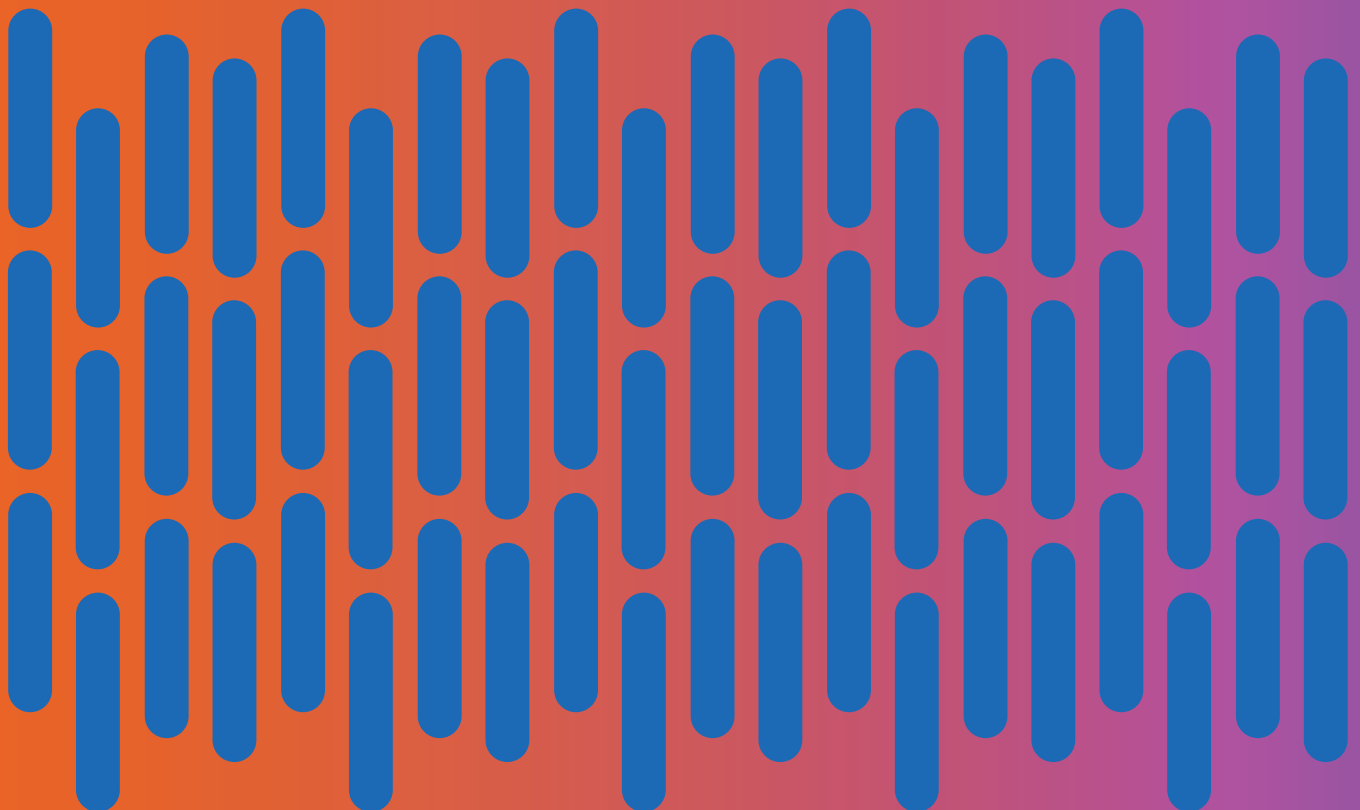


**SMS and Customer
Experience:
Is your business
getting what
it needs?**

—

**The benchmark
for quality in the
SMS industry.**

April 2020



Overview

It's easy to think of SMS messaging as a decade old throwback of communication. In an era of always-on social platforms, instant messenger and highly sophisticated CRM tracking software the SMS can seem somewhat irrelevant. This couldn't be further from the truth.

Scratch beneath the surface and it is a critical technology for businesses. One that has a vital role to play in terms of brand value and revenue generation. But only if used appropriately and accurately, blending the tools of today with a technology that has been a staple part of the communication landscape for almost 20 years. And this is what this whitepaper will cover.

The SMS industry is ripe for disruption. It is beset with trust, quality and governance issues, the vast majority of which remains undetected by the companies sending the messages. At the same time, small and mid-sized businesses are under phenomenal strain both in the short-term, as the struggle to come to terms with the true legacy impact of the Covid-19 virus, and in the long term with sweeping changes to business and consumer culture - to maintain a strong customer experience.

Then consider that today's consumer is both discerning and demanding. Anything less than an optimal experience is shared immediately and to hundreds, sometimes thousands of others, and it only takes one bad experience, one let down or one miscommunication to lose a loyal customer. We're also seeing a generational disparity in how consumers use, understand and trust technology which is presenting a myriad of options for businesses in how to reach them. Picking the right one, for the right consumer isn't easy because of the wide spectrum of use cases - from security authentication with banks and payments to appointment confirmations - if SMS messages are slow, incorrect or never appear, you can almost guarantee an unhappy customer as a result.

Whatever sector of business - from GPs to bankers to car makers, today's landscape means that it is now more vital than ever to have complete trust, transparency and faith in your customer communications. Yet 5% of SMS don't get to where they are going, and this is something businesses should simply not have to worry about. But businesses should care as to why this has become pretty standard practice.

State of the SMS nation

Today, mobile phone penetration is ubiquitous. 67% of the world's population has a mobile phone, according to the GSMA, with SMS a standard feature in all mobile phones. Little wonder then that industries such as tourism, retail, banking, financial services, healthcare, entertainment, and media continue to reach out to the vast base of mobile and smartphone users through Application to Person (A2P) SMS.

Since its inception, it is a communication tool that has been growing and it is now the key mobile channel through which businesses connect with their customers. We've all had messages from our banks regarding real-time updates to our accounts, or GPs and dentists to confirm appointments. Despite the proliferation of other communications channels, A2P SMS messaging remains essential because no other platform or channel can match its ubiquity and immediacy.

Today, the world sends
500 billion SMS messages
per month and of those,
the read rate is...

98%

There are estimates that the global A2P SMS market today is growing at a rate of 7% CAGR, and a staggering value of US\$80 billion.

Aside from its universal nature, another powerful argument in favour of A2P messaging is that it is 'clean'. Unlike email, it has not been overwhelmed by fraud and spam. This means that, by and large, people still trust SMS. And businesses should absolutely have trust in SMS. If they send an SMS, it is naturally assumed that it gets delivered. This shouldn't be an expensive assumption. It is also massively cost-effective while boasting a wide reach, enabling businesses to interact with customers anytime and anywhere.

And while these are major weapons in the SMS arsenal for businesses, it's an industry beset with issues that is having a major knock-on impact to businesses that rely on it... if they're even aware of it.

What's the value of an SMS?

For businesses who understand that value represents more than just a pound sign, value is a concept that runs through the heart of the business. A business knows the value of its stock or assets. You can be sure it knows the value in its customers. But what about the value of the SMS messages it sends? Do many businesses know how 1 SMS impacts customer acquisition, engagement or retention?

The perception is that SMS is a transactional medium of reassurance. Messages carrying information saying things like, "your invoice has been paid" or, "your parcel has been delivered". They reinforce and reassure the customer that not only has their order been obligated. But, by proxy, it sends a clear signal that businesses and customers are 'on the same page'. That as business and customer, we're aligned in what's happened and despite the distance between us, we have clear and shared visibility.

That's fine when it's fine. But what about when it is not?

What happens when messages carrying critical information are missed or worse, never delivered?

Because it doesn't matter how many successful messages are sent, the customer remembers the one time that you got it wrong. The message they never received, the One Time Password that was delivered too late, the appointment that was missed.

An SMS that carries critical information that never arrived are the ones that are most expensive to businesses. They'll certainly cost some goodwill and maybe a dent to a reputation. At worst, it will cost a customer. A hard won, nurtured, valuable customer. That's a lot to pay for one SMS. But the sad truth is that SMS quality assurance has not been there to date. Why? Because in the world of SMS, the ability to track if a message has been delivered, surprisingly does not exist.

This is a major issue.



One in twenty messages don't get delivered and providers can't tell businesses why



Failed messages cost the industry

\$3.6 Bn
a year

Think that's bad?
The SMS platforms still charge for it.
So where can businesses turn?

The industry players

As consumers, if we don't like something, we can vote with our feet and our wallet. But when it comes to A2P SMS services businesses are stuck. It's not because of a lack of options in the market. Far from it. There are many options for businesses when it comes to SMS delivery. The trouble is, what's on the table at the moment is not fit for purpose.

Quality has not been at the forefront of the SMS delivery industry. The impact can often be negligible leading to limited insights on performance, message delivery failures and latency issues. Supply chain governance and compliance audits are also rare.

There are, of course, aggregators that specialise in SMS delivery like Twilio. But, by default, these types of companies are selling a commodity. These aggregators tend to offer no quality of service insights or SLAs. Today, there are no alternative messaging platforms in sight, that have the same levels of ubiquitous reach or focus on delivery or quality.

All of this is causing multiple problems for business using SMS and the suppliers supplying the services.

What's happening behind the scenes?

On the supplier front, these issues are having a negative effect on the companies that use these services for A2P SMS. Current SMS providers are reporting message delivery, when 5% have failed and there are inconsistencies in how long the message takes to be delivered. Unsurprisingly, this is impacting on customer churn and reducing customer engagement.

With no way to measure SMS quality, SLAs cannot be offered or enforced, which is creating multiple other issues when it comes to the supply side. By this, we mean things like leakages, i.e. when SMS messages are reported as delivered, but have actually failed in transit, which is incredibly hard to detect. The lack of a clear process and system also means there is data latency in terms of delivery - often up to two weeks. Which means if something happens that degrades the quality of service, it often takes two weeks for data insights to reflect this degradation. If your businesses relied on swift and timely SMS deliveries, how would you feel if there could be such a long reaction time to service impacting issues and faults? But because of the lack of SLAs, quality control and governance, businesses are kept blind to what is going on.

If that wasn't bad enough, all of the opaque elements of the category have only encouraged fraud and use of "bad actors" in the supply chain.

In a world where the customer experience is king - this simply cannot, and must not, be allowed to happen.

The CX battleground

More and more businesses are realising that true competitive advantage lies in creating an engaging customer experience — one that is personal, fast, easy, and useful. The only problem: many companies are not quite sure how to create it. By using advanced analytics, companies can make better use of their customer and user experiences, leading to higher satisfaction — and loyalty — in the long term.

The ability to deliver clear, concise and timely information is critical to this. In fact, it's the bare minimum customers expect. In a digital marketplace, customers are more demanding than ever, which has driven customer experience (CX) right to the top of the agenda for organisations. For evidence of this, look no further than the research findings from some of the most respected and well-renowned bodies in the land:

Customer experience (CX) is being driven right to the top of the agenda for organisations

- Investment in CX increases revenue 100% in three years / McKinsey & Co
- 86% Buyers pay more for great CX / Salesforce
- 52% of all internet traffic now comes from mobile / Vodafone
- 72% customers share positive CX experience with six or more people / EY
- 1 in 3 customers will leave after one bad CX / Ovum

The penetration of mobile means it is the number one focus channel for CX and SMS is a huge reason for it. From onboarding, reminders and feedback, SMS is unrivalled. The channel boasts engagement rates up to eight times higher than email. In fact 90% of all text messages are opened within three seconds of being received.

It is the new battleground for businesses when it comes to keeping, and winning customers. And it is one that every business must win. But to do this, they need an A2P service that bucks the trend of today's options.

The Augnet disruption: SMS Aware

Augnet has developed a unique technology platform that gives businesses the power to govern the quality of the SMS supply reducing impact on end-user experience and providing value for money. We are on a mission to end the uncertainty and cost of not knowing where SMS messages are, or how long they take to get delivered.

**“Because in our world,
one undelivered message
and one lost customer,
is one too many.”**

We've built the world's first auditable SMS delivery system. It is composed of millions of crowdsourced mobile devices, which provide us with our own dashboard giving us an accurate, real time status of SMS messages. This unique quality assurance capability gives us the confidence to take your SMS traffic and guarantee speed and delivery.

Whether it is today, tomorrow or way into the future, our SMS Aware platform is solving three key problems in the industry:

- 
-  **Today**
CX Impact: Issues with SMS quality (non-delivery of messages, SMS cropping, latency, fraud ...) impacts the customer experience, impacts the brand and this has a big cost and revenue impact on the company
 -  **Tomorrow**
Operational Challenges: Managing existing SMS suppliers is impossible with no SLA and no way to measure quality effectively – compliance becoming an issue with GDPR for example – the cost impact is very significant
 -  **Future**
CX Strategy: Omni-channel CX strategy is the new battleground and the Enterprise Needs to surround themselves with partners who bring visionary technology and products and services – optimised CX strategy revolutions the business model

An unfair advantage

Our end to end platform does all the work, on every stage of the journey. By combining real-world measurements with scientific analysis, we can provide independent insight on SMS delivery globally at the flick of a switch. We want to ensure your SMS get delivered to who they need to get to.

We know you don't need to know the nuts and bolts. All you need to know is that we have a global test network of more than two million devices covering 90 countries. This is not only a dynamic and growing device pool, but it is one that is resistant to white listing. By the end of this year (2020), the network will be closer to 100m devices. This acts as a completely independent source of truth and transparency.

We combine this network with world-class data analytics and science. This knowledge and insight don't just unlock a clear view of strengths, opportunities and priorities for improvement for each and every business, but it means any decisions can be made with confidence. It's a fundamental difference to the other A2P SMS tools on the market.

Of course, no A2P SMS system would be complete without the delivery. We have deep expertise in the commercial management of SMS suppliers and enjoy world-class wholesale rates. And what does that mean to your businesses? That every customer gets access to this globally optimised network.

Why Augnet SMS Aware?

For small and mid-sized businesses, the reliability, spread, ease and cost effectiveness of A2P SMS communication is key. Now we've created a platform that neutralises all of the issues you may have had. We take your traffic and we assure the quality and supply of your messages - something previously not possible. Now you finally get to define your own service levels for SMS engagement with your customers.

This means businesses immediately benefit from:

- 1. Bottom line impact** – we drive a better customer experience, so less churn and higher conversion
- 2. Competitive pricing** – we don't think businesses should pay extra for high-quality SMS
- 3. Operational benefits** – from frictionless onboarding to a high-level of assurance that someone is looking after your SMS

If ever businesses needed reliability, transparency and certainty, it is now. That is what we offer. With a highly experienced and entrepreneurial leadership team, coming from the telco, messaging industries, combined with recognized industry partnerships and VC backing, Augnet has arrived to change the status quo. That is giving businesses a benchmark for quality in a world of SMS communication.

For a discussion around how we can help your business, please contact hello@augnet.co.uk or visit www.augnet.co.uk/sms-aware

Simplicity is key

Our pricing structure makes switching attractive. You can even start with a free account to get you up and running. We have an on-boarding process that allows super-fast API integration, and terms of use that supports early experimentation and proof of value through a try before buy/trial approach.

About Augnet

Augnet, a UK headquartered company, delivers the world's first SMS quality assurance platform www.augnet.co.uk



“As a Telco industry insider, including 10 years as a Senior Manager at Skype, and an active Angel investor, I started Augnet with an ambitious plan to provide governance and trust to an industry fraught with abuse and revenue leakage I want to enhance trust in enterprise messaging - Augnet will be the trusted industry kitemark for quality in the SMS industry - this is our mission”

Daniel Gill, CEO and Founder, Augnet