

COLUMNS

Marketers should rethink their approach to CRM in mobile

August 8, 2014



Tim Jenkins is CEO of 4Info

By **Tim Jenkins**

As prevalent as mobile advertising has become, one of its more powerful applications remains fairly idle: targeting the customers and prospects in your CRM database.

Marketers are quick to build online campaigns around their existing customer base, but they do not attempt to go mobile with CRM advertising. They should.

What's not to like

Existing customers are often the easiest sale, and mobile advertising is a way to target them with the precision of direct mail at a fraction of the cost.

Of course, the investment is worthwhile only if you measure the results, and that is where many marketers are stumped.

In fact, many have accepted that it is not possible to accurately measure a mobile ad campaign. Instead, they focus on "taps," "likes" and "shares," having lost sight of what matters most: sales lift.

But it is possible to measure, and marketers should demand a tangible ROI, especially when it comes to CRM advertising in mobile.

For example, a national retailer targeted its loyal customers with a Mother's Day offer. Using profiles based on past purchase history, it built a customized target and a short-term promotion designed to appeal to that target. The retailer saw a 690 percent return on ad spend (ROAS) from those exposed to the mobile ads versus those not exposed.

A campaign such as this delivered measurable results because the CRM data was matched directly to a specific device's ad requests. In fact, it is all about the match.

Effective mobile CRM advertising requires precision

The advantage of using mobile advertising for CRM is that you are targeting your most viable prospects with the right promotion when they are most likely to buy.

It is no simple task. How, then, do mobile ad providers match CRM data to the mobile devices used by the people who live there?

Many turn to email as the match key. They attempt to make a connection between your CRM email data and your customers' email addresses entered with various app publishers.

Quite frankly, that is like shooting in the dark.

Think about how many email addresses you have. Some are for personal use, others are for work, and all of them are prone to change.

In other words, email addresses are a moving target, which limits your ability to connect purchase data to a device using email as the match key.

Instead, work with a mobile ad platform capable of accurately tying mobile devices to a more reliable match key, such as a home address, since most people have just one and only move on average once in seven years.

Four key points about mobile CRM marketing

- 1) Although retail promotions tend to have a short run, you are better off doing a run of one to two weeks minimum in mobile advertising to ensure message frequency.
- 2) While you should expect a positive ROAS, it might not be of the same magnitude you will see when advertising to new customers. However, you can expect to boost your customers' lifetime value through increases in recency, frequency and monetary value. Try to measure both the short-term and long-term value from the campaign.
- 3) Make sure you are working with a provider who can link your CRM data to mobile devices via a precise household match at a CRM match rate not possible with email matching.
- 4) Scale matters, especially when you are targeting a highly refined segment. Be sure your mobile ads will reach any device via any platform, app and mobile Web browser. Also, be wary of using email to reverse match to a home mailing address, since match rates usually are too low to get the necessary reach and measurement.

ABOVE ALL ELSE, be sure your campaign is measured but not by your mobile ad provider, which would be like letting the fox run the hen house.

You want an unbiased third party to analyze your results. They need to compare the sales of the CRM customers who received your mobile ad against a control group of your customers who fit all of the same criteria but did not receive your mobile ad.

This will reveal the sales lift associated with your mobile CRM campaign, and you will be able to see clearly how your ads influenced purchasing behavior.

The national retailer discussed earlier discovered how to unlock the potential of mobile CRM advertising, as have telecommunication and financial services companies. They are confident of succeeding because they are looking to CRM for options and they are measuring actual results.

Look beyond the clicks, likes and shares. They help gauge interest and they might make you feel good but in the end, only sales lift justifies your ad spend.

Tim Jenkins is CEO of [4Info](#), San Mateo, CA. Reach him at tjenkins@4info.com.