

To offer mobile coupons, or to not to, that's the question: MMF Panel

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NEW YORK – The coupon debate at the Mobile Marketing Association's Mobile Marketing Forum was a heated session with speakers debating whether mobile coupons can drive consumers in-store.

Many of the session's audience members left the room extremely troubled after panelists tried to glean the difference between an offer and a coupon. But does it really matter?

"Coupon or offer is a silly argument," said Jeff Hasen, chief marketing officer at HipCricket, Kirkland, WA. "The point is that either is going to give the consumer a reason to go to a retail location and spend.

"When you give a two-for-one coffee coupon you can up-sell and get the customer to buy a scone to go with the coffee," he said. "We don't need for technology to get here as companies like Jiffy Lube and Arby's have shown [via their SMS coupons]."

Panelists claimed that a coupon is something that is transacted at the point of sale, which can be measured.

But isn't showing a mobile phone with an SMS offer to a cashier the same thing as handing the cashier a paper coupon with a discount?

In terms of awareness, Ted Fagenson, vice president of Cellfire, said coupons have a steep learning curve and migration will occur quickly via word of mouth and retailer support.

Digital coupons average roughly 13 percent redemption rates. Mobile/Web coupons are averaging 20 percent.

"Consumers are more likely to use digital coupons," said Sharon Wahrmund, new product development manager at Inmar.

Gary Schwartz, president/CEO of Impact Mobile and panel moderator, said that stories on Mobile Marketer that have the word "coupon" in the headline tend to get the largest opens because marketers are interested in them.

"Coupons are real, they are happening and the numbers justify this," Mr. Fagenson said.

"Passive advertising and access to customers is rapidly diminishing," he said. "Don't depend on discovery. Customers are seeking offers and shoppers can capture and process information in a new manner."

Mr. Fagenson also said that marketers need to have a multichannel coupon distribution strategy or they will be left behind.

There are more mobile phones than TV sets and PCs combined and 37 percent of consumers have mobile access.

Nearly half of all mobile coupon redeemers are 34 or younger.

On the con side of the mobile coupons debate was Alec Newcomb, vice president of MyWebGrocer, and Domingo Gonzalez, eCRM supervisor at Horizon Media.

Both speakers agreed that coupons are a fragmented providers market and that they lack scale and consumer adoption.

They also argued that coupon campaigns have low ROI.

Mr. Newcomb said that only 1.8 percent of consumers use mobile coupons, meaning that only 5.9 million mobile users use mobile coupons.

The panelists that were pro-coupons disagreed, as did a lot of the audience members.

"Mobile coupons are convenient because consumers are likely not to forget their phones at home and they will spend less time at the cash register line," Mr. Fagenson said.

"A lot of people are embarrassed to use paper coupons and mobile coupons remove that embarrassment," he said.

The panelists talked about mobile coupon technology - RFID and 2D bar codes - and the fact that it is not quite there yet.

Also, companies are concerned with actually having consumers hand their phones to cashiers. A cashier can drop a phone, so this mechanism is not foolproof, according to Mr. Gonzales.

"It's not just the technology, it's the lack of support," Cellfire's Mr. Fagenson said. "Build a database of customers and then target them with offers."