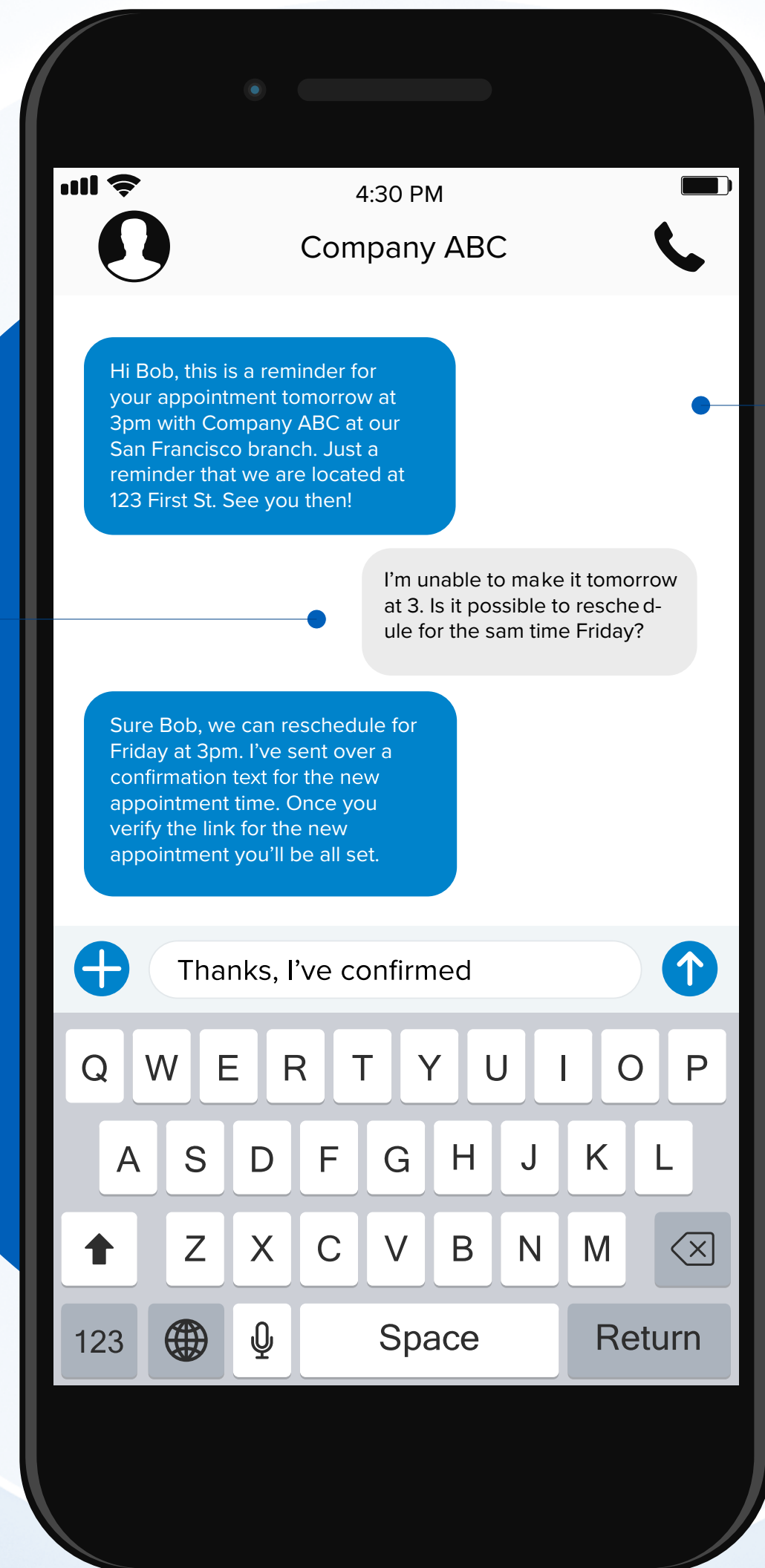# Messaging Goes Mainstream

A Multi-Industry Assessment of SMS

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THE 30,000^{FT} VIEW

Hang on to your hats, everyone, the predictions about SMS usage in the contact center have come to fruition.

Many communications channels that were considered standbys of customer engagement for contact centers have gone out of style and been supplemented with, if not fully overtaken, by SMS and two-way messaging. Like a good spring cleaning does, businesses are ditching outreach methods that don't spark joy and tidying up their proverbial closets with tools that are more tailored to a digital customer's preference and needs.

In our 3rd and largest survey report of the year, we polled hundreds of leaders from across industries to assess the nitty-gritty on SMS adoption, usage, challenges, and possibilities.

This report is for and about those interested in rewriting the rules of customer engagement and investing in the new normal of customer experience. Our insight touches on everything from how SMS can kill two birds with one stone by satisfying customer preference and lowering your cost of ownership to projections for the channel's growth.

For more insightful industry trends, benchmarks, and statistics, download LiveVox's reports by clicking the links below and learn how to achieve more with your contact center strategy.

2021 Omnichannel Engagement Industry insights Report →   **The Work from Home Report →**

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KEY INSIGHTS

- **SMS has arrived**

  No longer just an emerging way for businesses to reach customers, SMS is now a mainstream communication channel applied in almost every use case across industries from financial services to telecom.

- **Consumers favor texting over other messaging apps.**

  This is borne out by the number of organizations that cited channel preference and improved CX as the reasons for driving their SMS adoption.

- **We're all different, but we're all the same, too.**

  The biggest concern voiced by respondents when it comes to managing SMS is integrating the new channel with existing systems and workflows. Likewise, when evaluating new platforms, respondents said ease of integration was the primary decision-making factor.

- **SMS, and digital channels in general, have played a significant role in shaping workflows for newly remote teams.**

  During quarantine when many onsite operations shifted to work from home, digital channels were leveraged to maintain agent efficiency and deflect high call volumes. With many executives considering the shift to work from home as a standard operating procedure, digital channels will continue to be a common feature of the next-generation contact center.
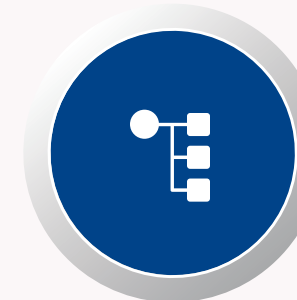
SMS enables organizations to...

Satisfy Customer Preference

Increase operational and agent efficiency

Manage inbound traffic and deflecting call volume to make better use of resources

LIVEVOX

SMS JOINS THE VIP LIST

SMS has moved from an increasingly popular way for businesses to reach customers to a mainstream communication channel applied in almost every use case across industries from financial services to telecom. Just a few years ago SMS was pegged as an "emerging" channel most popular among retailers for marketing purposes, but now its use is ubiquitous irrespective of industry and use case. This is borne out by the number of organizations that cited channel preference and improved CX as the reasons driving SMS adoption.

Businesses are adopting messaging for the same reasons consumers love it: Its fast, personal, convenient, and secure. However, unlike its digital counterparts email and webchat, SMS is asynchronous and sessionless, meaning conversations can pick up and drop off as the customer chooses. SMS interactions are unbound by time constraints and agents can serve more customers at once gathering with the contextual information they need to offer more personal experiences from previous exchanges.

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What is your business purpose for adopting non-voice channels?

Rank utilization by priority on a scale with **7 being the highest** and **1 being the lowest.**

All Industries

BPO Segmentation

Financial Services Segmentaion
Business Process Outsourcing, Financial Services & Banking, and Fintech

Outbound Communications Segmentation
Telecommunications, Sales/Marketing

Category	All Industries	BPO Segmentation	Financial Services Segmentaion	Outbound Communications Segmentation
Preferred Consumer Communication Chanel	5.0	4.7	5.2	5.0
Operational/Agent Efficiency	4.9	4.8	4.8	4.9
Lower Cost	4.4	4.4	4.4	4.4
Higher Contact Rates	4.3	4.7	4.2	4.2
Promotion of Self-Service	3.4	3.5	3.4	3.4
Digital Transformation Initiative	3.2	2.8	3.3	3.2
Deflect Inbound Voice Traffic	2.9	3.2	2.8	2.9

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How People are Using SMS

What is your use case for non-voice channels and which departments have you deployed them for?

Responders could select **more than one** value so **totals exceed 100%.**

■ **All Industries**

■ **BPO Percentage**

■ **Financial Services Percentage**
Business Process Outsourcing, Financial Services
& Banking, and Fintech

■ **Outbound Communications Percentage**
Telecommunications, Sales/Marketing

Sales/Marketing	Account Notifications	Onboarding/Underwriting	Collections	Other
64%	51%	28%	22%	16%

Sales/Marketing			Account Notifications			Onboarding/Underwriting			Collections			Other		
61%	64%	64%	45%	58%	49%	23%	37%	25%	19%	21%	23%	10%	17%	17%

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PROGRESS, NOT PERFECTION

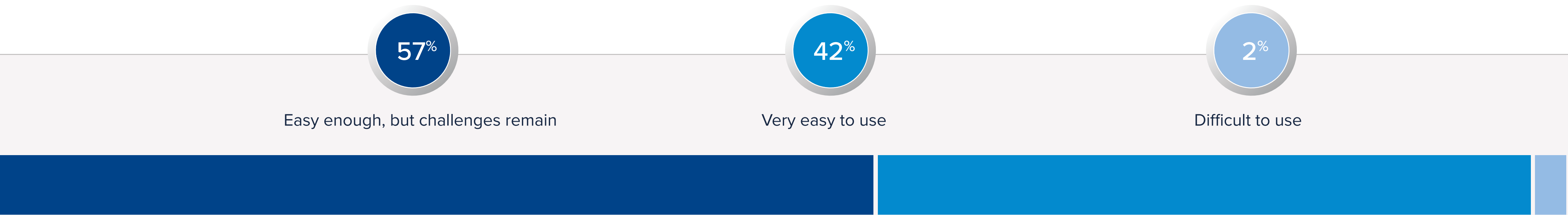We're all different, but we're all the same, too. The biggest concern voiced by respondents when it comes to managing SMS is integrating the new channel with existing systems and workflows. Likewise, when evaluating new platforms, respondents said ease of integration was the primary decision-making factor.

Businesses are aware of and understand how their customers want to communicate. So what's the hold up with an SMS-first approach? In a word: integration. Many businesses still struggle to implement integrated channels into their workflows. In fact, integration was ranked as the top decision-making factor by all survey participants. To overcome the integration hurdle, executives should look to next-generation platforms that consolidate disparate tools and systems and modernize their infrastructure with software that unifies core contact center functions across the entire business ecosystem by allowing information to flow freely between channels, reporting, and analytics applications.

LIVEVOX

How would you categorize your ease of operating non-voice channels?

Rounded to the nearest whole number

57% Easy enough, but challenges remain

42% Very easy to use

2% Difficult to use

All Industries

48%   48%   3%

BPO Segmentation

1%   57%   41%   1%

Financial Services Segmentation
Business Process Outsourcing, Financial Services & Banking, and Fintech

48%   48%   2%

Outbound Communications Segmentation
Telecommunications, Sales/Marketing

LIVEVOX

Rank the area of largest concern for your organization when it comes to operating non-voice channels.

Rank utilization by priority on a scale with **5 being the highest** and **1 being the lowest.**

All Industries

BPO Segmentation

Financial Services Segmentaion
Business Process Outsourcing, Financial Services & Banking, and Fintech

Outbound Communications Segmentation
Telecommunications, Sales/Marketing

	All Industries	BPO Segmentation	Financial Services	Outbound Communications
Integration with Voice and Other Channels	3.3	3.0	3.2	3.4
Compliance	3.2	3.2	3.4	3.1
Operating/ Monitoring Execution	3.2	3.6	3.3	3.2
Knowledgeable Personnel	2.6	2.2	2.5	2.7
Technology Limitation	2.6	3.0	2.6	2.6

LIVEVOX

Rank the area of largest concern for your organization when it comes to operating non-voice channels.

Rank utilization by priority on a scale with **5 being the highest** and **1 being the lowest**.

- ■ **All Industries**
- ■ **Outbound Communications Segmentation**
  Telecommunications, Sales/Marketing
- ■ **BPO Segmentation**
- ■ **Financial Services Segmentaion**
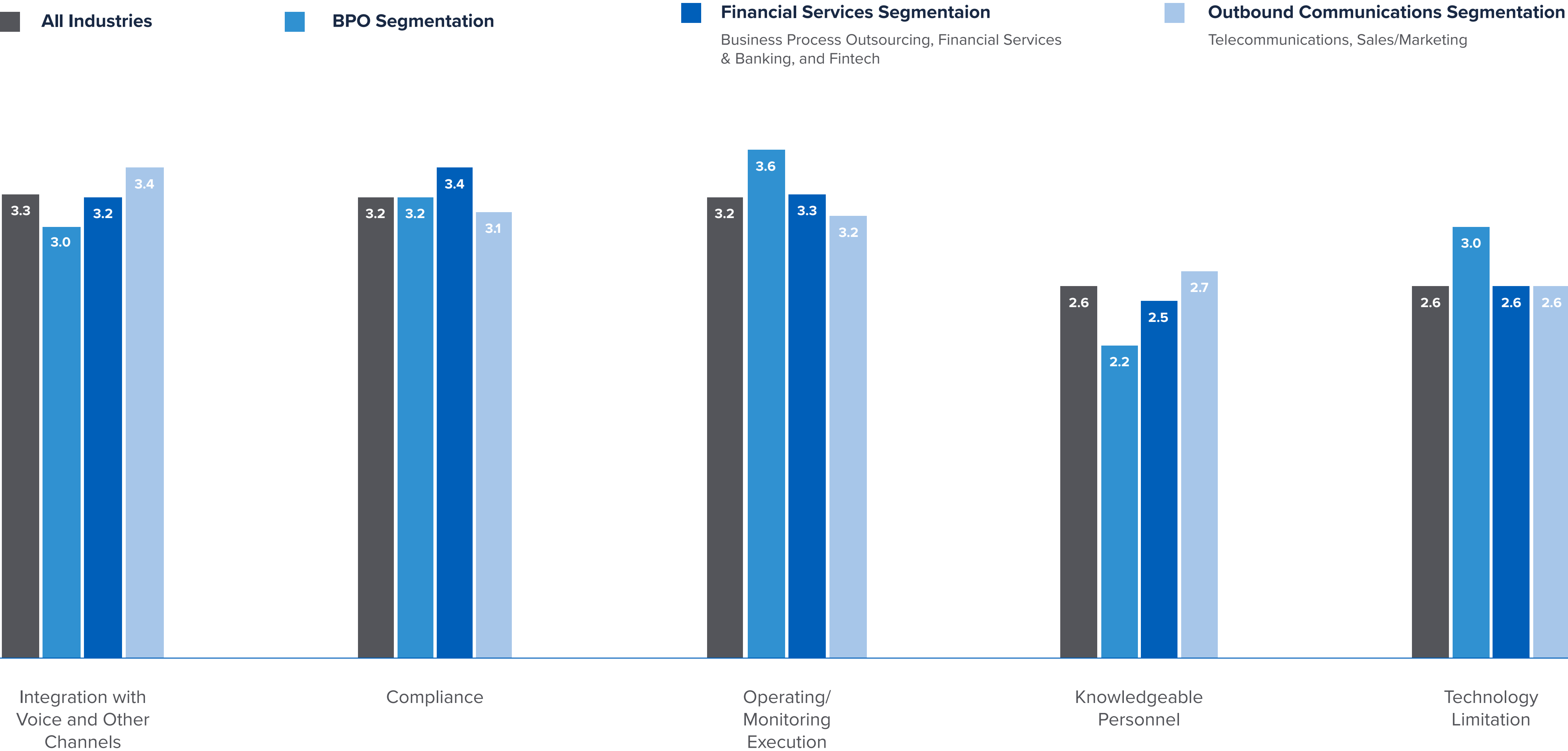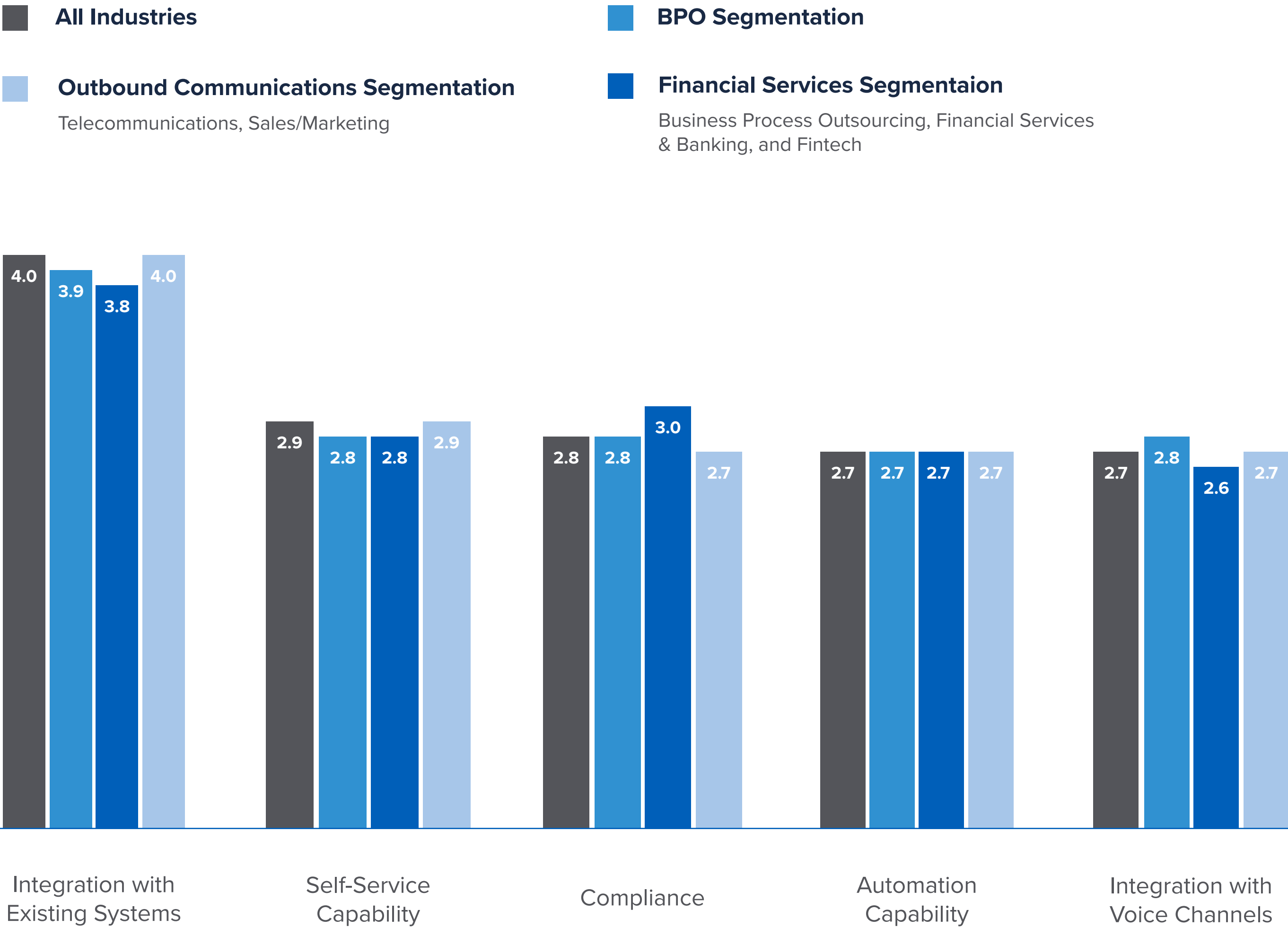 Business Process Outsourcing, Financial Services & Banking, and Fintech

	All Industries	Outbound Comms	BPO	Financial Services
Integration with Existing Systems	4.0	3.9	3.8	4.0
Self-Service Capability	2.9	2.8	2.8	2.9
Compliance	2.8	2.8	3.0	2.7
Automation Capability	2.7	2.7	2.7	2.7
Integration with Voice Channels	2.7	2.8	2.6	2.7

What do people look for when evaluating an SMS or two-way messaging platform?

SMS, and digital channels in general, have played a significant role in shaping workflows for newly remote teams. During quarantine when many onsite operations shifted to work from home, digital channels were leveraged to maintain agent efficiency and deflect high call volumes. With many executives considering making work from home a standard operating procedure, digital channels will continue to be a common feature of the next-generation contact center.
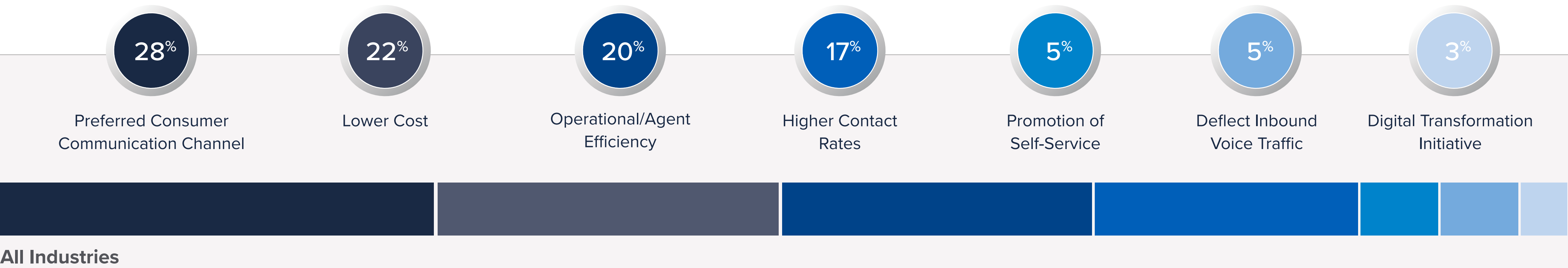
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A PENNY SAVED, A CUSTOMER EARNED

In conjunction with satisfying customer preference, our survey participants noted that another reason for turning to SMS is its affordability.

At around 10 cents per message compared to around $6 per voice call, SMS is a no-brainer to the pennywise contact center leader for its price tag alone. But its not just that the channel is cheap. It's highly cost-effective in terms of ROI and beneficial for what it brings to the business long term in relation to the preference demand it meets. Beyond any dollar amount, SMS messaging is cost-efficient because it expands outreach, has a high open-rate and thus greater visibility and penetration, and brings more reliable customers to the business with a small investment.

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What is your business purpose for adopting non-voice channels?

Rounded to the nearest whole number

28%	22%	20%	17%	5%	5%	3%
Preferred Consumer Communication Channel	Lower Cost	Operational/Agent Efficiency	Higher Contact Rates	Promotion of Self-Service	Deflect Inbound Voice Traffic	Digital Transformation Initiative

All Industries

BPO Segmentation

23%	36%	13%	23%	3%	3%

Financial Services Segmentation
Business Process Outsourcing, Financial Services & Banking, and Fintech

28%	24%	19%	15%	5%	4%	4%

Outbound Communications Segmentation
Telecommunications, Sales/Marketing

28%	19%	20%	16%	5%	5%	4%

LIVEVOX
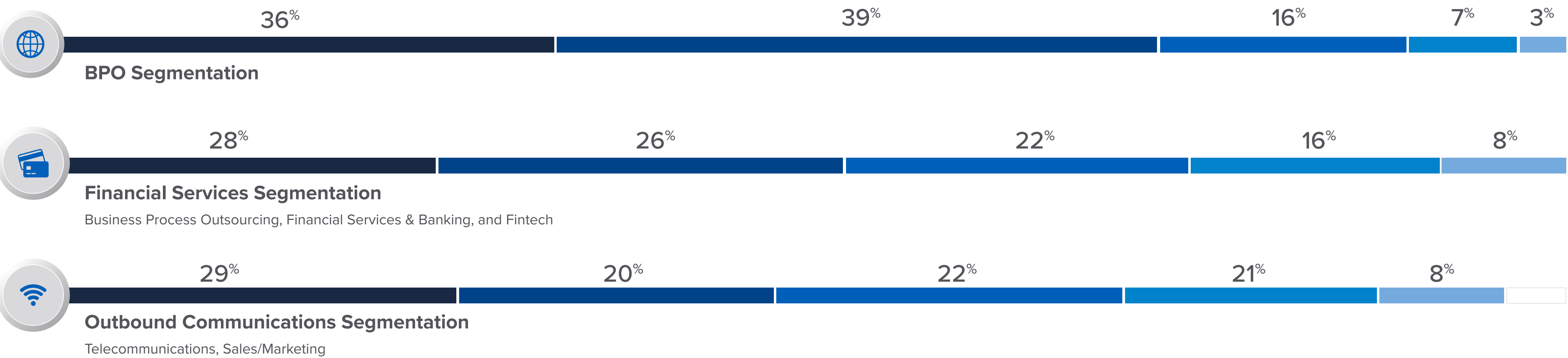
FLEXING TO FIT A NEW PARADIGM

SMS, and digital channels in general, have played a significant role in shaping workflows for newly remote teams. During quarantine when many onsite operations shifted to work from home, digital channels were leveraged to maintain agent efficiency and deflect high call volumes. With many executives considering making work from home a standard operating procedure, digital channels will continue to be a common feature of the next-generation contact center.

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How did non-voice channels help your contact center?

Rounded to the nearest whole number

29% — Supported a Work From Home Environment

23% — Reduced Inbound Call Volume by Promoting Self-Service

22% — Provided an Efficient Communication Tool

19% — Improved Agent Efficiency

8% — Consumers Preferred It

All Industries

36%	39%	16%	7%	3%

BPO Segmentation

28%	26%	22%	16%	8%

Financial Services Segmentation
Business Process Outsourcing, Financial Services & Banking, and Fintech

29%	20%	22%	21%	8%

Outbound Communications Segmentation
Telecommunications, Sales/Marketing

LIVEVOX

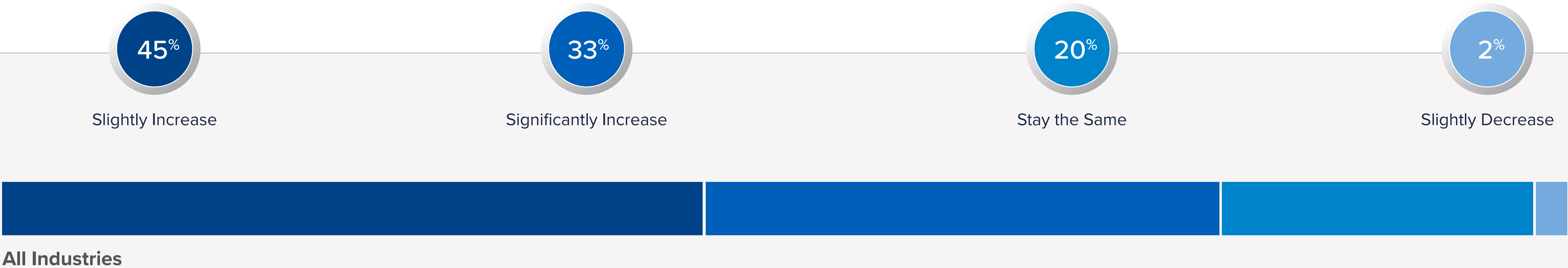# CONVERSATIONAL ENGAGEMENT IS •
HERE TO STAY

The first hurdle in change the customer experience paradigm has been an operational one. That entailed thinking through where SMS could add strategic value and simplify agent and customer interactions. Next, the matter at hand will be thinking past the obvious areas SMS can be deployed such as onboarding, alerts, and reminders to including more upselling options such as special offers, promotions, and especially issue resolution to foster truly two-way communication as part of a larger intention that drives the conversations that include the entire customer lifecycle forward.

78% Looking ahead into the next twelve months, the majority of survey participants say SMS and digital channel usage will increase.

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As you look forward to the next 12 months, do you expect the perecntage of non-voice communication within your contact center to:

Rounded to the nearest whole number

45%	33%	20%	2%
Slightly Increase	Significantly Increase	Stay the Same	Slightly Decrease

All Industries

BPO Segmentation
42% 36% 23% 0%

Financial Services Segmentation
51% 27% 20% 2%
Business Process Outsourcing, Financial Services & Banking, and Fintech

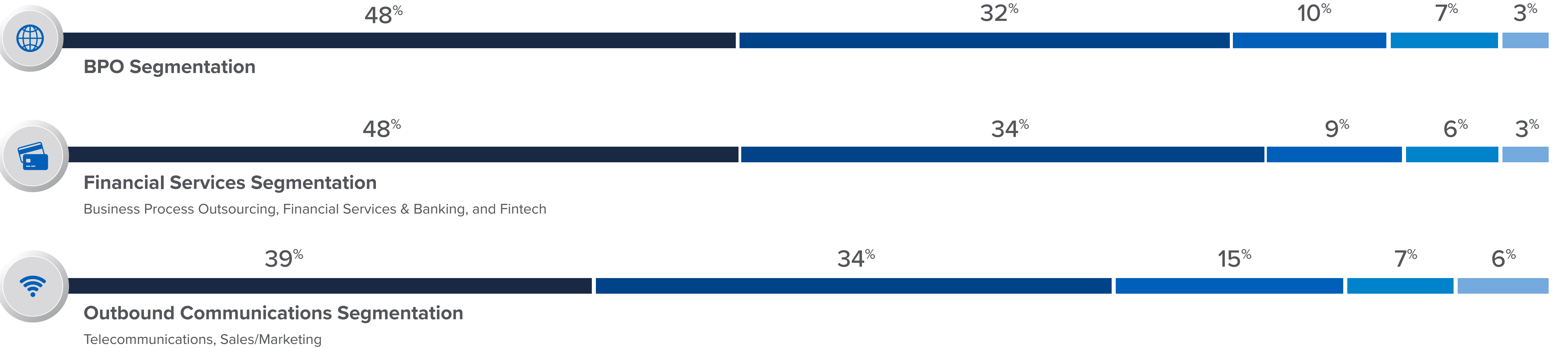**Outbound Communications Segmentation**
43% 35% 20% 2%
Telecommunications, Sales/Marketing

LIVEVOX

What is impacting this switch?

Based on your answer to the previous question, which of the following has the greatest impact on your prediction?

Rounded to the nearest whole number

42% Consumer Preferences and Experience

34% Work FromHome Settings

13% Operational/Agent Performance

7% Additional or Shift in Business Use Case

5% Further Promotion/Demotion of Self-Service Tools

All Industries

BPO Segmentation
48% | 32% | 10% | 7% | 3%

Financial Services Segmentation
48% | 34% | 9% | 6% | 3%
Business Process Outsourcing, Financial Services & Banking, and Fintech

Outbound Communications Segmentation
39% | 34% | 15% | 7% | 6%
Telecommunications, Sales/Marketing

LIVEVOX

About LiveVox •

LiveVox is a next-generation contact center platform that powers more than 14 billion interactions a year. We seamlessly integrate omnichannel communications, CRM, and WFO capabilities to deliver an exceptional agent and customer experience, while reducing compliance risk. Our reliable, easy-to-use technology enables effective engagement strategies on communication channels of choice to drive performance in your contact center. Our battle-tested risk mitigation and security tools help clients maximize their potential in an ever-changing business environment. With 20 years of pure cloud expertise, LiveVox is at the forefront of cloud contact center innovation. Our more than 450 global employees are headquartered in San Francisco; with offices in Atlanta, Denver, New York City, St. Louis, Medellin, Colombia, and Bangalore, India.

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