

Five metrics to assess the effectiveness of SMS marketing

By Emily Ryan & Jaco Coetzee 4 Sep 2013

Like with any marketing campaign, the only way to tell if your SMS campaign is working is to consistently measure and analyse the key areas of the campaign. In order to do this effectively, the key metrics need to be identified, measured and analysed in order to learn and improve future campaigns.

Analysis of delivery rates, open rates, opt-out rates, click-through rates and conversion rates are the five fundamental metrics when assessing the effectiveness of SMS marketing campaigns.

- 1. **Delivery rate:** The delivery rate means the percentage of messages successfully delivered out of the total subscribers to whom the message is sent. Delivery rates vary widely based on a variety of factors (list size, message frequency and pre-paid phone composition). A low delivery rate may mean your list needs to be cleansed. You can use the HLR Lookup functionality to help cleanse a list, preventing sending messages to invalid numbers.
- Open rate: Open rate is a measure of how many subscribers on an SMS list open a particular SMS campaign after receiving it, normally expressed as a percentage. It has been found that text message open rates exceed 98% compared to 22% of emails, 29% of tweets and 12% of Facebook posts.

- 3. **Opt-out rate:** The opt-out rate tells us the percentage of recipients who opt out after receiving an SMS campaign. A high opt-out rate for an SMS campaign can signal that the incorrect audience has been targeted, or the content within the SMS didn't provide value to your audience. Better targeting, and split testing your SMS campaigns can help decrease opt-out rates. The average SMS campaign is opted out less than 5% of the time.
- 4. **Click-through rate:** The click-through rate measures the proportion of subscribers who initiated action with respect to an advertisement that redirected them to another page where they might purchase an item or learn more about a product or service. The average click through rate (CTR) of URLs included in SMS messages is 19%, compared to just 4.2% CTR for Emails.
- 5. **Conversion rate:** The conversion rate is the proportion of visitors who take a valuable action. This can be a purchase, signup, phone call or simply a page view. Linking your SMS campaigns to valuable conversions can provide you with an insight into your ROI from the SMS campaign, and help you improve future campaigns.

These metrics are extremely useful for companies as they allow them to track the progress of their SMS campaigns. The information gained from these metrics enable businesses to make changes where necessary and therefore continually

improve upon the effectiveness of their marketing strategy.

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