

WEDNESDAY, MARCH 18, 2009

SMS marketing in tough times

EDITOR'S NOTE: Although this post originates in the Philippines, the information is quite useful in our global economy. It is important to note that Filipinos lead the world in texting.

By JERRY LIAO

March 18, 2009, 10:25am - Manila Bulletin

Almost all companies are looking for ways on how to increase or maintain their sales performance this year. The current Philippine economic situation is worsened by external factors rather than internal or local factors. Just to prove that indeed globalization is at work.

Some of the companies I know have given up or at least [decreased] their TV ads...they are turning to more focused mediums like magazines, events and SMS or texting.

SMS marketing is proving just the tool for shrewd businesses looking for innovative new media strategies to keep themselves ahead of the game during the economic downturn.

It's now more important than ever for businesses to improve efficiency, reduce waste and produce targeted responsive marketing campaigns and digital mediums such as mobile are proving the ideal solution ensuring much needed return on investment.

Here are 6 key marketing objectives where Mobile Marketing can shine for any business.

1) Direct Response Advertising

Targeted bulk text campaigns to a qualified database coupled with a strong call to action can prove powerful in reaching impulse buyers at just the right time to entice a purchase. The key to the direct response lies with the fact people carry their phones with them wherever they go and therefore there is no more powerful way to reach people than by their phone and with 95% of people reading their texts immediately the direct impact can be huge.

Statistics provided by the Mobile Data Association (MDA) found that **response rates for mobile are 4 times higher than other direct marketing mediums** such as Direct Mail and Email and at only a few cents a text and no production costs, a simple text message equates to a fraction of the cost.

2) Customer Retention Marketing

Keeping customers will not only save businesses money but will make them money. According to a report by The Logic Group, loyal long-standing customers account for over 50% of a company's annual sales, they are also higher value customers happy to pay premium rates of around 30% to 50% more per transaction.

For this reason a CRM program is crucial and regular communication via new media techniques such as email and mobile is a key player in helping maintain communication...a friendly

personalized offer or promotion at just the right time...could provide just the push you need to increase sales.

3) Viral Marketing

With people looking for bargains, text is proving more powerful than ever. Texts are the ideal viral marketing tool capable of reaching much further than initial recipients alone. Good offers and promotions are often shared amongst friends eager to spread the word of a good bargain.

If businesses send out tempting offers and promotions...**a whopping 95% of texts [are]being opened and read** which offers great opportunities for marketers.

4) Integrated Marketing

Mobile works best when integrated with other larger campaigns and therefore it's important for it to be integrated into all marketing communications material such as newsletters, websites, e-marketing, POS, Outdoor, TV and radio in the same way a telephone or email address would be included.

5) Lead Generation

The tightening economy is sure to put lead generation tactics in the spotlight as businesses search for ways to generate new leads. Tactics such as Mobile Marketing enable businesses to build their own opt-in database of contacts at no extra cost, simply by publishing it on all marketing communications material. This is a much more practical way of operating than buying cold call data from a broker.

6) Measuring and Tracking Results

During the tough economy it is more important than ever for businesses to implement marketing strategies that are trackable and measureable. There is no point investing in advertising if it's not properly monitored.

In conclusion, as marketing budgets are streamlined, marketers need to push their case for value for money from advertising and marketing spending and moving more towards more measurable, ROI-focused media such as Internet and mobile marketing. Mobile tactics such as short codes and text messaging should be integrated into...marketing campaigns as an aid to increase potential in terms of sales, lead generation and campaign measurability.