



Using SMS for Marketing Agencies

Communicate with mass
audiences in a matter of seconds





Recent market research estimates that there are over 11.19 million smartphone users in Australia¹. Considering this, it is clear that the most effective means of contacting the widest audiences is indeed through mobile devices.

Even though the popularity of smartphones is rapidly increasing, the majority of mobile users are still not smartphone users. In fact, according to eMarketer estimates, in 2014 Smartphone users will not even composite 40% of all mobile users². Therefore, in order to properly connect with the mobile audience, the medium chosen should be ubiquitous to all mobile devices, not just smartphones.

This medium is SMS. A basic but popular feature on devices, SMS is the most suitable avenue for mass communication not only to mobile phones, but to consumers in general. Marketing agencies, working with clients from all industries, must be able to contact consumers in an effective way, informing them about their clients products and services.

The vitality of efficient communication with mobile audiences for the success of marketing campaigns

Marketing agencies are busy environments that operate with a unique business angle; the success of other companies. To many businesses in the modern era, there is nothing quite as important as a successful digital marketing strategy. With such an abundance of mobile activity, businesses without the proper mobile strategies can be invisible to consumers.

Marketing agencies attempt to provide this for a huge variety of clients, among several different industries. It is therefore vital that marketing agencies be connected with the widest possible audience to suit their range of clients. This is why SMS is a key medium for marketing agencies.

The popularity of SMS among mobile users

Consistently over time, SMS still remains the most ubiquitous messaging platform on mobile. In fact, in 2010, with 4.16 billion users, SMS was the single most popular data channel in the world.³

1 ACMA, 2013, "ACMA Communications report 2012-2013"

2 Emarketer, 2014, "Smartphone Users Worldwide Will Total 1.75 Billion in 2014"

3 The Atlantic, 2011, "Why Texting Is the Most Important Information service in the world"



The superiority of SMS over other mediums

SMS versus email

SMS is the more trusted avenue of communication for the general public, with a 98% open rate compared to a 22% open rate for emails⁴. This is not surprising due to the increase in email spam. Market research from 2009 estimated that in 2013, 84% of email traffic would be spam, a 3% increase from 2009⁵. With the rise of email spam, there is a decline in consumer interest in marketing messages received via email.

Furthermore, email is a more time-consuming avenue to pursue feedback from customers and direct information from consumers. On average it takes 90 seconds to respond to a text message, compared with 90 minutes to respond to an email⁶. Text messages are read on average every five seconds⁷, when timely delivery is essential, it is clear that SMS is the leading medium.

There is also the added cost of having to design an email, something that SMS does not require.

SMS versus Social Media

Social media is among the newest mass communication avenues for businesses; there is no doubt that it is rising in popularity and already dominates a large sphere of internet activity. Marketing through social media has

many benefits, but is perhaps suited best as a responsive tool for customer questions rather than a direct marketing or sales tool.

Recent research conducted through Oregon University states that **"96% of smartphone users text message, and 98% of text messages are read compared to 29% of tweets and 12% of Facebook posts. SMS marketing is naturally a rich field of potential for digital marketers."**⁸ Despite smartphones allowing access to internet at all times, SMS still prevails as the more common form of contact for smartphone users above the social media channels.

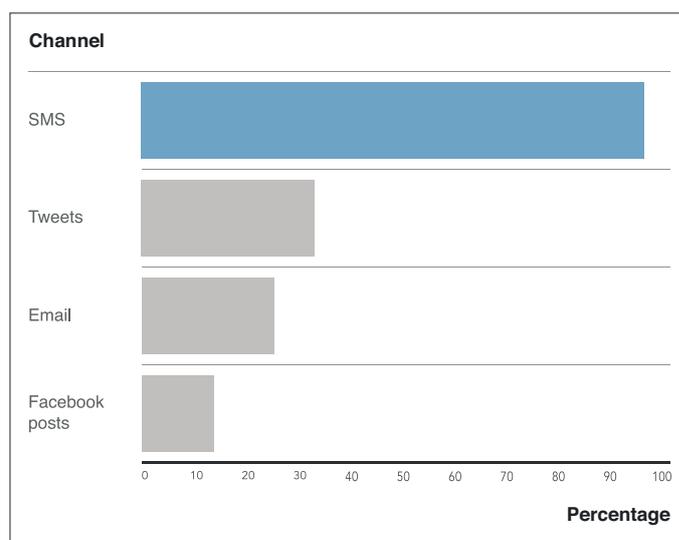


Fig. Read rates - SMS vs. online channels



SMS versus TeleMarketing

Telemarketing can be useful for market research purposes, but in terms of campaigns it is not the best channel for marketing agencies.

According to ACMA, since 2007, the registrations on the Do Not Call Register have grown by more than 8 million registrations⁹. This is indicative of how unfavourably telemarketing is received by audiences. Whereas SMS has proven to be extremely popular among all audiences; in a recent survey by Vanson Bourne of 2,000 people, 69% of respondents said they would “be lost” without text messaging.¹⁰

Not only is Telemarketing counterproductive in connecting with audiences, it is economically dissatisfactory as well. The DMA statistical data book from 2013 comparing the cost of customer acquisition by mediums found telemarketing to be the highest costing medium. At almost \$200 per customer acquisition, it is four times the cost of some other mediums¹¹. This isn't surprising due to the expenses of implementing telemarketing, including employing telemarketers and paying expensive phone bills. SMS can be automated, so it requires no extra staff, and it can have rates as low as a few cents a message.

4 Frost & Sullivan, 2010

5 The Radicati Group, 2009, “Email Statistics Report, 2009-2013”

6 SnapHop, 2012, “Mobile Marketing Statistics”

7 Uoregon University Blogs, 2014, Emma Hsu, “Mobile Marketing”

8 Uoregon University Blogs, 2014, Emma Hsu, “Mobile Marketing”

9 ACMA, 2014, “Do Not Call Register - statistics”

10 Acision, 2012, “The Psychology of SMS: Why do we still love to text?”

11 Tax Marketing HQ, 2013, “Cold, hard statistical data worth considering”



The possibilities of SMS for marketing agencies

SMS is a direct means of communicating with target demographics, both for market research purposes and for promotional drivers. In 2011, Coca-Cola's Director of International Media, Gavin Mehrotra, announced SMS as the company's number one priority in mobile marketing¹². With all the potential uses of SMS in marketing, it is understandable that the global leading brands are investing in SMS marketing.

Inform customers about promotional drivers

SMS provides a quick and nondisruptive avenue to contact customers within seconds. In a short and direct message, customers can have promotions clearly presented to them with all the necessary information. The message is quick to read and the key information easy to remember for customers. If they can't remember, they'll still have easy access to that message when needed.

Using SMS surveys for quick feedback

SMS surveys are a great way to gather information from customers across all industries. They can be automated for quick and easy distribution to customers. Surveys can take only a few minutes and are conveniently delivered to the handset of customers. SMS surveys see high response

rates as well as quick turn around. When smaller databases are involved, or quick feedback is needed, there is no medium quite like it. The information obtained is simple to relay to help form strategies for improving products and customer service.

Contacting clients directly

Marketing agencies can also use SMS services to maintain contact with their own clients. Keeping clients informed about market trends and developments via SMS could assist clients with their own performance.



Choosing an SMS provider

The growth of SMS providers has been staggering in recent times, which is mainly due to its identification as a leading marketing tool, and demand for the technology being high. It can therefore be difficult for marketing agencies to determine which provider is best suited to their business. The best SMS suppliers in Australia will be able to provide a number of distinguishing features and services to maximise the potential of SMS marketing.

Direct connections to major networks

Delivery is the most important factor determining the effectiveness of SMS marketing. Strong connections will ensure the best delivery results and make sure messages make it to their recipient and do so in a timely fashion. There is no point in choosing a medium which boasts speed and reliability, if the results from your provider don't match this.

Customer service

While many SMS services are intuitive to use, it is reassuring to find a provider that will be able to assist with any difficulty that may be faced implementing SMS strategies. Support should be available across a number of channels including phone, email, social media. There could even be a website chat option as well, so as to always offer the highest standard of assistance.

Ease of use

The purpose of SMS applications should be to simplify the marketing process and reduce workload for agencies, while increasing the scope and efficiency of marketing campaigns. SMS applications should be easily navigable and easy to use.

Database cleansing

It is a common problem to have to negotiate around outdated customer databases. Marketing is reliant on connecting with audiences, which can be extremely difficult if databases have inaccurate details. The most suitable SMS providers for marketing agencies will offer a service to assist with cleaning data. This will ensure that the messages are being delivered to the intended recipients.

¹² The Atlantic, 2011, "Why Texting is the Most Important Information Service in the World"



Integration with current preferences of operating systems

The best SMS providers will offer multiple avenues of incorporating SMS into the daily operations of agencies, such as an Online platform, and email SMS platform and an API. Having an API allows customers to integrate their current systems with SMS. Not only do the top providers offer an SMS API, but they will also offer Software Development Kits (SDKs) in multiple development languages.

Reporting delivery results

It's important that the status of SMS sent can be tracked, so that agencies are aware when their messages have been delivered. This is essential when deciphering the quality of data and understanding results obtained from SMS campaigns. Without this information, it is very difficult to understand the Return On Investment (ROI) when measuring results, but not only that, there is also the possibility of sending thousands of messages to numbers that do not exist. That's a lot of wasted money.

Experience with other marketing agencies

As with any service provided, there is no substitute for years of experience and expertise. The most suitable SMS provider for marketing agencies will have worked with other agencies previously and delivered excellent results.



Esendex

Esendex is one of Australia's leading business SMS providers, with a focus on delivering high quality, secure and reliable services. Esendex holds one of the highest industry reputations for SMS provision. The company has over ten years of experience within the SMS industry, delivering a high-standard SMS solution to over 20,000 customers. Customers have included many digital and marketing agencies, online retailers and many more across other industries.

Esendex boasts direct connections to the major networks in Australia, guaranteeing an exceptional delivery rate. The Service Level Agreement (SLA) commits to 90% of messages being processed within five seconds and 95% within twenty seconds, although this standard is largely exceeded, with delivery rates usually hitting around 98% and 99% within 5 and 20 seconds respectively.



There is an increasing popularity of Smartphones and an enormous prevalence of mobile phones among the Australian population. This provides a robust opportunity for mobile marketing. SMS is the most popular and ubiquitous form of media messaging, which makes it the best avenue to pursue marketing campaigns and interests. For Marketing agencies, grasping the opportunities of SMS is crucial for the success of their business.

As The Guardian noted, "Two-thirds of the world's population—that's over 4 billion people—have access to it because that's the number of people who have mobile phones, and even the cheapest, clunkiest handset can send SMS."¹³

To effectively harness all of the marketing opportunities that are presented by SMS, agencies need to seek to services of the most suitable provider. This provider will have the resources, experience and services necessary to implement successful SMS strategies.

¹³ The Guardian, 2012, "Now 4 Billion People Know the Joy of Txt"



Questions? Get in touch



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