

The Club Texting Guide To Mobile Coupons

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Introductory Note

If you are reading this paper you probably have heard of a mobile coupon. The technology has been around for a few years, but couponing campaigns have only recently taken off with brands and consumers. We first started to see major brands launch national couponing campaigns last year.

Since then, three things have changed. First, consumers have grown familiar with mobile coupons; second, companies like Club Texting have launched dead simple couponing platforms; and third, financially stressed consumers are looking for ways to save money.

Now is the time for your business – small and local, or large and national – to launch a mobile couponing campaign. You no longer need to pay a marketing agency tens of thousands of dollars to run your campaign for you; Club Texting's mobile marketing platform allows you to *Do It Yourself*. This guide will show you how easy and effective mobile coupons can be for your company.

About Club Texting

Since 2006, Club Texting has led the mobile marketing industry in providing a simple, affordable text messaging platform for small to medium-sized businesses. We help tens of thousands of clients in all industries – education, hospitality, religion, politics, non-profits, technology and more – to develop and execute a text messaging campaigns.

Run a clothing retailer and want to send coupons to customers to clear out old stock? Organizing a weekly baseball league for your children and want a fast, easy way to reach fellow parents? Looking for a way to collect leads for your sales team? Look no further.

Using our powerful platform, clients can easily setup text messaging alerts, voting, contests, polls, coupons and much more. Get instant feedback from your customers right to your Club Texting inbox with our true two-way messaging capabilities. Setting up keywords is simple on our shared short code 25827 (CLUBS). We also offer advanced API and dedicated short code options.

Club Texting currently supports messaging to the US and Canada for a rapidly growing client base of over 40,000 clients.

What Is A Mobile Coupon?

A mobile coupon is exactly what the name says – a coupon that consumers access on their mobile phone. What do consumers use it for? The same thing they use printed coupons for – to receive discounts or rebates on the product or service that they are purchasing.

The concept is that simple. Many businesses hear the word *mobile* and assume it is something far more complicated. In practice, a mobile coupon works the same way that a traditional coupon works. In other words, it is exactly what your customers expect it to be.

So how does it work? There are two broad types of mobile coupons. Some mobile marketing firms offer their clients barcode based coupons. Other firms offer text message based coupons. Club Texting allows you to use either type of coupon. Now let's discuss the pros and cons of the two types of mobile coupons.

Mobile Coupons Using Barcodes – If you decide to launch your mobile couponing campaign using barcodes you'll create an image of a barcode, which you then send to your customers. Mobile barcodes are popular with larger companies, as they offer enhanced tracking.

There are a number of common barcode types, from 1D to the 2D DataMatrix code. We won't discuss them here; if you're looking to deploy barcoded coupons you're probably already familiar with the print version of one of these offerings.

The difficulty with barcodes is that different consumers have different phones, which support different methods of receiving images. Some mobile marketing firms providing barcode based couponing platforms require consumers to download a reader application to their phone. This is far from ideal. Multimedia Messages (MMS) are another way to deliver barcode images. This solution allows wider scalability, though extending an MMS campaign across multiple carriers can be difficult, if not impossible.

Sending a consumer a text message (SMS) with a WAP link to the barcode image is the third option. Virtually all mobile phones support text messaging, and the vast majority of

Americans are familiar with texting. Following the WAP link requires a mobile web browser. Most phones sold in the past three years have a WAP browser, and about 40 percent of Americans have visited a mobile website. Thus, a WAP link offers the widest reach. Club Texting's mobile couponing platform allows you to upload your barcode image to our WAP server. The software will then insert a link to the image into a text message, which you can send to your customers.

However you deliver your barcode image, you will use some form of barcode reader to scan the coupon, which is displayed on your customer's mobile phone's screen.

Mobile Coupons As Text Messages – Text messaging based mobile-coupons offer the widest reach. Nearly every phone in the United States supports text messaging. Over half of all Americans have sent or received a text message. The average mobile phone subscriber sends nearly 200 text messages every month. When you look closer, at the prized 18 – 29 demographic, the adoption rate is even higher, edging toward saturation at 85%. Among those 30 – 49 years old , the adoption rate is at 65% and climbing.

So text messaging offers unparalleled reach. The drawback is that you can't track text message coupons with the same depth as you can track barcode images. That's not to say that text messaging offers no tracking. Any mobile marketing platform worth your advertising dollars will allow you to track delivery and response rates with alphanumeric codes.

A consumer will redeem the mobile coupon that you have sent them by showing the text message to you. Text message based coupons are quick, simple, and they offer unbeatable price and reach. Text messages are cheaper to send than MMS, and consumers who don't have unlimited data plans won't have to pay to download the barcode image.

Key Uses For A Mobile Couponing Campaign

When you decide to launch your first mobile couponing campaign you will need to decide on what to offer your customers. The options are as endless as your imagination, but most companies go with the same types of coupons that they use offline:

- Price discounts
- Buy-One-Get-One-Free offers
- Free products to drive foot traffic (or virtual traffic!)
- Sweepstakes entries
- Cross-Selling offers

So why would you launch a mobile couponing campaign? If you're reading this guide you probably already know the benefits of offering coupons to your customers. Maybe you've run print coupon campaigns, maybe you haven't. Either way, these are some of the most common benefits of sending mobile coupons to your customers:

- Driving traffic to your store (brick & mortar or virtual)
- Enticing customers to attend a special event
- Building brand loyalty
- Targeting specific customers with custom offers
- Saving your customers money in difficult economic times
- Creating buzz for a new product launch
- Building a database of customers you can market to in the future (Club Texting's platform automatically stores the information of customer's who opt to receive your mobile coupons)

How To Launch A Mobile Couponing Campaign In 4 Simple Steps

How easy is it to launch a mobile couponing campaign? You can have a straight-forward campaign up and running in under an hour. More complex campaigns can be launched in days. Either way, the process is dead simple when you use software like Club Texting's mobile marketing platform.

- 1) **Is your mobile couponing campaign push, pull, or both?** Will you be *pushing* your coupons to an existing database of customers who have opted to receive your mobile marketing campaigns or will you be *pulling* in new customers? Of course you can do both, allowing you to reach old customers and win new customers with the same campaign.
- 2) **Choose a format for your mobile coupons** – As we discussed a couple of pages ago, you can go with barcodes or text messages. Weigh the pros and cons and decide what is best for your company. Bar codes limit your reach, whereas text messages are limited to 160 characters. Either way, Club Texting can deliver your coupons.
- 3) **Create your coupon & send it out** – What are you going to offer your customers? Study after study has shown that consumers are extremely receptive to mobile coupons. Offer them value and they'll respond. You will then create your barcode or compose your text message, and enter it into the mobile marketing software.
 - If you're running a *push* campaign as soon as you click send your mobile coupons will be delivered to your customers.
 - If you're running a *pull* campaign, you'll now promote your coupon throughout your store and in your marketing materials. Club Texting allows your customers to sign up in a number of ways, but the most convenient way is by allowing them to text a unique keyword like *YourBiz* to our short code 25827. (*See the Case Studies below for examples*)
- 4) **Redemption** – Your customers visit your store, coupon in hand (on their mobile phone). They purchase an item and present the coupon at checkout. If your store is virtual you can send a text message coupon with a promo code to be entered at checkout.

Mobile Couponing Case Studies

Ready to see how effective a mobile couponing campaign can be? Check out these successful mobile couponing campaigns. We've included a Club Texting customer and one prominent campaign from a major brand.

Super Stop USA is a full-service gas station, car wash and detail center located near St. Paul, MN (Twin Cities). Their promise is simple: Quality In Everything We Do. We Guarantee It. When you walk into the Super Stop, you immediately know you're someplace special. From friendly staff to fresh merchandise, Super Stop regularly goes above and beyond customer expectations by offering guarantees on all services and purchases. Any given day when gas prices are scheduled to go up, Super Stop owner Tony Donatell knows far in advance. He also knows that if customers are alerted of price hikes in advance, they will make it a point to fill up before it's too late. The key is getting a time-sensitive message out to customers that they will immediately receive and read within a matter of minutes. Tony turned to Club Texting to develop and implement this program.

To effectively market their Gas Alert program, they implemented a two-fold solution. They chose the keyword GAS for text-in signups. Super Stop then created a variety of Point of Purchase (POP) displays, ranging from in-store signs at the registers to promotional posters outside at the pumps instructing customers to text "GAS" to 25827 to subscribe. For online promotions, Tony has both a comprehensive website and a valuable opt-in customer email database. This webpage was created in order to explain the program, answer all possible questions, and generate signups using Club Texting's customizable widget.

Their quick and easy call-to-action says it all: "Sign up to receive a text message on your cell phone from the Super Stop before gas prices rise! It's quick, free, and easy, and gives you time to gas up before prices go up!" As an added incentive, Super Stop also offers "Bonus Savings" coupons for Gas Alert participants to receive between 5 and 10 cents off per gallon if the price has already gone up by the time they arrive.

Sample messages include: *SUPER STOP GAS ALERT! Prices are rising to \$2.99, We will follow soon. If we have already gone up, show us this message and save 10 cents/gal until 1pm tomorrow!*

Customer response was immediately successful. In less than two weeks, Super Stop amassed over 70 subscribers and happily reports a response rate of at least 20% with each text message blast. Due to the high level of interest in the program, customer word-of-mouth has also been effective to generate signups.

Planet Funk, an apparel retailer with stores in California, Texas and Colorado, was facing the daunting task of bolstering its sales through what many had said would be the worst holiday shopping season in decades. Planet Funk took a look at its primary demographic of young, hip consumers who are never without their cell phones, and decided that mobile marketing was the appropriate channel to move forward with. By combining

both brick and mortar storefronts with an online presence, Planet Funk needed something that would bridge the gap and work efficiently, while also being as simple as possible to use and highly trackable.

By limiting the end-discount to the redemption of the mobile coupon itself, it creates a massive incentive to sign up for future communication. In Planet Funk's case, signing up for its "mobile club" was all that was needed to redeem the savings via the mobile coupon. Planet Funk benefits by adding mobile consumers to its all-important mobile database, and the consumer benefits by receiving the savings via mobile coupons.

By the conclusion of the campaign on December 31, 2008, Planet Funk realized they had created over 20% of their total December revenue via the mobile coupon campaign powered by mobileStorm. Roughly 2,000 coupons were generated, with a redemption rate at an impressive 91%. Even more impressive was the fact that Planet Funk realized an ROI at a staggering 377% based on the relatively low-cost of the campaign. Furthermore, 15% of those that redeemed the coupon opted-in to receive future mobile campaigns, which helped build Planet Funk's mobile database.

Source: <http://www.mobilemarketingwatch.com/fashion-retailer-sees-377-roi-using-mobile-coupons/>

**Ready To Launch Your Own Mobile Couponing Campaign Today?
Visit ClubTexting.com To Get Started.**

Need Some Advice? Give Our Sales Team A Call:

Tel: (212) 255-4663

(Monday to Friday, 9am - 6pm)