



White Paper

Text Messaging Helps Your Small Business Perform Big

Sponsored by: AT&T

Denise Lund
August 2017

IN THIS WHITE PAPER

This white paper introduces small businesses to the benefits of communicating with customers via text messaging. It notes the surprising, but very real, phenomenon wherein customers are more likely to pay attention and respond to text messaging than to traditional voice and email approaches. This white paper identifies typical uses of text messaging by small businesses for promotional outreach and customer communication, which saves time and money, drives revenue growth, and improves customer satisfaction. This white paper recommends what small business owners should look for in text messaging solutions and describes AT&T's messaging products.

SITUATION OVERVIEW

Text messaging plays a major role in consumers' lives. Customers increasingly expect even the smallest of businesses to communicate with them via text for items such as setting and confirming appointments, responding to sales inquiries, answering customer service requests, and delivering sales and promotional offers. In fact, the number of mobile devices in use exceeds the size of the U.S. consumer population (340+ million, according to IDC). The sheer volume of mobile devices with text messaging capabilities translates to an impressive opportunity to reach current and potential customers. Text messaging is a preferred communications method and is expected to remain so in the future. According to IDC's latest consumer research, over 90% of individuals plan to use text messaging as much as or more often than they did last year. Consumers today are so accustomed to communicating via text messaging that many often text businesses' landlines and are surprised when they receive no response. Text messaging holds clear advantages in the minds of customers as summarized in Figure 1.

FIGURE 1

Text Messaging Is Simply Better for Customers

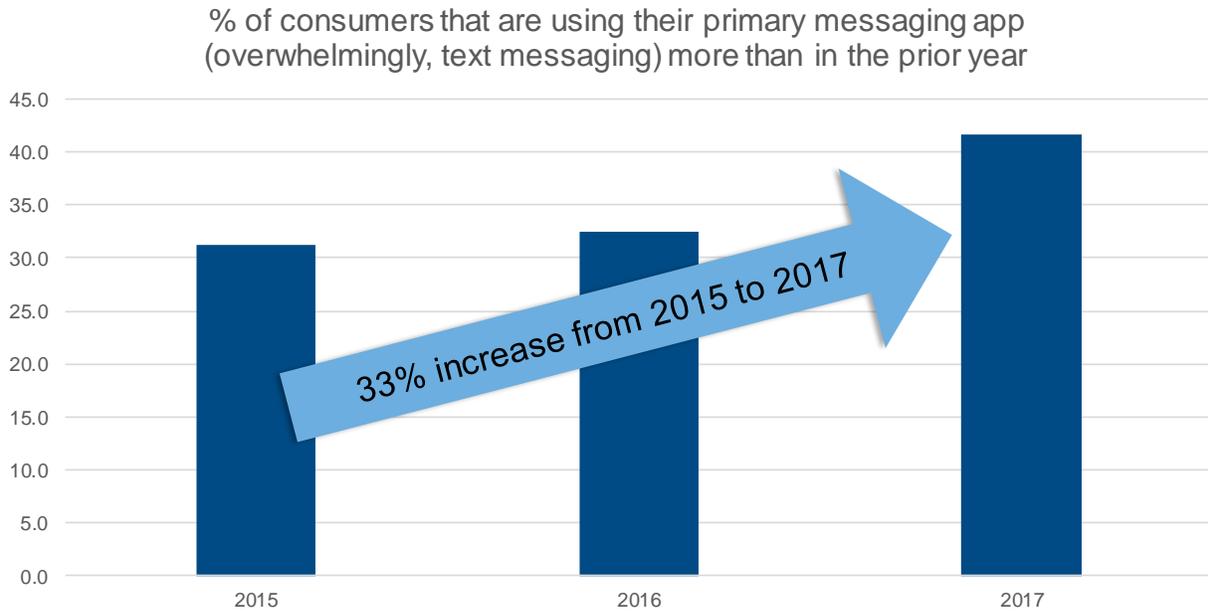


Source: IDC, 2017

Text messaging is not merely *familiar* but also a *preferred* mode of communication among consumers. Texting has an urgency lacking in all other communication tools, leading to an extremely high open rate. Given the sheer volume of consumers with text-enabled mobile phones, small businesses not using this communication method today are missing out on a major opportunity to improve both their customer engagement and their productivity. According to IDC's *Consumer Mobility Survey* (conducted in April 2017), consumer text messaging is on a path to continued growth (see Figure 2).

FIGURE 2

Customers Keep Using More Texting, Not Less



n = 1,863 for 2017 data, n = 1,813 for 2016 data, n = 1,832 for 2015 data

Base = consumers 18 and older

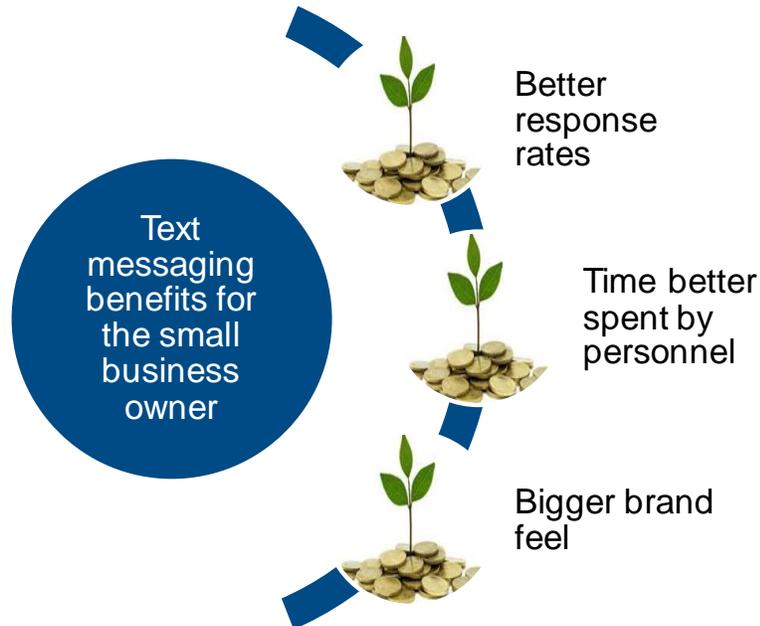
Source: IDC's *Consumer Mobility Survey*, 2015, 2016, and 2017

Text Messaging's Benefits to Small Businesses

Text messaging has clear benefits for small businesses, as described in Figure 3, including improved two-way interaction with customers, better employee productivity, and cost efficiencies.

FIGURE 3

Text Messaging's Benefits to Small Businesses



Source: IDC, 2017

Positive User Experience Brings Improved Likelihood of Response

Text messaging is widely considered a faster and more efficient two-way dialogue than email or voice. Email often requires more layers of login by the sender and the recipient and typically involves lengthier written discussion – all of which takes time. Not only is text messaging's brevity of interaction well aligned with consumer behavior but so is the flexibility in choosing when to respond. Whereas voice calls can burden customers to step away from their activity at hand, text messaging is not as intrusive. The customer can proceed about daily life while receiving important information, such as service updates, through texts. Short messaging approaches, such as text messaging, are also widely known for their ability to elicit a quicker response than email and voice messaging. With mobile devices overwhelmingly intertwined with daily lives, many consumers prefer two-way text communications with businesses.

Drives Employee Productivity

Small businesses typically invest significant effort and personnel hours in communicating with individual customers to answer sales questions, provide customer service, or schedule appointments and make reservations. Today's business text messaging products give small business owners tools to improve their employee productivity and streamline their daily workflow. For example, small businesses can use applications that send out text messages to multiple targeted customers at one time. Messaging solutions can also automatically save texts as digital records of interactions with prospective and current customers. Such solutions translate into less staff time and resources spent reaching customers and documenting the outcomes of the interactions.

Text messaging also removes wasted time playing "voice tag." Small businesses can text enable their landline number – the same phone number they've been advertising for years – to engage their customers by text as well as voice. In addition, they can layer on productivity features like autoresponders to their main numbers. If a customer texts them a question such as "What are your hours today?" they can send an automated response listing their hours of operation.

Cost Effectively Drive Sales and Compete Effectively

With typically fewer marketing and IT resources, many small businesses are challenged to drive awareness with prospective and current customers cost effectively. Text messaging allows small businesses to take full advantage of the "always on" and visible place that texts have on people's mobile phones for sales and promotional outreach. Less time spent on this process saves the small business money while giving the business owners confidence that their products and services will be top of mind versus those of competitors'. The smallest businesses selling retail goods can easily incorporate messaging to advertise a sale or update on the timing of a promotional offer. Examples of small business success driven by text messaging are many, with food truck entrepreneurs being a great example. These small business owners have used messaging along with social media to help ensure that their customers know where to find them.

FUTURE OUTLOOK

For small businesses, the current and growing text messaging trends should cause every small business owner to rethink how it is engaging its customers. Text messaging has become a preferred method of communication among consumers and stands to be a game-changing productivity tool for small businesses. Staffing of phone calls in a small business is costly. Expecting customers to want to engage on the phone or email for what could otherwise be a brief message exchange is no longer practical. Not leveraging text messaging to cost effectively promote your small business is a missed opportunity to bolster revenue growth.

Easy-to-use messaging solutions and applications that allow small businesses to leverage the power of text messaging from a computer, tablet, or smartphone will increasingly be adopted by small businesses to promote products and services and to communicate with customers. Many small businesses are just beginning the journey to incorporate text messaging tools designed for business use into their daily customer-facing activities. Small businesses should consider business text messaging offerings that include the following features:

- Business and product sales and promotional campaign marketing capabilities that are available as add-ons or through pre-integrations to the text messaging and other messaging products

- Ease of management that includes options for automated push messaging and a management portal that allows for message grouping, storage, and retrieval, like what is commonplace in business email offerings that small businesses have grown accustomed to
- Easy-to-use, nonintrusive messaging experience for customers and prospects to engage with the business
- Protection of business data through encryption and appropriate treatment in transmission over the mobile operator's cellular network

Ultimately, both small businesses and their customers stand to win when easy-to-use, nonintrusive messaging experiences are incorporated appropriately into the activities of the business.

OVERVIEW OF BUSINESS MESSAGING OFFERINGS FROM AT&T

AT&T business messaging solutions are designed for small business customer interactions such as appointment setting and promotions. These solutions allow you to engage employees and customers the way they prefer, which in turn can increase engagement, satisfaction, and productivity while helping drive cost out of your business. AT&T has a broad portfolio of SMS and messaging tools that help businesses of all sizes capitalize on consumer preferences for quick messaging, including:

- **Messaging Toolkit enables businesses to develop and/or enhance sales and promotional activities:** Manage and send text messages using a user-friendly web portal with easy-to-use features for productivity and promotions. For example, texts can be scheduled and sent to individual mobile devices and deployed using the automated marketing tools included in the kit.
- **Landline Texting leverages the investment of your existing phone number or toll-free number:** Small businesses can text enable existing business voice phone numbers so they can communicate the way their customers prefer. Businesses use a web portal or mobile application to send and receive messages using their business phone number. Landline texting is ideal for customer service, community engagement, and productivity.
- **Highly secure Business Messaging targets employee communications:** This internal messaging system can be used with a simple web portal or email client, allowing small businesses to quickly and easily communicate with their workforce using SMS or a downloadable mobile application ideal for secure messaging and WiFi-only environments.

Mobile business messaging solutions are aligned to help small businesses increase their employee productivity while cost effectively improving customer engagement and outreach and capitalizing on the overwhelming popularity and staying power of text messaging among consumers.

CONCLUSION

The future of small business revenue growth, productivity improvements, and cost savings is driven by text messaging use. Text messaging solutions allow the small business to be timely with promotional offers, visible to customers, and easily reachable. Its use is growing rapidly in small businesses as owners increasingly recognize that messaging has become a primary communication tool used in consumers' daily lives. Even the smallest of businesses will find it is not a big investment to add messaging products such as these, with costs in line with adding voicemail or other such calling features. Finding a business partner that can help bring this powerful but simple messaging tool effectively into a small business' activities to improve sales and customer engagement today is critical to the business' revenue growth and competitive future.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-community.com
www.idc.com

Copyright Notice

External Publication of IDC Information and Data – Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC Vice President or Country Manager. A draft of the proposed document should accompany any such request. IDC reserves the right to deny approval of external usage for any reason.

Copyright 2017 IDC. Reproduction without written permission is completely forbidden.

