TEXT MESSAGING FOR BETTER SALES CONVERSION

SALES OPTIMIZATION STUDY
Text messaging has quickly become one of the most widely used forms of personal communication. Naturally, marketers see the value of text messaging for advertising purposes, but its use in the sales process has been questioned and is not commonly practiced. This study reveals the positive and negative impact text messaging can have in the sales process. It is important to understand when text messaging can actually hurt sales efforts and when it can help turn more prospects into sales.

Study Methodology

This data reflects results aggregated across almost 3.5 million lead records from more than 400 companies from a wide variety of industries. The organizations represented in this study were randomly selected Velocify customers. The lead records analyzed were all generated in the first half of 2012. Milestone, call, and text data for those leads was collected through the end of the third quarter in order to allow enough time for contact and conversion.

It is important to note that while these results and recommendations are widely applicable and should work for most industries, they may not reflect the optimal strategy for some businesses.
Most organizations today use phone calls and emails when communicating with prospective customers. But what about texting? Is it an effective mode of communication in business? Texting has become a popular method of personal communication globally. According to Portio Research, 7.8 trillion text messages were sent worldwide in 2011, or over 1,000 texts for every living person on Earth. Portio predicted that number would increase 23% in 2012 to 9.6 trillion messages. So, there is no question that text messaging is huge and growing. The question is whether it can also be an effective form of communication between salespeople and prospective buyers.

Some progressive Velocify customers asked themselves that question and believed the answer to be “yes”. They asked for texting functionality in their sales software, and almost two years ago, Velocify introduced text messaging into its product to meet customer demand. Broadly, very few Velocify clients have taken advantage of texting in their sales efforts. In fact, only 2.1% of all sales prospects touched by businesses that use Velocify were sent text messages during the nine month period looked at in this study.

So, does texting make a difference in improving sales? Velocify set out to find the answer, and whether there might be right and wrong ways to use text messaging when selling.
Texting at the Right Point in the Sales Process

The easiest and fastest way to measure the impact of text messaging on sales is to compare the conversion rates of prospects that were sent text messages to those that weren't. The research found that prospects who are sent text messages convert at a rate 40% higher than those who are not sent any text messages. However, this metric does not tell the whole story because it dilutes the full potential of text messaging, which the research found can actually improve conversion by more than 100% when used properly. Driving down the average conversion gain is the often inappropriate use of texting before a relationship with a prospect is developed. In fact, the research showed that sending text messages to a prospect prior to making contact on the phone decreased the likelihood of ever contacting that lead by 39%. So, how can texting help increase conversion when it also has the potential to significantly lower contact rates? Figure 1 offers an explanation.
Texting before the sales rep has spoken to a prospect on the phone not only hurts the representative’s chances of contacting that prospect, but more importantly, it hurts his chances of converting that prospect, even if he is successful in making initial contact. As figure 1 shows, contacted prospects who were sent text messages only before phone contact was made tended to convert at a below average rate. Prospects that were sent text messages only after initial contact had been made enjoyed the highest conversion rates, converting at more than twice the rate of the average contacted lead.

The message now becomes much clearer: it’s not in a salesperson’s best interest to text prior to establishing contact with a prospect. However, texting after contact has been made can help significantly improve conversion.

This data suggests that texting in business is an earned privilege. Much like sending flowers to someone before meeting them, sending a text prior to making contact with a prospective customer can be perceived as forcing an early personal relationship where one does not yet exist. Using the same example, sending flowers after a good first or second date is much more likely to be well received. But very few prospects are sent text messages after contact is made today. In fact, the research found that less than 1% of contacted prospects are sent text messages after contact is made. This is clearly an incredible growth opportunity for sales organizations not currently taking advantage of this effective form of communication.
How many text messages should be sent?

Velocify research showed that most organizations that use texting to communicate with sales prospects after they’ve made contact do so responsibly. Very few prospects are sent more than three text messages after contact has been made. Figure 2 shows that as long as text messaging is used responsibly, salespeople may want to send as many text messages as the interaction with prospects might require. But how many text messages are too many? Velocify looks forward to uncovering the answer in future research, when use of texting in business is much more prevalent. As for now, with the limited number of texts being sent by salespeople using Velocify, research suggests that more texts after contact has been established equates to greater engagement and thus a higher rate of conversion.

![Figure 2: Number of Texts After Contact](Figure2.png)
Takeaways and Recommendations

- Texting in the sales process can lead to conversion gains of more than 100%
- Sending text messages before establishing contact with a prospect can adversely affect both contact and conversion rates.
- The content, timing, and number of texts should be dictated by actions taken by a prospect and by the prospect’s status in the sales process.
- Identify worthy opportunities to send text messages after making contact with a lead. Text messages are best used when there’s something timely and important that can be said in a few words. Examples:
  - Follow-up on a commitment made
  - Reminder of appointment
  - Acknowledgement of receipt or approval of document
  - Request for missing information
- Sending three or more purposeful text messages after contact has been made with a prospect can increase conversion rates by 328%
- It’s strongly recommended that all businesses implementing a text message program take a permission-based approach and offer the ability to opt out. It is also strongly recommended that businesses follow current Federal Communication Commission (FCC) regulations as well as the guidelines put forth by the Mobile Marketing Association.

The easiest way to implement text messaging in your sales process is to have an automated system that does this for you! That way, you don’t have to rely on your staff to keep track of all communications and all the text messages that need to be sent at the appropriate times. There are a number of software solutions out there, like those offered by Velocify, that can automatically send text messages according to a set of business rules that you define.

DO YOU HAVE THE TOOLS TO IMPLEMENT AN EFFECTIVE TEXT MESSAGING SALES STRATEGY?

Get a Demo Today
About Velocify

Velocify is a market leading provider of cloud-based intelligent sales automation solutions that drive more effective and efficient sales processes and improved conversion rates. With unmatched expertise, drawn from a dedication to helping more than 10,000 clients automate and improve their lead response and selling processes, Velocify has become the platform of choice for organizations focused on improving customer acquisition practices and business performance. Velocify is a privately held company, recently recognized as one of the fastest growing companies in North America by Deloitte. Please visit www.velocify.com for more information.

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Email: sales@velocify.com
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