

MOBILE MARKETING for CANADIAN SMALL BUSINESSES

CANADAONE

- ✓ **MOBILE MARKETING**
- ✓ **IN-STORE BEACONS**
- ✓ **MOBILE APPS**
- ✓ **SMS/TEXT MESSAGES**
- ✓ **MOBILE CONNECTION**

CONTENTS

What's Inside?

4 INTRODUCTION: MOBILE MARKETING

6 SECTION 1: MAKING THE MOBILE CONNECTION

7 In-Store Beacons (*Section 1.1*)

9 Mobile Apps (*Section 1.2*)

13 SMS / Text Message Marketing (*Section 1.3*)

18 CONCLUSION: WHICH MOBILE OPTION SHOULD I USE?

21 ABOUT THE AUTHOR

Introduction

MOBILE MARKETING

A recent report from BDO USA indicated that despite consumers' increasing connection to their cell phones and mobile devices, less than half of retailers were planning on implementing some sort of mobile marketing technology into their overall advertising mix this past holiday season.

As discouraging as that may be, I'm sure that if a similar study was conducted here in Canada, the numbers would be **much, much lower**. We Canadians are a pretty conservative lot when it comes to embracing new technologies, and are slower to adopt them than our American neighbors.

And that's too bad, because there are massive opportunities here for businesses that see the potential in connecting directly with their customers exactly where they are most engaged... on their mobile devices.

So today, let's dig in and get hip-deep in mobile marketing. In this article, I'm going to discuss some of the options business owners have in this medium, and the pros and cons of each. It's a little longer than my last article, but stick around... I promise it will be worth it!

Section 1.0

MAKING THE MOBILE CONNECTION

Section 1.1

Making the Mobile Connection:

IN-STORE BEACONS

You may have heard of **in-store beacons**.

IN-STORE BEACONS

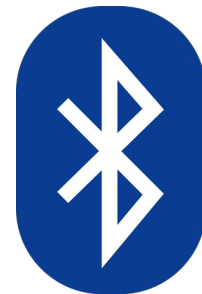
These are “physical” Bluetooth enabled devices that are installed in-store. They connect with customers’ smart phones as they shop to send them related offers, coupons, and so forth. Retailers are excited about this technology for obvious reasons; they can deliver targeted, relevant ads to consumers while they are shopping and vary them depending on where they are, as well as track the way consumers navigate and manoeuvre through the business. Then this data can be used to market to them more effectively, and so on.

All that aside, there are two problems with in-store beacons.

The first one is pretty obvious; this is not a small-business solution. This is a costly, big business, big box store solution.

The second one is not surprising either; this technology is in its infancy, and despite all the hoopla, no one really knows how consumers are going to respond to it.

But preliminary data is revealing.



An April 2014 PunchTab study showed that a mere 27% of U.S. smartphone users would be open to mobile tracking in-store. On the other hand, 50% were opposed.

More recent data from inMarket indicates that caution is very much in order for merchants using beacons; sending more than 1 message per location causes a massive drop off in usage (over 300%) and also of app deletion.

And guess what?

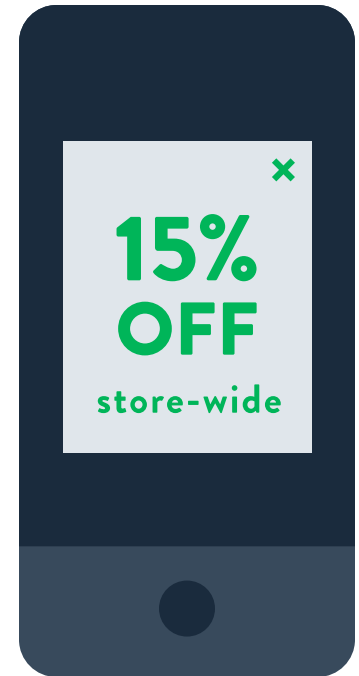
Irrelevant ads annoy consumers too!

This is a very real danger in big box stores that carry a massive and diverse inventory. Imagine shopping for a lawn mower and getting ads for kitchen appliances or power tools of your cell phone while you're doing so.

This would get really old, really quickly.

At the same time, there's great potential here for retailers that are prudent with their messaging, and deliver relevant offers that enhance the customer's shopping experience. Finding the "sweet spot", however is going to be the key to making this technology work!

Having said that, the bottom line is relatively straight forward at this time; beacons are not a small business solution, and we have only preliminary data to confirm how consumers will respond to it.



Section 1.2

Making the Mobile Connection:

MOBILE APPS

Mobile apps are small programs (or applications, hence “apps”), that your customers install on their smartphones and mobile devices. Apps are exciting, as they offer some pretty **compelling benefits**.

THE UPSIDES

For instance, you can:

- Send “push” notifications directly to customers’ cell phones.
- Deliver proximity based offers based on GPS location (i.e., deliver offers to your customer when she gets within a certain distance from your business).
- Allow users can browse inventory, products, services, menus.
- Allow users the ability to earn rewards.
- Deliver customized experience based on purchase history.
- Allow users to search for store locations.



THE DOWNSIDES

But it's not all sunshine and lollipops. There are major downsides to apps as well:

- Expensive to develop, multiple platforms for which to develop.
- Require constant monitoring and revising to address updates in various operating systems (OS).
- Competition for access to your customer's smartphone is fierce; there are over 1,000,000 apps available for the iOS platform alone.
- App fatigue is a major problem, with almost 75% of smartphone users reporting having more apps installed than they need or use.
- A significant percentage of apps are installed and only used once.
- Requires smartphone and data plan to access (66.7% market saturation in U.S. in 2014).
- Privacy concerns are an issue for consumers, and many consumers will either not install or uninstall an app on the basis of how much they need to give up.
- Requires a higher level of sophistication from your customers (they have to be able to download and install the correct version of your app).



But by far your biggest problem is going to be getting your app onto your audiences' mobile devices; informing them about it, educating them, convincing them to install it, and finally... use it.

And this is no small challenge!

Additionally, there has to be a very compelling reason to install and use yours, or the time, effort and expense invested will be all for naught. As noted earlier, a significant percentage of apps are installed, used once, and never used again.

So...

DOES YOUR BUSINESS NEED AN APP?

Since I don't know anything about your business, I can't make that call. I would, however, suggest doing a little research; visit Google Play and the iTunes App store and have a look at the lists of top paid and top free apps. These will provide you with some insight into what resonates with people.

You may ask yourself, what do:

- Games
- Social media
- Banking
- Weather
- News channels
- Starbucks
- McDonald's
- and Wal-Mart applications all have in common?



Statista has a list of the most popular Apple App Store categories you can also use in your research – [click here](#).

They either entertain, or they connect people to things they use frequently.

Daily even.

Perhaps more importantly, they are likely on your customers' phones already, vying for their attention. Could your app compete?



"Off the shelf" apps are reasonably priced options that you can purchase on a monthly subscription. Most of these are well-done, but offer limited functionality that do not extend far beyond delivering a mobile web site, a click to call button, maps and directions. Do your existing customers really need this? Is there a compelling reason for them to install such an app? Possibly not. But if you find something that works for you... give it a try! Remember that in order for it to do something for your business, you will have to really work at getting your audience to install it on their phones!

Does your business have the sort of relationship with clients or customers that would benefit from the sort of regular connection afforded by an app? Remember, we're not talking just about benefits for your business - this benefit has to extend to your customers... after all, they are the ones who have to install it.

Do you have the resources necessary to develop an app that offers real value to your audience?

Can you accomplish 80% of what you'd like with a simpler, cheaper solution... like SMS/text?

Ultimately, it's a decision only you can make. Just don't hop on the "app bandwagon" because it's "hot"; there's a TON of work involved in getting one implemented by your audience, even if you only opt for an "off-the-shelf" solution.

Section 1.3

Making the Mobile Connection:

SMS / TEXT MESSAGE MARKETING

For most small businesses, marketing via text messages is the most **practical**, **effective**, and **affordable** mobile solution.

Text messaging is a relatively old and simple mobile technology, and works on almost all phones, new and old, regardless of operating system. It doesn't require a smartphone or a data plan, a lot of personal data to be surrendered, extra software to be installed, or even a particularly savvy user – unlike an “app” install.

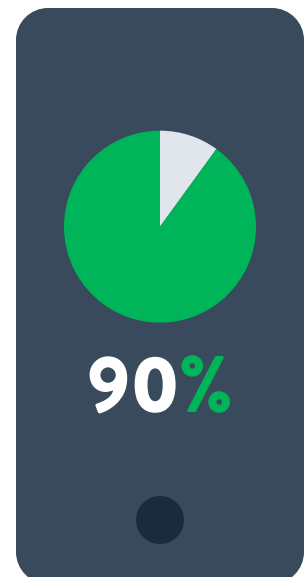
Better yet, it's a familiar and comfortable technology... almost 90% of cell phone owners use text regularly.

In other words, it's an effective way to connect with everyone.

The Benefits

There are other compelling benefits as well:

- It's easily managed and accessible to even the smallest businesses.
- Affordable (less than \$40/month to start)
- Texts are not yet perceived as advertising.



- Feels “conversational” and familiar.
- Dramatically outperforms traditional advertising.
- Have a “magnetic” pull on your prospect (between 95-99% of text messages are opened and read, most within a few minutes).
- You own your customer’s data (critical to controlling the destiny of your business).

The Drawbacks

Of course, there are draw-backs with text messaging...

- Limited characters per message (136 in Canada, 160 in U.S. although most services will allow you to string multiple messages together, thus increasing your ability to communicate).
- Minimal ability to offer customized messages and offerings.
- No geo-targeting.
- Much like promoting an “app”, you have to devote energy to promote the service, and “sell” people on the value of subscribing.

Don’t let these downsides deter you – they are less worrisome than they appear.

Consider the “issue” of limited characters, for instance.

Text message marketing is not supposed to replace longer communications.

Don’t make the critical mistake of thinking that because texts are short, they are valueless, or that you’re going to replace your email newsletter with text messages.

This is not the case at all.

In a fast paced world where “I don’t have time” is everyone’s favorite fall-back excuse (and the reason why your email newsletters and Facebook posts are totally ignored) brevity serves you well.

It’s an asset.

In short, text marketing does three things really well...

1

**DELIVER SHORT, PUNCHY, BENEFIT-DRIVEN
“CALLS TO ACTION.”**

“Spring has arrived at Laney’s! Exclusive sale this weekend, April 4-7. Get 20% off entire selection!”

“Today only: Blue Widets blowout! Save up to 50%! No rainchecks. Supplies are limited.”

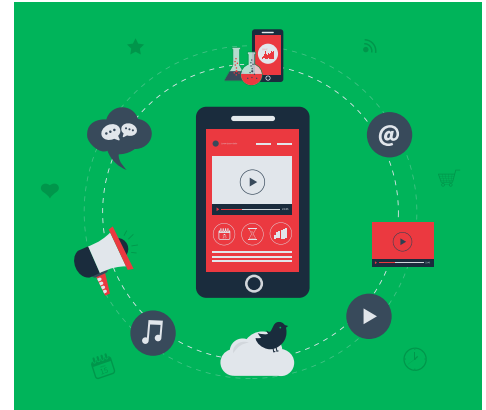
“Thanksgiving turkeys now in! Order now to avoid disappointment. Call 613-475-8888”

2

**LEVERAGES YOUR OTHER CHANNELS/
COMMUNICATIONS**

Here, your intention is to:

- Increase the open rates of your email newsletters.
- Drive visitors to your Facebook page.
- Draw attention to traditional advertising campaigns.
- Send people to your web site.
- Encourage more app installs.
- And virtually anything else you can think of!



... by “flagging” your customers’ attention with a text message.

Remember, up to 99% of text messages are opened within a few minutes. On the other hand, the industry average open rates for email newsletters is 27%. Facebook’s organic reach hovers between 2-6%. These channels offer value, but if you rely on them entirely, a huge percentage of your audience will simply not see your messages. Text messaging leverages their performance by ensuring they are on your customer’s “radar.”

For example, suppose you're sending out a flier and you want to get maximum traction from it. Problem is, your customer might not even see it – she might pitch all the fliers from her mailbox into the trash without even looking at them. Unless...

Unless you've sent her a text and alerted her that your flier will be in it, packed with great deals...

"Laney's annual spring blowout sale is here! See this weekend's flyer in your mailbox!"

What about some other examples? Sure...

Use it to drive traffic to new, credibility-boosting content on your web site...

"Buying a used car? 3 questions that will make your salesman cringe! Read online: www.yourwebsite.com"

Boost open rates for your email newsletter...

"Want to make a silk wreath for less than \$20? Details in today's email newsletter!"

Generate interest and dialogue on your Facebook fan page...

"Win a \$500 shopping spree! Details on Facebook: facebook.com/somebusiness"

3

LEVERAGE TRADITIONAL ADVERTISING

A recent study from Morgan Stanley showed that 91% of Americans have their cell phones within arms' reach 14 hours out of every day, and I doubt the numbers are much different for Canadians. Regardless, this proximity means it makes good sense for business owners to insert a mobile "call to action" into their traditional ads - to offer the prospect an addition way to connect, and thus improve the ads' effectiveness.

So a while a typical print ad might feature a series of images and read...

"Drop by this weekend, May 1-3, for our annual, inventory-blowout! We're overstocked! Everything must go!"

A smart business owner will include a mobile option...

“Or text MIKEYS to 58279 for an instant 20% off coupon you can use anytime!”

Now your audience has an option to respond immediately, while your offer is in the forefront of their minds, instead of turning the page and forgetting about it altogether.

The key to success, of course, is to provide a compelling reason to join your mobile list, and that is best accomplished by offering a generous discount.



What about MMS? MMS, or Multimedia Message Service expands the core functionality of SMS messages to include – yes, you guessed it, multimedia content. This can include web pages, pictures, images, video, ring tones, and so on. It is, if you want to put it another way, SMS’s newer, hipper, and cooler big brother. The barrier to MMS now – in Canada at least – is adoption by the mobile carriers.

Conclusion

WHICH MOBILE OPTION SHOULD I USE?

So as we come to the end of this article, the question is, “what mobile option best serves your needs?”

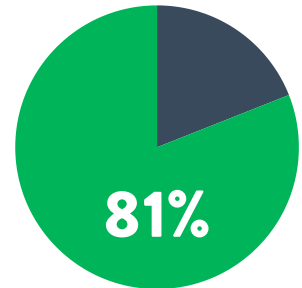
While reflecting, consider the highlights of a recent SAP study:

- **68%** of consumers have more apps on their smartphone than needed.
- **71%** report that having conversations in multiple different apps is annoying and they'd prefer them all in one place.
- **81%** said sometimes a simple solution like SMS/text would better suit their needs than complicated apps.
- **70%** said SMS/text is a good way to get their attention.
- **64%** said organizations should use more SMS.

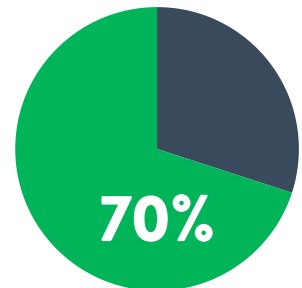
Sometimes, it appears, simpler solutions serve customers better. This conclusion was echoed by a recent Forrester Research study, which suggested that while many businesses are investing heavily in mobile marketing, they are investing in the wrong sectors. In other words, marketers' use of mobile technologies do not match customer behaviors.

The focus on the development of mobile apps therefore - instead of relying on simpler, proven technologies like text message marketing - is unlikely to bear fruit, since only a very few apps actually succeed. The reality is that unless your app does something very, very unique that no one else's does, it will either not get installed, or it will be installed and then uninstalled. While SMS / text message marketing is decidedly less "sexy", it's also much cheaper, faster to implement, easier to support, proven effective as a marketing medium, and a technology with which your audience is already intimately familiar.

Recent SAP Study



"A simple solution like SMS/text would better suit my needs than complicated apps."



"SMS/text is a good way to get my attention."

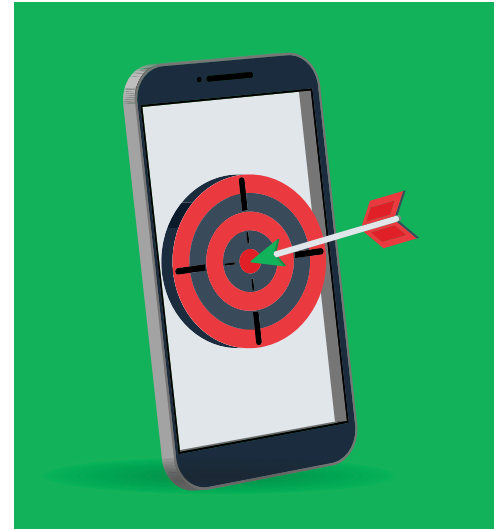
IN SUMMATION

Because of the intimate connection people have with their phones, mobile represents one of the last big opportunities for businesses of all shapes and sizes. A common misconception is that mobile solutions are complex and expensive and not within the means of small to medium sized business owners. Depending on what it is you'd like to do, this is hardly the case – there are plenty of affordable, highly scalable and effective solutions available that require neither much in the way of finances to get started, or time to manage effectively.

Whether it is used to make sales directly, leverage other channels, or boost the response from traditional advertising, almost all businesses benefits will from some sort of mobile solution.

The only question that remains is...

When will you be implementing yours?



About the Author



PAUL CRANE

CEO + Founder, *Local Text Marketers*

Paul Crane is the CEO and founder of the all-Canadian mobile marketing company Local Text Marketers (www.LocalTextMarketers.com). Local Text Marketers is an affordable, “point and click” easy service that brings the power of mobile marketing to small-to-medium sized businesses, non-profits and community groups.

Previously, Paul spent 6 years as Site Build It! (SBI!) product manager for SiteSell.com. SBI! is a turnkey online business building solution that’s used by over 40,000 small business owners and taught in post-secondary institutions across Canada and the U.S.

Paul’s also the founder of UltimatefatBurner.com, the oldest independent, evidence-based, supplement review site on the internet. He’s an entrepreneur, former local business owner, digital and social media consultant, and speaker.



Published by **CanadaOne.com**

Book design by Biz-Zone

© 2015 Biz-Zone Internet Group Inc. *All Rights Reserved.*