How to use

owned media to boost marketing ROI



Introduction



Traditionally, marketers have focused on user acquisition and growth and have been willing to pay top dollar to attract new users and drive conversions. Rising customer acquisition costs (CAC) on major ad platforms, privacy changes to how cookies can be used, and increased competition have pushed many businesses to adapt strategies and find new ways to stretch marketing dollars further.

With CAC outpacing customer lifetime value (LTV) for many businesses, many marketers are shifting their focus to invest in customer loyalty using their owned media channels, like email, SMS, and push notifications. Doubling down on your customer engagement strategies across these channels can help your business:

- Reduce your reliance on third-party data, improving how you collect and use zero and first-party data
- Transition away from expensive ads and heightened acquisition costs
- Provide meaningful, personalized experiences your customers love
- Reengage past prospects and customers to increase LTV

In this guide, we'll take a closer look at what an owned channel is, why it's important, and how your team can use these channels to build exceptional customer experiences that drive conversions.

What is an **owned** media channel?



As you probably know already, there are 3 types of media: owned, earned, and paid. Here's a closer look at each one and the differences:

- Owned media: Owned media refers to all the properties that your organization has complete control over. There are many different types of owned media channels, like:
 - Push Notifications
 - Email
 - SMS/MMS
 - Over-the-top channels (WhatsApp, Facebook Messenger, Google's Business Messages, etc.)
 - Social media
 - Chat
 - Video
- → Earned media: Earned media is when another organization creates content about your business for free-like if an industry blog mentions your product or service, or a customer leaves your company a review on Google.
- Paid media: Paid media requires your business to spend money to reach another company's audience–like purchasing display or text ads.

While many businesses use paid ads to acquire new users and retarget past customers, this marketing strategy is often costly and has shrinking return-on-investment (ROI) potential due to increasing competition and rising CAC. Not to mention, the impending <u>death</u> <u>of third-party cookies</u> will make it harder for brands to target ads to relevant users and measure the impact of these campaigns.

These changes push many marketers to look for more effective and cost-efficient ways to reengage existing customers. Luckily, investing in your business' owned channel strategies can help drive ROI for your business thanks to the channels':

- ➡ Relatively low costs
- → Improved targeting capabilities
- → Greater access to data
- → Ability to meet consumer preferences



The privacy landscape is shifting everywhere



Why are owned channels important?

By using your owned channels, your business can speak directly to your prospects and customers without having to compete for their attention in a feed. Plus, unlike paid ads, owned channels require your prospects and customers to opt into hearing from your brand, giving users greater control over the types of content they want to receive. In other words, while ads focus on customer acquisition, owned media channels help engage and reengage prospects and customers who are already familiar with your brand. That's why these channels can help your marketing team make the best use of their time and resources, as there's a direct connection between you and your best prospects and repeat customers.

That's not all, either, as investing in your company's owned channels can also help you:

Target your customers better: By having a centralized internal view of your marketing database and customer data (rather than leasing that data from an ad platform) your team can better segment your audiences and send targeted content and promotions that drive conversions.

Match your customers' preferences:

Rather than take a one-size-fits-all approach to your customer communications, your business can choose which channels to use based on customer communication preferences and real-time engagement data. Using a customer data platform (CDP), like <u>Twilio Segment</u>, can help you understand customer behaviors and learn what types of content resonate best with your consumers, helping you understand which messages and channels are most likely to engage a specific user.

- Save money: Your business can set a budget for each channel you invest in and stick to it without having to worry about fluctuating advertising costs, saving you money.
- → Improve ROI: Rather than spending money where you don't need to, you can get the most out of your marketing spend by targeting individuals who want to hear from and do business with your brand.
- Measure campaign efficiency: Since you control your owned channels, you can easily measure and track the impact of your owned channels. This can help you optimize your campaign performance and drive efficiency.



Build stronger relationships with your customers: You can use customer data to send personalized and relevant offers, rewards, and reminders and build lasting relationships with your recipients.

Plus, having a holistic view of your customer and owned channels gives your team more freedom to create meaningful cross-channel customer experiences that are unique to your brand. For example, say a customer chats with a member of your team about product recommendations. After their conversation ends, you can send them a personalized email with all the products they discussed and a coupon to encourage them to complete their purchase.

Whether your brand uses one, all, or a mix of the channels mentioned in this guide, you can start investing in your owned channels today and see the impact of your actions almost immediately. In the next section, we'll look at:

- Solution What the benefits of each of these channels are
- Why you should incorporate them into your existing marketing strategy

 $\overline{\mathbb{C}}$

.

24

How to use these channels together to build amazing experiences that more effectively reengage your customers than an impersonal ad campaign

Core customer engagement channels



People who opt into an app's push notifications are about 3x more likely to open an app than those who opt out.

Source: Twilio's Blueprint for Mobile Customer Notifications

Here's a closer look at how core customer channels – push notifications, SMS, and email – can help your business reach and engage your customers:

1. Push notifications

Push notifications are a cost-effective way your business can reengage new and existing mobile application and web browsing users already familiar with your brand.

The value of push notifications

Like email and SMS, push notifications require individuals to opt into receiving mobile or browser alerts from your company. Once they've given your brand permission, your users will receive your push notifications even when their phone is locked and your application isn't running. When used effectively, push notifications can drive in-app and in-browser engagement and even increase user retention and conversions.

Another reason to consider leveraging push notifications is that it's free for your users to receive–although mobile users without unlimited texting plans have to pay for incoming texts and are unlikely to opt into receiving your brand's SMS communications. Since push notifications are free for consumers, your business can use this channel to communicate with customers on their mobile devices.

Key considerations for push notifications

If you're ready to get started using push notifications, here are a few things to consider:

1. Share messages that only provide value

When your messages are spammy, your users might opt out of your notifications. To prevent the opt-out, ensure your recipients find every notification you send valuable in some way, whether you share a new product update or deal or remind them of a timely promotional deal.

2. Segment your audience

Audience segmentation is absolutely necessary with push notifications. It can help your business serve up more relevant messages to your consumers, which, in turn, can boost engagement and conversions.

Using push notifications throughout the customer journey

If a user downloaded your company's app on their phone or opted into receiving your browser notifications, they're clearly familiar with and interested in learning more about your brand. For this reason, push notifications are best to target the later stages of the customer journey and convince users to convert. You can use push notifications to send product/service news, recently published content, promotional offers, event reminders, and even abandoned cart nudges. Then, use the opportunity to encourage users to return to your app, learn more about your newest products/services, and do business with your brand.

Unfortunately, many consumers opt out of push, meaning businesses must turn to other channels to provide more relevant communications to reengage consumers. After all, the average consumer receives 63.5 notifications on their mobile device daily. So, today's marketers and growth leaders must look to other ways to ensure their messages reach users.

2. Email

Whether you're nurturing leads, trying to win back previous customers, or engaging with your most loyal followers, email marketing is the goto marketing channel for customer engagement.

The value of email

Email has the best ROI of any marketing channel–for every \$1 your business spends on email, it gets <u>\$36 in return</u>. Plus, it's a context-rich medium that allows your brand to send longer, more eye-catching marketing messages to your recipients.

While many people like to claim "email is dead," this couldn't be further from the truth. In fact, our <u>2023 Global Messaging Engagement</u> <u>Report</u> found that email is the No. 1 customer preferred communication channel worldwide. Many recipients like that email is secure, reliable, visually appealing, and easily referenceable – making it an ideal channel for your marketing campaigns.

Even small improvements to your deliverability can significantly impact the success of your email program. Try our <u>Email</u> <u>Marketing ROI Calculator</u> to see how. →

Key considerations for email

Ready to start sending emails? Keep these tips in mind:

1. Use email and SMS together

Your email strategy shouldn't exist in a vacuum–it should work together with your SMS/MMS strategy. Together, your business can use these 2 channels to:

- Understand your customers' preferences better
- Segment your audiences further
- Create more personalized communications

For example, if a customer frequently engages with email content about jeans but never shoes and accessories, they'll most likely respond positively to similar SMS content. You can use that information to refine your customer profile and send them more content personalized to their interests, like a sale on your top-selling jeans. That can help deepen your relationship with your customer and drive engagement and conversions.

2. Segment your audience

Taking a batch-and-blast approach to email marketing rarely works. Instead, use customer data to segment your audience into smaller groups based on shared characteristics – like age, gender, interests, geographic location, work industry, purchase history, and more. A CDP allows you to then use this real-time data to continuously improve content performance, targeting, and relevance, which can boost email engagement and allow you to develop a lasting relationship with your customers.

3. Measure email performance

Every time your recipients open, click, forward, and ignore your messages, they send your brand a powerful message. Using <u>email metrics</u> – like open rate, click through rate, bounce rate, forwarding rate, and unsubscribe rate–can help you evaluate the effectiveness of your messages and learn what your recipients like and don't like about them. Many email service providers even offer <u>email delivery and analytics dashboards</u> that give senders quick access to these key metrics and more, so your brand can easily monitor your email program's health and identify opportunities for improvement.



Using email throughout the customer journey

Like SMS, email also plays a significant role in almost all parts of the <u>customer journey</u> – from a <u>welcome series</u> sent to a new subscriber to an <u>abandoned cart email</u> sent to a potential customer to a personalized discount code sent to a long-time loyalist. The key difference between the 2 channels is that SMS is best for urgent communications, while email is better suited for longer, design-heavy messages that recipients can reference as needed. While you should determine which channel is best for your unique audience/content needs, here's a closer look at which types of messages work best with each channel: Whatever content you choose to send, <u>Twilio SendGrid's Marketing Campaigns</u> has everything you need to create engaging emails. Our <u>email design</u>, <u>automation</u>, and <u>testing tools</u> can help you build one-off emails and elaborate workflows and, most importantly, ensure every message you send reaches its intended recipient.



Two channels are better than one. Download our **Email and SMS guide** to learn how to use these complementary channels to boost user engagement.

3. SMS/MMS

Text marketing is an emerging way to stay in touch with consumers and build relationships. Short Message Service, or SMS, allows your brand to send timely, concise messages to users who have opted into receiving your mobile communications. While SMS is limited to text and emojis, Multimedia Messaging Service (MMS) supports images, videos, and attachments. Since a text message is delivered straight to the lock screen of a consumers' phone, both SMS and MMS are the ideal way to reach customers with time-bound offers and time-critical information. Depending on where the recipient is based, both message types can be sent from a single number, using a single API.

The value of SMS/MMS

SMS and MMS are proven, effective marketing channels since they allow you to create highly personalized and engaging customer communications, furthering your relationship with customers and building brand loyalty. These messages can also reach global customers with no additional applications needed, even in low-connectivity areas. To fully illustrate the power of messaging, SMS has a <u>98% open rate</u>, with 90% of recipients reading a message within 3 minutes of receiving it. With engagement like that, SMS allows your brand to form one-on-one relationships with individual customers, which can build customer loyalty and increase LTV more effectively than a costly, impersonal ad campaign.

Key considerations for using SMS/MMS

Here are a few things to consider before getting started with SMS/MMS marketing:

1. Collect explicit permission from your recipients

Before you start sending SMS/MMS messages, you need to get explicit permission from your prospects and customers. Any time you collect their phone number, you must also get their opt-in consent, particularly for marketing or other nonessential communications. You might also have to include clear instructions about how a user can opt out of your texts, depending on the compliance requirements in your recipient's region.



2. Stay compliant

Similarly, you'll need to meet regional compliance requirements based on your recipients' locations. Check out <u>Twilio's Regulatory Guidelines for SMS</u> page for a complete list of compliance considerations to keep in mind before hitting send.

For marketing messages in North America, many businesses will choose to use a <u>toll-free number or a short code</u> to send large volumes of messages. US application-to-person 10-digit long codes (US <u>A2P 10DLC</u>) might also be used for marketing messages where a localized experience is helpful. This might include a realtor or local branch sending promotional messages for a recognizable local area code.

A2P 10DLC now in effect, all businesses using 10-digit long codes to send messages to US-based consumers need to complete <u>A2P 10DLC registration</u>. This shift to a verified messaging ecosystem aims to improve consumer trust and business messaging ROI by giving senders:

- ➔ Higher throughput
- → Increased deliverability
- Improved customer engagement

3. Know when to use SMS

Lastly, not every message is best suited for SMS. Some customers have a low tolerance for <u>bulk messaging</u>, so ensure every text you send makes sense for the channel and provides value to your recipients.

While SMS/MMS messages are perfect for concise, timely communications–like flash sales, security alerts, and back-in-stock notifications–longer, more business-critical communications are often better suited for alternative channels–like email. The best way to determine if a message is a good fit for SMS is to ask yourself:

- → How quickly should the recipient receive the message?
- How business critical is the content of the message?
- ➔ Have consumers been asked what type of content they'd prefer to receive over SMS?

Depending on your answers, decide the best channel to deliver your message to your recipients. Keep in mind:

Over 60% of customers want texts for time-sensitive events.

Source: Twilio's SMS Marketing 101

Using SMS/MMS throughout the customer journey

While your brand can use SMS/MMS at any stage of the customer journey, this channel is best suited for highly important and time-bound offers that provide value for your recipients. Otherwise, your communication might be a better fit for a less-urgent channel, like email.

While an SMS can communicate your message quickly, using images and videos alongside your text can help it stand out even more. In a sea of 160 character messages, MMS allows your business to differentiate your brand and drive sales with a unique mix of images, emojis, videos and more.

Here's a look at the different ways you can leverage these 2 message types to reach your recipients:

- The conversion stage: Abandoned cart texts and back-in-stock alerts
- The loyalty stage: Birthday/anniversary messages and personalized deals
- The advocacy stage: Feedback requests and surveys

As customer acquisition costs continue to skyrocket, SMS can help you retain and reengage customers throughout the buyer's journey, increasing customer LTV for your brand. Learn how text marketing drives ROI for your business in 60 seconds. Try our free <u>Text Messaging</u> <u>ROI Calculator now!</u> →

WhatsApp/Facebook Messenger/ Google Business

Sending the right message to the right person at the right time also requires you to be on the right channel. While SMS is a widely popular messaging channel, it isn't the only way to reach your customers. In fact, depending on your audience, you might even have more users on app-based messaging channels, like WhatsApp, Facebook Messenger, and Google's Business Messages. These apps allow you to easily converse with your recipients, send them to your business profile, set quick replies for frequently asked questions, create call-to-action (CTA) buttons, and share company updates.

Some channels even support click-to-message ads to drive additional traffic to these channels. These ads open a chat dialogue with your business, allowing you to provide immediate support to a customer to complete a purchase or answer a question, with visibility into your ad performance. This level of engagement makes SMS a deeply personal channel, helping to build that one-on-one relationship with your customer. After all, 69% of customers trust businesses more after messaging with them. The additional functionality of these channels helps your business have more engaging and interactive conversations with your customers while giving them the answers they need to feel comfortable doing business with your brand. Twilio MessagingX provides a single platform of APIs for the next generation of business messaging, allowing businesses to stay on top of trends and send relevant, engaging messages at scale.



Knowing which channel to use and when



Not every message is a good fit for every channel. The type of message you send should dictate which channel you use. For example, sending out your company's monthly product advertisements via SMS will probably annoy your recipients, as that channel is best suited for concise, timely messages. Instead, email would be a better fit for this communication since the content is less time-sensitive and recipients can easily reference the material as often as thewy need over the course of the month.

Not sure which channel to use? Check out our decision tree below to help:



When in doubt...ask your recipients

Wondering how to deliver more relevant communications to your recipients? Ask them! Every user has unique interests and messaging preferences, so rather than guess, just ask them what types of communications they want to receive, what channels they prefer, and how frequently they want to hear from your brand. That's the easiest and most accurate way to learn your recipients' needs and wants.

Here are 3 ways your business can collect user preferences:

1. Build a preference center

According to our 2023 Global Messaging Engagement Report, message frequency and irrelevance were the top 2 factors that turned off consumers from receiving email and SMS messages. To ensure neither of these problems frustrate your recipients, consider introducing a preference center.

Preference centers give consumers the ability to tell your brand what types of content they care about and how often they want to receive your messages. For example, an email recipient can share that they want to receive content around deals and promotions, but that your brand should skip sending them your monthly blog newsletter.

This transparency can benefit both businesses and recipients by helping to:

- Boost engagement: If your customers want to receive your content, they'll be more likely to open, click, and engage with your messages.
- → Improve deliverability: When people receive content they find valuable, they'll be less likely to report your messages as spam.
- Reduce unsubscribe rate: Instead of jumping straight to unsubscribe, your recipients can use your preference center to curate when and how they hear from your brand.
- Ensure message relevancy: Your recipients can remove themselves from unwanted mailing lists, while also opting-in to receive communications around the topics they care most about.

Opt-in is typically use case/campaign and channel-specific, but as you introduce new channels to your customer engagement strategy, a best practice is to ask your email, SMS/MMS, and WhatsApp subscribers to set their messaging preferences as soon as they





subscribe. That way, your business can send them targeted messages and respect their preferences from the get go.

2. Use customer surveys

While preference centers let you learn your recipient's messaging preferences, you'll need even more data to truly understand your customers. That's where customer surveys can help. By incorporating such surveys into your messaging <u>welcome series</u>, you can learn an individual's:

- Name
- → Interests
- → Birthday
- ➔ Favorite products
- ➔ Hobbies
- And more

Together, this information allows you to further develop your user personas, better segment your recipients, and ensure you're sending content your customers find highly relevant and personalized to their interests.

3. Collect engagement data

While every consumer has preferences, not every consumer will tell you directly what those preferences might be. Fortunately, there are useful data signals for nearly every communication you send. Everytime a recipient interacts with your messages, they send you powerful data that indicates what they like and dislike. Your business just needs to listen.

Using a CDP, your business can capture when a recipient opens, clicks, or even forwards one of your messages, so you can find patterns in their engagement and uncover the best way to reach your customer across all of your channels. Connecting that data to campaigns allows you to understand the ROI of every communication to optimize future campaigns and to create individualized marketing flows that are most likely to drive loyal customer relationships.

Together, these three strategies allow you to collect valuable information about your customers that you can then use to send more targeted messages your customers want to engage with.

Using owned channels **together**



It's important to remember that the buyer's journey is no longer linear. Think about it: prospects rarely just drive to their nearest store and buy the first product they find to meet their needs. Instead, they might see a product on social media, chat with customer service for more information, and receive a coupon code via email before finally making a purchase.

Why does this matter? It means you need to think about your owned channel strategy holistically and use customer data to build seamless cross-channel experiences. The best way to do this is with help from a CDP, like <u>Twilio Segment</u>. A CDP lets you track every interaction an individual has with your business to help you tailor your marketing strategy based on these touchpoints, ensuring you send the right message to the right person on the right channel.

Customer Journey:



Let's revisit our example from the first paragraph of this section, in which a customer buys a sweater. A CDP will collect data from every interaction this customer has with your brand and consolidate it into a single and unified customer profile. Your business can use that profile across your marketing systems–like the Facebook ads platform or your email marketing solution–to deliver more personalized content based on their past behavior, interests, and needs. For example, since you know this customer is interested in a few particular items their stylist shared, your business can serve these exact products in retargeting ads and emails. As an individual interacts more with your brand and your CDP helps you learn more about them, you can personalize your content further. Of course, better-targeted marketing campaigns lead to better engagement, which leads to a better understanding of how to optimize your campaigns and spend. That's CDP's true superpower – allowing you to make the most of your customer data to build seamless customer experiences that drive positive business results.

Using a CDP, your business can benefit from:

- Having a single view of your customer across all channels and touchpoints
- Building audiences and creating real-time campaigns, without relying on other teams
- → Casting data to activate audiences across 300+ marketing tools
- → Understanding the value and ROI of your messaging channels

In **review**



Every owned media channel has a unique purpose. Some help you attract new prospects, convert leads into sales, and everything in between. And while each of these channels can help drive business results, the true power can only be unlocked when you use them together.

The first step toward building successful cross-channel marketing strategies? Finding the right tools to help.

Twilio is a proven leader in personalized customer engagement. Our platform has everything you need to connect and engage with your customers via SMS/MMS, WhatsApp, email, push notifications, chat, and video. Using the channels that make sense for your business, you can use Twilio to create personalized interactions that connect you with customers around the world.

Ready to build and perfect omnichannel customer journeys?

Start building with Twilio for free and unlock the power of your owned media channels today!

Learn how here →



If you would like to try Twilio Messaging for yourself, create an account and get started today.