

# A Beginner's Guide to Compliance and Best Practices in Conversational Text Messaging

LEARN HOW TO ATTRACT, ENGAGE & RETAIN  
MORE PROSPECTS AND CUSTOMERS

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# OVERVIEW

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Conversational text messaging is a powerful communications channel.

Text messaging has rules and regulations across the globe. Any company that uses text messaging needs to understand and follow the rules surrounding its use.

Businesses that use proven best practices in conversational text messaging get better results across the board.

This Guide shares a basic overview of key compliance requirements. We also share some of the basic best practices for users of text messaging, proven by our 1500+ global customers.

## COMPLIANCE BASICS

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Compliance refers to the rules that guide conversational text messaging, what you can do, how you can do it, and things you want to avoid.

This guide focuses on the US regulations. Text messaging is governed by The Federal Communications Commission (FCC). The FCC is the primary body in the US for regulating communication by satellite, wire, radio, television, and cable, so text marketing also falls under its domain.

Text messaging compliance follows the specific rules of the Telephone Consumer Protection Act (TCPA.) The TCPA is the main anti-telemarketing law in the U.S. It also applies to text messaging, since texting is viewed as a transaction similar to a phone call.

Following are some simple rules to follow to be sure you and your organization stay in compliance with the TCPA regulations.

### 1. Don't Be a Spammer

One of the major focus areas of the FCC is in controlling Spam. You know, those pesky phone calls from someone trying to sell you something? Text Messages are also considered as Spam, unless you follow appropriate guidelines.

In texting, as with all covered communication channels, Spam is defined as "any material advertising the commercial availability or quality of any property, goods, or services which is transmitted to any person without that person's prior express invitation or permission, in writing or otherwise."

The penalties for spamming can be significant. They include:

- ▶ A \$500 fine for each text you send without recipient consent
- ▶ If a court thinks that you have knowingly violated the law, this fine can go up to \$1,500 for each text the court considers as Spam.

The TCPA guidelines officially say:

PRIVATE RIGHT OF ACTION. A person or entity may, if otherwise permitted by the laws or rules of court of a State, bring in an appropriate court of that State:

- (A)** an action based on a violation of this subsection or the regulations prescribed under this subsection to enjoin such violation,
- (B)** an action to recover for actual monetary loss from such a violation, or to receive \$500 in damages for each such violation, whichever is greater, or
- (C)** both such actions. If the court finds that the defendant willfully or knowingly violated this subsection or the regulations prescribed under this subsection, the court may, in its discretion, increase the amount of the award to an amount equal to not more than 3 times the amount available under subparagraph (B) of this paragraph.

As a case in point, Papa John's paid \$16.3 million to settle a class action suit brought against it for sending unsolicited promotional text messages for pizza.

Plus, let's face it. Spam of any kind serves to alienate the contacts you're trying to converse with. So staying away from Spam is good for your business, as well as for compliance.

The bottom line is that to avoid Spam penalties, you must have a contact's written permission to text message them. This is where Permission Marketing comes into play.

## 2. Implement Permission Marketing

Permission marketing is the process used to collect permission from your individual contacts to communicate with them. In the case of texting, permission marketing means that:

- ▶ All contact consent should be in writing.
- ▶ You need to disclose that you will contact them in the future by text message, before they consent.
- ▶ You must keep this consent form for 4 years (minimum statute of limitations, TCPA)

### How do you get consent?

Consent can be in either a digitally signed form or in an actual signature form. Digital forms can include a website form, email, text message, check-box form, application or other digital document. Permission is for a person, though legally it's for the mobile number.

What needs to be in the consent form? Here's a template that you can adapt for your industry and business.

"By checking this box and submitting this form, I agree to receive phone calls and/or text messages from or on behalf of [XYZ Company], regarding their products and services, at the phone number(s) provided on this form, including my wireless number (if applicable). I understand that these calls may be generated using an automated technology. I understand that consent is not a condition of purchase."

As you adapt this statement for your own use, be sure that you:

- ▶ Give an overview of the full range of all potential messages contacts should expect to receive.
- ▶ State terms & conditions prominently & clearly.
- ▶ Make signing the agreement optional.

## What's a double opt-in?

You also need to understand the concept of a double opt-in, and when you need to use it in conversational text messaging. Here's what you need to know:

1. If you get written consent via an SMS from a mobile device itself (a "device opt-in"), you have the written consent of the mobile device owner.
2. In case you get the written consent through another method, such as a paper or web form (a "non-device opt-in"), it's not clear that the person giving consent is the mobile device owner. That's where a second opt-in comes in.

The U.S. wireless association- CTIA and the Mobile Marketing Association (MMA) rules require that in case of a non-device opt-in, a marketer must:

- Send a single text message to the mobile device owner.
- Request a text response (e.g., "text 'Y' to start receiving text messages.) The device owner must respond positively for consent to be completed.

**We at SMS-Magic don't usually recommend a double opt-in.** Most of our customers begin messaging prospects and customers who are familiar with the company and have already given consent through a web form or other mechanism. What we do recommend is that our customers send a notification message with details of the program and describe the types of messages they are going to receive.

## What about running an ad to get opt-ins?

If you're running ads or social media campaigns to capture leads, you need to follow these rules for compliance.

First, be sure you include the following in your ad:

- ▶ Name of the program they are joining.
- ▶ Description of same.
- ▶ Message frequency they can expect.

- ▶ URL to complete terms & conditions, including privacy policy, help, opt out information etc.

When you receive their opt-in, message back and ask contacts to text a keyword such as 'YES'/ 'CONFIRM' to your short code to opt-in to your program or offer.

After they confirm, send a legally compliant message back to them that states the following:

- ▶ Company name.
- ▶ Value proposition.
- ▶ Frequency of messages that will be sent monthly.
- ▶ Possible carrier costs & fees.
- ▶ Option to ask for help/ opt-out of future texts.

### Anything else to know?

Here are a couple of additional tips to remember.

- ▶ If you don't send a message to a contact within 18 months of his/her opting in to your text messaging, your consent is considered inactive. So reconfirm them.
- ▶ Always be sure to match your content to the content the prospect signed up for, in the first opt-in message.

## 3. Handle Opt-Outs Properly

Handling opt-outs correctly is one of the most important aspects of compliance and best practices for text messaging. When someone chooses to opt-out of your messages, you must comply, or risk penalties for Spamming.

Following are a set of best practices for managing opt-outs that will assure compliance.

- ▶ In your messages, offer an easy way for the receiver to opt-out, e.g., a note that they can reply STOP or UNSUBSCRIBE to opt-out.
- ▶ Be sure that you mention options for opting-out in at least 1 message per month.
- ▶ When a contact requests an opt-out, be sure to acknowledge that request with a message so that the contact knows that you've received their opt-out request and have acted on it.
- ▶ Put in place an auditing process to check on your opt-out updates and procedures. Be sure to review your process monthly to ensure it's effective and that you don't have any opt-out errors.
- ▶ When you have processed their opt-out, be sure to send a confirmation text message to inform the contact that the opt-out has been successful.

Advanced messaging software and solutions provide methods for managing opt-outs effectively. So do your carriers. Be sure to use this software.

Training your team to manage opt-outs is critical, as well. They need to understand and follow your opt-out processes for your company to meet compliance requirements.

One point to note: In the case of an emergency, certain entities are allowed to send one message to opt-outs. This applies to businesses using testing that would need to send emergency updates, only. For example, a university or first-responder network.

## BEST PRACTICES BASICS

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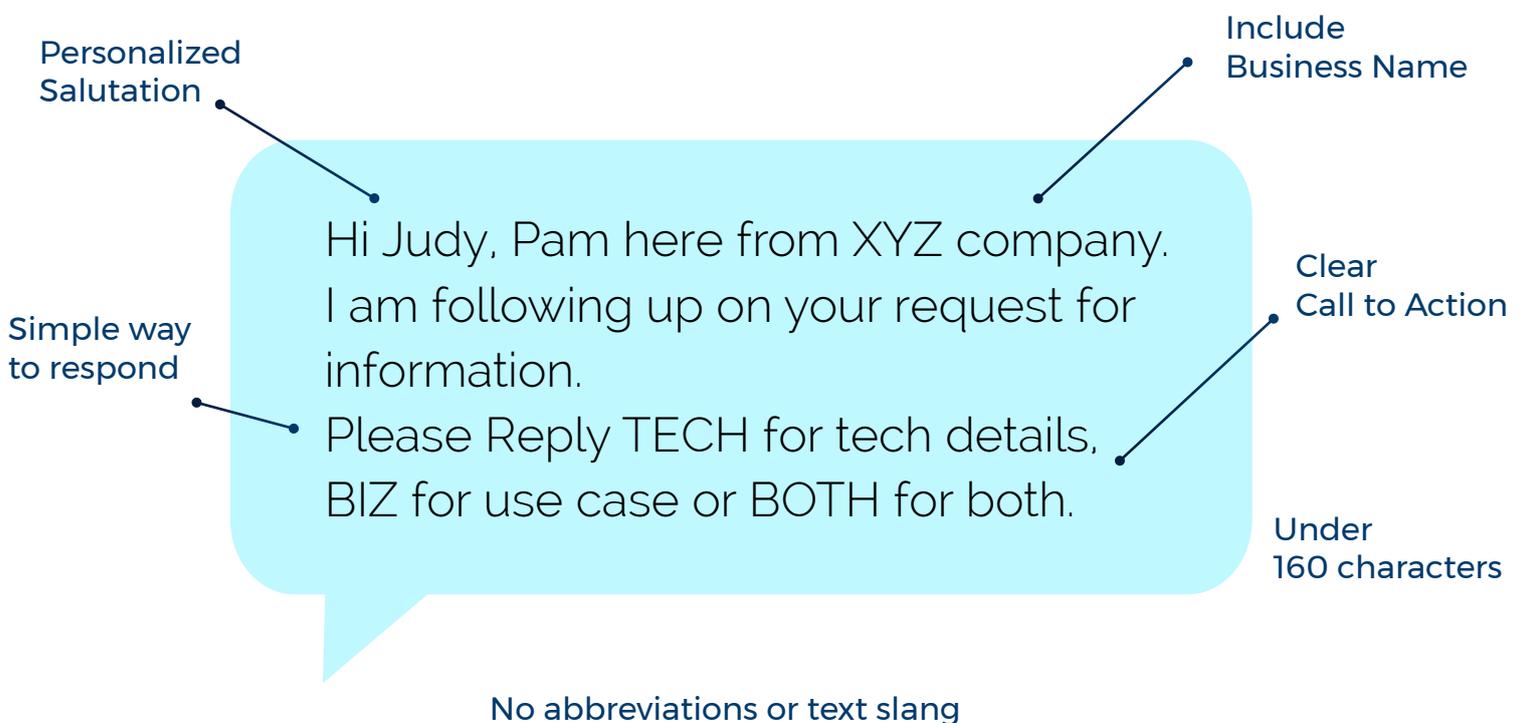
Best practices are defined based on what works and what doesn't in real-world implementations. The following primer on best practices shares fundamentals for every business that is beginning to use conversational text messaging.

### 1. The message itself

The first thing to think about with any text messaging campaign or program is the overall content and guidelines for all of your messaging campaigns.

Following are recommendations for the key elements to include in your standard message campaigns.

- ▶ **Always use their name.** A person responds more positively when a message is personalized.
- ▶ **Mention your company name in the beginning of your text.** Don't assume your contact knows who you are, tell them, right up front.
- ▶ **Share the reason for texting the prospect or customer.** As part of your message, always share why you're contacting them. No one wants to wonder why you're reaching out.
- ▶ **Get to your Call to Action quickly.** The best messages are under 160 characters. So get to the point with your Call to Action, and be sure to offer an easy way for your contact to respond with a keyword to take that action.
- ▶ **Give clear instructions.** Be sure that any instructions for replying or other actions are simple and clear.
- ▶ **Avoid abbreviations and slang.** Not everyone understands texting acronyms. So be sure you use full words and avoid slang.



## 2. Sending Your Message: When to Use Short vs. Long Codes

To send or receive a message, you need to use short or long codes to send, capture replies and create responses. This section gives you an overview of when to use which type of code.

Short codes are fixed, easy-to-remember registered numbers that are five-to-six numeric digits in length. Think of a short code as your mobile marketing address. For example, Burger King's is 287437.

Most companies create short codes to drive their text messaging strategy, with related Keywords and Automated responses to deliver specific content or answers to Keyword responses and questions. Short codes can only be used to send texts. Short code delivery is usually faster than long code delivery, their margin of error is less and carriers tend to mark messages using short codes as Spam less frequently than they do with long codes.

Long codes use a longer set of digits compared to short codes. They can be used to send and receive texts, faxes and make calls. SMS long codes are 10 digit numbers and are tied to an area code, for e.g. (212) 221- 2929.

The choice of short or long codes depends on a number of variables.

### 1. Speed of sending/receiving text messages

SMS long codes have a limit of one message per second. Therefore long codes are used primarily for person-to-person communication.

Short codes can be used to send 40 messages per second. They are typically used for high volume messaging.

### 2. Inbound to Outbound text ratio

Carrier regulations require that the ratio of inbound to outbound text traffic should be more than 1:3 when using long codes. There is no such restriction in place for short codes.

### 3. Difference in use cases

Typically, a long code is used by courier companies, banks, airlines and other service sectors for customer service related communication. Here are a few use cases:

- A courier company could use a long code to inform a customer that their package is out for delivery.

- A bank could text clients their account balance every month.
- An airline can reply to a passenger's seat preference request.

Short codes are used by companies for marketing and security, or to disseminate urgent information. Short codes use cases include:

- Marketing promotions: Use short codes to send coupons, sales alerts, and other promotional information. If your company is US-based, it's mandatory to have a short code for all marketing texts.
- Two-factor authentication. Since a text message sent via a short code is likely to be delivered quickly, it's a preferred channel for such applications.
- Alert notifications, including hurricane warnings or flight delays, thanks to reliable delivery.

The following table shares an overview of the key aspects concerning short and long codes.

ROUTE	SHORT CODE	8XX PLUS	STANDARD NUMBER
# FORMAT	XXXXX OR XXXXX	1-8XX-YYY-ZZZZ	1-8XX-YYY-ZZZZZ
Use cases	Marketing Messages	Transactional Messages	P2P Messages
Subject to delivery interruption via anti spam filters on carrier networks	Lowest	Low	Medium
Message throughput limit per number	Up to 40/second	Up to 20/second	1 message every 4 seconds
Intended Outbound to Inbound message target ratio	none	none	1 : 1
Requires opt-out mechanism	Mandatory	Not required if user initiates conversation	Not required if user initiates conversation

## 4. Acquisition Process

If you need codes for a new campaign quickly, you'll be guided by the time it takes to get the codes.

- **Long codes.** You'll have your code within a day after you complete an online form or make the call to your carrier.
- **Short codes.** May take 6-8 weeks to attain. Short codes must be registered with the US Common Short Code Administration (CSCA) and carriers. All of these bodies must approve your registration.

We recommend you keep a set of short codes available for campaigns. At SMS-Magic we keep pre-approved short codes available for our customers.

## 5. Coverage

- **Long codes.** You'll use the same long code across the globe.
- **Short codes are country specific.** They provide delivery receipts, which are needed in cases such as two-factor authentication or when text message delivery is critical.

# 3. Optimizing your Messaging Campaigns

Once you begin your messaging outreach, it's important to pay attention and continue to tune your campaigns to improve your results.

Following are a few areas to consider:

## Your Campaign Plan

Every messaging campaign needs a plan. As you use the campaign and monitor your results, you can adapt your plan based on the insights you receive concerning a variety of campaign measurements.

Your plan should include the following:

- **Target.** A crisp definition of your target audience for the campaign including why they should

be interested in your content/offer. Targets should also include the key demographic data you will use to select the appropriate list from your database or CRM.

- **Message.** What message are you delivering in your campaign? Is it informational/educational? An offer or coupon? A survey? What's the key content you want your audience to understand or act on? If you're running a multi-step campaign, what is the story you want to create and how does each step add a chapter of that story?
- **Call to Action (CTA).** What do you want your target audience members to do in response to your message(s)? Do you want to use a keyword response to trigger another message? Or do you want them to click on a link to a piece of content or survey?
- **Response.** What response do you want to take when they act on your CTA? Send a personal message? Trigger another series of messages? What's the appropriate response to their action that will move them towards your goal for the campaign itself?
- **Goal.** Be sure to include a quantitative goal for each campaign. Measuring results based on a quantified goal gives you a much better picture of your campaign's performance. It also provides the metrics to measure your team's performance.
- **Assignments.** Evaluate which messaging users you'll assign to each campaign, based on their previous performance as well as their areas of excellence. If certain users are more successful working with specific types of content or targets, assign them to the campaigns that match their skill sets.

Once you have your plan, don't put it in a drawer or filing cabinet. Keep reviewing it, notice areas you can improve and do just that. For example, if you're running a 4-step messaging campaign and you're getting no responses to the 3<sup>rd</sup> step, you need to re-evaluate your content and message to determine what will drive responses and move prospects forward in your process. A/B testing is a great way to find out what's working and what's not.

## Test new programs with small groups

Whenever you're launching a new messaging program or updating it, always test it with a small segment of your list then, gather feedback and insights using your analytics.

Tune the campaign or program based on the analytics and insights you gather.

You can also do A/B testing with smaller groups to test different content and messages.

## A/B Testing

Testing different messages and content with different segments of your audience is a proven method of learning what content works and what doesn't.

One of the biggest complaints by audiences about businesses is the relevance gap between what they want to know and what businesses want to tell them. Always focus on what's relevant to your audience, using their terminology and words.

A/B testing with messaging is similar to A/B testing with email. Create an A and B message with different content, CTAs and associated information. Send A and B to different segments of your list. Then use analytics to determine which message and content created the best responses/results toward your goal.

You can A/B test at the beginning of a campaign, whenever you change something in a campaign or when a step of your campaign isn't bringing the results you want.

After you send the A/B campaign, use your conversational messaging solution's analytics to find the insights you need to tune your campaign plan and messages.

## Analytics

The proper analytics are critical to the success of any conversational messaging campaign or program. Advanced conversational messaging solutions collect the data you need to analyze and report on a variety of metrics.

Following are some of the key metrics you'll want to review:

- **Message delivery.** You'll want to be sure that your messages are reliably delivered, so be sure your software solution for text messaging provides end-to-end delivery statistics across all involved carriers.
- **Opt-outs.** As we've already discussed, opt-outs are critical for compliance and for your relationships with customers and prospects. Be sure you monitor opt-outs closely.

- **Response rates.** If you're sending a campaign to a list, you'll want to measure campaign performance on a number of levels. The first level is the response rate, meaning how many of your leads or contacts actually responded to your message. As with any other type of campaign, low response rates should always result in a re-testing of content and message to improve results.
- **Response times–messaging users.** One of the key values of messaging is the ability to create a conversation. This means that when you receive a response from one of your target audience members, you need to respond quickly. Be sure to evaluate response times for your individual users and teams overall. When you see slower response times, be sure to understand why they are occurring and shift the process (or train the user) to eliminate slow responses.
- **Pipeline progress.** As you create and deliver campaigns and individual messages designed to move your prospects through your pipeline, you want to be sure that you monitor progress. Be sure to evaluate measures such as which content moves a prospect forward, which content gets little reaction, and which content or messages drive conversions.
- **Conversion rates.** If you're using your conversational messaging to drive some type of conversion—a product sale, a subscription, signing up for a course, a candidate accepting a job—be sure to measure your true success rates. All too often we focus on getting a response, responding in a timely fashion, meeting dates, etc. Yet the ultimate measure of a successful conversational messaging campaign is converting your prospect or customer successfully.
- **A/B comparisons.** If you're testing campaign content, you'll want to review and compare all relevant analytics including delivery stats, opt-outs, response rates from your lists, pipeline progress and conversion rates if there is a conversion associated with your campaign.

## SUMMARY

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Conversational text messaging offers a significant opportunity for businesses to better communicate with their prospects and customers.

When you follow these best practices basics, and adhere to compliance regulations, you will increase the number of conversations you have with your markets.

To learn more about how you can apply conversational text messaging in your business, read Use Cases for Conversational Text Messaging in Marketing, Sales and Service in your course.

### About SMS-Magic

SMS-Magic is a proven, global messaging platform for Salesforce, with over 1500 clients across 190 countries, including small, midsize, and enterprise accounts. SMS-Magic enables Salesforce users to engage buyers and win and retain more new customer revenue, while creating strong customer relationships that drive sustainable competitive advantage. SMS-Magic is the most positively reviewed messaging application on Salesforce AppExchange.



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