



# *Insight*

May 2009

Dear Ira,

**Do you text? Come on. Admit it. Either you do it and keep it a secret or you don't and wonder what in the world are "those people" doing?! Texting today is pervasive particularly with 12-34's. Heck, there was a recent article about a 14 year old girl who somehow managed to send 35,000 text messages in a single month! That's 1,200 per day!**

**Mobile marketing offers one of the most effective and rapidly evolving opportunities to engage with target audiences in new ways. In the developed world, the cell phone is the ubiquitous "third screen" in most people's lives and one that they are rarely without. IB Media *Insight* will whet your appetite with what's going on with marketing using texting and Common Short Codes.**

**Enjoy!**

**Ira  
Your Virtual Media Director**



**IB Up Close**

**Linda and I rescued a Humane Society dog two weeks ago. A Bolognese. No joke. Super cute. We renamed him Scooter in honor of the Yankee shortstop, announcer Phil Rizzuto. Here he is (on the right) with our Maltipoo Happy.**



## HOW USING COMMON SHORT CODES CAN HAVE AN IMMEDIATE IMPACT ON BRAND AWARENESS

Almost every company that has embarked on mobile advertising and outreach efforts has said that the most effective way to understand the power of mobile and what it means to a company is to simply jump in and do it.

**Common Short Codes (CSCs)** represent the only universal way in the United States for brands to connect with almost all mobile users. They do so through Short Message Service (SMS), or "text messaging," which is built into almost every cell phone. The term "common" refers to the ability of a single short code to work across all major wireless carriers. For any brand or enterprise, this translates into "one common address, one call to action" to reach over 250 million mobile customers as estimated by IDC. CSCs are easy to obtain and use and are becoming more and more popular in advertisements, in TV shows, and on consumer goods. No organization or brand can afford to be left behind in the rapidly evolving mobile marketplace, and CSCs are an ideal way to quickly reach and engage with mobile consumers. CSCs can deliver rich media through Multimedia Messaging Service (MMS) as well as text through SMS. Since adding new elements to a brand's marketing mix requires testing, companies should begin trying various mobile marketing initiatives now to understand the power and impact that the "third screen" can have.

Key ways that CSCs are being commonly used to reach and engage audiences include:

**Creating a dialog and a relationship.** CSCs are being used effectively to create a dialog with mobile users. Voting, polling, requests for feedback, sweepstakes, and contests all require interactivity with the consumer and the brand. This interaction through CSCs provides valuable information about target audiences, allowing organizations to even more closely tailor their products and associated marketing to evolving marketplace needs.

**Customer and employee communications.** CSCs and text messaging are being used by companies and even schools to distribute information, such as employee alerts, school closings, airline reservation updates, and sales alerts. Catalog companies and direct-to-consumer mobile commerce companies are using CSCs along with keyword item numbers as a way to allow customers to order products without calling into a service center. This approach reduces the number of calls handled by operators, which in turn reduces costs and can increase customer satisfaction.

**Increasing brand reach.** CSCs are also playing a key role in increasing the reach of brands and organizations. For instance, groups in the United States that may index low for home PC penetration conversely often index high for mobile phones. Through CSCs, they can now be reached with electronic media. In the developing world, national short codes allow consumers to be cost-effectively reached on an individual basis for the first time ever, whereas previously, advertising campaigns were limited to mass-market radio and billboards.

**Sales lead generation.** U.S. companies of all sizes are using CSCs in their marketing efforts to generate interest and engagement with brands, which immediately or eventually turn into sales leads. For instance, Lexus successfully used CSCs to develop self-qualified sales leads. And it has been reported that Denver-based Clarion Ventures is planning to launch the CSC that spells the word "House" on the cell phone keypad as a way for users to request that more information be sent to their cell phones on houses that are for sale. Brands have reported that potential customers who signal their product interest through CSCs are often highly motivated, which can result in CSC response rates as high as 10%.

**Content distribution.** Short codes are one of the key ways that mobile content providers distribute content directly to mobile users, which avoids reliance on already-crowded wireless carrier "content decks." Carrier decks are the screens of content options that each carrier's subscribers see on their cell phones. Getting placement on a carrier deck is a costly and long process and must be done on a carrier-by-carrier basis. While brands can get immediate access to all subscribers on a particular carrier deck, carriers make frequent changes to their decks, offering less control for brands. By using CSC and other forms of "off deck" access, brands can reach almost all wireless users, not just those of a particular carrier.

**Fundraising.** Nonprofits are increasingly interested in short codes for fundraising efforts, having successfully used them to raise relief funds for the 2004 tsunami in Asia and for Hurricane Katrina in 2005.

**Mobile advertising.** Brands from almost every industry sector are beginning to incorporate CSCs into their marketing campaigns such as on billboards, in print, and even in TV advertising in order to deliver additional marketing information directly to users. For instance, shows on MTV regularly include CSC information to further involve audiences and drive additional content sales. New mobile advertising formats are coming onto the scene, including banner ads, sponsorships, product placement and idle screens, and pre- and post-roll video. Like CSCs, each of these mobile advertising formats is a sophisticated way to reach customers. In fact, text advertising can be added to CSCs so that the confirming message the consumer receives from the brand can also have a line of

advertising in it. This not only allows brands to engage with consumers through CSCs but also allows their closest advertisers to advertise contextually next to the appropriate mobile content. However, unlike most mobile advertising, CSCs require single or double opt-ins. Thus, brands know consumers are interested and receptive to messages initiated by CSCs.

**Building databases.** Information is power, and savvy organizations are using CSCs to build powerful mobile information databases on existing and prospective customers, such as what promotions they respond to, which mobile coupons they actually redeem and when, and how often they respond to mobile alerts, by integrating CSC response data into existing databases. These databases can be used to develop and support loyalty programs, coupon and direct response offers, and Internet-like experiences with media ranging from print to radio.

Source: IDC 2008

**Welcome to our new readers of IB Media *Insight*. Each month we touch on a current media topic of interest in a short, concise format. You're busy. We get it.**

**Thanks to all for your thoughts on last month's *Insight* regarding cinema advertising and my April Fool's joke. I bleed Yankee blue so it was fun to see how many of you picked up on my "going over to the Red Sox dark side".**

**Have a comment or suggestion on this month's topic or any you'd like covered in the future? Let us know. And, if you've enjoyed this month's edition, pass it on to someone who will appreciate it.**

**Next month? Twitter. What's all the tweeting about? Microblogging the world. Following your friends, celebrities and industry experts. Check us out on Twitter at @IBMedia.**

**We're IB Media, Your Virtual Media Director. Always ready to discuss how we may add value to your organization. Thanks again!**

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