

The guide to conversational messaging

The messaging journey that began with SMS is evolving into advanced conversational channels. Here's how you can be a part of it.



Table of Contents

1	What you will learn	3
2	Why omnichannel for mobile messaging?	5
3	The opportunity gap	7
4	The mobile-first customer	10
5	The omnichannel messaging opportunity Integration Consistency Cross-channel conversation Customer support Next-gen ready Compliance	12
6	Conversational AI	20
7	Navigating the channels SMS WhatsApp RCS MMS Facebook Messenger Viber	24
8	What conversational messaging delivers	35
9	Getting started	38

1

What you will learn

Businesses are constantly weighing the pros and cons of today's messaging solutions. At Sinch, our customers see an average open rate of 25% when they reach consumers by email. On the other hand, with SMS, they can reach almost everyone they contact, but then their messages are limited to 160 characters. The clear breakaway comes with omnichannel mobile messaging, which gives enterprises the best of both worlds. By investing in next-generation messaging, you can combine the benefit of reaching all of your customers with a rich, app-like experience—and a 98% open rate.

The benefits of conversational messaging:



100% reach



App-like experience



Rich content



98% open rate

WHAT YOU WILL LEARN

Whether you work in marketing, operations, or customer care, conversational messaging can help you drive substantially more engagement among your customers, creating more frequent sales opportunities, more meaningful touchpoints, and valuable openings to educate consumers across these channels.

Here's another way to look at it: if users are already familiar with a certain messaging app—perhaps one they use to stay in touch with friends and family—it will be much easier for your brand to reach them there. Users shouldn't have to swap between email, mobile apps, and customer service calls when they could be having one continuous, seamless, intuitive

conversation in their favorite chat app. The best part is that you're not giving them another app to add to their already busy screens (and jumping through all the hoops of actually driving those downloads)—your messaging is already inside something they're familiar with.

While SMS remains critical to business messaging, conversational rich messaging offers you a suite of new features without losing the benefits of what you already use. Read on for a fuller picture of omnichannel mobile messaging, and to find out how this next-generation technology can keep your business competitive in our evolving world.

4 key takeaways from this report:

- ✓ Why conversational messaging is important
- ✓ Specific features of each channel
- ✓ How to engage with the mobile-first customer
- ✓ Industry best practices

2

Why omnichannel for mobile messaging?

The omnichannel story begins with a simple question: Where is my customer?

It's a question with quite a few answers. Together, they say a lot about how today's marketing, operations, and customer experience resources are best used to connect your brand to a rapidly changing audience.

You can certainly start with geography—what countries and time zones do your customers live in?—but you'll also want to consider factors such as the kind of content, channel type and time sensitivity as well as their online habits. Are they digital natives or recent adopters? What are their favorite social channels and what do they use them for? Do they shop on desktop, mobile, or both? Are they loyal to certain e-commerce retailers or services? Do they download apps to make purchases, but then delete them afterward?



No matter where your customer is, an omnichannel messaging strategy can streamline communications and reinforce the brand experience.

WHY OMNICHANNEL FOR MOBILE MESSAGING?

Throughout its history the internet has helped innovators find ways to enhance communication by reducing points of friction. By expanding mobile messaging from 160-character SMS to two-way rich media, omnichannel, or conversational messaging is the single biggest paradigm shift taking place between brands and consumers today. In 2021, it's predicted that half of all businesses will spend more on conversational applications than on mobile apps.¹

But despite 3 billion users on messaging apps² and 100 billion messages sent daily between WhatsApp, Facebook Messenger, and Instagram³, brand-to-customer communications on mobile chat apps remain untapped territory for many

brands. Examining our own data at Sinch, meanwhile, we see that 160-character SMS has a stunning global read rate of 95% within 2 minutes.

The best of both worlds lies in conversational chat apps, which turn stunning open rates and an app-like, rich media experience into a direct, reliable connection with your customers. Most people would rather schedule a package delivery via WhatsApp or a dental visit via SMS than search their email or wait on hold for customer service. Consumers in a world suffused by always-on social media expect the same fluency and convenience from the brands that engage with them. That's a challenge for many businesses—but it's an even greater opportunity.

“

Omnichannel mobile messaging enables businesses to connect with customers across any channel and maintain context. This is essential, as each customer has their preferred channel of communication. Industry analysts forecast that by 2023, 90% of global enterprises will leverage API-enabled CPaaS offerings to drive their digital competitiveness.

Jonathan Bean,
Chief Marketing Officer,
Sinch

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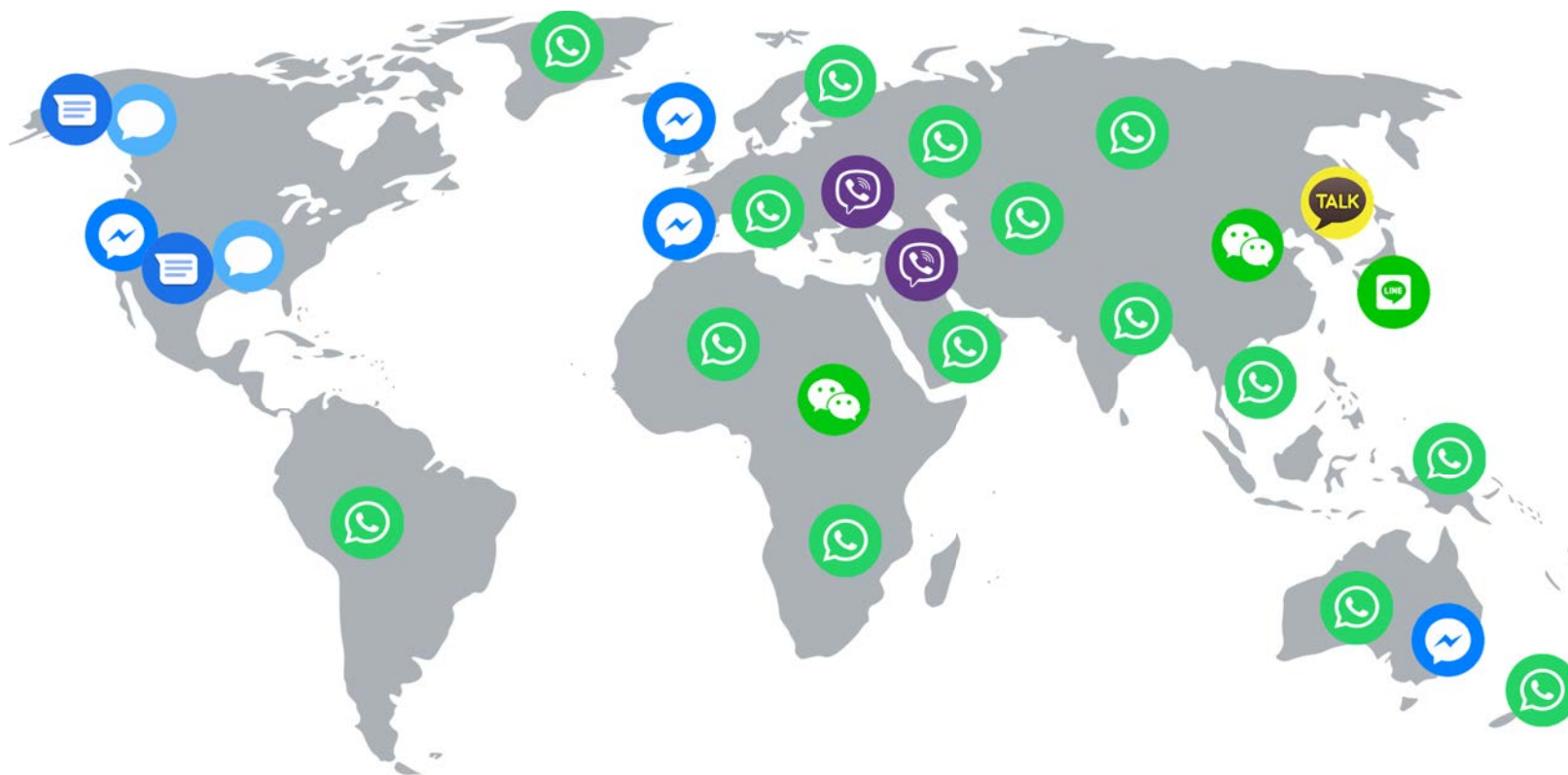
The opportunity gap

So far it's an opportunity that most businesses haven't taken advantage of. While digital transformation is moving forward, the journey takes time, money, and effort. And the opportunity gap between what consumers want and what companies can offer remains huge.

Whether you're scaling up, growing into new regions, or just meeting emergent needs by changing how you serve your customers, these are challenges you'll face as a business navigating this uneven, fragmented world. Transitioning to omnichannel mobile messaging, so you can engage with customers using whatever method is most effective for a given message, involves everything from marketing and customer service to operations. Even companies that stay the same structurally will need to find new ways of interacting with their customers in complementary ways, like grocery stores offering contact-free delivery and medical practitioners moving to telehealth.

One challenge is uneven consumer behavior

As mentioned previously, 3 billion people are using chat apps today, but their channel of choice isn't evenly distributed. And people in different parts of the world have differing preferences for how brands should reach them.



3B
users

on messaging apps

100B
messages

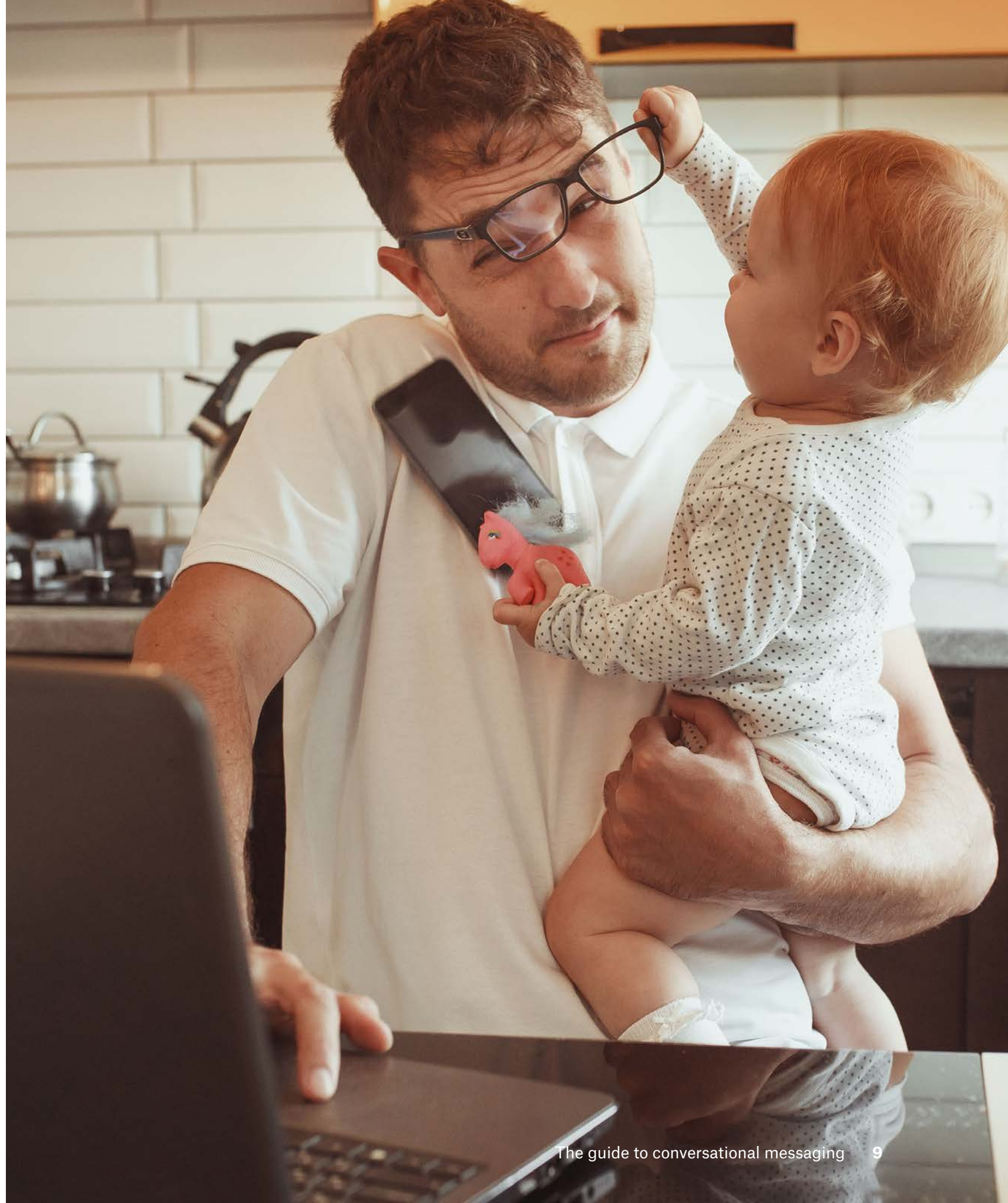
sent on WhatsApp,
Facebook Messenger
and Instagram every day

470M
new users

estimated to adopt
messaging by the
end of 2021

THE OPPORTUNITY GAP

People who've grown used to juggling home life and work life will prefer brand communications that make that ongoing multitasking easy. Brands whose messages used to be scattered across (often muted) app notifications and (unread) emails can now deliver convenience and personalization by letting users continue the conversation without having to guess how to find it.



4

The mobile-first customer

A consumer who needs something—she’s researching rates to refinance her mortgage, he wants new running shoes, their cable signal just died—might know which brand to talk to, but not want to download an app in order to get informed. A report by Comscore further supports this trend: **In one quarter of 2019, two-thirds of smartphone users in the US said they downloaded an average of 0 new apps per month.**⁴

This reluctance to use apps limits the frequency and relevance of people’s interactions even with businesses they trust. If your pharmacy just launched prescription delivery, your customer might only learn about it if they’ve downloaded your app and enabled push notifications.

But what if a customer’s entire relationship with your pharmacy, from shopping and transaction to delivery and feedback, was one ongoing conversation in a format they’re already familiar with? If they’re already messaging you on SMS about flu shots and prescriptions, a ping about free delivery would be informative and most likely welcomed.

THE MOBILE-FIRST CUSTOMER

The many digital disruptions of recent years have forced all of us to adapt, and so have the many uncertainties that 2020 has brought. To keep in touch and remain customer focused, brands must adapt as well, and that very much includes updating their messaging strategies and their methods of interacting with consumers. Companies that adopt an omnichannel mobile messaging strategy ready to meet today's realities can expect to thrive amid tomorrow's challenges.



5

The omnichannel messaging opportunity

What benefits can your company expect from transitioning to omnichannel messaging? How can these new tools help you serve your customers while building a more robust and efficient business?



Accessibility



Next-gen
ready



Consistency



Customer
support



Cross-channel
conversation



Compliance

Accessibility

“Customers use many channels ... when they interact with organizations,” writes Gartner, “and they expect a seamless experience as they switch from channel to channel.” But each channel has unique abilities and limitations—what formats it can and can’t support, what content it allows from a compliance perspective—and every consumer uses different apps for different reasons. If your brand lacks a unified approach to customer communications, going omnichannel might prove cumbersome for your development, applications, and customer support teams.

Sinch can help. Whether you need a simple API to integrate channels into your current tools or want the full conversational offering, Conversation API’s single integration point adds the reach and familiarity of numerous channels to your messaging—and when your user switches channels, you can stay focused on your message rather than dealing with each channel’s unique technical requirements.



Your purse is on the way!
Text “track” for updates.



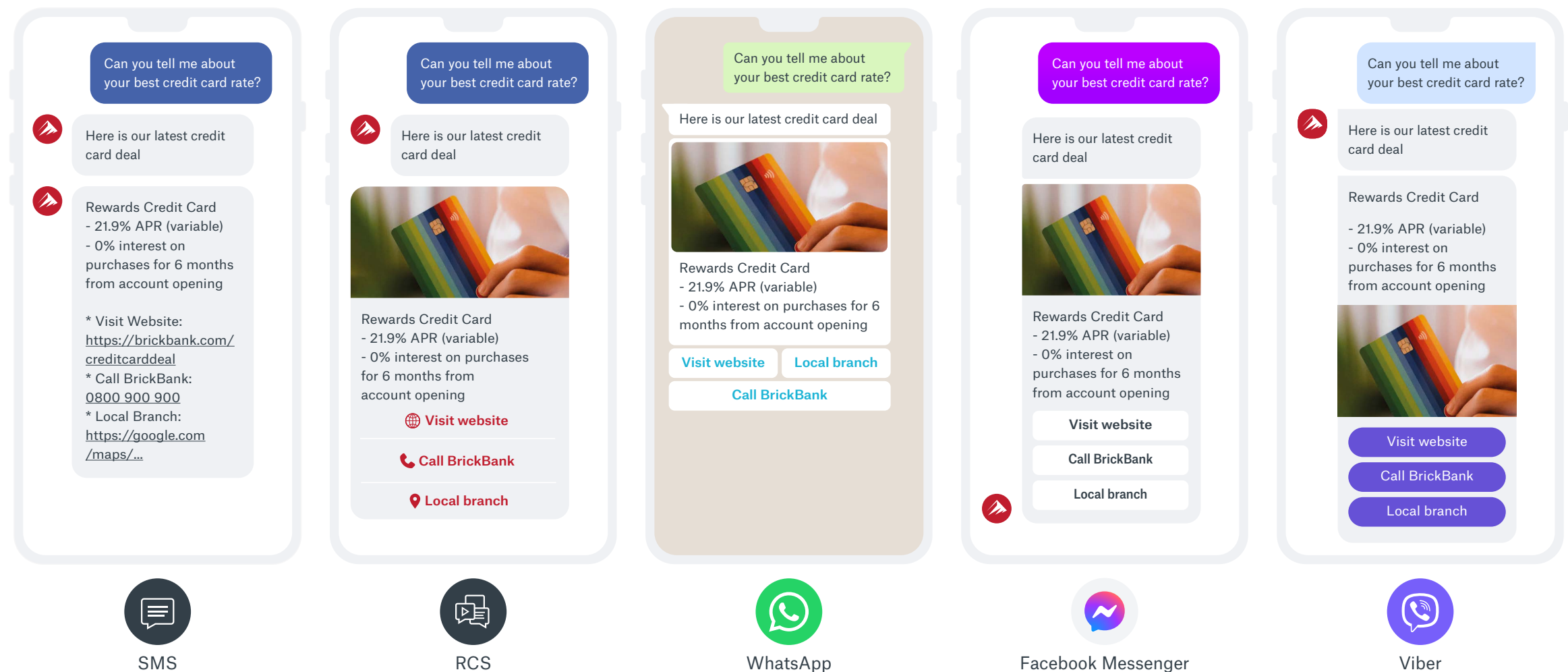
Track



Arriving Tuesday 25th,
2020 by 5:30pm

Consistency

Every brand wants to control its look and feel, across every message and every channel. Built-in seamless transcoding optimizes the message across all channels and creates a consistent brand experience. Whether your user is on WhatsApp, Facebook, or SMS, you can create the message once and fine-tune the content until you've got your brand representation perfect.



Cross-channel conversation

Tomorrow's brand relationships will rely on being available to customers across all their channels, in a prioritized order. Suppose you're a bank that needs to send a customer a fraud alert and get back a yes-or-no response ASAP. Your contact center reviews the customer's opted-in channels—say WhatsApp, RCS, and SMS—and tries WhatsApp first, because that's their most recently used channel. If the number returns "Message can't be delivered" or no response—for instance, if the recipient is traveling abroad and has turned off cellular data — the message will be transcoded into RCS, then SMS, and so on, until the user gets the message. Of course, since SMS now acts as our native inbox, it's also the ideal default channel.

Cross-channel relationships rely on conversation history and context. If your banking customer starts a chat at home and wants to continue after leaving the house, an automated "warm handover" can seamlessly move that conversation history to WhatsApp. And if the customer posts a message there—"Here's my case ID"—the customer service team will get her history without having to ask questions she might have already answered.

Business operators also use rich mobile messaging to reduce churn by personalizing customer updates. For example, a leading telecom company noticed that many of its subscribers had questions about their bill, but couldn't always find quick answers that were tailored

for them. The company decided to create unique videos for their customers to break down their invoices and help their customers better understand their charges. Not only did the mobile component drive a click-through rate that was 4.5x higher than what they saw on email, but they saw a 17% annualized churn reduction as a result.

This type of proactive, seamless brand interaction makes for a less intrusive, more welcome customer experience, and also takes some weight off the shoulders of your operations team. By combining the features of mobile messaging with rich, app-like content, you can keep everyone up to date—and drive real business results.

Customer support

The service journey is crucial to creating lasting customer relationships and brand advocacy. Your Sinch integration can include a chatbot whose natural language abilities enable it to converse with customers on topics it has been trained on. It can also seamlessly transfer your conversation history to a contact center application. More advanced chatbots enable automated two-way chats that retain context and continuity in multiple languages, even if the user switches channels.



Hello, Can I track down my recent order?



Your order will arrive in 3 business days. Let me know if I can assist you with anything else!



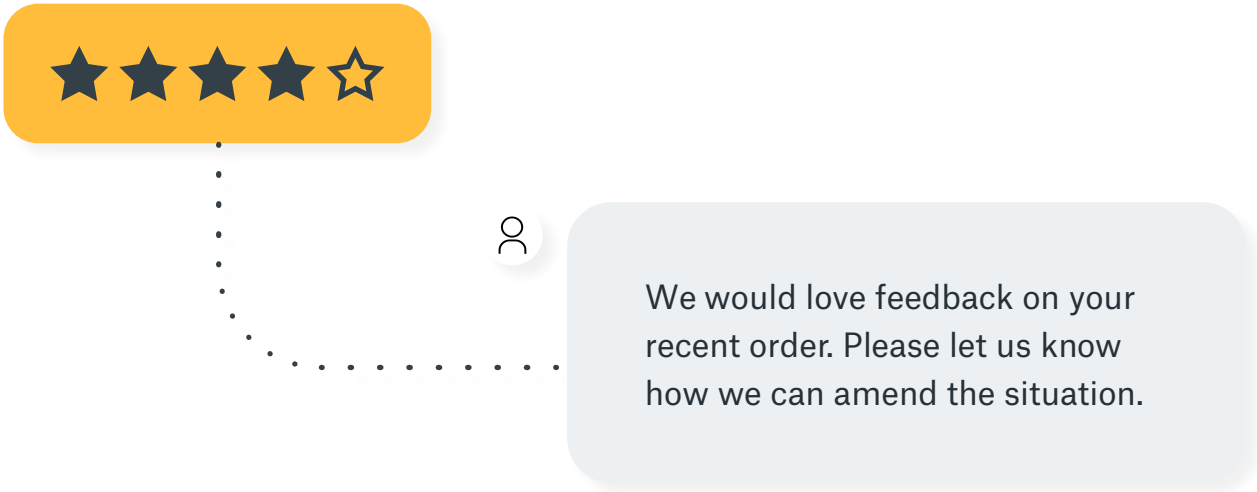
In short, a powerful chat solution is easy to set up, requires little code, can help your customer service operation provide better, faster, and smarter care, and improve efficiencies within your call center.

As one example, the call center at a leading media and entertainment company was handling over 20,000 support requests a month. It was difficult for the servicer to match the size of its support team with its growing volume of requests, while also delivering the quality of service its customers expected.

To help streamline customer care, the company started addressing support requests using WhatsApp to reach

customers who were already active on the app. With a combination of scripted decision trees and AI natural-language processing, along with fully encrypted messaging for additional security, the company was able to answer 82% of tickets with an automated bot, increase the satisfaction of its customers, and reduce the cost of running its call center by almost 50%.

Omnichannel mobile message also makes it easier for clients to give feedback—since in many cases, your best feedback comes from customers who would otherwise feel that sharing their experience would take too much effort. If they leave their feedback on a chat app, you can also engage them instantly if it's a negative review.



Next-gen ready

Too much development time and management overhead goes into maintaining one-off APIs. While no one can be sure exactly how the messaging world will evolve, we do know that existing channels will grow their user base in new countries, telcos will create entirely new channels, and even new chat apps will appear.

As your options expand, Conversation API integrates these new channels—including players like WeChat, KakaoTalk, Apple Business Chat, and Line—alongside your existing tools. And as you scale up when more choices are added, you'll still only need one messaging API gateway and one vendor supplier to keep your integrations up-to-date.



Compliance

You can't send promotional or marketing messages on WhatsApp. You have to create carousels and reply chips on RCS and Facebook. And what you can do in checkout might be very different in one region than it is in another. More importantly, each region has specific policies on provisioning phone numbers for outbound SMS, channel-specific regulations and complex guidelines for opt-in, opt-out and data storage.

Your development team doesn't need to become experts in all these channels if you have a partner like Sinch that already knows how to do everything possible to keep you compliant with them all.

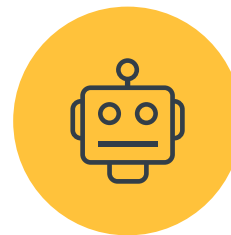


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Conversational AI

The chatbots mentioned previously, as well as other examples of Conversational AI, all accept human input in natural language as text or voice and that then produce context-appropriate responses.

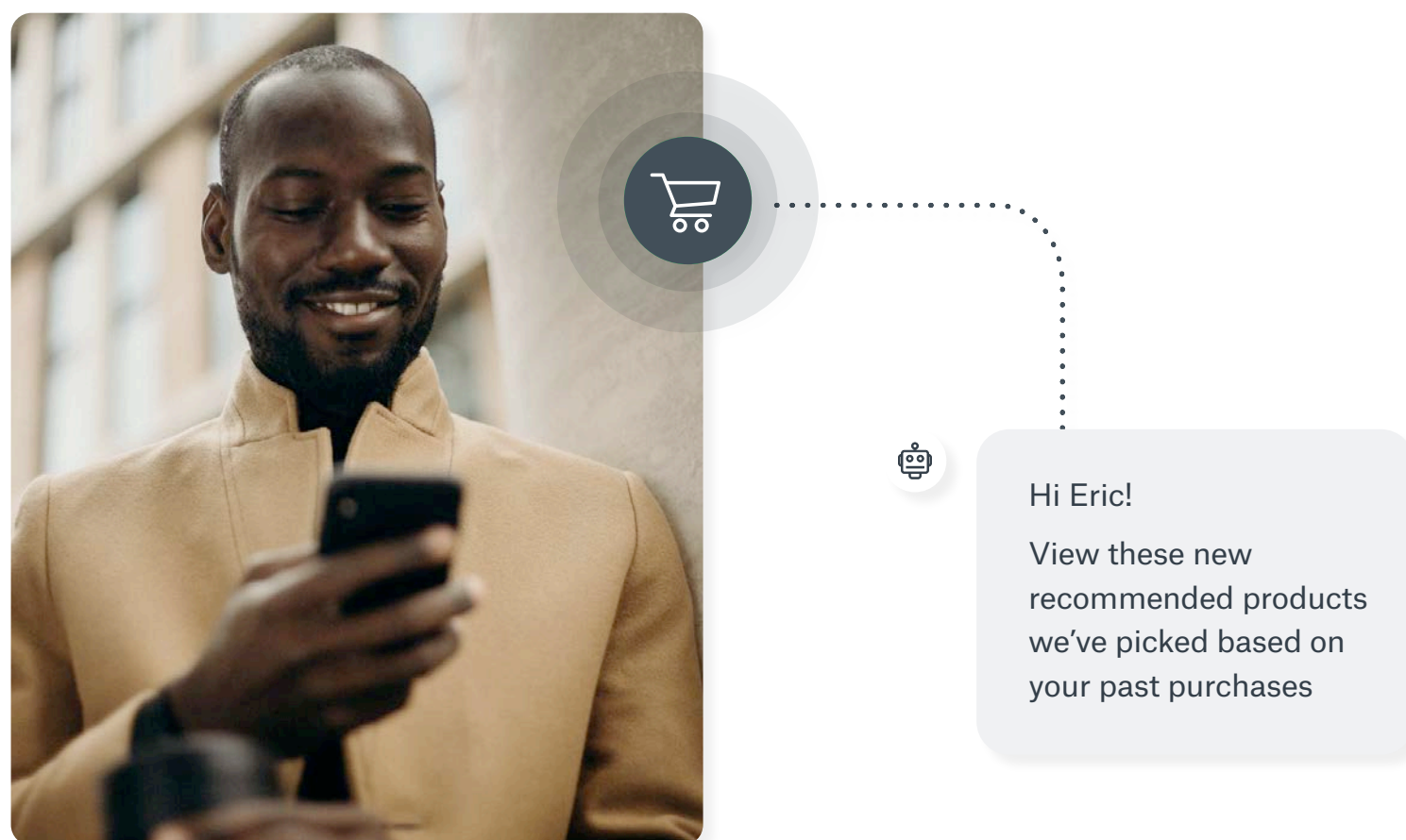
Other examples include voicebots, conversational search, speech-to-text, and text-to-speech.



Chatbot market size is projected to grow to \$9.4 billion by 2024, at a compound annual growth rate (CAGR) of 29.7%.

Along with being more effective, engaging a customer in a back-and-forth dialogue is more personal. Oracle CEO Mark Hurd has predicted that by 2025, 85% of customer interactions will be automated. “Digital assistants that can glean the emotional content of customer interactions are one big reason that will be possible.”

The fundamentals of every successful digital product or service is a good strategy. AI chatbots are no exception. Chatbots are a complementary layer for your customer experience, and overall, they should delight your users. Don't build for the sake of building, but understand the opportunity: offering a great user experience and returning business value in terms of ROI.



2.5B
hours

Projected time savings for businesses and consumers from chatbots by 2023

75% to 90%
Projected percentage

of queries to be handled by bots by 2022

\$112B
Projected value

of chatbot e-commerce transactions by 2023

Start from the business problem

Assume you're a leading e-commerce retailer and you want to manage customers' questions on payment issues, but you know that these queries are less than 2% of your global volume of queries: you might want to build a chatbot for another purpose. So start from the business problem and build it from there. Technological trends alone are no guarantee for a successful bot. It is also necessary to find the right use case.

Based on a user-centric approach and different criteria and questions provided, you can easily find the best objective of your virtual agent and define some key performance indicators on how to measure ROI.

Channel strategy

It's important to engage with customers where they are, in their preferred mode of communication. Channel formatting is also essential to keep in mind. Some channels provide rich capabilities like buttons and carousels (Facebook Messenger, WhatsApp, RCS), while others are text-based (SMS).

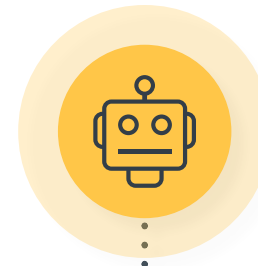
Enrich your chatbot with third-party services

The most successful use cases in terms of operational efficiency are integrated directly into a business's internal systems, maximizing the end-user experience. You can offer content and user-specific replies based on their user profile, hosting the full conversation in one mobile chat.

Customer success stories

Below you will find a few different examples of how companies have implemented Conversational AI and the benefits they've gained.

- 1 78% of requests were handled by a chatbot in Brazil to recruit university students, reducing workload and time on the application process.
- 2 In March 2020, a chatbot covering 70 user scenarios was deployed in two weeks to streamline HR and IT questions while a European organization shifted to working remotely. Deployed in two weeks, it provided consistent COVID-19 communications while reducing the workload on internal staff.
- 3 A rail transportation company overwhelmed with inbound support ticket questions hosted a chatbot on Facebook Messenger and its website. With 2,000 monthly users, 89% of requests were handled by the bot.



FRI 2:30 AM

Have you heard about the new program at our University?

AI Chatbots allow your customer care team to be available 24/7 by automating the most frequently asked questions, reducing call center traffic. Most importantly, maximizing efficiency allows you to scale up and adapt to emerging needs with minimal investment. Now, as machine learning technology becomes more accessible, companies can offer an experience that's aligned everywhere with multilingual chatbots.

At Sinch, we have our very own Conversational AI platform called Chatlayer.ai. **Chatlayer.ai is a language-independent platform that you can configure in up to 125 languages — in text, rich media, and even voice.**

7

Navigating the channels

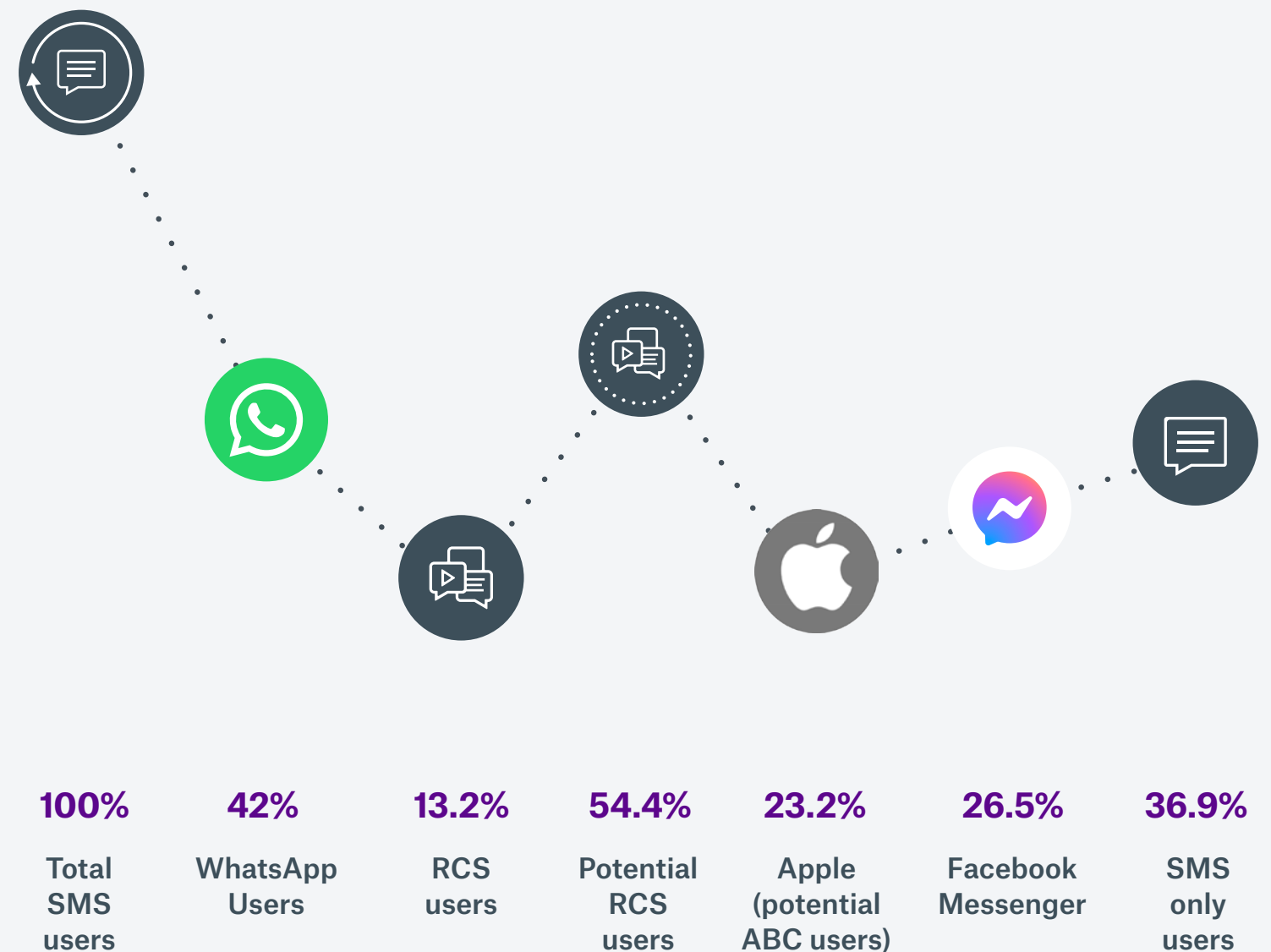
No matter where your customers are or which channels they prefer, each channel has unique capabilities and popularity in different regions around the world. At Sinch we know all the relevant regulations, how all these channels are best wielded for which business scenarios, and how to match each channel to your customers' needs and your business requirements.



SMS

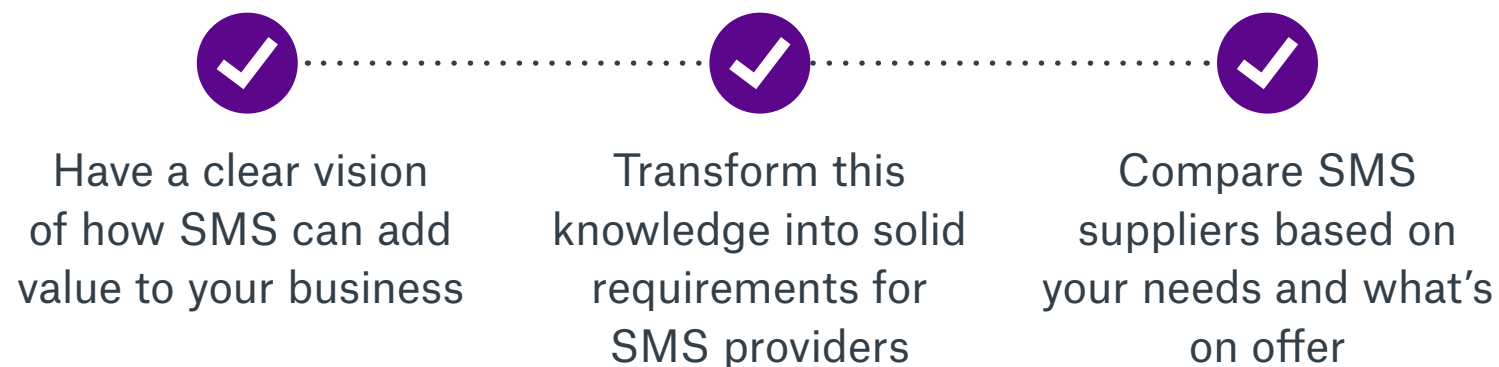
Stable, dependable SMS, the original mobile communications channel, has been around for more than 30 years, and still lets people send and receive timely, cost-efficient text messages almost everywhere in the world.

According to Mobilesquared, “SMS remains the leading channel when it comes to reach. Any brand looking to develop a rich messaging strategy will still need to include SMS, as SMS-only users (i.e., non-smartphone users) still account for 37% of devices.”⁵

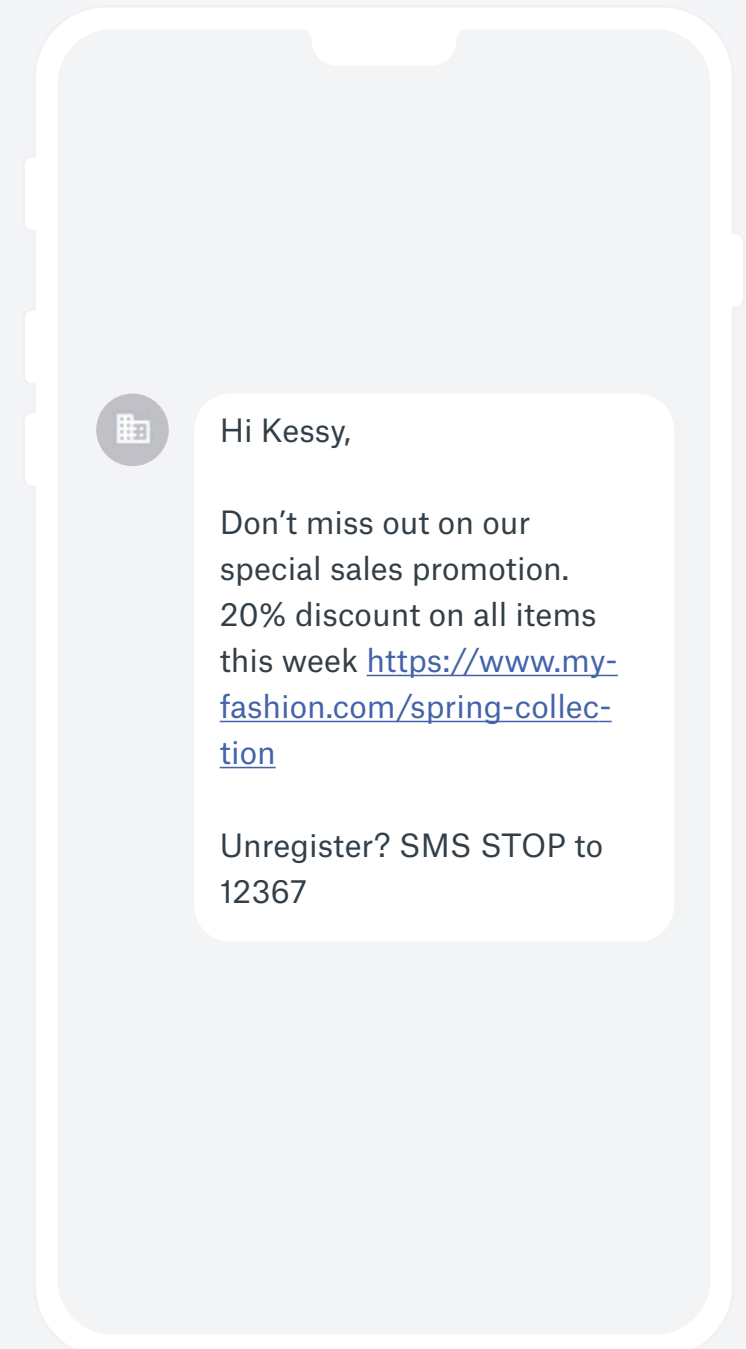


Because they're limited to 160 characters, SMS messages can be delivered instantaneously, and you can send a lot with just those characters: two-factor authentication codes, secure and verified logins, links, confirmations, and more. Instant reach and powerful engagement possibilities have kept SMS a valuable tool that's easy to integrate with existing systems and gets the job done efficiently.

To find the right SMS supplier, you need to do three things:



Sending SMS messages is pretty easy, but knowing when to send them, to whom, and at what time, can be more difficult. The experts at Sinch are available to help you make SMS part of the backbone of your company's marketing and communications strategy.



WhatsApp

As of autumn 2020, WhatsApp is the world's most-used messaging app. WhatsApp and its corporate sibling, Facebook Messenger, are growing roughly twice as fast (30% year over year) as Facebook itself. In fact, there are only 10 countries in the world where a Facebook app isn't leading the market.⁶

2B
global users
in 180 countries

 **200M** in India

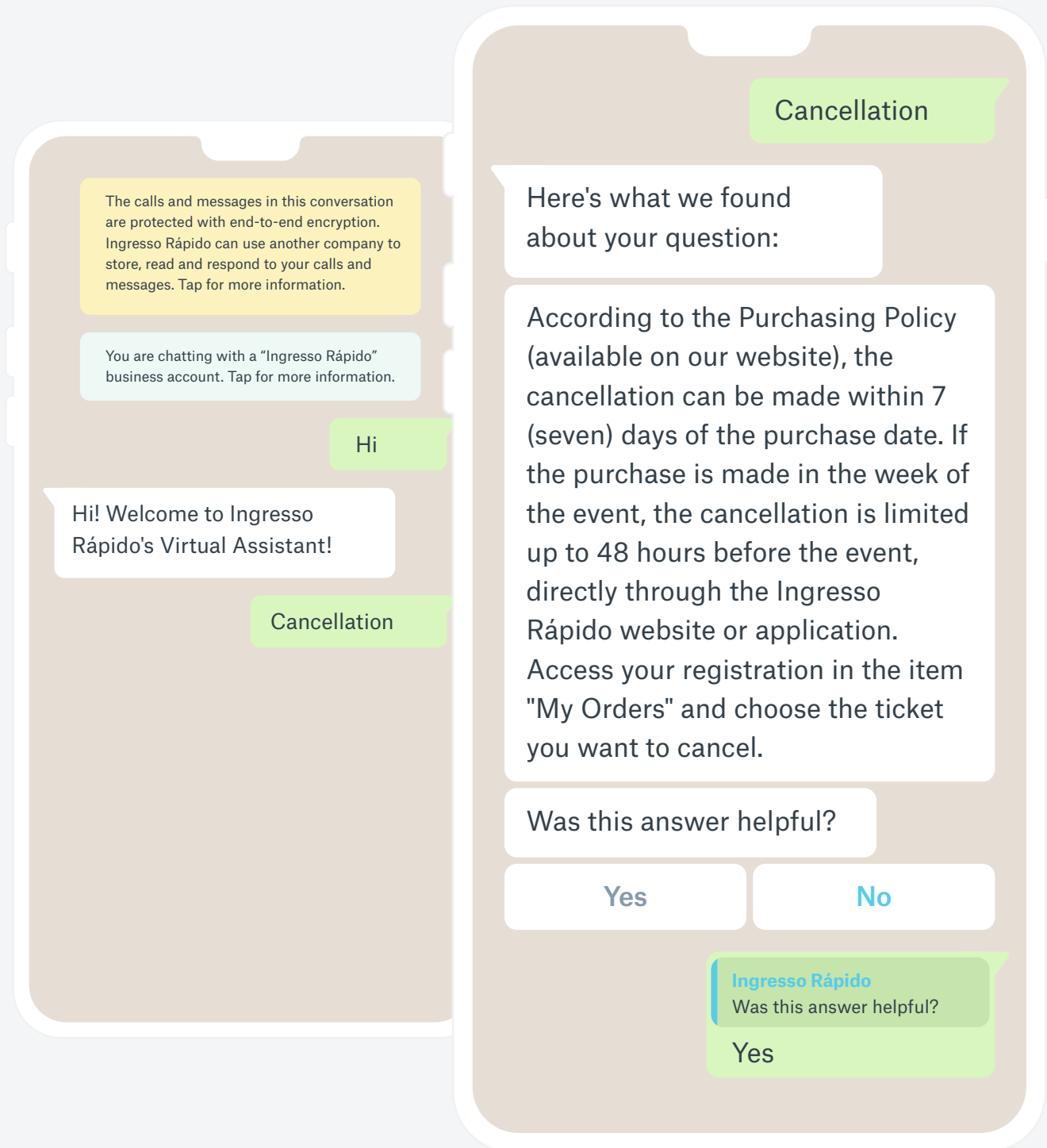
 **120M** in Brazil

65B
messages
per day

- *Wall Street Journal*,
Business of Apps



All this popularity makes it crucial to understand how these apps match your own messaging strategy. WhatsApp's opt-in rules protect its customer experience by disallowing messaging that could be considered promotional or "unrelated to expected customer service scenarios." And WhatsApp session windows ensure that users get only the messages that they want, and only within a specific amount of time.



RCS

For years the mobile industry has been hearing about RCS (rich communication services), an emerging messaging protocol whose multifeatured, interactive multimedia experiences could

eventually supplement or even replace SMS (and compete with Apple iMessage). That prospect leapt forward in 2018, when Google and its cell phone carrier partners produced

Chat, an RCS-based protocol that lets subscribers from different carriers and countries communicate with each other with rich media.

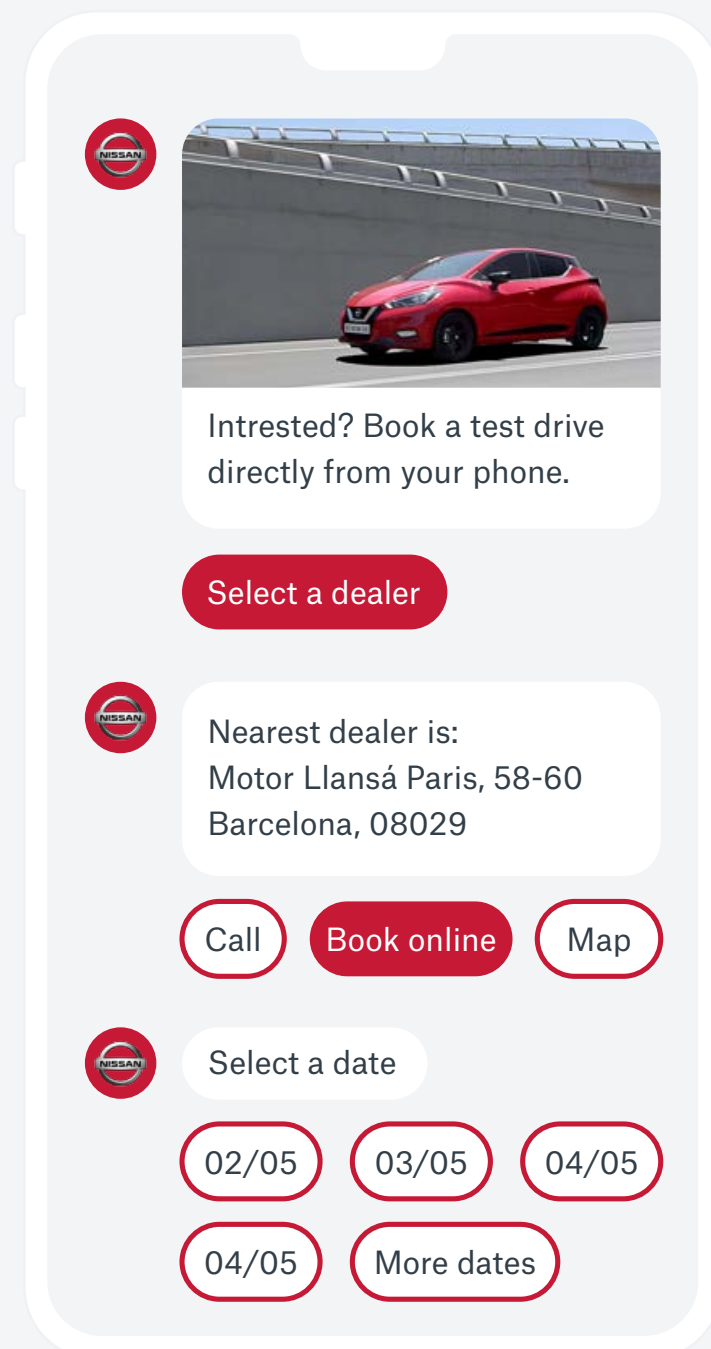


According to Mobilesquared, while WhatsApp holds a clear advantage over actual RCS in terms of reach, “the [number of] potential RCS users highlights the longer-term opportunity RCS presents.”

RCS is still expensive and bulky to roll out, but the user experience is impressive. In addition to exceeding the 160-character limit of standard SMS, verified RCS messages can include photos, audio, video, and group messages, all from directly within users’ messaging apps. Businesses will be able to use RCS to offer their customers an

incredible range of experiences, from simple Q and A to dynamic product carousels.

WhatsApp, Facebook Messenger, and other apps have had these features for some time. Now the Android world might be about to catch up with such over-the-top services. Though a unified RCS messaging system has yet to emerge, and it isn’t yet available on all devices, the protocol has already gained roughly 430 million active users. This platform continues to grow, and it’s worth being ready for.

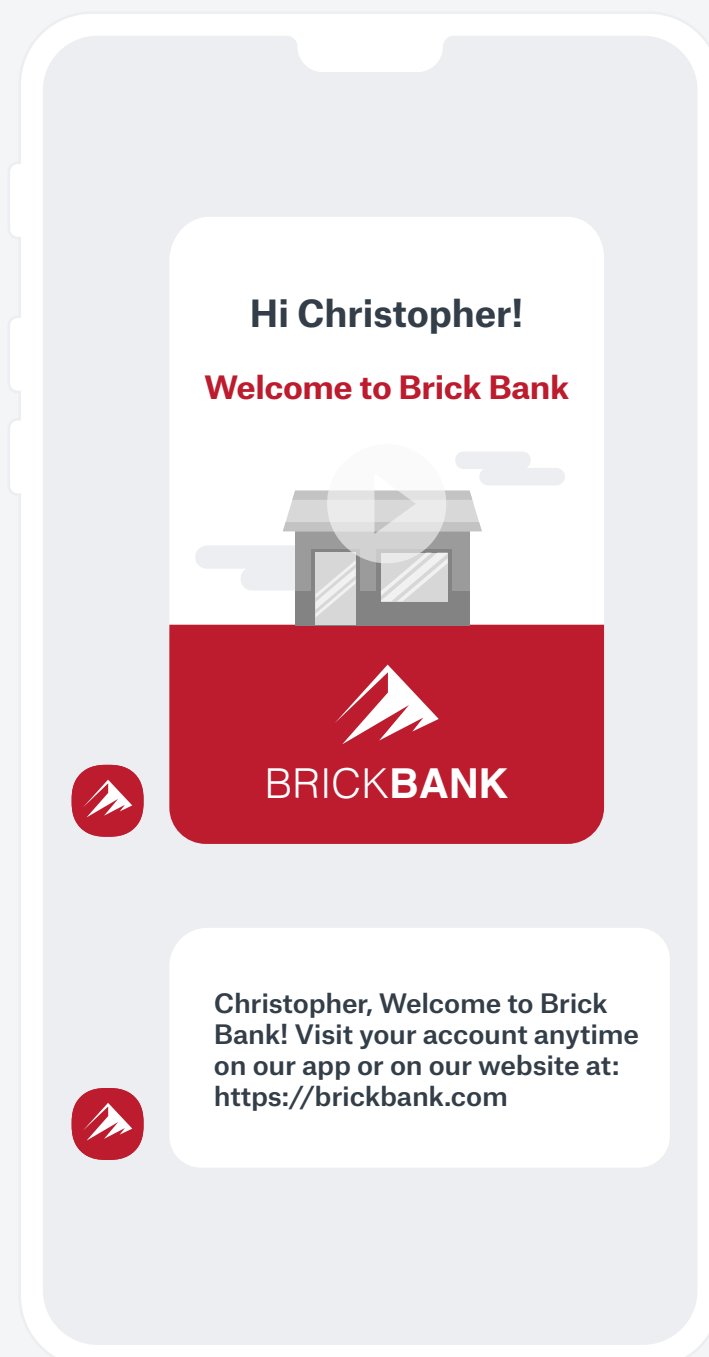


MMS

MMS (multimedia messaging service) is a standard way to send personalized, situation-specific multimedia messages: a welcome to someone who just signed up for a service; a ticket order confirmation; a video walk around your car to explain just-performed maintenance. MMS is available through many mobile operators in the US, the UK, Australia, and Ireland, and it remains a useful option for global brands. Mobile media available on MMS includes video, audio, and links, making it it perfect for more advanced messages than SMS while retaining the direct user reach.



Here's what we updated on your vehicle:



Facebook Messenger

In 2016, Facebook created the Facebook Messenger Platform, whose rich features like predictive text, branded business profiles, and suggested reply buttons make it easier for people to browse, chat, and engage with brands.

“Messaging gives people a direct line to the businesses they’re interested in spending their money with,” according to Facebook.

“When people message businesses, they come with a certain set of expectations.”

And the world’s most popular social media company works hard to meet them. As with WhatsApp, Facebook Messenger has specific opt-in entry points so the user can trust they won’t receive unwarranted messages.

And the channel invites companies to define their customer messaging strategy with a range of brand experiences. Whether it’s payments, product recommendations, digital shopping assistants, and customer service requests;

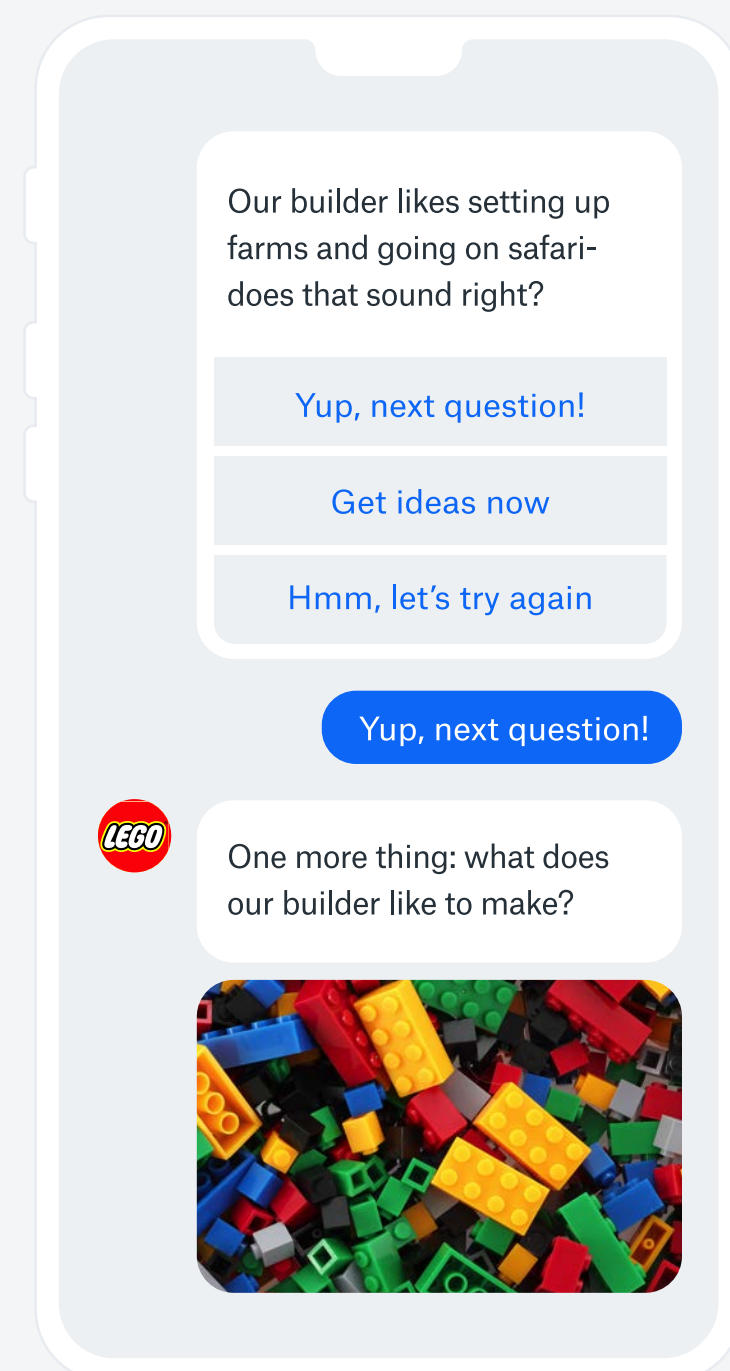
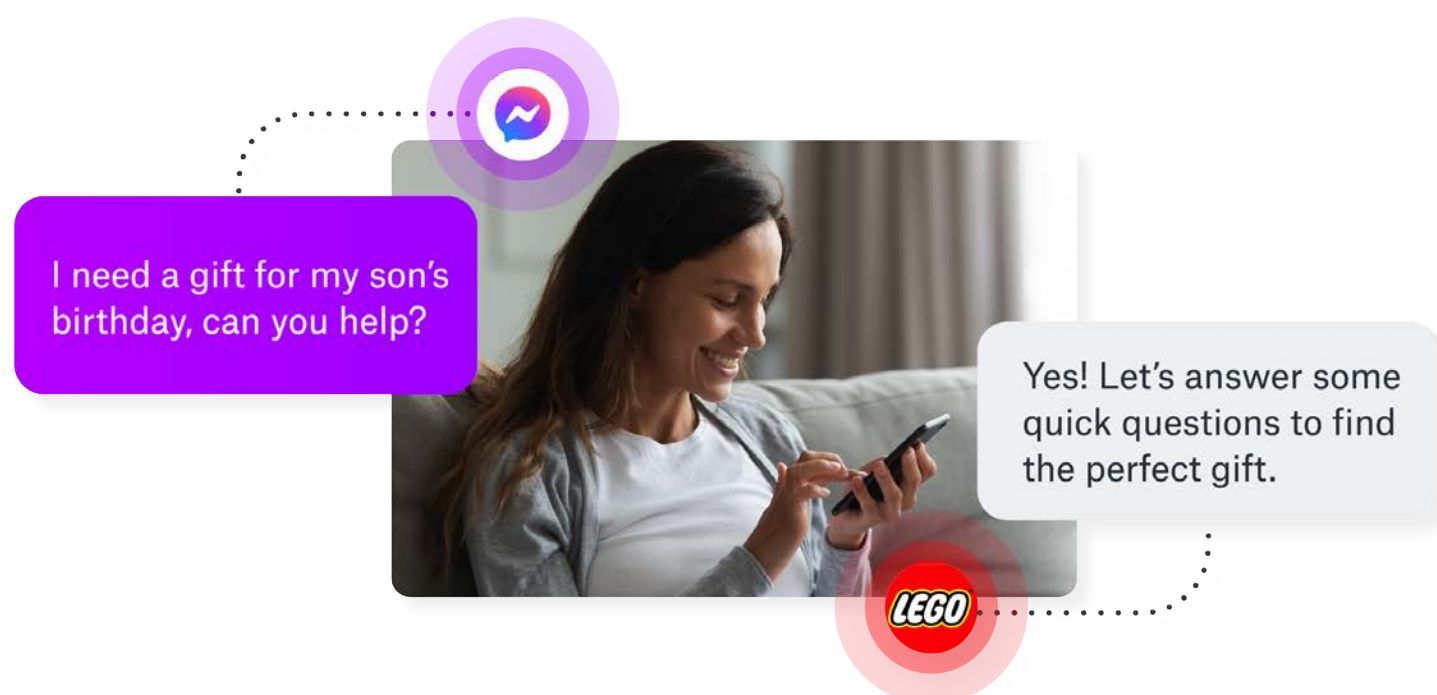
“

Messaging gives people a direct line to the businesses they’re interested in spending their money with.

”

scheduling, delivery notifications, and reengaging users after a transaction; or reply surveys or other feedback, businesses can reach their customers at every step of the customer journey, with points for encouraging creativity.

LEGO, for instance, used a chatbot named Ralph in Facebook Messenger to help guide customers to the perfect gift, recommending products based on recipient data such as age group and interests. A purchase is just a few clicks away, and the user never has to leave the chat. That kind of convenience, use of rich media, and responsiveness to the customer embodies the best of what omnichannel messaging has to offer.

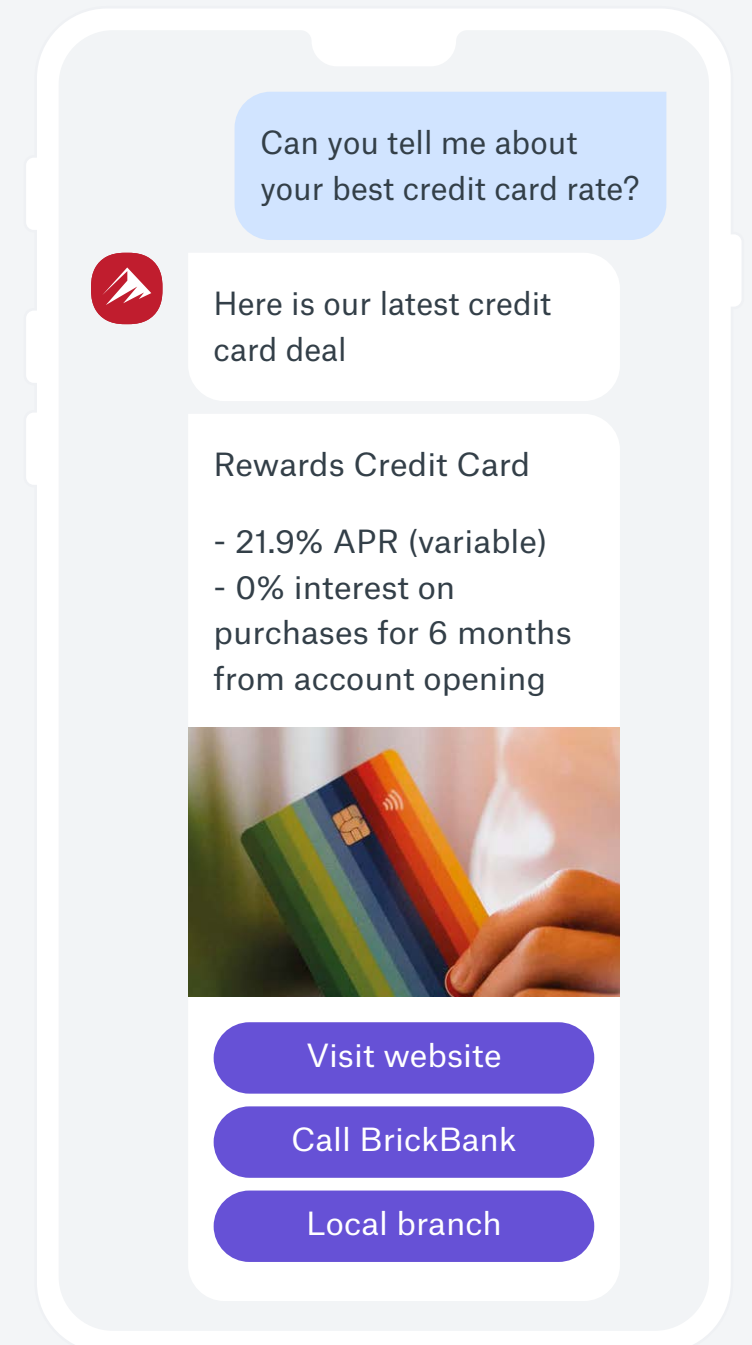


Viber

Viber is emerging among the other leading channels, and it might be one you're missing if you have an international base. With more than 1 billion users in 193 countries engaging in more than 7 million interactions per minute, Viber is a preferred channel for an emerging global audience, primarily in Eastern Europe, Russia, the Middle East, and some Asian markets.

If you're interested in outbound business-to-customer communications, we recommend Viber Business Messages. For subscriber-initiated messages, Viber Chatbot is the best option.

The channel is an e-commerce and promotional powerhouse for brands that adopt it. Boasting a 90% delivery rate within 3 minutes of being received, it's less cost-intensive than SMS, since you only pay for delivered messages, and its end-to-end encryption gives it high levels of user trust. If you work with a Viber Business Messaging Partner like Sinch, Viber Business Messages displays your branded business profile page and offers a native, secure way to engage your audience with rich messaging, interactive buttons and links, real-time status updates, personalized content, and a wide range of business solutions focused on marketing and e-commerce alike.



8

What conversational messaging delivers

Building a mobile messaging strategy on conversational apps will allow you to drive revenue, reduce costs, and increase customer satisfaction. Conversational mobile messaging allows users to resolve their customer service requests simply and easily in one conversation.

Being available 24/7 allows your customer care team to focus only on the most complex requests, rather than frequent repetitive tasks.

And most importantly, users are more comfortable engaging with a brand on a channel they're already familiar with.

The business benefits possible through conversational messaging include reduced churn, uplifted engagement, lower business costs, and higher customer satisfaction.

When users are familiar with your brand and the channel, the message is welcomed and less intrusive. You can also ensure higher customer satisfaction when issues are resolved without speaking to an agent, on the user's timetable.

Consumers expect actionable communication-at their convenience

With conversational messaging, you can empower your users to:



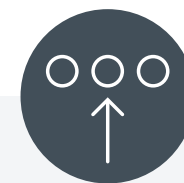
Self Serve

resolve their own needs



24/7

when they want it



Channel of choice

where they want it

Proven business outcomes with conversational messaging



Drive revenue

Increase conversion
vs. e-mail or SMS



30-50%
Increased conversion



Reduce cost

Automate conversations
and increase agent
efficiency



20-80%
cost reduction in
customer care



Improve CX

Talk to your
customers when and
where they want



x3 NPS
chat vs. voice

9

Getting started

The rapidly changing messaging landscape represents a major opportunity for brands ready to embrace omnichannel. You might already be in discussions about changing your messaging strategy. Whether you're interested in uplifting customer service measures like NPS scores and reduced ticket times or simply capturing engagement on all channels, the experts at Sinch are here to help. Book a discovery workshop and we'll:



Review your current messaging audience and business goals to suggest best practices



Determine your technical implementation needs



Get your team started on the onboarding process

If you're interested in learning more, you can reference our [technical documentation](#) or [start a conversation](#).

Sources

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