# Podium

# 2021 Local Business Messaging Trends
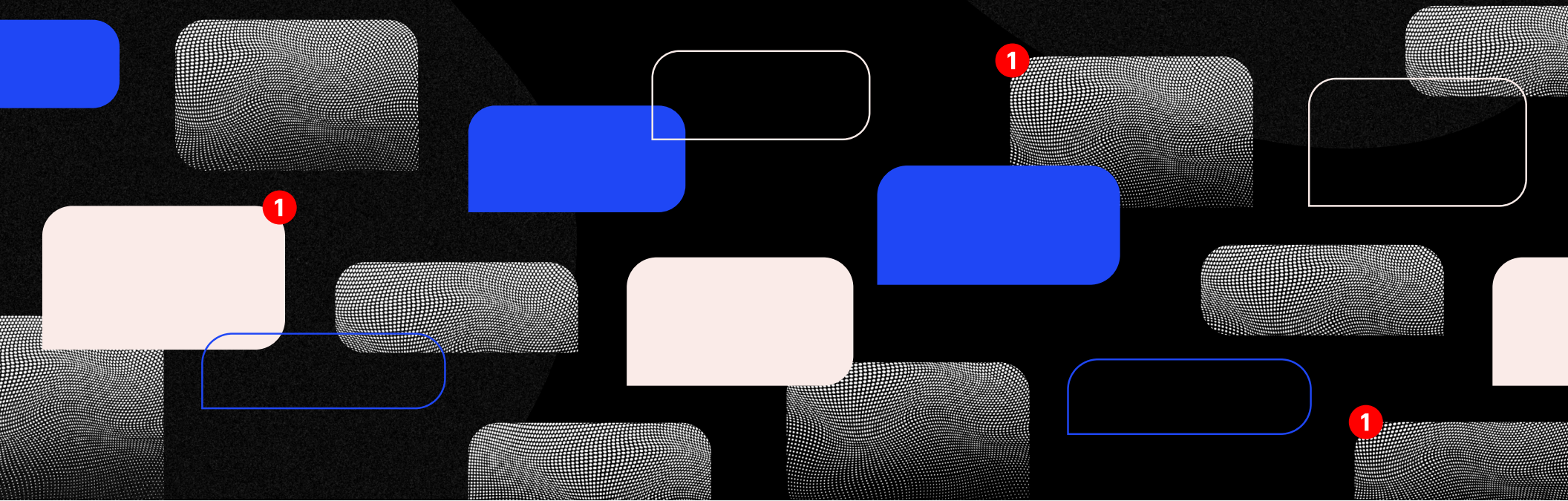
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# The evolution of business messaging

With 3.8 billion smartphone users across the planet and 95% of texts being opened within 3 min, it's easy to see that text has taken over. Text boasts an open rate of up to 98%, far surpassing email's average open rate of 18% and click-through rate of just 2.6%.

At its core, messaging (texting through SMS channels or other apps) gives your customers the convenient 1:1 connection they want in a way that's more personal and effective than advertising. Yet only 12% of local businesses use text as a marketing tool. What we're seeing here is a moment—a huge opportunity for local businesses to understand the nuances of text marketing and use it to give customers what they've been asking for.
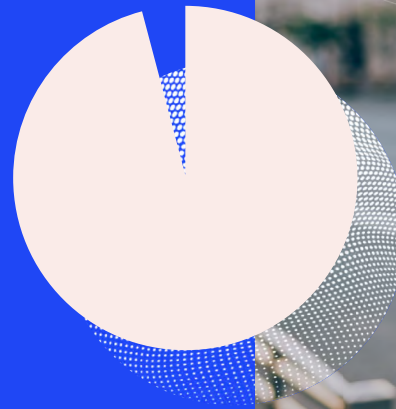
**98%**

In terms of communication evolution, people have always gravitated toward two key components—convenience and speed. With the rapid increase in consumer demand for <u>personalization</u> as well, messaging has become the inevitable next step when it comes to connecting with your customers.
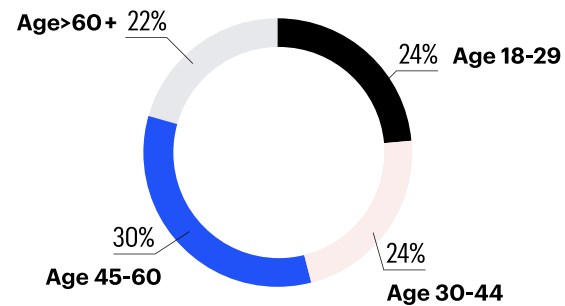
# The evolution of customer communication

In a close look at how customer communication has evolved, messaging isn't just a trend—it's imminent.

Telegram

Postal Mail

Catalogs

Email

Text
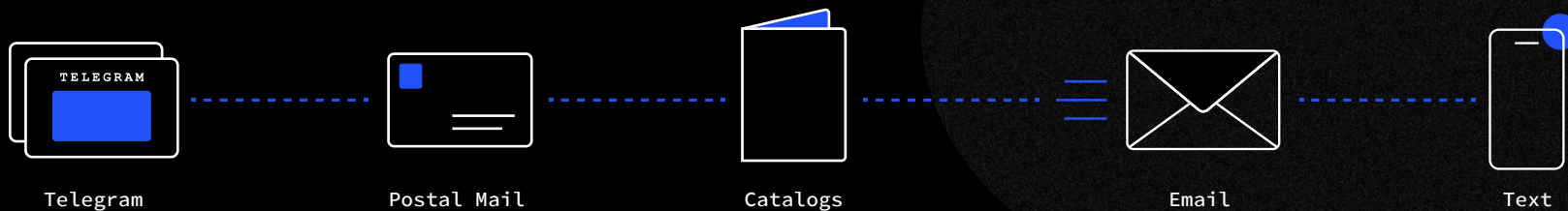
We surveyed over 1,000 consumers, analyzed local data, and spoke with local businesses to understand how consumers—your customers—expect you to connect with them and what you can do to close the gap.

27% **Urban**

**Suburban** 51%

22%
**Rural**

**Female** 51.5%

48.5% **Male**

**Age>60+** 22%

24% **Age 18-29**

30%
**Age 45-60**

24%
**Age 30-44**
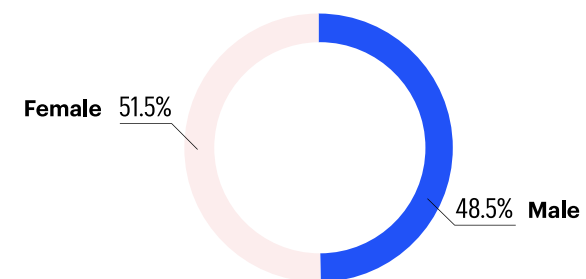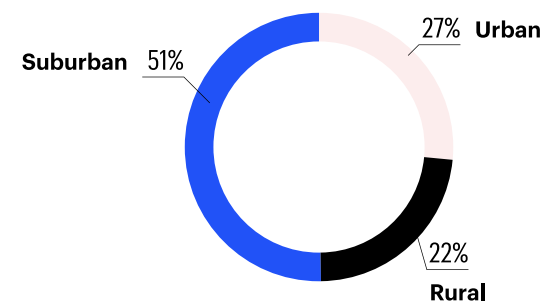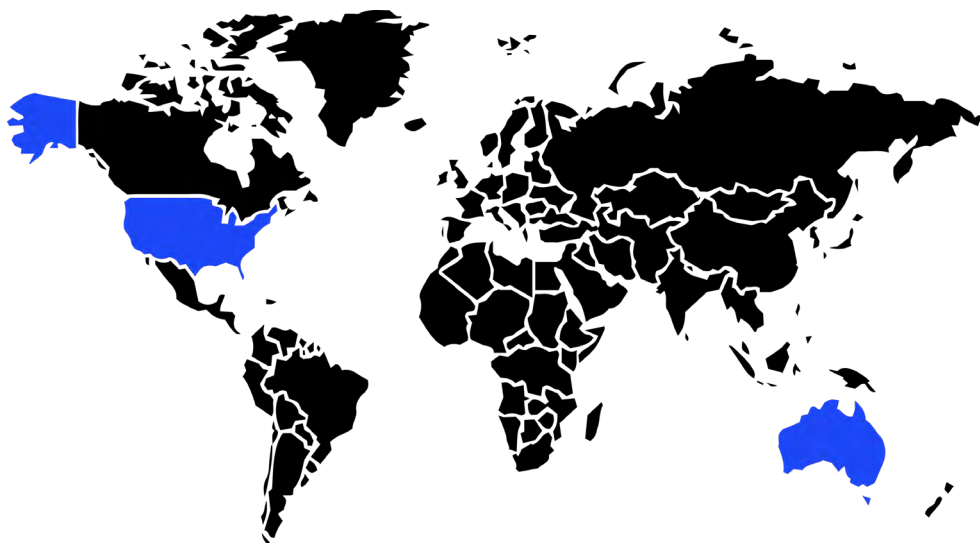
# Local businesses need to seize the moment.

Our findings show that the majority of consumers still interact with businesses through channels such as phone call or email—*but that's only because they think that's how local businesses are set up to interact.* Nearly 67% actually think being able to text businesses would increase convenience.

If the majority of consumers are using these older channels, yet there's an opportunity to get 98% of your communication seen on the same day you send it, the opportunity to get ahead by messaging is incalculable.

However, businesses simply aren't seeing this chance to beat their competition. As we mentioned, only 12% of local businesses use text as a marketing tool, even though local businesses are uniquely situated to use it to connect with customers in a way digital companies can't compete with.

So how can you tap into this powerful channel? How can you use messaging to most effectively reach and convert? What do consumers really want when you text them? Read on for our unique insights into consumers' often surprising messaging preferences and what you can do to cater to them.
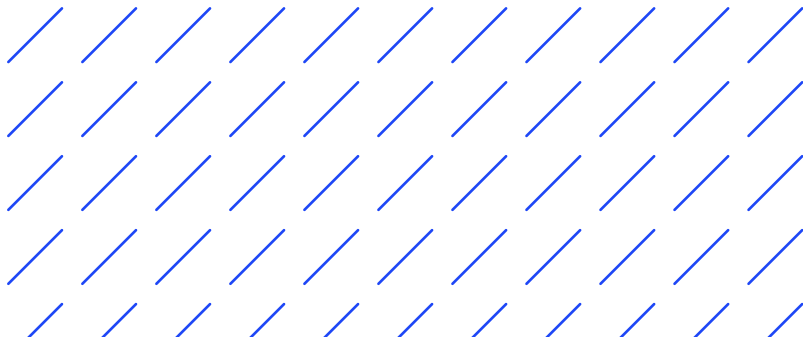
# Consumer Messaging Trends

For consumers, text messaging is more prevalent than ever. According to a recent survey, text is the preferred communication channel of all age groups, including those over 60. And 40.5% of customers report being "likely" or "very likely" to switch to a different business because they offer text messaging to communicate.

Despite these preferences, many local businesses are failing to close the gap. But the businesses that are successfully tapping in to messaging trends are cornering the market in significant ways.
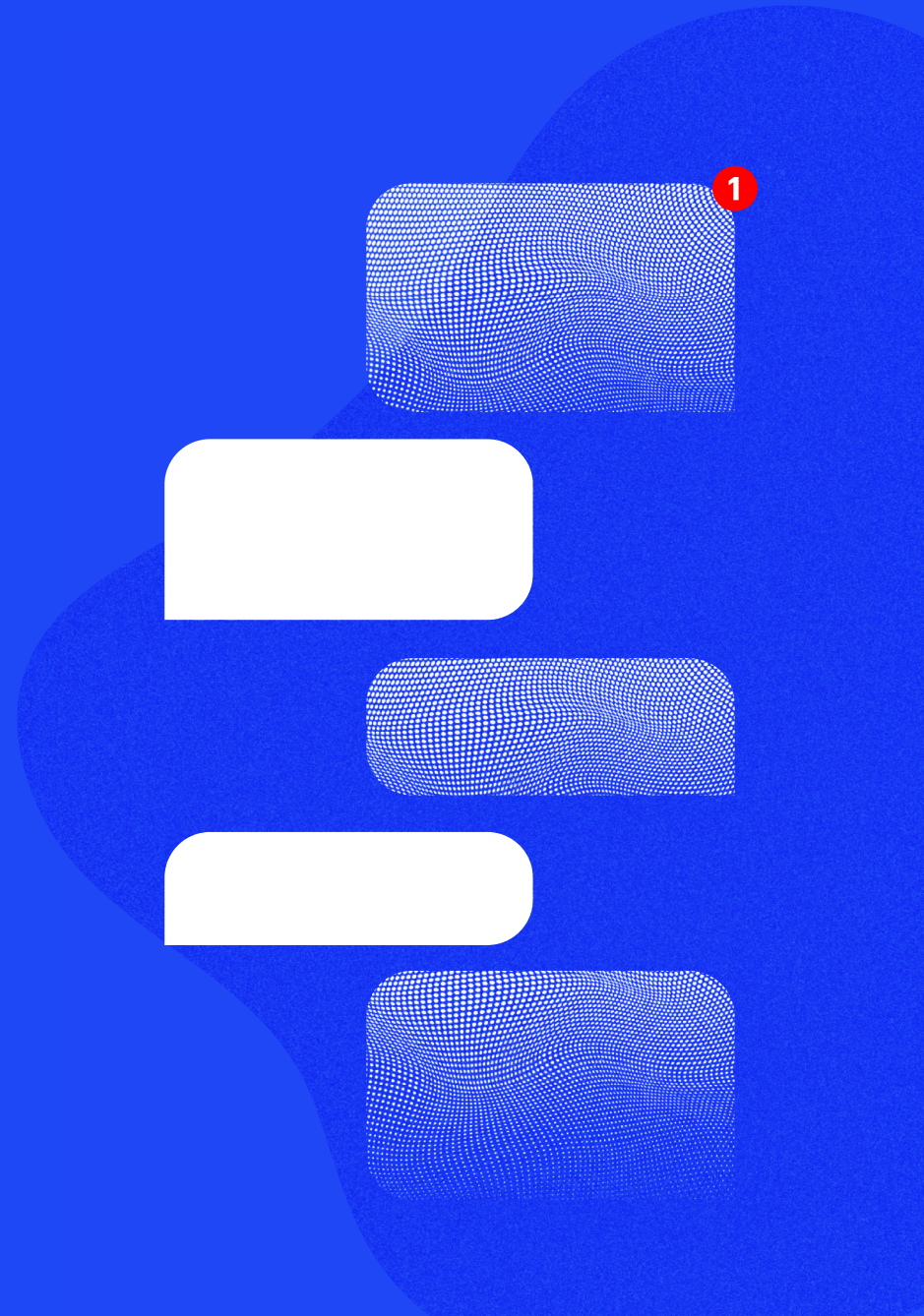
# What does messaging look like for consumers?

Consumers use a variety of channels to message. However, SMS is still king. 60% of mobile messaging is done through SMS texting (or iMessage) while the remaining 40% is done via third party apps such as WhatsApp, Telegram, and Facebook Messenger.

Takeaway: Because the majority of consumers still choose SMS and iMessage to text, these channels offer the most opportunity for local businesses. But other platforms are rising and should be closely monitored over the coming years.

100%

90%

80%

70%

60%

**60%**

50%

**40%**

40%

30%

20%

10%

0%

**Third Party Apps**        **SMS Texting**
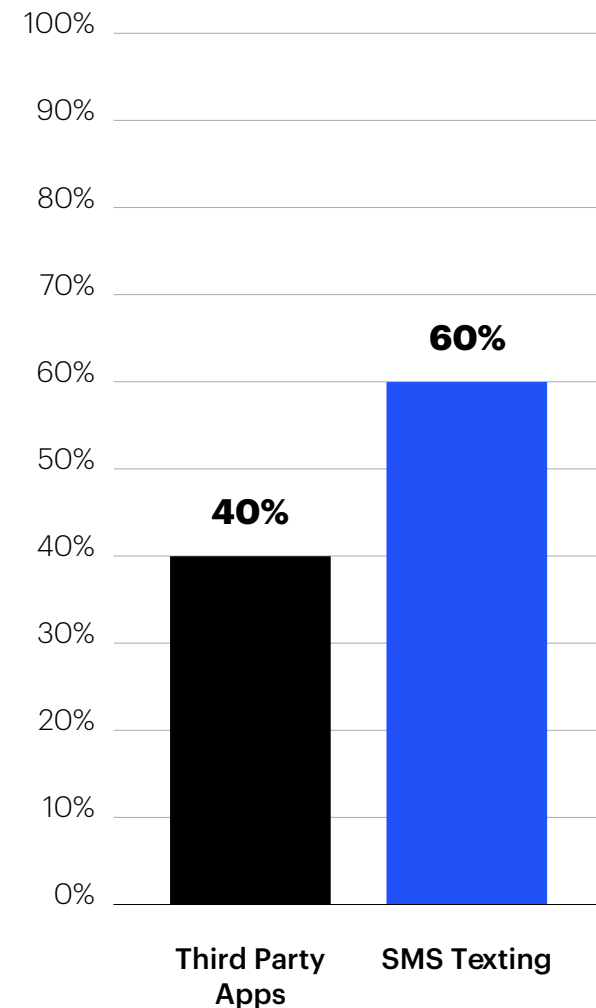
# How are local businesses currently communicating with their customers?
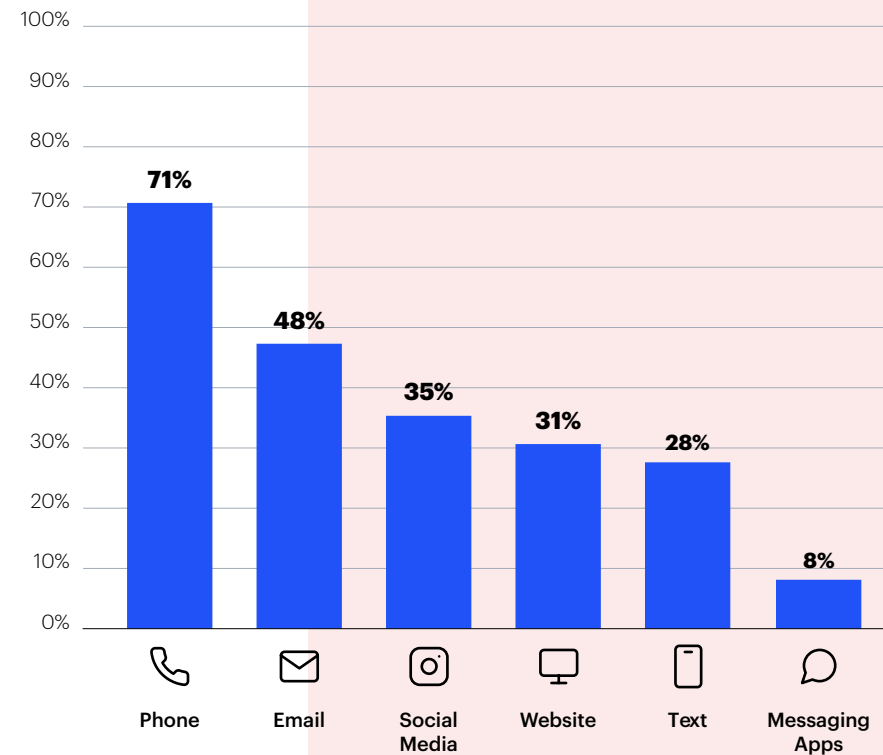
Customers are *begging* local businesses to text them. When asked which channels they would like but do not currently use to learn about promotions, updates, and events from the local businesses they frequent, texting was at the very top of the list.

Note the opportunity here: consumers are more plugged into their mobile devices than ever before, yet just over 1 in 4 are using those devices to communicate with local businesses. This is a huge miss for businesses and an opportunity that could seismically transform customer relations.

*When asked how they currently communicate with businesses, consumers reported:*

| | |
|---|---|
| 71% | Phone |
| 48% | Email |
| 35% | Social Media |
| 31% | Website |
| 28% | Text |
| 8% | Messaging Apps |

# Text has a [209% higher response rate](#) than phone, email, or Facebook. And consumers are [twice as likely (1.8x)](#) to prefer texting to any other communication method.

When businesses offer calling, emailing, website chat, texting, and Facebook Messenger, consumers are most likely to prefer texting to communicate with them.

| Website Chat | Call | Email | Text | Facebook Messenger |
|---|---|---|---|---|
| 14.9% | 22.6% | 18.0% | 40.9% | 3.7% |
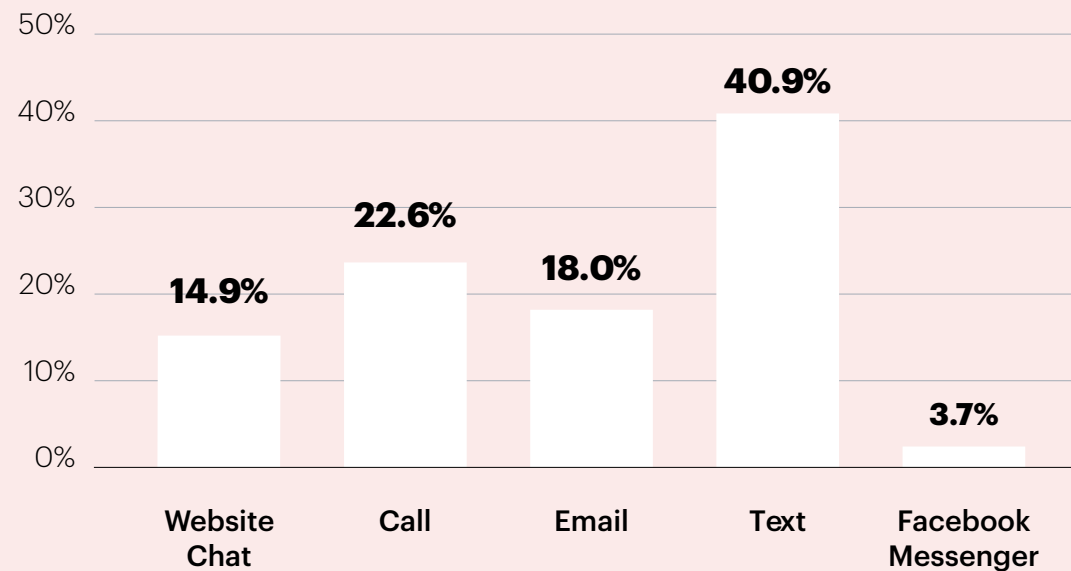
Spotlight

# How LA Furniture reached the younger generation through text.

Text isn't just a marketing tool. For LA Furniture, it became their go-to customer service channel.

Driven by their commitment to excellent customer service, LA Furniture worked hard to keep their customers updated and informed. However, their reliance on email was resulting in low response rates and customer dissatisfaction.

"Far too often our emails would go to a spam folder and customers would never read the email. And they wouldn't know that they needed to agree to the delivery terms or wouldn't get the memo that their item was out of stock."

As dissatisfaction quickly turned into negative reviews, marketing manager Madeline Sweeten knew they needed to communicate in the ways their customers wanted them to. After seeing how text had transformed their review collection process, taking them from a 4.2 star rating to 4.8, Madeline decided to implement text for customer service, updates, and promotions.

In just under two months, LA Furniture's opt-in list for text promotions grew to 1,547 potential buyers. Their first SMS promotion saw an 8.4% click rate, significantly higher than the average email click rate of 2.6%. And their customer service went through the roof.

"You're not going to get out of a phone call with a customer in under five, six minutes, at best. With Podium, our response time is less than a minute. That's five times less, if not more. That's crazy time savings."

**"We have to be thinking about consumers of the future. They are the people who grew up with cell phones and computers… they are very efficient with their time, and we need to be aware of that."**

*—Madeline Sweeten, LA Furniture*

# Conversational Messaging: The New Expectation

Besides being on a mobile device instead of a web browser, what makes messaging so unique to consumers and local businesses? How is it *really* different from email or other channels of communication?

**Text is intimate.** Email inboxes overflow with blasted messages from businesses who clearly don't know you. A text message, on the other hand, sits in an inbox filled with much closer relationships. Smartphone users have come to associate their text message inbox with friends, family, and strong personal connections.

This means that, as a local business, you have an incredible opportunity to create strong, personal, lasting relationships with your customers through text—even when you're sharing promotions or business updates. And that opportunity shouldn't be taken lightly.

# Beyond blasts: consumers crave conversations.

We know consumers want to use text messaging as a channel to learn more about local businesses, but it goes further than that. 24% of consumers are already **conversing**—having a two-way, real conversation—with local businesses via text message. And of those who aren't, 43% want the ability to do so.

One-way, general blasts to your audience will no longer cut it. Your customers crave connection—and that includes encouragement to converse with you one on one.

Would you like the ability to converse with a local business you were interested in buying from via text message?



| | |
|---|---|
| **24%** | **43%** |
| Yes, and I already do | **Yes, but I haven't yet** |
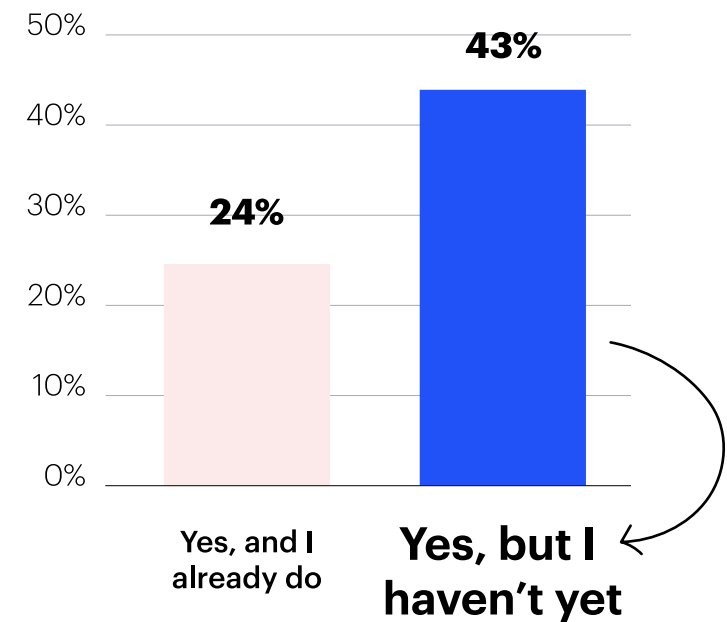
# Conversational messaging is a local business's unfair advantage.

A key aspect of consumers' preference for text as a business communication is its capacity for conversational feel. According to our research, 74% of consumers report that they would be more likely to text with a local business if they knew a real person was going to receive and respond to their message.

Text messaging implies personal, real relationships. So if your messages don't reflect this trust, they might turn customers off.
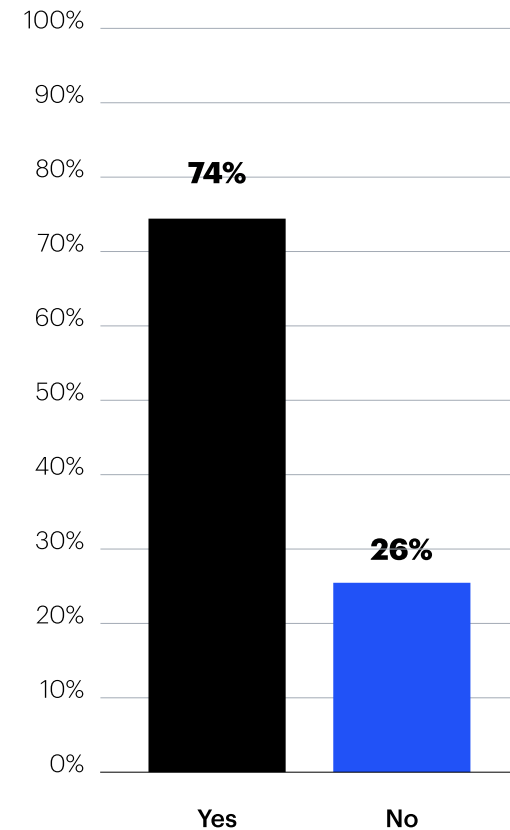


Would you be more likely to text with a local business if you knew a real, human representative was going to receive and respond to your message as opposed to receiving an automated response?

↑ **50%**

increase in
response rate
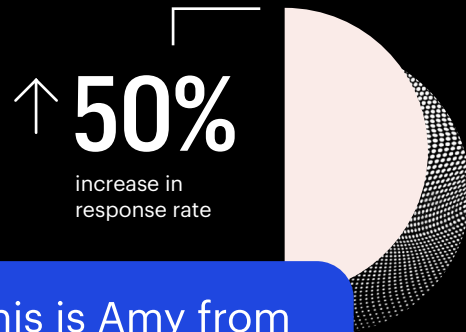
Hi, this is Amy from
Ted's Tire Shop.

VS.

Hi, this is Ted's
Tire Shop.

When texting a customer, you should communicate this conversational feel from the get go. 50% of consumers report being more likely to respond to a text message from a business if they introduce themselves.
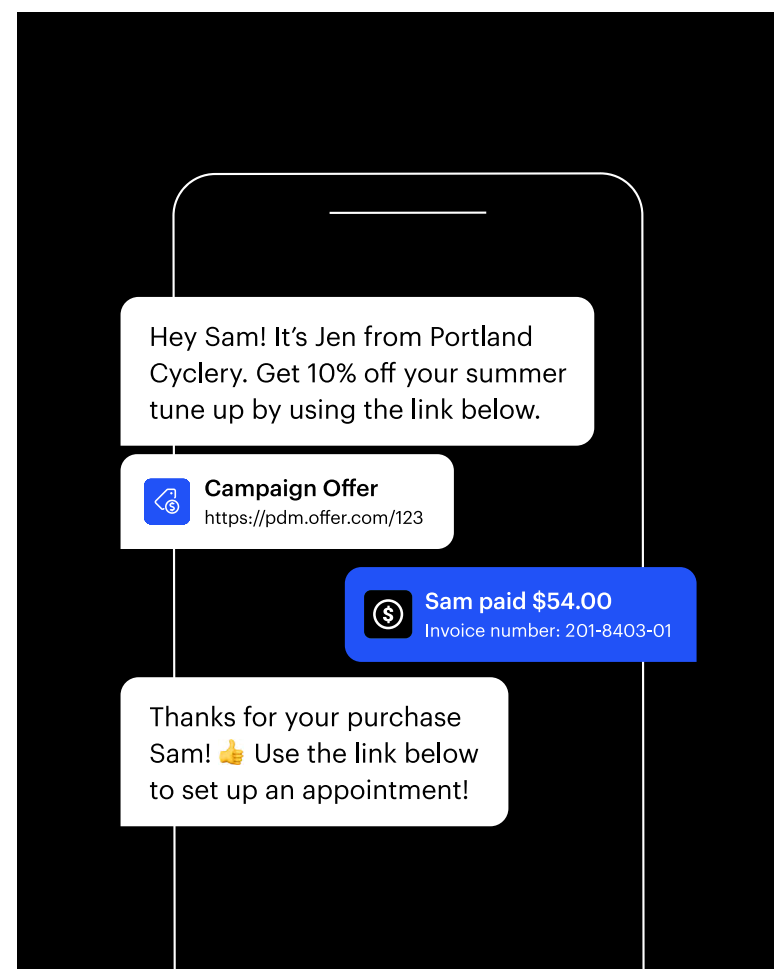
That's a dramatic leap in conversational engagement. And this type of engagement leads to several downstream benefits, including stronger affinity and loyalty for your business and higher customer lifetime value. All from simply proving that your customer is speaking to a real human.

# Promotional messaging: marketing's next revolution.

You know that your customers want 1:1 conversations with your business. But that doesn't mean promotional messaging doesn't have its place. When opted in, 75% of consumers welcome SMS messages.

Consumers also redeem SMS coupons an astounding 10x more than other types of coupons. When asked which channels they would like, but do not currently use, to learn about promotions from the local businesses they frequent, text messaging was the top choice—higher than email, website chat, or social media.

**Consumers redeem SMS coupons 10x more than other types of coupons.**

Hey Sam! It's Jen from Portland Cyclery. Get 10% off your summer tune up by using the link below.

**Campaign Offer**
https://pdm.offer.com/123

**Sam paid $54.00**
Invoice number: 201-8403-01

Thanks for your purchase Sam! 👍 Use the link below to set up an appointment!
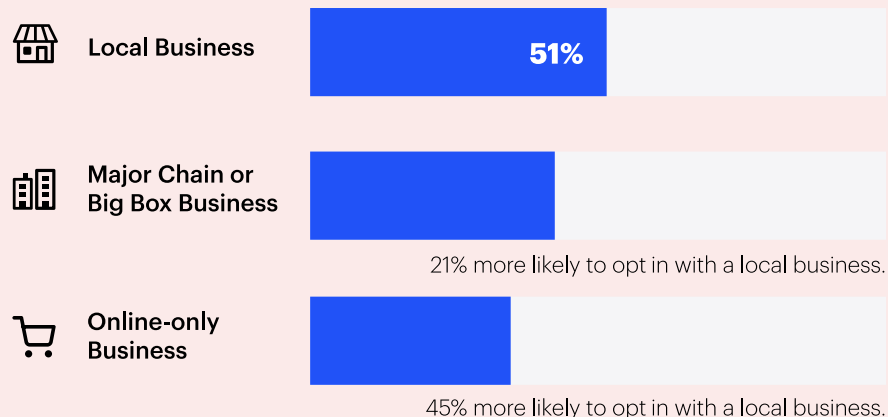
# Local businesses are uniquely positioned to win with SMS marketing.

The best part? Local businesses have a remarkable opportunity to reach their consumers' text message inboxes **more often** than major chains and ecommerce players. Consumers report being 21% more likely to opt in to local business's SMS marketing lists than major chain or big box businesses and 45% more likely than online or ecommerce businesses.

Reflect on that for a second. In a world that seems to become more digital by the minute, consumers are more eager to allow local businesses into their inboxes than ecommerce players. Local businesses are being handed a golden key with SMS marketing. They just have to turn the lock.

*"I'm likely or very likely to opt-in to SMS promotions from..."*

Local Business
**51%**

Major Chain or Big Box Business

21% more likely to opt in with a local business.

Online-only Business

45% more likely to opt in with a local business.

Marketing via text message clearly has enormous potential for businesses and advantages for their audiences, but it has to be done correctly. Local businesses must understand that to earn opt-ins and keep them engaged—and prevent them from unsubscribing—their content must be aligned with customers' unique wants and needs.

So, what do consumers want from your text messages?

# What consumers want from your text messages

While SMS marketing can feel daunting for many businesses, it's really quite simple. If you cater to your customers' preferences with well-timed, personalized, interactive messages that encourage engagement, your customer satisfaction and bottom line will both reach new heights. The key is knowing what your customers want, and when.

Happy Birthday, Sarah! Please take 40% off your next purchase! We hope it's a good one. See you soon!
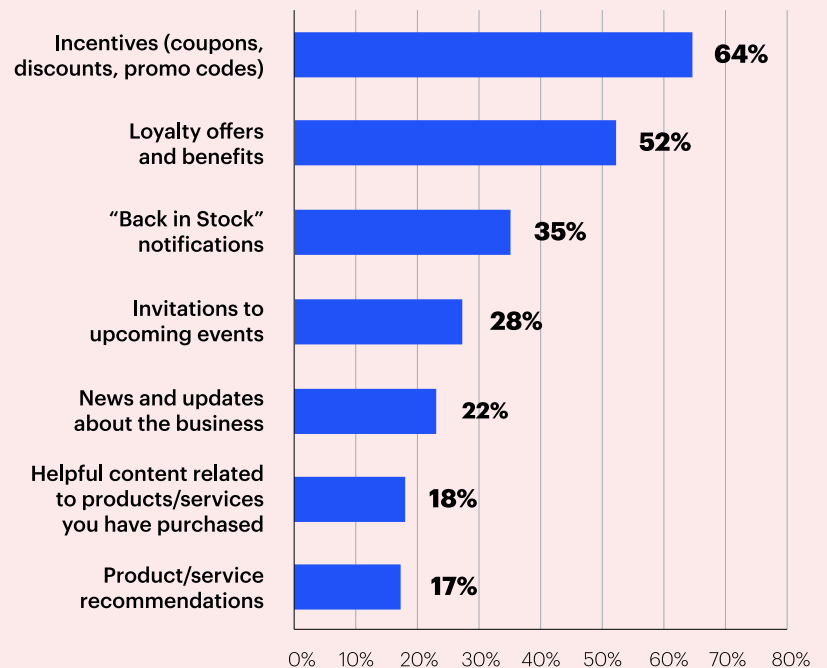
Wow that's great, thank you!
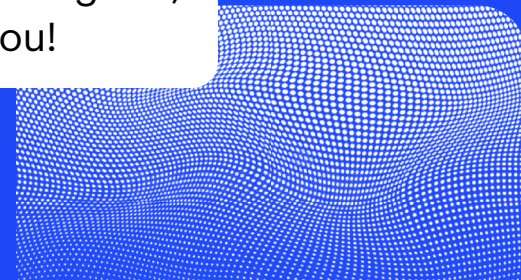
# What makes a compelling text— according to your customers.

According to our research, your customers want interactive texts sent at relevant times with content specifically tailored to their history with you.

**Of the types of promotional messaging content you can send, consumers most want messages with incentives, loyalty offers, and updates on inventory.**
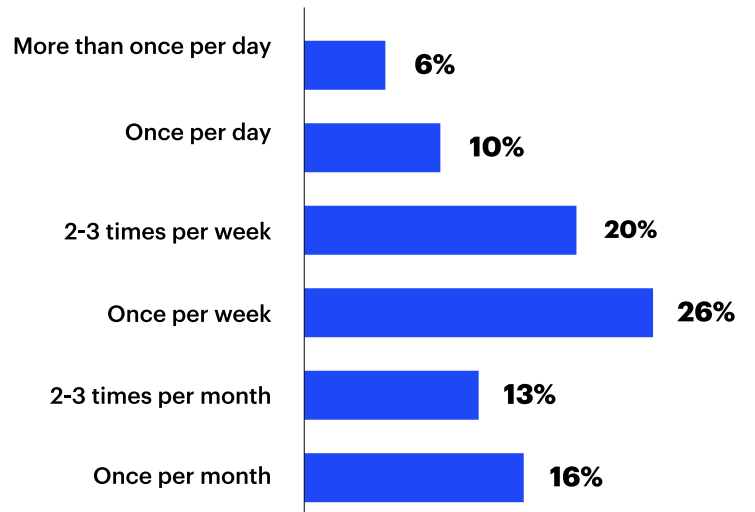
**55% of consumers** have redeemed an offer or promotional code shared with them via text message.

*Which of the following types of promotional text messages would you like to receive from local businesses?*
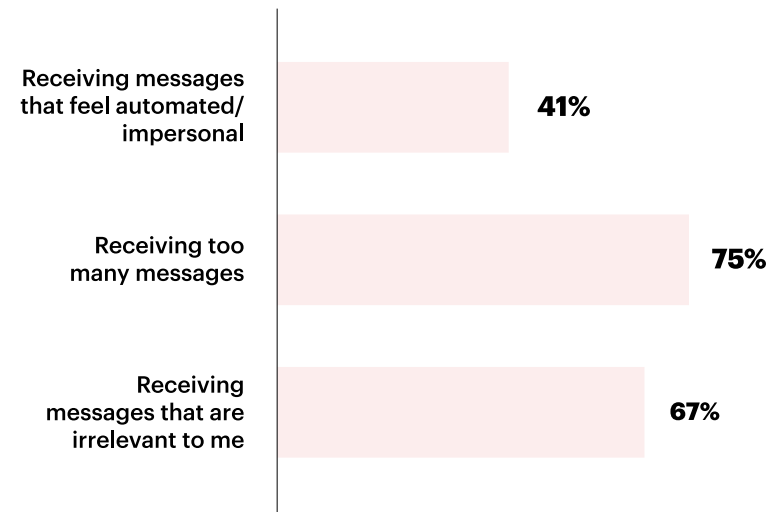
| | |
|---|---|
| Incentives (coupons, discounts, promo codes) | **64%** |
| Loyalty offers and benefits | **52%** |
| "Back in Stock" notifications | **35%** |
| Invitations to upcoming events | **28%** |
| News and updates about the business | **22%** |
| Helpful content related to products/services you have purchased | **18%** |
| Product/service recommendations | **17%** |

0%  10%  20%  30%  40%  50%  60%  70%  80%

Customers want to hear from you more often than you might think. Over 60% want to hear from you at least once a week. However, going above this limit can lead to unsubscribes.

*How often would you like to receive promotional text messages from local businesses after opting into their promotional text message list?*

More than once per day — 6%

Once per day — 10%

2-3 times per week — 20%

Once per week — 26%

2-3 times per month — 13%

Once per month — 16%

*Which of the following scenarios would cause you to unsubscribe from promotional messages from a local business?*

Receiving messages that feel automated/impersonal — 41%

Receiving too many messages — 75%

Receiving messages that are irrelevant to me — 67%

And when it comes to messaging media, consumers are loud and clear. Did you know that **over half** of consumers are more likely to engage with multimedia messages? To increase engagement, make your messages interactive by keeping the links, gifs, and pics (even emojis!) rolling. 😎 🙌 😘

*"Are you more likely to engage with text messages that include images, gifs, or videos?"*

| Yes | 41% |
|-----|-----|

*"Are you more likely to engage with text messages that include a link to more information online?"*

| Yes | 52% |
|-----|-----|

But remember, with all of these opportunities comes a caution. Local businesses need to be aware of the rules and regulations regarding SMS marketing. Breaking these rules can not only result in loss of consumer trust but hefty fines as well. Businesses should only message customers who have opted in and respect all opt-outs.

**59% of consumers have been texted by a business that they did not give permission to.**

**61% of consumers would unsubscribe from promotional messages from a local business if they received messages they didn't recall signing up for.**

For more information on regulations and consumer preferences, download our SMS Marketing 101 eBook here.

# How can local businesses do it all?

As you can see, messaging successfully means balancing a lot of moving parts. It can be challenging for any team to take on—especially if you're having to juggle multiple platforms to do it.

That's why messaging successfully starts with choosing the right messaging platform for your business—one that delivers valuable data and tracking, is easy to use, and offers the most convenience for you and your customers.

# Podium—the messaging platform that does it all.

With Podium, you can message your leads and customers, gather reviews and feedback, collect payments, and communicate easily with your team—all from one easy-to-use inbox. By powering all of the interactions that matter most to your business, our messaging tools put you miles ahead of your competition.

Purpose-built to power both local business and enterprise communications, Podium allows you to do it all by:

Thank you for choosing us
Would you leave us a revie
using the link below?

**Leave us a review!**
https://pdm.rvw.com/96en-

**New Google Review**
Vincent Reeve left you a review

**Google Star Rating**
**4.5**
Overall Rating

**Payment Received**
Amount: $285.50   Invoice: 2376

**Amount Processed**
**$2381.90**
Month To Date

### Winning more leads.
Turn online prospects into offline buyers by standing out when they're searching and providing a convenient way to get in touch—no matter where they're looking for you.

### Earning repeat customers.
Answer questions, schedule appointments, and close the deal without the hold music and phone tag. It's the best way to earn repeat business and turn customers into promoters.

### Doing more as a team.
Don't just do more—do it together. Connect and collaborate with your team, all from the same platform where you interact with your leads and customers.
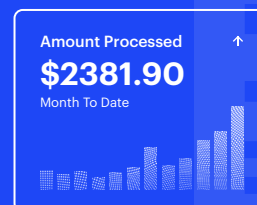
"

We're encouraging our dealers to adopt Podium's messaging tools. The days of email communications have gone by the wayside. If you don't make a meaningful connection with customers within five minutes, they'll go to a competitor. Podium creates a frictionless buying experience starting with Google search and ending with an effortless way to pay.

—*Jamie Ziegler, Director of Product Management, Hunter Douglas*

# Podium Campaigns

With Podium Campaigns, you can easily build and maintain your own SMS marketing campaign while measuring and maximizing results. Campaigns integrates with your entire customer journey, allowing you to turn interactions into opt-ins via existing touchpoints such as Webchat, Reviews, and Payments. And this kind of marketing turns out big results.

Hello :name:, it's Taylor's Cycling. Celebrate our 8 year anniversary by taking 20% off your purchase. Visit http://www.taylorscycling.pdm.com/123 and feel free to text back if you have any questions!

:a:

👁 Preview

Hello Rachel, it's Taylor's Cycling. Celebrate our 8 year anniversary by taking 20% off your purchase. Visit http://www.taylorscycling.pdm.com/123 and feel free to text back if you have any questions!

**Turn interactions into opt-Ins:** Traditionally, growing your SMS opt-in list has been a challenge. Podium helps make it easy. Upload existing opt-in lists and collect new opt-ins at a variety of existing Podium touchpoints, including via webchat, after leaving a review, or while making a payment.

**Build & share campaigns:** Design SMS marketing campaigns to drive engagement for upcoming or seasonal promotions. Segment your opt-in list or send it to everyone at once.

**Measure & maximize results:** Reporting on your success is critical. Podium makes it simple by giving you pre-built dashboards that surface digestible insights on unsubscribes, click rates, transactions, and more.

Spotlight

# How Maus Family Automotive went from unread emails to closing deals with promos.

Maus Family Automotive was already using text to capture leads, close deals, and gather stellar online reviews. But in the wake of COVID-19, they needed a way to tell their customers that they were willing to negotiate on price and looking for trade-ins.

When the results of their email campaigns were less than ideal, marketing manager Devin Stott decided to try Podium Campaigns, a promotional tool that would allow Maus to bring awareness to customers and prospects via text. And it paid off. Fast.

"We got a good response. At the end of the day, we were able to sell seven or eight more cars off that note in a 48-hour window. We bought a couple of cars too. Campaigns essentially paid for itself."

## Results from Podium Campaigns

- ◉ **Total Subscribers = 2,898**
- ◉ **Click/Open Rate = 5.72%**
- ◉ **Total Clicks = 166**
- ◉ **Response Rate = 1.52%**
- ◉ **Total Responses = 44**
- ◉ **Cars sold: 8**

Maus even determined to run more promotions in the future with Campaigns because the cost of retaining a customer was so minimal compared to the cost of acquiring a new car buyer.

"The cost acquisition of a new customer in the car business is what, $600 to $700? But once they're your customer, the cost of retention is minimal. I mean, if you have to take $10 off an oil change to get that customer to come back to you versus going to a third-party option, it costs you $10 to keep a $600 customer. Why wouldn't you?"

**❝ Podium is probably the best value for money out there. When you understand the importance of being able to communicate with your customer, and see the difference between customers looking at their texts versus opening their email inbox, the change is startling. Text is where it's at.**
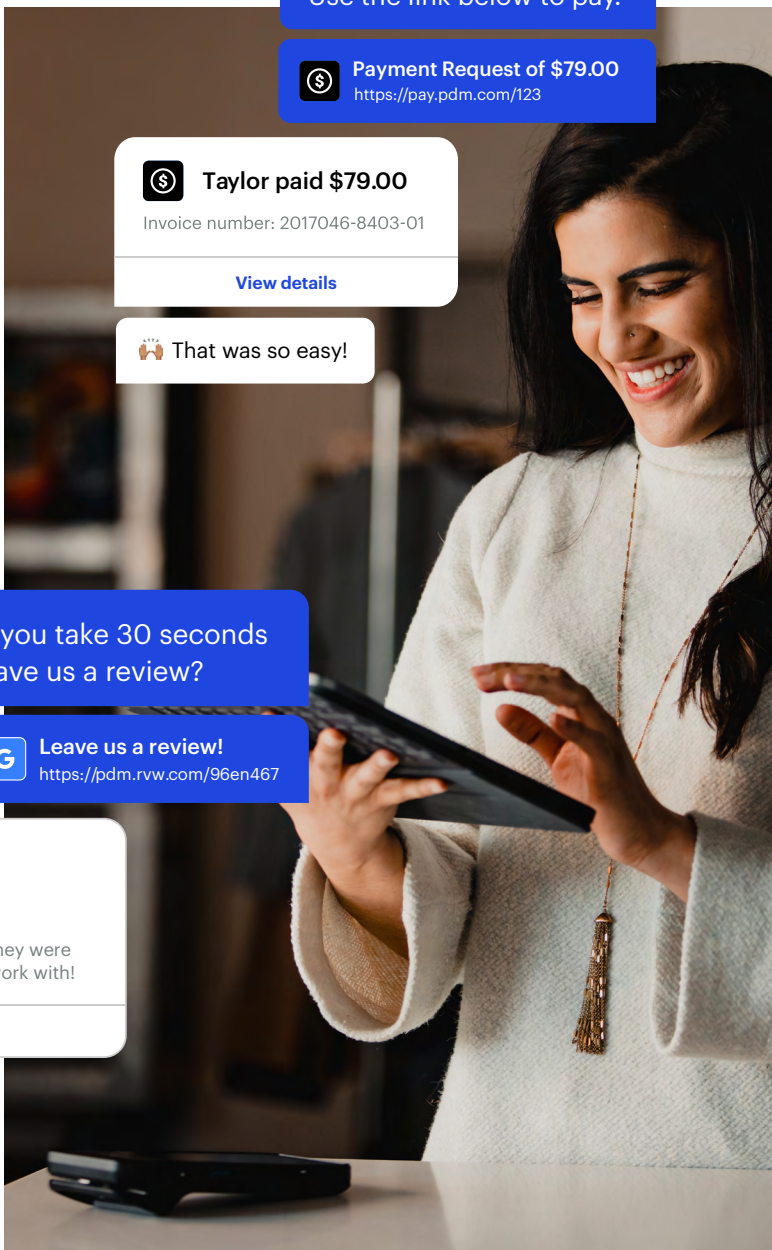
*—Devin Stott, Maus Family Automotive*

# We're in the business of modernizing the way you communicate.

It's no secret—messaging is the new moment in business communication. It's make or break. It's the next big thing. And it's here.

Take advantage of the opportunity to get ahead of the curve and revolutionize the way you do business through messaging. Because when it comes down to it, your texts are so much more than just texts—they're chances to increase customer engagement, create trust, and convert customers for life.

**Ready to seize your opportunity? Start messaging for free [here](here).**