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Ringling In the Customers: Harnessing the Power of Mobile Marketing

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Introduction

Imagine a customer touchpoint that has the power to reach more than three billion customers worldwide; one that follows the customer everywhere they go, garners almost immediate attention, provides a unique opportunity for personalized two-way dialog, and facilitates real-time delivery of products, services, and marketing communications. Think about a touchpoint where a one-month sweepstakes campaign offering nothing more than weather updates to all participants and a free BlackBerry to the winner yields 700,000 responses – 700,000 customers opting in to dialog with you; 700,000 customers visiting your web site providing the opportunity to gather a wealth of information on behavior and preference.

Marketing Nirvana? Possibly, but unlike most nirvana concepts, this one does exist today. The touchpoint we are describing is the mobile phone, and its potential and early successes are generating substantial interest among marketers across industries. When The Weather Channel decided to highlight its mobile offerings through the mobile month sweepstakes referenced above, more than two thirds of the resulting 700,000 entries came from mobile phones. The organization experienced a record-breaking 35% increase in mobile web traffic during the promotion and substantially exceeded sales goals for mobile downloads.¹

Many companies are dedicating portions of their marketing budgets to mobile communications and are training their marketing executives to the possibilities inherent in the channel. Proctor and Gamble has developed a program they call 'Ad Lab' that trains brand managers in mobile marketing concepts. Advertising agencies are expanding their digital marketing offers to include the mobile channel. The Mobile Marketing Association, a group that educates on best practices and drives toward standards, currently has more than 650 members and saw its membership increase 150% in 2006 alone.² And, a recent study conducted by Jupiter Research found that twenty-two percent of companies advertising online also are doing mobile marketing. The

¹ WWW.Brandweek.com, "Case Study: Outlook Sunny For Weather.com Mobile Campaign", August 18, 2008, Kenneth Hein.

² WWW.Directmag.com, "Mobile Marketing Association Membership Up 150% in 2006", January 29th, 2007.

study predicts that mobile marketing expenditures will more than double – from an anticipated \$1.4 billion this year to \$2.9 billion in 2011.³

Imagine the Possibilities

While this channel is still in its infancy, we're seeing new applications every day. Consumers can receive mobile alerts on breaking news, special sales events, and traffic or flight delays. They can find specialty store locations by texting in their zip code. They can get professional sports tickets, airline boarding passes, and in-store coupons delivered to their mobile phones. They can watch stored videos or live sporting events while on the go. And, in some countries such as Japan, they can even use their phones like a mobile wallet, at the parking meter, at the cola machine, and in the grocery store. The following examples, while fictional, illustrate what we can expect in the very near future from companies using the mobile channel to enhance communications, improve the customer experience, and ultimately increase sales and profit:

Take It on the Run - Driving in the Customers

Missy Mocha is a regional sales manager and self-avowed coffee junkie whose territory covers several states and contains numerous sales representatives. Missy spends most of her days on the road, calling on customers and meeting with her sales reps. While she was picking up a coffee in her favorite specialty coffee shop, an advertisement in the store caught her eye. The ad, aimed at busy travelers just like her, highlighted a new service whereby customers in unfamiliar locations could text in their zip code and receive the location of nearby stores directly to their mobile phones. Mindful of her constant travel to unfamiliar cities, she saved the number mentioned in the ad to her mobile phone under 'coffee' for use on her next trip.

The next week, on arriving in a new city and in need of coffee before her first meeting, she pulled up 'coffee' in her address book and texted her zip code to that number. Almost immediately after she hit send, she received an incoming text with a store address, phone number, and a link to a mobile web site. Clicking on the web site brought up a local map positioning the store, as well as the ability to type her current address to get explicit directions to the store. The site also enabled Missy to opt in to receive information

³ WWW.Mediabuyerplanner.com "P&G, Others Build Mobile Marketing Budgets".

about in-store promotions and specials. For opting into the service, she received a coupon for a free coffee, which she promptly redeemed when she arrived at the store.

Over time, Missy made the coffee shop her 'office on the go' and transitioned from simple text communications to augmenting her loyalty card credits by swiping her phone at the cash register (actually a specialized point-of-sale device), to purchasing specialized ring tones from the company's mobile web site, to providing feedback about store events and new coffee flavors, and to obtaining, paying for, and sending coffee gift cards to her sales reps – all by using the mobile phone as her communications channel of choice.

The Sky is the Limit

Frank Frequent is a platinum flier who logs thousands of miles per year on various airlines and prizes any innovation that will minimize his wait times and speed him through the airport. When Frank responded to a well-placed internet banner ad opting in to receive alert messages directly to his mobile phone in case of flight delays or gate changes, he did so mainly out of curiosity – he hadn't conceived of using his phone in that way and wanted to see how it worked. Little did he know that his single web click would start a relationship with the airline that would catapult it to the top of his preference list, motivating him to fly with them whenever he could.

Several positive experiences with the alert system stimulated Frank to become a bit more adventuresome and test a feature that would allow him to receive a two dimensional bar coded boarding pass directly to his phone. The first time he used it, he was with a client all day without an easy way to print a boarding pass. The mobile feature allowed him to bypass the ticket counter, go directly to security, and use the mobile boarding pass to get through the checkpoint for his flight home. It went off without a hitch. Unfortunately for Frank this was the only uneventful aspect of his journey as a pre-takeoff thunderstorm stranded the plane on the runway for several hours and jeopardized his ability to make his connecting flight at the next airport. Heaping insult on injury, they were connecting through a hub airport for the airline meaning that many others on the plane were in the same boat as Frank. Worse yet, while his frequent flier status had garnered him an exit row seat, it was toward the back of the plane, virtually guaranteeing that he would be in the back of the re-booking line at his destination.

When he turned his phone on after they landed, Frank experienced a pleasant surprise (the first of several he would have that day). Anticipating his missed connection, the airline had re-booked his next flight and sent his boarding pass and departure gate information to his phone again (thus enabling him to bypass the gate agent lines). The text also included a \$5.00 coupon that he could redeem in one of the airline's partner restaurants while he waited for his new connection.

When Frank finally made it home, he had his final negative experience, which the airline also managed to turn into a positive. His luggage was overlooked in the chaos of the disrupted connections and did not make the flight. When he landed, he had yet another text message from the airline, this one apologizing for the inconvenience of the missing luggage and providing him with a click through link that connected him with the airlines lost luggage IVR where he was able to provide a delivery address, enabling him to bypass baggage claim altogether and go straight home. The text message also informed him that because this was his second disrupted flight experience in the last two months, they were providing him with a deposit of 10,000 frequent flier miles to use towards a free flight. The airline selected the extra miles based on Frank's consistent use of accumulated frequent flier miles, correctly assuming that this award would be of value to him.

Bring in the Benefits

The potential benefits from this channel are many and varied. First consider the ownership figures for mobile phones, which are staggering. Mobile entertainment firm, Limbo, estimates that there are currently 3.3 billion mobile users worldwide with almost 300 million of those in the U.S. In one Limbo survey, 53% of U.S. customers indicated that they were active text users (text at least once per month), with U.K texters weighing in at a whopping 93%.⁴ These numbers translate directly into what Forrester Research calls 'eyeballs' or the number of customers you have the potential to reach using the mobile channel.

Reach is not the only benefit. In fact, if done right, mobile communication presents a unique opportunity to 'cut through the clutter' and deliver relevant messages and content to customers regardless of where they happen to be. And there is no doubt getting a customer's attention through advertising or marketing is a challenge. In

⁴ Limbo-GFK Mobile Advertising Report 2nd Quarter, 2008, www.limbo.com.

1999 when writing about the internet as a newly minted marketing channel, then vice president of direct marketing for Yahoo, Seth Godin, coined the term 'infoglut' to highlight the challenges faced by marketers trying to get their message out. He estimated that in 1999 the average consumer saw more than one million marketing messages per year – about 3000 per day.⁵ In the ensuing years, infoglut has steadily increased, making the quest for customer attention more difficult than ever. Customers see so many marketing messages that they've become adept at avoiding them; unsolicited email and snail mail is deleted or thrown away unopened, commercials are fast-forwarded, and internet banner ads are ignored. Getting your message across requires that you find a way to make your communications anticipated, personal, and relevant, and the mobile channel is tailor-made for ensuring that you achieve this.

- **It drives revenue** – The mobile channel can be used to promote sales and drive customers into retail stores. The coffee shop not only drove Missy into the store via its locator service, it also generated sales through the mobile coupon and gift card offers. In addition to promoting sales through more traditional mediums and enhancing service, mobile introduces a whole host of mobile offerings that customers are willing to pay for, e.g., games, ringtones, and sports broadcasts.
- **It promotes loyalty** – Engaging in personalized, two-way dialogue with customers, demonstrating understanding of customer communication preferences, and providing relevant and timely content make for a highly positive customer experience. The airline provided Frank with an outstanding customer experience in a less than optimal situation and became his preferred carrier. The coffee shop transitioned Missy from a passive customer into an active advocate who visited frequently and influenced her sales representatives. Mobile is intensely personal, facilitating trust and loyalty and providing organizations with the ability to achieve Seth Godin's vision for the future: "turning strangers into customers and customers into friends".⁶
- **It targets a key demographic** – Mobile marketing can target two extremely desirable but hard to reach demographics – GEN Y (ages

⁵ 'Permission Marketing: Turning Strangers into Friends and Friends into Customers' Seth Godin, Simon & Schuster, 1999.

⁶ 'Permission Marketing: Turning Strangers into Friends and Friends into Customers' Seth Godin, Simon & Schuster, 1999.

18 – 28) and GEN X (ages 29 – 42). Mobile phones are tightly integrated into the daily lives of these groups with 80% of Gen Y and 50% of GEN X actively texting and 25% and 20% respectively using the mobile web.⁷ CIO magazine called GEN Y “the most pluralistic, integrated, high-tech generation in American history” and described them as having more information, greater technology skills, and higher expectations of themselves and others than any prior group.⁸ While this group is not likely to read a newspaper or open a direct mail piece, they are quite likely to respond to mobile offers and notice mobile ads. Building the loyalty of this generation might well require that organizations utilize the mobile technology that is so integrated into the fabric of their lives. GEN X’ers, while not quite as tech-savvy, are increasingly turning to mobile as well. With the high levels of disposable income that this group has amassed, they are a powerful force. And, as they turn to the mobile channel mobile as a communication mechanism of choice, companies will be hard pressed to ignore their preferences.

- **It provides immediacy and feedback** – The mobile channel enables organizations to reach customers in real time with content that is highly personalized both to the individual and to the circumstances. The airline was able to reach Frank with a new flight, departure gate, and boarding pass while he was still on the first plane. The compensatory flight award he received while getting the news about the delayed luggage had a much more positive impact on his views about the airline than it would have had if he had learned of it days later. The coffee shop uses the mobile channel to reach Missy with in-store events and promotions while she’s away from her desk, increasing the likelihood that she will see and take advantage of these offers. Marketers can also use responses to determine performance of more traditional media quite effectively. The airline, for example, can differentiate customers that sign on to their service while booking reservations online from those that texted into a number from an airport poster, thus determining the effectiveness of both their internet banner and airport ad locations. The coffee shop can track which billboards or store posters are yielding responses by positioning different key words to be texted on each one. In both cases, the organizations have the ability to determine which advertisements are performing to expectations and which are not – and can tune the campaigns mid-stream if necessary.

⁷ Forrester Research Inc., North American Technographics Benchmark Survey, 2008.

⁸ ‘Management Techniques for Bringing Out the Best in Generation Y’, Deborah Gilburg, October 26, 2007, www.cio.com

- **It complements traditional marketing media and service channels** – Both the airline and the coffee shop implemented mobile efforts in conjunction with other more traditional communications and marketing media. The airline used the mobile phone as a convenient way to provide service communications to Frank, improving his experience and reducing their service costs (one fewer person transacting with gate and reservations agents). The coffee shop used mobile as a marketing mechanism, providing an on-the-go Missy with store locations and offers, ensuring that she frequented their locations rather than the competitors'. Both companies also implemented the mobile initiatives in conjunction with other more traditional media - publicizing their mobile offerings through the internet and billboards.
- **It enables dialog** – It is a communication medium, and as such, fosters two way conversations between organizations and customers. In our example, the coffee shop received communications from Missy about product preferences and store events. She willingly provided them with her location every time she texted in her zip code, and she expressed a clear preference to receive outbound messages on her phone.

The Mobile Marketing Landscape

The mobile landscape, albeit fairly new, is quite dynamic, and marketers are constantly pushing the envelope and developing new methods of engaging the customer. Most of what we highlighted in our airline and coffee shop examples is practiced in some form today by industry leaders. Examples of thought leading initiatives include:

- Meijer provides qualifying customers with text alerts before the price of gasoline at pumps associated with their store locations is due to increase.
- 1-800-Flowers has a mobile store for BlackBerry customers.
- Dominos Pizza provides a store locator and ordering capability from the mobile phone.
- Lufthansa offers a host of mobile services, including mobile boarding pass, mobile check-in and seat selection, mileage updates, and SMS alerts.
- Polo Ralph Lauren provides images of top merchandize and shopping ability over the mobile internet.

- Brands, such as Arby's, Hollywood Video, and Pete's Coffee, are teaming with a mobile services company to develop a mobile coupon wallet that delivers scannable coupons to the mobile every few weeks.

The Mobile Environment

There are four primary types of mobile interactions available to marketers when developing campaigns. These include messaging, mobile web, applications and downloadable content, and video.

SMS Messaging

SMS (Short Message Service) messaging is the most common type of mobile marketing used today. SMS messages are standard 160 character text-only messages. In this type of communication, content can be delivered to the customer via SMS messages, and the customer can initiate contacts by texting to a 4- to 6-digit number called a common short code (CSC). Messaging can include sweepstakes entries, quizzes, trivia questions, voting, and alerts. Scannable coupons can be delivered via messaging as can customer-requested items such as store locations. Messaging is the predominant type of mobile initiative because it has the largest potential reach. Most handsets in use today are capable of SMS messaging, and as highlighted earlier, 53% of U.S. users text at least once per month. Messaging is also the most simple for customers to navigate and use, which makes both it a good introduction for customers unaccustomed to using their phones in this way and an easy way to conduct dialog with all customers willing to use the channel.

MMS Messaging

MMS (Multimedia Message Service) messaging is more robust than SMS because, in addition to text, it also supports other types of media, such as photos, video, audio, and graphics. MMS messages push data, as well as text, and typically require the receiver to have a data plan or pay for the data that are transmitted. While 98% of handsets in use in the U.S. today are configured to send and receive SMS messages, only about 46% can deal with MMS, making MMS a bit less common than SMS as a medium for mobile marketers.

Mobile Web

Utilizing the mobile channel for web access involves using a platform called WAP (Wireless Application Protocol) to create web content that is formatted to the small display screen sizes available on most mobile devices. Although growing in popularity, mobile web is not used as much as messaging primarily because user adoption of web browsing from the mobile phone is not as high as text messaging.

There are many ways companies can engage customers via the mobile internet. Users can access web sites containing specialized content, such as the map and driving directions found on the coffee shop site. They can browse sites to view content, such as news and weather. Some retail organizations enable customers to browse and purchase merchandise from the mobile phone, and others provide mobile web users a click-to-call option where the users can click a phone number and be connected with stores or service representatives. Applications, such as games and ringtones, can be purchased and downloaded to the phone from the mobile web. Organizations can also place banner ads on the mobile internet to stimulate click-through to their mobile WAP sites in much the same way they do on the internet. Many work with the mobile carriers, as well as with search engines, to get their banners optimally positioned.

Mobile Downloadable Applications

Mobile applications include applications that are specifically built to run on the mobile phone. These applications run the gamut from games, media players, and productivity enhancers such as notepads, and diaries. There is also a category of applications termed 'highly focused applications'. These are created expressly for accomplishing a single end-to-end function, such as checking in for a flight and receiving a mobile boarding pass. Many phones come preloaded with applications such as alarms, calculators, and calendars. Typically, applications will require that a user download and install an executable file onto the handset. When the user wants to run the application, they open it by finding the application icon and clicking on it or by consulting the phone's menu key. While most applications will also require mobile web access during their execution, they're generally designed to allow most of the application work to happen on the phone, requiring only infrequent access to the mobile web sites for content updates. The game BrickBreaker for example, runs on the phone, but allows users to

submit their high scores to a mobile WAP site where they're ranked against other game players. Applications have varied uses in a multi-channel mobile marketing and communications strategy. Frequently, they're used to entice customers to participate in a mobile initiative, e.g., 'view our ad and receive a free mobile game'. They also serve as revenue generating products in their own right with many flavors of applications, including financial management, graphics and games, or sales force management. Companies can also team with mobile application providers to have their brand advertisements embedded into the application. This is quite common with mobile games, where the advertisements can be positioned at the beginning and end of the games, as well as embedded into the play itself. Approximately 21% of handsets in use today are enabled to download and execute applications.

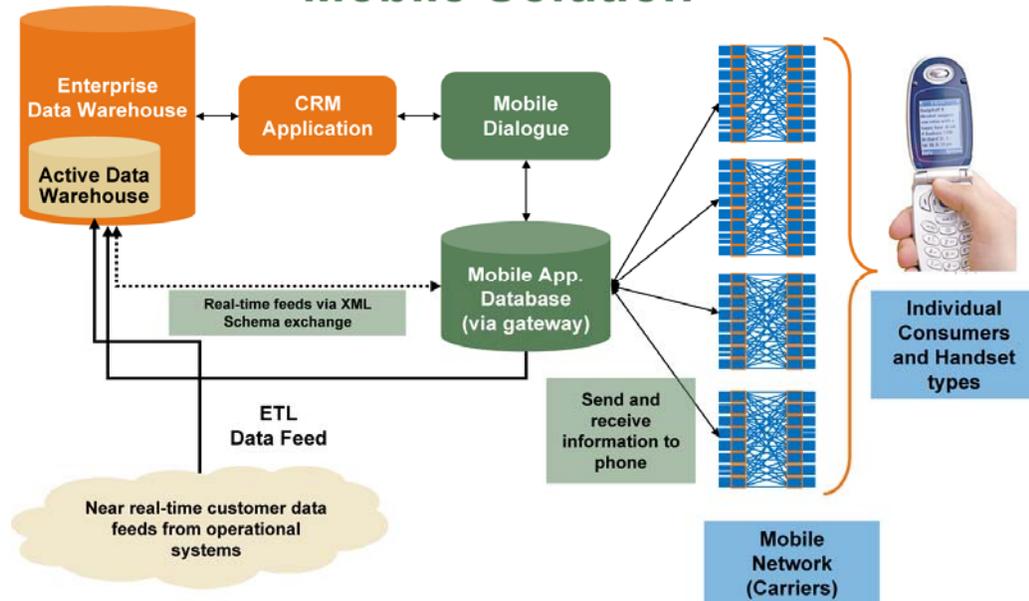
Video and Audio

Video and audio, sometimes called streaming media, have several flavors. These can consist of actual content, such as pod casts, movie clips, mini episodes of actual TV shows, or made-for-mobile content, commercials of interest, such as the super bowl ads, and actual sports events like the Olympics. Many companies offer this content free of charge and subsidize the cost by selling ads that are integrated into the video or audio. Other companies marry their own commercials with an offer for a free application, service, or coupon for those who watch or listen. While this represents a high 'cool factor', particularly for the younger age groups, the video component does not have a high overall adoption rate within mobile users yet. In one Forrester Research study, only 3% of survey respondents indicated that they use their mobile phones to watch TV or video.⁹

⁹ Forrester Research Inc., North American Technographics Benchmark Survey, 2008.

The Technology Environment

Mobile Solution



Complexity reigns in the mobile technology environment. The number of different handsets, the desire of mobile carriers to protect their customers, and the need to ensure efficient and timely delivery of communications all present challenges that the mobile marketer must wade through. Let's look at a few of the challenges and the complexities that they present:

Handsets: There are myriad wireless carriers and hundreds of mobile handsets, all with different specifications, screen sizes, and embedded features. New handsets and new features emerge almost daily. The vast number of handsets directly effects development of both mobile applications and mobile web sites. Each mobile message, application, and video must be created to fit the characteristics of all handsets. Each mobile web site must also be formatted to fit differing handset screen size and characteristics.

Rules and Regulations: Complexity comes also in the form of rules and regulations imposed by the mobile carriers, the MMA, and the Common Short Code Administration (CSCA). Each carrier has a different set of rules designed to protect its customers. Requiring marketers to end mobile communications to any customer that texts the words 'stop' or 'quit' is an example of these rules. The MMA has also developed a set of guidelines that all mobile

marketers must follow. These are consistent across carriers but can differ from the carrier rules. Securing a CSC for a mobile campaign also requires a set of submissions and approvals prior to execution of a campaign. Companies must submit planned campaign specifics to every wireless carrier included in the campaign. Not only must the carriers approve the campaign, but each campaign and associated application must also pass through a test phase to satisfy the carriers that it works appropriately. It can take as long as eight weeks to gain approval for a campaign. Campaigns encountering issues with the submission or test can take much longer.

Message Delivery: Finally, consider that messages, applications, and videos must be delivered over a network to and from the customers. Timeliness and reliability of message, application, and content delivery are critical to campaign success. Campaigns, such as the store locator, rely on both the initial text requesting a store location, as well as the resulting reply being delivered without delay.

Several types of mobile vendors have emerged to help companies wade through the complexities inherent in the mobile environment. These organizations, all providers of some type of mobile services, generally sit between the brands conducting the mobile campaigns and the mobile users who receive the messages and content. They build platforms and networks for delivering messages, keep databases with handset requirements, develop applications and mobile web sites for the different handset models, work with the carriers to gain approvals, and track and analyze campaign results. Forrester Research has identified these five types of mobile service providers¹⁰:

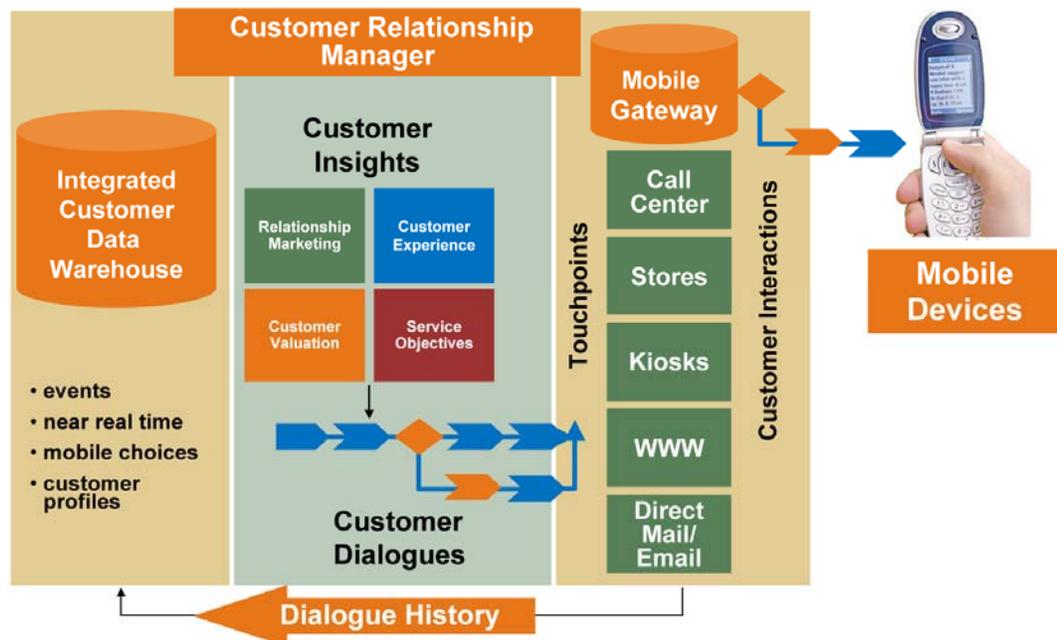
- Agencies – Assist with the creative side of mobile campaign development, match campaign goals to mobile mechanisms, and work with mobile technology providers to implement campaigns.
- Messaging Providers – Focus on messaging campaign creation and delivery ensuring broad reach, reliable delivery, and messages that conform to handset requirements. They can also provide campaign tracking, analytics, and reporting.

¹⁰ "Making Sense of the Mobile Marketing Vendor Landscape" Charles S. Golvin, Forrester Research.

- Mobile Web Enablers – Develop mobile web WAP sites, optimize these for various handset characteristics, and assist in determining optimal content and functionality.
- Application Developers – Develop applications for the mobile handsets, and assist in the delivery and distribution of these. They also provide analytics and reporting for their applications.
- Niche Specialists – Focus on very specific areas, such as in-game advertising, mobile web search, and mobile video development.

Some mobile providers span all the categories listed above.

One Environment for Connecting with Your Customers



Data and Analytics Infrastructure

In addition to the mobile technology and creative vendors, there is another set of technology applications, the importance of which cannot be overlooked when considering mobile campaigns – the data warehouse and CRM environments. While some organizations do implement mobile campaigns outside the business intelligence or CRM environments, this is not a good long-term practice. Instead, CRM and the data warehouse are foundational to successful mobile execution and should both play a central role in ongoing mobile initiatives.

At a minimum, companies implementing mobile marketing must develop a list of customers opting in. They must tailor the content of all mobile communications to ensure relevance to the customer. They must measure campaign success. And, they must detect when the time is right, and respond with the appropriate message. All of this is greatly enabled by access to information that is integrated, cleansed, centralized, clearly defined, and consistently refreshed – information that is housed in a data warehouse or CRM application. Integrating mobile initiatives into these applications only makes sense. Using the powerful analytics capability found in the business intelligence environment enables organizations to identify and target those customers most likely to opt in to mobile campaigns, to develop content and messages most likely to resonate with various customer segments, and to determine which mobile activity leads to higher purchases, additional revenue, decreased costs, and improved satisfaction. Integrating the mobile channel into the operational and customer service aspects of the organization enhances the value delivered – both from the data warehouse analytics and from the mobile offerings themselves. In our airline example, the company used analytics to determine which type of offers Frank would value most. They used the operational CRM applications to ensure that those offers were publicized to all who dealt with Frank. And, they used the mobile channel as simply a timely and convenient delivery mechanism – integrated seamlessly into both the data warehouse and the CRM applications.

The data warehouse and CRM already play key roles in other established marketing communications. They are critical to the success of event-based marketing initiatives where the goal is to understand when customer behavior deviates from the norm and respond with an offer tailored to the unique behavior. They are also an integral part of an integrated customer communication optimization strategy that spans marketing, service, regulatory and other communications across all channels. The data warehouse in particular presents the optimum mechanism for pinpointing relevance and cutting through the clutter of ‘infoglut’ – factors that are critical to the successful use of the mobile channel.

Successful companies should also take this integration further than simply feeding information from the data warehouse to mobile campaigns and vice versa. Organizations should aim to integrate mobile technology applications provided by the vendors described above as tightly into the data warehouses and CRM applications as

they have with marketing automation, contact optimization, and event-based marketing applications. This type of tight integration will prove quite helpful when the mobile channel becomes enmeshed in day-to-day customer communications as it will provide a seamless environment from which to do analysis, event detection, offer generation, and results measurement.

Position for Success

Companies experiencing success with the mobile channel enjoy enhanced relationships with their customers due in part to their mobile programs. However, these organizations and the experts that guide them would affirm that mobile success is not as simple as adding mobile to the communications mix. Rather, there are best practices that must be followed to ensure full value and continued growth and scalability for the program. These include:

- Securing clear and unambiguous customer opt in
- Matching reach to both objectives and targeted customer base
- Embedding simplicity into required customer actions
- Broadcasting and measuring a clear call to action
- Ensuring relevant content
- Leveraging customer insight for future learning and reuse

Green Light, Red Light

Customer opt in is key. While many forms of direct marketing involve sending unsolicited communications to customers, this spells disaster in a mobile initiative. The mobile phone is a highly personal device, and most customers are sensitive toward its use because they pay for calls, text messages, and mobile web use. The popular Sprint commercial that depicts a family's reluctance to use 'rollover minutes' versus 'new minutes' is a humorous attempt to combat this perception by publicizing innovative pricing.

Perception of cost makes it absolutely essential that each and every customer you communicate with in this fashion provides permission or opts in to receiving mobile communications. Opt in can be achieved in various ways. Enticing a customer to text in a short code to receive return messages, driving them to visit a mobile web site and sign up or purchase from there, and enabling sign up on the internet through the PC are all valid methods of obtaining opt in. In all cases, the customer

must clearly understand that they are opting into receiving communications via their mobile phones. Because customers tend to have short memories, all outgoing mobile messages should strive to remind customers of their opt in. This can be achieved by including a common tag line on each message, by replying to incoming texts so the user-initiated message is included, and if the user opted in via a web site, by including the URL for the site in the message.

Equally important, and required by mobile carriers and the MMA, is that the customers understand how they can opt out of the campaign at their discretion. Generally opt out is facilitated by a customer texting the word 'stop' to the short code used in the campaign.

Reach for the Masses

An understanding of reach is required. Companies implementing mobile initiatives have numerous options to choose from when planning their campaigns. The temptation to jump right in with both feet and design multifaceted campaigns that incorporate fancy messages, video, web access, etc., can be quite strong. Many experts advocate resisting this temptation initially, however, because while most households own cell phones, relatively few of them use those phones for web access or to download content such as videos. Instead, these experts generally advise a two-step process:

- First, implement the campaign that will have the greatest reach among the targeted customers – typically SMS messaging campaigns.
- Second, carefully mine the lessons from early campaigns, and use these to branch out into more complex mobile initiatives if appropriate.

As a general rule this is good advice, however, the real key to successful mobile marketing is to carefully match the type of initiative to your customer base and to your campaign objectives. For most organizations, matching reach to the customer base does mean sticking to SMS messaging initially because it has a much broader user adoption rate than mobile web access or content consumption and because their customers tend to be less mobile savvy.

For some organizations though, multifaceted campaigns work quite well. Consider The Weather Channel (TWC) sweepstakes campaign described earlier. TWC offers a range of mobile offerings targeted to internet savvy customers, including free text alerts and mobile web access, as well as subscription-based, premium mobile weather services.

They wanted to make the mobile web site and for-purchase mobile offerings more widely known to these targeted customers, and thus, designed the initiative to include a mobile web access component. Despite the lower adoption rate for mobile web as compared to simple messaging, their campaign successfully drove significant traffic to the mobile site and helped them to realize sales goals for the subscription mobile offerings.

Mobile for Dummies

Simplicity is the secret. Many companies turn to messaging as their primary means of mobile marketing because it's easy – easy for the customer to do and easy for the company to implement. When asking customers to opt into mobile dialogues, the path to that opt in must be clearly understood, the instructions must be easy to follow, and the number of steps that the customer has to take must be minimal. The coffee shop store locator initiative is a good example of simplicity. The customer sends a text message containing their current zip code to a published short code, and they immediately receive a return text with nearby store locations. This campaign provides clear and simple directions, asks the customer to do only one action, and requires minimal typing.

If the mobile campaign involves web access or the download of content, simplicity should still reign. In the case of the coffee shop, the store location text contained a link to click for more information and driving directions. Clicking on this link takes the customer directly to the mobile web site rather than requiring them to initiate their web browser and type in the URL (which would be much more complex). Once on the site, the customer can click the store phone number to initiate a call, or type in their current address to obtain driving directions. In either case, the options are clearly explained and easy to use, and the user does not have to click through many screens to get what they need.

Lights, Camera, Action

The call to action is needed. The call to action is what you want the customer to do as a result of the campaign. Mobile campaigns can have many different, effective types of calls to action. A simple example is the store locator initiative where the coffee shop broadcasts 'text your zip code to 12345 to receive store locations closest to you'. When planning the mobile campaign, it's important to identify what you want the results to be and plan the call to action to drive those results.

Equally important is planning how you will measure the results. Using mobile because you can or to see how many people might respond is not advisable. Consider the organization that decides to get its feet wet in mobile with a single-step campaign asking customers to text in a sweepstakes entry or to enter a vote. In this example, the campaign may get the customer to use their mobile phone to communicate with the company, but no ongoing dialogue or opt-in permission is fostered, no real value is delivered to the customer, and no purchases are stimulated. While the campaign may generate measurable results in the number of entries, the organization hasn't accomplished anything other than possibly increasing brand awareness.

Contrast this with the campaign run by TWC. In the TWC campaign, entering the sweepstakes required a visit to the mobile web site, where the customers were exposed to the variety of mobile services offered by TWC. Success was measured in the number of mobile visits, time spent on the mobile site, content viewed, and subscription services purchased.

Don't I Know You?

Timely, relevant content is critical. The customer perception of cost associated with using mobile, the intensely personal nature of the mobile phone, and the ease with which customers can opt out of this channel (one text of stop and you can't use the channel with that customer again) combine to drive the need for relevance and value in all communications and mobile offers. John McKean, Executive Director for the Center for Information Based Competition and an expert in social networking and mobile communications, emphasizes the importance of nailing the value proposition with each and every mobile customer communication. John says:

"Customers likely to use the mobile channel to communicate with you are empowered and extremely sophisticated in the use of information – and you cannot apply traditional CRM techniques to this group and expect to keep their loyalty and trust. On a scale of one to ten, in a traditional CRM environment an offer with a relevance of about a five might not make the sale but will probably not lose the customer. In the mobile environment, anything less than a ten will most likely disenfranchise the customer and will cause, at best, an opt out of the channel, at worst an opt out of the relationship."

Sending a text to a passenger indicating a delayed flight after the original takeoff time has passed is not timely and can risk disenfranchising the passenger. Making the assumption that one visit to

a mobile web page indicates acceptance of text alerts on updated content can be a major annoyance and a costly mistake. Failing to frequently update mobile web content with targeted and relevant information to stimulate repeat visits can end the mobile activity you've so carefully cultivated.

A successful and ongoing mobile relationship is one that uses the mobile phone as part of an ongoing multi-channel communications strategy. This means using mobile not just for marketing and sales, but also for service. It means asking the customer how and when they would like to use the mobile channel and accommodating them. It means getting the message right (relevant, timely, and valuable) each and every time you talk to them. It means incorporating the mobile channel into a robust data warehouse environment and taking full advantage of the comprehensive analytics offered in that environment to tailor content, measure results, and anticipate the need for action.

Listen, Learn, Leverage

Leveraging learning and customer insight is crucial. Mobile communication provides a tremendous opportunity to learn – about the customer with whom you're communicating, about the advertisements you're using to publicize the mobile campaigns, and about your products and services. Our coffee shop learns about Missy - her coffee flavor, event, and location preferences. They also have great information with which to gauge the success of their ad placement – the number of responses received from ads placed in-store versus ads placed in other external locations. And, by analyzing the zip codes texted in by Missy and others, they can even validate their current store placements and identify under-served areas for possible new stores. Capturing customer interaction for future learning and campaign targeting is something most marketers strive to do. Capturing the information gleaned from mobile initiatives and making that information part of the CRM application and data warehouse is critical to continued success in delivering all of the above mentioned best practices across all of the channels in your business.

Conclusion

There is no doubt that the mobile channel is emerging as a dramatic, holistic, and powerful method of interacting with your customers. The mobile channel can reach customers that other media cannot. It can promote ongoing dialog. It can provide feedback about overall marketing effectiveness. It can facilitate finely targeted advertising.

And, most important, it can drive revenue and promote customer loyalty. While many organizations are beginning to experiment with mobile by implementing individual stand-alone campaigns, few have completely meshed mobile into their overall customer communications strategy. Few have integrated mobile into their data warehouses and BI environments. And few have treated mobile expenditures as anything other than a line item on a marketing P&L statement.

The turning point, however, is just over the horizon. As companies such as Lufthansa, Dominoes, Starbucks, and Meijer, see the potential for improving the customer experience, they and others will continue to push the envelope. The CRM thought leaders, those striving for great customer relationships, will see the value in using mobile not only to market, but also to communicate. They will take the idea generated by visionary marketers and expand it until mobile is as integrated into the fabric of the organization as is the internet. It will be utilized as a delivery channel for products and services, as well as to deliver relevant and timely content. It will feed information to the data warehouse, and it will receive knowledge generated through business intelligence. It will become a mechanism for our customers to communicate with us in a way they never have before, providing and receiving information at the moment of need.

If you're contemplating the role of the mobile channel in your organization, think big, even if you begin by implementing small. Look past the horizon, as you initiate your early mobile marketing campaigns. Understand the role of the data warehouse, and integrate mobile into your BI environment as soon as possible. Strive to provide value to the customer with each mobile communication. Work to incrementally increase participation and build trust as your mobile initiatives become more complex. Anticipate that the time will come when you transition from mobile marketing to mobile communications. Expect your marketing success rates to justify it. Expect your executives and shareholders to welcome it. Expect your customers to demand it.

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