

TUESDAY, FEBRUARY 24, 2009

Text to Buy: It's Catching On

Feb 25, 2009

The idea of e-commerce without the Internet seemed, at best, unlikely a few years ago but as text messaging began gaining steam in late 2007 that thought got less and less absurd.

As 2008 came to a close, the term "m-commerce" had most certainly found its place in the retail world. Amazon.com has been credited with truly giving life to the m-commerce/text messaging retail idea with their launch last year of the successful TextBuyIt initiative. QVC quickly followed that effort with their own version dubbed QVC Text Ordering...and the floodgates soon opened.

Many smaller retailers around the country actually began using text messaging as far back as 2004. Some other retailers have experimented with advertising short codes on TV and in magazines to enable consumers to receive free samples of selected merchandise. **Most retailers using texts today, though, do so to market products or offer promotions, as well as establish perhaps the closest connection possible with customers, since most consumers are almost never without their mobile phones.**

The other rather important part of this equation is the fact most consumers are now indeed texting—it's no longer strictly a teen thing as 77 percent of the 259 million U.S. mobile phone users subscribe to or purchase text message capability, research firm Nielsen Mobile recently reported. In fact, text messaging has become so pervasive that U.S. mobile subscribers now send and receive more text messages in a month than they do phone calls - an average of 357 per month in Q2 compared with 204 phone calls, Nielsen Mobile reports.

Add to this the fact many text messengers like to shop on the web - 20 percent, or 51.8 million, spend more than \$1,000 online annually versus 17 percent of all mobile phone users, Scarborough Research reports. Add it all together and you have the text message marketing equivalent of the perfect storm.

The Amazon.com TextBuyIt set-up works thusly: a customer sends a text message to the short code AMAZON (262966) with the name of a product, search term or UPC bar code number, or ISBN code for books, and within seconds Amazon.com replies with a list of products that match the search, along with prices.

To buy an item, a customer replies to the text message by entering only the single-digit number next to an item. The customer then receives a brief phone call from Amazon.com with the final details of the order, then confirms or cancels the purchase.

When a customer purchases something for the first time using TextBuyIt, Amazon will ask for an e-mail address and the shipping Zip code on the Amazon.com account. With this information, Amazon.com uses the customer's default settings for payment method, shipping address and shipping speed to complete the first purchase and future purchases from the same phone.

"One of the really attractive things about the text message sales transaction is the fact you do not have to transact personal or financial information using the phone. That really eliminates a big hurdle for a lot of consumers, it really breaks down a barrier that exists with e-commerce," explained retail analyst Lauren Sosik.

Sosik added that many of the retailers she talks with are seeing 20-25 percent response rate using text messaging and

have reported that a larger than expected number of their customers are providing their cell phone numbers at checkout seemingly eager to receive the messages.

“The response rates on mobile marketing campaigns for the retailers I’ve chatted with have been quite high, significantly higher than what they got with e-mail marketing efforts. One of the keys to consider is the fact there is no spam filters on text messages, and there’s no overwhelming in-boxes, where people may not open an e-mail for days, or maybe even delete it,” Sosik explained.

It’s actually a very personal thing and it’s also the most direct way, other than face-to-face to interact with your customers. And it’s really just starting to gain steam with a large segment of the population. Now is actually a great time to experiment with it.”