

A Small Business Guide to Text-Message Marketing

By MARK COHEN

Mobile [text messaging](#), the same 160-character dispatches first popularized by nimble-fingered teenagers, may be the closest thing in the information-overloaded digital marketing world to a guaranteed read.

The use of text messaging, also called SMS (for short message service), has exploded in this country. Some 3.5 billion text messages are sent and received every day, according to CTIA, the wireless industry trade group. That is more than the number of cellphone calls and a threefold jump from 2007, with some of the biggest increases occurring in people over the age of 30.

Thanks to regulatory quirks, however, SMS is still a relatively uncluttered and spam-free marketing channel. It's also the one form of communication that many people are tethered to 24/7. Which helps explain why, at a time when in-boxes fill with hundreds of never-opened e-mail messages from direct marketers, 97 percent of all SMS marketing messages are opened (83 percent within one hour), according to the latest cell-carrier research.

"I like to think of it as the certified mail of digital communications," said Jeff Lee, president of [Distributive Networks](#), a text-messaging application and consulting firm based in Washington. "When you want to be sure people see something, send it by text."

Mr. Lee's company worked with the Obama campaign on its use of SMS in August 2008 to announce [Joe Biden](#) as its pick for vice president. An estimated 2.9 million people registered to receive the text. (They were supposed to be first to get the news, but CNN beat the release by two-and-a-half hours.) The promotion generated millions of new mobile phone numbers, which the campaign then used to send out more texts drumming up donations and volunteers.

A year later, in part inspired by the publicity over those efforts, sports teams are using SMS to increase ticket sales, health clubs are using it to hand out trial gym passes, and a luxury home-design chain plans to use it to enhance the shopping experience for those in the market for a bidet.

Let's review the rules for getting started:

1. Don't even think about doing it the illegal way.

While SMS is less plagued by spam than e-mail, it's not without its bottom feeders. Spammers using automated dialers can hack into the nation's SMS infrastructure through the Web and blast out millions of texts to random cellphone numbers. If you were considering hiring one of these firms to do your marketing, don't. Not only might it expose you to stiffened penalties pending in Congress for text spam, but the vast majority of the messages will never even get through, or through for long, before the cellphone carriers cut you off.

2. You basically have three (legitimate) options.

When selecting a service provider, the choice comes down to how much you want to spend and what you need your text-messaging service to do. The simplest and cheapest option is to hire the text-messaging equivalent of the old Valpak mailings. For example, [MobiQpons](#) is an [iPhone](#) app with a geo-locator that automatically sends people text coupons when they are shopping in the vicinity of participating businesses; New York-focused [8Coupons](#) is a Web-based service that allows users to text themselves the coupons they want.

This approach, which has become increasingly popular with neighborhood boutiques, restaurants and the like, costs as little as several dollars a day. One thing it won't allow you to do is capture recipients' cell numbers — arguably the key feature of the most successful text-message marketing campaigns. Another option is the custom approach specialized in by Distributive Networks. This involves registering for your own proprietary "short code," the technical name for the five- or six-digit phone number that dialers use to access a text marketing campaign.

The advantages here are that you can choose a vanity short code like OBAMA (62262), and you have free rein over the type of standardized information — like ZIP codes or birthdates — that you can solicit from callers. Disadvantages are that it will take at least eight weeks for your registration to be processed by the industry's official short-code

gatekeepers, and it will run you thousands of dollars in licensing, activation and hosting fees.

That's why a lot of small businesses start with an off-the-shelf platform offered by companies like [Mobile Commons](#) (another firm with deep roots in Democratic political organizing) or [HipCricket](#) (many of whose earliest clients were radio stations) that lets you share a short code. Depending on whether you also hire an interactive agency to shape your marketing strategy, you may be able to get up and going for as little as \$800 a month.

3. Text marketing can be supported by traditional marketing.

Of course, to capture people's cell numbers, you need some way to get their attention. "I tell businesses to think about the resources they already have at their disposal," said Jed Alpert, the founder of Mobile Commons. "If you're a restaurant, you have tabletops. If you have a highly trafficked Web site, or are running billboards or radio spots, those are all good places to let people know about your texting campaign."

John Mullin, founder of the New York interactive agency [On the Go Mobile + Media](#), designed a program for the Army in which the initial invitation to text in appeared as part of its ads in digital jukeboxes in bars. Another campaign considered by a national steakhouse chain would have advertised text coupons for blooming onions in its "stadium" ads inside an EA Sports video game.

The Shedd Aquarium, in Chicago, uses a combination of on-site signs, end-of-aisle displays at local [CVS](#) stores with [Coca-Cola](#) as co-sponsor, and TV advertising. "We even built in a control group," said Jay Geneske, assistant director of marketing. "For the promotion running on three local TV stations, we just gave out our phone number and Web site. But on the Fox affiliate we gave out our short code and asked people to text in to win. The response to the [Fox ad](#) was more than the other three combined."

4. It is better to give than to receive.

"People's mobile number may be the most guarded number they have after their [Social Security](#) number," Mr. Lee of Distributive Network points out. "That's why in that first call to action you need to change their mindset from, 'You're going to hit me up with marketing,' to 'You're going to give me exclusive access to something,' or 'You value my opinion.' Voting for the new M&M color is probably the classic example."

Free stuff also helps. [Emitations](#), an online retailer of costume jewelry, is about to start a texting campaign promoting a new product line inspired by the "Twilight" vampire-themed book and movie series. Users who text in to register will receive regular alerts about new releases and sales on products tied to their favorite characters. Just for taking part, though, they'll receive a sampler modeled on the gift bags handed out at Hollywood award dinners.

"Even with this group who's so used to texting, I think it's really important to start by giving them something," said Au-Co Mai, chief executive of Emitations. "Otherwise, I think it could come across as spammy."

5. Don't waste your time with one-offs.

"SMS is really more about long-term relationship building than the quick hit," Mr. Lee said. He cites a program that Distributive Networks designed for Armani Exchange, the national fashion retailer. The ARMANI (276264) short code has become a ubiquitous part of the company's branding — etched into store windows, posted in dressing rooms and on the retailer's Web site. The first few coupon offers, though, served mainly to build the database of phone numbers on file. Then, last fall, the company held a series of sales at its flagship Manhattan store open only to its text-message clientele — with every promotion resulting in lines out the door and near-record receipts.

Mobile Commons makes a point that its platform, when used correctly, becomes as much an extension of a client's customer relationship management system as its marketing strategy. "You learn so much about your business when you look at it systematically instead of anecdotally," Mr. Alpert said, "and text messaging provides a really powerful way to connect that information to your clients."

He offers the example of a dry cleaner who keeps track of his customers' drop-off patterns, down to which customers typically bring in suits and shirts and which a blanket and sweaters. "The system can then text out very specialized discounts on shirts and suits just to the shirt-and-suit customers," he said. "Or if you know some people usually come in on Monday and they don't show for a few days, it can automatically text out a reminder: 'Hi! We haven't seen you for a few days.' "

6. Show restraint (and don't get too cute).

"If you're texting your customers more than five times a month, you better have a really great reason," Mr. Lee said. Some other lessons learned in the course of sending

and receiving tens of millions of texts in the course of the Obama campaign: When writing out your short code in your ads, don't put quotes around the number — "12345" — because people will type them in. "We've found they take instructions very literally," Mr. Lee said.

Also, when devising the text messages, don't make the mistake of thinking that it should be steeped in youth-culture texting slang. "Stay away from shorthand like '4u' or 'gr8,'" Mr. Lee said. "Even the folks I know who work for [Adidas](#), which has a big youth-oriented clientele, feel that when that kind of language is used by a marketer, it comes across as pandering."

Quick Tips:

- Avoid youth texting slang. Texting isn't just for kids anymore, so don't treat it as such.
- Pick a service provider that fits your budget and time frame.
- Text-message marketing works best in combination with other marketing strategies.
- Increase participation with coupons, special offers and invitations.
- Give your program time to build.

Suggested Reading (and Viewing):

- A new [report](#) makes the case for text-message marketing.
- A detailed [case study](#) on Moosejaw, the online retailer, and its use of text marketing.
- A [trade guide](#) to mobile marketing.
- A [TV/text ad](#) created by the Shedd Aquarium in Chicago that outperformed traditional ads.