

# R U Up-to-Date on Mobile Marketing?

Imagine telling members via cell phone when they're within a mile of one of your automated teller machines or branches—or sending a video clip about your new auto loan program to a member at the dealership looking at cars. New mobile marketing technologies are here that could make such marketing strategies a reality.

For credit union marketers, the new capabilities afford opportunities to experiment with campaigns and services to capitalize on consumers' love affair with their cell phones. Although fairly new to the U.S., mobile marketing has been in play in Europe and Asia for a few years due to technology compatibility among carriers, higher cell phone penetration, and consumers' and marketers' greater acceptance of text messaging.

More U.S. consumers are upgrading to phones that can receive such messages. The new phones allow for mobile messaging using short message service (SMS)—text messaging, where users type in and send a message by cell phone—or multimedia message service (MMS) that transmits video clips, sound files, and graphics.

Telecommunications carriers at Chicago's Mobile Marketing Bootcamp in June reported 80% to 85% of handsets are SMS capable, according to *The May Report*, a technology newsletter. Enpocket, New York, a mobile marketing agency, reports more than one-third of the 160 million U.S. mobile phone owners have used text messaging, with a higher penetration among those age 18 to 25.

Barriers to MMS, such as incompatibilities between wireless carriers, are disappearing slowly. This opens the future for astute marketers to more effectively implement this technology in their marketing campaigns. Consumer acceptance of camera phones also will contribute to the growth of MMS.

Marketers' interest in mobile marketing is leading to greater use of this new medium. Noting estimated annual spending of \$1 billion on mobile marketing, Peter Fuller, executive director of the Mobile Marketing Association, Mountain View, Calif., projects mobile marketing to be a \$5 billion industry by 2005.

Initial forays into mobile marketing included both one-way and two-way messaging. For one-way messaging, marketers used call-to-action techniques to drive consumers to text message in response to a television show, product package, magazine, advertisement, or radio show. Other uses are to sign up for alerts related to the products, services, and informational content they desire. For credit unions, these e-alerts included account information such as low account balances, checks cleared, automatic deposits received, mortgage rates, and so forth.

The Yankee Group, a Boston-based research firm, surveyed 5,510 cell phone users older than 18 years of age and found 20% had received a text message ad, *The Wall Street Journal* reports. While respondents deleted many of these ads, others relevant to the recipient were of interest—especially messages from advertisers they opted-in to hear. The Mobile Marketing Association has made this opt-in policy part of its code of conduct.



Leading mobile marketing firms include Enpocket; Flytxt USA, Seattle; and m-Qube, Boston. These firms work with agencies and with clients to develop campaigns for consumer product marketers (such as Anheuser-Busch, St. Louis; AT&T Wireless, Anaheim Hills, Calif.; and Kellogg Co., Battle Creek, Mich.) and for media channels such as television shows "American Idol" and "Survivor."

These campaigns include quizzes, opt-in alerts, contests, sweepstakes, trivia games, polling, voting, treasure hunts, and customized ring tones. A potential benefit (and detriment) of mobile marketing is the viral marketing effect when users forward desirable (or undesirable) messages to friends. The "American Idol" campaigns saw 13.5 million text messages received, including votes and downloads, reports *ClickZ News*, an online publication for marketers.

The Absolut Spirits Co., New York, recently launched an interesting campaign with Dodgeball.com, a social networking company that notifies cell phone users where their friends are within a 10-block radius. Consumers can opt-in to receive Absolut-sponsored, location-based messages about cool social venues to visit near the cell phone owner's location.

For credit unions, the key is to stay abreast of this evolving marketing and member service technology and to investigate how to incorporate it into your future member communications. At first, these technologies will grab members' attention because they're unique, but ultimately they could change marketing and become customary channels as happened with the Internet. ■

©2004, Paul Gibler, principal consultant and e-marketing strategist, *ConnectingDots*, Madison, Wis. He can be reached at 608-255-4092 or [pgibler@connectingdots.com](mailto:pgibler@connectingdots.com).