Mobile Consumer Behaviour Report

Evolution of the digital swiss-army knife

text local

Textlocal mobile consumer behaviour report

Smartphones have truly revolutionised the way we work, rest and play. People of all demographics have embraced the convenience and advancements in technology, allowing mobile devices to play a vital role in how we live our lives today.

We've commissioned this research to find out exactly how consumers are using their phones and what they think about mobile communications and to gather insights to inform mobile strategies for businesses looking to better engage and influence audiences.

The findings are conclusive. Smartphones have brought unprecedented change to people's lives and in the last five years their ownership, and subsequent use, has grown phenomenally, increasing by 63% to more than 85% of the UK's population. These numbers are forecast to continue to grow with 93% of UK adults expected to own a smartphone by 2023.

The dependence on smartphones for everyday tasks has led to just over a third of our research respondents now describing themselves as addicted to their device, with more than 15% of people checking their phone within 15 minutes of waking and with the majority keeping them to hand for more than 16 hours a day.

Many organisations are choosing to use the device to enhance service, increase loyalty or share offers. It's clear that the popularity, convenience and prevalence of devices amongst consumers presents an unprecedented opportunity and a need to develop a mobile strategy when looking to entice and engage customers.

The opportunities provided by smartphones are set to increase with the roll out of 5G and further enhancements in SMS capabilities. Exciting developments in Rich Communications Services (RCS) messaging is likely to enable businesses to deliver even more interactive messages that allow for group chats, video and audio messages as well as high-resolution images or interactive surveying.

Smartphones have delivered an extraordinary level of change in the ways we interact with each other, our personal interests or favourite brands. This trend is set to continue with further enhancements in technologies, connectivity and familiarity, but it has been shown that the businesses that react best to the opportunity will be the brands of the future.

Jason Palgrave-Jones,
Managing Director of Textlocal

Introduction

When Alexander Graham Bell first invented the telephone, he couldn't have imagined that it would evolve into the digital swiss-army knife we carry today. No longer just about making calls, modern mobile phones now contain more computing power than the computers used by NASA for the first moon landings and have become an indispensable part of our lives.

## 85% of consumers use a smartphone
(Ofcom, 2017)

This dramatic evolution of consumer technology has forever shifted the way that we communicate, not only with friends and family, but with businesses. Never before have we had such a wide variety of communication methods available to us, right in our pockets. Where once businesses relied on direct mail and phone calls to reach their customers directly, they can now text, email, tweet, instant message – that's before we even touch on mass advertising potential.

Such an explosion of possibilities has left many organisations in need of guidance. When the landscape is changing so rapidly, how can businesses ensure they stay ahead of the curve to deliver exactly what their customers want, when they want it? Those that are slow to react to the advancements in technology and consumer behaviour can find themselves at a competitive disadvantage, being left behind as their more innovative, better informed competitors steal their market share. Regular, up-to-date research into mobile technologies and the uses is crucial.

Much of the research in the mobile world focuses on what businesses are doing, but instead here we look at the behaviours, thoughts and opinions of the people that really matter – the consumers.

The insights contained in the following pages have been gleaned from in-depth surveying of a diverse cross-section of the British population, highlighting behaviours and attitudes to communications and technologies in this mobile age.

Key findings have been extracted and applied to specific business situations, giving you the data you need to build a well-informed, up-to-date mobile strategy that works for your organisation.
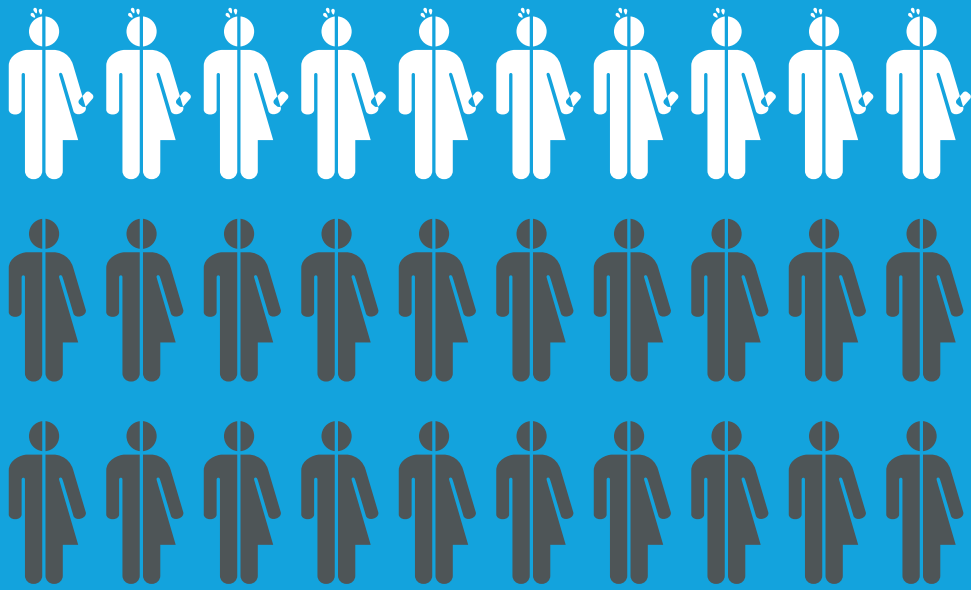
Just over a third of smartphone users would describe themselves as addicted to checking their device

The smartphone influence

The vast majority of adults in the UK now own a smartphone. 93% of respondents in our study reported owning at least one of these devices, marginally more than found in other studies – Deloitte reported 85% ownership in 2017, while Ofcom reported 76% in 2016.

One thing that is consistent across all research sources is the growth of smartphone penetration across the UK. For example, in 2012, the year which saw the release of the iPhone 5 and Samsung Galaxy S3, around half of the UK population owned a smartphone according to Deloitte. In just five years, this increased by 63%.

The increase in smartphone ownership has slowed in recent years as the devices approach complete penetration in certain markets. Almost every adult aged between 16-44 owns a smartphone, leaving little room for further growth. Instead, market growth is coming from the 55+ market, where consumers are typically slower to adopt new technologies.

Reports from Deloitte suggest that the rapid growth of adoption among this older market may be in part due to necessity, as services become increasingly tailored to smartphone users. For example, parking meters that encourage payment by phone or taxi companies that make it easier to order a taxi via an app.

Smartphone usage by age
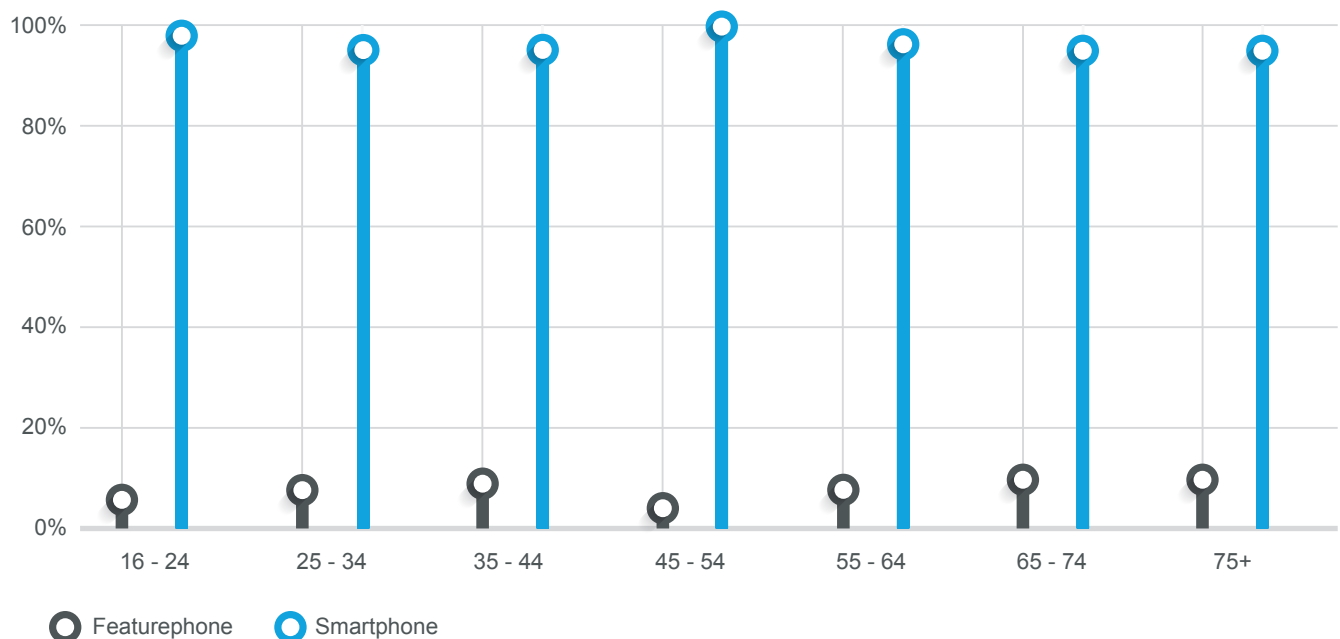
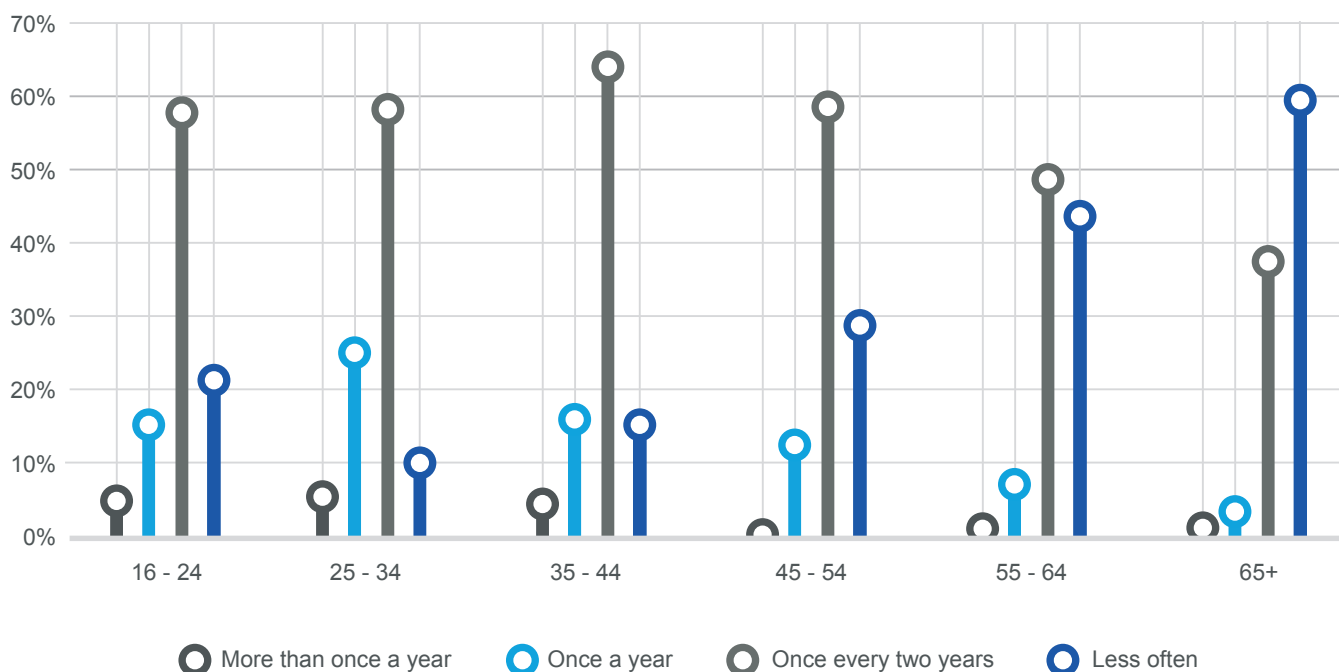Source: Textlocal Consumer Behaviour Research 2018

What this means for businesses is that it is no longer just the younger generations that can be effectively reached using mobile communications, opening up new opportunities for those organisations who target older consumers.

As smartphone adoption reaches new heights, much of the new business in this market comes from users upgrading and replacing handsets as their current contract comes to an end.

The average smartphone user upgrades their mobile at least once every two years, with only 28% of respondents upgrading less often. Those aged between 25-34 typically upgrade most frequently, perhaps driven by the desire to have the latest handsets with more advanced functionality.

On average the UK smartphone user spent £433.41 on their device in 2017

Frequency of phone upgrade

Source: Textlocal Consumer Behaviour Research 2018

The increasing penetration and sophistication of smartphones has had a dramatic impact on business operations in a wide range of industries. The retail industry has had to adapt online offerings to account for the rise of mobile shopping, or m-commerce, while the rapid adoption of mobile payments in recent years is transforming checkout experiences in physical stores.

89% of job-seekers believe their smartphone is essential for job hunting, with easy access to platforms like LinkedIn or sites like Indeed cutting down on the need for recruitment consultants. In response, recruiters are tapping into social media, with 93% of companies using LinkedIn to find suitable candidates. Not only beneficial for job-seekers, the increasing use of social media in the recruitment process is having positive effects for recruiters, with 42% claiming that the quality of candidates has improved through using social platforms.

The gaming and gambling industries have likewise been transformed, with customers able to place bets remotely. This flexibility has fuelled the rise in live odds during sporting events as fans can place bets remotely, with over 4 million people using their smartphones to gamble. With over 46% of smartphone users playing games on their phones every day, there is also a clear market for casino games. In fact, the number of gamblers that play casino games on their mobiles is increasing by 30% every year.

This is just a small snapshot of the impact smartphones have had on businesses and consumers. The shift in behaviour is staggering, and change is set to continue as technologies evolve. Since the first iPhone was released in 2007, reports of smartphone addiction have spiralled, particularly among young people, with one therapist describing the devices as akin to cocaine. Over 50% of people check their phone within 15 minutes of waking, while it's estimated that the average user checks their phone 10,000 times in a year, with 4,000 of these checks coming entirely out of habit (In fact Apple have recently announced it is expanding its "Do not disturb" capabilities in an attempt to limit how much time you're spending on Apps.)

Smartphones have infiltrated every part of our lives and despite trends of 'digital detoxes', their influence is only set to grow, with adoption forecast to reach 92% of UK adults by 2023. All of this means that it's more important than ever for businesses to develop effective mobile strategies to reach and engage their customers.

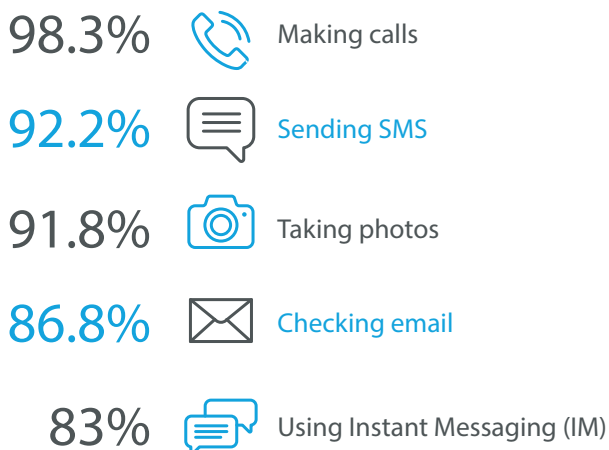# 74.5% of people complete surveys on their phone

It's not just about the calls

It's been a long time since mobile phones were purchased simply for their ability to make phone calls on the go. Consumers now rely on their mobiles to perform a vast array of functions, from playing games and shopping to waking them up in the mornings - 56% of consumers rely on their mobiles for their daily alarm. Almost every user still makes voice calls (98.3%), but only 59.7% of people are doing this every day, meaning that phone time is predominantly spent elsewhere.

In terms of popular usage, phone calls and text messages are still the most common activities across both smartphones and older-style featurephones, showing the continued importance of these two communication mediums for both personal and business use.

Top 5 mobile phone uses

98.3% Making calls

92.2% Sending SMS

91.8% Taking photos

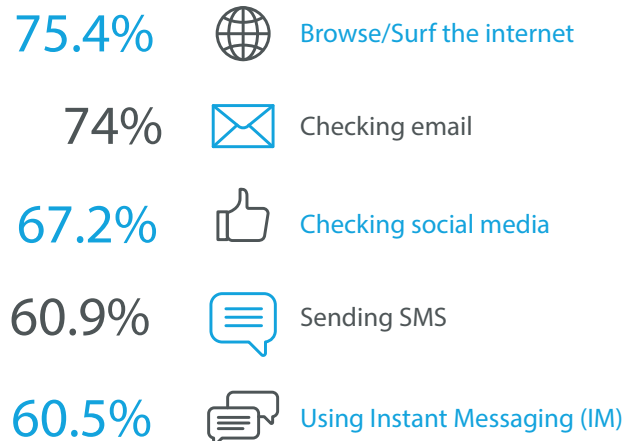86.8% Checking email

83% Using Instant Messaging (IM)

Percentage of respondents undertaking each activity on their phone

It's interesting to note the comparative uses of SMS and IM. While the frequency of these activities is around the same, with a little over 60% of consumers using at least one of these messaging mediums daily, SMS is still the most popular overall, with over 10% more users.

Internet connections form the basis for the most popular daily activities, with browsing the internet, checking emails and scrolling through social media the three most frequent smartphone uses. Not every user is taking advantage of these facilities, but those that do are spending hours every day glued to their handsets. 30.4% of respondents confessed to checking social media constantly throughout the day, while 21.6% are constantly texting.

Top 5 most common daily activities

75.4% Browse/Surf the internet

74% Checking email

67.2% Checking social media

60.9% Sending SMS

60.5% Using Instant Messaging (IM)

Percentage of respondents undertaking each activity every day

This habit of constantly using or checking smartphones throughout the day makes the smartphone an ideal target for businesses trying to reach their customers. Calls, texts, emails and instant messages can all be received and reacted to quickly. While mobile websites, apps and social media profiles can be accessed at any time, the potential for customer engagement with a business has never been higher. Interestingly, women are the most frequent users of SMS, IM and photos, while men aged 25-44 are spending the most time browsing online.

What's more, the list of ways smartphone owners can use their devices is continually growing. While emails, social media, SMS and calls are the most popular, millions of users are getting a lot more use out of their handset in ways that aren't explicitly communications-focused, creating more opportunities for businesses.

App developers are clear winners here, but the diverse range of activities undertaken shows that organisations in almost any industry can find ways to reach and engage their target audience through their mobiles. As developers and user experience designers become more experienced with the mobile format, it has become easier for people to manage their entire lives from a single device.
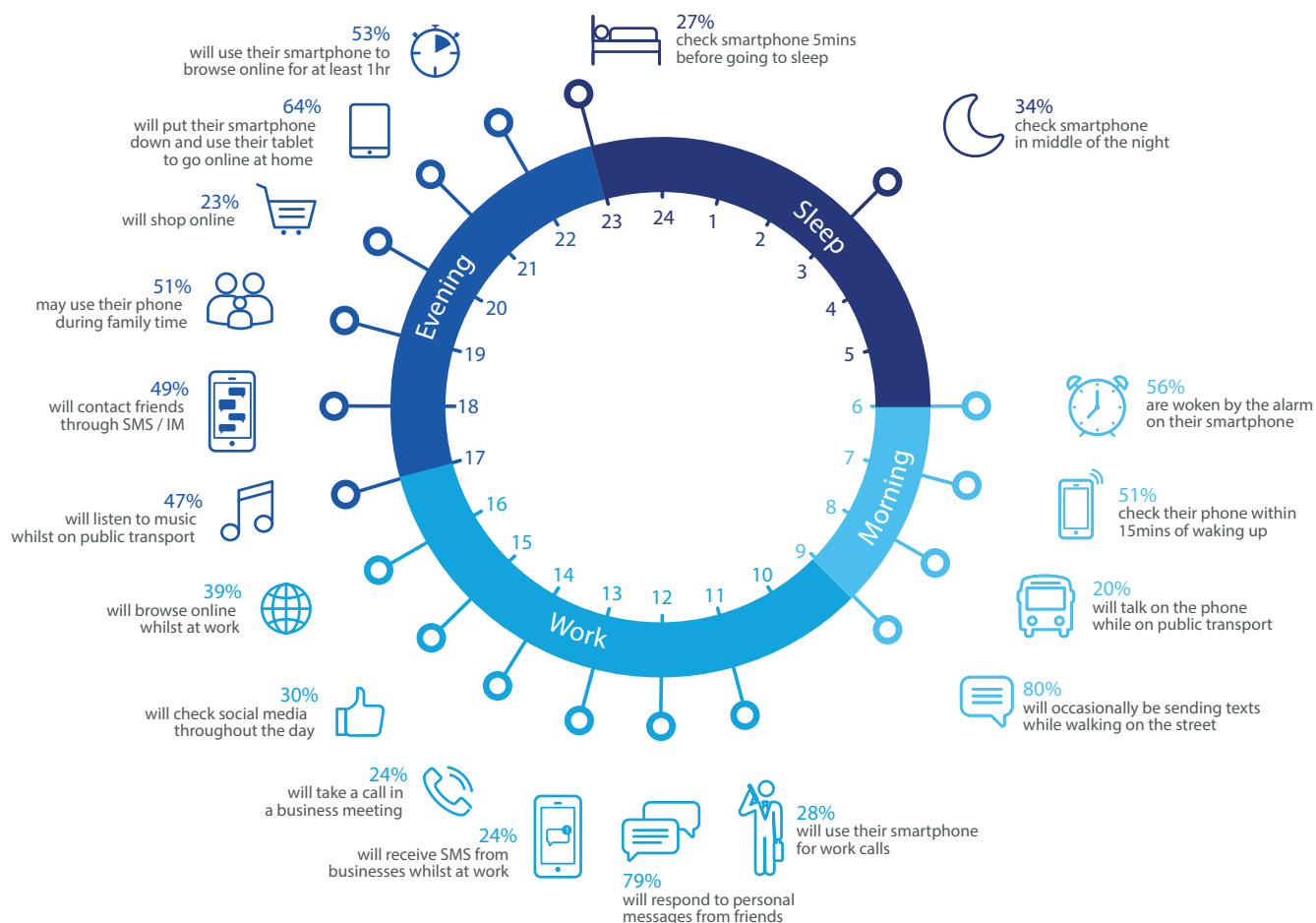
Surveys designed for mobile phones can be used for measuring customer satisfaction, or perhaps to aid in product development. Over half of our respondents complete mobile surveys daily, so the potential for engagement is clear. Businesses in the health and fitness industry can tap into the 55% of people who track their wellbeing using their mobile with thoughtful apps, subscription services or motivational communications.

Just under half of consumers watch video clips on their phone every day, opening up another route for businesses to engage their audience with creative communications. Think less about corporate videos, more about how-to's, humorous storytelling and influencer marketing.

Perhaps most interesting to retail businesses is the finding that over three quarters of consumers use their phones to shop online. When roughly the same proportion are browsing online on their mobiles every day, it's easy to see how mobile phones are taking over the internet.

The increasingly vast array of functions that smartphones can perform have transformed the lives of consumers over the past ten years. With the rise of applications like mobile wallets, we're seeing the beginnings of a shift towards developing for enterprise, not just changing how we communicate with our customers, but supporting new ways of working across a myriad of industries. As smartphones continue to get smarter, the seeds have been sown for the new, mobile workplace of the future.

A day in the life of a smartphone

53% will use their smartphone to browse online for at least 1hr

64% will put their smartphone down and use their tablet to go online at home

23% will shop online

51% may use their phone during family time

49% will contact friends through SMS / IM

47% will listen to music whilst on public transport

39% will browse online whilst at work

30% will check social media throughout the day

24% will take a call in a business meeting

24% will receive SMS from businesses whilst at work

79% will respond to personal messages from friends

28% will use their smartphone for work calls

80% will occasionally be sending texts while walking on the street

20% will talk on the phone while on public transport

51% check their phone within 15mins of waking up

56% are woken by the alarm on their smartphone

34% check smartphone in middle of the night

27% check smartphone 5mins before going to sleep

Sleep / Morning / Work / Evening

Source: Textlocal Consumer Behaviour Research 2018

Capture critical customer feedback: SBS Insurance

SBS insurance needed a way to increase response rates of customer feedback surveys, to measure satisfaction with their claims resolution service for household and commercial claims.

Using the Textlocal Forms & Surveys tool, combining sophisticated survey tools with the unparalleled open rates of SMS, SBS generated a 17% click through rate on their mobile surveys and 9-10% response rate, considerably higher rates than are achieved with email or direct mail.

The Textlocal API used by SBS to make the survey process more convenient for them. The Send SMS feature is used to automate survey sends, whilst the Get Survey Results process helps to sort the results into the CRM software.
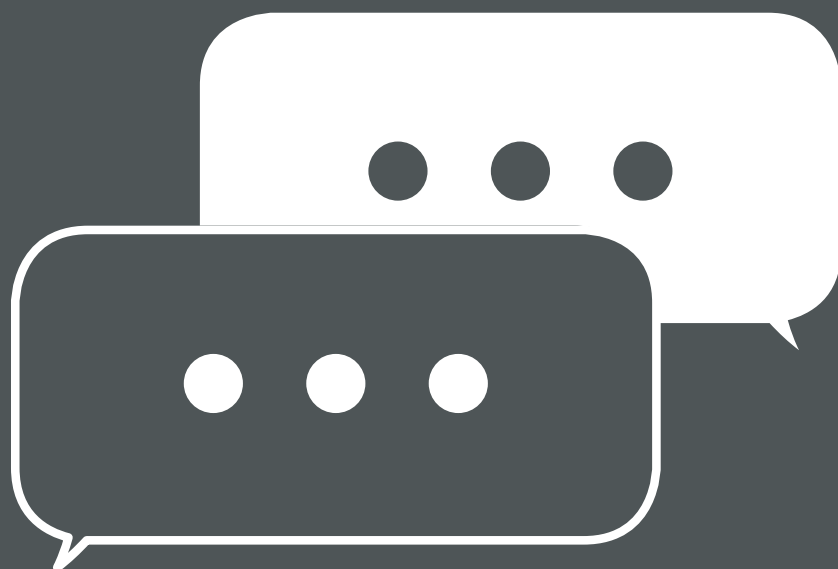
21.6%

of consumers are constantly texting throughout the day

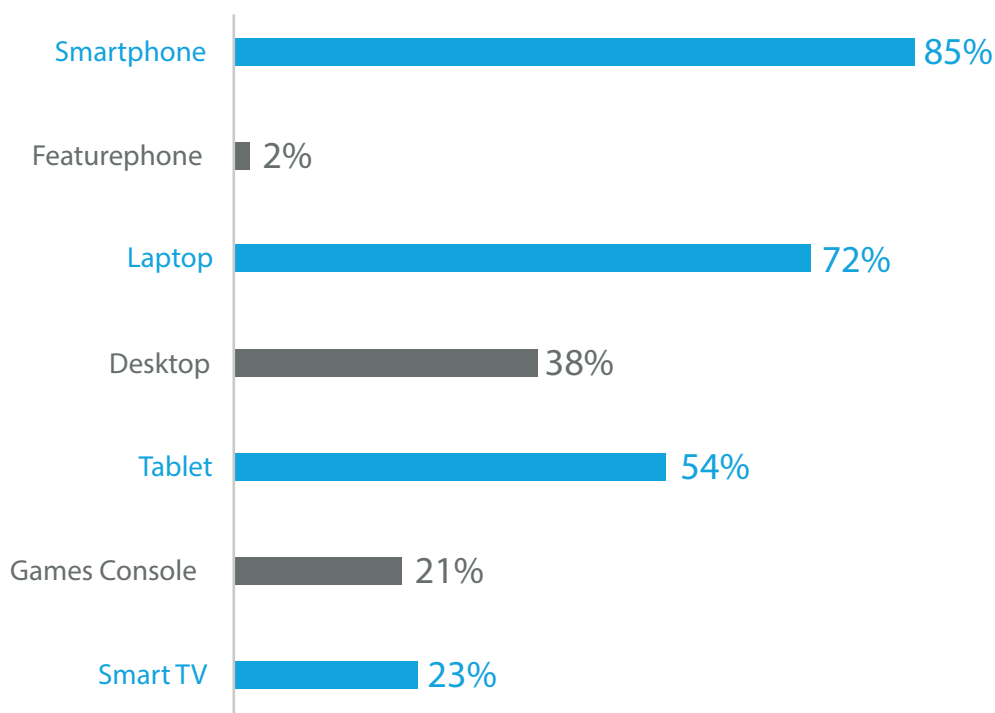Women aged 16-24 are the most frequent texters, with 70% using SMS or IM constantly throughout the day

How to get online

It's been years since internet use was confined to a desktop PC and dial up modem. As the Internet of Things increasingly becomes a reality in many homes across the country, the number of devices we use to go online continues to grow. The Internet Advertising Bureau estimated the average number of connected devices per home at 8.3 back in 2016, a figure which is likely to have grown.

For many people, smartphones are now the most important way to access the internet, overtaking laptops in popularity in 2015 (Ofcom, 2017), with three quarters of people using mobile internet at least once per day. This is helped by the growth in mobile internet infrastructure, with over 95% of 4G users able to access mobile internet when they use their phone.

Devices used to go online

Device	Percentage
Smartphone	85%
Featurephone	2%
Laptop	72%
Desktop	38%
Tablet	54%
Games Console	21%
Smart TV	23%

Source: Textlocal Consumer Behaviour Research 2018

The average person now spends over 9 hours per week browsing the internet on their mobile phones, equivalent to more than 1 hour per day. In fact, in 2017 smartphones overtook computers in terms of time spent online for the first time ever. This isn't just the result of millennials and Generation Z-ers becoming glued to their screens. The average time spent on mobile browsing is fairly constant among the entire under 45 age group, with 35-44 year olds the most likely to spend over 10 hours per week online on their device.

The shift in browsing habits from the big screens of desktops and laptops to the pocket-sized screens of smartphones has had a dramatic effect on online businesses. Google has spent the last decade making incremental changes to its search algorithm to deliver a better experience to mobile users, causing sites that aren't optimised for phone screens to drop down the search rankings. After major algorithm updates such as 2015's "Mobilegeddon", Google officially went "mobile-first" in March 2018, ranking all websites based on their mobile versions for the first time, reflecting the change in how consumers access the internet.

A 2017 Ofcom report found that the average monthly data usage per user was 1.3GB in 2016, but by the end of 2017 this was closer to 2.5GB. It's estimated that as content consumption increases and the technology becomes more advanced, the average usage could be as much as 18GB per month by 2021.
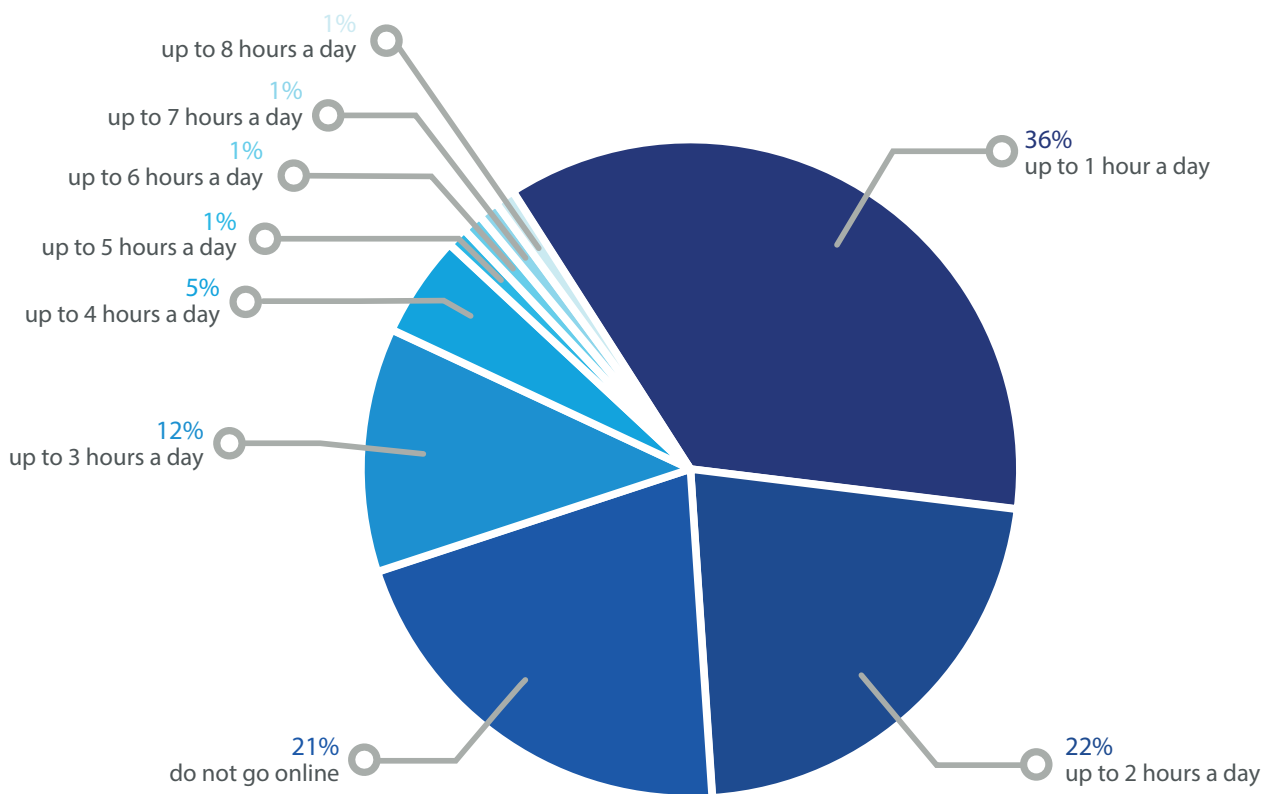
The highest levels of data usage at the moment come from

21%

of smartphone
users are online
for more than
3 hours per day

Frequency of mobile browsing on smartphones

up to 8 hours a day — 1%
up to 7 hours a day — 1%
up to 6 hours a day — 1%
up to 5 hours a day — 1%
up to 4 hours a day — 5%
up to 3 hours a day — 12%
do not go online — 21%
36% up to 1 hour a day
22% up to 2 hours a day

Source: Textlocal Consumer Behaviour Research 2018

users of the network Three, who offer unlimited data for their customers. Other networks have begun to offer data-free apps, allowing users to stream as much content as they want from nominated apps such as Netflix or Spotify without eating away their data allowance.

The predicted rise in data consumption will be aided by the advent of new, super-fast 5G networks which are expected to roll out from 2020. So far, the UK's main mobile operators have spent almost £1.4bn securing their space on the new networks and are trialling new technologies and devices to take advantage of the enhanced capabilities. Some reports suggest that 5G could be as much as 100 times faster than the existing 4G networks, dramatically increasing the potential for streaming and downloading even greater amounts of content.

The increased use of smartphones for accessing the internet is also being helped by the expansion of Wi-Fi provision in public places and on public transport. Even aeroplanes, with their traditionally strict flight-mode rules for mobile devices, are offering Wi-Fi to their passengers, with airlines like Emirates and JetBlue offering free in-flight internet access, while others charge as much as £27 for customers to connect.

The way we go online with our smartphones is changing too, with the rise of artificial intelligence and personal digital assistants like Siri and Cortana. From conducting basic searches to operating various apps on a device, these virtual assistants allow users to control their phones using only their voice, making it easier than ever for people to access the information they need, as soon as they need it. They're also instrumental in the development of the Internet of Things, linking of myriad of devices to create connected homes.

Tests have shown that the smartest personal assistant is the Google Assistant, accurately answering more questions than rivals

Such is the growth of mobile internet that mobile is driving the majority of the gains in the internet advertising industry. Smartphone advertising grew by 37.4% in 2017, compared to 14.3% growth in digital ad spend as a whole, accounting for 45% of all spending. Mobile video ads are growing fastest of all, with ad spend more than doubling in 2016 and increasing by a further 67% in 2017. The change in search habits is well reflected in advertising too, with mobile search spend increasing 48% in 2016, compared to 15% across the whole search market. (All figures IAB UK, 2017 and 2018)
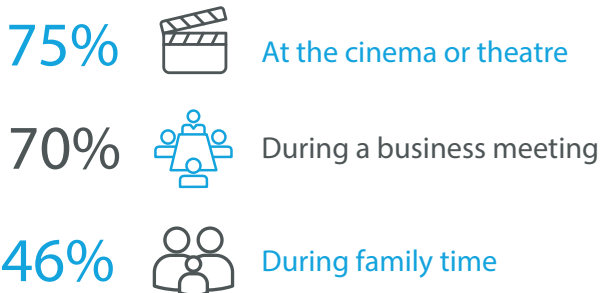
Messaging habits and etiquette

Proper etiquette and politeness is important in social situations, especially for Brits, but smartphones have become an indispensable part of our lives so rapidly that there's still a lot of debate about what is and isn't acceptable.

Some circumstances are almost universally considered unacceptable times to use your phone, like in the cinema, but others can provoke a lot of debate. For example, 21% of people think it's completely acceptable to film video of a concert on their phones, while 33% think that's never OK. It's younger generations that lead the charge there, with around 90% of under 25's comfortable with filming concerts at least some of the time, while 55% of over 35's consider it completely unacceptable. Let's hope they're not at the same gig.

Watch where you're walking

31%

of people think that it's always OK to text and walk

Unacceptable places to use your phone

75% 🎬 At the cinema or theatre

70% 👥 During a business meeting

46% 👥 During family time

Percentage of respondents rating the activity unacceptable

Deloitte estimates that around half of all meals taken with family or friends in the UK are interrupted by smartphone usage, but 46% of respondents think that using your phone during family time is never acceptable. Despite the stereotype of the sulky, texting teenager, it's the 25-34 year olds that are the biggest culprits, with over two-thirds of respondents considering it acceptable to get your phone out when you're with family.

Interestingly, as a general rule, among the over 35's the older the respondent, the more likely they are to think using a phone in a certain situation was unacceptable. Under 24's aren't the worst culprits for smartphone etiquette either – it's the 25-34's, the millennials, that are the most comfortable using their phones in any situation. Even in the cinema, considered by most to be a phone-free zone, almost one in 10 millennials think it's acceptable to have their phones out.

This pattern continues at work, where using your phone during a meeting is generally considered a no-no, whether that's checking emails or taking a call, but among millennials, one in ten are happy to take the call. Most of those are the same people who'd use their phone in the cinema. Comparatively, 66% of people think it can be acceptable to answer personal calls when you're in the office, rising to around 75% among the 25-44 age group.

What does this mean for businesses? Well, it's all a matter of knowing your audience. With less time spent phone-in-hand, older consumers may well take longer to see or respond to any mobile communications. Stay away from mealtimes or working hours if you're looking for a rapid response – unless, of course, you're targeting the 25-34 year old age group, who might just be on their phones anyway. SMS is an ideal medium for fast communications, as the typical message is delivered in under 5 seconds – so if you time it right, you can see results very quickly.

Quiet zone: Over 80% of under 45's are happy to use their phones on public transport
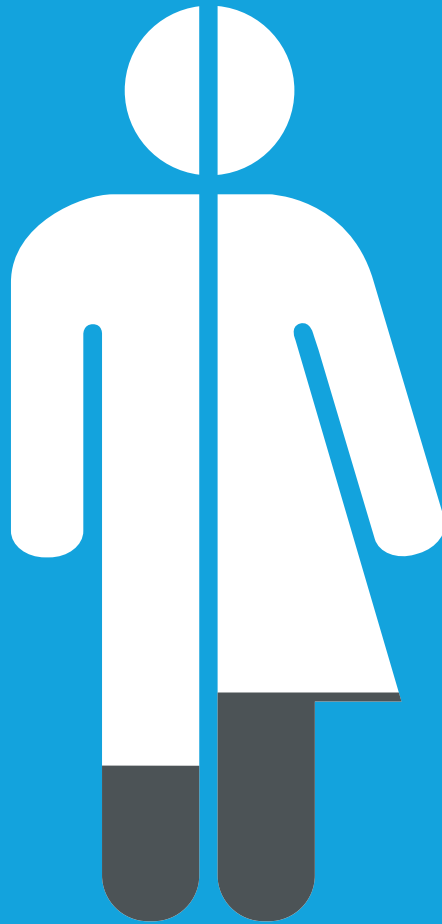
Women typically respond to messages faster than men, with 25% responding immediately compared to 17% of men
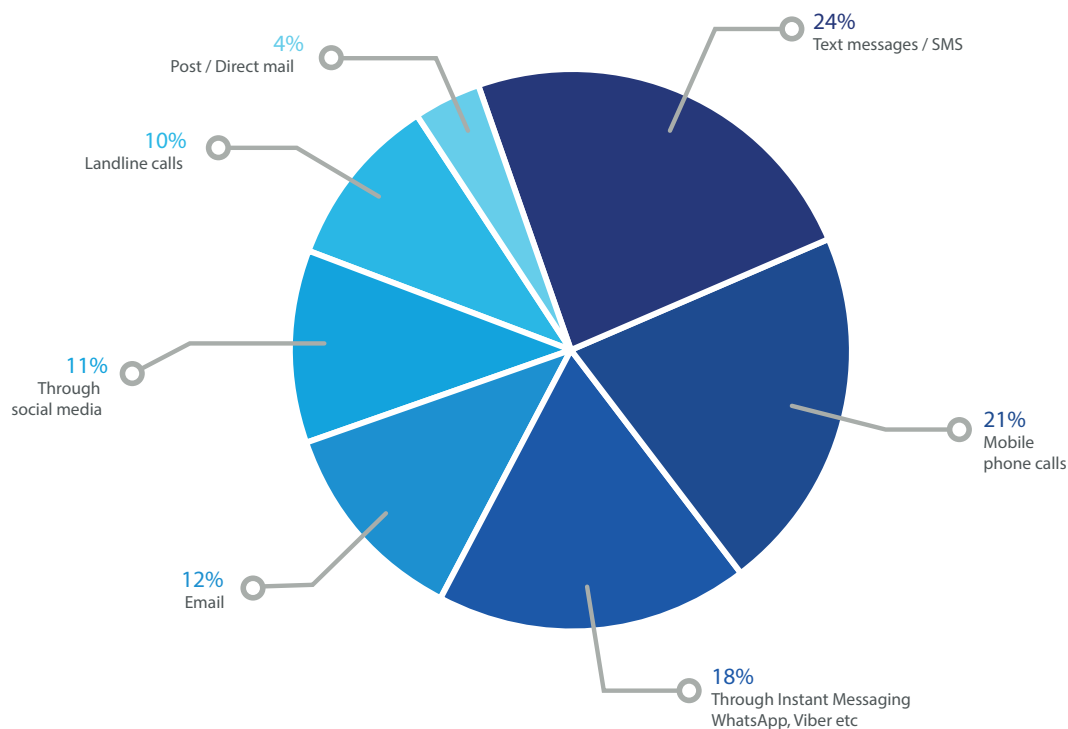
Communication preferences

When it comes to how we like people to communicate with us, it should come as no surprise that with such a plethora of options available, everyone has their own preference. Texting and calling are still the most popular, which makes sense as they're still the most popular ways of using a mobile.

Whether through politeness or because we're engaged with the sender, we'll typically respond to messages from friends on the same day. 79% of us will respond within the hour, while just over one in five text back immediately. We're less speedy when it comes to responding to communications from businesses, but 68% of us will still respond the same day, 49% within the hour.

For a business, this response speed looks good. People are naturally more likely to respond to their friends and family more quickly than they would a business, as they are typically more interested in the conversation, more concerned with social conventions and are more invested in the relationship. Responding to businesses will be a lower priority, but it should be heartening to know that almost half would reply within an hour, should the message require it. This is ideal for confirming appointments, for distributing surveys and for any other communication that requires a direct response.

Preferred way to keep in contact with friends

- 4% Post / Direct mail
- 10% Landline calls
- 11% Through social media
- 12% Email
- 24% Text messages / SMS
- 21% Mobile phone calls
- 18% Through Instant Messaging WhatsApp, Viber etc

Source: Textlocal Consumer Behaviour Research 2018

Send critical travel updates: P&O Ferries

P&O required a simple solution to allow them to update passengers of any changes that may be made to their departure time. Whilst this information is communicated via tannoy onboard, it is often too noisy for passengers to hear clearly.

In June 2015, over 7,000 vehicles were left in line waiting to board delayed ferry services. The P&O team resorted to printing flyers and walking along the queue to hand them out to drivers. Finding a better way to keep drivers up-to-date became critical to the service.

Thanks to SMS, P&O Ferries have been able to increase contact with passengers, which has resulted in reduced compensation claims following any service disruption. Text messaging has helped P&O Ferries increase customer satisfaction; giving customers up-to-the-minute information on their crossing. It's also been invaluable to them when communicating changes to scheduled sailing times; meaning that customers are aware of the delays before they arrive at the port so can avoid the resulting wait times. They have doubled their use of SMS year-on-year, sending around 1.5m text messages to their customers.
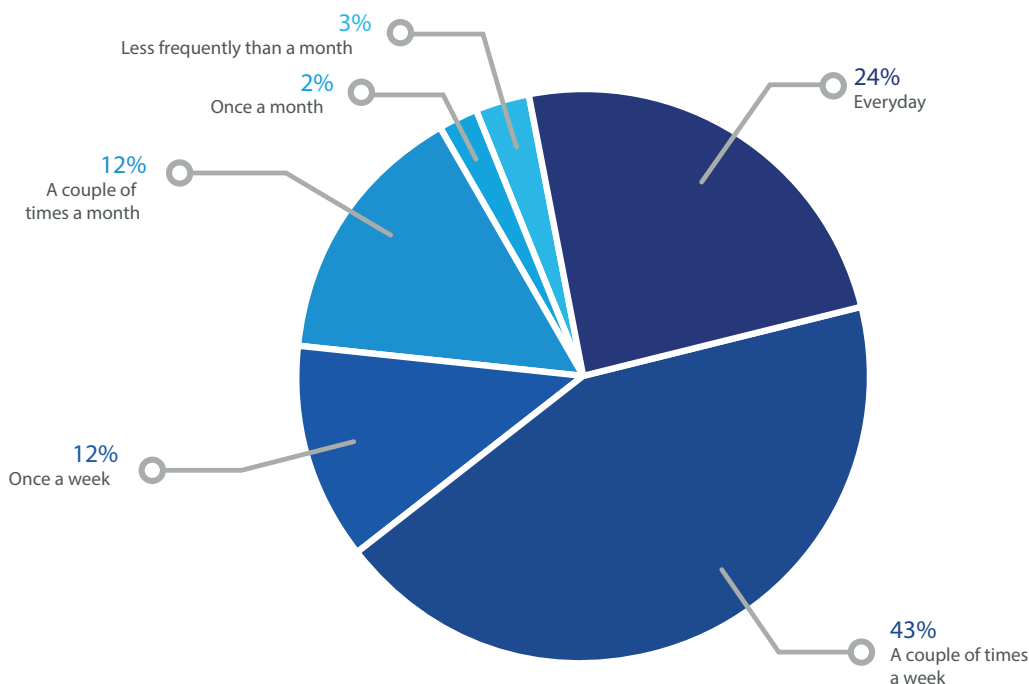
Business SMS

Considering how much time the average person spends with their phone in their hand, it should be no surprise that businesses would choose methods like SMS to reach their customers. 47% of people report receiving text messages from businesses, covering a wide range of uses.

We rely on SMS more than we think. Despite these responses above, when asked about specific types of business messages received, many people realised that they receive more messages from businesses than they'd thought.

Of the 48% of respondents who say they don't receive SMS from businesses, 67% have received appointment reminders, 76% have received delivery notifications and 44% have received survey requests.

Business SMS receipt frequency

- 3% Less frequently than a month
- 2% Once a month
- 12% A couple of times a month
- 12% Once a week
- 24% Everyday
- 43% A couple of times a week

Source: Textlocal Consumer Behaviour Research 2018

Reduction in lost theatre ticket sales: English National Opera (ENO)
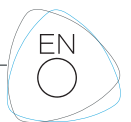
ENO has an international reputation for distinctive, contemporary and highly theatrical productions. Their productions generally sell out quickly but on the rare occasion when they don't, ENO wanted the ability to let specific customers know of last minute ticket offers directly.

By sending out exclusive offers close to the date of an event, a sense of urgency is created in the hopes that the recipient will respond quickly. Targeted communications to opted-in customers were sent as a way of enticing them to purchase last minute tickets.

All of ENO's customers were organised into targeted groups, based on the performances that they had previously expressed interest in; meaning they only received messages about events that matched those interests. By providing informative messages and relevant offers on a regular basis, customer relationships are more likely to be forged and maintained.
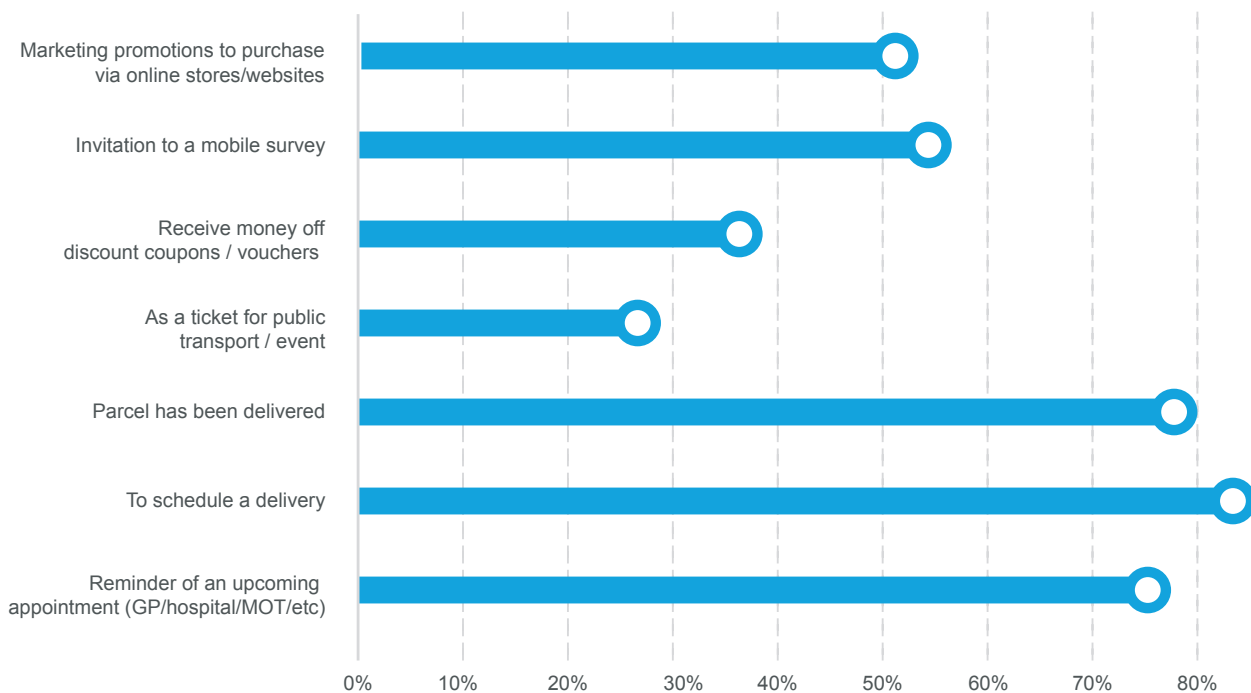
By sending out offers to past customers, ENO were able to reduce the value of unsold tickets. £500 worth of credits generated an £8,000 profit in ticket sales, an impressive return on investment of 1,600%!

28%

of people would like
to receive SMS from
travel businesses

Types of business SMS received

Source: Textlocal Consumer Behaviour Research 2018

It could be down to perceptions of business SMS. For many people, if they think of receiving messages from a business they are likely to think of marketing communications, not realising that these other useful messages they receive are business texts too. It could also be that they haven't found the messages particularly memorable. Messages like delivery notifications don't typically require a response or subsequent action, so once they have been read they can quickly be dismissed.

Whatever the reasons, it's clear that business SMS is more widespread than many people first think, with a wide array of practical uses.

Many consumers are happy to receive text messages from businesses, as long as the messages are useful. SMS is welcomed by over four times as many people as Instant Messaging, despite the popularity of IM for personal communications, perhaps because SMS is a more established format.

While the most receptive users are those who are already experiencing the benefits of business SMS, of the 48% of people who don't currently receive text messages from businesses, 29% are open to it, opening up new possibilities in an as-yet-untapped market. The opportunity is particularly strong among men (35%), those in the C2 socio-economic bracket (38%), and the under 35's (50%).

One of the benefits of SMS for business communications is the ability to get direct responses, something that's particularly useful for things like appointment confirmations. Around 42%

The most welcomed types of text messages

86.9% Delivery schedule notifications

85% Appointment reminders

84.7% Delivery notifications

**60%** Discounts

56.5% Tickets

50% Satisfaction surveys

48.35% Promotions

of the people who recalled receiving business SMS have replied to messages when requested, a figure few communications mediums could replicate.

Even more encouraging is the discovery that over 37% of people have made a purchase as a direct result of receiving a message from a business, highlighting the potential of SMS as a marketing communications tool. With 48% happy to receive promotional messages and 60% keen to receive discounts, there's a clear opportunity to generate additional sales with a well thought out mobile strategy.

Key industries to receive SMS from
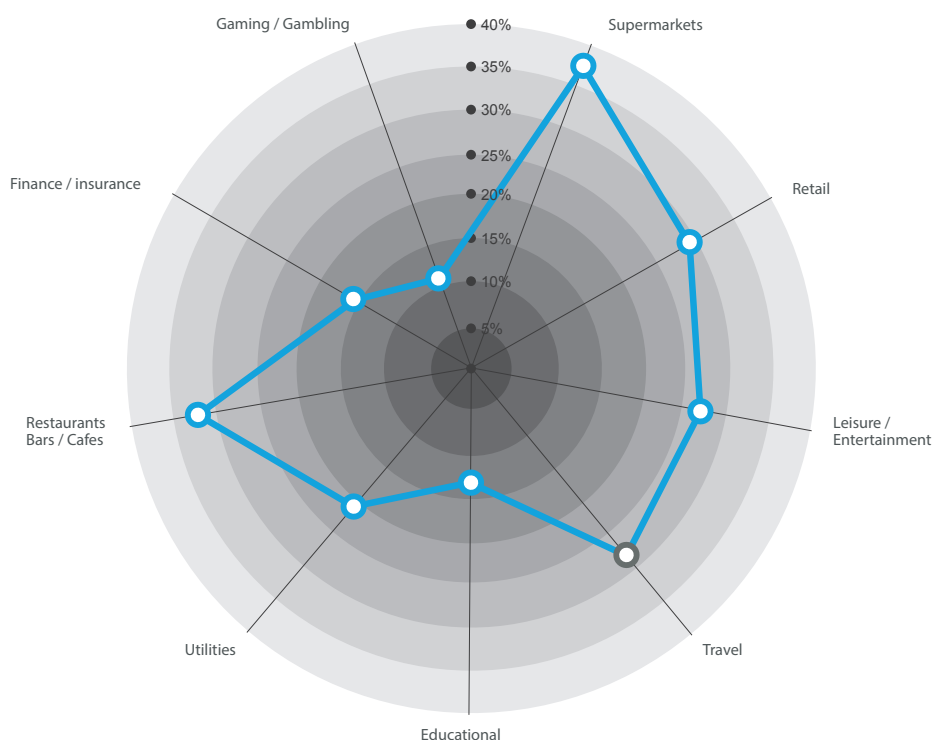
Of course, not all industries are created equal and consumers will be more interested in hearing from the businesses that matter most to them. Considering the amount of money the average consumer spends on groceries and the rise of discount supermarkets such as ALDI and LIDL, it should come as no surprise that supermarkets are the most popular industry to receive text messages from. There are multiple applications for this market, from discount codes and promotions to delivery notifications for your online shop. The same logic applies to the retail market in general, the third most popular industry with 29% of respondents interested in hearing more from their favourite retailers.

The second most popular industry to receive text messages from are Restaurants, cafes and bars, who benefit from many uses of SMS across their customer journey. New menus, special offers, reservation confirmations, delivery notifications - text messaging has proved time and time again to be a highly effective medium for the hospitality and takeaway industries and with such a receptive audience, it's easy to see why.

Over 37% of people have made a purchase as a direct result of receiving a message from a business

Renew lapsed memberships: Tastecard

Tastecard were looking for a different communication channel, to increase new member acquisition, that wasn't direct mail or email, to promote their '£1 for 90 days membership' offer, to non-members and lapsed members.

SMS was selected as tastecard's chosen communication channel as it would not only reach customers directly, but also deliver vital membership information through short URLs. The data was made up of existing customers that signed up to a free tastecard trial and those who didn't renew their annual membership.

Since introducing SMS to their marketing channels, tastecard has seen a steady increase in membership purchases and an uplift in traffic to the website following SMS campaigns. The customer re-engagement project was so successful for tastecard, they are now considering rolling out SMS campaigns to active members with special offers for their favourite restaurants.

Mobile wallets and m-commerce

Almost 80% of people report having used their mobile phones for online shopping at some point, with over 20% doing so at least once a day, so it's no surprise that mobile shopping (or m-commerce) is showing strong growth. Our findings are corroborated by research from PwC, which found that 35% of shoppers expect that their mobile phones will become their primary tool for purchases.

Over two-thirds of traffic to retail websites in Q4 2017/18 came from mobile devices
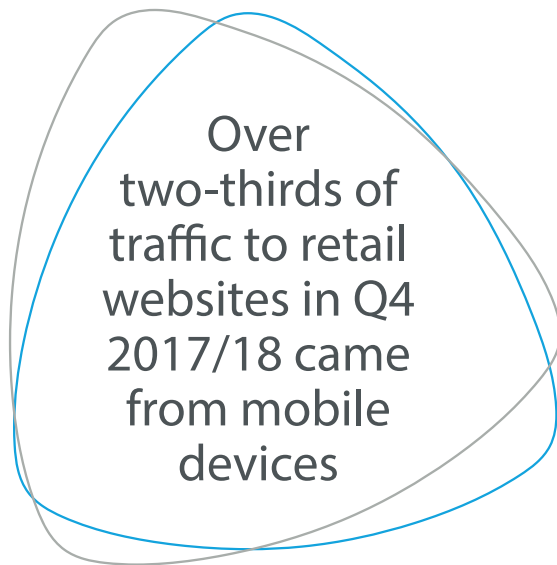
eMarketer estimate that almost 59% of online sales came from a mobile device in 2017, up from IMRG's estimate of 51% in 2016. The tipping point came in late 2015, when the Internet Media in Retail Group (IMRG) reported mobile devices accounting for over half of e-commerce sales for the first time. Over the 2016 Christmas shopping period, UK shoppers spent more through mobile devices than any other European country, with 41% of all online revenue generated through a mobile device (Adobe).

At present, sales from mobile devices are fairly evenly split between smartphones and tablets, with smartphones accounting for 49.7% of all m-commerce sales in 2017 (eMarketer). It's expected that this will shift in favour of smartphones as the tablet market becomes stagnant, with phones accounting for 56% of m-commerce by 2021.

Sales of tablets are slowing, but this isn't the only reason for the growth of shopping on smartphones. Smartphone screens are getting larger, making it easier for consumers

8% of Brits have shopped whilst on the toilet

to browse product images. User experience is improving as designers and developers become more experienced in creating journeys for mobiles and importantly, consumer confidence is rising as smartphones become an increasingly big part of our lives. That being said, basket abandonment rates are typically higher on mobile than on desktop, showing that there are still improvements to be made.

Even when the final transaction occurs in store or on a different device, mobile phones play a big part in the purchase journey. Access to multiple devices means that 9 in 10 people switch between devices when completing a task, according to Google. In store, 42% of people get their phones out to search for information, whether that's using a search engine or the retailer's own site. It's also common to research purchases on a mobile first, with around 93% of people going on to make a purchase after they've done this.

Worldpay anticipate the UK m-commerce market will rise at an annual average of 21% over the next five years, fuelled in part by the strong growth forecasted for eWallets and mobile payment types. They project that by 2021 eWallets will be the most popular method for making online purchases, taking a greater share of the market than either credit cards or debit cards.

It's not just online that mobile payments are gaining a foothold. In 2016, in-store mobile transactions rose by 247% as apps like Apple Pay and Android Pay gained popularity. According to the Mobile Economic Forum, almost two in five shoppers have used their smartphone to make a purchase in store. Much of the global rise in mobile payments is being driven by China, but other developed nations are rapidly catching up.

Growth has been stimulated in the last year after the majority of tills that accept Apple Pay updated to allow transactions of greater than £30, the limit for contactless payments on cards. The number of active users of Apple Pay has doubled over the past year, used by an estimated 16% of iPhone owners.

85% of customers start a purchase on one device and finish it on another

Split of preferred methods of payment for online purchases

Legend: ● Up to 25% ● 26%-50% ● 51%-75% ● 76%+ per month
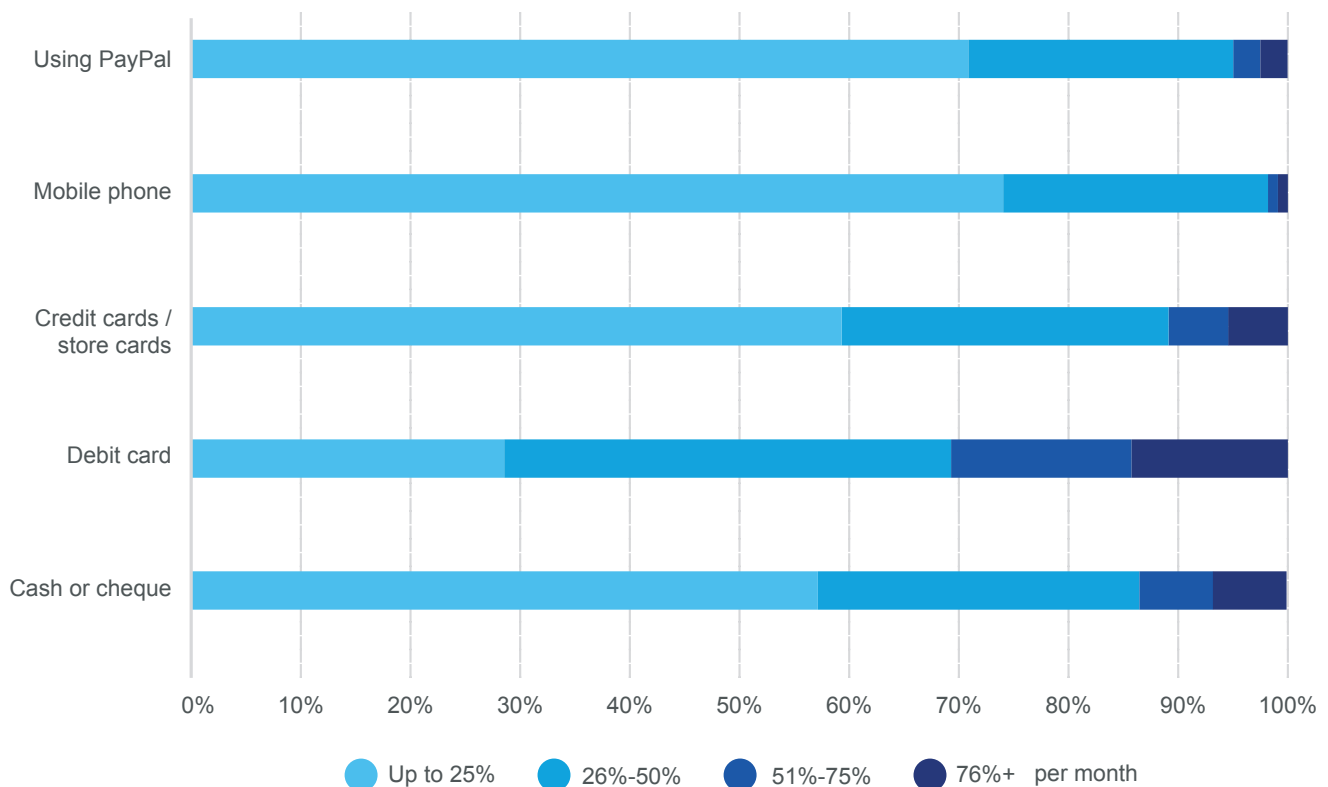
Source: Textlocal Consumer Behaviour Research 2018

According to WorldPay £288 million was spent through mobile contactless transactions in 2016

Mobile payments still haven't reached the lofty heights predicted when Apple Pay first launched in 2014, perhaps because of consumer reluctance to change well-established spending habits. The most frequent users of mobile wallets are the under 34's, often early adopters of newer technologies, who perhaps are less loyal to traditional payment types.

Other impediments to growth include compatibility issues with different banks, as well as the availability of contactless terminals, particularly in smaller retailers. That being said, as the opportunities to make contactless mobile payments increase, mobile wallets will become increasingly attractive, stimulating the growth we expect to see over the next few years. They may not totally replace the wallet in the next decade, but they will certainly ingrain the smartphone even more completely into our everyday lives.

Share of mobile wallet applications

42% Google Android Pay

58% Apple Pay / Wallet
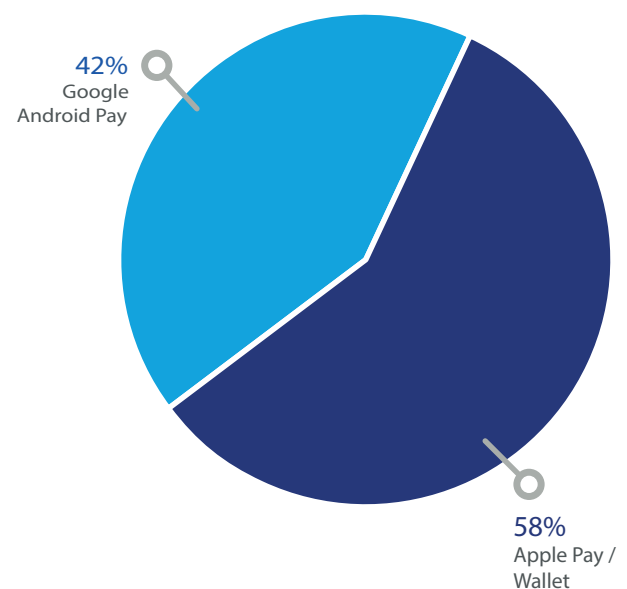
Sources: IMRG-2018, onBuy-2018, Google, WorldPay

SMS and mobile best practice

Timing

One of the many benefits of SMS communication is speed. Delivered in seconds, text messages tend to be opened quickly, thanks to a combination of the notification tone and the constant presence of our mobile phones. What this also means though, is that sending a message at the wrong time can be more disruptive than useful.

When asked, the majority of respondents said they'd prefer to receive text messages in the middle of the day, whether that's mid-morning or in the afternoon. Send in the evening, and people may be busy eating with their families, socialising or just relaxing after a hard day's work. Send in the morning, and you could reach them during their commute or worse, risk waking them up.

Of course, there is no hard and fast rule for determining the best time to send your messages. The right time depends on the industry, the content of the message, the level of urgency and of course, the audience. Takeaways may benefit from a late afternoon send time, just as people start to think about their evening meal, while doctors' surgeries could get more traction with appointment reminders sent mid-morning, two days in advance. As a general rule of thumb though, avoid sending your messages at unsociable hours, or you could risk irritating your customers, rather than engaging with them.

When consumers want to receive business SMS messages
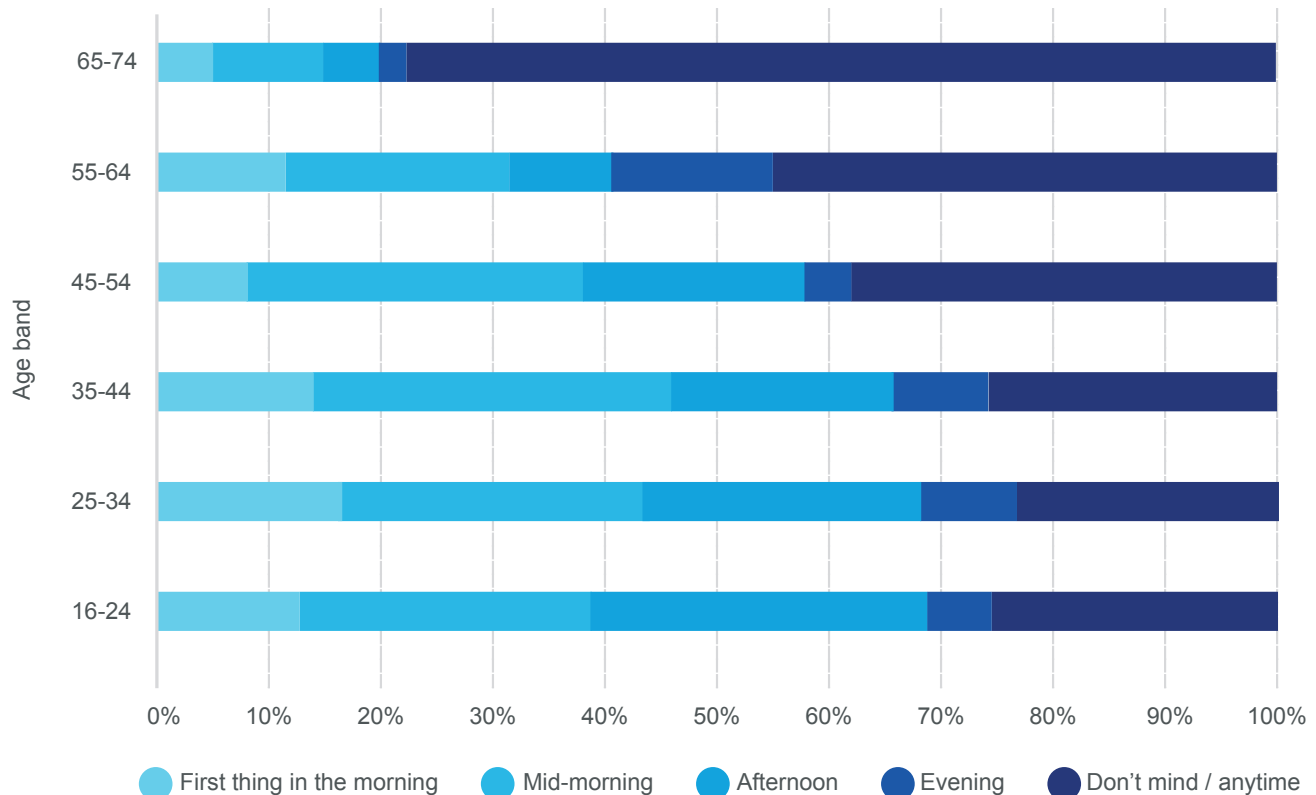
Source: Textlocal Consumer Behaviour Research 2018

Personalisation

Countless tests across a variety of communication tools have found that personalising messages provokes a more positive response from recipients, and text messages are no different.

At the most basic level, personalisation can be as simple as including the recipient's name in the message, making it seem less like a mass communication and more like a direct, personal text. Use merge field tools to bring in key information such as appointment times or order numbers for a more useful message.

More advanced personalisation can be achieved by considering the preferences and characteristics of your audience. Always making purchases in the evening? Try an early evening message to prompt action. Tend to buy ladies footwear? Offers in that product category will be the most useful. Consider the data you hold on your audience and how you can use it to refine your messaging strategy.

Frequency

Even the most useful, entertaining, informative messages in the world can quickly become irritating if they're received too often. Of course it's important to maintain contact with your audience, but finding the right frequency is essential to avoid them feeling bombarded.

Of the people who said they receive business messages, most think they receive an average of around two per week, with just under a quarter receiving messages every day. These will typically be from a range of organisations, covering things like appointment reminders, delivery notifications and special offers, rather than multiple messages from the same business, which is worth bearing in mind when you're planning your strategy. While many people may be happy to hear from you every day, they'll have other businesses staying in touch too, so what seems like a reasonable amount of communication to you can quickly seem like too much to them if you aren't careful.

So how do you determine how often to send your messages? Like with anything else, it's often a case of trial and error. Testing the results of different send frequencies can help you shape a strategy that's best for your audience. You could also ask your customers when they opt-in, giving you a clear indication of what's best for them.

Business SMS receipt frequency

Legend: Up to 5 a day | 6 - 10 a day | 11 - 20 a day | 21 - 30 a day | 31 - 50 a day | More than 50
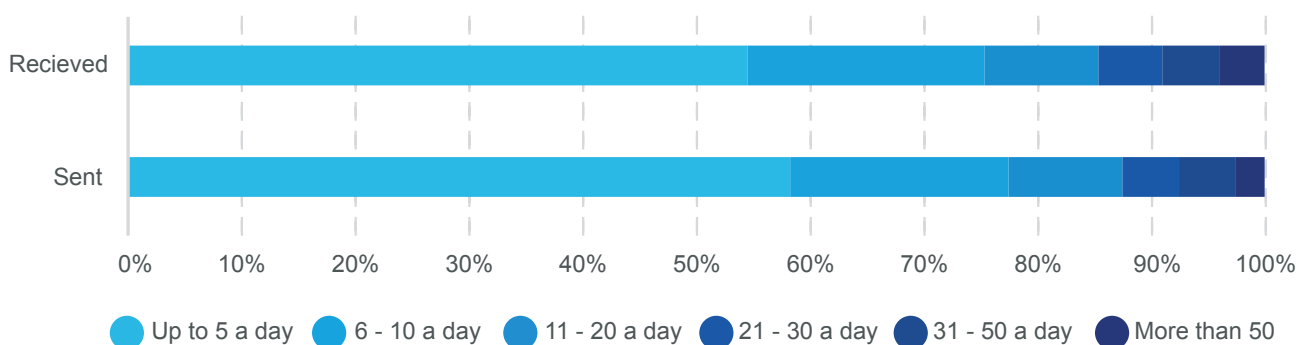
Source: Textlocal Consumer Behaviour Research 2018

Length

The standard length of one text message is 160 characters, but multiple messages can be sent as one, using a process called concatenation, increasing the total limit to 765 characters. This is handy if you've got more information you want to convey, but it's often better to keep your message short and sweet.

SMS stands for Short Message Service, and short is what you want to aim for when sending out your messages. Include one key point per message, whether that's a delivery time, a request to complete a survey or a link to download an app. Including more than one call to action can dilute the power of your communications, so stay focused on your aims for the message.

Text speak can be an easy way to keep your message under character limits but know your brand and your audience. No matter how universally understood you think your text speak is, there will still be some people who think "LOL" stands for "lots of love" rather than "laugh out loud", and this can make your message less than clear.

Opt-out

Including a clear, simple way for recipients to opt-out of receiving communications from you is important not only to keep compliant, but to keep your customers happy and save you sending messages to people who don't want them.

No business wants people to opt-out, but the best way to prevent it is to send useful messages that provide value to the recipient. It should always be easy for people to opt-out if they want to, allowing you to spend your time and budget on those more likely to respond.

Encouraging opt-ins

Getting consent to send communications is essential, but it can be difficult to grow your opt-in list. Despite the fact that 48% of people would be receptive to receiving promotions via SMS, and 60% happy to receive coupons or vouchers, only 29% typically opt in when prompted to do so by a website. This means that countless companies could be missing out on opportunities to contact people who would actually be open to hearing from them.

Turning an opt-out into an opt-in is all about demonstrating the value your communications will have for a consumer. Consider these two opt-in statements:

A: Tick here to receive marketing communications via SMS

B: Tick here to be the first to know about upcoming sales and receive exclusive offers and discounts direct to your mobile

The first is compliant and covers the essential details that the consumer needs to know, but it doesn't show any benefits for the consumer. Why would they want to receive your marketing messages? The second option clearly explains the types of messages that the customer can expect to receive, as well as giving an incentive to sign up.

PECR

The Privacy and Electronic Communications Regulations govern the way businesses and organisations can communicate with people using electronic communications such as SMS. They work alongside the Data Protection Act and its replacement, the GDPR.

The PECR covers unsolicited marketing, so if someone has specifically requested contact, the rules don't typically apply. The key points for marketers refer to consent and opting in (note that opting in isn't the same as soliciting a message):

- Consent must be knowingly and freely given, clear and specific

- An opt-in must involve some positive action, for example ticking a box

- It needs to be easily obvious to a consumer what they are opting in to

- You should keep records of opt-ins, so that consent can be proven if required

- "Soft opt-ins" are allowed, so you can send marketing communications to your existing customers if they haven't actively opted out of receiving them, as long as you give them a clear option to opt-out in every communication

GDPR

The General Data Protection Regulation replaced the Data Protection Act in May 2018. It works alongside the PECR to govern the way businesses use and store personal data. You must ensure that any customer data you hold, whether or not it is used for mobile messaging, is fully compliant with the new rules. This includes:

- Having a lawful basis for storing and processing an individual's data (e.g. consent)

- Ensuring all consent is explicitly stated, easy to withdraw and fully recorded

- Making it completely clear what the consumer is opting in to, e.g. storing their data, sending them SMS communications

Gender habits

Men			Women
21%	change their smartphone at least once a year		15%
65%	use their smartphone for personal use only		79%
22%	use instant messaging throughout the day		27%
18%	will respond to an SMS message immediately		23%
46%	will check for messages within 15mins of waking up		54%
34%	say it's acceptable to check emails during business meetings		24%
45%	prefer to keep in contact with friends via SMS/instant messaging		57%
43%	like to play games / use apps on their phone everyday		52%

Conclusion

There's no denying the dramatic impact mobile phones have had on our lives. Communications, entertainment, education, time management – even getting us out of bed in the morning – there are few aspects of our day-to-day existence that haven't been altered by smartphones. Is it any wonder that we can't put them down?

As our research has shown, this marked change in consumer behaviours has had a knock-on effect on businesses from many industries. Websites are mobile-optimised, user journeys re-written, communications strategies rethought and digital advertising budgets reallocated. Any company that hasn't adapted to the mobile revolution will find themselves at a significant disadvantage, because the business environment has never seen such a seismic shift.

With this momentous change has come a wealth of new opportunities for businesses. With a smartphone always to hand, consumers have never been easier to reach. Consumers are always online, connected and ready to read your communications at a moment's notice. SMS is the ideal medium to take advantage of this opportunity.

Yes, it's not perhaps as exciting as newer technologies like augmented reality applications, or as cheap as instant messaging, but its power should not be underestimated. It can save countless hours spent on the phone, generate better responses than email, is better received than IM and less costly than direct mail – plus, with the smartphone always nearby, you can receive responses almost instantly.

So, what does the future hold for smartphones? As the market matures, you can expect to see more purchases made with mobile devices, whether through online browsing or the use of mobile wallets in store. With the advent of 5G, a new generation of compatible devices will emerge, granting us the ability to stream and download even more content to our phones, which will in turn fuel the continued growth of the mobile video and advertising markets.

We'll see more connected homes, as the technology gradually becomes more affordable, allowing greater numbers of people to adjust their environment using their smartphones as a remote control. As smartphones affect even more aspects of our lives as consumers, focus will start to shift to business uses, developing new, business-oriented functionality to make the smartphone an indispensable tool in the workplace.

Where to start in this new world of mobile? With the consumer. Make consumers the focal point of your strategy and work outwards from there. No matter how fancy the technology, if your customers aren't interested, the time and money you spend developing it will be wasted.

Of course, for a tried and tested communications platform that fits into your modern mobile strategy, you can't get better than SMS.
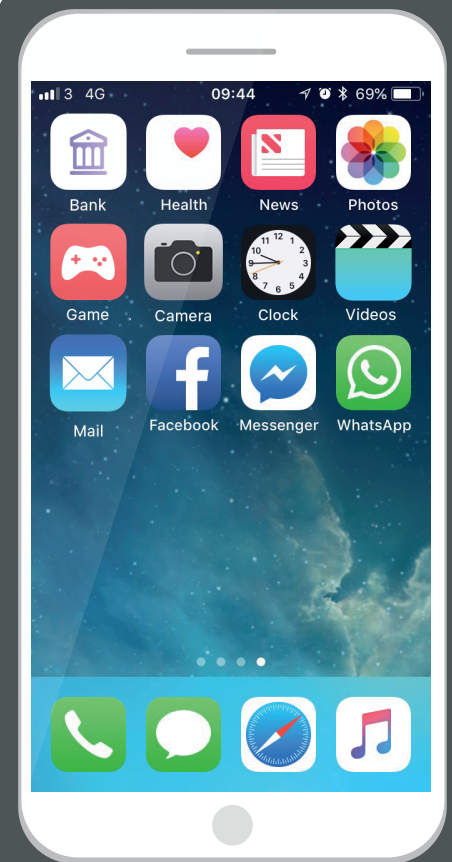
Everday Smartphone activities

75% of people browse online

79% of people check emails

38% take photos

71% of people use social media apps

28% watch TV programmes

61% of people send an SMS

23% order goods from online stores

61% use instant messaging

20% of people record video clips

60% of people make calls

57% of people check the news

59% of people set an alarm

29% monitor their health

49% watch short video clips

43% of people check their bank balance

47% of people listen to music

49% of people play games

About Critical Research

In business for over 25 years, Critical Research work with clients ranging from large blue chip financial companies to national sporting associations and leading charities. They have worked with some of the UK's largest organisations to provide in depth statistical consultancy and other research services. Critical are experts in both quantitative and qualitative methods and how they can best work, either in isolation or together, to gain the insights their clients need.

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About Textlocal

Since 2005, Textlocal has been helping businesses address their communication challenges, using its market-leading business mobile messaging SaaS platform - Messenger. The platform has been built on the principles of efficiency, integration and ease of use, along with some really useful services including forms, attachments, vouchers and campaign management tools to measure effectiveness.

In October 2014, Textlocal was acquired by IMImobile, a global mobile technology company. This has enabled us to build out our international footprint, leveraging IMImobile's integration with mobile operators across 60 countries.

www.textlocal.com