

At Their Fingertips: Putting Your Ads in Their Hands

15 Jan, 2010 by: [Patrick Cauley](#) Response

Recently, in the backdrop of a trendy L.A. dive, a popular DRTV campaign illuminated television screens behind the bar. Astonishingly, the spot captivated the crowd amongst the libations. The usual chitchat ensued as patrons debated the quality and merit of the product. One gentleman, who was late to the conversation due to a daunting game of Photo Hunt, curiously asked what the price was. Since the spot had come and gone at that point, people were quick to pull out their smartphones to retrieve information from the product Web site.

This true story could have been about any product — your product. How does your product Web site look when showcased on a BlackBerry? Have you ever incorporated a text code into a spot for the busy consumer on the go that would be interested in purchasing from their iPhone? Any campaign's Internet component should already be well established. However, to get a leg up on the competition, now is the time to implement your mobile strategy.



It's Go Time!

For starters, it may be best to define what mobile marketing is. The Mobile Marketing Association (MMA) recently re-defined mobile marketing as "a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network."

And there's never been a better time to test the mobile waters! "Mobile advertising is in its nascent stage (just \$416 million in 2009 vs. the \$24 billion spent online), thus creating some amazing response rates reminiscent of the early Internet days," says Timothy R. Hawthorne, founder, chairman and executive creative director of Hawthorne Direct (and a member of the Response Editorial Advisory Board). And establishing a mobile element to a marketing campaign isn't as arduous as one may think.

Like with any form of marketing, establishing your audience and goals is a good place to start. Eric Harber, Hipcricket's president and COO, follows a pyramid method that places SMS (text messaging) at the base since it has the widest reach. "We would advise that marketers start with a firm foundation in SMS and then layer on top of that as appropriate," says Harber (see chart, page 42).

Sixty million devices in the U.S. are utilizing and accessing the mobile Web. However, a staggering 240 million handsets are text capable right out of the box. "A simple engagement SMS campaign, where you can have the mobile phone being the point of engagement that interacts with the television, is a straight forward way to connect with consumers. You have great reach because most people have a device that's capable and understand how to do it," he says.

SMS marketing is certainly a great entry point, especially for direct response marketers. "It is very affordable and easily integrates with other forms of marketing, as the SMS calls-to-action can be placed in print ads, radio spots, billboards, etc.," says Gavin Todes, co-founder of Howzit. "Marketers can create multiple campaigns and have them running almost immediately, and tweaking the campaigns while they're running is as simple as opening a Web site, adjusting some text or campaign settings, and clicking 'save.'"

Additionally, Hawthorne suggests that marketers add "text to order" SMS codes to their DRTV commercial tag pages. "No DRTV product moving to mobile can ignore the millions who still operate strictly with text messaging," says Hawthorne.



It's All in the Family

The tenets of mobile marketing are actually very much in line with the direct response model. By its very nature, mobile is directly reaching a consumer in real time in an attempt to elicit a response. “The great thing with mobile is the level of analytics you can get is unbelievable,” says Michael Becker, vice president of mobile strategies for iLoop Mobile and the MMA’s global and North American vice chairman.

He explains that specifically with the methodology of text messaging programs, marketers can create custom mobile short codes placed in various media, each having a different keyword for consumers to text in. Thus, by using mobile, marketers can actually track which of their various media channel spends are most effective. “Mobile in effect turns all media into direct response channels,” says Becker. Showcasing its potential in multivariate testing, mobile relates to DR in its ability to continuously amend campaigns.

“We design mobile campaigns upfront and test before execution and production, and then we’re able to execute, measure and use those measurements in real time to make adjustments to the campaign. It’s multivariate testing to change offers on the fly. Design, execute, measure and modify — much like DRTV campaigns,” says Harber.

However, mobile testing isn’t always so simple. “Most testing solutions out there rely on Java script,” says Kim Ann King, CMO of SiteSpect. “The problem is that many mobile devices, including smart phones, don’t support Java script, so they don’t support Java script-based testing solutions. That might be as high as 50 percent of an audience that you can’t test. So it’s important when people are considering doing mobile testing that they’re looking for a solution that doesn’t solely rely on Java script and allows them to test across all mobile devices.”

Beyond Texting

Text campaigns aside, there are many other mobile opportunities. “The mobile marketing space has really matured since the advent of smartphones,” says Todes. “Marketers now have a wider range of ways to engage their audience, and can create much more dynamic, integrated campaigns than what was previously possible. And the interactive nature of mobile applications makes smartphones a much richer point of connection between a company and its customers than the mobile phones of the past. Smartphone development has set the bar high with regards to what consumers expect in the mobile space. As a result, successful mobile marketers must be able to create and execute campaigns that play an integral role in the brand’s overall marketing strategy.”

For King, she thinks a DRTV marketer’s next step might be building out a Web site with product information and building a community online to transact information. “You also need to look at what works in the mobile space: shorter headlines, punchier colors, much smaller page weights and limited images. Lightweight and visually appealing is usually going to win out,” she says.

Consequently, Hawthorne suggests marketers should create a mobile version of their Web sites so they are easily viewed, searched and actionable. “Marketing opportunities on smartphones primarily involve the old media model of ‘content sponsorship,’ ad placements as links and display ads in and around mobile Web sites and applications. Apps bring mobile digital activity to the forefront in concentrated, bite size pieces. Even now, Target is the 17th most popular free app and Wal-Mart is 67th,” he adds.

Using GPS, Target’s app can locate the user’s nearest retail location and show them product images, review availability and even pinpoint aisle location. And smartphone users aren’t just using their phones for research. On Black Friday, PayPal recorded a 140-percent spike in the volume of payments made by mobile phones. Purchasing products via smartphones continues to evolve with developments like Amazon’s new Mobile Payments Service. Nokia too is getting into the electronic currency, hoping to replace cash, checks and credit cards with their mobile handsets.

However, the Target and Amazon apps aren’t available to everyone and therefore may not be your best option. “Mobile apps are a very popular form of mobile



marketing used in customer engagement, usage and loyalty,” King says. “Mobile apps themselves though might not be as good for actual marketing — for example new product launches. Coupons, text messages or even more traditional forms of marketing might be better depending on the audience.”

The reality is that not all consumers are using smartphones. “Right now according to industry statistics, whether is Nielsen or comScore, smartphones account for about 13 percent of the overall market base in the U.S.,” says Becker.

There’s an App for That?

With the ongoing media buzz around the iPhones and its apps, sometimes marketers and consumers wrongfully place too much emphasis on this segment of mobile. “There are more than 100,000 iPhone applications, and they’ve had more than 2 billion downloads in the 24 months since the iPhone was released. But within that 100,000 applications in the iPhone store, it’s very difficult to actually get your application on the top of the list and get exposure,” says Becker.

In fact, in the overall phone market, iPhones only account for about 2-3 percent of all phones. “So it’s really important for marketers to understand that when they think about mobile as a channel, and especially direct response in enablement and engagement with one’s audience, there are many channels of mobile interaction with unique capabilities. Every one of these individual channels is their own media path in their own right,” Becker adds.

Hawthorne details that even when an app gets downloaded by thousands, making it “sticky” remains a challenge, as only 5 percent of iPhone users are still using an app 30 days after download and only 1 percent after three months. Harber concurs. “It’s easy to jump to the iPhone application as being the hot and sexy item for mobile this year,” he says. “Although we provide those services, it wouldn’t be the place I’d encourage someone to start necessarily. There are a lot of complexities to it, and you only reach a fraction of the audience with that particular application. Doing something like that in tandem with something that gives you a broader reach is a great idea. If you’re going to put all your marbles in one spot for mobile in 2010, I wouldn’t throw them all in the iPhone bucket.”

Initiating Contact

Mobile obviously can be an advantageous and often lucrative way to connect with consumers. But regardless of which mobile option marketers decide to pursue, it’s imperative that they understand the rules of engagement.

“Customers need to opt-in to mobile campaigns. And this is not a matter of opinion, but by law, mobile marketing must be permission-based,” says Todes. “The MMA provides a comprehensive set of guidelines to ensure that mobile marketers know how to stay on the right side of the law. Marketers looking to step into the mobile space must familiarize themselves with MMA guidelines or make sure their mobile vendor is knowledgeable about and compliant with these guidelines.”

Harber contends that the mobile world has learned from the online world in that there is no spam E-mail-like translation to SMS/mobile web. “For SMS there are very strict guidelines and any mobile operator can turn off any advertiser or brand that’s trying to engage with customers or prospects if they don’t follow the rules,” he says.

As always, it’s key to know your customers. “Not everyone has an unlimited text messaging plan. And those who don’t and receive text messages as part of marketing pay for them, which is awful,” King says.

Mobile marketing has also evolved a long way from the practices of traditional direct mail. “Direct response marketers need to know right out of the gate that you just can’t go buy a list with mobile. It’s a permission-based channel. You must receive a consumer’s opt-in before initiating communication with them through the mobile phone,” says Becker.

Mobile Lessons Learned

Companies such as Chevy, HBO and Wiley Publishing have enjoyed immense success from their mobile efforts (see sidebar, page 43). However, as with all forms of marketing, you’re bound to also find some flops. “Since mobile is such a personal method of marketing, it is important that the customer sees the value in a mobile campaign. However, not all marketers understand that,” says Todes.

An example he gave was a restaurant owner client in Los Angeles. “We had difficulty convincing him to offer a substantial reward to individuals who opted in to receive SMS promotions from his restaurant,” he says. “Instead, he chose to offer a 5-



percent discount off the recipient's meal — and we're talking a place where the average meal ticket was approximately \$8, so that's a savings of 40 cents. Not surprisingly, the campaign failed on all counts."

Todes also stressed the importance of integrating mobile campaigns within other media channels. "We had a client who wanted to promote his SMS campaign only using little slips of paper handed out at the register," he explains. "He ended up giving away discounts only to those customers that were already in there and were ready to pay full price. He didn't see the benefit in promoting the SMS campaign in his local newspaper or on the door hangtags that he was already canvassing the neighborhood with. Had he integrated his mobile call-to-action with these other ads, I'm convinced the campaign would've been much more successful."

The Mobile Preference or 'Why Don't You Just Text Me?'

As the mobile space continues to mature, marketers must keep a close eye. Communication habits are constantly changing. In fact, consumers are much more likely to text their friends now than place a phone call. "We've finally moved away from mobile marketing experimentation into the realm that brands and marketing agencies have come to understand that we now need to start leveraging the technology that customers are using to talk to themselves with," explains Becker. "According to Nielsen Mobile, for instance, average users send 480 text messages but use just 187 voice minutes per month. So text messaging on average has become the primary communication on mobile phones, not voice."

This shift could signify changes in consumers phone interactions across the board. Even while watching TV, consumers may or may not have their laptops readily available, but you can almost bet on the fact that their phones are within reaching distance. Have you incorporated a text code into the end of your TV spot so consumers can simply text for more info?

"We did an interactive TV campaign for a TV station in L.A. One of the things that we found with that was when given multiple ways to interact with that campaign, whether it be online, telephone or actually the mobile component of the telephone, the mobile component — just a simple text message of back and forth interaction — was, far and away, the preferred method," says Harber.

From TiVo to iPods to the Internet, the rapid decline in consumer attentiveness toward traditional media hasn't been an accident. To ensure your message isn't tuned out, perhaps now it's time to turn your attention to that little device that's attached to your customer almost 24-7.