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Attentive

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Attentive is a marketing tool for mobile messaging.

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REVENUE	VALUATION	GROWTH RATE (Y/Y)	FUNDING
$200.00M	$6.90B	60%	$863.00M
2022	2022	2022	2022

Overview Reports

Revenue

Details

HEADQUARTERS
New York, NY

CEO
Brian Long

WEBSITE
attentivemobile.com

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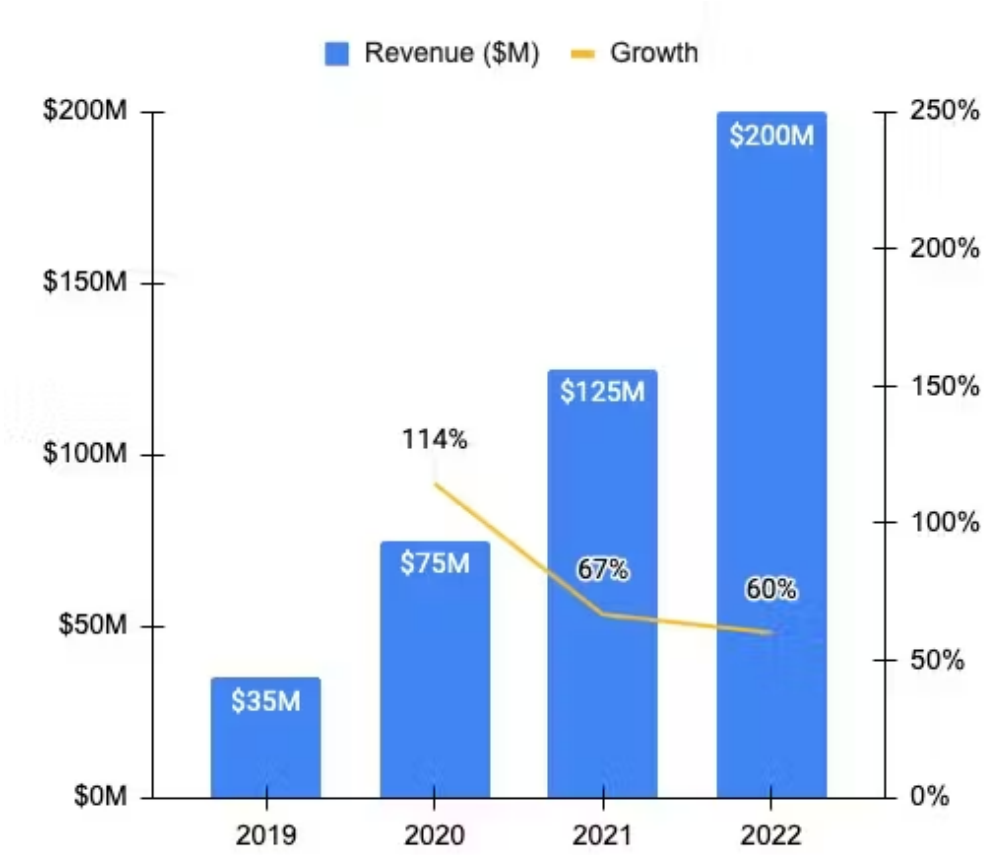

Click here for our Attentive dataset.

Sacra estimates that Attentive hit about $200M annual recurring revenue (ARR) at the end of 2022, up 60% from $125M at the end of 2021.

Valuation

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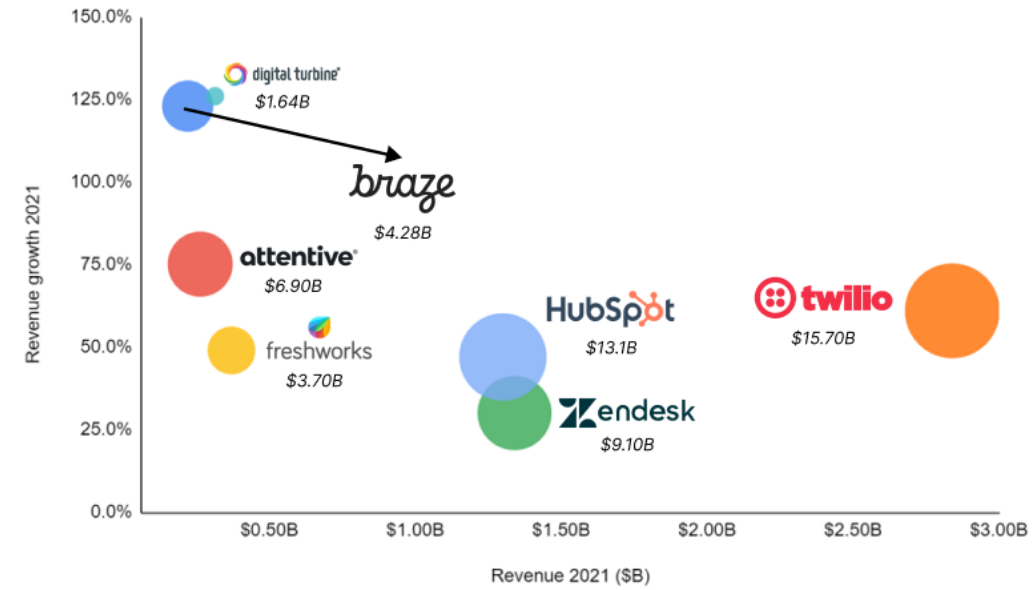


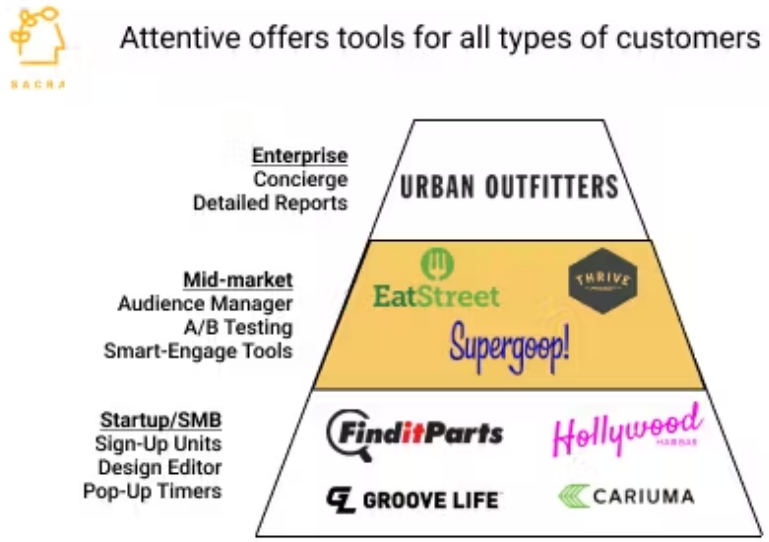
Attentive has raised $863M from notable investors such as Bain Capital Ventures, Sequoia, Coatue, Tiger Global, and Wellington Management Company. The company was last valued at $6.9B, putting its valuation/revenue multiple at 8.0.

The median multiple for adtech companies in Q4 2021 was 6.9, but the volatility is quite high. For instance, Braze, a customer engagement platform for multichannel marketing has a multiple of 13.05, while Twilio, which enables users to build messaging flows into their application, has a multiple of 3.64.

Business Model

Attentive's business model scales around a function of usage. Its value metric is per month, per SMS. This differs from companies, like Cartloop, which charge clients based on the revenue they garner using their SMS marketing. Customers can book a demo with Attentive to get a quote for the project requirements.

Attentive heavily depends on partnerships to drive growth. It teamed up with BigCommerce last year, which provided access to 60,000+ customers. New partner customers can also use the Attentive tag through the BigCommerce extension. To avoid being pigeonholed, the company branched out from ecommerce to new industries, including retail, food & beverage, and entertainment.

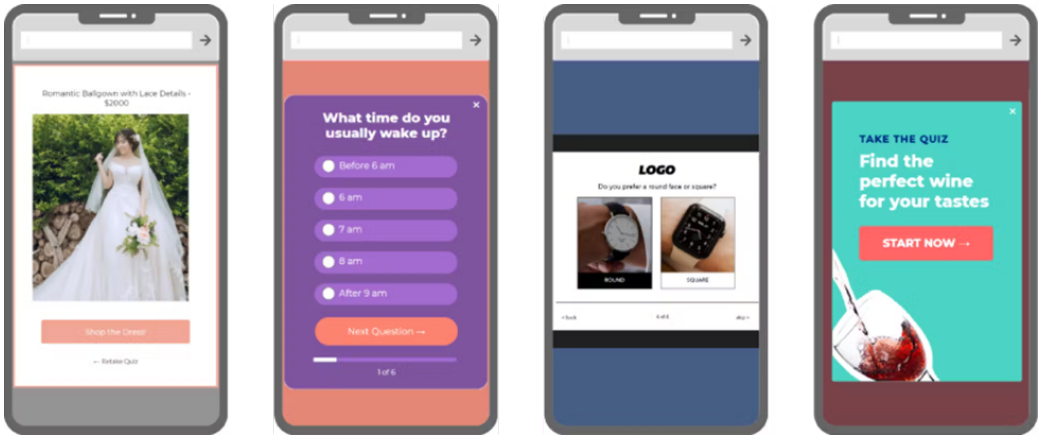


Attentive serves both small businesses and corporates like Coach, Urban Outfitters, and Jack in the Box. The platform drives an average of 18.5% of total online revenue for its customers. In terms of pricing, Attentive offers

only custom plans; however, based on reviews, it appears to be cheaper than other options, such as Klaviyo and SMSBump.

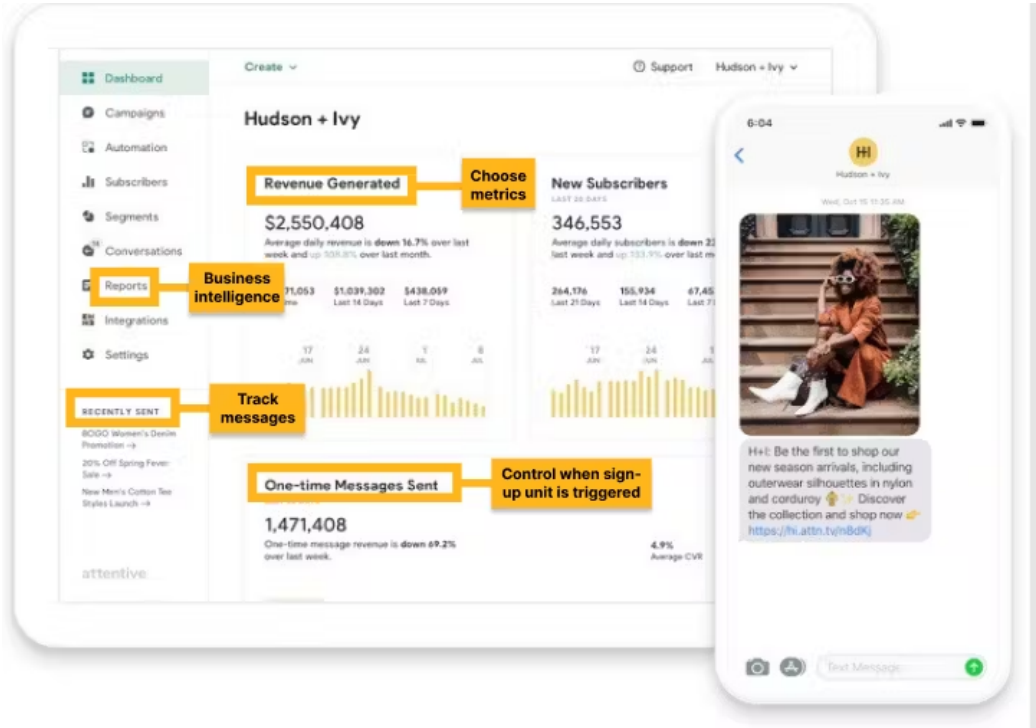
Product

Attentive is a SMS platform that creates personalized messages by leveraging consumer behavior data. Its main feature is “two-tap” sign-up, which lets brands minimize the path between catching a user’s interest and convincing them to agree to a regular flow of marketing texts. First, the user notices something on a brand’s website that causes them to click on a call to action to opt in. Via Attentive’s tech, the user’s text message app automatically displays a pre-written sign-up request, which gets sent to the brand’s designated phone number.



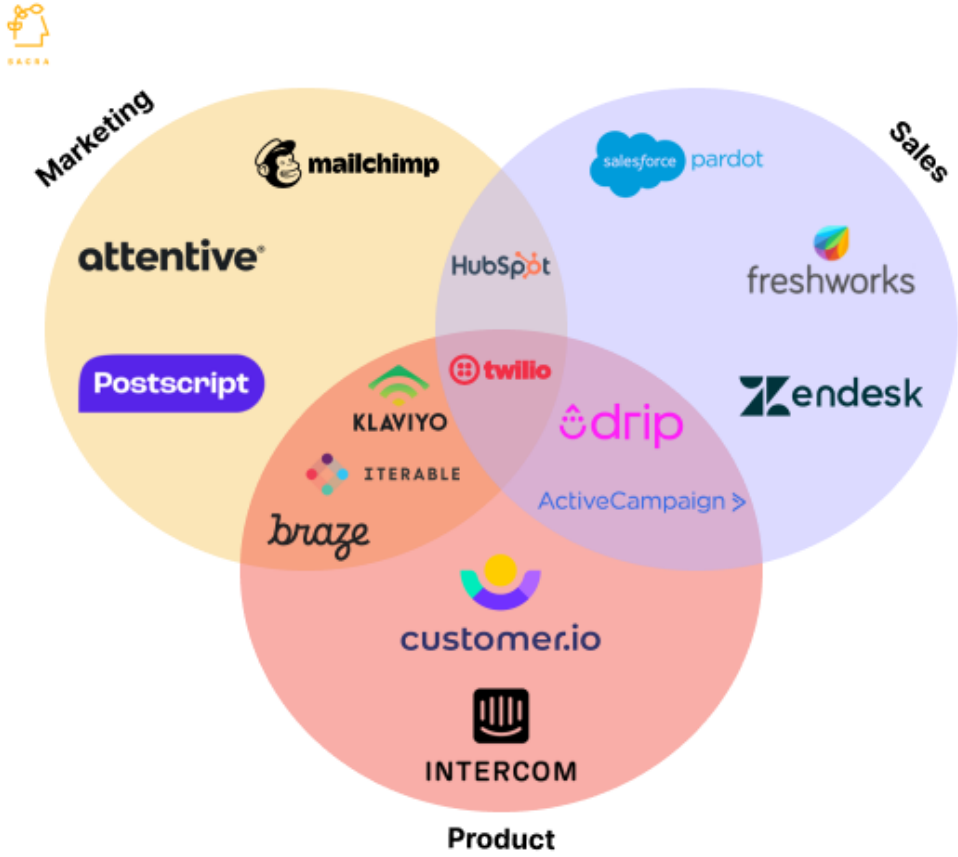
Attentive’s marketing and analytics software also helps users craft messaging campaigns with video, audio, and GIFs based on consumer behavior or demographics. Automatic text responses are sent according

to customers' shopping habits, and the platform delivers targeted messages about products or promotions. It provides real-time metrics on which campaign fared better with whom, so changes can be made on the fly.



Attentive offers a wide range of integrations, including Mailchimp, Shopify, Zendesk, and HubSpot. It takes all data collected from subscription sign-ups and transfers them to the relevant CRM, resulting in a comprehensive overview of contacts. So far, the results have been positive: 90% open rate, 30% click-through rate, and 25% increase in ROI.

Competition



Attentive is competing in a space that's quickly becoming saturated. Large customer communication management platforms that do a little bit of everything and niche startups are all fighting for market share.

Marketing-centric organizations

These companies, including Attentive and Mailchimp, deliver marketing solutions, some of which are automated, through different kinds of digital channels, from email to mobile. They primarily sell to businesses seeking

to personalize and scale outreach. Mailchimp is easy to use and its analytics are detailed, the ideal combination for non-technical members.

Product-centric organizations

These platforms focus on the user lifecycle and tend to be more user-friendly and flexible. For example, Customer.io allows customers to set up and automate promotional emails, while running transactional emails at the same time. This is beneficial because customers can trigger a promotional email without interfering with system emails.

Sales-centric organizations

These tools are designed for sales management. They help customers close more deals and streamline the sales process. Zendesk Sell is a CRM that requires minimal onboarding and is a unified place for salespeople to organize their contacts, deals, and calendar.

Some companies are hybrids with Iterable and Braze being two examples. The former has a software that gathers consumer data and automatically sorts consumers into segments. It then sends customized messages based on the relevant information via email or text. The latter is similar in that it captures customers across the digital media spectrum and uses different sources to interact with users and send them targeted messages. Both companies give users broader utility than Attentive, which solely concentrates on SMS marketing.

TAM Expansion

Steadily growing market

The global SMS marketing software market is forecasted to hit $24.7B by 2028 from $5.6B in 2021 at a CAGR of 20.4%. Surging popularity of social media and the rise of online shopping are driving growth. Additionally, email performance has plunged 45% over the past five years, spurring the emergence of text messaging as a key marketing medium.

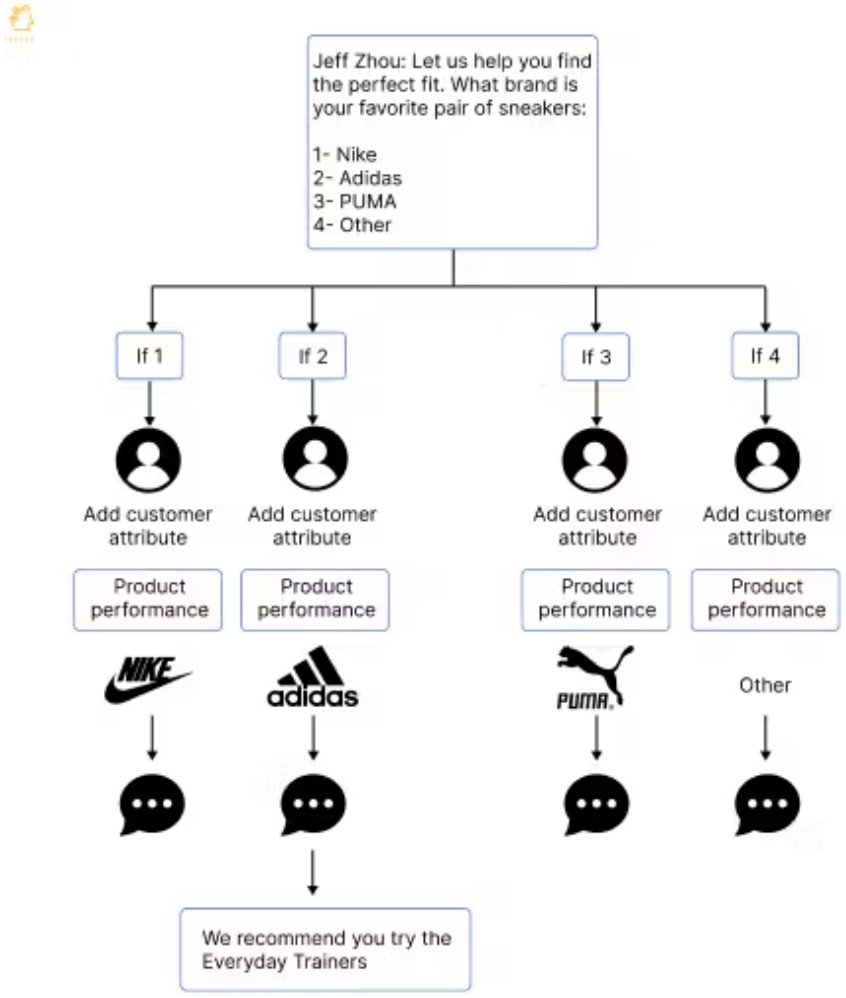
SMS marketing isn't the norm yet, but it's becoming more relevant. 83% of people received a text from a business in 2020. Furthermore, 61% of marketers planned on boosting SMS marketing budgets last year. Companies that help brands create personalized and behavior-targeted text messages, like Attentive, are poised for growth.

New features

Recently, due to increased demand for greater customization, Attentive launched a concierge product that delivers AI and human-assisted replies en masse across campaigns, triggered messages, and text. This is geared towards enterprises that have a large customer base and need to scale two-way communications, while reducing customer backlog.

In terms of the future roadmap, Attentive is focusing on more actionable insights and deeper integrations. It aims to generate analytics that help users improve basket size and purchase frequency. The company is also

looking to partner with more kinds of tools, enlarging its suite of integrations.



International expansion

Just a few months ago, Attentive opened its London office, the company's first outside of the US. The goal is for the overseas team to better collaborate with brands around the world. Attentive already has a

presence in Canada and Australia. Breaking into new markets gives Attentive's US-based customers an opportunity to expand marketing efforts into new geographies.

Fundraising

Round	Date	Amount ($M)	Valuation ($B)	Investors
Series E	3/2021	$470.0M	$6.9B	Coatue, Tiger Global Management, D1 Capital Partners
Series D	9/2020	$230.0M		Coatue, Wellington Management, Sozo Ventures
Series C	4/2020	$40.0M		Coatue, Sequoia
Series C	1/2020	$70.0M		IVP, Sequoia
Series B	8/2019	$40M		Sequoia, Jaws Ventures, High Alpha
Series A	2/2018	$13.0M		Bain Capital Ventures, MetaProp, HarbourVest partners
Seed	10/2016	N/A		Eniac Ventures, NextView Ventures

Risks

Lack of integration and segmentation

Attentive's lack of integration with other tech stack, such as Mailchimp and Recharge, makes it hard for users to fully customize messages

Another difficulty users face is segmenting SMS and emails separately, causing the same message to be sent to prospects in waves. Attentive is actively working on resolving these issues.

Strict regulations

SMS marketing is highly regulated. Businesses must get permission from customers before sending messages. Failure to do so can cost owners up to $1,500 per message. Thus, a lot of brands, in particular major ones, are hesitant to rely on this strategy, making it challenging for Attentive to move upmarket.

Team

Brian Long

Co-founder & CEO

Andrew Jones

Co-founder & Chief Product Officer

Ethan Lo

Co-founder & Head of Special Projects

Harry Heymann

Chief Technology Officer

Brandon Simins

Chief Financial Officer

John Trani

General Counsel

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