

OUTSIDE INSIGHTS | BY STEVEN GRAY

From Cells to Sales

Mobile coupons are the next big wave in direct marketing.



Nowadays, everybody has an emotional and physical attachment to their cell phones. From calendars and cameras to e-mail and music, today's mobile phones have been integrated into our daily lives more than ever before. Thankfully for advertisers in the industry, new technologies are available to reach these dialed-in customers.

The Timing Is Right

According to the Promotion Marketing Association, the soft economy has triggered a comeback in coupon use. After declining 3 to 7 percent a year for more than a decade, coupon purchases have increased this year compared to a year ago. In addition, a recent study conducted by Prospectiv found that 72 percent of consumers are using more coupons than they did six months ago. Three-quarters of those respondents claimed the economy made them do it

For quick-serves that are taking advantage of the coupon trend, mobile coupons are a natural extension of their mail and print coupon pieces, among other communications. "Going mobile" helps advertisers reinforce messages with consumers who are becoming increasingly dependent on their mobile phones, especially the highly coveted 18–34 age demographic.

In a recent ABI Research study, 38 percent of consumers indicated that mobile incentives would increase their response, while 32 percent of those polled indicated that incentives probably would increase

their response. In the same study, 63 percent of respondents selected coupons to local retailers as their marketing incentive and message of choice. More than half of those polled, 52 percent, selected discounts at a store as their second choice of incentive.

How it Works

Declining newspaper circulations, the advent of digital video recorders, and increased popularity of uninterrupted satellite radio are all examples of how customers are becoming more selective about how they want to be reached and what they are willing to read, listen to, or watch. In fact, a Project for Excellence in Journalism study found ratings for late local newscasts on network-affiliated stations across the country were 6.7 percent lower during the November 2007 sweeps than the previous year—a faster decline than newspaper circulation (down 2.6 percent daily, 3.5 percent on Sunday) during roughly the same period. This demonstrates the conundrum marketers face when determining which marketing channels to utilize to reach consumers.

Mobile marketing, for the first time, creates a closed loop marketing campaign for advertisers to hit a consumer at three of the most impactful conversion points—in the mailbox, on the computer, and on their mobile phones.

While at home or in the store, consumers can be presented with opportunities to opt-in to text messages or to download a Web mobile application. Call-to-action options can be to send or “push” a text message just before noon to increase lunchtime traffic with an exclusive offer on a meal or enter a sweepstakes. Marketing messages can be presented multiple times on in-store signage, broadcast media, or on printed coupons sent via mail to drive opt-in behavior. In other words, mobile marketing is a welcome complement to the entire marketing mix.

Why Marketers are Choosing Mobile

Even more direct than traditional mail or online pieces, mobile coupons present advertisers the chance to draw-in consumers who are progressively more comfortable using their cell phones. Whether pushed out to consumers through a text message or made available on cell phones through the Web, mobile coupons provide advertisers new consumer touch points, including at the point of purchase. Similar to other offers, mobile couponing is a measurable marketing tactic with a direct call to action, yet, the convenience and ease of use of mobile coupons distinguishes them as a perfect alternative media for reaching a variety of audiences.

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With mobile couponing, there is no need for consumers to clip paper coupons, no need to check e-mail or surf the Web looking for hot deals. Plus, messages can be modified and brought to market in an instant.

Another attractive aspect of mobile marketing is pricing. Although sold as part of integrated marketing campaigns, mobile marketing, according to industry experts, ranges from 8 cents to 30 cents per message sent. One-to-one messages, sent through the mail, can range from 30 cents to 75 cents per mail piece.

Writing a New Chapter in Marketing

Mobile marketing mobilizes traditional print and electronic promotional strategies to drive more traffic to restaurants, spark purchases, and increase sales. A 2008 study by The Nielsen Company found 23 percent, or 58 billion, of all U.S. mobile subscribers say they have been exposed to advertising on their phones in the past 30 days with half of those subscribers, or 28 million, saying they responded to a mobile ad in some way.

With a reported 2.3 trillion text messages riding the airwaves in 2008, the comparably low cost of mobile marketing to most other mediums and the incremental benefit on marketing campaigns undoubtedly can have a major impact on restaurant revenues and profits.

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