

How to Bridge the Online and In-Store Gap with SMS

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Retailers are always looking for innovative ways to market to consumers today. One of those ways is through SMS, especially with 77% of U.S. adults using a smartphone, according to the Pew Research Center.

While SMS isn't entirely new, what is new is how creative retailers are getting when selling to the customer in the medium they communicate most. According to a Listrak study, 75% of customers prefer offers delivered via SMS with a 97% read rate. Clearly, SMS is becoming one of the most compelling marketing channels out there.

"SMS will become increasingly important," said Kara Surrena, Vice President of Sales for Listrak. "As customers continue to be flooded with channels and marketing messages, SMS will continue to stand out with its close to 100% open/read rates. It will continue to grow exponentially as a key way for retailers to communicate with their customers."

Surrena said that retailers are using SMS as a successful acquisition channel, not only for mobile numbers but also zip codes and email addresses.

"SMS is an incredibly effective marketing channel," said Surrena. "Retailers are seeing the highest engagement rates and ROI, partially due to fast read rates. They're also using it to drive interest and engagement for sweepstakes and alerts, such as back-in-stock and price drops, and from a transactional perspective to provide customers with valuable



information about their orders and purchases."

As valuable as this channel is, the 2017 MCM Outlook survey revealed that only 15% of retailers said they used SMS/text as a channel to market to customers. It ranked second marketing strategies. Ranking much higher were categories like ecommerce site (100%), social media (95%) retail stores (95%), catalog (90%) and email (85%).

According to the Outlook survey, on a scale of 1 to 10, respondents ranked mobile as an ecommerce strategy a 7.33 out of 10 as most valuable, while and mobile/SMS

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as an ecommerce strategy rated a 4.25.

eMarketer reported that mobile commerce sales in 2017 were expected to reach \$151.11 billion, an increase of 22.7% over 2016. In 2018, it projects they will reach \$178.27 billion, an 18% increase.

How to Use SMS and Email Together

Retailers can use SMS to build an email list through a “Text to Join” campaign, according to Listrak. Retailers can also promote a marketing program through an on-site popup.

It’s imperative that retailers not ask shoppers for their mobile number when reaching out via email and online since they aren’t opting in to the mobile messaging campaign. It is also recommended that sharing a keyword or short code will help initiate a conversation between the consumer and retailer online and email marketing promotions

Even though these two channels work well together, it doesn’t mean they should be used the same way.

While emails go out on a daily basis, SMS texts should only be sent once a week. They should include the best discounts and offers, and should also convey a sense of exclusivity and urgency.

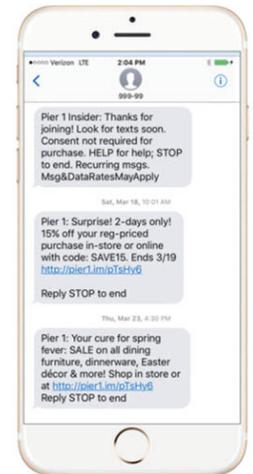
With 97% of messages being opened within three minutes of receipt, the objective is to reach the subscriber immediately before they make a purchase. It’s important to know when your customers are likely to make a purchase so that you can reach them in time.

Some great SMS campaigns include flash sales, new product releases, coupons, local event alerts and reminders. Campaigns that don’t work include ones that promote upcoming sales, future events and coupons that aren’t immediately enabled.

Content for SMS campaigns should be direct, since you only have 160 characters including mandatory legal messages, such as “Reply STOP to End.”

Listrak also recommends a single message at a time, not sending two or three in row in order to cram in a lot of text. Consider sending an email if the text becomes too lengthy. Don’t overdo it with abbreviations either.

When it comes to the URL, use a shortening tool like bit.ly for call-to-action links, allotting about 10 characters of the 160-character limit. Unlike their email counterpart, SMS campaigns should be sent between 10 a.m. and 8 p.m. Other best practices include being



mindful of time zones; don’t send them when customers are sleeping or commuting, or during holidays.

Emails and SMS should work together and not compete. Listrak recommends retailers avoid sending different offers in the two channels on the same day. And because mobile marketing is highly regulated, it’s important to follow the rules around signage, promotion and messaging.

Several of the top reasons shoppers subscribe to SMS texts, according to Listrak, were incentives and coupons (55% of respondents), loyalty or rewards points (52%), exclusive content (26%), product info or updates (25%) and store news and events (19%).

Surrena said SMS campaigns should include timely, relevant and valuable messages that have some sense of sense of urgency – for example, “Sale – One Day Only” – and should include an engagement factor such as a call to action.

“They should also be triggered messages, such as back in stock,” said Surrena. “Including images helps drive engagement and interest.”

Surrena said campaigns should not be lengthy or contain just general information. It is also important not to pester your customers. Listrak’s retail clients are finding a nice balance between 4-6 messages per month.

Pier 1 Imports, for example, has been able to make its email and SMS messages work together. One way the retailer does so is by promoting SMS campaigns through its email channel. Shoppers are told they can receive the latest offers, in-store event invites and more sent to their phone via text. They are then asked to text “Signup” to a number to join and get 10% off.

Sleepwear and undergarment retailer Aerie is another



example. It asks consumers to sign up for texts through its email campaign and alerts them to new arrivals and deals. They also offer a limited time offer of \$10 off on a shopper's next purchase of \$40 or more. Aerie also gives shoppers a code and number to text.

According to Listrak, the main reasons shoppers unsubscribe from SMS are: Too many messages (59%), lack of relevance (51%), offers that aren't good enough (41%), messages received at the wrong time (34%), lack of weren't personalization (20%) and just too many messages (9%).

Surrena said triggered messages such as price drop alerts, order/shipping confirmations, and back in stock alerts should be extremely targeted.

"Each source can have its own keyword, and you can send messages based on those keywords as well as using different types of dynamic content," she said. "You can also customize them based on location and target geographically."

Connecting the Online and In-store Experience through SMS

Surrena said acquiring customer information in store tends to be challenging, particularly at point of sale. Using SMS as an acquisition channel takes that responsibility away from store associates and puts it into the hands of customers.

"Customers who sign up using that method can then enjoy a seamless cross-channel experience – they're shopping in the store and also receiving SMS messages," said Surrena. "We're seeing some retailers use it for omnichannel campaigns such as buy online, pick up in store, where the customer receives a notice via SMS alerting them that their purchase is ready for pickup."

One example of a retailer connecting the online and in-store experience is GameStop, which promotes its

SMS campaigns/SMS text-to-join email list in-store.

Surrena said another benefit of SMS for retailers is that people are signing in via mobile device. The short code and keyword for acquisition can be placed almost anywhere – on in-store signage, on direct mail pieces, on a billboard or other out-of-home signage or at the bottom of a receipt.

SMS has the ability to bridge a gap between online and offline experiences. In fact, two-thirds of consumers shop in multiple channels at one time, and they are the brand's most valuable customer, with lifetime values that are 30% above average, according to Listrak.

Listrak said integrating SMS into a campaign can increase email open rates by as much as 20%. Its clients see in-store shoppers subscribe to SMS, and 92% of those who do also opt into email, as a result. email subscribers convert

Gathering Data through SMS

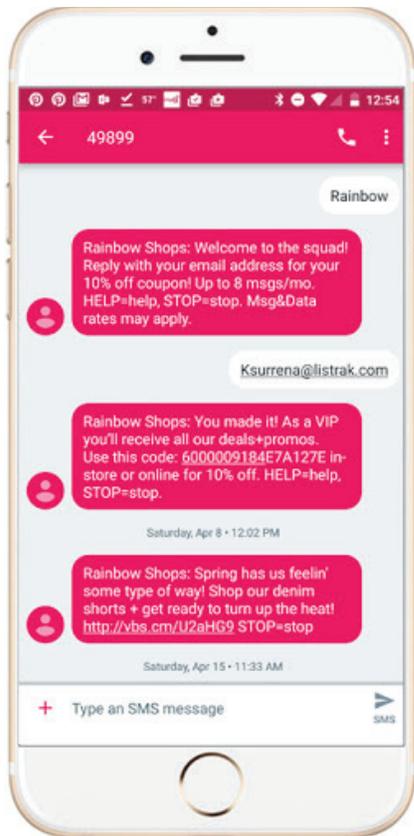
Surrena said in addition to allowing them to acquire mobile numbers, SIP response codes a signaling protocol used for controlling communication sessions, and email addresses, SMS lets retailers have two-way conversations with customers. They can send questions and receive real-time feedback from customers.

"Any customer data that's gathered should be utilized to enhance the customer experience," said Surrena. "When you ask the customer for data and they provide it, there is an expectation that you will use it to tailor your marketing messages specifically to them,"

Surrena said challenges retailers face today with customer data in general include the need to bring in the IT department, and the training required to make sure associates complete a task and do it accurately.

"Other challenges are the inability to drive in-store shoppers online and vice versa, and the inability to connect with the right customer at the right place and time with the right product," said Surrena. "Driving the cross-channel shopper has always been challenging, but they tend to have higher lifetime value."

Surrena said customers are becoming more comfortable shopping on mobile devices, adding device usage no longer skews by age or demographic, but crosses categories. She also that increasingly, they expect a more personalized experience.



Apparel and accessories retailer Rainbow collected customer data from an email and SMS campaign with the goal of acquiring the email address of every shopper. As a result, the company has an active customer base it reaches through its email campaigns.

But Rainbow was challenged when it came to collecting email addresses in store. Associates sometimes failed to ask for the customer's information as it slowed down the checkout process. Customers also didn't have any incentive to provide an email ad-

dress; as a result, many ignored the request.

"Rainbow reaches its active customer base primarily through email, but also maintains more than 1,000 brick-and-mortar locations, so one of their main goals is to acquire the email addresses of every online and offline shopper," said Surrena.

If the store associate did receive a customer's email address, they were often invalid due to associate or customer data input errors. Even if a valid address was captured data transfer wasn't immediate, so Rainbow needed a better way to collect this vital information.

To solve the problem, the retailer implemented an in-store SMS program to take the data collection burden off of associates while incentivizing shoppers to provide accurate personal data.

It launched its SMS program by placing signage in its stores asking shoppers to text "Rainbow" to a short code 49889 in exchange for a 10% off coupon. Doing this triggered a text-to-join campaign, an automated response asking customers to reply with their email address and telling them the coupon would be delivered through SMS.

When the campaign launched Rainbow signed up 25,000 weekly SMS subscribers, 92% of whom provided an email address. Fifty-three percent of them remained active in email campaigns, and 8% clicked through on broadcast SMS messages.

"The campaign has enabled us to capture mobile numbers and email addresses in a way that makes customers happy and increases sales, while adding no administrative or technical burdens on our brick-and-mortar stores," said David Cost, Ecommerce and Digital Marketing Executive for Rainbow. "It's a rare win-win."

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