

## SMS and MMS Marketing

### What's the hype?

A recent Business Monitor International report on the Singapore telecommunications industry projects that Singapore's mobile phone penetration rate will reach 117% by 2009. The mobile phone market is already fully saturated, having reached over 100%, implying that there are people with more than one local mobile phone line. According to Portico Research, Singapore sees an average of approximately 900m SMSes sent per month, while globally, the mobile advertising market will reach \$9.5b in revenues by 2011.

As mobile phone costs and their usage costs fall, and as penetration increases, the use of SMS, and, increasingly, MMS as a marketing channel will increase. In spite of the fragmentation of the market, what with differing standards and unequal development of technology globally, wireless marketing has already taken off as a viable way to reach broad segments of the population. As it is, simple 'broadcast' SMS campaigns are no longer new – today the focus has shifted towards more interactive, engaging campaigns.

SMS marketing is a powerful tool because of the personal nature of text messaging. People take their mobile phones everywhere they go, which allows you to reach them anywhere, and at practically anytime. They also tend to read every SMS they get, unlike emails which can get ignored in this age of email spam, or easily removed by filters.

It also has a crucial advantage over other channels in one area – speed. You can create a campaign in minutes, and get it out to market just as quickly. In situations where speed is required – in response to a competitor campaign, or for a last minute deal, SMS marketing sees few other competitors. Time it right so that your SMSes reach customers at an optimum time, such as when they are actively shopping or socializing, and the chances for success can be even higher.



## The Good...The Bad...and the Ugly

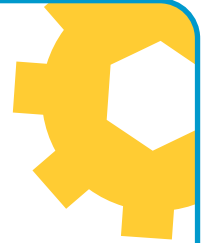
SMS marketing makes it easy to incorporate the interactivity factor into your campaigns. It's easy to elicit a tangible response from your customers, for example with a keyword-based campaign. Recipients of an SMS message can respond with a provided 'short code' which in turn triggers a pre-programmed computer to provide them with more information or send out an exclusive discount coupon for your product or service. This presents advantages in terms of data collection and tracking of your campaign, allowing you to maintain a detailed mobile customer CRM record, and reward customer loyalty in the future. Furthermore, as an opt-in service, there is less worry about sending unwanted communication.

A ClubTexting (SMS service provider for clubs and bars) study indicates that approximately five to 20 percent of customers respond to redeem offers via SMS – compare this to the industry average of about one to four percent for emails!

An oft-cited example of the full potential of interactive SMS marketing is the EMI campaign for the virtual band Gorillaz, conceived to drive album sales in Singapore. Supported by free postcards and radio spots encouraging teens to start 'conversations' with any of the four band members by sending an SMS to the service, the quirky, irreverent and sometimes subversive campaign was a hit with its target market. Thousands of 'conversations' were started, with software reacting to programmed trigger words and sending users automated responses and responding to requests for pictures and other virtual freebies. There are reports of users having conversations up to 20 messages long! By all accounts this campaign had more than met their aim which was to deepen the target audience's relationship with the band.

Advantages aside, an immediately obvious downside of SMS marketing is the limited message space you have to get your offer across. Typically, you have only 160 characters to play with – which is very little once you've included mandatory information such as your business name, contact details and opt-out information! At the same time, you need to avoid using too many SMS abbreviations which can be confusing and difficult to read. This leaves you with very little space for details about your campaign – which in turn means you need to make your limited copy work harder for you. Try to get to the point and be as concise as possible, and keep your campaign mechanics simple.

SMS campaigns can also be expensive, costing several thousand dollars for the use of an SMS server and the software required to collate the data generated by the campaign, which is a necessity if you're going to be learning anything from your efforts to apply towards future campaigns. The three major telcos in Singapore each offer competitive SMS broadcast services that integrate with tracking and analysis software, but it's also worth checking out some of the specialist independent bulk SMS providers for more competitive rates and for their experience in creating and tweaking campaigns for maximum efficiency and returns.



## ► Tips for a successful SMS campaign

- **Your SMS campaign must provide real value to your recipients.**

SMSes are by their very nature more intrusive than other forms of marketing. If you're going to push your way into your customers' personal space, you'd better be providing something they'll find useful – whether it's an exclusive invitation to an event or a special discount available only to those who flash the SMS.

- **Respect your audience's privacy.**

In the same vein, try not to contact your customers too frequently, which leads to fatigue and annoyance. You should also only be contacting customers who have opted in to your list, and not your entire base. It's easy to aggravate people who continually receive messages they never asked for, thus entrenching a negative opinion of your brand in their minds.

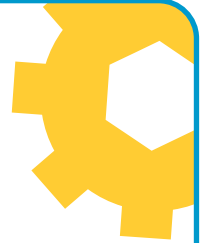
- **Familiarize yourself with what you can and cannot do.**

The intensely personal nature of marketing via SMS has led to concerted efforts by regulatory authorities to protect consumer rights. Before you embark on an SMS campaign, ensure you're familiar with 2007's Spam Control Bill and the new rules and regulations that now govern such campaigns. These include having to mark advertising messages clearly with ADV before the message begins, identifying your company, and clearly providing opt-out or unsubscribe info within the same message. There must also be clear contact information for recipients who wish to get in touch with you.

- **Time your campaign right.**

As with other marketing campaigns, timing is important in an SMS campaign. Depending on the nature of your business, there are optimum times to reach your customers – the end of a work day for bars advertising Happy Hour promotions, on a weekend for retail outlets to catch customers who might already be out shopping. Either way, it's a delicate balancing act – too early and you risk customers forgetting your message, too late and they won't be able to change plans to take advantage of your offer. Rigorously tracking and analyzing all your campaign results and statistics will enable you to continually fine-tune your approach for maximum results.

Remember that mobile marketing does not stand alone, rather, the most successful campaigns leverage traditional media such as TV, radio and print for maximum impact. They've proven that cross-media integrated campaigns are keys to success.



## The future: MMS marketing

As mobile phones become more and more sophisticated, with multimedia capabilities becoming standard, the focus has inevitably begun to shift to MMS marketing. MMS marketing presents many more features and capabilities for marketers, chief among which is the ability to send richer content and improve interactivity.

MMS has been slow to take off due primarily to the disparity in levels and types of technology available to consumers, especially with telcos being slow to support standards such as 3G. But in recent years several brands have been able to exploit the medium with reasonable success. Visa, for example, sponsored the Vindigo City guide, a directory of places to eat, shop and play, designed to be used with PDAs and mobile phones and targeting its high-end Visa Signature cardholders. This eventually went on to become one of the most popular applications in its class.

Volvo's pan-European campaign for the launch of its new S40 was similarly successful in its aims of raising brand awareness and driving traffic to its website. Integrated with its popular TVCs centered around "The Mystery of Dalarö", the campaign invited users to text "MYSTERY" to the campaign's short code to receive a teaser trailer and more information about the story. Software immediately detected the sender's handset type, determined an appropriate video format, and sent it to the user, along with a link to the campaign website where they could view a documentary about Dalarö and learn more about the Volvo S40. The campaign results were staggering, with an estimated 49% of recipients downloading the video – especially impressive when you consider the technical considerations involved in having to keep track of different country-specific short codes, mobile standards, and available handsets!

SMS and MMS marketing hold potential as effective marketing channels particularly when integrated with traditional media. The key again is in understanding the media and its limitations. If you have a product or service that could benefit from the power of mobile marketing, we'd love to discuss the possibilities – just give us a call, or send us an SMS if you prefer!

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