

## Consumer In Charge — A Lesson In Mobile Marketing

Tight margins and an even tighter economy mean retailers must focus their sustainability initiatives on business savings first and public perception second.

by David Thomas

In 1974 something revolutionary occurred. In response to a slowing economy and increasing competition, Marsh's Supermarket in Troy, OH became the first to scan universal product codes (UPCs). They recognized this new system would enhance the tracking of customers' purchases and help streamline ordering/delivery processes. UPC scanning became common in nearly every retail industry.

With the 2010 holiday shopping season upon us, retailers again face challenges of competition and a rocky economy. They must be better, faster, leaner, and still able to attract and retain loyal customers. They must have the vision to choose best strategies from an ever-widening range of solutions.

### Why Mobile?

For marketers, the mobile phone has become an important medium. Can you think of a more personal and pervasive medium than the mobile phone? Its size makes it extremely portable, and consumers have become dependent on them to perform various tasks. Research tells us there are three things people don't leave home without: their wallet, their keys, and their mobile phone.

Mobile is a unique two-way medium; consumers directly interact with a brand as they make purchase decisions. With alerts, promotions, offers, and follow-ups to consumers, this channel means less reliance on the storefront and allows for unlimited targeting, personalization, and measurement.

Mobile marketing has made it to the table, but retailers need to leverage its power as shoppers are empowered as never before. Mobile is considered by many to be the fourth retail channel, but it also serves as a catalyst for the other channels. The mobile channel can affect the entire retail organization from distribution, operations, merchandising, marketing, human resources, and customer service. Entering the mobile channel can be cost-effective when done right, so it's imperative to develop a mobile strategy.

### Where To Start?

Getting serious about mobile marketing starts with building a strong mobile presence: an ad network buy, a stand-alone mobile application, a mobile-friendly website, an SMS program, or a combination of all four.

**Ad Networks:** Third-party ad networks connect mobile marketers (and consumers) with mobile publishers. Like many other mobile mediums, mobile advertising is growing explosively. Juniper Research predicts total mobile advertising expenditures will rise from more than \$1.4 billion in 2009 to \$6 billion in 2014. However, this marketplace is fragmented with no single dominant ad network — when you're paying for eyeballs, you want to ensure your messages are targeting the right people.

**Stand-Alone Mobile Applications:** Many brands are rushing to create their own stand-alone app, but how many can be supported? Many experience the

frustration of having to develop and maintain cross-platform applications for different smartphone systems that require an investment of time and money.

**Mobile Web:** Enter into mobile by optimizing an existing website for mobile. There's no question that mobile Web use is increasing. Mobile e-commerce is ramping up fast as well, with online e-commerce accounting for up to 4% of total retail sales. In certain categories, online sales via mobile devices are up to 45% of the total retail market.

It's important to have a mobile presence to support mobile shopping. But more important is the ability to buy. Can the consumer complete the transaction simply and start buying items off the mobile site or application? The fewer the clicks, the better. The site has to make the customer feel secure and reassured. Many retailers get bogged down in recreating Web-like experiences on mobile, as well as adapting to various smartphone screens.

**SMS Text Advertising:** SMS text advertising consists of sending less than a 160-character message to customers' mobile phones. The message can be information about a brand/product, directs to websites or call centers which deliver mobile coupons or contest entries, or promotion of an event/sale. This is an easy entry into mobile, and virtually every mobile phone is equipped to receive text messages. The downside of SMS is the involvement of the aggregators and cell phone carriers, and a text message is flat text on a screen which limits the branded experience.

### The Mobile Opportunity

Retailers looking to drive sales should leverage mobile marketing's capacity to enhance the consumer interaction with a brand. Best mobile strategies will be noninvasive and deliver convenience, personalization, and mobile multimedia solutions. And, although counterintuitive, retailers should reach consumers on their own terms, with the equivalent of a convenient, one-stop brand hub via mobile. ■



**David Thomas**, CEO of Omnego, has applied his knowledge of POS systems, loyalty, security, and payments to the world of mobile marketing.