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Txtlocal: The Case for SMS Marketing in Tough Times

EDITOR'S NOTE: Although this company is located in the UK, the message works here in the US, too. SME is a common European term for Small and Medium Enterprises.

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

SME's feeling the pinch are searching for ways to cut marketing spend without compromising results. 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.

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

1) Direct Response Advertising - For businesses feeling the pinch, return on investment is the key for ensuring profitability. It's now more important than ever to ensure advertising produces results and costly advertising campaigns may be great for raising brand awareness but are not always the best option for businesses looking for quick sales and ROI. 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 75% 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 DM 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 - Anyone with a qualification in marketing will know that long term clients are the most profitable. It's now more crucial than ever to ensure that businesses retain the customers they already have. 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. However, of course no one wants to be bombarded with endless SMS marketing campaigns but a friendly personalised offer or promotion at just the right time will do no harm to your relationship and could provide just the push you need to increase sales.

3) Viral Marketing - Viral marketing includes any strategy that encourages individuals to pass on marketing messages to others and with virtually the entire UK population owning at least one mobile phone, it's little wonder that mobile communication along with the web is a key viral marketing channel.

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 then it's only human nature that people will want to share them and it couldn't be any easier or convenient to pass on a good tip to a

friend than via a quick text. Also, **people genuinely like receiving texts from friends, with a whopping 94% of texts 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. This gives customers and prospects another medium to get in touch, which many may view as easier than phoning or emailing. A quick text and people can easily register their interest in a product or service. E.g "Text BROCHURE + your email to 60777" All inbound opt-in details are stored in your online account for further contact.

Examples of this include businesses such as holiday and car companies that advertise heavily on television, radio and print, a punchy short code, is easy to remember and quick to respond to.

5) Lead Generation - So the question is how can marketers obtain good quality leads at a fair price? 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 in cold call data from a broker. Displaying a Short Code should start to be general practice for every keen ROI business who will use mobile to generate warm leads to prospect to. For example "Text HONDA to 60777 - for details on latest Honda."

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 measurable. There is no point investing in advertising if it's not properly monitored. It's important to track where sales are coming from then analyse the statistics and drop what's not working in favour of what does work. It doesn't cost anything to monitor where people heard of a business and SMS text promotions such as 2 for 1, free entry texts and buy one get one free are perfect for monitoring due to easy visual or coded redemption.

Mobile Marketing set for Growth

Although mobile marketing strategies are still unfamiliar to a vast amount of SME's, a recent survey by O2, predicts that mobile marketing is set to grow by 150% over the next 5 years as marketers seek a more targeted approach to their marketing campaigns. Mobile marketing firm www.txtlocal.co.uk have witnessed firsthand the growth in mobile marketing and agree that the trend is set to continue. Txtlocal MD Darren Daws comments that "A fraction can be spent on mobile marketing campaigns compared to other marketing mediums and yet the response from mobile can be much higher. SME's in particular need to ensure they generate a good return on their investment and low cost and targeted new media tactics including mobile will continue to be a popular choice." In conclusion as marketing budgets are streamlined, marketers need to push their case for value for money from advertising and marketing spend 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 larger marketing campaigns as an aid to increase potential in terms of sales, lead generation and campaign measurability.

About txtlocal... A company much like Brandel, www.txtlocal.co.uk was launched in 2006 and is now the one of the UK's leading business SMS text messaging companies offering a range of services for a variety of organizations including pubs delivering 2 for 1 offers to local customers, bands making direct contact with fans, holiday parks promoting evening events, theatres growing an opt-in customer list to announce last minute tickets and much more.