Connecting with text: The shift to landline and toll-free business texting

AT&T Market Survey – January 2016
Introduction

There is a disconnect between how people communicate with each other and how companies connect with customers. The difference is text messaging.

Nearly 92 percent of U.S. adults carry text-enabled mobile phones, and 98 percent of smartphone owners use text messages on a regular basis. However, only 14 percent of companies communicate regularly with customers over text. As a result, most companies are missing connections, inconveniencing customers, and ignoring opportunities.

With turnkey software available to text-enable existing landline telephones and 1-800 numbers, it's easier than ever for companies to support business texting. The growth of business texting has been explosive, with traffic volumes growing 300 percent in 2015.

Despite strong demand for the technology, nobody has published a comprehensive study on the market for business texting software. To fill this gap, AT&T commissioned three original surveys that measured companies' perceptions of business texting before and after they had used it.

A consistent story emerged from over 900 respondents across dozens of industries. Business texting delivers more efficient and effective communications that delight customers and improve business performance.

Text messaging offers the single most effective channel for driving customer engagement. As the shift to landline and toll-free business texting accelerates, text has become, for many companies, a more essential communications channel than email.

Customers want to text with you

Today, customers expect any phone number to support text messages. Text isn't just for mobile. In fact, network traffic analysis shows that 150 million texts are sent to landline numbers every day, even though many of those lines are not text-enabled.

And, while 90 percent of major companies leave and receive voicemail as a primary means of communicating with customers, their customers aren't listening. The New York Times has reported a steady decline in voicemail use, and a recent study found that 29 percent of consumers don't listen to voicemails at all.

This creates a two-way disconnect. Customers send texts to companies, and companies leave voicemail messages with customers. In many cases, neither receives a response.

The problem is that most companies rely on desk phones and 1-800 numbers. Until recently, these non-mobile numbers could not send or receive text messages.

Today, business texting software lets companies accept text messages on any phone number and manage conversations from any device. These turnkey, cloud-based solutions work seamlessly with existing telephone systems and require little effort to set up and maintain.

Companies that have adopted this technology have improved engagement, reduced costs, and impressed customers, while their less savvy competitors continue to miss connections.
Nearly everybody is texting...

Text messaging is the most popular digital communication channel in the U.S. Nearly 92 percent of all adults can send and receive text messages,10 and 97 percent of smartphone owners text at least weekly.11 U.S. mobile subscribers sent 184.7 billion text and picture messages a month in 2014, up 13 percent from 2013.4

More people use text messaging than own personal computers or landline telephones.10,3 Text messaging ranks higher in both adoption and frequency of use among smartphone owners than voice calls, email, or social networking apps.3

Your customers are definitely texting. But do they want to text with you?

The answer is yes, they do. In a survey of 346 companies that actively use business texting, a full 85 percent found that their customers prefer to receive a text message over a voice call or email.14

...Except for businesses

Demand is surging for business texting, but many companies aren’t getting the message.

Most major companies that AT&T surveyed report using a mix of mobile and landline phones in the course of doing business.2 And, most small businesses that don’t yet subscribe to business texting believe that adding support for text would improve customer service.1

In spite of this, the vast majority of companies continue to connect with customers using primarily voice calls and email. Only 14 percent of companies actually use text messaging to communicate with customers!5

Customer perceptions

Customers appreciate it when companies support business texting. Recently, Harris Poll presented a panel of consumers with a hypothetical company that offers text messaging as a customer service option, and 64 percent of consumers responded positively, with comments like:7

- The company understands their time is important
- The company is progressive
- They would recommend the company to others
- They would choose the company over others that do not offer the service

Not only does business texting give customers positive feelings about a company, forcing customers to call gives a distinctly negative impression. This is especially true for younger adults.

Adults age 18 to 34, popularly called the “Millennial” generation, represents the largest share of the U.S. workforce.5 This cohort resists speaking on the phone. A recent Inc. article outlines Millennials’ specific objections to phone calls and voicemail, with words like: distracting, presumptuous, superfluous, ineffective, and time-consuming.8

Consider how you want your brand to be perceived. Would you rather be seen as respectful and progressive or presumptuous and ineffective?

Mobility for landline telephones

Nearly half of U.S. households have abandoned landline telephones,3 and the idea of a separate “home phone” and “mobile phone” is largely obsolete. Why, then, do companies still promote separate mobile and business numbers?

When presented with two numbers, customers often don’t know which one to contact. However, going mobile-only isn’t practical for most companies. A mobile phone number is tied to an individual person, which limits the company’s control.

Business texting combines central control over a fixed business number with the flexibility of mobile, multi-user access. In addition, enterprise business texting software supports features designed to meet companies’ specific needs.

It’s simply less confusing when companies promote a single phone number. Mobile calls-to-action that prompt users to text convert up to 5X better than similar ads that ask users to call.15

How it works

Business texting adds mobile functionality to landline and 1-800 numbers that companies already own and promote (in a survey of small businesses, 78 percent of respondents reported that their existing phone number was familiar or well known). It is a cloud-based software solution, so it works practically seamlessly with existing hardware and phone systems.

Customers call into a text-enabled business number like they usually would, and the phone rings with no interference. When a customer sends a text message to the same number, the business texting software sends the message wherever the company wants it to go. Companies can have incoming text messages sent to a laptop, desktop, tablet, or mobile phone (no, the message doesn’t come to your desk phone itself, because it doesn’t have a screen or keyboard!).
## Features and benefits

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<th>Enterprise business texting software offers more features and better control than either a traditional landline or mobile phone.</th>
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<td>Central control over communications</td>
<td>Business texting gives the company visibility into its customer communications. One or more employees can respond to incoming messages on any device. When the employee leaves the company there’s a full record of historical communications, and incoming texts can be re-routed to a new point of contact.</td>
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<td>Toll-free texting</td>
<td>Toll-free numbers (e.g., 1-800, 1-888) are popular, with 33 percent of small businesses, 78 percent of businesses with 100 to 499 employees, and 90 percent of businesses with over 500 employees supporting one or more toll-free numbers. Companies invest in promoting their toll-free numbers, and business texting allows them to keep the same number while bringing the underlying toll-free communications into the modern age.</td>
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<td>Security and spam protection</td>
<td>AT&amp;T’s business texting software features built-in safeguards to help protect critical data, communications, and contacts. Unlike free or discount messaging services, a carrier-grade service can connect directly with tier 1 wireless operators, and provide spam controls to help minimize unwanted messages. AT&amp;T also supports safeguards like the universal STOP keyword that give customers the power to set messaging preferences. Companies drive the highest possible engagement by reaching out to customers who want to hear from them.</td>
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## Software or API?

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<th>Before deploying a new business texting solution, companies must decide: software or API?</th>
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<td>Selecting the right software</td>
<td>Business texting software is ideal for engaging in a direct conversation with customers. Reputable business texting software will support multi-user access to one phone number and seamless integration across multiple phone numbers. For example, a retail chain might want to enable texting across all of its locations’ phone numbers or even enable each store’s department phone numbers. When selecting software, look for a platform that:</td>
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<td>• Enables texting on any internet-connected device with web, desktop, and mobile clients;</td>
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<td>• Includes enterprise features like MMS, auto reply, group texting, keywords, scheduled texting, and custom signature; and</td>
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<td>• Supports multi-user functionality to track conversations across multiple agents on the same phone number. These enterprise features improve efficiency of communications and impart a professional image.</td>
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<td>Integrating an API</td>
<td>API integration offers functionality to companies that wish to tailor a texting solution to their needs. An API is an ideal choice for high-volume or automated workflows that need to integrate with call center software, CRM, email systems, or other business applications. HTTP, SMTP, and web hooks are the most popular APIs for business texting. Customers with high volume throughput requirements might consider SMPP for text messages and MM4/MM7 for MMS connections. Make sure the business texting solution you select can support your peak volume threshold requirements.</td>
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Business texting success stories

Today, text messaging is often seen as a marketing platform, but it is capable of so much more. We use text messaging in our everyday lives to ask questions, confirm plans, and convey thoughts and opinions. Customers want to engage with companies in the same way.

To make it easier for consumers and businesses to communicate, short codes were introduced in 1999 for commercial texts, gaining widespread adoption. In 2004, 7.5 million text messages were sent as part of a “text to vote” short code system introduced by AT&T and the popular American Idol show. Barack Obama’s now-famous text-message announcement of his 2008 VP pick was made by SMS from a short code. However, short codes can be confusing for customers, who are unlikely to recognize a new number. While cost-effective for high-volume messaging, short codes can be expensive for businesses who are just getting started with a messaging program.

With the recent advances in messaging technology, now is the time for new solutions. Software that lets customers send and receive text messages from a familiar phone number offers a better, simpler experience. Demand for business texting took off in 2015 and is expected to grow even faster in 2016.

AT&T recently commissioned a series of original surveys to measure companies’ perceptions of business texting before and after using the software. Not only did most companies express interest in business texting, the vast majority of companies that use business texting today are highly satisfied. Over 94 percent of respondents said they would recommend the service to a friend or colleague. Positive feedback from a wide range of business verticals suggests that any company that connects with its customers by phone or email can benefit from adding “call or text” to its calls-to-action.

Popular use cases

Many customers prefer to receive text messages over voice calls or email. So, it shouldn’t be surprising that the most popular applications for business texting involve high-touch communication channels: customer support and appointment scheduling.

However, that’s not all business texting is used for. In fact, most companies that have text-enabled their business lines use the software in many different ways. Some popular use cases include:

- Sales calls
- Marketing communications
- Reservation and appointment confirmations
- Temporary staffing communications
- Account management (e.g., password reset)
- Fundraising
- Order status notifications

Value of business texting

Gartner predicts that by 2020, 85 percent of customer relationships will be managed without speaking to a human. Business texting is contributing to that trend. Text messages are natural and non-intrusive for customers and easy for companies to support.

Companies surveyed identified many ways text messages delivered better business value than voice calls. Most notably, 75 percent of companies found they connected with customers more effectively after text-enabling their business lines, with fewer call attempts and shorter wait times, while 97 percent found that communications were more efficient overall. Other top value drivers include:

- Higher customer response rates
- Customer preferences and satisfaction
- Extending functionality of existing numbers
- Increased sales and marketing conversions

Organizational impact

Business texting changes the way companies organize and communicate. Greater efficiency and customer responsiveness impact staffing requirements and timelines. Many active business texting users described:

- Improved productivity
- Simplified communications process
- More interactive engagement
- Better connections with Millennials

Key drivers of organizational impact depend on how companies use texting in day-to-day operations. This varies by industry.

Industry applications

Different industries leverage specific business texting features to drive value in different ways. Looking into these applications shows some of the ways business texting can change the conversation.

Insurance: driving new revenue

Most insurance brokers and financial institutions use business texting to reach customers more effectively and drive new revenue. Far more than the average user, insurance agents use texting for customer support, sales, and marketing communications.

Customer responsiveness is a key value driver for insurance agents who need to collect and confirm information from new customers. Some agents have indicated that customers respond to late payment notifications “within minutes” when they are delivered over text. They play fewer rounds of phone tag by coordinating call times over text and even confirming small details without a call.
“We were able to communicate with our customers faster,” an insurance agent reports. “They also respond faster to us. It is very easy to use. Most people know how to text and are comfortable doing it.”

MMS is the most popular business texting feature for insurance agents, with over 67 percent of agents sending and receiving picture messages. Many agents use MMS to share quotes and claims. With real-time multimedia communications, agents find it easier to connect with younger policyholders.

**Staffing and recruiting: saving time and reducing costs**

Rather than using text messages to generate new business, most staffing agencies use it to improve operational efficiency, save time, and reduce costs. To this end, they primarily use the software to schedule appointments and handle dispatching and logistics.

The most-used business texting features for staffing agencies are group texting (81 percent) and multi-user permissions (43 percent), which enable multiple associates to work from the same number.

By reducing the level of effort required to respond, texting produces a higher response rate from prospective employees. Agencies are also able to assign phone numbers to temporary employees, which can be recycled and reused after the employment term ends.

Responsiveness is also the key value driver for staffing and recruiting agencies. “Most of our clients are younger generation – they respond to text messages where they would probably not respond to a phone call,” one recruiter said. Another agency reports that business texting, “made production increase tremendously, we have way better response than by phone.”

**Call centers: offering a better customer experience**

Everybody hates waiting on hold. Call centers are turning to business texting to deliver real-time support, reduce call abandonment, and foster customer engagement and loyalty.

Many call centers leverage toll-free texting and API connectivity for high-volume throughput. Texting enables one care rep to handle several text chats at once, improving productivity over one-on-one voice calls. One call center reported an 80 percent reduction in voicemails after launching business texting with a 4.9 out of 5 customer approval rating for text support.

Customer satisfaction is a major factor for call centers. A full 81 percent of consumers agree that it is frustrating to be tied to a phone or computer to wait for customer service help, and 89 percent threaten to leave for a competitor due to a poor customer experience.

**Conclusion**

Most companies communicate in their comfort zone using email and voicemail, but this puts them out of touch. Many customers view these channels as antiquated, inefficient, and disrespectful.

Your customers are telling you how they want to communicate. They are texting into phone lines proactively and choosing products and experiences that respond to their texts.

The numbers show that most customers would rather receive a text message than a voice call or email. Customers are far more likely to respond to a text message, and they’re more satisfied after a text message exchange.

In addition to delighting customers, texting conveys measurable benefits to companies that use it. Increased engagement over text drives new revenue, saves time, and reduces costs. When this many users agree across an array of industries, it is time to take notice. A full 94 percent of paying users would recommend business texting to a friend or colleague based on the results they’ve seen.

Today, business texting is a competitive differentiator, but it’s quickly becoming the standard way to communicate. Nearly everybody texts. It’s part of the fabric of daily connected life, like an email address, and just as essential.

Cloud-based business texting software makes it easier than ever for companies to support business texting on an existing phone number. Companies that choose not to support text messages are closing a door to customers who are actively reaching out.
References