

What Chief Marketers Need to Know about Text Messaging

Chief marketers familiar with text messaging as a real time alternative to talking with someone on a mobile phone may not fully grasp the power of these interactions as part of their broader charter. At first glance, text messaging – or technically Short Message Service (SMS) – is a gimmick used by television talent shows to collect votes or a registration tactic advertised on store signs or billboards. At best, it is like email, another avenue to broadcast messages and calls to action, except worse because you are limited to sending and receiving only 160 characters.

In practice, SMS can power highly effective customer relationship and development strategies. The key is working with firms which have developed technology around SMS that masks the complexity of initiating mobile interactions (or Dialogues). Firms that address this properly will walk you through the following steps:

1. Advise you that mobile marketing best practices, as prescribed by the Mobile Marketing Association, dictate your initial foray into mobile requires creation of a new class of customers – your mobile subscribers. It is not sufficient to possess or buy customer or prospect mobile phone numbers without also having their expressed consent to communicate with them via text messaging. Marketers are free to do so but at their own peril, as mobile device users have come to expect this opt in step and are likely to punish those who do not.
2. What this means is that you must create a mobile marketing strategy in line with your overall customer retention and acquisition plans. One approach we prescribe is developing a Mobile Marketing Strategy Map (below). Engagement with the mobile audience requires thoughtful, relevant and ongoing communications so that your business, product or brand remains top of mind. Without such a programmatic approach, you risk wasting the effort. Thoughtful providers may prescribe a trial to determine what works/does not, but as part of a longer term plan for leveraging mobile strategically.

Marketing Initiatives	Interaction Channels					
	Web	Email	POS	Call Center	Advertising/Media/Print	Social
	The Mobile Customer Experience					
Loyalty Programs	 <p>Text Message Marketing Actions</p>		 <p>Smartphone Applications</p>		 <p>Mobile Optimized Websites</p>	
Demand Generation						
Brand Awareness						
Champion/Challenger Testing						
Customer and Market Research						
Product or Service Launches						
Promotions, Sales, Coupons						
Special Events and Conferences						

3. This step can take many forms, but some businesses will drive opt in email contacts to a web form where they are incented to opt into mobile communications. Others may advertise a new loyalty program in traditional media like billboards, signage or print that encourages an opt in text message interaction (or double opt in, as is becoming increasingly common). And remember, you can embed pointers to mobile websites or even application downloads in text messages, so you need to think more holistically about what actions you hope to drive based on your objectives.

4. To do so requires use of something called a short code, which is simply a short form (more easily entered without errors) phone number that people use to send and receive text message communications. Good providers will mask the complexity of obtaining short codes, and successful firms already possess multiple “shared” codes which can be used by any business almost immediately. These numbers are able to be shared by different businesses because text communications are segmented by keyword – the phrase that people send via short code to a text message marketing system. This is cost and time effective, but many businesses are moving toward obtaining a “dedicated” short code which aligns with their brand, and is then placed everywhere customers engage the business. Providers should be able to help you obtain these vanity numbers without exposing the messy details around acquiring them. Today this process can take up to a couple of months (it is NOT instantaneous like domain name registration), so if mobile is even remotely on your radar for 2010 and branding your short code may be important, securing it now via a knowledgeable provider may make sense.
5. With a baseline group of customers and prospects interested in receiving messages, now you have the opportunity to call them to action, based on your marketing objectives. To do this most intelligently – like you would with any other marketing channel – you want to segment your audience based on what you know about them, but also what you would like to know about them and how you want them to act.
6. Providers with flexible solutions allow you to append opt in subscriber data with internal and third party data to create groupings of customers and prospects for targeting with relevant messages – for example, unique offers tiered by expected lifetime value, geographic segments for regional promotions, and many others.
7. Forward looking providers will also advise you to take the opportunity to learn more about your prospects and customers within the mobile channel. Stitching data capture requirements into marketing programs is an effective approach to gaining valuable insights into consumers who are willing to engage in mobile interactions. It’s like adding a mobile attribute to your existing customer understanding, but it is a multidimensional view inclusive of demographic, attitudinal and transactional data all collected as part of mobile interactions.
8. Providers should also alleviate any concerns over limited reach given the diverse carrier networks which provide access to mobile device users. The good ones work with third parties, or aggregators, that in turn offer turnkey access to virtually all mobile phone users. There is no need to work with these third parties yourselves; providers should have these integrations pre-built in their offerings.
9. Speaking of “offerings,” text message interactions have become highly sophisticated thanks to the creation of “mobile campaign management” platforms. Like similar technologies used to develop web, email, snail mail, call center, or point of sale marketing programs, these dedicated systems should provide a variety of methods for taking an interaction idea, and rolling it out to the mobile channel. Better providers make this easy to do, and the majority are offered as a service (Software-as-a-Service) so there is no software or hardware to buy.
10. It is challenging to view mobile as an effective customer interaction channel as opposed to a means by which you simply send and receive text messages. Marketing leaders should seize on this new opportunity to help their businesses compete more effectively for scarce consumer dollars by partnering with a provider who understands and is able to communicate the difference.