excellent customer experiences. Automated responses and SMS alerts can help reduce response times. On the platform side, businesses must be more committed to making frequent platform performance audits on all front-facing assets.

10 Popular SMS Integrations

In the past year, message volumes for businesses sending via an SMS integration has increased **172.4%**.

Many messaging platforms like Burst SMS offer the flexibility for your business to integrate apps with SMS. These integrations usually fall under 7 categories: CRM, eCommerce, social, support, productivity, development, and email. These were the most popular SMS integrations of the year.

CRM's



eCommerce



Social



*Ref: Burst SMS, Zapier

11 Popular SMS Integrations

Support



zendesk

Productivity



Development

GitHub



Email



ActiveCampaign >

Campaign Monitor

Current SMS Integrations

1,500+ via Zapier **8** via Direct

View Full Integration List

Zapier: zapier.com/apps/burst-sms/integrations
Direct: burstsms.com/sms-integrations

12 Top 10 Resources

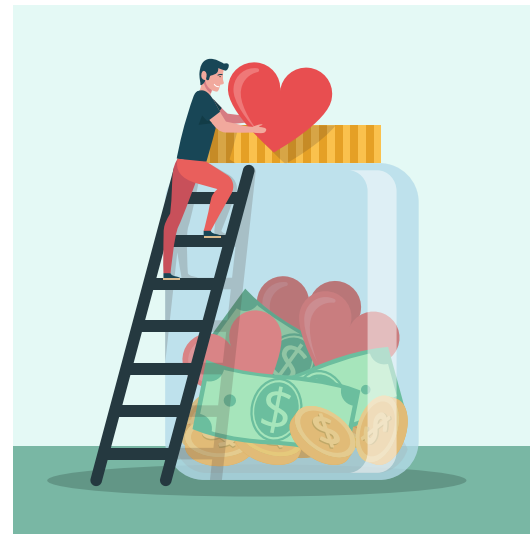


Did you know our strategic mobile marketing blog has over **280 articles** now?

When it comes to the messaging industry, especially for SMS, our goal is to make it as easy as possible for you to keep up-to-date with the latest news. Throughout the year, we release helpful SMS articles, case studies, industry statistics, and general mobile news weekly.

Here's our annual recap of the most popular articles released on our blog in 2019.

blog.burstsms.com.au

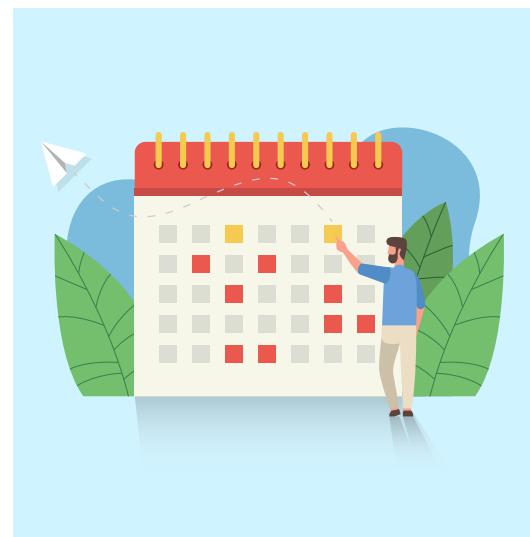


1) The SMS Playbook for Not-for-profits

Getting people to open an email is hard, and getting them to answer a phone call is even harder. As a Not-for-profit (NFP), building relationships with your audience is more important than ever before. According to a Accenture global study in 2017, 44% of ..



[Read More](#)



2) 75 calendar-based reasons to send your customers a text message

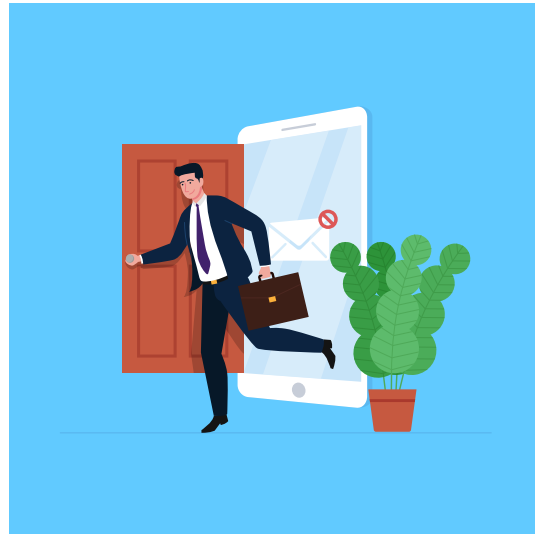
To give you some quick inspiration, we compiled 75 noteworthy days and events that you can use when planning your next SMS marketing campaigns for the new year.



[Read More](#)

*Ref: blog.burstsms.com.au

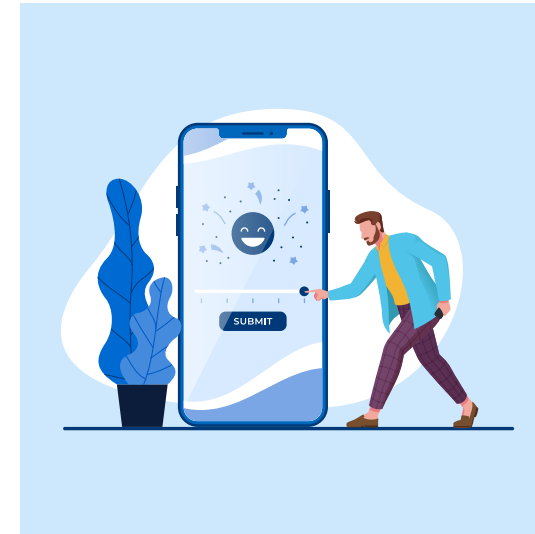
13 Top 10 Resources



3) Reduce SMS opt-outs and keep your subscribers with this ..

It's normal to get a few opt-outs after every SMS campaign. But what if one simple change reduced your opt-out rate and helped keep more of your hard-earned contacts?

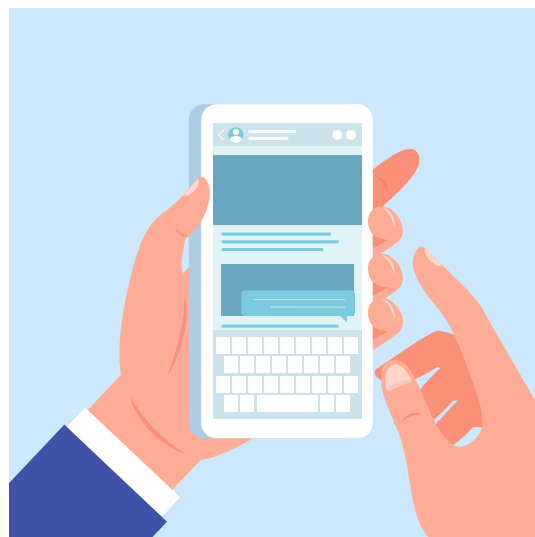
[Read More](#)



4) Get your Net Promoter Score® using SMS

Net Promoter Score® is an industry-standard customer feedback survey, designed to help businesses measure and evaluate customer experience and loyalty.

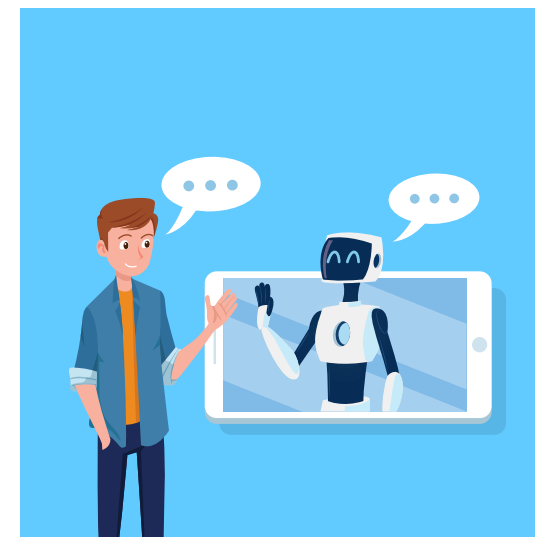
[Read More](#)



5) Add SMS hyperlinks to your website

Click-to-text links (SMS Hyperlinks), direct you to the default text messaging app on your mobile phone. Despite being an easy setup, not many businesses use it as part of their mobile marketing strategy.

[Read More](#)



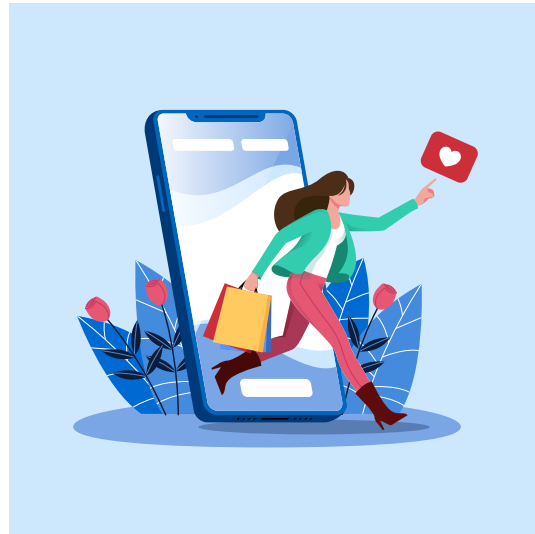
6) AI-Powered SMS conversations lift donations by 58%

So what can you do to capture your fundraisers' attention and nurture your relationship with them? How do you positively influence them into action? How can it be done at scale?

[Read More](#)

*Ref: blog.burstsms.com.au

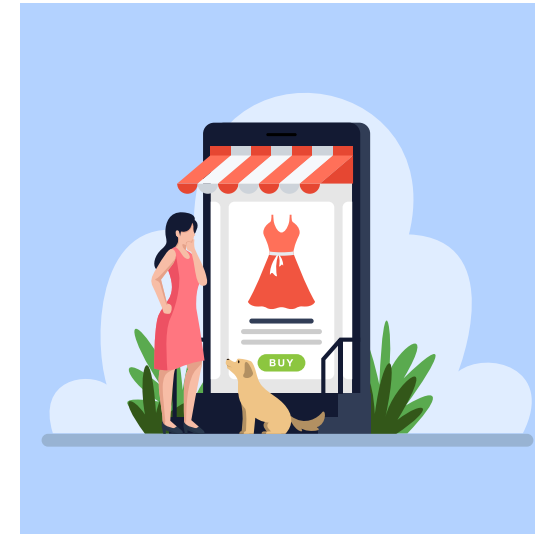
14 Top 10 Resources



7) Customer experience: the gap and how to close it

Excellent customer experiences (CX) drive more people to your business. But as apparent as that may seem, businesses still don't do it right, according to consumers around the globe.

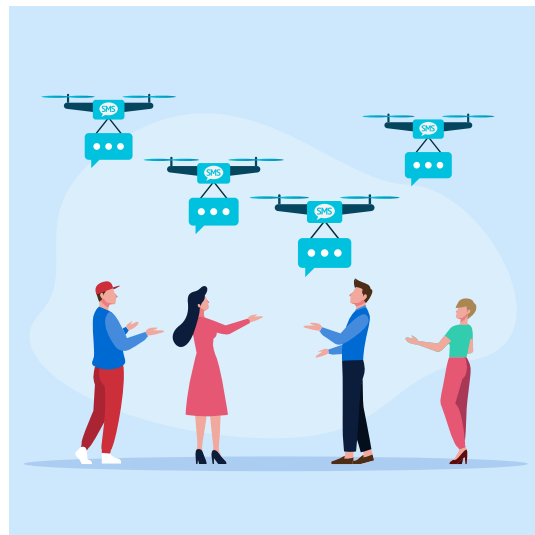
[Read More](#)



8) [Guide] Holiday SMS Marketing for the Retail Industry

Businesses spend billions advertising online too. Cost-per-click (CPC) advertising is more competitive than ever before. Instead of throwing all of your hard-earned money on CPC ..

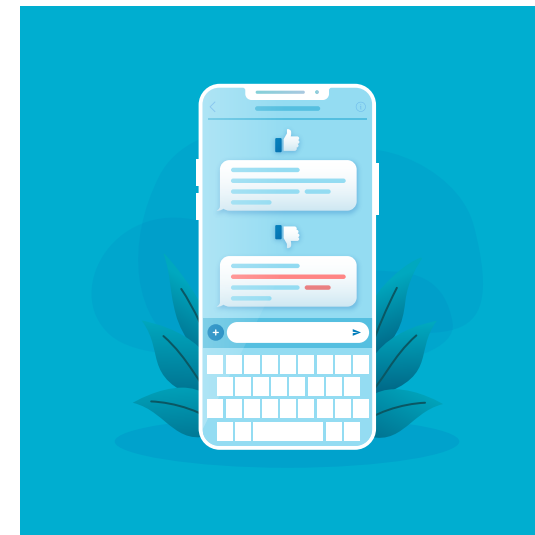
[Read More](#)



9) How businesses can personalise their marketing with SMS

The concept of personalisation gets tossed around a lot. It isn't anything new, but that doesn't mean that it's anywhere near where it needs to be. You may immediately think about adding first ..

[Read More](#)



10) SMS Copy: The good, the bad, and the ugly

Over the years, we stumbled upon many different SMS campaigns. While many of them were great, some needed improvement, or a complete makeover. To help you understand the ..

[Read More](#)

*Ref: blog.burstsms.com.au

15 Final Notes



Tell your story

Customers in the past sought transparency, and this new decade won't be any different. Businesses will need to explain the logic behind their decisions, no matter how transparent they are.

This new generation wants to know your purpose and to see if it aligns with their values.

It's time to revisit your brand story to see if it aligns with the modern values of your primary target audience. It's not just technology that advances rapidly. Consumer behaviour does too. Your brand story must evolve to keep consumers engaged. This purpose-driven value proposition has evolved from last year's theme of customer experience.

Proactive vs. Reactive

If you are struggling with your brand story, the problem might be that you are too disconnected from your audience. When was the last time of your key stakeholders had a real conversation with who your business defines as an ideal customer? How can you scale these conversations consistently?

The beauty of messaging is that it solves many complex situations very quickly. It allows you to have meaningful conversations at scale. Start with decreasing reactive enquiries by focusing on proactive communications. Make it a goal to give your customer what they want before they ask for it. Start planning for the future by making smarter decisions now. Use intelligent messaging sequences to your advantage.

Burst SMS

We are change makers and innovators at heart, streamlining the next generation of messaging tech. Providing an excellent customer experience to not only our clients, but more importantly—their recipients, is what we take great pride in.

Free Trial

Try Burst SMS free for 14 days at: go.burstsms.com/register—It's completely obligation free too.

Website: go.burstsms.com

Blog: blog.burstsms.com.au

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