

Mobile Marketer™

THE NEWS LEADER IN MOBILE MARKETING, MEDIA AND COMMERCE

SMS case study - Mobil1 Lube Express

By [Giselle Tsirulnik](#)

January 14, 2011



The results were astounding

See how Mobil1 Lube Express' SMS campaign proved to be more effective than email and direct mail.

Name and city and state of marketer

Mobil1 Lube Express, Willow Grove, PA

Name and city and state of agency or marketing services firm

Digital Rocket, Medina, OH

Campaign/program name

OILCHG Text Message Reminders and Coupons

Duration

July – Dec 2010

Short code

645244 (OILCHG)

Keywords

Customers' license plate number

Objective

To study and measure the effectiveness of SMS oil change reminders and coupons compared to direct mail pieces and email reminders and coupons.

Target audience

Mobil1 Lube Express customers

Strategy

The strategy was to provide a turnkey communication program that allowed Mobil1 Lube Express to lower its marketing costs by migrating away from expensive direct mail pieces.

Additionally, the strategy was also to prove SMS increases revenue and achieves higher ROI than traditional direct mail or email.

Call to action

Digital Rocket supplied Mobil1 Lube Express with customer hand-out cards that explained how to opt-in by texting a vehicle's license plate number to the OILCHG short code. Customers could also opt-in by going to <http://www.OILCHG.com/M1WG>.

Tactics

Digital Rocket used its SMART (SMS Marketing, Acquisition and Retention Technology) platform to integrate with Mobil1 Lube Express' point-of-sale system.

Using customers' license plate number, Digital Rocket was able to identify customers and the

communication channel they preferred – either text, email or direct mail.

Once identified, Digital Rocket scheduled an SMS, email or mailed postcard reminders be sent to the customer with a coupon for a discounted oil change.

Results

Thirty-two percent of customers who came in for service opted-in to receive future oil change reminders by text message.

A total of 2,187 customers opted-in out of a possible 6,849 customers.

An additional 558 customers preferred to opt-in to receive OILCHG email reminders.

Overall, 40 percent of customers who visited chose to receive OILCHG text and/or email reminders instead of mailed reminders.

Text messaging response rates outperformed mailed reminders by 15 percent and email reminder response rates by 8 percent.

On average, 21 percent of customers who received a mailed postcard reminder returned for service within 45 days.

Email performed better with 29 percent of customers returning for service.

The highest results came from text message reminders. Thirty-five percent of customers who received text message reminders returned for service within 45 days.

On average, customers who received a direct mail piece came back two days sooner than they did on their own (receiving no reminder).

Customers who received an OILCHG text message reminder returned 8.4 days sooner than they did on their own.

Mobil1 Lube Express experienced a 2.9 percent (1.1 car/day) car count increase for the period studied and a 4.9 percent increase in year-over-year net revenue.

Customers who received OILCHG mailed reminders spent on average, 9.2 percent more than customers who received no reminder.

Text customers spent 14.3 percent more and email customers spent 23.6 percent more than customers who received no reminder.

Based on these results, for every \$1 spent on direct mail marketing, the net ROI is \$24, or 24:1.

The cost to generate each returned customer (cost per customer) is \$2.76 with mailed postcards.

The ROI for email marketing returned \$308 for every \$1 spent, or 308:1. The cost to generate each returned customer (cost per customer) is \$0.24 (24 cents).

The ROI for text message marketing returned \$344 for every \$1 spent, or 344:1. The cost to generate each returned customer (cost per customer) is \$0.20 (20 cents).

What next

Based on the success of the program, Mobil1 Lube Express adopted the OILCHG SMS and email program and decided to discontinue sending mailed reminders.

Mobil1 Lube Express also installed an in-store kiosk to make it more convenient for email customers to opt-in to the OILCHG program.

Digital Rocket has partnered with major oil companies and national automotive service brands to provide its SMS and multi-channel reminder program.

Lessons learned

This study proved that electronic reminders, especially SMS reminders resulted in higher response rates and were more effective than mailed postcards or email in driving customers back for a return visit.

Mobil1 Lube Express was able to dramatically decrease marketing expenses while improving results.

Surprise finding

SMS reminders brought customers back over a week quicker than their previous visit.

Executive's name, title and company for response attribution:

Ray Hooley Sr., owner of Mobil1 Lube Express, Willow Grove, PA

Bob Jump, president of Digital Rocket Inc., Medina, OH

Strategy quotes

"This study was important because it measured the head-to-head effectiveness of SMS oil change reminders compared to direct mail and email reminders. We knew from the onset that SMS would be a less expensive channel. We needed to measure whether SMS would be a more effective channel than mail and email. Now, we know it is. This is a big win for the auto repair industry." – Bob Jump, president, Digital Rocket, Medina OH

"OILCHG text messaging is without question the best way to communicate with your customers in regards to oil change reminders and coupons." – Ray Hooley Sr., owner of Mobil1 Lube Express, Willow Grove, PA

What challenge did mobile address?

"The read-rate for direct mail is poor. Open rates for email are hindered by spam-combat software and other bounce problems. SMS is virtually a spam-free channel that goes wherever the customer goes. This study reflects the business value of this 100 percent opt-in channel." – Bob Jump

"Think about it, the customer's cell phone chimes, they see your message, they have it with them wherever they go. You have eliminated postage and paper. You're saving money and going green." – Ray Hooley Sr.





Mobil 1 Lube Express

At the Willow Grove Mall

Get Reminders and Coupons by Text Message!

text: **Your License Plate Number**

to: **645244** [OILCHG]

to receive timely text message service reminders with valuable coupons.

or visit: www.OILCHG.com/M1WG

to receive email coupons.

Message and data rates may apply. Show phone to redeem offer. See OILCHG.com for help, privacy, terms and other info. Text HELP for help. Text STOP to quit anytime.



Powered By: 

Giselle Tsurulnik is deputy managing editor on Mobile Marketer and Mobile Commerce Daily. Reach her at giselle@mobilemarketer.com.