

Have you got text appeal?

It's official. With 60 million SMS messages sent every day, Britain is a nation of text maniacs. And now businesses are discovering new ways to target mobile users...

BY MATT HAIG

THE HUMBLE TEXT MESSAGE may seem a rather unassuming medium but you don't need to be David Beckham or Rebecca Loos to realise that it can have a massive impact.

Indeed, a growing number of businesses are realising that the mobile phone is their most effective marketing device. Once the preserve of large media companies, fast-food giants and reality TV shows, text-message marketing is being adopted by more and more smaller firms.

From estate agents to dental practices, businesses of all sizes are finding out that marketing via text and even picture messaging can work for them. As Gary Corbett, managing director of mobile services company Opera Telecom (www.operatelecom.com), puts it, "Increasingly, there are probably very few companies for which mobile marketing isn't suited."

However, the power of this most intimate marketing medium can work both ways. Abuse it, and you will lose more customers than you gain. It's therefore essential to fully

understand the nature of the medium. With that in mind, it's a good idea to look at how it has developed over the last few years.

BALEARIC BEGINNINGS

Mobile marketing is, of course, a relatively new phenomenon. Indeed, it wasn't until the new millennium that SMS (short message service) was viewed as a marketing tool.

As with many new technologies – be it the Sony Walkman, Instant Messenger or MP3 – it was young people that first popularised text messaging. It's no coincidence, then, that many of the first major mobile marketing campaigns targeted the youth market.

In the summer of 2000 companies such as Orange and Worldpop.com targeted British clubbers in Ibiza with text alerts relating to the island's nightlife. Ibiza was flooded with print product, so World Pop and the Mobile Channel Network (www.mobilechannel.net) set up a newsroom on the island, and their joint SMS alert service was fronted by Radio 1 DJ Pete Tong. "This project is at the cutting edge of

modern technology, much like dance music," he said at the time.

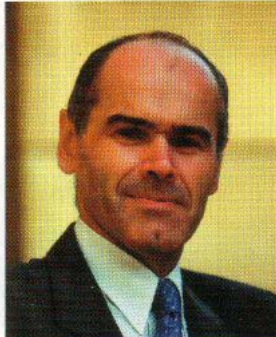
Mobile marketing was then picked up by more mainstream media, including the reality TV shows *Pop Idol*, *Big Brother* and *I'm a Celebrity... Get Me Out of Here*, which allowed viewers to vote and send messages via SMS. In return, they received news alerts about the programmes.

The phenomenal success of this prompted more conservative broadcasters to join the text messaging revolution. Indeed, the





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■ Few companies aren't suited to mobile marketing, believes Gary Corbett

→ BBC even devoted a whole night of programming to the phenomenon.

Now all types of companies, not just those based in the media industry, use mobile marketing to target consumers of all ages. Among those who pioneered more mainstream campaigns is Walkers (www.walkers.co.uk), which with the help of specialist agency Flytxt (www.flytxt.com) launched a nationwide football trivia SMS quiz

and competition. Another innovator was the Marie Curie Cancer Care Centre (www.mariecurie.org.uk), which encouraged users to send their donations via SMS (the donations were charged directly to the sender's phone bill or deducted from their pre-paid card). As well as donations, the Marie Curie charity also gained an opt-in (and easy opt-out) database to contact people about events.

OPPORTUNITY FOR ALL

The rapid rise in mobile marketing has been due to two factors. Firstly, it's been a response to the incredible growth of text messaging. Back in 2000, the Mobile Data Association (www.mda-mobiledata.org) found that 19 million messages were sent daily. In 2003, that figure had reached 58 million.

The other reason why mobile marketing has boomed is that, when conducted responsibly, it works. The mobile marketing agency Enpocket (www.enpocket.com) typically sees an average response rate of 15 per cent, a figure that far exceeds that of direct mail or traditional media.



CHECKLIST

TEN THINGS TO CONSIDER BEFORE EMBARKING ON A MOBILE MARKETING CAMPAIGN

- Your objective. What do you want to achieve from the campaign?
- The law. Follow MMA guidelines to avoid falling foul of European legislation.
- Incentives. People need a reason to send or receive text messages.
- The technology. Do you have the budget to outsource to a specialist agency, or do you have the resources available in-house?
- Pull or push? Which marketing technique is best suited to your campaign?
- Added value. How can the campaign enhance your existing marketing efforts?
- Integration. Success of the campaign will be determined by how well mobile marketing is integrated with the rest of your business.
- Data capture. How will you build your opt-in database of mobile prospects?
- Long-term commitment. A follow-up strategy is essential to capitalise on the campaign.
- Gauging performance. How will you track the results of your campaign?

FIVE SUCCESSFUL SMS CAMPAIGNS



THE METHODIST CHURCH

www.methodist.org.uk
AIM: To help raise awareness of the church among 18-40-year-olds.
METHOD: An SMS competition inviting people to submit an 11th Commandment via text message. Incentives included a competition for the latest Nokia camera phone. An automated, instant response text message acknowledged submission and encouraged visits to an online website where they users asked to supply their contact details.
RESULT: Follow-up activity by text message generated a 76 per cent response rate.



ALLER-EZE

www.novartis.com
AIM: To target the 12 million hayfever sufferers in the UK to promote the launch of its Aller-eze nasal spray and eye drops.
METHOD: An innovative Pollen Count Alert text message service which enabled sufferers to receive personalised, up-to-date, regular pollen count information direct to their mobiles. Those who registered received pollen alerts via text message on days when the pollen count was high in their locations.
RESULT: High brand awareness: 61 per cent of subscribers mentioned Aller-eze as the sponsor of the service.



BEACON RADIO

beaconfm.musicradio.com
AIM: The Black Country radio station planned to promote its breakfast show.
METHOD: An SMS-led competition to win £10,000 on the show. Beacon's agency supplied 180,000 numbers targeting 16-34-year-olds within Beacon FM's reception area, and sent a message to them one hour before the competition was broadcast on the radio. Consumers who responded with the word 'BEACON' were sent a daily clue via text to help answer the on-air questions.
RESULT: Research showed that 20 per cent of recipients listened as a result of this well-integrated campaign.



SHISEIDO

www.shiseido.co.uk
AIM: To boost UK sales of Shiseido, a Japanese beauty products company.
METHOD: An SMS campaign promoted in all the major newspapers and glossy women's magazines, inviting customers to text the word 'PURE' to an auto-response that welcomed them to the Shiseido text club. Members were then asked for the first part of their postcode. Each member then received an offer of free samples along with notification of their nearest store and beauty tips.
RESULT: Shiseido recorded a 260 per cent increase in sales during the campaign.



THE PHONE STORE

AIM: The Phone Store in Leeds needed to capitalise on its free upgrade service.
METHOD: Messages sent to existing customers that were due for contract renewal, using Text Marketer to upload The Phone Store's database (www.textmarketer.co.uk). The messages offered the customers a free handset upgrade; they were asked to apply online or by phone.
RESULT: About 2,000 messages were sent and a staggering 423 customers responded to the message, a response rate of over 21 per cent. The Phone Store's direct mail campaigns had a 9 per cent response rate and cost 80 per cent more.



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→ Furthermore, the figure of marketing messages actually read is far higher – as many as 94 per cent according to an ICM/Enpocket survey.

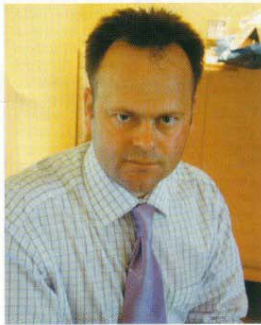
Not only is mobile marketing being targeted at all types of consumers, it is beginning to be used by all sorts of companies. Even those companies that find internet advertising doesn't work, such as fast-food companies, are receiving great returns from SMS marketing.

"Mobile marketing is suited best to drive sales of consumer packaged goods, restaurant menu items and high-street retail commodities – sectors that have advertised very little online to date," says Jupiter analyst Dylan Brooks.

Another strength of mobile marketing is that it is open to almost every business. "There are no businesses which aren't suited to mobile marketing," reckons Nick Payne, director at the Text Anywhere agency (www.textanywhere.net). "Big or small companies can benefit from it, as you don't need marketing experience to implement it."

Information on the mobile market is readily available to everyone, thanks to services such as the Mobile Data Association's Text It website (www.text.it), which provides information on SMS usage in an accessible format.

However, one of the main reasons why SMEs are getting excited about mobile marketing is that it can be very cost-effective. For example, one mobile marketing campaign run for a Holmes Place gym cost £56 and



■ Competitions have a fan in Miles Clee, who believes they offer superb returns

generated a return of approximately £15,500 (see page 21). Not bad by anyone's standards.

SMS is, on the face of it, a limited medium. Basic text messages offer marketers 160 characters of single colour, single font text. This would seem to make it one of the most drab and confining means of communicating with consumers. But what text messaging lacks in production values it makes up for through its personal and interactive nature. "The results speak for themselves," says Jonathan Linner, chief executive of Enpocket. "SMS is proven to be an excellent means of communicating brand values."

According to Linner, this is because it is such a direct medium. "The strength of an individual's relationship with their mobile phone is unique," he says. "It is an uncluttered medium in which the marketer's message can be tightly targeted by time, location and demographics to optimise relevance."

PUSH AND PULL

It also offers considerable variety, as there are many different types of mobile marketing campaigns – loyalty schemes, competitions, votes and polls, mobile ticketing, vouchering and various others.

Obviously, different methods have their own benefits and requirements. Essentially, though, all the methods can be divided into two overlapping categories: 'push' marketing tactics, which involve sending messages out to people; and 'pull' marketing, which is based on people sending messages to the company.

Miles Clee, managing director of Dreamtxt Telecom (www.dreamtxt.com), says competitions are a classic pull tactic, while promotions tend to involve push marketing. "Competitions are



■ Adam Beaumont, an advocate of MMS marketing – it can be just as cheap as text message campaigns

typically premium rate and charge the customer for entering," he says. "They can be advertised on-pack, in magazines and on posters, and encourage people to text in a short code with an answer."

The response rates are typically low, between 0.2 and 0.5 per cent depending on the cost of entry and the prize. However, Clee says there is a big return for each message.

"This is the most cost-effective method for the marketer as revenues are earned from each entry."

Promotions and other push methods are SMS messages which are sent, in Clee's words, "from the marketer, at the cost of the marketer, and using an opt-in database owned or rented by the marketer."

Response rates are typically the highest here, ranging between 5 per cent and



20 per cent. "Companies who have embraced this technology have enjoyed significant increases in customer traffic," says Clee.

However, push and pull SMS are often used together. For instance, competitions can be used as an incentive for people to join an 'opt-in' database. This database can then be the target of 'push' messages such as promotion offers.

An example of mobile marketing in practice comes from Leeds-based estate agent David Moor (www.dmea.co.uk), which employed an SMS text messaging service which it promoted on its For Sale boards. "One quick text message and within seconds the caller receives a text message giving details of the property and its price," says Michael Moore, an executive partner at the agency.

For example, a house hunter sees a property they like. They then type a relevant keyword such as 'PROPERTY01' into their phone and send it to a specified number. Seconds later they have details sent back to them about the property, such as: 'Trad. 3 bedroom terrace in lively Hyde Park LS6. living room, kitchen, bathroom, 2 bedrooms and an attic room. £75,000 call us to view 0113 123456'.

MMS INJECTION

Given the many opportunities offered already by SMS, it is hardly surprising that many marketers are getting even more excited about the rapid spread of MMS (multimedia messaging services), which allow for pictures to be sent via phone networks. The increased benefits are evident if we go back to the example of an estate agent. Instead of just providing text details of a property, if house-hunters have a picture messaging phone, the firm could also send them photos of the property's interior.

And the great thing for SMEs is that MMS marketing isn't particularly expensive. "The truth is that it often costs the same for a marketer to send an MMS message as it does to send an SMS," says Adam Beaumont, managing director of (aq) (www.aqcorporate.com), the UK's fastest growing mobile messaging →



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■ Ramesh Kumar is concerned about the potential for data misuse

→ provider, and owner of the SMS-to-email portal SMS2Email.com. Beaumont says the main cost is paid by the user, who has to pay costly charges to retrieve the content.

This means that until bandwidth increases and data costs drop, companies need to be extremely careful about how they use MMS. As with all mobile marketing, successful use of MMS will depend on how responsibly companies behave. The rule is simple, both for text and pictures: if someone hasn't opted to receive the message, don't send it.

The Mobile Marketing Association (MMA) provides a helpful code of conduct for responsible marketers to

follow, which can be viewed at www.mmaglobal.co.uk. "It is an industry-wide initiative to ensure that users are not being spammed, that there are mechanisms to opt in and opt out and that any data captured is protected," says Ramesh Kumar, managing director of ActiveMedia (www.activemediatech.com), which is a member of the MMA. "This code of conduct is extremely important to ensure the success of the medium."

Clearly, if you decide to use a specialist agency you should make sure they conform to the code of conduct. But is it even necessary to use an agency? "For the vast majority of SMEs, that would not be a requirement unless mobile marketing communication was being integrated in their systems, in which case there is a systems integration job to be done," says Corbett of Opera Telecom.

A cheaper option is to look at suppliers such as the Royal Mail (www.royalmail.com) that have developed various cost-effective tools to help SMEs use mobile marketing.

Royal Mail's Digital Marketeer, for example, is a complete, standalone solution that enables businesses to conduct campaigns without having to buy hardware or run software. This also includes a free response analysis tool, allowing users to watch and track responses in real time.

THE THREE RS

More important than technology, however, are the three Rs - responsibility, relevance and response. "Businesses must ensure that they send the right message to the right



EXECUTIVE SUMMARY

■ **Be responsible.** Email spam is unpleasant, but its mobile equivalent is even worse. If people haven't asked to receive messages from you, it's fair to assume they don't want to. Follow the Mobile Marketing Association's code of conduct to stay on the right side of customers and EU law.

■ **Don't wait.** Mobile usage can't get much higher in the UK across all age groups, so mobile marketing is relevant to almost every company. Don't wait for your competitors to get a head start.

■ **Tailor your campaign.** Mobile services and campaigns vary widely, including competitions, sales promotions and information services such as news alerts. Whether you choose a specialist agency or opt to run a campaign in-house, success depends on how well it is tailored both to your business and its target market.

audiences and that you are using the most relevant medium," says Payne of Text Anywhere. "The response will depend on what you are asking the person to do. If you ask them to reply you will have confirmation of their phone number and that they are happy to receive more information, as long as it's relevant."

Inspired by the examples in this article? By making sure you abide by the MMA guidelines and EU legislation and only send messages to people who want to receive them, your business too can benefit from what is fast becoming the most intimate and direct medium in the history of marketing. ■

➔ NEXT MONTH: In part two of our mobile special we'll explore how the mobile phone can be used as a sales channel as we take an in-depth look at the business of m-commerce. Don't miss it!



THE MOBILE MARKET

According to Continental Research's *Mobile Phone Report* there are more than 50 million mobile phone subscribers in the UK, up from 23 million in 1999 (and only eight million in 1997).

Over 70 per cent of adults now own a mobile phone, with equal numbers among men and women. Forty per cent of mobile phone users are between the ages of 15 and 34, a drop from 50 per cent in 2000. The 15-24 age group remain the heaviest mobile phone

users, 87 per cent of them being active users.

While young people remain the most frequent users, most of the population now own and use a mobile phone. According to Continental Research, 'the only demographic area where there is scope for major growth in mobile penetration is among the over-65s.'

For marketers this means that almost every age group can be a target of mobile marketing campaigns, whereas a few years ago young people were the most obvious market.

www.continentalresearch.com/reports