

COLUMNS

## Why SMS marketing is not dying

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By **Michele Turner**

Despite predictions of the decline of SMS, business-to-consumer text messaging continues to enjoy double-digit growth.

SMS just had its 20th anniversary and along with that milestone came a number of articles predicting its imminent demise at the hands of newer forms of mobile messaging.

Given that up-and-coming consumers, those between 14 and 18, send an average of 60 text messages a day, it is unlikely that this granddaddy of personal communication is dying anytime soon.

In fact, as that generation starts to develop purchasing power, SMS messaging will be a critical way for brands to reach them.

What's up

The growth of IP-based messaging applications such as WhatsApp and KakaoTalk has definitely put a dent into carrier SMS revenues.

These apps enable messages to be sent between individuals or groups or people over an IP channel, with the carriers losing out on revenue from the SMS messages that would otherwise have been sent.

The success of these messaging apps has led to their proliferation, with different regional favorites popping up around the world, alongside platform-specific services such as BlackBerry Messenger and iMessage.

Although different apps are not compatible with each other, as long as enough of your friends are using the same one, it works out.

But what if you are a brand, who wants to connect with your consumers using mobile messaging? Which app should you use to reach people?

The myriad of non-interoperable, IP-based messaging apps represents one big fragmentation headache. This is where one of SMS' core strengths comes in: it works out-of-the-box on more than 6 billion mobile devices.

In the world of business-to-consumer messaging, SMS is alive and thriving.

Get the message?

In 2011 we saw our year-over-year SMS volumes increase 29 percent in Europe Middle East and Africa, a supposedly mature market. In Asia-Pacific, the volume grew by more than 120 percent.

Juniper Research has even predicted that the business-to-consumer SMS market will overtake person-to-person texting by 2016.

Mobile devices are becoming ubiquitous, and brands and enterprises who want to connect reliably with their

customers over mobile are increasingly turning to SMS.

Ninety percent of text messages are read within three minutes of receipt.

The rate of SMS spam is relatively low due to stronger regulation than email. We are seeing an increase in the use of two-way SMS messaging by companies who want to be able to engage in a direct and immediate dialogue with their customers, whether to provide support or craft special offers.

Juniper Research states that "SMS will continue to dominate the mobile messaging market for the next five years in terms of traffic: this type of messaging is well-established in the mobile market, with near ubiquity of availability on mobile handsets and high levels of adoption."

OVERALL, MOBILE engagement between companies and their customers will continue to grow.

Our research has shown that while 66 percent of consumers would like to receive offers from brands they trust on their mobile devices, only 23 percent of consumers have actually received an offer from brands on their phones.

Companies are learning how to refine their marketing strategies to tap this opportunity, with mobile messaging forming an important part of the mix.

And while it is complemented by other technologies such as push notifications for smartphone apps, SMS will continue to be the messaging cornerstone as the only messaging channel with reach to virtually every mobile on the planet.

Like many 20-year-olds, business-to-consumer SMS has a bright future.

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