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HOLD THE LINE

WHEN YOU START A MOBILE COUPON CAMPAIGN, CONSIDER THE LEGAL AND TECHNICAL RAMIFICATIONS. OTHERWISE, YOU'LL BE DISCONNECTED

REMEMBER WHEN YOU could just print your product coupons in a Sunday paper? Those good old methods may not be good enough anymore.

Paper coupon redemption peaked in 1992 at 7.9 billion, a rate three times greater than 2008's redemption numbers, according to logistics company Inmar Inc. in Winston-Salem, N.C. Mobile couponing, on the other hand, is growing: The New York-based Mobile Marketing Association (MMA) proclaims mobile marketing budgets will increase by 26% this year, based on findings from a recent survey that didn't break out expected increases in mobile couponing, specifically, but included the tactic in its overall growth forecast.

But you can't hop on the mobile coupon bus without doing your homework. If you

do something you're not supposed to do or unveil a technically troubled campaign, at best you won't reach your audience, and at worst you'll offend and frustrate them. You may even be banished. From a legal standpoint, avoid spamming, make sure your customers opt in and keep up on changing laws. Technical considerations range far and wide, so assess your audience and consider pros and cons of various redemption technologies.

"Because it's such a brand-new space, laws are changing every day of the year," says Lawrence Griffith, CEO of Chicago-based mobile coupon provider Samplesaint Inc. He recommends a legal consultant to keep you abreast of new regulations; you can get started at a law school, where students may consult for free. Experts also suggest seeking guidance from the MMA, which updates its 135-page best practices document (www.mmaglobal.com/best-practices.pdf) every six months, says Mike Wehrs, MMA's president and CEO.

Marketers often violate one golden rule: Mobile marketing requires permission. Coupon subscribers should opt in, and it's the marketer's responsibility to respect what a consumer wants and doesn't want, and to disclose any potential cost, such as from a text message coupon. If the consumer wants out, make sure he's out, and don't communicate with him until he opts back in, says Jay Highley, president and chief operating officer of Tetherball LLC, a mobile marketing agency in Carmel, Ind. Such standards have no room for spamming, experts agree, and phone carriers have the right to shut you down if you do, says Alex Campbell, co-founder and CEO for mobile marketing agency Vibes Media LLC in Chicago. "Carriers are extremely cautious about the content that goes out over their networks," he says. "If you get a spam text message, the first thing you do is call the carrier to complain. That call costs carriers \$8 to \$12, so there's a financial incentive for them to not get these calls."

Some marketers with large e-mail databases assume they can move those contacts over to mobile, Highley says. The MMA's Wehrs says others have used mobile technology to send coupons for businesses that consumers are in close proximity to. In both cases, marketers neglect permission before they start messaging.

Buying and selling databases is a definite no-no, Griffith says, because it is a violation of customer trust. At Unilever

United States Inc. in Englewood Cliffs, N.J., Stephanie Kovner-Bryant, senior integrated marketing manager, says an internal security team works closely with the information technology department and mobile marketing partners to ensure privacy standards are maintained.

TEXT OR APP

Technically speaking, marketers generally opt for digital mobile coupons accessible via the Web or a smartphone application, or they can go with a text message format. Focus on your target audience and goals to help decide what makes sense for you, Wehrs suggests.

If you want to target as many people as possible, text is the way to go. If you want to reach a certain demographic, you can design an attractive mobile device application. You also will have to write different versions of software for different types of phones, says Brent Dusing, CEO and founder of mobile coupon service Cellfire Inc. in San Jose, Calif.

For technical and legal reasons, consider teaming with an aggregator that can act as a middleman for marketers and mobile carriers. Aggregators can better comprehend carriers' complicated requirements, Wehrs says. Just as you can get advice from a law school program, you also can seek out guidance from an IT-specializing grad student, Griffith says.

CLOSE THE DEAL RIGHT

Beyond getting coupons to consumers, consider how those coupons can be redeemed at retailers, such as by punching in a key code from a text coupon or aligning mobile coupons with loyalty cards for instant redemption, or having retailers literally scan mobile coupons brought up on customers' smartphone screens. The major consideration is to not slow down or complicate the checkout process, Kovner-Bryant says. "It needs to be a solution that can be put into production with a minimal amount of technical energy on the retailers' part," Highley adds.

Testing your program is pivotal, Campbell says, but he also advocates that companies serious about mobile seek out agencies with a history in the space. "The biggest problem right now for our industry is there [are] lots of people out there claiming to do a lot of stuff that sounds really good, and it's tough for an audience to understand who can actually do this," he says. "Go to someone who has done this before." **m**

6 The Six "C"s to Consumer Satisfaction

- 1. Choice:** Consumers must opt in to a program and be given clear directions to unsubscribe.
- 2. Control:** Consumers should determine when and how they receive mobile messages.
- 3. Customization:** Tailor your marketing based on consumer-supplied data.
- 4. Consideration:** Give your consumer value.
- 5. Constraint:** Limit messaging to a reasonable number of programs.
- 6. Confidentiality:** Don't share information with non-affiliated third parties.

Source: Mobile Marketing Association

