

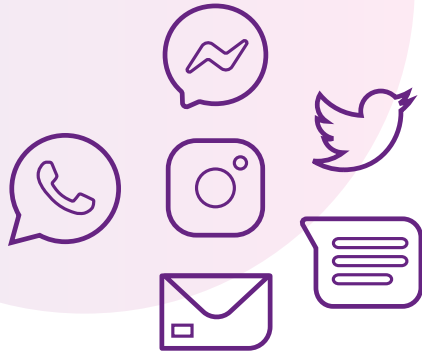
**mitto** 

# The Psychology of SMS Messaging

A study into how consumers want brands to engage with them on text and the implications that enable marketers to optimize their SMS campaigns



# Introduction



Text messaging is the most effective marketing channel available to brands. Not only is its open rate unbeatable – SMS boasts a 98% open rate compared to 20% for email – but research Mitto conducted earlier this year found a direct correlation between SMS marketing usage and revenue growth. 77% of enterprise-size B2C brands who reported revenue growth in 2020 leveraged SMS as a digital channel to send promotions or offers, despite the complexities of the year.

Given the rise in consumers' desire to engage digitally with companies following the start of COVID-19, the case for investing in SMS as a digital communications channel has become clearer. All companies should be accelerating omnichannel marketing and adopting technology to improve how they reach their audiences, but SMS stands out as a priority channel. This is because SMS-based marketing and communications have the power to enhance customer engagement and lead to conversions more efficiently and cost effectively than other channels, particularly paid media. That is, when SMS is done right.

Mitto, a leading provider of global omnichannel communications solutions, recognized that as more of people's lives have shifted online since the pandemic, consumers' exposure to digital experiences has exploded. This digital boom poses a challenge to marketers: how can their communications stand out from the rest? To help marketers better optimize SMS, Mitto surveyed 2,000 adult Americans in June 2021 to understand how consumers want to receive texts from their favorite brands.

This industry report provides newfound data on Americans' preferred texting behaviors and pet peeves from brands and key opportunities for marketers to optimize their SMS campaigns in 2021. SMS deserves a place in every omnichannel marketing strategy; now brands must be ready to adapt their texting techniques to consumers' likes.

# Key Findings

1

## Americans are reliant on texts in their daily lives

Nearly two-thirds (61%) of all Americans have opted in to receive text messages from companies, and many have developed a crutch on those texts. For example, 39% said if they don't get a text reminding them they left items in their cart, they likely wouldn't checkout.

2

## Consumers prefer a low-pressure approach

Over half (55%) of Americans prefer a lower-pressure approach when brands text them. When asked what might cause them to opt out of texts from a brand, the top reason given by Americans was receiving messages too frequently (72%). This figure is revealing for brands, who need to think carefully about how much is too much for their customers.

3

## People want the SMS experience to become more interactive

Two-way messaging emerged as a gap that companies need to fill. Two-thirds (67%) of those surveyed said brands should offer text message conversations for live support.

4

## Words matter and should be chosen wisely

Generational preferences around using slang in brand texts show the need to tailor brand communications. Millennials are most receptive (48%) to slang, but among older consumers aged 55+, only 29% are okay with it. However, people were in agreement over preferred tone, with very few (14%) responding positively to sass, but there is a universal (61%) appreciation for brands being helpful.

5

## Millennials find joy in emojis

Preferences for visual aids in brand texts surfaced additional generational differences. Most people respond well to emojis in brand texts, but Millennials lead the pack (63%), whereas over 55s are the outliers – only 40% agreed.

6

## SMS security is essential

To convince people to engage with them via SMS in a post-pandemic world, brands need to figure out how to get security right. 44% want to see companies find a way to help them know their text is authentic and not a scam. The concern around security rose among the age groups.

# Tone & Language

When it comes to reaching your customers, the relevance of the content you present matters. But how you present that content matters too. Annoying tone/language has caused 45% of people to opt out from a brand's texts before, while consumers also say they don't want brands to get overly familiar via text.

**When it comes to tone, being sassy might feel clever, but the study showed it hurts a company's bottom line.** Across multiple verticals, an average of only 14% of Americans said receiving a brand text displaying sass as a behavior would encourage them to continue doing business with that company. There are some variances across vertical sectors: only 15% think it's appropriate for humor in healthcare messages, but from entertainment/gaming brands, 43% welcome humor in texts and 44% would welcome trendy behavior. When in doubt, stick to being helpful (61% expect this on average across verticals).

**Sometimes visuals speak louder than words.** Over half (56%) of people said they respond better to texts including an emoji from brands. Millennials are the age group that responds best to emojis (63%). Over 55s are the only outliers (only 40% agreed). This age group also felt the most strongly about not wanting to receive memes/animated GIFs in brands' text messages to them (65%), while the general population was more evenly split.

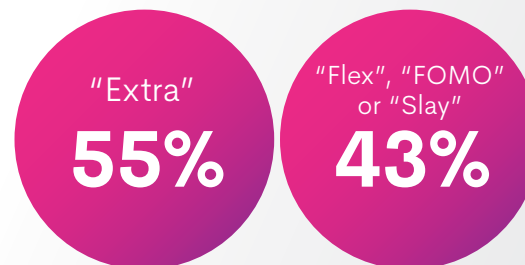
**The majority of people (70%) prefer more formal to more colloquial language from brands in texts.** The vast majority (80%) of people aged 55+ feel this way. With that in mind, consumers say slang should be used carefully and take into account generational preferences. Overall, 42% of Americans are accepting of brands using slang in text messages. Millennials are the generation most receptive to this language (48%). The number drops quite significantly to 29% for over 55s, however. In addition, some slang words are more widely recognized and deemed acceptable for brands to use in their texts than others.

**The same goes for exclamation marks.** Two-thirds (64%) of over 55s find this annoying and say generous use of exclamation marks in a brand's messages makes them want to opt out. Yet Gen Z would rather a generous use of exclamation marks (53%) so remember to strike the key a couple of extra times in your comms to them.

When segmented by industry, certain behaviors from brands are expected more than others:

- When it comes to humor in texts, only 15% of Americans think it's appropriate from healthcare businesses, but that number shoots up to 43% for entertainment brands.
- Asked about brands displaying trendy behavior, 44% welcome entertainment brands to do so in their texts, but the number drops to 19% for healthcare and financial services.

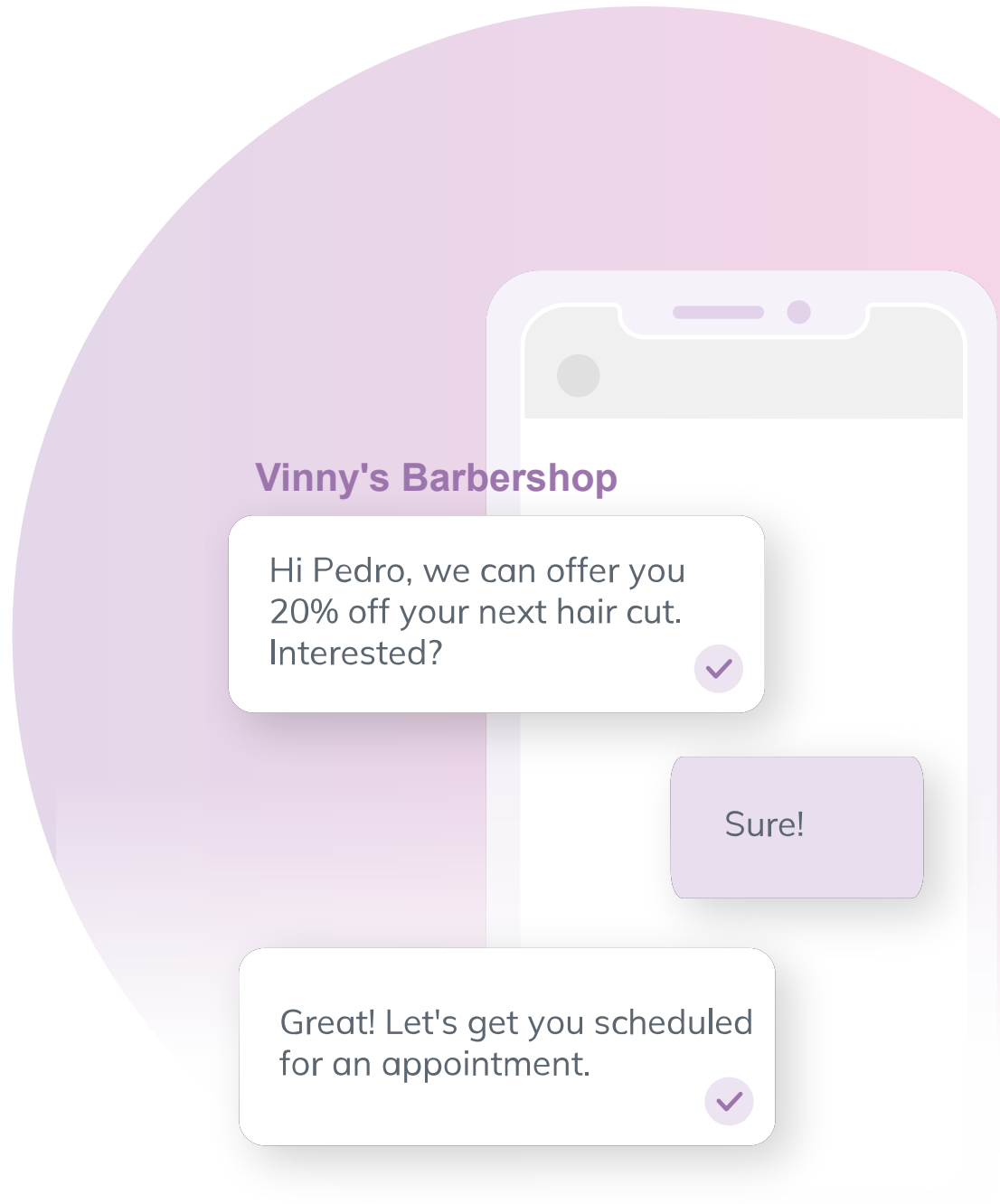
**Consumers say this slang is acceptable from brands:**



**This slang isn't acceptable:**



# Consumer SMS Preferences & Pet Peeves



# Frequency & Timing

Receiving too many texts is the most common driver of Americans opting out of a brand's messages. In addition to frequency, when brands send texts and how long they take to arrive in a customer's inbox matter.

**Receiving messages too frequently was the top reason people said they opted out of receiving texts (72%) from their favorite brands.** Brands have to keep in mind, 55% of Americans prefer a lower pressure approach to brands displaying urgency in their text messages. In this case, more is too much.

**Americans also have little patience for waiting to receive texts.** Most people (31%) only think it's okay to wait up to 10 seconds to receive an SMS, and an additional 21% said only five seconds is an acceptable wait time. Fewer than 1 in 10 people think it's acceptable to wait more than a minute.

**Timing matters too.** Brands sending non-essential texts on weekend mornings is a significant universal no-go, according to 42% of respondents in the study. However, marketers should note that over 55s were clear that brands shouldn't interrupt their weekend evenings (52% agreed). The most universally preferred time is weekday afternoons (30% agreed), although over 55s have a slight preference for weekday mornings - so the early marketer catches the customer in this case.



## Americans' preferred frequency of messaging from brands across verticals

An average of 82% of Americans preferred to receive some frequency of SMS from brands across all verticals, compared to just 18% who said they never wanted to receive texts.

	Daily	Every Other Day	Weekly	Just around big promos / launches	Never
On-Demand	20%	16%	23%	23%	17%
Medical	15%	13%	23%	23%	16%
Entertainment / Gaming	24%	14%	20%	20%	21%
Travel	13%	11%	17%	17%	23%
Retail / eCommerce	18%	14%	26%	26%	15%
Financial Services	22%	15%	26%	26%	16%

# Approaching New Customers on Text

Most consumers opt in to receive texts for some form of instant gratification, such as a sign-up offer or rewards program. It is up to brands to keep them engaged, and knowing what content they want to receive or is helpful to them is a key consideration. Furthermore, newly opted-in users need reassurance a text is being sent by your brand and isn't a scam.

Among the top reasons people said they opt in to receive texts are to receive an order/delivery status update (61%) or a discount for signing up (60%). Beyond that, unless brands proactively ask consumers what types of content they want to receive in their texts, they could be flying blind. Brands have an opportunity to better engage their customers by being upfront at the text opt-in stage: 61% of consumers would like brands to ask them what type of content they want to receive upon sign-up.

The study respondents provided some ballpark guidance on which texts they most appreciate receiving and get annoyed by receiving, which revealed people want you to remember their birthday, but don't care for customer survey requests.

People also indicated they would like to see text messages used in a more two-way capacity. Two-thirds (67%) said brands should offer text message conversations for live help.

When approaching new customers on text, also consider the importance of security to users. 44% said the brand should find a way to help the recipient know the text is authentic and comes from them (that it is not a scam, basically). This figure rose to over half (55%) of over 55s.

People appreciate these brand texts

**79%**

Promo codes / discounts

**76%**

Happy Birthday messages

**75%**

One time passwords

But these messages are annoying to receive

**58%**

Feedback or review solicit requests

**55%**

Re-order prompts

Appreciated  
vs  
Annoying

# Action Plan

1

## Start your brand SMS journey

SMS marketing campaigns are one of the most powerful direct marketing tools out there. With a 98% open rate, a 40% click-through rate, and conversion rates approaching 30%, it's a must-have messaging channel for any marketing strategy. Prioritize integrating SMS into an omnichannel marketing strategy this year to engage with more users where they want to be reached. Look for a management tool that helps you quickly get started with the channel (no developers required), or manage your SMS campaigns more easily. A tool like Mitto's Campaign Manager allows marketers to create personalized SMS, then track whether those messages are delivered. The tool can also schedule messages to send at set times.

2

## Tailor communications for different audiences

To create a successful SMS marketing campaign, deploy a few best practices:

- **Approach customers with respect.** When you start an SMS campaign, beyond ensuring opt-in consent, ask customers which types of SMS they want to receive and how frequently. Take into consideration other digital communications channels you might be engaging them on to ensure you don't bombard them. Also, text them at a time that works for their schedule.
- **Remember that content is king.** If you have the perfect promotion to send to a customer based on their past purchase habits, make sure it comes across well. Choose words carefully, consider tone – especially in light of how current events impact how consumers feel, and selectively incorporate visual aids and emphasis.
- **Think security first:** Strengthen customer relationships with the delivery of messages they can trust. Consider a tool such as Google's Verified SMS that confirms for end-users that the message received was sent by your business, displaying a sender verification badge.

3

## Think beyond promotional messages for text usage

Customer engagement isn't a one-way street. Companies must scale their SMS efforts beyond promotional messaging from brand to customer. With a tool like Mitto's Conversations, brands can facilitate rich, engaging, and secure two-way conversations that build brand loyalty and trust.





Elevate your own customer engagement via text (and more!) in 2021. Mitto can help you to connect with your customers and provide omnichannel support. Get started with us at <https://info.mitto.ch/sign-up>

#### About Mitto

Mitto is a leading provider of global, omnichannel communications solutions, supporting business growth with advanced customer engagement technology and messaging enablement. Offering easy-to-integrate SMS, Voice, and Chat App APIs, next-generation business messaging, and end-to-end phone number management, Mitto's platform ensures the world's largest brands and MNOs are ready for what's next.

Learn more at: [mitto.ch](https://mitto.ch)

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