

An Effective B2C Messaging Strategy Comes Down to These 3 Things



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The widespread consumer adoption of over the top (OTT) channels is changing the way businesses communicate with their customers. The onset of high user adoption with social chat apps such as WhatsApp and Viber has made businesses rethink their messaging strategy to expand beyond traditional telephone network channels, such as SMS or MMS. Businesses need to follow their users to these new messaging channels, or risk being left behind.



WhatsApp already generates nearly three times as much daily traffic as person-to-person (P2P) SMS, according to TM Forum, and Ovum predicts that IP-based OTT messaging will grow to 12 times larger than SMS by 2020. So for brands that use messaging as a key customer communication method, it's not hard to figure out where the market is headed. What can be challenging is determining what the right messaging strategy is when contending with all the new possibilities, economics, and risks presented by a rapidly evolving messaging landscape.

Let's dive into some of the fundamental questions brands need to ask themselves as they navigate this new landscape. Armed with the right business approach and messaging tools, businesses can view this new world as an exciting opportunity to both forge messaging strategies that will be truly impactful and create messaging experiences that will engage customers in ways not previously possible.

A New World in Customer Messaging Raises Questions

For businesses that have used SMS for important application-to-person (A2P) messaging functions such as two-factor authentication and customer notifications, the emergence of the OTT chat apps has forced them to re-evaluate the value of the SMS channel. Their investment in SMS is increasingly scrutinized as emerging OTT channels present alternatives.

At high-traffic volumes, for example, can a product manager justify the expense of continuing to use the SMS channel when the business can interact with customers in what seem to be cheaper channels? If users are more likely to engage on OTT channels, is spending money on SMS a waste? What's the cost of acquiring a new user via SMS versus an OTT channel?

At Nexmo, we contend that SMS is not going anywhere anytime soon. Our recommended approach is to determine how SMS can be used in conjunction with other channels rather than viewing messaging as an either traditional or OTT proposition. But that doesn't mean SMS shouldn't be re-evaluated and existing conceptions about it challenged.

In fact, we believe a thorough assessment of every messaging channel's value to the business is the key to a successful strategy. And that assessment comes down to three key variables.

The Three Variables at the Core of Any Modern B2C Messaging Strategy

Any successful strategy begins with clearly defined goals and objectives. A customer messaging strategy is no different. Rather than beginning the evaluation of a channel by focusing on its attributes—like the cost of SMS, for instance—brands should focus on what they're trying to achieve in their customer interactions.

Every messaging channel has its own metrics along three key messaging variables:

- Cost
- Engagement or read rates
- Deliverability

For larger companies with global messaging reach, regional adoption could be a fourth factor.

Different channels fall into different permutations of these variables. For example, channels such as WhatsApp that offer rich content including pictures and other media can offer high engagement and read rates as well as deliverability, but in comparison to SMS, you may need to pay a premium for these features. It will be necessary to make those decisions on a case by case basis, balancing your defined business objectives with the investment you're willing to make towards achieving each objective.

Different success factors can be applied to different channels. For critical alerts and time-sensitive messages, deliverability may be the most important factor, whereas a rich messaging experience with high engagement may be the priority for customer service.

Also, when a messaging solution allows for customization, there is a first mover advantage to offering a service through a new channel before any competitors do. For example, Emirates NBD, a leading bank in the Middle East/North Africa region, was the first to announce it will launch customised banking services via WhatsApp in the UAE.

Again, the key is choosing the messaging channel that best meets the business objective. But how do brands reconcile their internal strategizing with their customers' real-world responses to the chosen messaging channel?

With informed experimentation, data analysis and continual iteration, that's how.

Brands Can Chart Their Own Course for Messaging

Even with a well thought out strategy, how can a company know for sure that a given channel is the right one for messaging their customers? If more than one channel makes sense for a given messaging use case, which one should be implemented first? What first-hand evidence do they have that customers will respond as expected to messaging in the channel they select? What if they actually prefer another?

With few, if any, public case studies to reference in this new messaging world, these questions can be answered only when a brand has deployed their messaging strategy and gathered real data. That is when the strategy can be validated or otherwise optimized. A messaging solution that allows for experimentation with customized messaging flows would be an invaluable tool for determining which channels their customers prefer and which ones offer the best ROI.

If the solution also provided insights into the status of their messages—everything from delivery status and timestamps to costs and errors—brands could leverage real data to inform their messaging strategies. Based on their findings, they could prioritize delivery to the the most engaging channels first and then failover to others only when the initial messages weren’t read.

Of course businesses can develop this type of solution themselves, but it would be a significant investment. When contending with multiple messaging channels across both the traditional phone network and IP, building the logic to control how messages are sent to the user can get very complex. And the required logic is not core to most businesses’ value propositions.

A much more effective approach is to leverage a messaging solution that hides the complexity of integrating across all these channels and empowers the brand to pursue the messaging strategy that best meets their business needs. Armed with such a solution, a brand can confidently take on the challenges of modern B2C messaging by:

- Using the right channel for the given purpose
- Optimizing costs
- Experimenting and piloting to find the right solution

Truly impactful messaging strategies and innovative customer messaging experiences are within reach.

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