

For retailers, mobile marketing needs to move beyond campaigns

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A few weeks ago, big-box retailer Best Buy launched an iPhone application that allowed users to shop on their iPhones and iPod Touch devices. While the app was quietly released, a number of retail and mobile-marketing trades reported the news. It was seen as a major development for a retailer -- one that actually sells PCs and laptops -- to adapt to customers who are increasingly accessing the Web away from their PCs and laptops. (Ultimately, it makes sense for Best Buy, as they also sell mobile devices and want to be seen as a mobile leader.)

At the same time, though, Best Buy quietly added another mobile capability for reaching its customers. It may have lacked the coolness of an "app," and it may actually leverage the second-oldest form of advertising retailers still do (if you consider the Sears catalog the oldest): they added a text-message product-information-request capability to their Sunday circulars. Customers could get further information simply by texting the product's seven-digit SKU number to short code 332211. I tried it with a TV and received product information and details on purchasing and financing immediately on my cell phone.

Think about this for a second: I'm not sure how many people get the Best Buy Sunday circular -- but as a comparison, *Parade* magazine (also included with the Sunday circular), has a circulation of nearly 32 million. For the sake of argument, let's say that the Best Buy circular has a similar reach. This is a watershed moment for retailers with mobile, as a major player is actually using mobile-marketing (the SMS "call-to-action" product-information feature) to further leverage an existing media buy and ultimately create a tighter connection to its customers.

This was more than a simple text-message campaign. It's a watershed event:

- For the first time, the retailer could interact in real-time with customers via the Sunday circular, a previously static medium.
- Retailers can now measure the results of their traditional media buy more closely than ever before.
- The chain now has a new "call to action" by allowing customers to click through to receive further product information-and could send contextually relevant future product information. (If a buyer is interested in learning more about digital cameras, Best Buy could send text messages a month from now about promotional offers on memory cards.
- Ultimately, it allowed them to further the investment they had already made in the media buy for the circulars. So, as an avid shopper and marketer, I was truly excited by both events. But as a mobile marketer, I can see where each campaign could have truly done so much more -- and while we're not there yet, mobile marketing is going to help retailers clear the final hurdle toward the elusive "single view of the customer."

Key to mobile success: Moving beyond singular campaigns and cool apps

All of the promises that were initially made with interactive marketing campaigns -- e-mail and the Web -- can truly be delivered with mobile marketing. I've described the two "bookends" of mobile marketing -- the iPhone application and SMS. However, to date these have tended to be one-off "campaigns" or initiatives, rather than a permanent element of the retailer's marketing mix. For mobile to truly have staying power, it needs to integrate with customer relationship management (CRM) systems and back-end customer data warehouses.

Mobile marketing works best when it's part of a retailer's multichannel campaigns, rather than simply as a one-off, siloed operation. It needs to be more than a series of one-directional messages: mobile marketing needs to create a conversation and relationship between retailers and customers, and it can only truly do that when it's tied into broader marketing programs, and fed by retailer's CRM systems.

Think of the average supermarket customer loyalty card. When they were first introduced in the 1980s, the card was a revolution: Customers were exchanging personal information for the chance to save 25 cents on wax paper. Mobile marketing brings customer clubs into the 21st century, by combining the familiarity of the "shopper's card" with the ubiquity of the mobile device, by tying into vast amounts of customer data.

Loyalty programs feed customer data warehouses that capture customer shopping habits -- primarily what, when and where they buy-and use the information to intelligently make the right offers at the right time. If Food Emporium knew that I

typically shop on Saturday afternoon, and that I've bought Ben and Jerry's Chunky Monkey (my weakness) ice cream the past four weeks, imagine being able to make a contextual offer via SMS, with a coupon for a free box of ice cream cones, served to my mobile device at noon on a Saturday.

When mobile marketing ties into CRM systems, it provides retailers with many unique capabilities, including the ability to:

- Maintain and increase customer loyalty;
- Establish 1-to-1 communication directly with the end customer;
- Influence purchases by connecting with consumers at the time of purchase;
- Leverage vast amounts of customer data with CRM systems to create relevant, contextual offers based on previous buying habits;
- Increase the average consumer spend and frequency; and
- Measure results immediately.

Consider the case of Staples. In this case, the company wanted to further leverage in-store signage and national ads for a back-to-school campaign (essentially the store's "holiday shopping season," particularly if you remember this commercial), "Geared4School."

Consumers were encouraged to enter via text or online to win a grand prize of a \$10,000 shopping spree in Los Angeles with teenage heartthrob Ashley Tisdale. Consumers were also eligible to win daily and weekly prizes. The results were impressive: More than 50% of the chain's entries came in via text message, and more than 60,000 customers double-opted in for future contact from Staples. This database proved to be a valuable tool for Staples, allowing the chain to reach out to opted-in customers with further relevant communications.

iPhone apps are no doubt trendy, memorable (and great to show off), and SMS product-information capabilities are useful, but each is only a single, standalone element of a full mobile marketing strategy.

Retailers need to think about broader solutions, with a longer shelf life, that tie into back-end CRM systems. Multichannel campaigns must be utilized to truly give their customers what they want, when they want it, in a way that only mobile marketing can.

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