

## Have you Opted in Yet?

21 September 2003

Brand managers and marketing agencies are increasingly recognizing that the best way of building relationships with customers is through 2-way dialogue. Text Messaging (SMS) has become the communication medium of choice for the mobile generation. Mobile communications provide a great way for companies to communicate with their customers, no matter where they are. Chatter is a fast growing San Diego based company that is proving the power of mobile marketing. Since its inception in 2003, it has built a very impressive client list of major partners and international brands that have recognized the power of this new direct marketing medium. Companies like State Farm, Coca-Cola and Ben & Jerry's number among the companies who are spearheading major campaigns with Chatter.

"We see mobile marketing playing an increasingly important role in the marketing mix of companies", commented Chatter's founder and Managing Partner, David Raine. "As with other forms of marketing, it is not a completely stand-alone medium. It works best when packaged as part of an overall communications strategy which could include email, a website, advertising, public relations and traditional direct mailing. The reason for this is that people need to opt in to receiving SMS messages from an advertiser."

"There are lots of ways of building opt-in databases of people who are really happy to interact with brands," Raine explained. "Competitions, incentive giveaways and loyalty programs are some of the main ways which companies use to build these databases. Some of our clients have developed opt-in databases containing tens of thousands of customer mobile phone numbers."

Chatter's Raine doesn't see SMS and mobile marketing as breaking new ground in marketing terms. He sees it more as creating a way of engaging the customer in dialogue. What mobile marketing introduces are more opportunities for the brand and the customer to engage in mutually rewarding dialogue and thus enrich the relationship between the brand and its audience.

Almost uniquely in marketing terms, the cost of most SMS dialogue is often borne by the end customer who pays the cost of the text messages, rather than the advertiser. Chatter reverses the costing model and provides value through free SMS services for end users. The key is offering something the end customer sees as being desirable from the relationship.

The popularity and suitability of loyalty marketing programs has recently led Chatter to launch a SMS Loyalty service. Chatter's David Raine explained the increasing popularity of loyalty programs on mobile phones, "We found that traditional paper based loyalty programs were losing their effectiveness. Fewer end customers were prepared to cut out vouchers and redeem them back to loyalty scheme operators. Also the cost of managing these schemes was becoming prohibitive. The days of customers being

satisfied with 28 days for response are all but gone. What we have done is automate the process of interacting with the customer and tracking and managing rewards via a central database and the mobile phone".

Take Star Radio for example, which is currently deploying a rewards SMS campaign using Chatter's Loyalty service recently. Every Chatter user through Star Radio 100.7 receives SMS points that can be used for free gifts and product purchases through our loyalty partners. SMS users accumulate points via a web tool and at any point can upload these points to their phone for use at any loyalty partner retail location. The received SMS point's message is good for 24 hours and is used as a coupon for the product or service purchase.

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