



Mobile Messaging Adoption Report 2021



Introduction

The number of people using mobile messaging apps is **projected to grow to 3 billion by 2022** (Statista), but what does this dizzying growth mean for businesses searching for better ways to engage with their customers and staff? Esendex, working with PricewaterhouseCoopers (PwC), surveyed over **4,300 businesses across Europe** and APAC to find out how mobile messaging adoption is evolving.





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Defining mobile messaging

We have defined mobile messaging as **messages sent via SMS, Rich Communication Services (RCS), and messaging apps including WhatsApp, Apple Business Chat and Facebook Messenger.** The survey's context was business messaging; how these services are used in a business context, rather than personal use.









Key findings

1. Mobile messaging penetration

Our survey found that mobile messaging is widely accepted and used across all business sizes and industries, with 47% of respondents using mobile messaging overall.

Penetration is lower in SMEs (39%) and higher in enterprise (58%).

Here's the breakdown of mobile messaging use by country and company size:

Country	 GERMANY	 FRANCE	 UK	 ITALY	 AUSTRALIA	 SPAIN
Overall penetration	38%	43%	52%	53%	53%	58%
< 250 employees	28%	35%	45%	46%	47%	49%
> 250 employees	53%	53%	62%	60%	63%	68%

*"There is a clear gap between mobile messaging usage in SMEs and enterprise, however, this is closing. **50% of new penetration** from businesses intending to use mobile messaging in the future is expected from SMEs."*

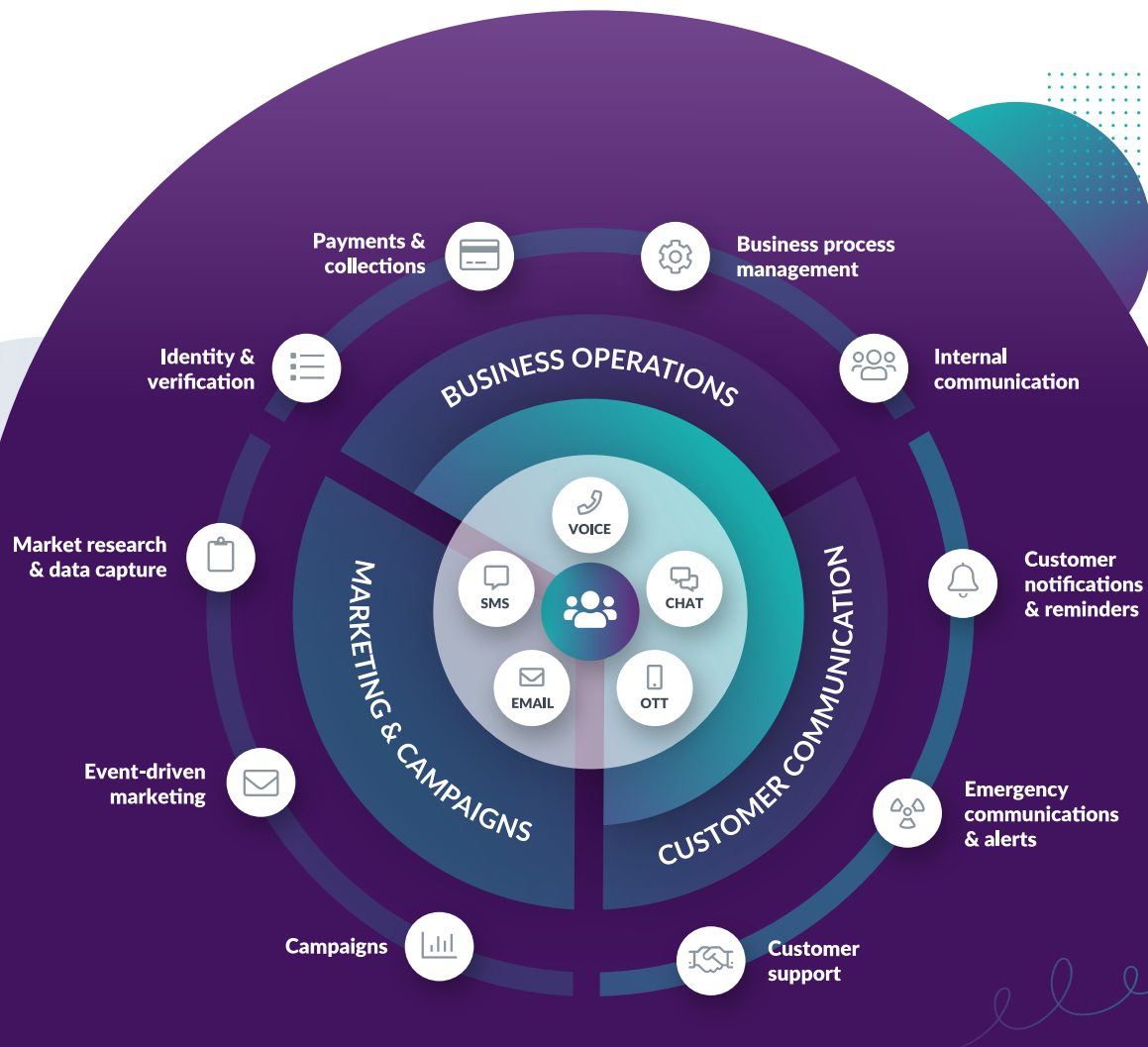
Why is mobile messaging less widespread as a business to consumer communication channel in France and Germany? Simply because the cost price of SMS is higher in these countries, whereas in the UK, Italy, Australia and Spain the return on investment from mobile messaging is faster.

2. Mobile messaging usage

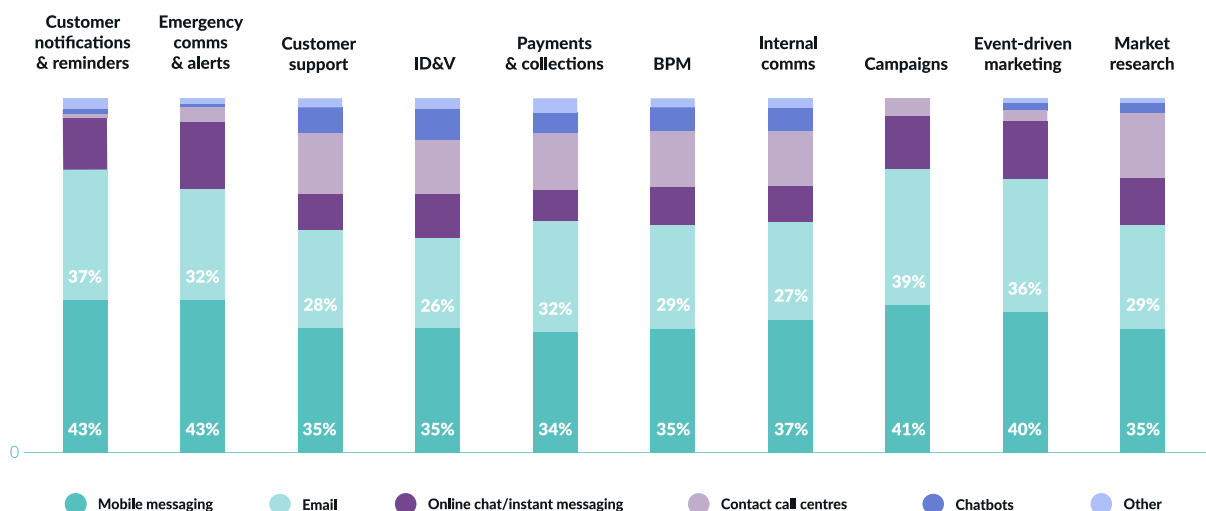
We identified over 80 applications for business messaging, which we then categorised under 10 major use cases, and three business strategies (see diagram below).

The most popular use cases for mobile messaging are

- ▶ **Emergency communications and alerts** (used by 21% of respondents)
- ▶ **Event-driven marketing** (20%)
- ▶ **Customer notifications and reminders** (19%)
- ▶ **Business process management** (19%)
- ▶ **Marketing campaigns** (19%)



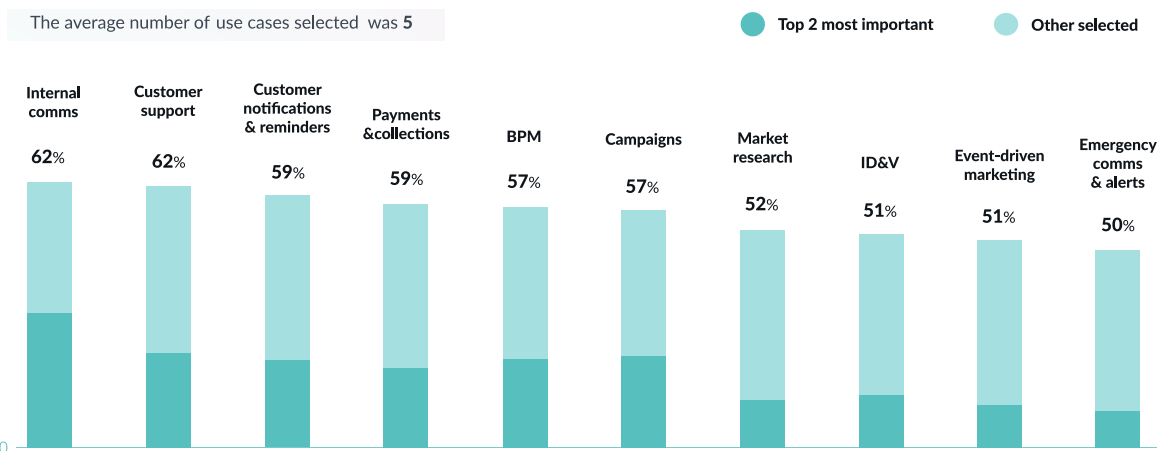
Once a business adopts messaging for a use case, it becomes the number one communication channel, overtaking email, online chat and call centres.



3. Use case adoption

On average, respondents to our survey were actively communicating with staff or customers across five major use cases. Note that this data relates to all communication channels, not just mobile messaging.

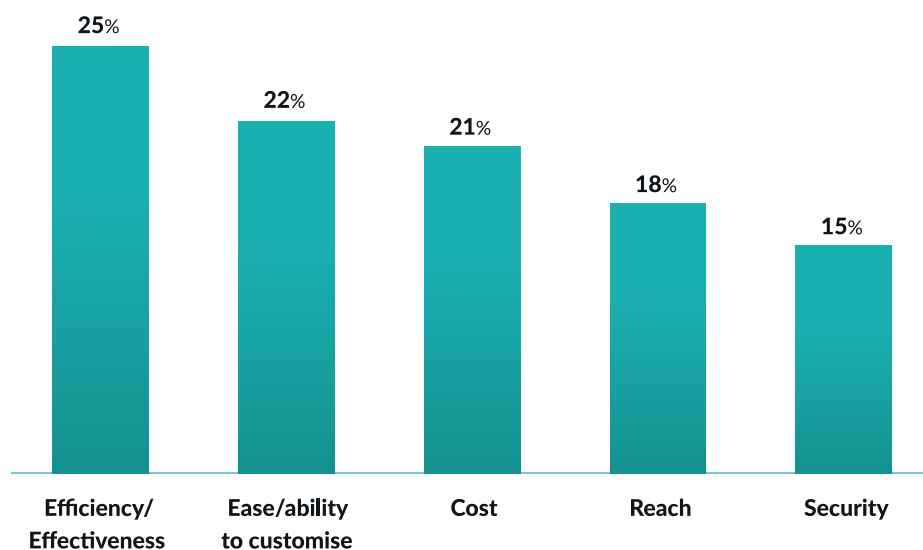
Which of the following communication types does your company currently undertake with customers or internally?



4. Why do businesses choose SMS?

Looking specifically at SMS as a subset of mobile messaging, we wanted to explore what made this channel appealing.

Respondents' reasons for using SMS to communicate with customers and staff:



SMS can be delivered to any mobile handset, doesn't require an internet connection, and is necessarily short and to the point: for all of these reasons, and also because far less spam is sent via this channel, SMS has a 95% open rate*, making it highly effective when you need to cut through the noise.

*Source: Esendex

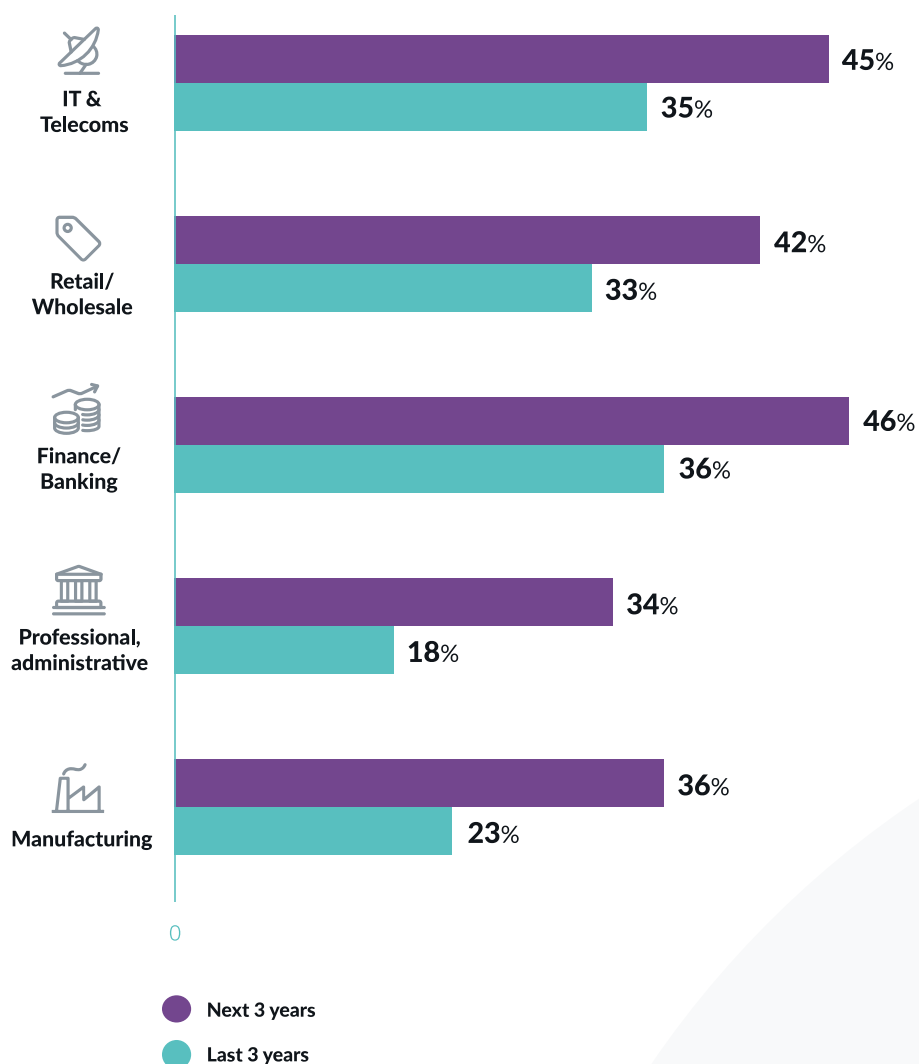


5. Which industries are growing their use of SMS?

The following chart shows the industries growing the fastest in their use of SMS; all have increased their use of SMS in the last three years, but their future projections for SMS use are significantly higher.

The two key reasons given for this expansion are the ROI that is delivered via this channel, and customer preferences driving increasing volume of existing use cases.

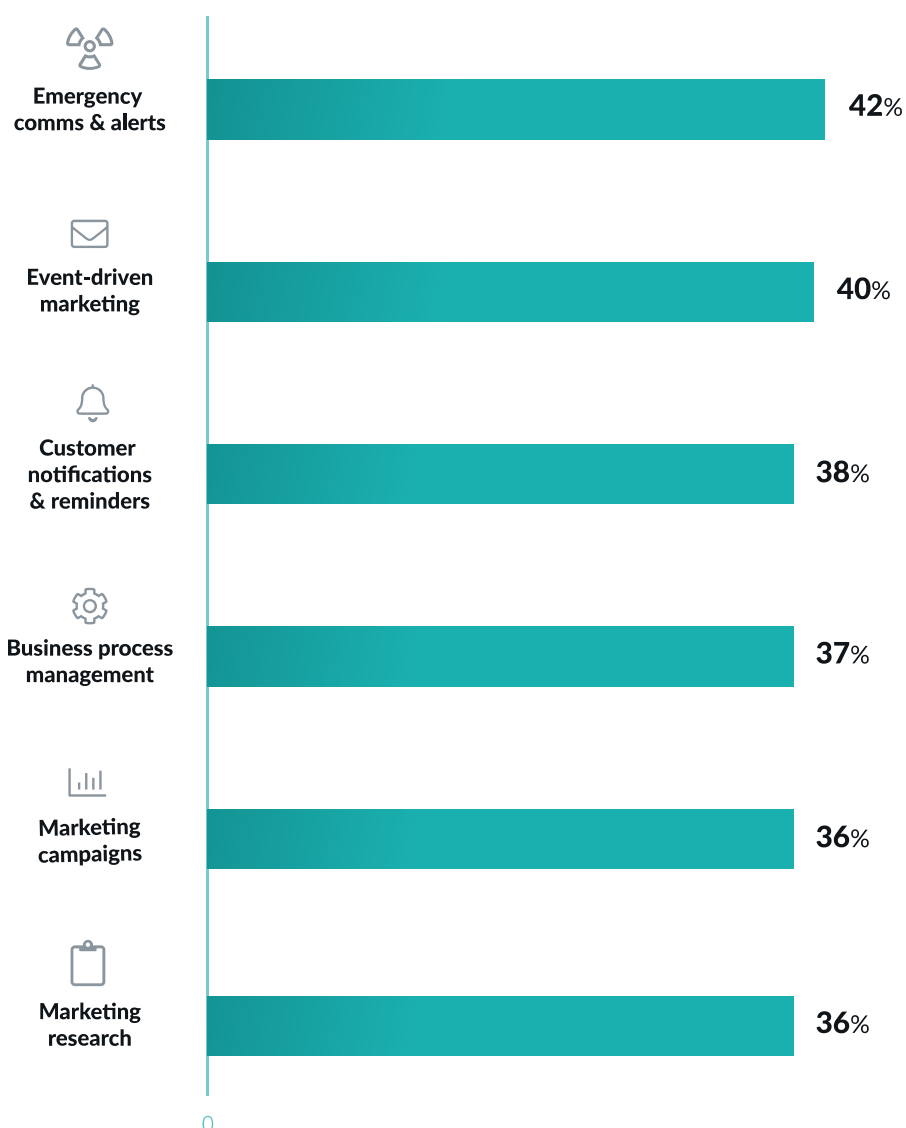
Average increase in spend:



6. The impact of COVID-19 on mobile messaging

As the pandemic moved people from offices to their homes, creating a field-based workforce for many businesses, and bricks and mortar stores were replaced with eCommerce websites, it is unsurprising to discover that it also impacted the volumes of messages sent via mobile channels.

During the pandemic, the following use cases increased by:



Some use cases have become more pertinent, such as event-driven marketing & emergency comms:

*“We’ve **increased our use** to **communicate changes** in operations, **order updates** and **flash sales** to generate cashflow”*

Managing Director

50-99-employee retail/wholesale company

*“**Comms have had to go out in response to government announcements** in a **more timely** manner than we would necessary be used to. We have also relied heavily on social media as that has been the up and coming trend throughout lockdown periods”*

Head of Product

1000-4999-employee travel & leisure company

*“There is a **greater push towards digital tools**, primarily to reduce administrative burden on the operators”*

IT Manager

500-999-employee transport company

In summary

- ▶ Mobile messaging is **widely accepted** and used across all business types
- ▶ **47%** of respondents use **mobile messaging** overall
- ▶ Penetration is **lower in SME (39%)** and **higher in enterprise (58%)**
- ▶ **Substantial future growth** is expected, with half of new penetration expected from SMEs
- ▶ Generally similar, **consistent findings** across all countries
- ▶ Once established, mobile messaging is the **most popular communication method**, with **35-45% of communication share** across use cases
- ▶ COVID-19 appears to have had a **moderate positive impact** on mobile messaging volume.
- ▶ The verticals expected to generate the most growth in SMS spend are **IT & Telecoms, Retail & Wholesale, and Financial Services**.



Data sources




	Surveyed	< 250 employees	> 250 employees
UK	844	49%	51%
ITALY	791	52%	48%
FRANCE	690	49%	51%
SPAIN	689	50%	50%
GERMANY	685	51%	49%
NETHERLANDS	391	43%	57%
AUSTRALIA	299	46%	54%
TOTAL:	4,389	<i>ee</i>	



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