



# The Product Manager's

Guide to SMS messaging

# Introduction

SMS has proven to be a powerful channel for enterprises who want to connect with the world.

Instant reach and powerful engagement possibilities have made SMS a valuable tool, one that's easy to integrate with existing systems, and has the ability to get the job done efficiently.

This guide lays out everything you need to know about using SMS as part of your company's marketing and communications strategy, and how it can help you grow your business.



## How to buy SMS services

To find the right SMS supplier, you need to do 3 things:

- 1 Have a clear understanding of how SMS will be used to add value to your business.
- 2 Transform this understanding into solid requirements for SMS providers.
- 3 Go out to the market and compare different SMS suppliers based on what you need, and what's on offer.

This guide will walk you through each of these stages, laying out everything you need to think about when choosing the best SMS supplier for you.

# Understanding your needs

Before contacting any SMS suppliers, you need to know what you're looking for. You must understand your own business strategy and the demands of your service, so you can ask the right questions, and find the right supplier.



## Linking SMS services with your global strategy

SMS can be an important tool, but to work at its best it must be in line with your global business strategy and fulfill your compliance and security needs. The supplier you choose must be able to support your strategy, and make sure you can reach your target audience wherever they are.



## Reaching your audience

Keep in mind that sending SMS messages is pretty easy - but knowing when to send them, to who, and at what time, can be difficult. Different countries have varying rules and regulations that you need to pay attention to. For example, there are very strict rules on sending marketing/promotional messages in some countries - it's against the law to send them on a Sunday. Selecting a supplier that has local knowledge for all the countries you send to, or plan to send to, is key in avoiding any costly mistakes.

What's more, the SMS landscape is packed with providers who support specific vertical markets, use cases, channels, technologies, and locations. You need to make sure that the supplier you work with can reach all the markets you might consider targeting in the future. For example you might be focusing on the US Hospitality market right now, but if you have plans to branch out into the Leisure market in Canada or South America, you need a supplier who can support you as you grow.

It is possible to pool the reach of several suppliers to get complete coverage of your markets, but this involves a lot of integration work. It also means you'll need to choose the best supplier in real-time for destinations that can be reached by several suppliers. In short, a multi-supplier approach can be time consuming but you may get better regional coverage.



## Brand consistency

To create a powerful and recognized brand your marketing needs to match your brand identity. This can extend to SMS as well and may impact your choice of supplier.

One of the most important things to consider here is the types of Sender ID supported. The Sender ID is the sender as it is shown to the recipient of a message, and it can be any one of the following:



- ✓ **National numeric**  
An ordinary telephone number in a national format, such as 0678555555
- ✓ **International numeric**  
An ordinary telephone number in an international format, such as +1678555555. This includes renting a long number

- ✓ **Short code**  
A short code associated with your company, such as 92250
- ✓ **Alphanumeric**  
A text string, such as ACME Ltd

The availability of Sender IDs varies between suppliers and markets, so you should figure out exactly what you need before you decide who to work with.

The Sender ID can affect how customers or end users feel about your SMS messages. alphanumeric and numeric short code messages are generally deemed more trustworthy, which is useful if you want to project a professional image, or if your main objective is marketing or brand awareness.

At the same time, the terms and conditions for different types of Sender IDs may vary a great deal, both within a market and between different markets. The supplier you choose needs to have this specialized knowledge so they can support you effectively.

If you want to start a conversation with your audience, you'll need two-way communication, using either numeric or short code Sender IDs, which limits your branding choices, so bear this in mind when planning campaigns.

# Exploring service requirements

In addition to supporting your business strategy, the supplier you choose must provide everything you need to differentiate your service.

There are certain aspects of the service that impact your demands on SMS suppliers, so you need to be clear what a good service looks like to your business, and that you work with a supplier who can deliver everything you need.

In this section, we'll go into details of these SMS service aspects, to help define what your messaging service can look like and see how this might affect the supplier you choose.



## Privacy & data

The need for privacy depends on the content you're sending. A promotional message rarely contains sensitive information, while boarding passes, authentication codes and appointment reminders all need messages to be handled securely. Remember to think about your privacy needs for the SMS services you want to launch now, but also what you might need in the future.

Data protection is paramount to your business. With the GDPR (General Data Protection Regulation) now in effect for people in the EU or trading with the EU, both data processors and controllers must put technical and organizational measures in place to ensure their services are protected against data leaks and breaches.

It's also important that they know where data is at all times. That means developing a rock-solid customer communications strategy to become compliant.

It's important to work with a supplier that can help you keep your customer data records clean, set-up breach notifications in case of a data leak, and put processes in place for customers to access, update or delete their data.



## Promoting trust

In addition to protecting the privacy of people receiving your messages, it's also important to project an image of trustworthiness. This is especially important for messages with sensitive content where fraud might be suspected, for example messages in the financial industry.

Experience shows that one of the best things you can do to increase trust, open rates and brand awareness is use a Sender ID. People generally trust messages from short codes and alphanumeric senders more than national and international numeric codes. Routes that offer these kind of Sender IDs often command a premium price, but there is a good business case for paying that premium, as it will have a better impact on the recipient when it comes to sensitive messages, in addition to the branding impact that can also be enjoyed.



## Delivery requirements

The importance of SMS messages actually being delivered varies between applications. For a company sending promotional messages, accepting lower delivery rates for a lower price per message could make business sense, while messages containing important personal information must be delivered no matter what the cost. Suppliers should be able to provide a figure for their delivery rates in different applications, so that you can choose according to your requirements.



## Latency

Some SMS messages need to be delivered immediately to be of any use, things like messages for two-factor authentication and ticketing applications for example.

You might even prefer messages to be deleted if they're not delivered straight away, and have alternative actions triggered to avoid confusion if the message arrives later. All of this can be easily managed with the help of the right feature set.



## Time-to-market

As the market, and your needs change, you may want to adapt your services. This makes it even more important to work with an SMS supplier that can set up numbers quickly in response to your needs.

This is especially important for inbound numbers that are heavily regulated in several markets, New Zealand, Canada and the US for example, which often require detailed applications before approval, resulting in more time needed to bring SMS campaigns to market. By asking suppliers about the

time they take to set up a new number and the support they can offer in this process, you can find a partner that helps you stay prepared, relevant and ready to adapt along the way.



## Reporting

The level of reporting available to you can vary wildly between different suppliers. Detailed reports are important to understand how your services are performing:



### Ensuring message delivery to individual recipients

In many networks, suppliers can offer delivery receipts showing that a message was delivered



### Tracking service performance

If you run several different services with different rates on each, the availability of good statistics on messages sent and delivered will help you monitor the total traffic sent and delivered for specific campaigns, allowing you to compare impact and track ROI

Useful reporting is not only about what information is available, it's also about how quickly that information is available to you. For business-critical communications, being able to track message delivery in real-time can be highly valuable.

Make sure the reporting capabilities of the SMS supplier you choose lives up to your needs.



## Two-way

A key question to ask is whether your supplier can accept incoming traffic. i.e. Do customers need to reply to the SMS you send? If yes, you will need to use inbound numbers, preferably in each market where you intend to offer a service. It's important to use a supplier that can guarantee to both deliver direct to the handset and allow the customer to respond. This creates a better user experience when compared to listing a number in the SMS body as the only opt out method.

You could use numbers that can be reached internationally, but this adds cost to your customers. The availability and terms for buying inbound numbers differ between suppliers and locations, so make sure the suppliers you consider outline their prices and delivery time for each market that you're interested in.



## Content

The supplier you choose must be able to deliver the content you want to send. There are two aspects of content support that you need to look at to make sure messages are properly delivered:



### Message length

SMS allows for messages of up to 160 characters. However, it is possible to send longer messages with concatenated SMS



### Language

The languages supported by an SMS supplier are mainly determined by the character sets they accept. There are different character sets to represent different alphabets and writing systems, and your supplier must accept character sets that support the languages you wish to send messages in. Languages available are:

- GSM-7 (standard characters)
- Extended GSM (special characters like back slashes/euro signs)
- Unicode: UCS2 (specialist symbols like Chinese/Russian letters)

# Why you need a rock-solid communications platform

Every SMS transaction is mission-critical and every API call counts. In addition, every SMS request should be delivered fast, securely, and reliably. Working with a provider that has a rock-solid infrastructure in place will ensure your messages get sent on time, every time.



## Programmable cloud APIs

Having a variety of APIs and SDKs that allow developers and enterprises to get integrated quickly and easily is key to your messaging success. Ideally, your SMS supplier should offer easy to use developer code in a range of languages for easy integration to your systems and apps, or even simple web tools requiring no technical knowledge at all.



## The power to scale

A world class communications platform, which is optimized to deliver fast and can scale with your needs no matter how big they may be is key. Seek an SMS provider that can meet your current capacity needs and give you room to grow.



## Security & compliance

Enterprise security and compliance is a must. The supplier you choose must have multiple geo-redundant data centers in place, and they should be PCI and ISO27001 certified to ensure security best practices, and a managed approach to business information protection. This includes risk, governance and compliance. A trusted SMS provider should undertake regular penetration tests and have a full business continuity plan in place.



## Optimized to deliver

A proven engine that is tuned for high delivery rates and low latency will ensure top notch performance for your messaging campaigns. An experienced SMS supplier will offer deep carrier integrations in order to optimize platform capacity for maximum results.



# Understanding the importance of operator connections

Previously we've discussed how specific needs of your service translate into requirements on the supplier you choose. One central factor that's important in determining the capabilities of suppliers, is the type of connections to operator networks they can offer.

This affects everything from latency and options for Sender IDs, to delivery reports and message security. With high-quality connections, you can be sure that a supplier will meet your needs today, and years into the future.



## The importance of tiers

Connections can be grouped into different tiers:

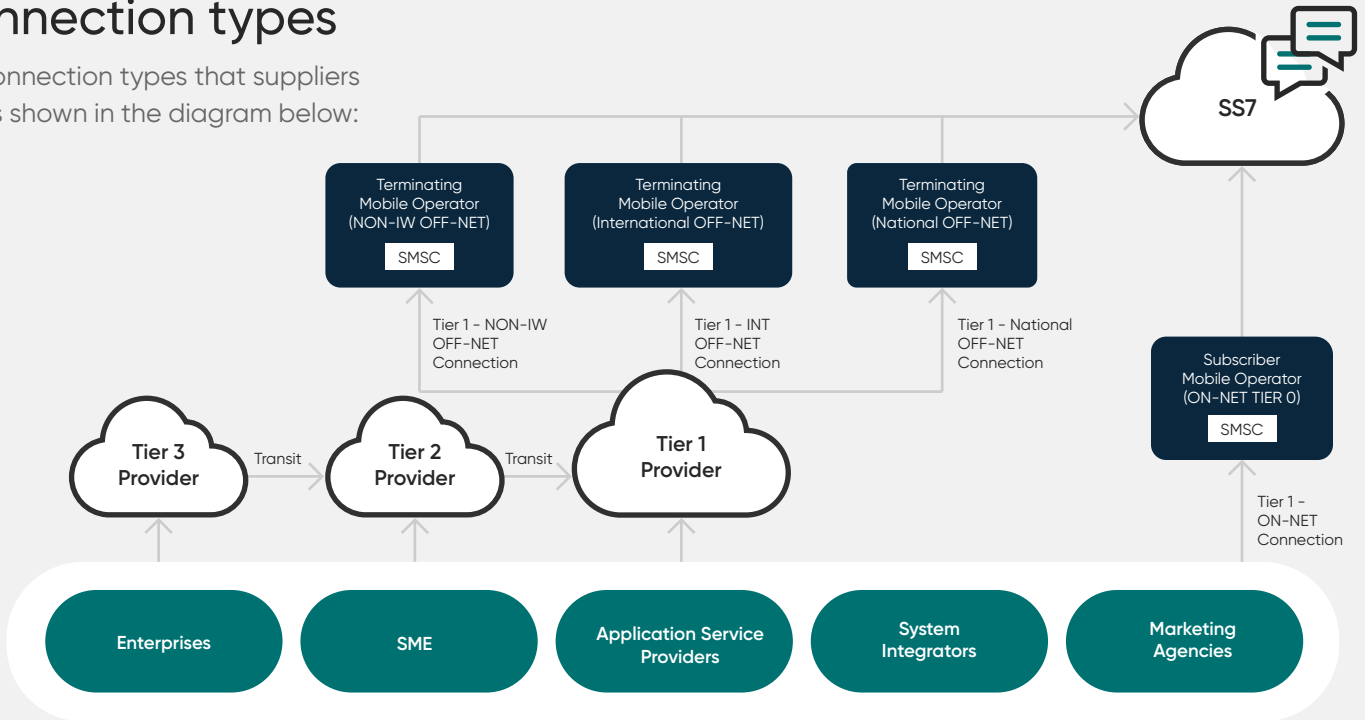
- 1 Tier 1 connections**  
Deliver messages directly to the recipient
- 2 Tier 2 connections**  
Deliver messages via another provider with one hop before reaching the recipient
- 3 Tier 3 connections**  
Deliver messages via another provider with two + hops before reaching the recipient

Which tier is used makes a big difference on the control a supplier has over capabilities and security. Each 'hop' along the way to the recipient will add latency and can also expose message content to third parties.

Tier 3 connections are especially vulnerable, as the supplier might not even be in control of which other suppliers are used before the message is delivered. This makes it much harder to guarantee encryption of messages in transit and other security-related factors. However, even Tier 2 connections can suffer from less control.

# Connection types

The connection types that suppliers offer is shown in the diagram below:



## The impact of delivery methods

In addition to the different tiers, Tier 1 connections use different delivery methods:

- ✓ **Tier 1 non-interworking off-net**  
Messages are delivered from mobile operators in another country that lack an interworking agreement with the operator of the recipient
- ✓ **Tier 1 international off-net**  
Messages are delivered from mobile operators in another country that have an interworking agreement with the operator of the recipient
- ✓ **Tier 1 national off-net**  
Messages are delivered from another mobile operator in the country of the recipient
- ✓ **Tier 1 on-net**  
Messages are delivered by the recipient's operator

The most dramatic difference to note is between the first category where the supplier lacks a formal agreement with the operator, and the other categories. Without a formal agreement with the receiving operator, delivery capabilities, service quality and even reach might change quickly, making it impossible to make any long-term guarantees. Having a relationship with the receiving operator makes service availability and capabilities easier to predict.

It's fair to say that the closer the link to the mobile operator is, the better the available capabilities are: having a direct, on-net connection is better than a national off-net connection, which in turn offers more capabilities than an international off-net connection. In addition to this, an on-net connection generally offers a better price, as there are no middlemen in the transaction.

# Why a Tier 1 Network is best

Simply put, a Tier 1 Network helps to reach people globally, rapidly and securely over a single connection. It offers the same connection quality as if you had individual agreements with multiple operators all over the world. In addition to offering the best in terms of delivery quality, a Tier 1 Network can also intelligently route traffic for the best possible price for different levels of quality and lower levels of latency.



## Some of the Tier 1 Network benefits include:



### Deep carrier integration

With a deep technical knowledge, as well as an experience of operations and commercial operator relationships, Tier 1 network providers build closer relationships with operators to deliver a better service. By deeply integrating into the mobile operator network, SMS providers get unique insights into deliverability, allowing them to optimize their network for maximum impact. These integrations also take advantage of MNOs geo-redundant SMSCs, creating the most stable connectivity both in terms of availability and cost.



### Lowest latency

By connecting directly to the carrier network, you can bypass needless delays that occur as you transit other networks. Lower latency means lower cost and higher customer satisfaction. A Tier 1 Network reaches traffic volumes much higher than any single company, making it possible to achieve better costs, allowing savings to be passed down the value chain.



### Secure data

By using a Tier 1 Network, only the SMS provider and the MNO see the data. With increasing legislation around data protection, data jurisdiction and the right to be forgotten, the number of networks seeing your data needs to be kept to an absolute minimum, to reduce your risk.



### Direct escalation

Sometimes things can go wrong, whether it's a technical issue or a delayed campaign approval. Tier 1 Network providers often have escalation paths within Tier 1 communications companies that very few others enjoy. This means that if something does go wrong, they have direct access to those who can fix the issue.

A powerful Tier 1 Network should boast hundreds of on-net, direct mobile operator connections for global reach. Moreover, suppliers with deep commercial, operational and technical integration can offer better delivery rates, better security and lower latency for traffic – giving you the edge in your communications.

# Quantifying the value of improved performance

While it's easy to say that improved delivery performance is good for your business, it's important to understand the difference it makes, so that you can make an informed choice. Below are two examples of how the business value of a higher delivery rate and a lower latency can be determined.

## Improving conversion rates with higher delivery rates

When using SMS for two-factor authentication, for example when a new user installs an app, it's important that the process runs as smoothly as possible. The cost of getting a user to install an application hovers around \$2.00. By estimating the ratio of users that might give up on the service due to a lost message, you can calculate the cost of a lower delivery rate.

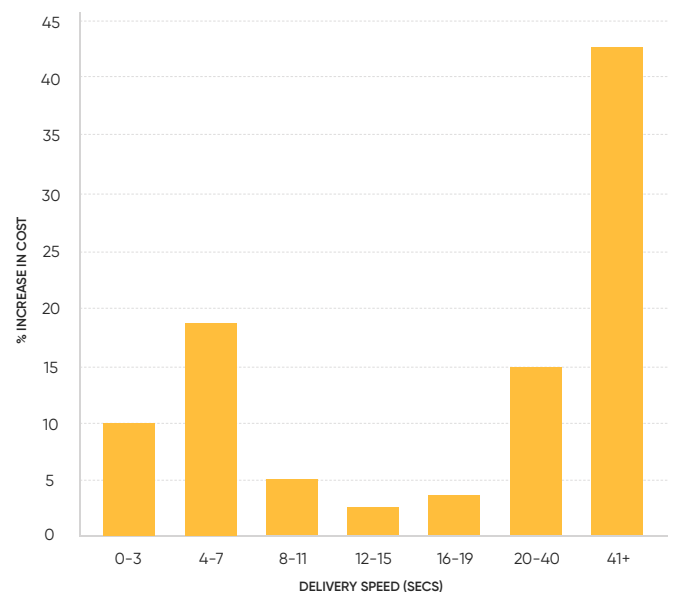
## Lowering the cost of retries for urgent messages

In any application where the end-user has an urgent need for the information in a message, experience shows that users are quick to ask for a new message if the message they were expecting doesn't arrive quickly enough.

The chart opposite shows that 35% of end-users will ask for a new message if they have not received one within 11 seconds. This means that a supplier offering a lower latency for a higher price can still provide more business value than a lower-priced competitor, due to the number of resent messages, and associated costs, that may be required with a high-latency supplier.

By finding the percentage of end-users who will retry at each latency level, and combining that with the difference in price per SMS message, you can easily estimate the value of lowering latency.

For services where the SMS is part of an order, retries from the end user can be even costlier, as you will have to manage the cancelling of double orders caused by high-latency retries.



Source: Sinch <https://sinch.com/products/messaging/sms/>

# Global expertise

An experienced SMS provider will have in-depth country knowledge across the globe to make it as easy as possible for you to communicate with the world.

From Afghanistan to Zimbabwe, you'll need a trusted partner to help you stay compliant, adhere to marketing and privacy documentation, and follow all the rules and regulations in the countries you are sending to. Access to local SMS features, Sender ID support and key local marketing stats will help you make informed campaign decisions.



## Message features

Knowing which features are supported in a destination can make or break a campaign. You should be advised on issues like delivery notification support, free to end user SMS, number portability, concatenation and message length support, and more



## Sender ID

Ensure you know all there is to know about the Sender ID limitations in your chosen destination. Your provider should have information for each country on all the different number types, and which are supported, including short codes (dedicated and shared), long codes, alphanumeric numbers, toll-free numbers and free to consumer options











## Campaign provisioning

Depending on the country and the types of SMS campaigns and/or use cases you launch, the time taken to get your programs live on mobile operator networks could vary. In the US for example, campaigns are generally provisioned in 4-8 weeks, this is because they might need carrier content approval, but that could be longer in locations where regulations are stricter. Your SMS provider should be knowledgeable on the provisioning rules for each country you choose to send to

# Essential use case support

Whether you already have your scenario(s) defined, or you need help identifying the right type of SMS campaign for your target audience, your SMS supplier should support a wide variety of use cases and industry sectors.

Here's a few markets that you can work with to target your communications and help spread the word via SMS:

-  **Finance/banking**  
Two-factor authentication, customer onboarding, payment reminders, overdrafts, fraud alerts
-  **Healthcare**  
Appointment reminders, test results, motivational messages
-  **Retail**  
Customer support, feedback and surveys, incentives, product promotions/special offers
-  **Logistics**  
Change of order status, self-service options, shipment tracking, technical support, clock-in/clock-out
-  **Hospitality**  
Booking confirmations, reservation reminders, check-in/check-out, billing management, feedback surveys, loyalty reward redemptions
-  **Transport/travel**  
Ticketing, facility closures, gate changes, schedule updates
-  **HR & recruitment**  
Job alerts, scheduling interviews, training
-  **Marketing**  
Subscription offers, loyalty programs, coupons, special offers

## Industry leadership

Industry recognition is valuable and your SMS provider should be a leader in their field. It's important that your mobile business partner is trusted and well-respected among their peers.

Look for providers that are highly rated by mobile industry experts and consultants for top mobile messaging vendor performance and innovation, specifically demonstrating superior technical and business acumen in A2P (Application to Person) SMS.

A few key industry experts are:

Gartner

JUNIPER  
RESEARCH

Ovum  
TMT Intelligence | Informa

rocco

MEF  
MOBILE ECOSYSTEM FORUM

# Summary

Finding the best SMS supplier for your communication needs is the key to making your business work smarter – helping to establish more meaningful engagements with your customers in the long-term.

Having read this guide, and by taking the time to look into the wider issues it raises, you should be able to manage the process of finding an SMS supplier to suit the specific needs and goals of your company without any problems, efficiently future-proofing your services and saving time and money for your company in the process.



## Preparing an RFP (Request For Proposal)

When you're ready to purchase SMS services, preparing an RFP is the next step. Regardless of whether you will send an RFP to potential suppliers, or weigh them up based on information they make available online, we recommend that you prepare an RFP to clarify your needs.

We invite you to download our RFP template and guide, which outlines the most common requirements for an SMS service. Our template and guide will walk you through the process of completing an RFP in a logical way, encouraging you to factor all the issues raised in this guide into your decision process.

While some of the requirements in our RFP template are similar for everyone using SMS services, there are other areas in which the specifics of your strategy and service design will have a direct impact on the supplier you choose. The RFP template can serve as a valuable guide to help find the best supplier as efficiently as possible.

# Glossary

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## A2P

Application to Person

## API

Application Programming Interface

## GDPR

General Data Protection Regulation

## MNO

Mobile Network Operator

## REST

Representational State Transfer

## RFP

Request For Proposal

## ROI

Return On Investment

## SDK

Software Development Kit

## Sender ID

Sender Identification

## SMSC

Short Message Service Center

## SMS

Short Message Service



# Legal disclaimer

## 1 No advice

The information contained in this guide is not advice and should not be treated as such.

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# About Sinch

Sinch brings businesses and people closer with tools enabling personal engagement.

Its leading cloud communications platform lets businesses reach every mobile phone on the planet, in seconds or less, through mobile messaging, voice and video. Sinch is a trusted software provider to mobile operators, and its platform powers business-critical communications for many of the world's largest companies. Sinch has been profitable and fast-growing since its foundation in 2008. It is headquartered in Stockholm, Sweden, and has a local presence in more than 30 countries.

