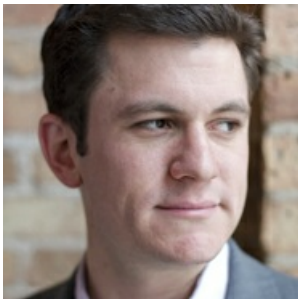


COLUMNS

Five steps to a strong mobile coupon program

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By **David Wachs**

Many mobile couponing clients see redemption rates as high as 20 percent or more, and some claim their redemption rates from mobile coupons are eight times greater than their emailed coupons.

A little upfront work is needed to build a strong mobile couponing ecosystem. It is not just about slapping a bar code on a text message, as many people think. What is on the screen is just one step in the mobile couponing process.

The issue here is validating the offer and tracking redemption. Let us first examine a paper coupon and see what mobile coupons are up against.

When a consumer walks into a store with a coupon from her Sunday circular, the store clerk checks validity looking at it to ensure it is not a copy, and perhaps even feeling the paper.

The clerk then tracks redemption by taking the paper coupon from the consumer and sticking it in the register so that it can be counted later with the cash.

This natural process is not so natural with a coupon trapped within a phone. Unfortunately, the clerk cannot simply stick your phone in the register's till.

A strong mobile coupon program requires five steps: (1) offer creation (2) unique code generation (3) distribution (4) validation and (5) redemption. Let us walk through this process.

Offer creation

While the first step creation is not technical, it is critical and worth mentioning here.

Even though this may sound obvious, a mobile program is only as strong as the offers. If you are offering 50 cents off a \$10 purchase or "buy 1 get 1 for 10% off," you are probably not offering compelling offers.

Offers should be unique to mobile. If you can get the same offer via email, Facebook or Twitter, there is no need to join a mobile program.

What's next in the process?

Unique code generation

To track mobile coupon redemption and ensure validity, each coupon that you send should have a code that is entirely unique.

In other words, if you have 50,000 mobile subscribers, and send out a single coupon to all subscribers, that means creating 50,000 coupon codes.

Unique code creation is the key to any good mobile coupon program.

Without unique codes the alternative being a static code for all subscribers, which is often the simple slap-a-bar-code-on-it solution redemption is limited to counting people who come in.

Additionally, there is no easy way to target or segment your subscribers based on redemption activity.

Distribution

Delivering your coupon to the right users at the right time is critical.

We currently work with a major ice cream franchise, and they were disappointed with the response rates from their mobile offers, which were sent early in the morning.

We suggested launching the campaign closer to the time people actually eat ice cream: in the late afternoon or evening. They were amazed with the results.

Additionally, with the proper segmentation, it may make sense to deliver high-value offers only to those that have or have not redeemed from prior campaigns. With a strong couponing platform, and strong integration, this should be easy.

Validation

When the customer comes into the store and shows that unique bar code or text code, what does the clerk do?

How does the clerk know if the code has already been redeemed or if it has expired?

A strong mobile couponing program includes technology on or near the point of sale to assist in the process.

This system should query a central database to ensure cross-location fraud is minimized. There is no one way to check validation. The best solution is the one that works within your transaction workflow.

Redemption

Redemption is the final step, and typically ties in with validation.

By marking the offer as redeemed, you are ensuring duplicate redemption is minimized, but also creating a database of purchasing activity which can be extremely valuable for post-campaign analysis and future offer targeting.

Redemption does not necessarily mean scanning a bar code.

For instance, we work with a major fast food brand that does not currently employ bar codes at check out. It certainly did not make sense to install bar code scanners just for mobile coupons.

Instead, short text codes were used, which were easy for the clerk to type in, and eliminated the need for consumer to fumble to pull up a bar code at the register.

FULLY INTEGRATED mobile couponing efforts are just starting to take off.

While sometimes an initial integration investment is needed, the high couponing redemption rates combined with strong targeting provide a compelling reason to start exploring the opportunity.

If mobile coupons are just too difficult for your organization, please do not use this as an excuse to explore mobile CRM.

Many brands have engaged their consumers without providing offers, and still see dramatic results. In fact, many retailers first test the water without coupons and add integration over time.

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