



Critical capabilities **for choosing an SMS API provider**



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Introduction




In today's digital landscape, SMS is frequently a mission-critical communication channel for every business's success. Timely customer communication via text isn't just a "nice to have" for businesses, it's an imperative. Your messaging provider should empower you to build differentiated customer experiences, scale without friction, and fuel your future customer engagement strategies.

But how do you know what to look for when evaluating providers? This guide, based on three pillars: **trust, quality, and engagement**, provides a simple framework for identifying the right long-term partner. In this guide you'll find the critical capabilities your messaging provider must have, how to evaluate them, and how they impact your success.

Evaluating trust

Research from Deloitte found that, among consumers who track their purchases, the majority (68%) spend more on a trusted brand compared to a brand they use but trust less. And on average, consumers spend 25% more money on trusted brands.¹

One way of building and keeping your customers' trust is by sending compliant and wanted messages. When evaluating providers you should focus on the tools your provider offers to help you remain compliant in a highly-regulated and evolving industry and the expertise they have to help you navigate best practices.



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¹ Close the trust gap to unlock business value and improve customer engagement, Deloitte Digital



Criteria 1: Compliance support

Messaging compliance is an increasingly important part of establishing consumer trust, maintaining high deliverability, and following the law. Failure to comply with these protections and registration requirements can result in increased filtering, fines, and even being banned from using the number. There are three key questions to ask a provider on their product and resources:

1. Does your provider offer software and expertise to help manage global sender registration requirements (i.e. Alphanumeric or A2P 10DLC registration)?

Why it matters

Since sender registration initiatives are not federated or centralized (including across carriers, sender types, channels, or regions), large scale messaging use cases will require dedicated investment to monitor regulatory policies, identify the correct regulatory authority, and build custom workflows to ensure their senders are compliant and opt-outs are respected.

2. Does your provider offer software to help manage consumer opt-out/opt-in requirements under the TCPA and CTIA Guidelines, and other regulations?

Why it matters

At worst failing to respect customer consent can result in expensive lawsuits or being banned from using a specific number. At best, your deliverability rate will be negatively impacted. You will see spikes in unsubscribe rates and higher customer abandonment or filtering. Either outcome is detrimental to your business.

3. Does your provider have the compliance and security certifications required by your industry such as HIPAA?

Why it matters

Anything that touches customer data needs to be trusted and secure. Depending on your industry or procurement process there are often legally or company mandated requirements for all vendors to ensure your customer communication is safe and protected.



Criteria 2: Transparency

Your partner should also focus on building trust with you. You need to be able to send messages with confidence. The easiest way to evaluate this is:

1. Does your provider offer out-of-the-box monitoring?

Why it matters

Monitoring is critical for any technology, especially SMS used for mission critical communications. Providers who offer out-of-the-box monitoring save your engineering team time and money developing in-house solutions, not to mention help avoid P0 fire alarms with countless hours, weeks, or even months of debugging. On top of that, out-of-the-box monitoring makes a statement that your provider is proud of their deliverability and believes in transparency, so you can effectively measure the ROI and impact of your messaging programs.

How to evaluate

- Can you understand deliverability, spam reports, latency, and opt-outs by channel, campaign, phone number, carrier?
- Are there error messages that allow you to diagnose and escalate any issues?
- Does the platform support status callbacks to integrate monitoring into your other data workflows?



Evaluating quality

Partnering with a high quality provider ensures that your message will reach your customers regardless of the volume of messages you send or where in the world you are trying to send them. To evaluate the quality of your provider you should ask if they can send messages at scale reliably.



Criteria 3: Reliability and scalability

Reliability of a messaging provider dictates how often your message gets to your customer. Like trust, the number of customers successfully communicated with can have a real impact on your business's bottom line. Scalability dictates your provider will be able to grow alongside you as you see increases in volume.

1. Connectivity: can the provider connect you with your customers?

Why it matters

Connectivity plays a large role in determining whether or not a message can reach your customers; it determines whether or not there is a path for your message to reach your customers anywhere in the globe. Connectivity helps determine if a provider will have local phone numbers or alternate routes in case of impacts to telephony infrastructure (yes, like cell phone towers).



How to evaluate

- Can you select the right sender to optimize engagement and match your use case (i.e., correct area codes, two-way texting enable, high throughput...)?
- Does the provider have carrier partners or coverage to send messages to all relevant geographies?
- What type of route redundancy and routing algorithms does your provider use?
- Does the provider have the resources and relationships with carriers to help you resolve deliverability issues such as filtering or blocked numbers?

What is route redundancy?

Route redundancy means that your message has multiple paths to reach your customer. Providers that offer redundancy and sophisticated routing algorithms navigate similar to Waze, where outages can be detected in real time, and your message can be safely rerouted. Providers that have limited routing options operate more like printed MapQuest directions: your message may get there, but if anything goes wrong...

2. API uptime: are the APIs stable and available for your usage?

Why it matters

APIs are the best way for development teams to integrate with telecommunications infrastructure. A good API is developed with resiliency and stability. If an API goes down either due to programming bugs, scalability issues, or planned maintenance your messages are at risk of delays or deliverability failures. The frequency of outages or maintenance can cause delivery delays or delivery failures.



3. Does your provider offer software and expertise to support your businesses growth goals and unique organizational structure?

Why it matters

Your provider's ability to support your business from having enough capacity to send high volumes of messages to providing software to help manage your architecture will impact how easy it is to manage your partnership and solution. For example, if you need to break out billing by department or by customer if you are reselling messaging, does your provider have a solution or will you have to build your own billing mechanisms? If you don't start with a provider that can scale alongside you, you run the risk of hitting switching costs during explosive growth, when you realistically want to be focusing on things aside from your SMS infrastructure.

How to evaluate

- Does your provider have support for bespoke organizational structure or reseller needs?
- Does your provider support the ability for you to have different projects to facilitate MVP projects, development lifecycles, and monitoring (for example, development, staging, and production environments)?
- Does your provider have experience working with other companies in your industry or at your scale or future scale?

Evaluating engagement

Building differentiated customer experiences helps to drive customer engagement, which in turn helps increase revenue and ROI. In fact, 95% of consumers say they would trust a brand more if it was easy for them to initiate a conversation.

To ensure your business can evolve with the constantly changing customer landscape, you want to be able to capitalize on new trends and preferences quickly. To evaluate your SMS provider you want to look at two criteria: is it easy to use and is it easy to innovate.



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Criteria 4: Ease of use

This can be answered with one simple question:

Does your provider make it easy to build?

Why it matters

Ease of use directly impacts time to market, how fast you can realize ROI, and maximize revenue. Solutions that are easier to build not only require less time to build but also fewer headcount. Ease of use also goes hand in hand with onboarding and employee adoption. It should be easy to ramp up new people on projects, without any setbacks due to employee turnover or staffing allocation shifts.

How to evaluate

Have your developers create a proof-of-concept or MVP to determine:

- Does your provider offer user-friendly APIs and offer resources and tooling to help developers get started quickly?
- Does your provider offer additional software features that help you build engaging customer experiences such as tools for throughput management, geocode matching, or smart encoding?
- Does your provider have quick, responsive, and knowledgeable technical support?



Criteria 5: Ease of innovating and iterating

Gartner research found that 87% of marketing leaders expect shifts in customer needs to become more commonplace in the next two years. That means your communication strategy needs to be able to evolve and adapt at the same pace.

Here are three questions to ask when evaluating SMS providers on ease of innovating and iterating:

1. What is the channel availability, both for messaging and other modes of communication like email and voice?

Why it matters

Consumers want to be messaged on the channel of their choice. In order to create engaging experience and long term relationships, you need to be able to reach your customers where they are at. Most recently, the global pandemic accelerated the demand for convenient, digital communication. Now, 68% of consumers agree that if they can choose where to make a purchase, they are more likely to go with the business with convenient communications².

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2 What Businesses Need To Know About Communicating With Consumers



2. How does your provider think about expanding channel access?

Why it matters

Omnichannel is important to reach your customers where they are. However, implementing new channels can mean redundant engineering work and require esoteric, per channel knowledge, delaying time to market and using valuable engineering resources to build feature parity across channels instead of differentiated experiences.

3. Does your provider support managed and flexible solutions for the next iteration of your communication strategy, whether it be conversations, authentication, or customer care?

Why it matters

Customer engagement will continue to change over time. Consumer expectations and preferences shift, your business priorities change, and you want a provider who will partner with you, share best practices, and help you build lasting, trusted relationships with your customers, no matter the use case.



More than just software



APIs and software are a key part of any technology platform. However, with an industry as dynamic, complex, and regulated as messaging, provider expertise and partnerships should be a critical part of your evaluation. When choosing a provider, you also want to ensure they can act as a partner and extension of your team. Industry expertise touches all three major criteria:

Trust, Quality, and Engagement.

Your provider needs to be able to help you establish trust by helping you navigate sender selection and registration processes, ensure you are maximizing your deliverability by sharing best practices, and partner with you to build differentiated experiences as the consumer preferences and use cases change over time.

Conclusion

Choosing the right SMS provider for your business is no easy task. Here's a recap for quick reference of what to look for as you evaluate possible SMS partners.

→ Trust

- **Compliance support:** Do they have the tools to help you navigate through KYC initiatives and phone number registration?
- **Transparency:** Do you have visibility into the impact of your messages?

→ Quality

- **Reliability:** Can you reach your customers reliably?
- **Scalability:** Do you have the tools you need to grow?

→ Engagement

- **Ease of use:** Is it easy to launch new solutions and integrate into existing systems?
- **Ease of innovation:** Will they continue to support you as your use cases, channels, and geographies evolve?





Thanks for reading
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