

# txtsignal

## The txtsignal Guide to Text Message Marketing



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# I. What and Why



## What is SMS Marketing?

SMS marketing is a tactic of marketing or promotional communication via targeted, opt-in text messages.

It's a permission-based form of marketing that's used by businesses and organizations to communicate promotions, sales, coupons, notifications, and more.

It's a modern, mobile-based tactic that reaches audiences who have already opted in with messages that can drive engagement for actionable business goals- like sales!

## Why SMS Marketing?

Marketing and media today are fractured, confusing, and based on either interruption or chasing consumers around various digital networks. SMS marketing stands out from that clutter as a universally available, controllable, and uniquely time-precise broadcast medium.

## The Unique Power of SMS Marketing

**Build your audience.** SMS marketing is unique in that it's based on permission. Because they opt in to receive your messages, they're highly qualified users- you're marketing to people who want to hear from you.

**Own your message.** There's a difference between paid and owned media. With your mass texting list, you own your message. Your brand message, in their pocket, on a device they have on them all the time.

**Broadcast directly.** Mass texting is direct-to-consumer, with no added middlemen. You send a message to a certain group, and that message is delivered exactly as written and as intended.

**Track your results.** Traditional broadcast media (like radio and TV) are expensive, broad, and are difficult to track. With SMS marketing, you know exactly how many people redeem your offer.

*Note: with txtsignal's built-in insights and integration with Google Analytics, you have powerful information at your fingertips.*

# Statistics

**91%**

*of Americans own a cell phone.*

**79%**

*of smartphone users have their phones within arm's reach for all but three hours of the day.*

**98%**

*of text messages are read within the first 2 minutes, with that number nearing 100% in the first 24 hours.*

*The average redeem rate for a mobile offer is between*

**12-20%**

# II. Getting Started



# Terminology One-Sheet

Before you walk the walk, you have to talk the talk.  
Here's a quick glance at the most important terminology  
you'll need to know, and reference that you can use later.

**Common Short Code** – Short numeric numbers that text messages can be sent to from a mobile phone. For example, 43506. This is also the number users text to opt-in to an SMS marketing list.

**Offer** – To incentivize customers to subscribe to your list, marketers often give something in return. This can be a discount, special promotion, or simply the promise of timely, relevant alerts.

**Call-to-Action (CTA)** – A statement or instruction that explains and incentivizes customers and potential customers to subscribe to your SMS marketing list.

**Opt-In/Opt-Out** – Because SMS marketing is a permission-based marketing medium, customers decide to join your list (opt-in). If they become disinterested, they may unsubscribe from your list (opt-out).

**Keyword** – Word or name used to distinguish a targeted message within a Short Code Service (e.g., Text BREWSKI to 43506; “BREWSKI” is a keyword; 43506 is a short code).

**Redeem Rate** – The rate at which subscribers who receive a marketing message via SMS actually use what you offer them, resulting in new business.

**Short Message Service (SMS)** – This is the universal messaging protocol that is used to transmit what is commonly-called a “text message”. This protocol has been built into every mobile phone made since 2005.

**Contacts** – Each customer who opts in to receive promotional messages from your business is a contact. You can send them messages and promotions via SMS.

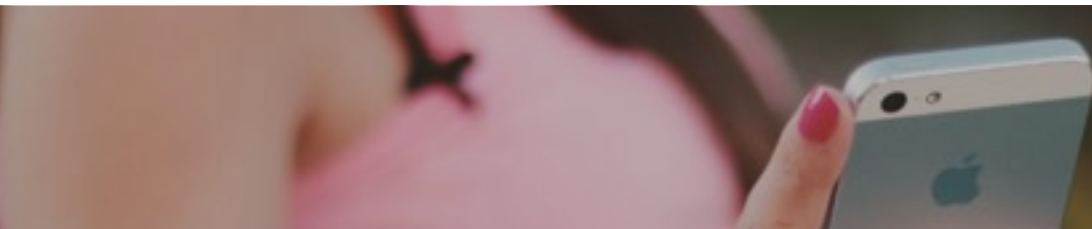
**Autoreply** – When a new subscriber opts in to receive your alerts or promotional messages, this is the first message that will be sent to them. It confirms their subscription, and often includes an initial offer.

**Marketing Campaign** – A strategic set of promotional activities that is planned with specific strategies, tactics, and a clear goal to increase success in a particular business goal.

## Keywords

A keyword is a word that's unique to an organization or business using SMS marketing. It's what your customers (and potential customers) will use to opt-in to receive texts from you! For example, your sign-up action might say "text BREWSKI to 43506." The word BREWSKI is your keyword.

Each keyword is associated with one list. You may have multiple contact lists under your SMS marketing account- for example, customers can text "PUPPY" to receive alerts when you have a new dog up for adoption, and "KITTY" for alerts about cats! We'll dive deeper into the power of list segmentation later on.



## Choosing a Keyword

Choosing the keyword customers use to opt-in is a simple, but important decision. You want to make it as easy as possible for people to sign up! With that in mind, follow these few rules to avoid confusion:

**Make it memorable.** Often times, customers will see your call-to-action to opt-in, but they'll do so at a later time. In those instances, you want them to remember exactly what to text. The same goes for referrals! If someone signs up and loves what you offer via text, they'll tell their friends. Make it super easy for them to remember what to tell them! That can mean using a word that makes a ton of sense, like "SATCHEL" if you own Satchel's Sub Shop. Or, it can be something that really sticks out! Just keep in mind...

**Keep it simple.** Cleverness can be memorable, but it can also be confusing. When in doubt, opt for simplicity. Choose a keyword that makes sense, for your business and from the perspective of a customer. Also, avoid special characters. They only cause avoidable confusion.

**One word.** While you can use more than one word as a keyword, we don't recommend it. You may open up room for error. Some users may text PUPPY TOWN, while others text PUPPYTOWN. Short and sweet is always better!



## Failover Keywords

A **failover keyword** is a keyword that you set up to catch any subscribers who might mistype your main keyword.

Choosing a simple, memorable keyword will go a long way towards minimizing missed subscribers. That said, typographical errors will still occur. It's always possible that somebody will text SATCHLE instead of SACHEL, or KITTEN instead of KITTY.

That doesn't have to mean you miss out on those subscribers! You can set up a failover keyword for any possible typos or misinterpretations you can think of. For example, you might use BREWSKI as your main keyword, but also set up BREWSKY, BRESKI, and BREWSKEE just in case.

With txtsignal, you get **unlimited keywords**, so you can set up failover keywords at no cost - as many as you think are necessary!

## Double Opt-In

In some instances, it might be useful to use a double opt-in process. When a subscriber texts your keyword to the shortcode, they're receive an autoreply asking the subscriber to confirm, either with a YES or a Y.

Why might this be useful? If you're promoting specials at a bar, you can use this message to confirm that subscribers are 21+.

The double opt-in process also helps avoid accidental subscriptions, and ensures that everyone who subscribes is active and interested. Double opt-in isn't required or a default, but consider whether it may be useful to you!





## Autoreplies

An autoreply is exactly what it sounds like - an automatic reply to a subscriber when they sign up.

This has three parts:

**Confirm subscription.** First things first, let the subscriber know that they're subscribed! This usually takes the simple form of the name of the list, or you can thank them in a more customized message.

**Offer something.** This is why they signed up! If your offer to entice subscribers was a discount, this is where you give it to them. Or, if they signed up for alerts, let them know they'll start receiving those alerts.

The most impactful offer types are, in order:

- Price-based offers
- Time-sensitive offers
- Location-based offers
- Product-based offers
- Similar product-based offers
- General, nonspecific offers

Feel free to combine a few of these to pack a real punch!

**Compliance text.** SMS compliance is a big deal. With txtsignal, you're always 100% covered from a regulatory standpoint, so you don't have to worry about it. We'll automatically add the text you need, which will look something like *"Reply HELP for help. Reply STOP to stop. Msg&data rates may apply. Msg freq may vary."*

# Grow Your List

Growing your list is an important, ongoing task. The old “if you build it, they will come” strategy won’t work if you don’t let people know and incentivize them to join your list!

## Ways to Subscribe

There are three ways customers can subscribe to your list:

**Text.** This is the simplest and most common method. A customer can text your keyword to your shortcode to opt-in. Easy!

**Web signup.** With your txtsignal account, you’ll have a link to a web-based signup page that lets users know your keyword and your shortcode.

**Invite.** With txtsignal, you can invite your existing contacts to sign up with their phone number or email.

## Ways to Grow Your List

**Tell people about it!** Yes, it can be this easy. Employees are some of your best brand ambassadors, and they can let your customers know about your list. Something as simple as, “If you text BREWSKI to 43506, we’ll let you know when we get new beers in stock!” works wonders.

**Table tents.** Table tents, and other physical marketing collateral, are the cards and signage that sit at tables in restaurants or counters at a bar.

**Checkout flyers.** Nobody is more ready to take up an offer for a discount than a customer who’s about to check out. A flyer right at checkout captures customers who get value from your list immediately.

**Bag stuffers.** This works particularly well in retail organizations. A small, branded piece of paper is easy to produce, easy to drop in a bag, and gives customers a reminder about what you offer via text message when they get home.

**Digital signage.** If you have digital signage, such as a flat screen TV on a wall that showcases different aspects of your business, use it to let people know about your text message program.



**Email, social media, website...** Any emails you may send, your website, or any other arm of your digital presence are opportunities to let people know that they can sign up for discounts, specials, or alerts!

**Incorporate other advertising formats.** If you're investing in radio ads, TV ads, or any other form of traditional advertising, use it to get some real bang for your buck.

**Receipts.** Receipts are a great, physical way to promote your list, and the benefits customers will receive from opting in!

**Outdoor easels.** Have an easel outside your door? Capture attention with a special deal or offer that they can receive by signing up for your text marketing list.

**Giveaways/text-to-win.** For a relatively small investment (the cost of the prize), you can reap huge rewards in people signing up to receive promotional messages from you.

Spend time observing where customers spend their time, in your store, at home, and online, and think about what you can offer them that will leave them dying to subscribe to your list!

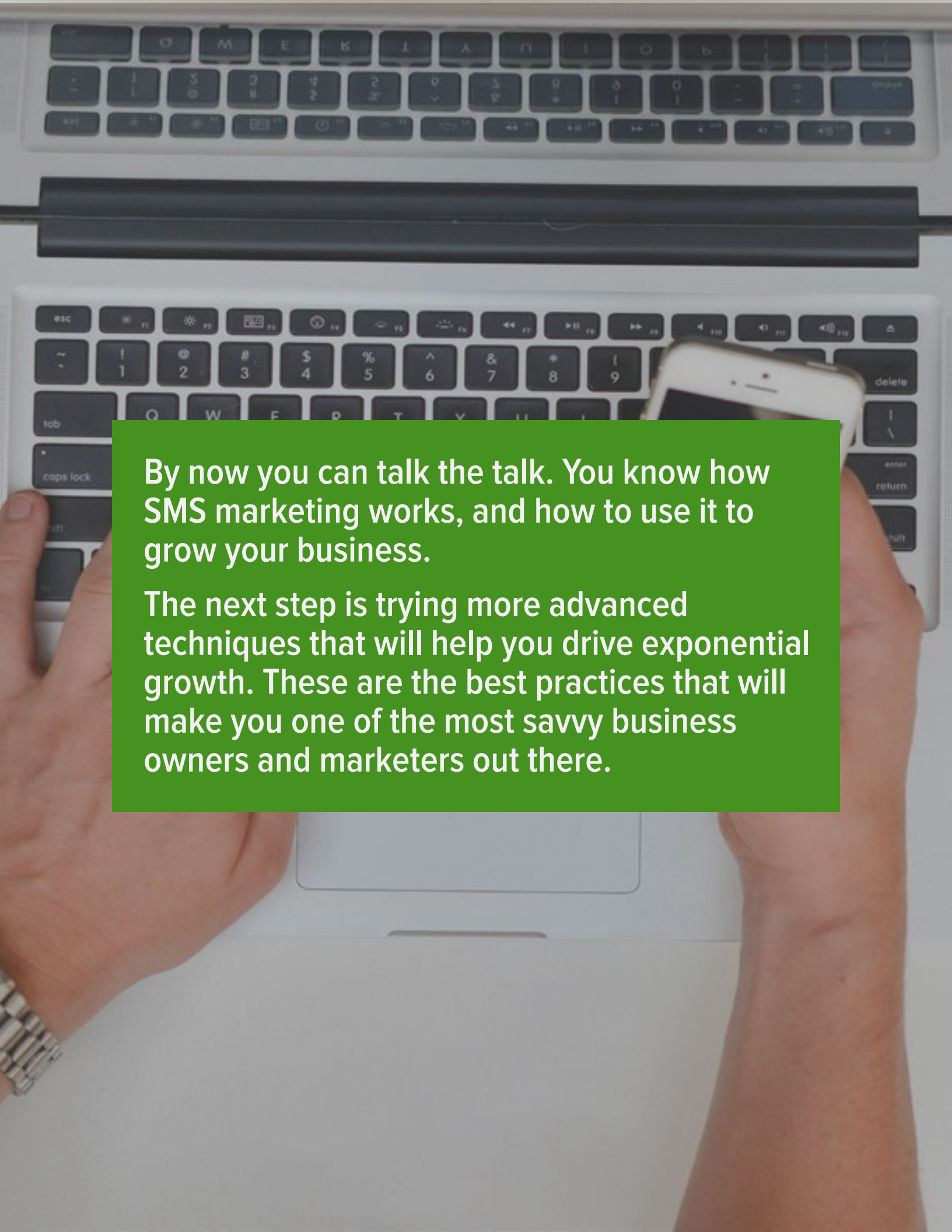
## Sending Replies

If subscribers reply to your texts, their replies will be listed in your txtsignal dashboard. You can answer to just that subscriber! It's as simple as hitting the reply button and typing out your message.

While SMS marketing is typically a one-to-many communication form, you have the opportunity to use it for one-to-one cases as well! Answering questions or providing support is a great way to surprise and delight your customers.

# III. Master Class





By now you can talk the talk. You know how SMS marketing works, and how to use it to grow your business.

The next step is trying more advanced techniques that will help you drive exponential growth. These are the best practices that will make you one of the most savvy business owners and marketers out there.

# List Growth Best Practices

You've grown your list with a combination of word-of-mouth, some physical collateral, and creative ways of integrating your call to action in your other marketing messages. Now it's time to tie that all together.

## Brand Your List

Your business is a brand, and every interaction a customer has is a touchpoint - an opportunity to build, strengthen, and leverage that brand. Leverage branding your your list itself! Giving it a name and even a logo immediately offers credibility with your customers.

To take a page from social psychology, exclusivity is a powerful driver of human action. Offer something that only your subscribers have access to - whether that's a deal, or being the first to know about new updates. You can even call your SMS program a club - after all, "Join Our Exclusive Text Club" sounds a lot more enticing than "Sign Up to Receive Updates."

In addition, showcase the value of membership on your list. Use phrases like "mobile-only offers." Then, **give them that value.**

When they sign up, there's a sort of courtship period where you have to make sure they know your list is worth staying on. When subscribers see that value early, they're much less likely to opt out.

## Multiple Channels, One Brand

Our data has shown that one of the largest influencers on mobile list subscription is the call to action - text *this* keyword to *this* shortcode for *this* offer.

Every marketing channel you currently use is an opportunity, but to pack the most punch, coordinate your call to action across every one you choose to use.

Here are some of the top tips we've seen from our most successful clients:

- Use **visual appeal** with bold colors and a strong design to make people take notice.
- Use **clear language** in your call to action. Make it concise and easy to join.
- Use **multiple reminders** across different touchpoints where your customer interacts with your brand.
- Use **instant gratification** where possible! People respond to high value and immediate results.

# List Segmentation

Segmenting your list allows you to better tailor and target your incentives and offers. Customers respond to marketing that **makes sense for them**. By strategically segmenting, you can make your SMS marketing relevant and much more engaging.

## When to Segment

Say you have multiple locations. You may want to have a special to promote a new product that's only offered at one location, or boost sales on a low-performing menu item in one region, or host a fundraiser for a local high school.

Or, say you have stores across the Eastern coast of the United States. It looks like a heavy snowstorm is going to hit the Northeast, while everyone south of the Carolinas will be enjoying a more mild winter.

You can select only customers who have signed up at stores in one location, or in a region, and create a highly-relevant, targeted message and offer.

“Snowmageddon is on the way! Use code WINTERISCOMING at checkout for 20% off sidewalk salt.”

“Join us for a fundraiser for Eastside High School! Ten percent of all proceeds at McGeddon's on Friday, Sept. 23 will go directly to the Eastside Athletic Boosters.”

## How to Segment

Segmenting is a powerful tool that can delight your subscribers with highly relevant information and offer. Setting it up is as easy as setting up a new keyword.

With txtsignal, you have **unlimited keywords**. First, plan out what segments you want to create (different locations, different interests, etc.) Then set up a unique keyword for each segment.

For example, ARCHICKEN for your location on Archer Road, OSUCHICKEN for your location near campus, FRANKSBAR for bar patrons, etc.

Then, when you go to send or schedule a message, decide which lists you want to send to. It's that easy! Of course, if you want to send a message to everyone on your list, you simply select every segment.



# Campaign Optimization

SMS marketing is a value-based marketing tactic, which means it's based heavily on return on investment. To get the biggest bang for your buck, follow these best practices for optimizing your SMS strategy. The results can be higher opt-in rates, higher redemption rate, and reduced subscriber churn.

## Timing

Timing is a huge factor in your redemption rate. Before you hit send on a message or schedule it out for later, take a minute to think about the timing. When are your customers most likely to pay attention to your message and your offer?

If your offer has an expiration attached, make sure you send it when customers have enough time to plan and redeem the offer, but not long enough that they forget it. Don't expect customers to drop what they're doing to come in within the next hour, and don't let them know about an sale that won't happen for another month.

Take a look at your business and your offer to see what times make sense. It can take just a bit of thought to find a time that gives subscribers enough time to act, while still maintaining a sense of urgency.

## Strong Offer Text

One of the best features of SMS marketing is its simplicity. It's a simple concept, simple to use, and simple for customers to get value out of. The same goes for any offer in your SMS campaign. Make it clear, straight to the point, and easy to act on.

Easy next steps include "visit our store" or "stop by our website." These are fine, but you're an SMS master - you can do better. Let's make these more powerful, and even more urgent.

- Show this text at the bar on Friday, Dec. 31
- Use promo code MQL0802 at online checkout
- Order in the next 12 hours

## A/B Testing

A/B testing is the best, most reliable way to find out what works best in your SMS marketing campaigns. The idea is split your subscriber list into equal, random groups. When you schedule a message, write it one way and send to one group (the control). Then, change the element you want to test (the variable) and send to the other group (the test).

Some ideas of elements you can test:

- **Language** - try using more time-sensitive language in one group, and see which performs better.
- **Timing** - does your offer perform better when you send it out a day early, or a week early?
- **Offer type** - do people want to receive 20% off a purchase of \$50, or 50% off a purchase of \$20?
- **Anything else you can think of!**

There are a few ways to measure the results:

- Have employees count the number of redemptions with the variation language vs. the control.
- Use two different redemption codes, such as ABC75 for the control group and ABC76 for the test group.
- Use two different links if your offer is on a digital platform, and track visits to those links via an analytics platform such as Google Analytics.

A few notes to make sure your A/B testing works best for you:

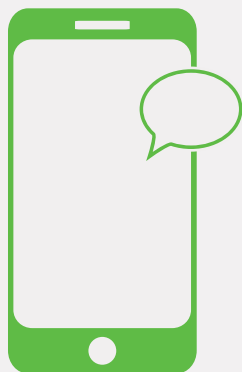
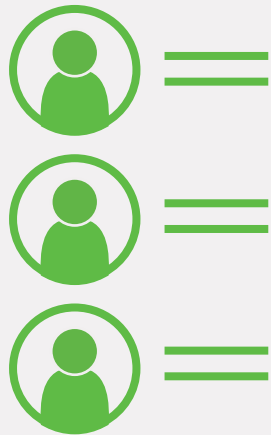
- Only test one element at a time. If you're testing time sensitivity, then send your message at the same time, with the same offer, only changing the text about redemption time.
- Make sure your groups are truly random, so you know there's not another factor influencing your results.
- When checking for results, only consider a test a success if there was a significant difference. A redemption rate of 14.3% vs. 14.5% isn't enough to say for sure that it was the variation that made a difference. If you're familiar with statistical modeling, use your favorite statistical significance methodology!
- **Record your results**, and use what you find to create even better future campaigns!

## Analytics

txtsignal has a suite of insights available for you to keep track of your success in growing your SMS marketing list, what you're sending, and how successful your message is.

In addition, you can track your SMS marketing in Google Analytics to measure engagement and track business success as it relates to your own goals.

Four of the most common metrics used to measure SMS success are list growth, churn rate, redemption rate, and cost per redemption.



## List Growth

Every business and every organization is different, so there's no standard number that can tell you, "you've done it, you have enough subscribers!"

However, **the number of customers who have opted in to receive your messages - and the rate at which the number is growing - is a key indicator of how well you're doing at marketing and incentivizing your SMS list.**

In txtsignal insights, you can see the total number of contacts, how many opted in at certain time periods by day, week, and month, as well as how many of your contacts unsubscribed at what points.

When you take a look at your growth metrics, you can find a few important insights. For example, when you started putting your call to action at tables, did your list growth jump? What about when you changed your initial offer?

At the same time, you can see if there are times when you had a lot of subscribers opt out from your list. Find out what happened, either in your campaign or with your business, that might have caused that dropoff.

## Churn Rate

**Churn rate is the rate at which subscribers choose to unsubscribe from your list. It can also be known as unsubscribe rate or opt-out rate.**

This is calculated on a per-message basis. For a specific message you send, divide the number of unsubscribes within the next 24 hours by the total number of contacts the message was delivered to.

For example, if you send a message to 6,200 contacts, and in the following day you see 24 contacts opt out, your churn rate for that message is  $24/6,200$ , giving you 0.0038, or 0.38%.

You can naturally expect some churn - contacts may move out of your service area, or may simply no longer be interested in what you offer.

However, if you're routinely seeing high churn rates, take a look at your campaigns. It may be an indicator that you're sending offers that aren't relevant, or are sending too many messages.

## Redemption Rate

**Redemption rate is the rate at which people who receive a text message offer from you actually redeem that offer.**

This is easy to calculate, as long as you have a standard way for keeping track of redemptions. This will change from business to business, but it may involve simply counting the number of in-person redemptions, or using your website to see how many times a discount code was used.

Then, calculate the same way you calculate churn rate - number of contacts who redeemed a specific offer divided by the number of contacts who received it!

For example, if you send a message to 6,200 contacts, and get 800 redemptions in your store, your redemption rate is around a healthy 13%!

## Cost per Redemption

This is an important indicator that **tells you how much it costs, on average, for you to bring in new or returning business via SMS.**

Here, you have two important data sets. The first is the number of redemptions you tracked for a given period of time.

The second is cost - the cost of the your SMS marketing plan, as well as the cost of lost revenue from a sale or discount if that was your offer - say, the 20% off.

Take your cost number and divide it by the number of redemptions, and you have your cost per redemption!

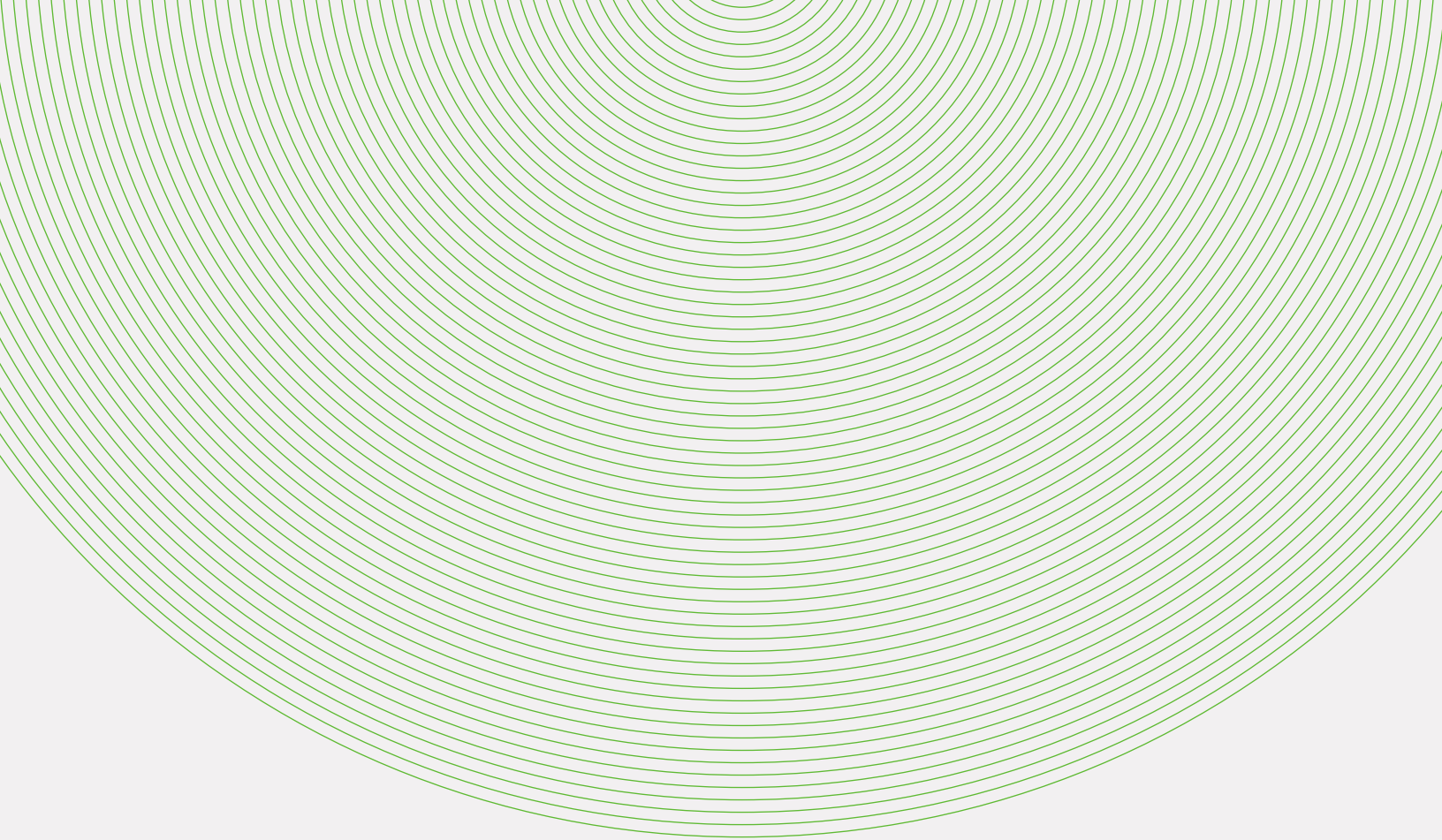
The next step is to calculate your ROI, which means gathering data on all the revenue from those redemptions that you would have otherwise missed out on.

# Conclusion

SMS marketing is one of the most powerful drivers of immediate business with a high ROI.

txtsignal provides simple and powerful SMS marketing and bulk SMS technology for businesses and organizations, with unparalleled support.

To give SMS marketing a try for free, no credit card or commitment required, get set up in 60 seconds at [txtsignal.com/free-trial](https://txtsignal.com/free-trial)!



**txtsignal**



[www.txtsignal.com](http://www.txtsignal.com)