

COLUMNS

## Should SMS be taken more seriously for mobile app engagement?

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By A LUXURY DAILY COLUMNIST

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Brands and marketers are scrambling to engage their customers through the use of mobile applications. It is not hard to arrive at this conclusion when you consider how people use their smartphones.

When you look beyond calling, emailing, and texting, it is easy to see that apps dominate the usage landscape.

High five

According to the Harvard Business Review, mobile consumers spend roughly 82 percent of their mobile minutes with apps and just 18 percent with Web browsers.

Even more noteworthy is that they have nearly 40 apps on their devices and use about 15 on a regular basis.

However, this usage is centered on five areas: social (Facebook, Instagram), entertainment (YouTube, Pandora), communications (WhatsApp, Tango), navigation (Waze, Google Maps) and news. Only 5 percent of consumer time is spent in shopping apps.

Even though app usage is incredibly strong, conversion rates through that mobile channel remain weak.

Forrester Research reports that "most retailers say their mobile Web sales continue to outweigh their app sales."

However, Internet retail marketers have taken notice and are looking to provide greater capability within the apps.

Many of today's branded apps are loaded with content that includes entertainment, information, education and products or some combination of each.

Consumers report that they enjoy the differentiated experience and generally feel that apps deliver what they need without being intrusive.

Brands like apps because it represents the new way to interact, engage and promote in front of their targeted audience.

There is still work to do, though, especially on the engagement side.

Fine text

One problem that apps face is the reliance on push notifications as the primary means of re-engaging with the audience that closes the application.

According to Brand Quarterly, consumers opt out of push notifications approximately 50 percent of the time, leaving brands with little engagement potential with half the audience.

One study by Accengage shows that only 6 percent of push notifications end up resulting in users engaging with the application.

Why is this?

More often than not, consumers feel annoyed when a push notification pops up on their mobile device and feel it is too intrusive. This is due to the large number of apps sending push notifications with the notifications ranging from games ("Your corn is ready to harvest.") to music ("You listened to Taylor Swift last week at this time, you should tune in again!") to news headlines ("You won't believe who Donald Trump fired today ...").

Because of this onslaught, many customers have been conditioned to immediately decline the invitation to opt-in when they initially download the app.

However, a solution that brands are now exploring involves a combination of leveraging SMS coupled with the in-app push experience.

SMS, or text messaging, is currently in a period of renaissance.

In fact, a recent SAP global study conducted across 12 countries found that 70 percent of consumers feel SMS is a good way for a company to get their attention and 64 percent believe organizations should use SMS-type engagement more frequently.

By using SMS in a multichannel approach, brands couple the acceptance of SMS with app data on user behavior to deliver relevant reengagement messaging.

By linking a user's phone number to her app usage, a brand can optimize offer delivery based on the user's medium of choice.

By observing individual behavior over time and measuring the results, brands can determine user communication preferences and tune future campaigns to use the medium most likely to increase conversion.

Successful clients have been using this omnichannel approach to optimize engagement campaigns across their SMS, push and email efforts.

SMS is also highly effective as a promotional vehicle for introducing customers to a brand's mobile app.

Since SMS is delivered on the mobile device, it can create a timely opportunity to engage a customer and drive app adoption.

By using this tactic, brands avoid the challenge of having customers find their app in the heavily saturated app stores.

Read the writing

Beyond app engagement, SMS is also an extremely effective channel for marketers in other situations.

SMS regularly enjoys a 90 percent read rate within minutes of receiving the text message a far greater success ratio than email marketing.

SMS is not reliant on a high-speed Internet environment, meaning anyone with a mobile number can be reached.

Consumers are already familiar with SMS, so the concept of receiving text messages is not something they must adjust to.

Also, it is easier for people to manage their messages and communications in their message inbox, rather than the pop-ups displayed by push notification messages.

A final benefit that SMS brings to the table is loyalty.

According to Digital Marketing Magazine, more than half (57 percent) of consumers would be happy to sign up for an SMS-driven loyalty program, and 90 percent of consumers who have signed up for these feel that they have been valuable.

AS DIGITAL-FOCUSED customers continue to download branded apps, and as retail marketers look to leverage

them for consumer engagement, retail brands will look for ways to leverage their investments for business results and growth.

Through the inclusion of SMS into their mobile app strategy, retail brands will enjoy additional consumer engagement, increased usage and higher sales and profits.

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