



SMS Marketing: Direct Route to Consumer Engagement

A Local Mobile Search Report
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Almost 90% of Americans own mobile phones and up to 70 million people go "online" each month via their mobile handsets. Roughly 3.5 billion text messages are sent every day in the U.S. Mobile is a medium that in some respects is already bigger than the Internet. Despite this it remains unfamiliar to the majority of marketers, as are the distinctions between "mobile Web" and SMS marketing. Yet SMS marketing is more versatile and effective than the traditional Internet with response rates that are often 2X to 10X higher.

Key Findings:

The following are key findings from this report:

- **Numbers already huge** – Almost 90% of Americans own a mobile phone and almost 70 million go “online” each month via mobile phones. There are also roughly 3.5 billion text messages sent in the U.S. on a daily basis.
- **SMS reach double the “mobile Internet”** – Roughly 154 million Americans are regular SMS users, which is about twice as many people as currently access the “mobile Internet.”
- **More text than talk** – People now text more than they talk on their phones. The gap in favor of SMS is even greater for younger adults and teens.
- **SMS platform agnostic** – Mobile Internet engagement is highest among smartphone owners (15% of handsets). However SMS is platform and handset-agnostic, and can be used by iPhone and “feature phone” owners alike.
- **Mobile advertising outperforms PC Internet** – Mobile advertising outperforms online across all brand metrics (per Dynamic Logic and Insight Express). Response rates to mobile ads are often 2X to 10X higher.
- **Consumer acceptance of ads** – The opt-in nature of SMS marketing means it addresses often-expressed consumer objections to mobile advertising. Consumer control affects acceptance and effectiveness of campaigns. Opus/LMS found that 75% of survey respondents “somewhat agreed” or “strongly agreed” that mobile ads “should only be from companies that I select.”
- **SMS opt-in like search behavior** – SMS opt-in is like search – consumers “raising their hands” – but SMS is more versatile than search. It can be used for branding, customer acquisition/loyalty as well as direct marketing.
- **SMS permits immediate response** – Because mobile phones are always with consumers, short codes allow for immediate response to advertising and marketing. Short codes can go anywhere as a call-to-action mechanism: on a movie poster, billboard, TV commercial, newspaper ad, in-store display or kiosks.
- **Closing the loop** – Beyond customer acquisition short codes allow marketers to “close the loop” between ads, media and the point of sale. Given these advantages, we expect short codes begin to replace (or supplement) URLs in most traditional media ads.

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