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How retailers can increase sales with mobile messaging

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For several years, retailers have struggled to use mobile messaging effectively. It is an enticing proposition – reaching roughly 300 million U.S. consumers on a device that is almost always nearby.

Mobile subscribers have an intimate relationship with their phones. In fact, a recent iPass survey found that more than 61 percent of those surveyed keep the phone in the bedroom, and 41 percent have it within arm's reach of where they sleep. Retailers can leverage that relationship to maximize sales, profit and loyalty, especially with consumers ages 22-34.

Cracking the code

Retailers can use mobile for maximum impact to drive sales, lower costs and improve the customer experience.

Unlike other advertising mediums such as television, radio and print, mobile devices offer a direct and immediate touch point that can be customized and personalized.

According to a Harris Interactive study, Internet banner ads are ignored by 46 percent of Web site visitors because they are not delivered at a relevant time.

In contrast, research from McCormick Mobile Media shows that almost 94 percent of SMS messages are read, and most are read within five minutes of their receipt.

What is more, a recent Interactive Advertising Bureau report shows that 76 percent of mobile commerce users have used their mobile device in a retail store. These consumers are fact- and price-checking products and retailers while making a purchasing decision.

Selecting mobile messaging channels

Mobile is evolving quickly with new messaging channels emerging.

Mobile messaging typically means sending and receiving email, text messaging (SMS), multi-media messaging (MMS), and push notifications.

This category can also include messaging through social applications such as Facebook, Twitter and LinkedIn.

Mobile messaging complements traditional communication methods to drive customers through their purchasing lifecycle by supporting brand building, product discovery and knowledge, demand generation, loyalty and purchasing.

A multichannel approach to mobile communication helps retailers maximize effectiveness and achieve their business goals.

Retailers should consider using a mix of messaging channels to ensure they use the most appropriate communication method for the message and urgency of the situation.

For example, a retailer might send a push notification to alert a consumer of an upcoming sale or new product.

However, SMS might be more appropriate when sending the same consumer a password reset notification, exceeded balance alert, or a notice that her order has been shipped.

SMS is available to virtually all phones and often draws instant consumer engagement, but it is not a rich medium.

MMS allows rich media such as pictures, audio or video to be delivered to MMS-capable phones. Use-case scenarios include branded ads, mobile coupons, interactive surveys, music videos, sports highlights, and photos.

MMS is similar to a Web site experience compared to the greenscreen-like experience of SMS. About two-thirds of mobile phones in the U.S. are MMS-capable.

Push notifications are smart device-enabled messages sent directly to an application on a consumer's phone.

Once a customer has installed the app and opted in to receive push notifications, retailers can send product updates, coupons, brand awareness promotions, loyalty program statements or any other messages.

Push messaging only reaches smartphone users—a fast-growing market segment, but still less than half of U.S. mobile subscribers.

Using mobile messaging

Establishing trusted relationships with customers and prospects is key to ongoing mobile engagement.

Messages must be timely, entertaining, pertinent and actionable to attract and retain new customers.

Retailers must also commit to running a program or a series of programs over a longer period of time.

Coupons, sweepstakes, and rewards programs can help build mobile marketing databases for long-term customer engagement. Retailers can use mobile messaging to:

 Build awareness by sending prospects product information via mobile messaging.

For example, ask customers to text to a short code for a picture and information of a new clothing line.

While in-store, offer consumers SMS- or MMS-based product information so they do not need to search for the same product online. Retailers might also consider replying with a short video review of the product.

 Drive demand by starting a mobile club. Ask customers during in-store checkout to opt-in to receive relevant notifications.

The most successful mobile clubs feel exclusive to members and provide timely, relevant information.

While some retailers choose to send generic information to SMS-based distribution lists, segmenting clubs into similar demographic groupings and areas of interest is best for targeted alerts.

 Promote loyalty by sending customers monthly alerts regarding the value of their rewards account and a link to redeem rewards points.

 Reduce costs by offloading expensive customer services calls to SMS-based request and reply services that still provide customers with a direct communication channel.

BY MESSAGING customers through their mobile devices, retailers can deliver highly targeted marketing communications to shoppers—and open the door to new revenue opportunities and long-term engagement.

A multichannel mobile communication approach is a crucial component in any balanced marketing strategy because mobile delivers a personalized touch point that directly engages a customer before, during and after the purchasing lifecycle.

Retail merchants thus can influence their customers' mobile lifestyles to build brand awareness, consumer satisfaction and long-term loyalty.

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