



Putting Marketing Messages in Customers' Hands

By João-Pierre Ruth

5/12/2008

WIRELESS PHONES are becoming outlets to deliver targeted marketing messages, breaking down one of the last barriers to reaching individual customers at any time, in any place.

Communications solutions providers, such as Gold Mobile in Clark and Club Texting in New York City, make this mobile-marketing service available through Web-based software that lets companies send text and multimedia messages to their customers.

Bob Gold, CEO of Gold Mobile, says mobile marketing only works if the recipient requests the pitches. "You cannot send a mobile advertisement if they did not opt in," he says. "If the [wireless phone] carriers find out, they will shut you down."

In foreign countries, he says, marketers can buy phone lists and send marketing messages to the contacts they acquire. Gold says such aggressive tactics are unlikely to catch on in this country. "There is a higher response rate to our type of mobile promotions because they have to opt in to receive them," he says.

Once customers sign up to receive the alerts on their cell phones, businesses can start transmitting special offers and promotional pitches at will. "It is going to help capture that audience that is already interested in the brand," says Amy Baglan, sales manager for Club Texting.

The Sandbar Café, a Jersey City hot spot, started using Club Texting's services in February 2007 to keep its patrons coming back. Sandbar sends text messages to customers, who have signed up to receive the alerts about specials and upcoming performances. Vid Bahadur, promotional director for the Sandbar, says the nightclub's customers can sign up online or in person to receive the announcements. "You are definitely reaching your clients," he says. "You are going straight to their cell phone. If you were to pass out fliers and do billboards, it is not as direct."

The club already was using a phone list to reach patrons but wanted a more active way to stay in touch with its target audience. Sandbar had a database of almost 10,000 members, according to Baglan, but could not simply roll that contact information over to its mobile-marketing campaign. Not only would unsuspecting Sandbar customers grow annoyed, but the wireless carriers could accuse Club Texting of spamming and limit its ability to send the messages. "Cell phone carriers are doing us a favor by letting us reach out to their customers," says Baglan. She says the carriers audit companies like Club Texting for unsolicited messages. "They have the power to regulate it," she says.

Bahadur says Sandbar's list of mobile-marketing recipients has grown from 1,500 in the first month the service was offered to more than 8,000 subscribers. Messages can include free passes to the club and chances to win prizes such as branded T-shirts and mugs.

"It is just like couponing," Baglan says. "Every single time [Sandbar] sends out a text, they give something back to customers."

Companies using Club Texting's services get a personal access code to log on to its Web site and then can type the message to be sent and transmit it to all wireless users signed up on the list. Club Texting's clients include nightclubs, churches, sports teams, retailers and fast-food chains. Baglan says her company has about 1,000 clients across the country. The companies pay a startup fee of several hundred dollars plus 5 cents per text message sent. Message recipients pay standard text-message rates based on their carrier's service plan.

Club Texting primarily sends text messages to wireless phones, but Baglan says the company can also send multimedia messages with pictures and other graphics. Currently, not all U.S. wireless carriers support the transmission of multimedia messaging," she says.

While they continue to develop marketing uses for mobile messaging, some users have been tapping the application for public service announcements. Brookdale Community College in Lincroft started using Gold Mobile's system last fall to send emergency alerts to students and faculty. The school is in talks to roll out a marketing program for announcements about campus events and ways to encourage enrollment. "We use it for any lock-down situation," says Stephen D. Nacco, executive director of college relations at Brookdale. The college introduced the system last fall in response to the shootings at Virginia Tech and other college campuses. Students, faculty and staff simply send a special code to opt in to receiving emergency messages, which can be voicemail or text. Nacco says the school started using the system last fall and now has 1,300 phones registered.

Gold Mobile charges its clients a monthly fee and 3 to 7 cents per message, based on volume. Nacco says the college does plan to send out course registration reminders to students, concert announcements and messages to promote enrollment once its marketing program is in place. No start date has been set yet.

Once the school is ready to start marketing to its students, it will need to solicit subscribers all over again. "I can't use the current list for marketing," Nacco says.

Nacco learned the hard way that cell phone users are serious about not being bombarded with unwanted messages. He says he made the mistake of testing the emergency system by announcing an on-campus concert with a voicemail message sent to the cell phones on the list. "There was a great hue and cry of anger," Nacco says.

E-mail to jpruth@njbiz.com