

Impact of sms marketing on businesses marketing essay



**ASSIGN
BUSTER**

SMS also known as Short Messaging Service is quickly surpassing email technology as a tool for marketers and also for customer relationship management. In a recent study by Nielsen Mobile, 23% of U. S. mobile phone users remember seeing mobile advertising in the last month, and over 50% responded to the ad. In SMS marketing the carriers who police their own networks have set guidelines and best practices for the mobile media industry (including mobile advertising). The IAB (Interactive Advertising Bureau) and the Mobile Marketing Association, as well, have established guidelines and are evangelizing the use of the mobile channel for marketers.

RESEARCH PROBLEM

Little research has been conducted with regard to consumers' perceptions of SMS advertising and also the impact of sending advertisements to consumers' via SMS (Haghirian et al., 2005: 7). This is particularly important in the South African context where the success of a new medium such as SMS advertising relies on the acceptance of the medium by consumers (Bauer, Reichardt, Barnes and Neumann, 2005: 182). Before this medium can be effectively used to communicate with South African consumers, research needs to be conducted with regards to their attitudes towards SMS advertising. The

majority of research conducted with regard to consumer attitudes towards mobile or SMS advertising has been conducted in foreign countries where the findings, due to cultural differences and differences in the adoption of technology, may not directly apply to African consumers. The general consensus among academics and practitioners is that SMS advertising is an ideal medium for reaching young consumers (Scharl, Dickinger and Murphy, <https://assignbuster.com/impact-of-sms-marketing-on-businesses-marketing-essay/>

2005: bn168). This study is therefore a partial replication of the study conducted by Tsang, Ho and Ling (2004: b65-78) but in an African context. The main objective of the research is to determine whether there is a correlation between consumer perceptions of the value of entertainment, informativeness, irritation and credibility of SMS advertisements and consumers' overall attitude towards SMS advertisements.

LITERATURE BACKGROUND

SMS Marketing

Anywhere and at any time, advertisers can reach their customers in order to promote their products or services through mobile devices. With the help of the consumer profile and their interests, the advertising companies can launch highly targeted campaigns. When devising a mobile marketing campaign, there are quite a few factors that need to be kept in mind which include but not limited to user acceptance, consumer responsiveness and the impact of the campaign on the purchase making decision.

The current format of mobile advertising or marketing does not have a major effect on the buying decision of the consumers and various studies reveal that the response of consumers towards this form of marketing fall in different categories which include a disruptive nature of the advertisements, a need for personalization of advertisements, and the advantages or use of mobile advertisements. The major advantage of this media as a tool of marketing is that it will improve the chances of reaching consumers directly with personalized content. On the other hand, most companies think of

negative response from consumers and invasion of consumer privacy as main disadvantages.

Many of us are familiar with SMS text messaging, but applying effective SMS marketing to your business may seem difficult. With a few basic definitions, we can help dispel the myth that SMS marketing isn't for small- and medium-sized businesses. In an astonishingly short time, you can have SMS campaigns up and running-and start enjoying the benefits of marketing via SMS.

Short Message service is commonly used by the all mobile users in the world. This service is now one of the best media for promotion of the product and services. This paper focused on the best use of the SMS to make the best promotion in anytime and anywhere to the customer. In traditional marketing, there are electronic and paper media to make the advertisement and the latest news of the product. But in that case, those media are more expensive and some time is avoided by the customer.

GUIDING STEPS TO SMS MARKETING

1. They will advise you that mobile marketing best practices, as prescribed by the Mobile Marketing Association, that dictate your initial foray into mobile requires creation of a new class of customers - your mobile subscribers.

It is not sufficient to possess or buy customer or prospect mobile phone numbers without also having their expressed consent to communicate with them via text messaging.

Marketers are free to do so but at their own peril, as mobile device users have come to expect this opt-in step and are likely to punish those who do not.

2. What this means is that you must create a mobile marketing strategy in line with your overall customer retention and acquisition plans.

Engagement with the mobile audience requires thoughtful, relevant and ongoing communications so that your business, product or brand remains top of mind. Without such a programmatic approach, you risk wasting the effort.

Thoughtful providers may prescribe a trial to determine what works or does not, but as part of a longer-term plan for leveraging mobile strategically.

3. This step can take many forms, but some businesses will drive opt in email contacts to a Web form where they are incented to opt into mobile communications.

Others may advertise a new loyalty program in traditional media such as billboards, signage or print that encourages an opt-in text message interaction or double opt in, as is becoming increasingly common.

4. To do so requires use of something called a short code, which is simply a short form — more easily entered without errors — phone number that people use to send and receive text message communications.

Good providers will mask the complexity of obtaining short codes, and successful firms already possess multiple shared codes which can be used by any business almost immediately.

5. With a baseline group of customers and prospects interested in receiving messages, now you have the opportunity to call them to action, based on your marketing objectives.

To do this most intelligently - like you would with any other marketing channel - you want to segment your audience based on what you know about them, but also what you would like to know about them and how you want them to act.

6. Providers with flexible solutions allow you to append opt-in subscriber data with internal and third-party data to create groupings of customers and prospects for targeting with relevant messages - for example, unique offers tiered by expected lifetime value and geographic segments for regional promotions.

7. Forward-looking providers will also advise you to take the opportunity to learn more about your prospects and customers within the mobile channel.

Stitching data capture requirements into marketing programs is an effective approach to gaining valuable insights into consumers who are willing to engage in mobile interactions.

Indeed, it is like adding a mobile attribute to your existing customer understanding, but is a multidimensional view inclusive of demographic,

attitudinal and transactional data all collected as part of mobile interactions.
<https://assignbuster.com/impact-of-sms-marketing-on-businesses-marketing-essay/>

8. Providers should also alleviate any concerns over limited reach given the diverse carrier networks which provide access to mobile device users.

The good ones work with third parties or aggregators that, in turn, offer turnkey access to virtually all mobile phone users. There is no need to work with these third parties yourselves. Providers should have these integrations pre-built in their offerings.

9. Speaking of offerings, text message interactions have become highly sophisticated thanks to the creation of mobile campaign management” platforms.

Like similar technologies used to develop Web, email, direct mail, teleservices or point-of-sale marketing programs, these dedicated systems should provide a variety of methods for taking an interaction idea and rolling it out to the mobile channel.

Better providers make this easy to do, and the majority is offered as a service - software-as-a-service - so there is no software or hardware to buy.

IMPORTANCE OF SMS MARKETING TO A COMPANY

Text Messaging Is Affordable

SMS Marketing is very affordable. We’re talking about pennies per message.

A small business can get started for as little as 10 to 20 dollars a month.

High ROI

SMS marketing is affordable. But can you really get much out of 10 to 20 dollars a month? Absolutely. Let’s look at a quick example. Say you’re the

owner of a local restaurant and you've collected a list of opt-in phone numbers of your patrons (more about opt-ins below).

Text Messages Arrive...Instantly

Forget email spam filters, postage and drawing visitors into your website.

When you send a text message campaign to your marketing list it arrives in seconds.

Insanely High Open Rates

we just said text messages are opened 95% of the time. Compare that to email that is opened, at best, 25% of the time.

Permission Is Key

That phrase we mentioned earlier - opt-in - is what makes SMS marketing so effective. Consumers have to opt-in to join your text messaging list - they are telling you they want to hear from you. They do this by texting your keyword to a short / long code or by signing up via a web form.

It's To the Point

A text message is limited to 160 characters. That means you need to say exactly what you need to say. Whatever you're offering you get to the offer quickly. Everyone Has a Mobile Phone And We Love to Text

Nearly every American has a mobile phone. We sent over 2 trillion text messages in 2010. If you aren't sending text messages to your customers you better believe that your competitors are.

Text Messaging Is Green

Forget direct mail which gets tossed in the garbage. A text message is digital which means it's green. Your SMS Marketing campaigns will drive sales and save the environment too!

RESEARCH METHOD

Sampling

The method used is sampling . They looked into a case study of one of the universities in South Africa. The target population for the study consisted of full-time registered undergraduate students at a large university in Gauteng. As the study made use of quota sampling, the above mentioned target population was subdivided into an equal proportion of male and female students. The realized sample was students who own a cell phone and have in the past received an SMS advertisement from an organization advertising a product or service. The use of a student sample is often criticized by researchers who believe that such a sample is not representative of the greater market of general consumers (Wells and Mithun, 2003: 45). The use of a student sample for this study is justified as experts agree that SMS advertising is an ideal medium for reaching younger consumers (Scharl et al., 2005: 168). With the use of quota sampling, the researcher selected respondents outside of the lecture halls provided they met the quota criteria and requirements as stated for the target population of the study (Cooper and Schindler, 2003: 200-201).

CONCLUSION

Marketers need to understand the target audience for SMS advertising campaign and send messages to

Consumers whereby the language and content of the SMS advertisement is in unison with the target audience's profile and expectations. Although consumers have neutral perceptions of the informativeness of SMS advertisements, consumers disagreed that SMS advertisements supplied relevant information. Marketers need to further ensure that they send only relevant information to targeted consumers.

Consumers value SMS advertisements that are short, straight to the point and concern information that is relevant to their interests. Marketers can also create cryptic messages that stimulate the curiosity of those who receive the SMS advertisement