An Agency's Guide to Text Message Marketing

JA.TXT

Hi, my name is Justin Mastrangelo. I am the founder of JA.TXT and I have been helping agencies and marketing consultants execute text messaging (SMS) campaigns with their clients for over 8 years. I put together this guide to help you quickly understand SMS marketing so you see which clients would benefit most from this technology.

Enough about me, let's get started (with the basics)!

HOW SMS MARKETING WORKS

What is a shortcode? This five digit number is the root of SMS marketing. It is connected to all major wireless carriers, and allows fast and reliable delivery of text messages to and from mobile phones.

What is a keyword? A keyword is used in a text messaging campaign so the SMS marketing software knows how to handle the response. For example, texting the word PIZZA to 12345 might return a message with a discount code for a pizza shop, while texting SHOES to 12345 might sign the user up for future promotions from a shoe store.

MOBILE OFFER
First-time mobile subscribers ... a
20% OFF one ... item
in-store or online of...

KEYWORD
SHORTCODE

Text SIGNUP to 42229.
Message and data rates may apply. Mobile internet access required. Up to 5 msg/month. Text **STOP** to 42229 to cancel. Send **HELP** to 42229 for help.

How are the mobile subscribers captured during a text messaging campaign? When someone texts a keyword to a shortcode the SMS marketing software can capture the mobile number and save it into the appropriate database. Just like when you text someone with your phone your mobile number is sent along with your message.

A report screen from our JA.TXT software

What does the SMS marketing software do? Very similar to email marketing software (like Constant Contact or MailChimp) SMS marketing software allows organizations to make changes to text messaging campaigns, view reports, and send out messages to the current subscribers.

HELPING YOUR CLIENT CREATE THEIR FIRST CAMPAIGN

If the goal of your client's SMS campaign is to capture subscribers for future messages the two most important elements are the incentive and the promotion of the campaign. We'll talk more about promotion in the next section, but first let's talk about the incentive.

With any campaign giving users a good reason to text in will make a big difference in how many subscribers participate in the client's campaign. Obviously offering a 50% discount will always create more activity than a 10% discount. A couple things to remember when deciding on the incentive for the SMS campaign:

Instant giveaways can be very effective

1. Encourage your client to give away, or discount, their own product or service, rather than just an attractive prize like an iPad. This strategy will **ensure the database is filled with people who are interested in what your client is selling**, not just winning a valuable prize.

2. When helping the client decide how much to give away be sure to remind them **one mobile subscriber is "worth more" than one email subscriber.** With email open rates commonly under 30%, and text message open rates over 90%, one mobile number is equivalent to three email addresses. This is important when helping the client understand what they can potentially get out of the campaign.

3. While an instant discount or giveaway is a great way to incentivize the audience, it is not always necessary. **Sometimes the audience can be encouraged to join a mobile club by the prospect of future promotions, offers, or exclusive news.** On the campaign call-to-action be sure to give examples of the types of offers or approximate the discount levels (20-60% off for example). In some cases, like nonprofits, the incentive can be nothing more than "getting updates on how you can support our cause."

Planning the message flow and considering future messages – In most cases the client will have the opportunity to set two response messages for the campaign. For example, after texting PIZZA to 12345 the user may receive the following two messages in quick succession:

> *First* – "Thank you for joining our Pizza Lover's Mobile Club! Look for great offers on your phone soon. Txt STOP to end, HELP for info. No more than 4msg/mo. Msg&Data Rates May Apply."

> *Second* – "Mention promo code GOMOBILE for a free order of breadsticks with your next order this month. Don't forget you can order online just visit www…"

As you can see the first message contains some text that explains the program, gives the user important information on how they can remove themselves from the list, and details the max number of messages that will be sent during a month.

The second message contains the offer and other information the organization would like to promote. Both messages (and all text messages) are **limited to 160 characters including spaces.**

GREAT PLACES TO PROMOTE YOUR CLIENT'S FIRST CAMPAIGN

Traditional media – From a database growth perspective traditional media (TV, radio, print, outdoor, direct mail, etc.) is usually one of the best places to promote a SMS campaign. Because these channels can reach so many people your client will see significant results quickly.

A SMS call-to-action in a Macy's TV commercial

Events – This is an important opportunity because the cost to promote the campaign is usually much lower than traditional media. Any events your client is participating in or sponsoring are an opportunity to promote the SMS campaign. Also, for nonprofits without a media budget this is always a great opportunity to reach their audience.

Foot traffic – For clients with a physical location (restaurant, store, entertainment venue, etc.) their physical traffic is an easy opportunity for a SMS campaign. Be sure to encourage your client to put up signs in areas where their audience will have a chance to get out their phone and text (usually when they're sitting down or standing in line).

Through email and social media – While results can vary, we have seen many clients effectively promote "mobile clubs" to their existing email and social audiences. A strong incentive is always important here as some of the audience will be hesitant to connect through another channel to the organization.

BEST PRACTICES FOR ADVERTISING AND SENDING OUT MESSAGES

Including disclaimer text in printed media – Anytime your client promotes a text messaging campaign in some type of display media (TV, print, outdoor, flyers, etc.) they should include something similar to the following:

> "Standard message and data rates apply. You will be added to the … mobile club and receive special offers and discounts. Remove yourself from the list at any time by replying STOP."

Common Question!

How often should my client send out a text message to their database? While there isn't a hard and fast answer to this question, we commonly talk to clients about the value of the message and how it will be received by the audience. Generally speaking though, it can be difficult to provide enough value to warrant more than one message per week.

Tips for sending messages to their database –

1. **When possible, send messages that will be valuable to the recipients.** Things like offers, discounts, exclusive information, etc. will be received better than purely sales and marketing messages.

2. **Including a coupon code or "show your phone" call-to-action in the message** will make measuring the return on the campaign much easier. More details in the next section.

3. **Always include the name of the organization in the text message.** Since text messages come from a five digit shortcode if there isn't a name in the message the recipients may not know who it's from.

Shirley's Shoes Mobile Special! Save 50% off your order when you order before 5p and enter the promo code TXT50. www.shoes.com

4. **If 160 characters is not enough space** to include all the information link the recipients to a mobile web page or video, and use a trackable link (details in next section).

Monitoring opt-outs – One of the best ways to make sure your client's outbound text messages are being received well by their audience is to check the opt-out rates. Inside the SMS marketing software view the opt-out report for the day the message went out. While results will vary, **generally an opt-out rate under 5% is acceptable**. However, opt-outs may be higher if the list contains subscribers who have not received an outbound message before.

MEASURING THE SUCCESS OF A CAMPAIGN

Here are three effective ways your clients can measure the success of their campaigns:

1. **Show your phone promotions** – For organizations driving foot traffic to an event or storefront this technique is one of the easiest to implement. Redemptions can be tracked inside a point-of-sale system (if available) or on old fashioned pen and paper.

2. **Coupon codes** – These can be valuable for tracking redemptions in-person, through e-commerce, or when the recipient is directed to call a number.

3. **Link tracking** – Sometimes offer redemptions are not the goal of the outbound message. In those cases sending the recipients to a mobile web page or video can be a good way to measure the engagement level of the database. Use a service like Bit.ly (http://bitly.com) that offers click tracking so you can provide the client with a click-through rate percentage.

Common Question!

What if my client is worried about offers and promotions being abused? There are three good ways your client can essentially eliminate fraud or abuse of offers and promotions delivered via text message:

1. **Add an expiration date.** This can be changed manually from time to time or the campaign can be setup to automatically populate the response message with a date that is specified number of days away. This is especially useful for loyalty offers asking customers to text in for an offer on their next visit.

2. **Limit usage of the offer.** Many times we've found limiting availability of the offer not only prevents abuse but it also increase redemptions. For example, "The first 50 people who show this message on their phone get one free children's admission."

3. **Check to verify the text message comes from the appropriate five digit shortcode.** It's easy to see on their phone if the offer message is sent from the five digit shortcode used by the campaign or a regular ten digit number. If it's from the shortcode they are a member of the database and legitimately received the offer. If it's from a regular ten digit number it was forwarded to them by a friend.

Promotions from Arby's with expiration dates and an arrow showing the from number (shortcode)

HOW TO INCORPORATE MOBILE WEB AND VIDEO

As mentioned above, link tracking can be a great way to measure the results of an outbound campaign. In addition, this technique can be used to provide additional information to subscribers who are opting-in. For example, "Thanks for entering to win … Please visit our mobile website to learn more about … (bit.ly link)"

Also, if the client has Google Analytics you can set a "utm_source" code to monitor the results of any visits from the text message inside their Analytics dashboard (details here: https://support.google.com/analytics/answer/1033867?hl=en).

Common Question!

What's the best way to deliver mobile video through text message? In our experience YouTube is the easiest and most reliable way to deliver mobile video to nearly all smartphones in use today. Videos uploaded to YouTube are by default "mobile ready" and all you need to do is include the URL in the text message (again, use bit.ly or a similar service to shorten and track the links!)

CAPTURING EMAIL ADDRESSES THROUGH TEXT MESSAGE

A common use of SMS marketing is to capture email addresses from the audience. Here's how it works:

The signup process – After texting a keyword to the shortcode users are asked to reply with their email address. The email address is then stored, along with the mobile number, in a database.

Reply with your email address to get a great coupon you can use on your next visit with us!

Integration with email marketing and CRM – Commonly this email address is automatically passed into the client's email marketing platform or CRM. This enables the welcome or opt-in email to be sent instantly.

Delivering the incentive via email – If capturing the email address is an important part of the campaign, encourage your client to deliver the incentive (coupon, downloadable, etc.) via email in the welcome message to insure they receive a valid email address from the user.

EXAMPLES OF CUSTOM CAMPAIGNS

Many of the examples above are fairly common (and effective) in SMS marketing. However, we have helped many organizations put together customized campaigns that fit their brand and marketing goals. Here are a few examples:

Games – Scavenger hunts, random instant win prizes, and trivia.

Voting – Rather than capturing votes on paper your client could capture votes using SMS at their next event. In our experience this technique dramatically increases voter participation, along with building a valuable post-event marketing database.

Text-to-screen – While a laptop, Internet connection, and usually a projector are needed to execute a campaign like this it has been shown to increase engagement at events.

Alerts – Not all SMS campaigns are driven by marketing. Many clients have used SMS to deliver news alerts to their internal staff, visitors to their property, and more. Sometime these alerts are triggered dynamically from information on another website.
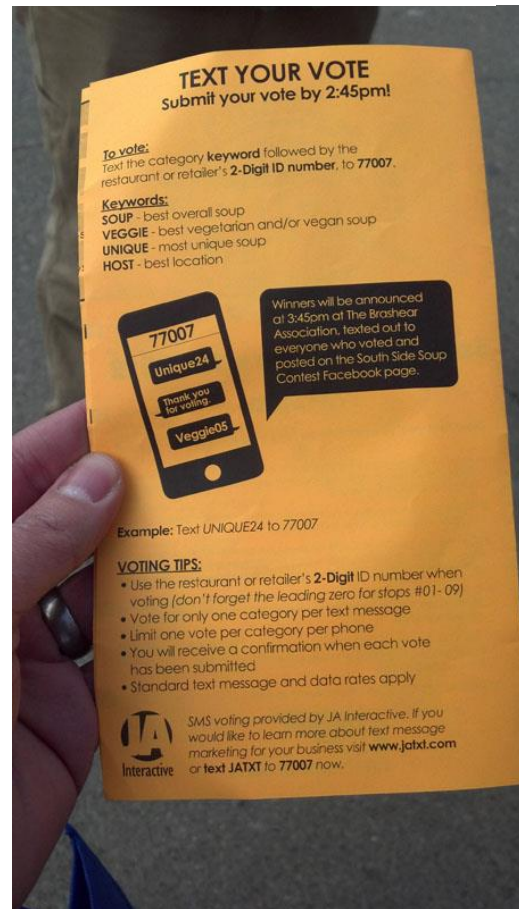
WHICH CLIENTS SHOULD MY AGENCY APPROACH FIRST?

The agencies we have partnered with have had the most success working with clients who are already doing one of the following:

- **Running traditional media (TV, radio, print, outdoor, direct mail, etc.)**
- **Holding or sponsoring events (including tradeshows)**
- **Getting foot traffic through their storefront or facility**

If your client can check off one of the items above it can be the easiest for them to execute an SMS campaign and see significant results quickly.

HOW MUCH DOES THIS COST?

Most of the campaigns we put together for clients who have never done any SMS marketing (zero pre-existing subscribers) are between $100-300 per month to start. This amount will vary depending on the size of the audience they'll reach, how many messages they will send, and how many unique keywords they will need.

WE'RE ALWAYS AVAILABLE FOR IDEAS!

If you don't already have a client in mind for SMS marketing we encourage you to start thinking about who might be a good candidate. Text messaging can deliver a great return on investment for your client in a very short amount of time.

I hope you have found this guide useful and I look forward to helping you outline a campaign for one of your clients in the near future.

If you have any questions please don't hesitate to shoot me an email (Justin@jainteractive.com) or give me a call at 1.888.932.0999 and hit option 2.

Thank you and take care!

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