Mobile Marketing Guide

How to use SMS marketing to reach your marketing goals

fastsms
Delivering Your Message

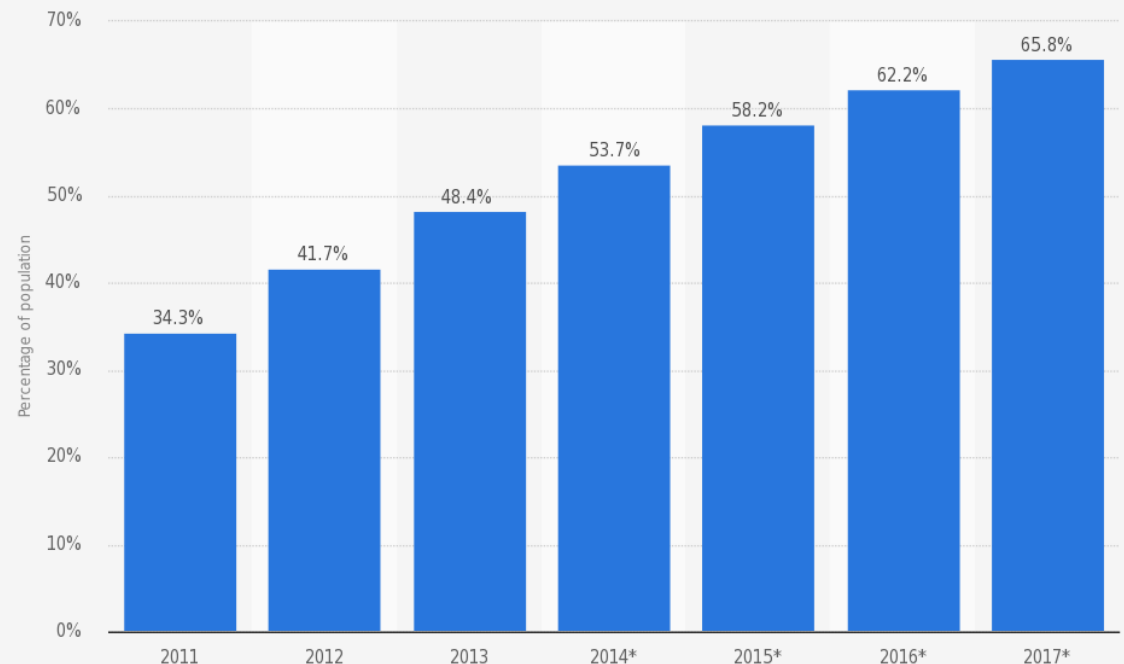# The mobile marketing revolution

Look around you. Unless you're in a room by yourself, you'll undoubtedly see many, if not most, of the people around you using a mobile device. They'll be talking to or texting someone on their mobile phone or surfing the web on their tablet. Or even vice versa for those who prefer video chatting over Skype or FaceTime over a plain old phone conversation.

As frustrating as the situation can be when someone at the table or seat next to you is obnoxiously loud while talking on their mobile, it creates a virtual gold mine for marketers. Never before have you been able to put your messages right in front of so many people, so consistently and personally.

92% of the UK population has a mobile phone

By 2016, 50% of people will own a tablet, and by 2017, over 80% will own a smartphone.

Smartphone penetration rate in the United Kingdom (UK) from 2010 to 2017

Year	Percentage of population
2011	34.3%
2012	41.7%
2013	48.4%
2014*	53.7%
2015*	58.2%
2016*	62.2%
2017*	65.8%

Source:
eMarketer
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Additional Information:
United Kingdom; 2011 to 2013; Mobile phone owners**

statista

How?

You may have heard the oft quoted saying "people keep their mobile within arm's reach". It's true, but here are some hard numbers to back it up. Back in 2013, IDC released a study showing 79% of people have their smartphones with them 22 hours a day. Even while they sleep!

In 2014, Tecmark conducted a survey of 2,000 smartphone users in the UK and found the average user checks their phone before they even get out of bed, and uses it late until they go to bed just after 11 pm. And users pick up and look at their phones over 214 times a day, or 1500 times per week!

No other advertising medium gets that kind of face time all day, every day.

90% of text messages are read within the first 3 minutes after delivery

79% of people have their smartphones with them 22 hours a day

Types of mobile marketing

Mobile marketing encompasses many different types of advertising. Some of them are miniature versions of online advertising in use for many years (i.e. banner ads, search ads). But some are unique to the mobile platform. Here's a list of different types:

♦ SMS / MMS (text/multimedia messaging)

♦ Mobile Apps & notifications

♦ Location-based marketing

♦ QR barcodes

♦ Mobile video ads

♦ Mobile banner ads

♦ Mobile search ads

This list can be daunting if you're just getting started with mobile marketing. Where should you start? Which works best?

[Insert mobile marketing image here somewhere if you create/buy it – see concept samples uploaded to basecamp]

Some answers will be obvious. If you're an online retailer with no physical locations, then location-based marketing doesn't make sense. If you're a personal consultant, perhaps a mobile app would be just too much for your client base and your marketing budget.

Fortunately, there is some research to help narrow down the choices.

Only 24% of survey respondents say they have clicked on a mobile banner ad, according to eMarketer. In-app banner ads perform

worse, with only 19% clicking on them. The trouble is trying to serve ads that are relevant to the mobile user. The same concept applies to mobile video (though the eMarketer report only addressed banner ads). Mobile ad networks serve up banner and video ads, but they just aren't able to target as precisely as marketers (and mobile users) want.

According to InternetRetailer.com, SMS marketing messages have an average open rate above 90% and click through rates of 30% or higher. Conversions for SMS marketing (the sale, opt in, request for info, etc.) are double that of email conversion rates, if the click takes them to a mobile responsive website. One of the main reasons for the high conversion is because of the relevance of the ads. As a rule, messages should be directly tied to the products, company, or services described when a person opted in to the list. So if they opted in, the content should be relevant to them.

Here's another reason SMS messages are still perceived as personal. As opposed to an email address, a mobile number provides a direct line to the customer. It's more similar to calling someone directly than sending an email. People also check their text messages quicker and more often than emails. You'll find people glancing at their phone virtually every time they hear the little jingle, bell, musical note, or whatever their notification sound is.

So SMS marketing is very effective, and has a low barrier to entry. There's no software to install (unless you want to), no apps to build, banners or videos to make, or QR codes to design. It is also one of the lowest cost marketing methods that provides the ability to get literally right in front of your customers no matter where they are.

And the use of SMS in marketing is still new despite being around for over 20 years. A study by Evergage reported only 14% of respondents worldwide use SMS for real time marketing (RTM). RTM is responding to a customer based on events, such as purchases. Also, people haven't yet become jaded about receiving text messages (like they have email) – hence the high open and conversion numbers.

If you're just starting mobile marketing, SMS is a great place to begin. If you've got other mobile marketing in place, SMS can enhance and leverage those to be even more effective.

Understanding SMS messaging

Before you start with SMS, there are a few key terms and concepts you'll need to understand. Don't worry, you'll find them all here in a handy table you can reference later when you need them.

Words to know	Definitions
Shortcodes	A shortcode is 4-6 digits used as a reply number with SMS messaging. While simple in concept, a dedicated shortcode for your company isn't simple to get. A custom shortcode takes months, is expensive, and requires negotiation with mobile communications companies. For this reason, most companies choosing to use a shortcode opt for a shared shortcode offered by their service provider.
Keywords	Keywords are alphanumeric phrases sent to a reply number in an SMS message. For example, an SMS may say, "Text TICKETS to 12345 for a chance to win!" The person receiving the text message would send a reply text to the mobile number 12345 with the word TICKETS as the keyword. They don't have to be actual words. They can be any combination of letters and numbers. In this example, 12345 is the shortcode of the company sending the text message. If the shortcode is shared between companies, the use of the keyword means all messages sent with the word "TICKETS" will be routed to the company sending the message out. In this way, keywords help make sure the right messages get to the right companies. Keywords also make it easy to differentiate between marketing campaigns and aid in tracking ROI.

Words to know	Definitions
Virtual mobile numbers (VMN)	Virtual mobile numbers (VMN) allow you to send and receive SMS messages without having a dedicated physical device (i.e. mobile phone). They work in a similar fashion to virtual numbers used by companies like Skype that allow phone calls over the Internet using Voice over IP (VoIP). The difference is the VMN is considered a mobile number rather than a virtual "landline" number. That means you can send and receive text messages rather than make voice calls. Services that provide VMNs usually provide web access to software that lets you compose, send, and track your SMS messages – much like an email client.
Opt in/opt out	In order to have people on your SMS marketing list, they need to "opt in". They also need to have the option to "opt out" if they no longer want to receive text messages. Marketers can design campaigns to generate opt ins using many different methods including traditional advertising, online advertising, or even the good old fashioned physically writing down of numbers when a customer checks out of their store. Opt ins/opt outs are required because SMS messaging is considered an electronic form of communication and is governed by the EC Directive. It's not as bad or hard as that may sound. See the section on Requirements and best practices for more information.
Character limit	SMS messages have a 160 character limit. Every letter, number, space, punctuation, or special character counts. This doesn't provide much room to craft marketing messages, but one reason SMS is so successful is because it's brief and easy to consume. It's possible to string multiple SMS messages together to create "one" long message. Just be aware that most service providers charge on a per message basis. So even if you send "one" message, if it's over 160 characters you'll be charged for one message every 160 characters.

Words to know	Definitions
URL shortener	Since SMS messages have a restricted length, it is hard to send web addresses as a full URL. Much of the time the URL itself is over the 160 character limit. To help keep things short, use an URL shortening tool such as bit.ly.
API	API stands for application programming interface. If you want to directly integrate SMS messaging into your POS or CRM application you will need access to the API of the service provider. Using an API isn't required just to send messages, but if you want to send messages triggered by events (such as a sale, anniversary, appointment reminders, etc.) you'll either need to send all the messages manually or have a developer use the API to write software to send them automatically.
Bulk SMS	Bulk SMS refers to the ability to send multiple SMS messages at one time. It could be sending the latest mobile coupon to your 10,000 reward club members, or just 100 to everyone who made a purchase in the last week. Bulk messaging saves you time because you don't have to enter each recipient for each message. You can send it using an imported list of contacts, or lists you've created in your SMS management tool.
Credits	Many SMS providers charge on a per message basis. Because messages can cost different amounts depending on length and destination, the companies sell credits instead of messages. Reputable companies equate one credit to one message and clearly spell out how many credits it costs to send internationally. Or how many credits it will take to send a message over 160 characters. When evaluating companies always make sure you know the credit to message ratio the provider is using so you can compare actual costs between them. You don't want to lose your marketing budget by discovering the company you chose for their lower rates actually charges 2 credits per message. At 2 credits per message may end up costing more than another company that only charges one credit per message.

Words to know	Definitions
Autoresponse	An autoresponse is much like an email autoresponder. It is a message sent out automatically in response to a reply. For example, when someone sends the keyword "YES" to your opt in campaign, the autoreponse would be another message sent to them immediately saying "Thank you for signing up for our SMS reward club. Use coupon code 1234 to get 10% off your next purchase."
	Autoresponses help keep customers engaged and give them the warm fuzzies their reply was successfully received.
SMS Gateway	If you're sending SMS messages online (rather than directly from your mobile), it means the message needs to get from the Internet out to the mobile phone carrier networks. SMS service providers do that by using an SMS gateway, which is a fancy name for the hardware and software used to move the message from the Internet to the carrier's network. It's called a gateway because messages travel back and forth between it much like people traverse through gates.
	From a marketing perspective, this isn't something you need to worry about as long as you've selected a reputable service provider for your SMS messaging services. If your messages don't arrive or don't arrive on time then you're likely using a service provider following the cheapest routes to the SMS gateway.

Armed with this basic terminology, you're ready to learn more about SMS marketing.

Marketing with SMS

There are two basic types of SMS marketing campaigns. Inbound and outbound.

Inbound campaigns are when you request people text you. Outbound campaigns are when you send messages to an existing list.

In order to run an inbound campaign you need a reply number. This can be either a virtual mobile number or a shortcode. Once you're set up with your reply number, you can use an inbound campaign for a variety of different reasons. The primary one is for gathering opt ins. You can publish your number on your website, in adverts, or in store. People will text you using their mobile and you can add them to your opt in list.

Other inbound campaigns can include contests (for new and existing list members), or increase engagement and interest by giving your list the opportunity to vote via text on products, taglines, or just about anything.

Outbound campaigns are what most people think of when talking about SMS marketing campaigns. It's when you send out discount codes, special offers, or other deals to the people on your list. The communication is only one way and the recipients have no way to reply. Outbound can also be service oriented messages like account updates, appointment reminders, or shipping notifications.

Keeping your messaging consistent helps customers recognise and trust your marketing

Know before you start what it is you are trying to achieve.

Planning a strategy

Planning an SMS marketing campaign is pretty much like planning any marketing campaign, with some unique differences.

1. **Set your goals**. Know before you start what it is you are trying to achieve. Is it more sales, more website traffic, more leads? A clear view of your objectives is the catalyst to a successful campaign.

2. **Learn about your customers/prospects/clients**. While generally true for any marketing, this step is crucial for SMS marketing. Because text messages are viewed as a personal communication, they will feel annoyed if you send them irrelevant offers. They will likely unsubscribe from your list fast. But if you know what they want – discounts, specific products, experiences, whatever it is – and you send them only offers relevant to their interests, you're likely to build lifelong loyalty.

3. **Set standards for messaging**. Keeping your messaging consistent helps customers recognise and trust your marketing. Given the limited message size, what will you identify yourself with? Your company name, initials, tagline? What tone will you use? Informal, serious, professional (avoid txtspeak!)? What URL shortener will you choose?

4. **Define your first campaigns**. If you don't yet have any people on your list, decide on the details of an opt in campaign. What incentive will you offer people in exchange for joining your list? How will you promote the campaign? Can it integrate with your existing marketing and how? If you already have people on your list, what offer will you send them? Do you want to send them the opportunity to explicitly double opt in to receive marketing messages (as opposed to other messaging you may send them)? Whatever it is, remember to keep it all relevant to the customer.

5. **Track performance**. One of the great things about SMS is it's extremely easy to track performance metrics: How many messages were opened, clicked on, replies received, contest entries submitted, or any other ones that matter to your campaign?

Requirements and best practices

SMS is legally considered an electronic communication. That means it's governed by the same laws as email. In short, this means you need to:

- **Always use an opt in**. If you're gathering mobile numbers for the first time from new customers, it's best to let them know you'll be using text messaging to keep in touch. If you have an existing list of customer numbers, you can send them text messages without a formal opt in because they've already opted in when they signed up for your service, product, or account. If you are using SMS as a marketing method to get new clients (who are not yet using your services) then you'll want to be more formal about the opt in. You can promote the use of SMS to new customers on your website, printed adverts or in email – anywhere you normally advertise.

- **Always include a clear opt out method**. Even though you can technically send SMS messages to your customers, some people may prefer email. It's best to include a way to opt out in every SMS message you send. When using SMS to market to people who haven't explicitly opted in to your list, you definitely should make sure an opt out is in every message. Make it easy for them to stop the messages if they want to. For example, tell them to reply with the keyword "STOP".

Always tell customers how often you'll send messages – and stick to it!

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Beyond the legal requirements, there are some best practices to keep in mind when designing your SMS campaigns. Here's a list of the top three you should follow:

1. **Always tell customers how often you'll send messages – and stick to it!** You don't want to annoy your customers by sending too many messages. If you can, let them know up front the maximum number of messages you intend to send. But if the number isn't fixed, let them know the reasons you'll text them: exclusive deals and offers whenever they happen, or just in response to their actions like a purchase. And though you might not tell them when the messages will be sent, always set it up so messages arrive during appropriate hours. It won't take too many 3 a.m. text messages before people on your list start to opt out.

2. **Make the offers you send valuable**. Everyone wants a deal, especially younger generations where price has shown to be the dominating factor in what and where they decide to purchase. But maybe your customers want early notifications of upcoming concerts instead of that 10% off coupon for a drink at the show. Whatever the offer is, use your SMS opt-in list for the most valuable. Use email for less valuable, or less immediate, sale messages and announcements.

3. **Provide a way to let the customer set preferences for what messages to receive**. You can do this using reply codes or integrating your messaging with a user profile on your website. User profiles let customers get very specific about what messages they want, which means they'll probably stay on your list longer. It also is a way for you to gather more information on your customers so you can make sure what you send is relevant to them.

Following these best practices can go a long way towards maximising SMS ROI and minimising opt outs.

What's next?

Now you have a good idea what mobile marketing with SMS messaging is, the terminology, and how to plan a campaign.

Before you can get started on your first campaign, you'll need to choose an SMS provider. The top three things you should consider are:

- **Does the service use economy or tier 1 delivery routes**? Economy routes are cheaper than tier 1, but delivery is unreliable.
- **What is the network coverage of the provider?** If the provider can't send messages to all carriers in the area where your customers are, then they aren't for you.
- **Does the provider offer a free trial**? Sometimes you just need to get in and try something first hand before you can decide if it is the right solution for you.

For more help on how to choose an SMS provider, download "Getting started with SMS messaging: A buyer's guide to choosing an SMS provider." The guide includes the nine questions you should always answer before choosing your provider.

About fastsms

We're a group of technology and business specialists who love helping people. That's why we've made it our mission to create simple to use SMS services with clear pricing and always free support. You'll never find monthly fees, setup fees, or "surprise" fees with us. You only pay for the messages you send, and we're there with you 24/7 should you ever need help.

Since 2002 fastsms has provided SMS messaging services to thousands of UK organisations of all sizes. We make it easy for you to send and receive text messages using a web browser, your email client or any application using our API.

Stop by our website to discover why companies like LG, BT, and Veolia trust us to be their SMS service provider. Better yet, click on our live chat and we'll be happy to answer all your questions.

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