

Cost-cutting and coupon-clipping

I don't know what it's like where you live. But here, the fancy-schmancy restaurants seem to be hurting.

All the 'swells' that used to see and be seen in these places are cutting back on expenses.

So, while dining out is not being eliminated, more care is being given to where one dines out. The fancy places are all offering three-course prix fixe meals, advertising these attractive prices quite strenuously.

Conversely, our favourite authentic family-run Mexican place is thriving.

Why?

It offers great food, a friendly atmosphere and down-to-earth prices. Blood pressure drops 20 points upon entering the premises and does not jump 50 points when the bill arrives. The big splurge here are on the Margaritas - made to your custom specifications - which, at \$6 a pop cost half of the average entrée price. Alas, business must be good because the restaurant has stopped offering a \$5-off coupon in our local paper each month, which we used to clip

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religiously and redeem. That doesn't sound like much but when the total bill is only \$35-\$40, you can do the math! Besides, that's just about one free drink which in itself is motivation enough for certain people who shall remain nameless!

Gaining momentum

My example of coupon searching and redemption is not unique. And my little Mexican restaurant aside, couponing is gaining momentum in a big way. I bet some of the 'swells' are even doing it, although they wouldn't admit it.

Now I realise that the EU and Asia are way ahead of the game, since 3G technology and strategies to integrate mobile phones into multi-channel marketing campaigns happened there long before arriving here. But the US, for what it lacked in first-to-market timing, is slowly making up for it in enthusiasm at least.

There is a new online publication called, 'Mobile Marketer' and the US DMA offered its first-ever Mobile Marketing Day last month. The first session title was Mobile Marketing: Is it Direct? That may indicate that understanding of mobile marketing still has a ways to go to catch up with the rest of the world.

But back to mobile couponing/marketing and, first, a look at some statistics.

- According to ComScore, coupon sites were the fastest-growing online category in November by traffic, up 32 per cent from October to 35.6 million.
- A newspaper coupon's average redemption rate

is one to two per cent.

- Online coupon redemption rates average five to six per cent.
- Mobile US adspend is projected to reach 7.5 billion by 2013.
- 95 per cent of US mobile phones are SMS-enabled.
- 40 per cent offer unlimited SMS.
- Younger age groups prefer texting to any form of communication.
- A 2008 Nielsen study found 23 per cent of US mobile subscribers have seen adverts on their phones in the past 30 days.
- 50 per cent of these subscribers say they have responded to a mobile ad.
- Plastic surgeons report a 3,000 per cent increase in cosmetic surgery to have mobile phones surgically implanted for convenient 24/7 access.

Just kidding about that last one!

But it probably isn't as far-fetched as you might imagine as people seem to demand or have become addicted to immediate and constant access to communication channels and, more and more, the mechanism of choice is the mobile phone.

Keep pace with consumers

Dire economic conditions have most Americans thinking about cost savings. These conditions have combined with a changing consumer communication preference. So, online and mobile couponing is taking off.

One company working to make that happen is Money Mailer Direct Marketing, a division of Money Mailer. It has developed a highly successful

DOUG SACKS looks at how consumers are stretching their finances.

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mobile couponing campaign.

My company, Focus Worldwide has partnered with Money Mailer on this project.

As you can surmise from past columns, I'm a big proponent of integrating new and ever-changing marketing strategies to keep pace with the ever-changing technologies and consumer preferences.

How does the mobile couponing offer work? Simple.

First and foremost, it has to be permission-based. So, targeted consumers are contacted via mail or via in-store promotional materials. They text the 'keyword' (short code) to a number and receive a customised welcome message and offer. This can be redeemed in store.

The savings offer can attract new customers as well as maintain customer loyalty.

There are infinite variations on this theme and the variety of players is equally impressive. Hotel chains, restaurants, publications, major retailers, non-profits - to name a few.

Just today, I read about how Porsche is using mobile to attract customers and Coca-Cola is using a mobile texting format in Thailand to drive people to a concert at which free samples of Coke Zero are being offered.

Not exactly couponing, but you get the idea.

Case studies coming up

To do justice to this and other mobile strategies, I have asked Marie Martinez, director of national accounts for Money Mailer Direct Marketing, to pen a case study or two on this for a future column in *DMI*.

She will be joining Focus

Worldwide and me at the iDi Marketing Forum in New York City later this month - March 24 - where I am functioning as the 'conciierge'. My job at that event will be to match attendees with the experts they most want to meet and discuss opportunities with. So, feel free to contact me if you are attending and tell me what you want to discuss and with whom! I look forward to seeing you there - more details here: www.dmi-events.com

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