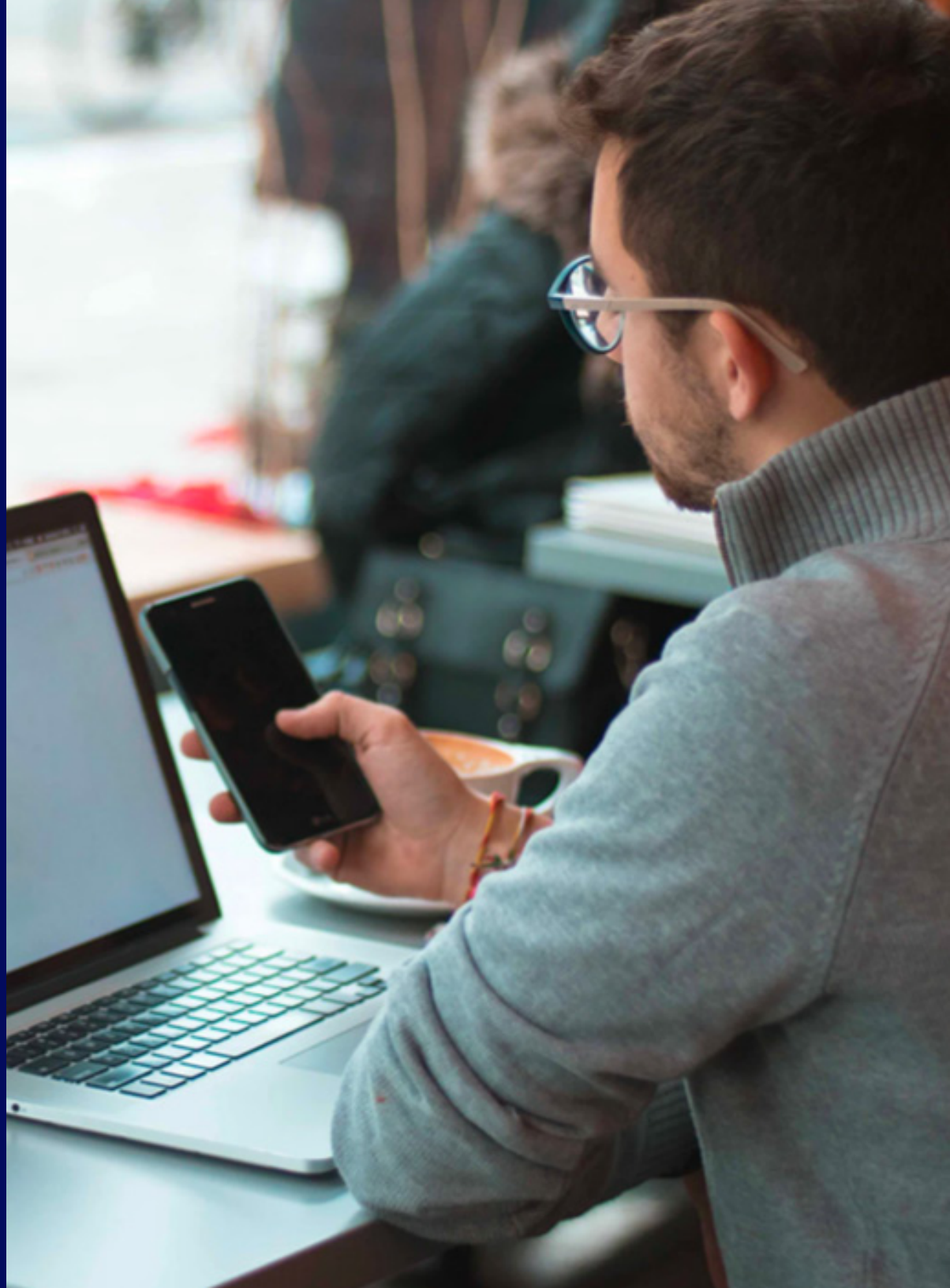


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Blueprint for SMS marketing



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Introduction

Marketing is one of the most influential forces on a business's relationship with a customer. In fact, in many organizations, the marketing team is the only team that interacts with a customer across their lifecycle with touch points across awareness, acquisition, conversion, retention, and re-engagement. Because of this, marketers have enormous influence on the relationship consumers have with their brands.

However, the marketing landscape is going through a dramatic shift due to changes in privacy legislation, technology updates, like Apple's automatic opt-out of [IDFA tracking, which has a huge impact on mobile attribution](#), and the rising cost of customer acquisition across all channels. Subsequently, this is changing how marketers approach their channel mix and putting the spotlight on existing customers to increase lifetime value (LTV).

Why SMS?

To achieve this goal, SMS, or text marketing, has emerged as a critical new channel. SMS is a high-engagement channel with a 98% open rate and a 45% response rate. Not only that, industry studies show 90% of users will read their messages within three minutes of delivery, making it the perfect medium for asking users to take immediate action. This level of engagement makes SMS a deeply personal channel, helping to build that one-

"SMS is a high engagement channel with a 98% open rate and a 45% response rate."

on-one relationship with your customer. After all, 69% of customers trust businesses more after messaging with them.¹ Not only does SMS offer unparalleled engagement, texting is the channel of choice for many consumers, especially when it comes to time sensitive events. Over 60% of consumers want to receive text messages for time sensitive events.² Last but not least, SMS is effective at driving conversions.

So, what's the catch? SMS requires its own playbook. Because it's such a personal channel, customers have a much lower tolerance for promotional blasts that may be effective as ads or an email. Andrea Wan, Head of SMS at [Klaviyo](#), articulates this philosophy perfectly: "Our SMS solution is centered around building very deep and personal relationships, similar to how you think of texting your friends or family. That should be the same experience when you're texting with a brand. We help customers build intimate connections with their recipients. It's not about sending tons of messages en masse all at once." This philosophy has helped Klaviyo's marketing customers [see an ROI of 122x](#).

Developing your SMS marketing strategy

So how do you turn SMS into an effective marketing channel? Be intentional about when and how to incorporate SMS into your marketing strategy. You might want to leverage text marketing to drive purchases, app downloads, re-engagement, or even to build your authority and awareness through reviews. For example, [HomeFinder](#)

¹ <https://www.facebook.com/business/news/insights/why-messaging-businesses-is-the-new-normal>

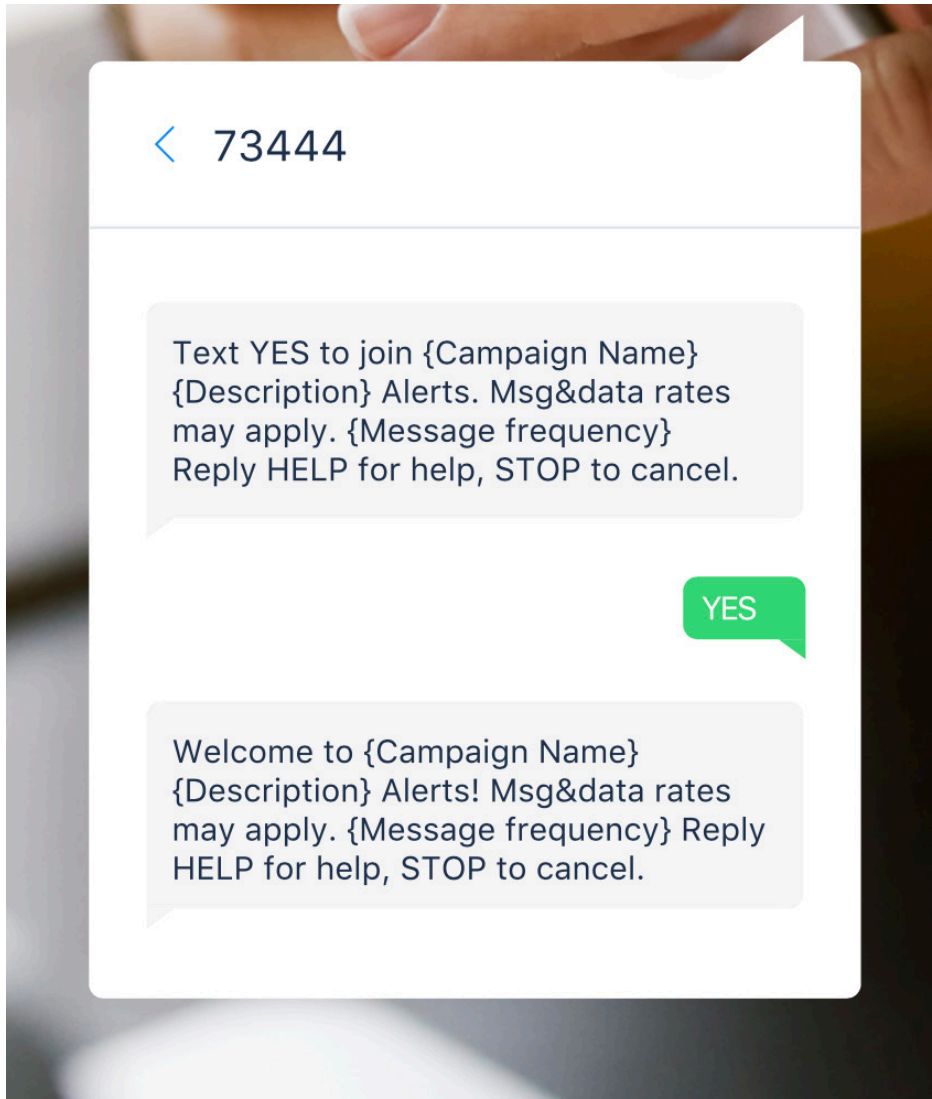
² Twilio's [Blueprint for Mobile Customer Notifications](#)

launched a campaign to increase the number of verified reviews—the more reviews, the more trustworthy the reputation. They launched a strategic SMS marketing campaign and found that customers who received a text message were 10x more likely to leave a review, compared to customers who received an email. This anecdote underlines a key point: SMS is among the best channels for reaching existing contacts. That said, SMS marketing messages should map to later stages in the customer’s life cycle: conversion, retention, and re-engagement.



Customers who received a text message were 10x more likely to leave a review.

Capturing consent: creating a value exchange



Like many other marketing channels, before you can incorporate SMS and MMS into your marketing mix, you need your customers to provide you with their phone number, and permission to communicate with them.

The first step in capturing consent is to create a value exchange. All this means is that you might offer your customers something of value in exchange for their number and consent to text them. Many brands start to build consumer trust and relationships by starting with messages that deliver utility to a customer such as receipts, one-time passcodes, or order notifications before incorporating promotional use cases. This gives companies a strong foundation for a long-term relationship and reduces the likelihood that a customer will opt out.

Other companies, especially in the retail industry, create a value exchange in another way. They offer promotions and discounts in exchange for their customers' numbers on their website or within their app. This approach has a few advantages. First, it can help to accelerate the first conversion by providing a customer with immediate incentive to buy. Additionally, it can also lower the bar for building your contact database. A customer can give you their number before they ever make a purchase, giving your marketing team more opportunities to build that customer relationship and drive repeat conversions long-term.

Creating a value exchange does not have to start with an opt-in web form. In fact, the most creative companies are constantly exploring new ways to gather consumer consent. Ads on social media that launch a messaging experience, QR codes, and even "text this number" displays on billboards can all start the conversation with customers. Getting creative allows you to deliver engaging and unique brand experiences that offer your customers value, while helping to build your subscriber base at the same time.

Delivering high-value message content

Customers don't just expect to receive value in exchange for their number. In order to keep customers opted in, every message must continue to offer high value to your customers. Some of the most effective SMS marketing campaigns focus on providing timely updates and information. These messages feel like a critical part of the customer experience, and ultimately drive engagement.

In order to continue delivering value, it is important to consider two things when crafting the content. As we mentioned, SMS is an extremely personal channel. This means messages need to be personalized.

The monotony in messaging and lack of personalization is a common complaint according to our [2022 Global Messaging Engagement survey](#):

"I wish SMS messages would be different each time. Not just the same type of promo or info that they sent to everyone. If it was more personalized, that would also be better."

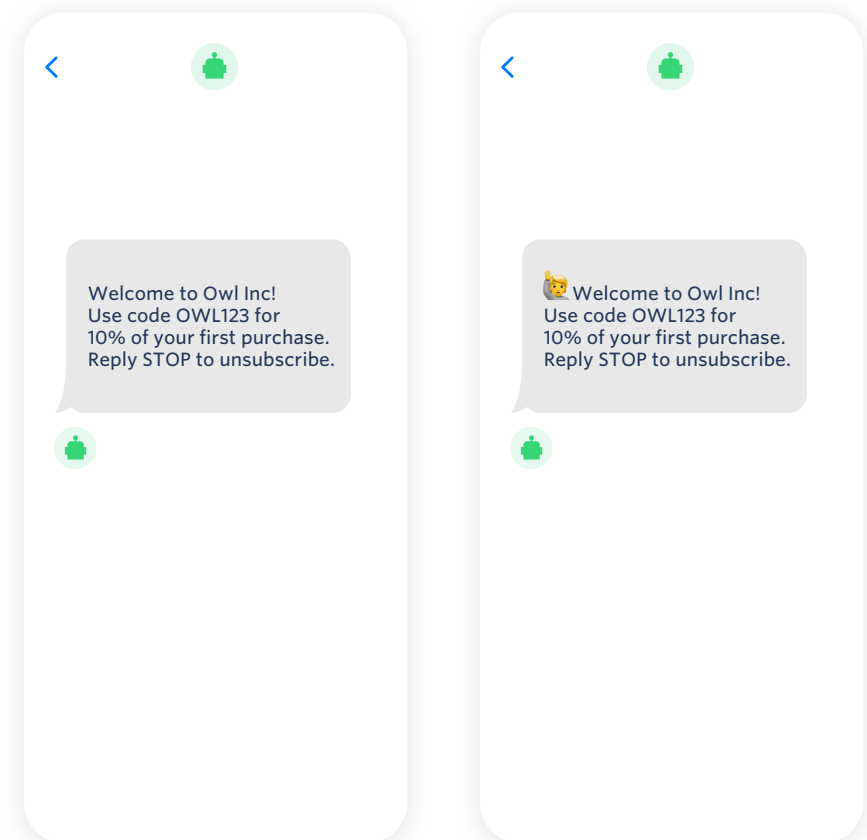
Generation X user

Luckily, by capturing consent through a value exchange and targeting later stages in the customer lifecycle, you have the opportunity to incorporate first party data into our SMS messaging campaigns.

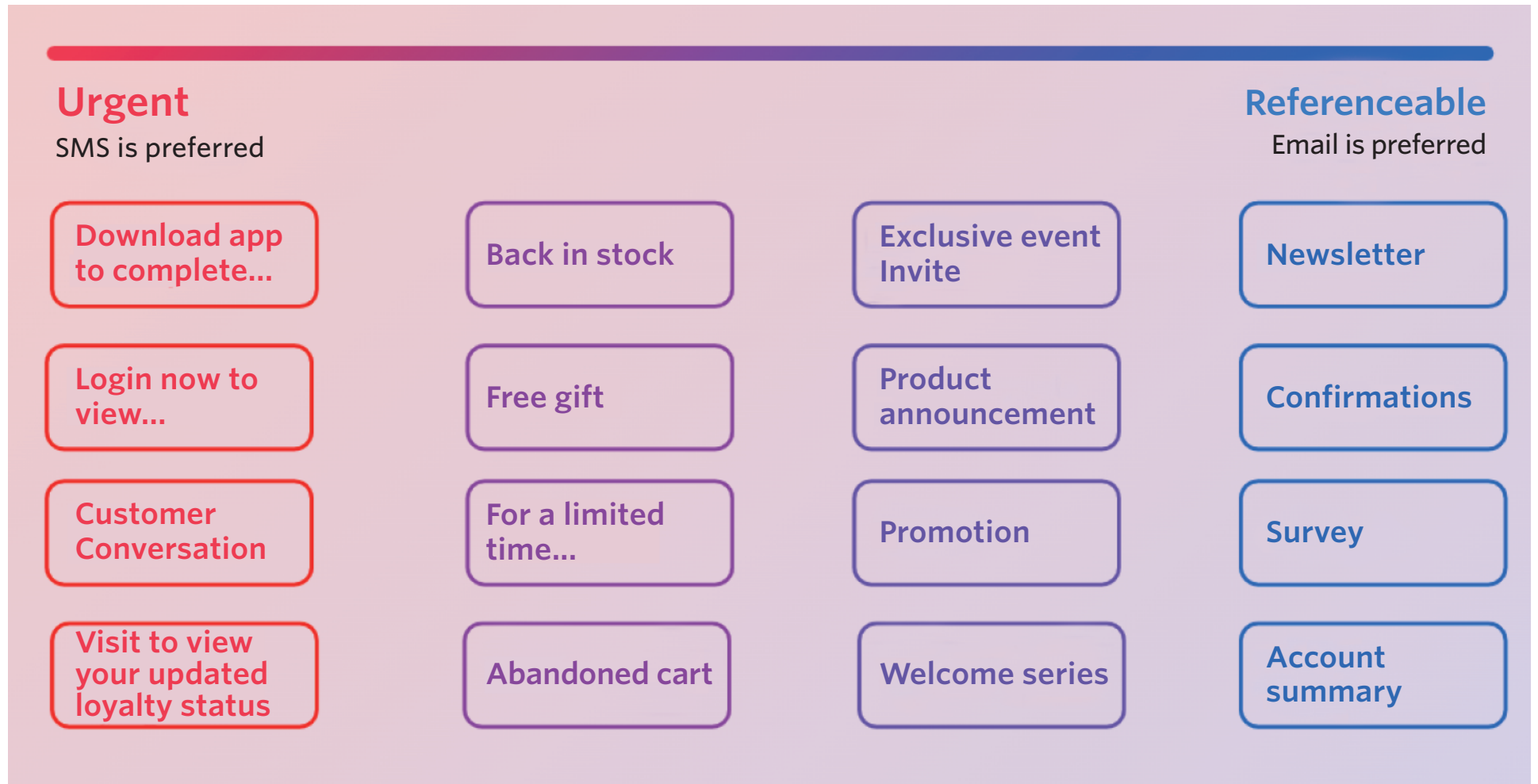
Message content should also fit the medium. No one wants a novel via text. To help plan the types of content that should be sent over SMS, we like to turn to our urgency framework referenced in our [Blueprint for Mobile Notifications](#). SMS is preferred for urgent communications, or messages that are timely and require immediate action like a flash sale.

Email, on the other hand, is preferred for referenceable content such as receipts and order confirmations.

Lastly, don't limit yourself. SMS marketing isn't limited to text and links. You **should** consider including media like images, gifs, emojis, and videos in your messages to make them more engaging and to highlight your products, create consistent branding, or to even convey sentiment. Which is more compelling to you?



Using SMS and email in marketing



Putting it all together

What does this look like in practice? Let's take a look at this playbook for each stage of the customer journey and examine how companies have successfully implemented SMS marketing campaigns.

Conversion:

Common content

- Promotion codes, especially for flash sales or items that are almost out of stock. Long-term promotion codes may be better for email, since they are easier to reference and look up. These can be personalized based on past purchases and browsing history.
- Product announcements, especially for limited time offers, specialty items, or products that are frequently out of stock.
- Deep links driving app downloads with messages containing instructions on how to complete a key task. These should be personalized based on where a customer is in your onboarding flow.
- Abandoned cart reminders can help push customers over the edge and drive conversions, especially for abandoned cart reminders for items that highlight new sales (e.g. "The scarf you were looking at is now on sale!").

Example campaign:

Customer: Vacasa, a vacation rental management company

Campaign goal: Drive app downloads

SMS campaign: Vacasa uses Twilio's Programmable Messaging API to send timely promotional messages. Prior to the reservations, the vacation rental company prompts guests over SMS to download the app, granting easy access to features like one-tap WIFI access and issue reporting. Guests are seamlessly welcomed into their vacation stays on the channel they prefer, with key check-in information right at their fingertips.

Why this is effective: Vacasa's timely message to download the app is a key example of an urgent marketing message and a value exchange. By leveraging SMS marketing to prompt an app download, Vacasa offers their customers a more seamless rental experience, like offering an easier way to find the wifi password. Have you tried finding the wifi password at a vacation rental? On top of that, by driving users to download the app, Vacasa creates more opportunities to interact with the customer through new channels for continued engagement, via push notifications or in app messaging, increasing the likelihood of repeat purchases and increased LTV.

Retention

Common content

- Exclusive offers to content or community events or products that drive consumer connection to your brand.
- Loyalty program offers, such as reminders, loyalty perks or eligibility to use rewards with messages like “You’ve qualified for your next free gift, click here to redeem.”
- NPS or customer surveys that empower customers to feel connected and like a valuable member of your community.

Example campaign

Customer: [Experience](#), a technology firm that helps live event attendees personalize their experience.

Campaign goal: Drive repeat conversions and loyalty

SMS campaign: Offer personalized loyalty rewards and upsell them on memorable activities like sending a message to a friend via the Jumbotron or receiving a special delivery of swag at their seats. Overall, this has created a 78% increase in customer’s LTV.

Why this works: Prior to implementing this SMS campaign fans would need to navigate to the team’s website on their mobile browsers, find the seat upgrades they wanted, and pay for them. This experience lacked the real time urgency and personalized touch fans were looking for. Leveraging SMS and first-party data to target VIP fans with custom-tailored offers in real time, like seat upgrades, matches the urgency of the sporting event and allows venues and promoters to make money on unused inventory.

Re-engagement

Common content

- Encouraging a customer to redownload or revisit your mobile application based on their current status (messages in the inbox, friend requests, new offers within the app).
- Come back promotions, targeted at buyers who haven’t visited your store for a while “We noticed you haven’t upgraded your wardrobe this fall! Make a purchase next week and we’ll give you 20% off.”
- Return to use your loyalty points/rewards, especially if they are going to expire.

Example Campaign

Customer: [Rappi](#), an on-demand service and goods provider in over 200 cities throughout Central and South America.

Campaign goal: Reactivate customers

SMS campaign: Understanding the importance of their Rappitenderos (rapid shops) as key to the customer experience, the team added promotional nudges over SMS, WhatsApp, and email to place orders when Rappitenderos are nearby. Users also receive text and email nudges to re-enter the app if they’ve been inactive for a certain amount of time, recommending favorite products or services they may want to re-order.

Why it works: The messaging campaign allows them to target key audience segments and offer value to the customer in the form of product recommendations, based on a personalized message.

Wrapping up and next steps

SMS is a critical loyalty channel with industry leading engagement, making it perfect to expand your marketing teams' reach. Whether you are trying to drive conversions or build a loyal audience, a personal and timely message is key to driving results.

Businesses who have implemented SMS and MMS marketing have seen significant ROI, and as consumer preferences shift, it is important for marketers to be able to reach customers on their preferred channels. That said, SMS shouldn't be your only channel. It's important to reach your customers on the channel of their choice. As you evaluate incorporating SMS as part of your omnichannel marketing channel strategy, talk to Twilio to learn how to integrate SMS into your platform, connect with our marketing automation software partners, or to explore Twilio's newest product, Twilio Engage.

[Contact Twilio to get started](#)



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