4 SMS Marketing Strategies: Which Best Fits Your Use Case?

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Introduction

In today's fast-evolving digital landscape, brands are under increasing pressure to engage customers through the right communication channels, or risk being ignored. One channel that is growing faster than any other is SMS.

Over the past two years alone, brands have increased their SMS marketing efforts by 45%, and 70% of brands plan to raise their SMS marketing budgets in 2025. This shift reflects a growing recognition of SMS as a powerful tool for lead generation, lead conversion, cross-selling, and customer retention.

SMS enables brands to spur consumers into action, whether it's providing information, uploading a document, making a purchase, activating a feature, or completing a payment. The goal of commercial SMS messages is to drive consumers to take actions favored by the brand.

Anyone with a smartphone is likely very familiar with human-initiated texting. Most of us do it multiple times a day. Many of us are also familiar with human-initiated texting from brands. Employees using a CRM like Salesforce send SMS messages to customers. Human-initiated texting from brands delivers concise messages effectively. The only drawback is the cost at scale, as employees are expensive, making large-scale human-driven SMS campaigns costly.

Brands that want to replicate the desirable elements of human-driven SMS at a lower cost often turn to automated texting. This article examines, explains, and explores different types of automated texting as of early 2025.

Automated SMS isn't a one-size-fits-all tool. As brands continue to expand their use of automated SMS, it's crucial they understand and match different types of automated SMS to their audience and message to achieve the best outcomes.

One-Time Notification Strategy Definitions

Static SMS messages are the same for each audience member. There are two types: **Fixed and Semi-Fixed.** Fixed messages have no variation where as semi-fixed messages have a common backbone for each audience member but includes some customized information such as a name, date, amount, or other variable.

The **Prompt** is the initial SMS message brands send to their audience. Brands hope their prompts trigger a desired action. In **One-Time Notification Strategy** campaigns, the desired action is embedded in the Prompt and no further texting is expected or desired.

THIS ARTICLE DEFINES AND EXPLAINS:

- Four increasingly sophisticated SMS strategies: **One-Time Notification, Multi-Scenario Notification, Sequential Notification,** and **Interactive Engagement**.
- Three increasingly sophisticated Branching Technologies: **Key Word Conditional (KCR), Natural Language Understanding,** and **Large Language Model (LLM).**
- **Data Extraction** and **Multi Language** features for SMS

The right strategy and branching technology are crucial to maximize desired outcomes and results from limited budgets. Each strategy/branching combination requires certain technology, investment, and startup time and each yields unique benefits. Understanding cost/benefit tradeoffs for each audience and campaign determines success rates towards a desired action and contributes to (or deducts from) brand image building.

First, we'll explore the simplest automated SMS strategy: One-Time Notification.

One-Time Notification Strategy

Every SMS campaign begins with a message to a prospect or customer – the **Prompt**. The Prompt is **Static**. The **One-Time Notification** strategy sends the Prompt and ends the campaign.

Consider a small brand - Tip Top Bicycle Shop - texting its customers when repairs are done on time. A one-time notification strategy might be the single fixed text message "Your bicycle is ready for pick up" or a semi-fixed text message "**Martha**, your bicycle is ready for pickup. Ask for ticket #**4983**. The cost is $**69.50**".

The One-Time Notification strategy is effective and inexpensive. When a single simple SMS achieves the desired action, One-Time Notification works well.

Multi-Scenario Notification Strategy

One-Time Notification style campaigns are easy but of limited use because they cover but one scenario. In our example, that scenario is announcing a completed repair with a desired action to retrieve a repaired bicycle.

ON-TIME SCENARIO

- Fixed: "Your bicycle is ready for pick up."
- Semi-Fixed: "**Martha** your bicycle is ready for pickup. Ask for ticket #**4983**. The cost is $69.50"

In the real world, however, one scenario is rarely sufficient. For example, sometimes bicycle repairs are late and the "on time" Prompt doesn't fit. We need a second Prompt:

DELAY SCENARIO

- Fixed: "Your bicycle repair is delayed. Please call us to learn more."
- Semi-Fixed: "**Martha** your bicycle repair is delayed. The new estimated completion date is **1/31/25.**"

Also, sometimes bicycle repairs must stop until we receive more information thus, a third Prompt:

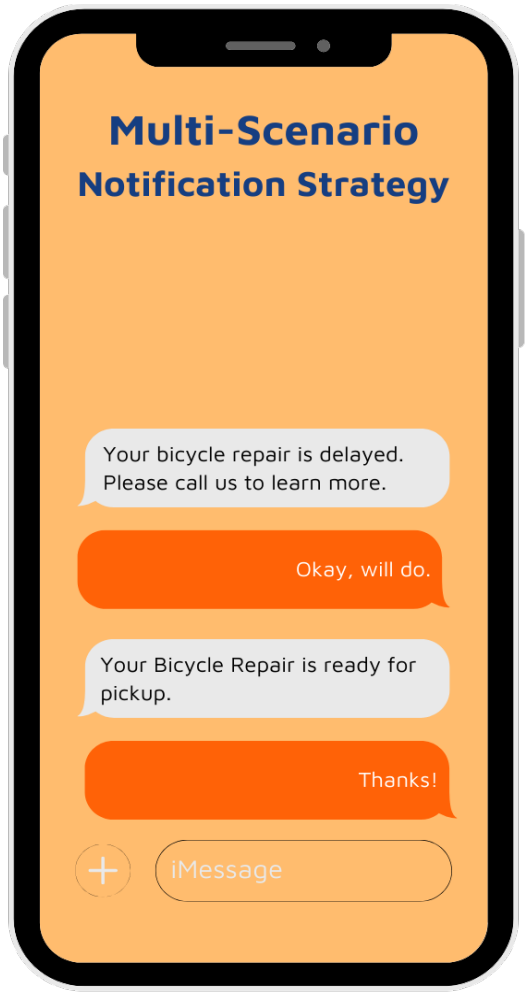
"MORE INFORMATION" SCENARIO

- **Fixed**: "We paused work on your bicycle repair because we need more information from you. Please call us so we may resume your repair"
- **Semi-Fixed**: "**Martha** your bicycle repair is on hold because we need to know your **color choice**. Please call us so we may resume your repair"

A distinct Prompt is required for each scenario. The more prompts we offer, the more scenarios we can cover. How many scenarios should we cover? Brands generally do not need to include every possible scenario. Maintaining hundreds of Prompts for hundreds of scenarios is usually too cumbersome.

Generally, covering 90-95% of cases is sufficient. A good approach is to select the most common scenarios until the sum of their incidence reaches 90-95%. An employee can manually cover the other 5-10% with human-driven SMS messages.

Our little bicycle shop has been in business for quite a while and knows that 65% of bicycle repairs are on time, 20% are late, and 7% require more information. They decide that these three scenarios—covering 92% (65% + 20% + 7%) of cases—are good, so they create three Prompts: on time, delay, and more information. They will cover the remaining 8% by the shop foreman texting a hand-created message from his smartphone.



Interactive Engagement Strategy Requirements

Brands need more than simple Automated SMS can deliver when they want to:

- Collect information
- Qualify consumers
- Select the best offer specific to each consumer
- Provide customized information specific to a consumer's particular needs
- Schedule an appointment

The Multi-Scenario Notification strategy needs one more critical ingredient: a Prompt algorithm assigning the correct prompt to each customer. This may be simple—a clerk placing a paper order ticket into one of four baskets (on time, late, more information, and all others) -- or a more sophisticated IT-driven Prompt algorithm. Prompt algorithms are often built into order processing systems, and the correct Prompt is determined by the order's status in the system.

Algorithmic and Multi-Scenario Notification campaigns are common, inexpensive, and helpful. Brands use them daily. For example, Amazon announces package arrivals (One-Time Notification strategy), security-minded web services send security PIN numbers via text (One-Time Notification strategy), and airlines inform customers of flight delays and gate changes (Multi-Scenario Notification strategy).

Every One-Time and Multi-Scenario Notification campaign embeds the desired consumer action into the Prompt: retrieve your package, adjust to the new flight departure time, or go to the new gate.

Good scenario definition, well-written messages, and accurate Prompt algorithms produce very effective automated One-Time and Multi-Scenario Notification campaigns at a reasonable cost.

Sequential Notification or Sequential Scenarios Strategy

Sequential Notification or Sequential Scenario strategies involve multiple static notifications spaced at set intervals. For example, a doctor might remind a patient of their appointment a week before, a day before, and an hour before. Each message need not be the same, but the series of messages is set and does not vary based on consumer responses (except for opting out with "STOP" or the like).

Some brands extend the efficacy of One-Time Notification, Multi-Scenario Notification, or Sequential strategies by embedding a link or phone number into the Prompt, extending the brand/consumer exchange onto a webpage or into a phone call.

Interactive Engagement Strategy

SMS can do more than merely announce a Prompt to trigger a desired action. As effective as they are, One-Time Notification, Multi-Scenario Notification, and Sequential Notification automated campaigns are limited.

One-Time Notification and Multi-Scenario Notification strategies cannot

accomplish any of these things in the gray box on the prior page because these require 2-way communication – a conversation. Automated SMS conversations require a method to automatically stitch together strings of SMS messages. Conversations differ from serial announcements because future message content depends on prior message content.

Branching Algorithms

Branching algorithms are computer programs that stitch together follow-on SMS messages beyond the Prompt to create strings of SMS messages (conversations). Whereas a Prompt algorithm selects the Prompt, Conversation algorithms select subsequent SMS messages to create conversations. Conversation algorithms factor prior consumer messages. They listen, interpret, and decide. There are many Branching algorithms including:

- **Keyword Conditional Routing (KCR)** algorithms, which look for specific words such as 'yes,' 'no,' 'unsubscribe,' or 'tomorrow' to decide the next automated SMS message.
- **Natural Language Understanding (NLU)** is a form of Artificial Intelligence (AI) that goes beyond specific words to determine a consumer's intent and selects the next SMS message from a set list of possible messages based on that intent.
- **Large Language Model (LLM)** is a form of AI that goes beyond NLU. LLMs interpret consumer intent in the same way as NLUs, but instead of selecting from a set list of messages, LLMs generate the next automated SMS message; each message is uniquely crafted to fit.

Understanding the different types of branching algorithms is essential for selecting the best SMS program for a brand's audience and desired actions.

Key Word Conditional Routing (KCR)

KCR branching is common. The most familiar example might be 'STOP,' which pushes the automated SMS conversation to branch directly to the end. The Federal Communications Commission (FCC) has embraced keyword branching. They require brands to end automated SMS conversations when a consumer replies with any of seven key words.

Doctors and dentists use KCR branching when they offer to cancel an appointment upon receipt of "Cancel" in an SMS message. "Respond 'Y' to confirm" is another common form of KCR branching. Computers excel at finding key words and branching accordingly.

3 Common Types of Branching Algorithms

Keyword Conditional Routing (KCR)

Natural Language Understanding (NLU)

Large Language Model (LLM)

finding key words and branching accordingly. KCR branching selects the next SMS message from a set list of pre-approved messages.

Natural Language Understanding (NLU)

Natural Language Understanding (NLU) is a form of Artificial Intelligence. It is quite good—but not perfect—at understanding intent. This goes beyond keywords, which only work in straightforward situations. NLU interprets consumer intent but does not generate content. Like KCR, NLUs select the next SMS from a set list of pre-approved messages.

Creating an NLU-branched conversation requires a written message set. The right number of messages and their wording must be precise for optimal results. NLU-branched conversations break down when the technology misinterprets the intent or when no message matches the intent. Reducing these awkward exchanges happens as conversation logs are reviewed and messages are added, adjusted, or deleted over time.

Since NLU-branched campaigns require a fixed message set, brands pre-approve every word shown to their prospects and customers. Pre-approval is the norm for most brands so this form of SMS is usually very comfortable.

Large Language Model (LLM)

Large Language Models (LLMs) interpret intent (like NLUs) and also generate messages. When LLMs are used only for their NLU-like abilities, the campaign has nearly the same characteristics as an NLU campaign.

However, when LLM branching is used to generate messages, it is entirely different from Keyword or NLU branching. Such campaigns operate in a completely different realm. There is no pre-approved message set to create or update. When done well, there will be very few gaps or awkward exchanges. The conversation will be far more natural, adding many capabilities available only in LLM-branched campaigns.

LLMs are the latest AI technology (ChatGPT, the first widely available LLM, was introduced in late 2022). As NLUs did when they were introduced, LLMs elevate SMS conversations into new possibilities. While it is easy to be excited about new technology, LLM branching isn't a magic wand.

LLM branching is not the best choice for every brand, audience, or desired action. Some brands are understandably cautious and comfortable pre-approving a message set. Simpler, less costly, KCR SMS campaigns are perfectly fine for many needs. Still, the advantages of LLM branched campaigns are strong. As firms grow more comfortable over time, LLM

Natural Language Understanding Logic:

The quality of an NLU branched conversation is determined by:

Ability of the NLU to correctly **determine intent**

Number, relevance, and quality of **pre-approved messages**

Ability to **match intent with an appropriate pre-approved message**

Ability to **recover** when no message matches consumer intent

campaigns are strong. As companies grow more comfortable with the technology, LLM branching will undoubtedly overtake other forms of automated SMS branching. The prototypes are already impressive.

Instead of a message set, LLM branching relies on instructions, settings, and knowledge bases. Each plays a critical role in determining the conversation's quality and outcome.

- **Instructions** are the "LLM commandments," and there may be far more than 10. These include both positive and negative commandments. Positive commandments might include "you must qualify prospects by asking X, Y, and Z" and "offer an appointment only to qualified prospects." Negative commandments might include "never disclose prices" and "never mention competing brands."
- **Settings** determine the amount of creativity allowed, and personality traits such as a sense of humor. Settings can create a personality from Herman Munster to Taylor Swift or something in between.
- **The Knowledge Base** contains the facts an LLM may draw upon when generating messages according to instructions and settings. The LLM created messages will reflect information within the knowledge base and exclude everything else.

Skilled operators must create the instructions, settings, and knowledge bases. Observation and iteration follow until the campaign is optimized.

LLM Requirements for Quality and Outcome

Instructions or "LLM Commandments": There can be thousands - positive and negative instructions for the LLM to react accurately.

Settings: Personality traits, creativity constraints, tone of voice

Knowledge Base: Facts that the LLM may draw on to generate relevant and accurate information

Data Extraction

Well structured conversations generate valuable information. Consumers willingly share their preferences, budgets, and thoughts with brands they trust. This data is easily captured from the SMS log but in its raw form might not be very useful. It must be normalized.

For example, Tip Top Bicycle Shop may wish to learn whether a lead prefers children, women, or men's bicycles and whether interested in road, dirt, or cruiser models. Since they wish to automate information collection it elects automated conversation strategy SMS and asks a yes/no "Are you shopping for children?"

The one thing you can predict about consumers is their unpredictability. Some consumers answer yes/no questions with 'yes' or 'no' but many don't. If a consumer answers, "Are you shopping for children?" with "my son is 12" a human will immediately focus on boys bicycles. With proper instruction, LLM's do this too. In this case, the LLM will normalize the response "my son is 12" into 'yes' and the conversation can branch as a human would. The ability to normalize data adds tremendous branching power to SMS conversations:

BRAND QUESTION	CONSUMER RESPONSE	LLM NORMALIZED DATA
What state do you live in?	Detroit	Michigan
Are you shopping for boy's bicycles?	My son turned 12 today	Yes
What is your age?	I turn 42 next week	41
Single, married, or divorced?	42 years married	Married

LLMs also handle typos well. "My son turned 12 today" and "Mu sun turned 12 today" will both be normalized the same. If the typo is severe enough, or the answer is too vague to normalize, LLMs can automatically ask follow up questions

#	BRAND QUESTION	CONSUMER RESPONSE	LLM NORMALIZED DATA
1	What is your age?	One	[LLM realizes 1-year olds don't type]
2	That does not seem right. Please enter your age between 18 and 100.	Sorry, I meant 19	19

Normalized data is has many uses including standardized analysis, qualifying, information sharing, and branching to future messages.

Multi Language

Allowing an LLM to write messages opens previously unimaginable language possibilities. With the right coaching, the brand mirrors the consumer's language. This occurs because as the LLM interprets the consumer's intent, it captures the language and, if programmed correctly responds in kind. It does not matter the language of the Prompt. The consumer may even switch languages mid-conversation.

LLM-written messages may be English, Spanish, Croatian, or many other languages. This capability is not required; the LLM can be restricted to only one, two, or just a handful of languages. Most AI SMS campaigns should be restricted to languages the brand can interpret so the conversation logs can be reviewed.

About Customer Solutions Group

We are the experts at Sales Connections, turning leads into meaningful connections and qualified sales opportunities for companies who sell high consideration products, such as Insurance, Mortgages, Higher Education, and Loans. Our proprietary outreach methodology has been developed over 30 years through connecting more than 100 million leads, allowing us to outperform client control groups and other providers. Backed by our exclusive technology and data science, we employ a multi-channel approach including an onshore team of live call agents, SMS, AI, data analytics, and extensive testing to optimize lead engagement and maximize conversion rates.

About the Author

Jeff Feuer, Founder and CEO of Customer Solutions Group has connected consumers to brands at over 500 firms over the past 30+ years including 60 brands with more than 1 million customers each. He piloted CSG through multiple downturns, wildly changing consumer behavior, fluctuating compliance requirements, the birth of the internet, smartphone, texting, and now AI. He says "CSG flourishes no matter what because we laser focus on what marketing and sales executives always need: more yield from leads. This never changes even though the tools and conditions to achieve it do. Whether by telephone, SMS, through human, automated, or AI technologies, one or more of CSG's services consistently lifts our client's lead volume." Jeff earned his bachelor's degree in Economics from UCLA and MBA from Harvard University more years ago than he cares to remember. Jeff is always learning and welcomes new ideas.

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