2021 Restaurant Text Marketing Benchmarks

Industry Data Reveal Impact
of Text Message Marketing on
Guest Frequency, Spend and ROI

mobivity

Table of Contents

Executive Summary

One important lesson for QSRs, fast-casual, and other restaurants from the COVID-19 Pandemic is that communicating quickly and effectively with customers is challenging when external forces and safety measures demand frequent changes in store hours and policies. Those brands that built owned media channels powered by first-party data prior to the pandemic fared best, thanks to their ability to connect often and rapidly with customers without relying on third-party platforms.

Text Messaging, in particular, with open rates that are 5X to 20X better, and often with higher adoption rates than other owned media channels, became a lifeline for restaurants. Texting kept customers informed of restrictions and available transaction options (e.g., to-go, curbside, gift cards). With more restaurants deploying text messaging as a marketing channel, brands are scrambling to improve the off-premise guest experience and seeking guidance on text messaging channel entry, best practices, and outcome expectations on opt-in rates, redemption rates, and return on investment.

The amount of text club subscriber data we've compiled and analyzed as the world's most-often-used text marketing platform of QSR and restaurant brands has made this benchmark report possible. It is a one-of-a-kind view for restaurant operators and other brick-and-mortar brands into which text message campaigns and messages succeed or fail at driving customer behavior and sales. The report provides insight and guidance to brands seeking to add text marketing to their omnichannel marketing program.

96%

subscriber retention rate
after 90 days

$16⁵⁹

incremental spend
per subscriber over the first
6 months

Some of the key findings in this report:

- Text message marketing subscribers visit stores **44%** more frequently than non-subscribers.

- Text marketing subscribers also visit **23%** more frequently and spend **23%** more than they did before joining the program.

- An astounding **96%** of subscribers remain in a text program after 90 days, and **90%** are still in the program after two years, outpacing app and email subscriber retention by a factor of **2X** and **3X** respectively.

- Opt-in offer redemptions averaged **40%** prior to Covid-related impacts on restaurant operations, dropped to around 30% through Covid, and have rebounded to pre-pandemic levels amidst declining operational restrictions.

- While redemption rates for offers to existing subscribers hover around 2% on average, those rates vary considerably based on brand and offer type, ranging from .5% to more than 7% based on guest visit recency.

- The average text program subscriber delivers **$12¹⁵** in incremental spend during the first six months of program participation for the brands studied, and brands in our study saw incremental revenue as high as **$16⁵⁹**.

About this Report

The restaurant industry now has abundant data on the efficacy of branded mobile apps and loyalty programs. And yet, in spite of text marketing's rapid rise into the digital marketing mix, little restaurant industry data on this burgeoning channel has been published.

This seminal report fills that gap. It delves into restaurant guest behavior, quantifying the impact of a text message marketing program and calculates the economic value. While focused on restaurant data, there is substantial relevancy for the full gamut of brick-and-mortar retailers.

These benchmarks can help marketers understand the potential value and justify the investment of deploying a text marketing program. Our primary objectives were to determine the value of a text club subscriber to a brand and the hallmarks of a successful text program.

To compile this report, we analyzed more than three years of data, from April 2018 to June 2021. Data points included information on types of messages and promotional offers sent, opt-in and retention rates, click-thru rates, redemption rates, sales transactions, and other aspects of guest behavior across a variety of regional and multinational quick-service, fast-casual, and full-service brands. All brands in our study had a physical and branded retail presence (i.e., not ghost kitchens). We zeroed in on programs wherein subscribers receive offers and other brand messages on a regular basis, versus one-time transactional messages related to a purchase.

Most of the findings are based on our analysis of more than 500 million transactions across more than 15 million consumers across more than 40 foodservice brands. For findings that required point-of-sale transactional data (such as average increases in guest frequency and spend), we analyzed a subset of more than 3.8 million subscribers and more than 25 million transactions.

15m
subscribers

500m
messages

To measure behavioral changes and the causes behind them, we tracked only messaging campaigns that included a clickable/tapable option to redeem an offer within a text message. Our patented Trusted Redemption™ technology was essential since it allows our customers to tie every text message to a transaction, regardless of the channel through which it's being redeemed, and provides insight into what restaurant operators can expect from offer redemption and increases in guest frequency and spend.
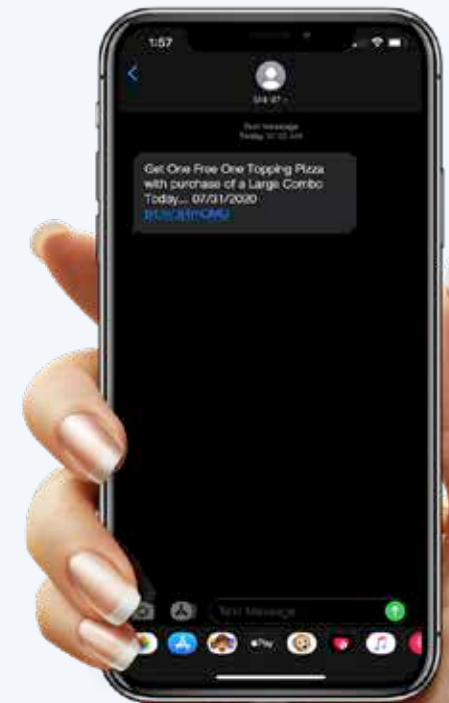
Text Message Marketing Programs Increase Guest Loyalty

Subscribers Visit More Frequently and Spend More Over Time

Guests who subscribe to a brand's text marketing program exhibit a greater degree of loyalty, visiting more frequently and spending more over time. In fact, guest data over random 90-day periods showed text program subscribers visit a store 44% more frequently than non-subscribers.

But they aren't just more loyal than non-subscribers — a text marketing program is proven to positively impact the behavior of guests after they join the program. On average, subscribers across all brands visited **23%** more often over the course of their first year in the program and spent **23%** more than they had the year before joining the text program.
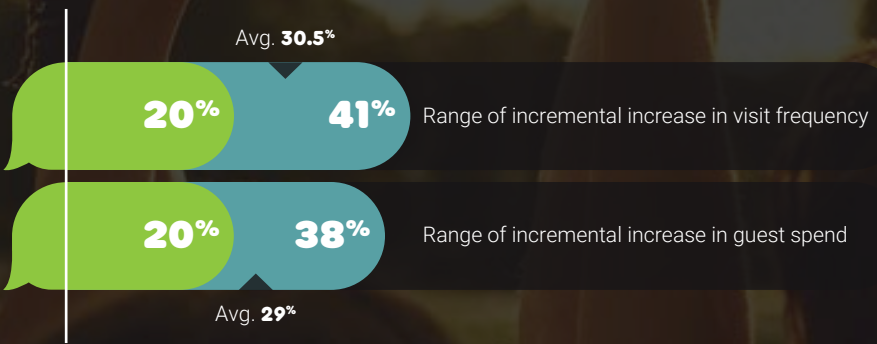
Individual brands varied in both spend and frequency. On the low end, a national QSR saw an increase of 20% for both frequency and spend, while at the high end, a regional casual dining restaurant boosted their frequency by **41%** and spend by **38%**.

Across the brands studied, first-year visit frequency and spend varied as follows:

Subscribers visit
44%
more frequently than non-subscribers

Guests increase visit frequency and spend by
23%
after joining a text program

In spite of the variations, the overall measurable increase in guest frequency and spend helps explain why more brands are launching a text message marketing program and why those that already had one in place are expanding them.

The data demonstrate that restaurant brands can drive guest loyalty simply by engaging with guests on a regular and consistent basis via text messaging and staying top-of-mind with customers as they make dining purchase decisions every week.

Avg. **30.5%**

| 20% | 41% | Range of incremental increase in visit frequency |

| 20% | 38% | Range of incremental increase in guest spend |

Avg. **29%**

Measuring the Economic Impact of a Text Marketing Program

What is the value of a text program subscriber?

To answer this, we quantified the value of the average subscriber and calculated the economic value across the entire text messaging program over six months.

The average subscriber spent an incremental 12^{15} more over the first six months after joining the program. The average subscriber value varied greatly across programs due to differences in average guest check amounts and frequency increases for each brand. Programs ranged from a low of $5.37 to a high of $16.59 in average incremental spend per subscriber.

**12**^{15} Value of Average Subscriber
(in first 180 days after joining)

Avg. 12^{16}

5^{37} 16^{59}

Note: The incremental spend per subscriber was measured for just the initial six months after joining. Since text messaging subscriber rates are high (90% after two years), brands can maintain strong relationships with their guests over time, and thus the lifetime incremental spend value of every subscriber will be substantially greater. Given the economic impact of each subscriber in the program, many brands are eager to invest to add subscribers to their program and drive program payback.
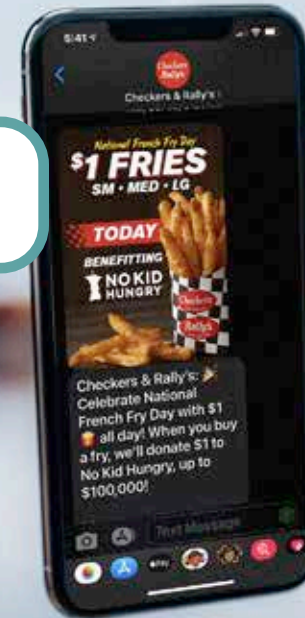
How to Estimate Incremental Revenue for Your Brand's Text Subscribers

If you are considering launching a text message marketing program, you can estimate what an average subscriber would be worth in incremental revenue if you know your current average guest visit frequency over a six-month period and average guest check amount. A simple formula would be:

Average Guest Check

✖

Average Visits per 6 months

✖

Average Revenue per Customer **✖** 23%

=

Average Incremental Revenue per Customer

To estimate program payback, multiply the six-month incremental revenue amount by the number of guests expected to enroll in the program and then by the increase in frequency. This measurement defines the estimated incremental revenue from text messaging as a new channel within your omnichannel marketing program.

One note of caution when comparing text message marketing with other channels is that many traditional channels can't be measured on the same basis because they lack a mechanism for accurately attributing incremental revenue. This is especially true when redemptions occur in-store.

How We Measure Incremental Sales Lift

Mobivity's SmartMessage includes our patented Trusted Redemption technology that enables us to capture more than the clicking of a link in a text message. Trusted Redemption ensures that every redeemable offer includes a unique link to a customizable landing page for each subscriber.

We capture the date, time, and latitude/longitude of each redemption while the subscriber is in the store or redeeming via online ordering. This data allows us to match the redemption to a specific transaction within the brand's point-of-sale (POS) data.

We use our proprietary Quad Layer™ machine learning to normalize the transaction data and use the signals we capture to match a redemption to prior and subsequent transactions from the same subscriber. This provides a historical transaction view for six months before the first redemption, and six months after the redemption. By knowing how much they spent prior, we can filter out revenue not attributable to the campaign and attribute campaign-influenced revenue increases calculating a precise incremental spend per subscriber.

We use the signals captured from the POS and redemption data and, through our machine learning, are able to anonymize consumers and their transactions before they enroll in a text or loyalty program. We also anonymize data when capturing any customer transaction, whether or not it included a redemption, since guests sometimes visit without redeeming an offer.

What Is the Payback for a Text Marketing Program?

With a finite budget, marketers must make decisions on how to deploy their dollars based on which programs will produce the greatest return. Understanding the Return on Marketing Spend (ROMS™) for operating a text marketing program empowers brand marketers to confirm that they are not only spending their marketing budget in an efficient way but, most importantly, in a measurable way, so they can leverage their data to optimize their spend.

But connecting digital marketing campaigns to actual in-store purchase data has been, until recently, a pipe dream since identifying ROMS requires an omnichannel "handshake" — a trackable transaction to figure out what channel each consumer traveled to make their purchase. Since Mobivity's Trusted Redemption™ technology is able to do this, we can confidently include ROMS calculations of text message marketing in this benchmark report.

Results: Text Marketing Is the New Benchmark of Success

The text program campaigns proved to be a profitable channel: a solid investment for the all the brands' campaigns in the analysis.

718%
Average Return
on Marketing Spend

Including the data across all brands' campaigns from which we receive POS data, the brands in this study are averaging a ROMS of **718%**. In other words, for every dollar brands invest in text message marketing, they are seeing a return of $7 from purchase redemptions driven by delivering personalized text message offers weekly

Why Calculate ROMS vs. ROI or ROAS

Since many factors impact overall Return on Investment (ROI), including cost of goods and other costs that are known only by the brand, Mobivity utilizes Return on Marketing Spend (ROMS) — a metric based on known data that provides consistent comparison across brands.

ROMS is based on accessible metrics that are available to marketers, agencies and service providers: revenue from transactions that included a redemption and the cost of delivering text messages to the opted in subscribers. ROMS enables marketers to compare a text program to other marketing and advertising channels.

Another metric used across advertising channels is Return on Ad Spend (ROAS). It uses a similar methodology, factoring in the revenue produced vs. the cost of the advertising. Marketing teams can easily compare ROAS and ROMS to evaluate channels relatively.

Calculating ROMS

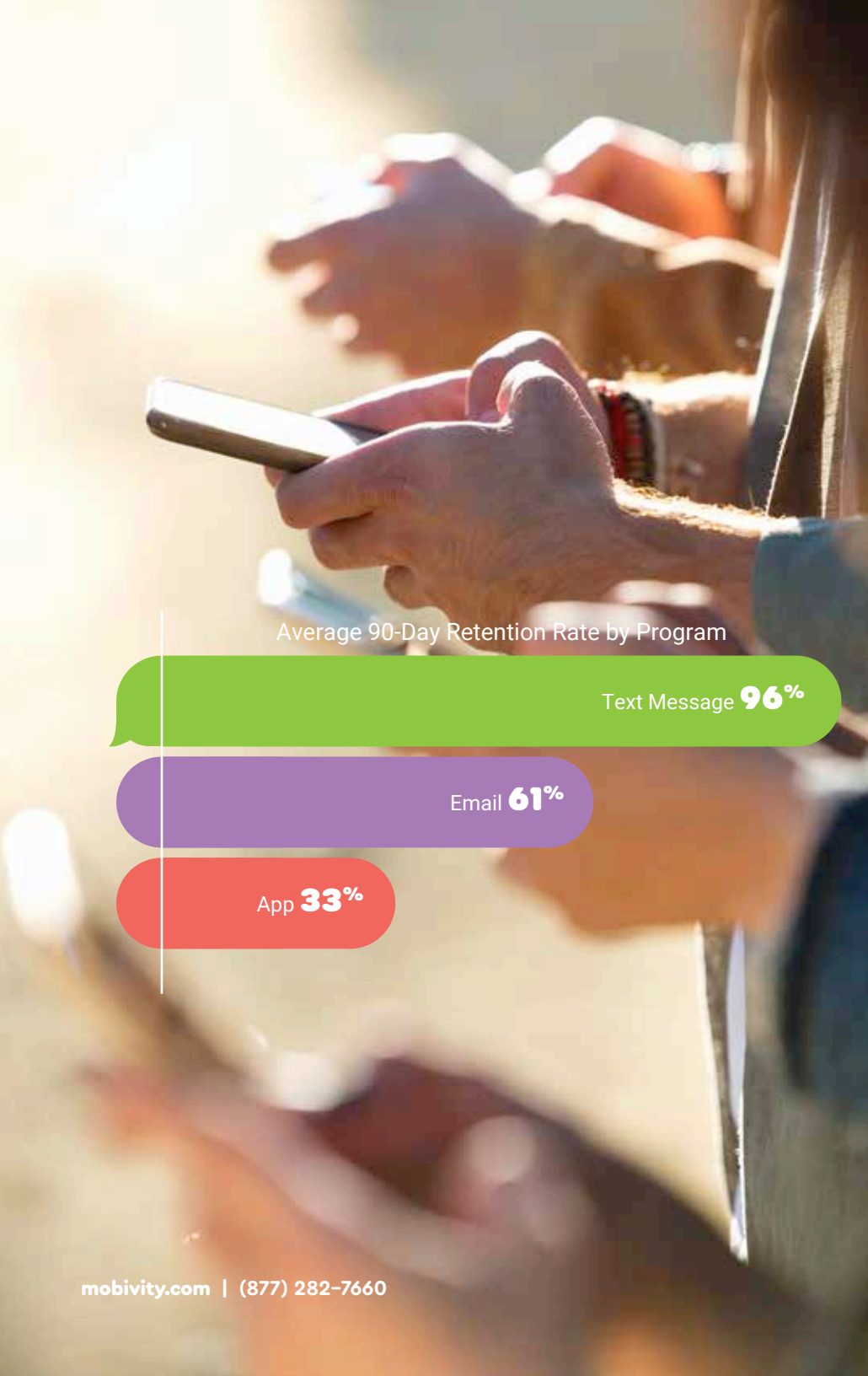If you want to estimate your programs ROMS, the formula is:

Total Attributable
Revenue

−

Program Cost

÷

Program Cost

Average 90-Day Retention Rate by Program

Text Message **96**%

Email **61**%

App **33**%

How Long Do Guests Stay Subscribed?

Text Program Subscriber Retention
Far Outperforms Apps and Email

With an open rate of **98**%, customers see text messages far more often than email and in-app notifications, which have open rates of 20% and 5%, respectively[1]. That's one of the common reasons cited for implementing a text message marketing program, and one of the ways that text messaging outperforms these two other popular owned-media channels.

An analysis of program retention across 8 million subscribers over 3 years found that text *subscriber retention* also far outpaces email and apps as well. We found the retention rate of subscribers after 90 days in the program is **96**%. By comparison, 39% of email subscribers cancel their subscription and two thirds of app users delete the app within the first 90 days[2].

Even more noteworthy were the text program retention rates beyond 90 days:

- After one year, **93**% of subscribers remain.

- After two years, a full **90**% are still in the program.

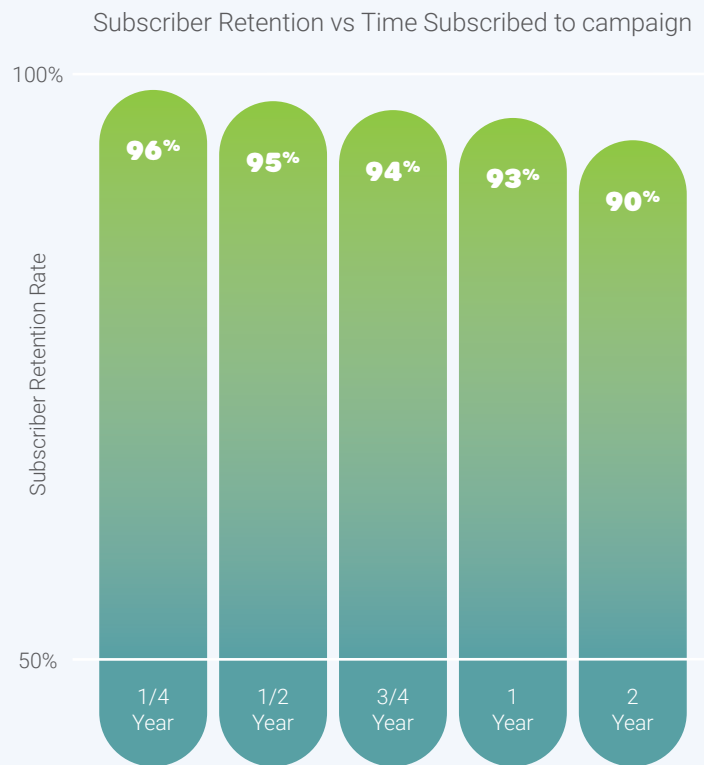This makes text messaging arguably the stickiest of all owned media channels.

---

1   Smart Insights & Localytics
2   Localytics, Convince and Convert study

Marketers often compare the costs of the three owned media channels and sometimes conclude that the higher cost of text messaging vs. email or apps is harder to justify. It's true that text messaging costs are higher; sending a text message costs more than sending an email, due to telecom carriers fees to send text messages to subscribers. And while the initial investment in building an app is substantial, the incremental cost of each app user is minimal, which means a large app user base could result in a lower cost per user than text messaging on an annualized basis.

However, when you look at ROI, the story changes. Going beyond cost alone and weighing the exceptionally high retention rate of text subscribers and the lucrative incremental revenue each subscriber produces, the payback from a text messaging program typically far surpasses that of either email or apps. In fact, Mobivity customers often cite a ROMS of 10X, 50X, and even 500X from their text message programs.

Subscriber Retention vs Time Subscribed to campaign

96%	95%	94%	93%	90%
1/4 Year	1/2 Year	3/4 Year	1 Year	2 Year

Subscriber Retention Rate

100%

50%

Offer Redemption Insights

More Than Half of Redemptions Occur in First 24 Hours

Timing of offers matters. Our data show that 60% of redemptions occur within the first 24 hours, and 39% of redemptions happen on the same day subscribers receive them. The redemption rate drops considerably every day after that, which tells us that the timing of offers is critical for campaign effectiveness.

60% of redemptions occur within first 24 hours

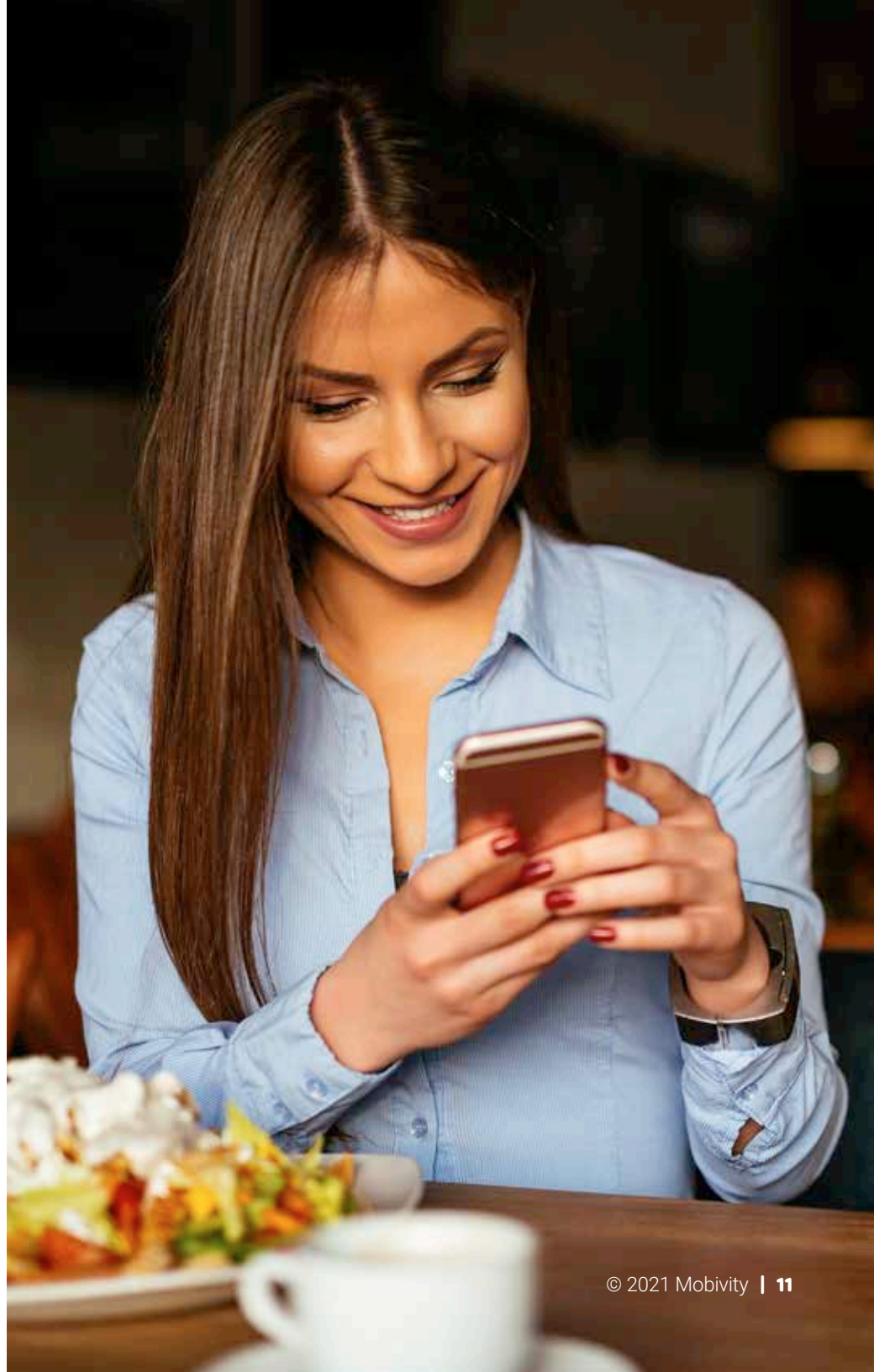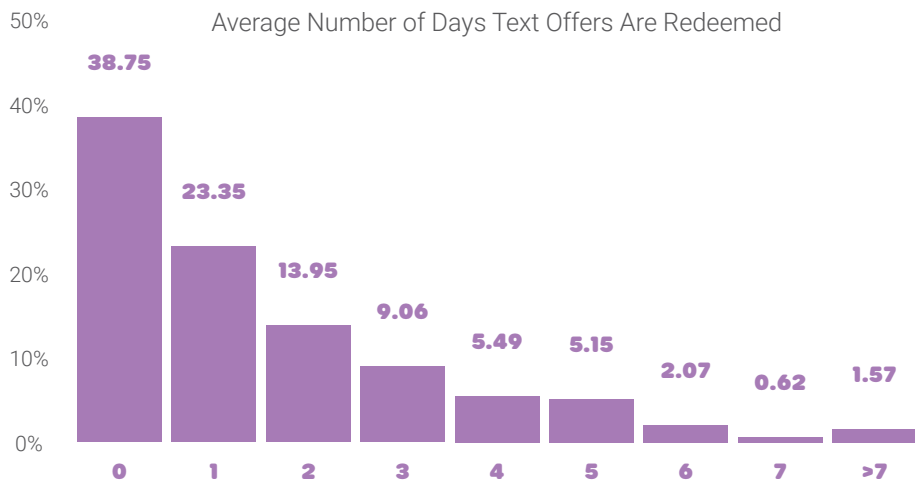When we looked at the rate of redemptions by hourly increments, more than 30% of redemptions occur within the first three hours after subscribers receive the offer via text message, and nearly half of those are within the first hour. This speaks to the immediacy of text messages and fact that they are usually read faster than emails.

How Long to Redeem Text-Offer
First 72 hours after receiving text-offer

It also points to text messaging's ability to increase traffic around slower days or dayparts, or conversely to time offers based on prime dayparts. Sending an offer one or two hours before a specific dining occasion has a high likelihood of driving redemptions for that occasion.

30% of redemptions occur within first 2 hours

However, for brands operating large programs (e.g., more than one-million subscribers), the throughput capability of the platform will determine whether this is even possible. You won't get much value from a lunch offer that reaches the consumer at 6 PM, for example. An enterprise-grade solution with high throughput and performance is vital for a restaurant brand needing to send a million or more messages within an hour to time perfectly for each time zone.

Average Number of Days Text Offers Are Redeemed

Day	Value
0	38.75
1	23.35
2	13.95
3	9.06
4	5.49
5	5.15
6	2.07
7	0.62
>7	1.57

Opt-In Offers Outperform Ongoing Offers by 20X

As consumers, most of us keep a close guard on our mobile number, which is why text marketing programs often provide a high-value reward in exchange for opting into the program (e.g., get a free entree when you join). And, not surprisingly, because of their higher value than typical ongoing offers and immediate delivery upon joining, opt-in offers outperform ongoing offers by a factor of 20.

The average opt-in offer achieves a 40% redemption rate. Across our dataset, we observed opt-in offer redemption rates ranging from 7% to 67% on the high-end. The value of the offer is the biggest determinant of redemption rate.

Avg. **40%**

7%   67%
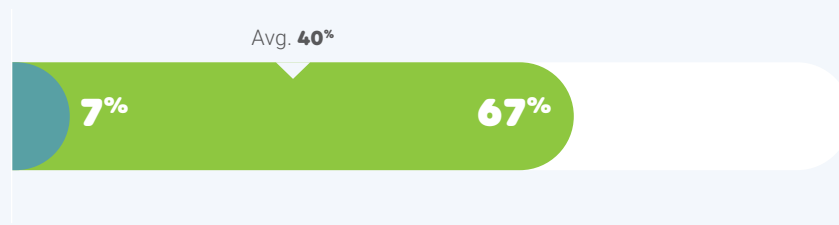
The second-greatest factor we observed is the frequency by which a brand discounts. Brands with highly loyal fan bases are able to charge premium prices and rarely discount. But when launching a text messaging program, they often offer a discount or free food as a reward for enrolling and agreeing to receive text messages. These brands tend to generate high redemption rates for opt-in offers, even if the value isn't substantial, since any discount is a valued and rare reward from the brand.

In summary, our data show a direct correlation between the value of an opt-in offer and subscriber growth, illustrating that to grow their base of text subscribers, brands are wise to offer higher-value opt-in offers. Fortunately, as noted above, the incremental value of a subscriber far outweighs the cost of the opt-in offer.

Do guests unsubscribe after nabbing the opt-in offer?

This concern, raised by some marketers, does not prove out. Our data on subscriber retention rates (page 8) prove that the vast majority of subscribers remain in the program beyond 90 days, and the majority remain even after two years, which means the subsequent payback for each subscriber makes offering a high-value opt-in offer a no-brainer.

Impact of COVID-19 Restrictions on Opt-In Offer Performance

Not surprisingly, we observed a significant drop in opt-in offer performance during the height of the pandemic. In 2018 and 2019, opt-in offer rates ranged between 40% and 46% across all brands. But during the pandemic, between March of 2020 and January of 2021, opt-in offer rates plunged by more than a quarter, averaging between 30% and 33%.

This appears to be primarily due to the consumer's reduced opportunities to use opt-in offers while pandemic restrictions suppressed restaurant hours and on-premises dining options, particularly during initial stages when many operators lacked online ordering systems, or their systems lacked opt-in offer redemption mechanisms.

Fortunately, our data show that opt-in offers have returned to their prior levels, now averaging 40%. Not only is this a factor of restaurants reopening, but it's also the result of new investments in online ordering that support the redemption of offers across more channels.

Opt-in Offer Quarterly Performance

									COVID-19					
Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021

Ongoing Offers Average a 2% Redemption Rate

Unlike opt-in offers, the success of ongoing offers sent to existing subscribers is influenced by a number of variables, such as a guest's last visit, their affinity with the brand, alternative restaurant choices, dining habits, and so on.

The average redemption rate for ongoing offers is substantially lower than opt-in offers, averaging 2%. This is because only the most avid fan would dine at the same brand every day or week. Looking across the top 20 messaging clients, based on the volume of messages sent, we saw a wide variance in average redemption rates by brand, from .5% to nearly 6%.

Avg. **2%**

0.5%   **5%**

The brands with the highest average redemption rates typically are those with exceptionally high customer loyalty and that rarely discount. Brands on the lower end of the spectrum typically have low guest visit frequency, being more of a special occasion dining experience. In the middle, we see mostly quick-service brands where consumers tend to take advantage of frequent discounts.

Higher Value Offers Double Redemption Rates

With almost 90% of consumers using coupons in 2020, it's clear we all appreciate a good deal.[3] No surprise then that the value of an offer was the biggest determinant of its' click-thru rate and redemption rate.

The redemption rate for high-value offers (e.g., "50% Off") are almost twice as high as low-value offers (e.g., 15% Off)

It's important to note that every subscriber will assign their own value to a particular offer. A loyal customer who visits frequently, for example, might value a 20%-off offer as much as a casual visitor values a 40%-off offer. Plus, some unique brands have cultivated an extraordinary following and, therefore, don't feel the need to give regular discounts. So when they do, it's a big deal and subscribers naturally place a higher value on them. In general, however, we consistently see that higher-value offers lead to higher redemption rates.

200%

redemption rate
of higher-value offers
vs. low-value offers

Definitions	
High Value	**30% - FREE**
Medium Value	**20 - 25%**
Low Value	**10 - 15%**

3   Valassis 2021 Consumer Intel Report

Redemption Behavior Varies Based on Recency and Frequency of Prior Offer Redemptions

We also examined guest recency and redemption frequency as factors in offer redemption rates. We found that guests who had redeemed another offer in the past 30 days were more than 7 times more likely to redeem a new offer than guests who had not redeemed an offer in the past 90 days. The more time that elapsed since the prior redemption, the more the redemption rate dropped. On average, redemption rates dropped roughly in half for every 30 days since redemption.

Looking more closely, we saw that subscribers in the 0-30 Days segment had a 65% higher redemption rate than those in the 31-60 Days segment, who themselves had a 35% higher redemption rate than the 61-90 Days group. The pattern continued, as that last segment had a 265% higher redemption rate than the 91-120 Days group of subscribers.

This is why we encourage Mobivity clients to use guest recency as a variable in personalizing offers. By using our offer segmentation capabilities, brands can offer larger discounts to customers who've lapsed and not redeemed in the last 90 days, and smaller discounts to customers who've redeemed in the last 30 days. This has proven to be highly effective in reactivating lapsed customers and increasing program profitability.
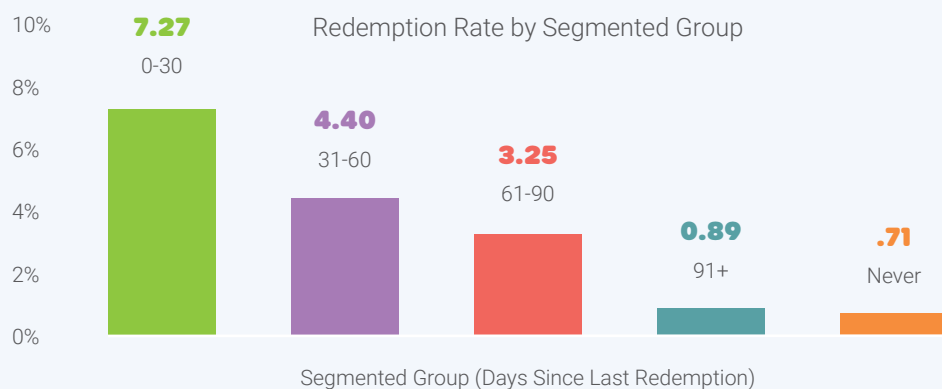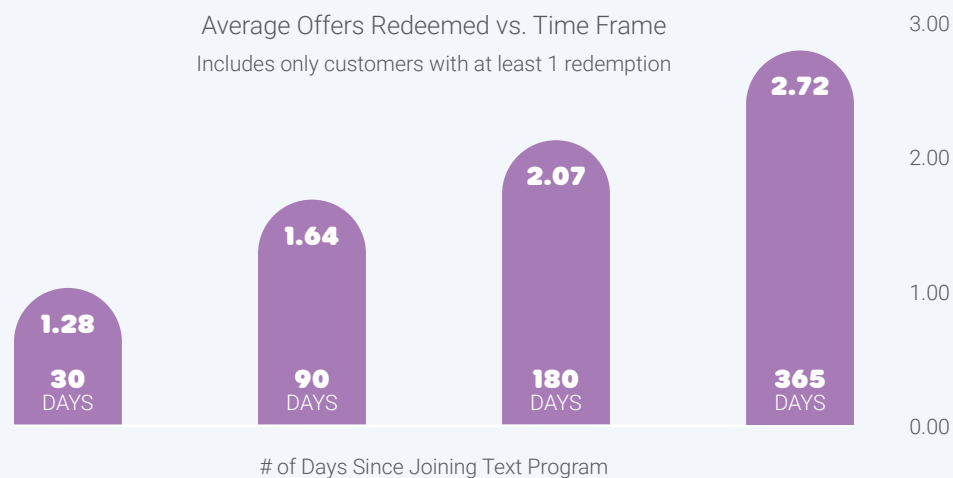
Consumers Redeem 3 Times in First 180 Days After Joining the Program

In determining how many redemptions a brand can expect per subscriber, we examined data across more than 40 brands. Some brands send non-redeemable offers (e.g., limited-time offers available to everyone, offers only redeemable in their mobile app). And most brands send text messages that don't include any offer (e.g., new menu items, cause marketing messages). Therefore, we included only text subscribers in the analysis who had redeemed at least one offer.

On average, subscribers redeem 1.28 offers during the first 30 days. Within 140 days of joining the program, the average subscriber will have redeemed two offers. And, after six months in the program, the average subscriber will have redeemed three offers.

Note: The average number of redemptions per subscriber is different than the total number of visits described in our guest incremental revenue analysis (page 5). This is because guests don't always redeem an offer on every visit.

Redemption Rate by Segmented Group

Segmented Group	Value
0-30	7.27
31-60	4.40
61-90	3.25
91+	0.89
Never	.71

Segmented Group (Days Since Last Redemption)

Average Offers Redeemed vs. Time Frame
Includes only customers with at least 1 redemption

Days Since Joining	Value
30 DAYS	1.28
90 DAYS	1.64
180 DAYS	2.07
365 DAYS	2.72

# of Days Since Joining Text Program

Case Study

How One Brand Leaned Into Text Message Marketing, Building a Predictable Revenue-Producing Machine

New England QSR Papa Gino's Pizzeria and fast casual restaurant D'Angelo Grilled Sandwiches (PGDA) introduced its text message marketing program in 2018.
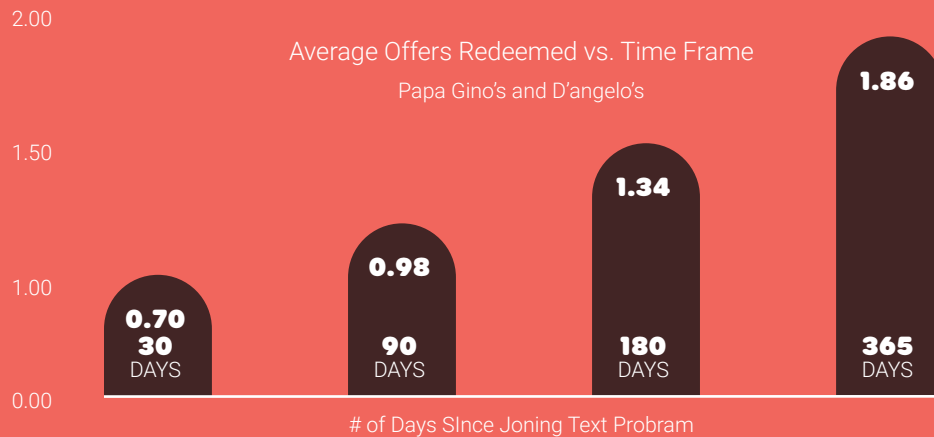
PGDA saw immediate returns. In just three months, the program drove more than 25K transactions and $125K in attributable revenue. Subscribers visited 3 times more often over 6 months versus non-subscribers for Papa Gino's and 2 times more visits for D'Angelo Grilled Sandwiches. What's more, mobile offers garnered nearly 14 times the redemption rate of the same offers sent via email.

Bolstered by these early returns, CMO Deena McKinley leaned into text messaging as an owned media channel. When the COVID pandemic resulted in restaurants having to close their dining rooms, and all restaurant business shifted to takeout and delivery, PGDA realized the value of owning this media channel and having amassed a treasure trove of first-party customer data, including mobile phones and transaction data.

PGDA used text messaging to bring back lapsed customers, sending personalized offers based on guest visit frequency and recency, and saw very similar patterns in redemption to our average redemption rate by segmented group (page 15). During the pandemic, PGDA saw its mobile messaging program deliver an average Return of Marketing Spend of 440%. McKinley noted, *"Building a Text Messaging program really is a game-changer for brands navigating today's challenging business environment."*

Today, the two PGDA brands have nearly 150,000 opted-in consumers participating in the program and are actively investing in subscriber acquisition, with the goal of doubling opt-ins in 2022. Papa Gino's and D'Angelos were two of the brands whose data we included in this Benchmarks Report.

While the redemption rates of both PDGA brands tracked closely with all brands from our study, with both averaging between 1.5% and 2%, the company's other metrics were considerably higher. For example, the average number of offers redeemed within the first 180 days is 33% greater than the average of all brands in the study.

Average Offers Redeemed vs. Time Frame
Papa Gino's and D'angelo's

2.00			
			1.86
1.50			
		1.34	
	0.98		
1.00			
0.70			
30 DAYS	90 DAYS	180 DAYS	365 DAYS
0.00			

# of Days SInce Joning Text Probram

The two brands also see much higher opt-in offer redemption than the average, with Papa Gino's having a 50% redemption rate and D'Angelo averaging a 47% redemption rate. As noted earlier, the value of the opt-in offer is a key driver of performance. PGDA offers a free pizza in exchange for a guest opting into the program.

PGDA has also been rigorous in its use of Mobivity's patented Trusted Redemption™ technology, which provides maximum insight into every single redemption. We also included PGDA's "other first-party data"—its POS data, through integration with PGDA's POS system provided by Toast—and then use our Quad Layer™ machine learning to normalize the POS data. We can then tie the detailed transaction data to each redemption, and measure the impact.

McKinley noted in an interview with QSR Magazine, "Mobivity helps us leverage things like trends in user behavior to send intelligent messages that help maximize engagement, and it works. They are a great partner, because like me, they are data-driven and want to tie everything they do to a tangible financial result."

By employing this approach for every offer, we can gain the highest level of confidence in analyzing PGDA's redemption data to measure incremental revenue impact. And what we found was that PGDA outpaces other brands in the study in terms of increases in guest frequency, spend and incremental revenue produced:

- Papa Gino's average increase in guest visit frequency over 180 days is **29%** and D'Angelo's is **41%**, versus the study average of 23%.

- Papa Gino's average increase in guest spend over 180 days **35%** and D'Angelo's is **38%**, versus the study average of 23%.

- Papa Gino's incremental revenue per customer is **37%** higher than the study average.

Now three years into operating their text marketing program, the company reports achieving a cumulative 500% return on their marketing spend. CMO McKinley's take on the company's investment in text message marketing? *"In my experience in the quick service and fast casual restaurant business, it's critical your message gets consumers where they are, at the right time, and in the most efficient way possible, because food is as much of an impulse decision as anything else,"* notes McKinley. *"Because people are never far away from their mobile devices, mobile messaging just makes sense, and it pays for itself. When you look at the return, this is the type of program that continues to justify the spend, and it really just doesn't make sense to not be doing it."*

Takeaways

Throughout our analysis, we observed a variety of new insights and confirmed some of the assumptions we've made over the last few years. In many ways, this analysis took on a life of its own as our data scientists found themselves making discoveries that compelled them to dig deeper, which led to another insight, and then another, taking them further into the data.

The study reinforced the value of a well-managed text message marketing program: one that provides economic value almost immediately. As our clients often attest, effective and meaningful engagement leads to more frequent visits, higher spend, and a deeper sense of brand affinity, which translates to higher incremental sales.

To that end, we saw how SmartMessage text subscribers visited a business **44%** more frequently than non-subscribers and, over the course of a year, visited **23%** more frequently and spent **23%** more than they had before subscribing.

- **Economic value increased the longer a customer stayed subscribed to a SmartMessage program.**

- **Brands using effective audience segmentation and marketing typically deepen subscriber engagement, maximizing their value over time.**

It's clear that traditional mass marketing techniques are becoming less effective as consumers expect more personalized and authentic engagement, as they consume media via new individualized streaming methods, and as the tech giants hobble traditional third-party ad targeting. First-party data is the new oil that fuels brands' ability to control their marketing destiny in a one-to-one world of marketing.

With the availability of these benchmarks, restaurant and other brick-and-mortar brands have data to prove that investing in text message marketing provides a meaningful ROI while creating a highly effective marketing channel that they own and control, and that gives them direct one-to-one access to their most valuable customers.

About Mobivity

Mobivity's decision to introduce the industry's first benchmarks on text message marketing performance was driven by the fact that ours is one of the few platforms that could even produce such benchmarks. Most text message platforms provide the ability to distribute text messages, but their attribution is often limited to counting the clicks on a link in a text message.

Mobivity's Unified Guest Engagement Platform™ was purpose-built to give brick-and-mortar brands the same advantages of e-commerce brands — increasing guest engagement and frequency by leveraging first-party data, including POS transaction data, analyzing customer purchasing habits, and driving customer loyalty through data-driven personalized messaging, relevant offers and promotions and earning rewards. The following page identifies the Mobivity Unified Guest Engagement Platform solutions we employed to capture and analyze the data and statistics in this 2021 Benchmark Report.

Trusted Redemption™

Mobivity's patented system for delivering, protecting, and measuring offer redemptions. Available to all SmartMessage customers, Trusted Redemption enables customized landing pages for fulfilling any type of offer or promotion, with or without POS integration. With Trusted Redemption, subscribers receive customized links through which they can redeem offers online, in-app, or at the store. Operators and franchisees are protected from fraud and misuse by deploying trackable offers that expire immediately after use, allowing brands to offer rich and personalized offers based on guest frequency, recency and monetary value without fear of offers being distributed via social media or online coupon aggregators.

Unified Insights™

With a patented multi-step process, Unified Insights uses the date, time, and latitude/longitude of every redemption captured by Trusted Redemptions. Unified Insights also empowers brands to use their valuable first-party POS data, cleaning and normalizing the data for accurate, actionable insights and optimizing marketing strategies. For the first time, brands can now tie every digital message to a transaction, regardless of the channel, for detailed, accurate promotion attribution. Calculations include guest purchases prior to subscribing, necessary for accurately determining incremental revenue produced. As well, Unified Insights identifies both known and anonymous customers, tracking and measuring the activity of customers not participating in brands' loyalty programs.
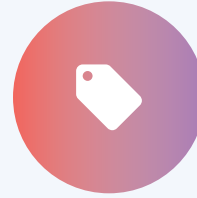
Unified Offers™

Our comprehensive cloud-based offer management solutions enable brands to unify the millions of offer codes distributed annually across all retail locations and channels. Whether deploying single-use, multiple-use, limited-use, anonymous, or known scannable offer codes, brands are fully in control of their promotional efforts. And by unifying offer codes across every channel, brands gain Perfect Attribution™, Mobivity's proven multichannel attribution solution, allowing precise and accurate measurement of every offer, every purchase, every channel, including digital, broadcast, print and direct mail.

Predictive Offers™

We use the collective data from more than 60-billion offer codes, 10-billion POS transactions, and 50-million redemptions to continuously train our artificial intelligence-powered analytics engine. The result? The most innovative offer and promotion prediction engine in the industry. Marketers can instantly view and deploy the offers likely to produce the highest profits, highest redemption, or any combination of the two. Over time, our AI-powered platform learns and begins to auto-optimize offer and messaging delivery, delivering the most relevant offers at the ideal time and on the best day to drive maximum value to the consumer and revenue for operators.

Want to learn more about Mobivity's Unified Guest Engagement platform?

Schedule A Demo Today

To learn more about us, text TEXTING to 55333.

mobivity