

MOBILE

How SMS advances luxury CRM efforts

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By GISELLE TSIRULNIK

Because so many affluent consumers lead on-the-go, connected lives, luxury marketers need to be implementing a mobile CRM strategy to drive sales and loyalty among high-end connoisseurs.

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High-end brands can drive sales and loyalty by offering exclusive looks at new products, sale hours and offers. Brands can use SMS to make an announcement of a sale or offer, then bring customers to a richer experience via a link or email.

“Because many affluent mobile subscribers carry smartphones, marketers have the ability to provide so-called rich mobile experiences that bring the brand to life,” said Jeff Hasen, chief marketing officer of [Hipcricket](#), Kirkland, WA.

“Those could include applications and the mobile Web,” he said. “However, it’s important to remember that a campaign with a simple SMS call to action often leads to a consumer joining a mobile loyalty club that provides ongoing benefits to a luxury brand.”

Opt-in

The basis of a loyalty program is getting consumers to opt in and texting a keyword to a short code is the perfect opt-in mechanism.

There are more mobile phones than there are computers and televisions combined.

Marketers are accustomed to placing their Web URL on various media, why not include a short code call-to-action?

Cartier is one brand using SMS to keep consumers in-the-know.

By texting the keywords FOLLOW CARTIER to 40404, customers can get Cartier's tweets texted to them. Consumers that text-in to join the SMS club get information about Cartier's new products and promotional events. The program is proof of the way that high-end brands can leverage SMS to create loyal customers.

The reason SMS makes sense for CRM is immediacy, ease of use and targeting. Brands can use multiple keywords based on which channel is being used to promote the call to action. Then, marketers can segment them to see which medium performs best.

The second annual Hipcricket Mobile Marketing Survey showed that 37 percent of consumers would participate in a mobile customer loyalty program from a brand they trust. However, 83 percent said their favorite brand has yet to market to them via their mobile phone.

Hipcricket found that of those consumers who have received mobile marketing offers, 47 percent have brand recall and 94 percent of those remember the specific call to action.

Relevance is always key. With the affluent audience, cadence is important as well.

A best practice is to reach out to affluent consumers minimally, ensuring that each time a message is sent, it will get noticed and hopefully acted upon.

"Quite simply, many luxury brand customers lead on-the-go, connected lives that put the mobile device within a few feet of them wherever they travel," Mr. Hasen said. "Mobile is often the only effective way to ensure you are reaching an affluent consumer when he or she is out and about and more likely to purchase.

"Also, because the price of goods and services is higher, affluent mobile subscribers often want to go further than a traditional ad," he said. "An example would be a consumer seeking to learn more about a product or service through a video or Web site delivered via mobile."

Luxury is changing

According to Shira Simmonds, president of [Ping Mobile](#), Englewood Cliffs, NJ, the definition of luxury is changing.

Not too long ago, luxury was defined by three primary elements: limited quantity, unique or superb craftsmanship and social and socioeconomic status.

With respect to the handset market, those rules are changing.

"What once may have been seen as luxury is now necessity as society becomes increasingly mobile," Ms. Simmonds said. "Statistics continually demonstrate that large percentages of consumers across all strata are purchasing smartphones, trendy handsets and iPads.

“Therefore it’s essential that a new luxury paradigm be established and pursued as part of a larger CRM strategy,” she said.

The content sent to a luxury brand via SMS must be relevant. It has to convey a sense of exclusivity, while at the same time should also have readily apparent value.

The key to a successful mobile CRM strategy for luxury brands is the communication of the emotional benefits of the product.

“The key is to find the consumer’s touch points and create the desire for things consumers don’t really need,” Ms. Simmonds said. “This can be achieved, by way of example, by offering certain exclusive information, be it a new designer handbag that is not yet available in retail stores that is made available only to them.

“Additionally, well-positioned maintenance and service reminders sent via text or an exclusive and customized voice message from the CEO of the brand will also help keep consumers committed to the luxury brand, as they will feel cared for and a sense of personalization,” she said.

Selling a lifestyle

According to James Monaghan, director of solutions innovation and consulting at [OpenMarket](#), Seattle, brands need to engage with consumers wherever they are, and today more than ever that means using mobile.

Luxury brands are not just selling products, after all. Instead, they are selling a lifestyle.

“To do so effectively they need to build a relationship with their customers which transcends mere marketing,” Mr. Monaghan said. “Affluent consumers are used to being dealt with on their own terms and expect a personalized experience when engaging with their brand of choice.

“Leveraged effectively, a mobile CRM strategy is uniquely able to offer that tailored experience and build ongoing loyalty, wherever the consumer happens to be,” he said.

“The value of a consumer to a luxury brand is in the lifetime of a relationship filled with repeat interactions, so it is paramount to be forward looking and address the mobile opportunity head-on.”

Luxury brands can shine by extending their distinguishing attributes of superior service and customer recognition to the mobile channel, specifically through SMS, which is available on almost all phones.

For the luxury sector, specifically, there needs to be a highly personalized experience.

Mr. Monaghan suggested greeting the customer by name, being aware of their purchasing history to frame marketing and service activities in that context, and being sensitive to their communication preferences, particularly when it comes to the time and frequency of messaging.

“Don’t send an SMS suggesting I test drive the new 2012 convertible if I drove off the lot

with this year's model a few weeks ago," Mr. Monaghan said. "Do send an MMS a week before my wife's birthday of some earrings that would match a necklace I just purchased for our anniversary."

Affluent value

Affluent consumers find value in a CRM program from their favorite luxury brand.

There are two key reasons why this is so. First, is a mobile CRM program perpetuates the relationship with the brand, which makes consumers feel good about their purchases and reaffirms the connection to their lifestyle.

Additionally, a mobile CRM program saves valuable time by making subsequent purchases easier and on the consumer's own terms, per Mr. Monaghan.

A well-executed messaging campaign can present specific purchasing opportunities to consumers at the time when they are most likely to act upon it, making life easier for them and increasing conversion for the brand.

Location awareness is another key benefit of mobile in the CRM strategy. It is hard to recognize every customer when they walk into a store, but easier to recognize their mobile device, especially if the consumer allows the brand to be alerted to their location, or if the user "checks in" at a venue.

"Imagine walking into a store in an unfamiliar location and having the staff be able to greet you by name and recommend items based on your purchasing habits," Mr. Monaghan said. "Everyone gets to feel like a VIP."

"Whether placing a voice call or sending an SMS to a brand, it should be possible to engage 24/7 and reach a real human being to answer questions and provide truly superior service, where the consumer is recognized by their mobile number," he said.

Mr. Monaghan also said that a logical extension of the marketing and relationship building activities is to enable customers to become transactional.

"This is especially valuable for the on-the-go consumer," Mr. Monaghan said. "Consumers should be able to act upon purchasing opportunities using the mobile channel, whether by sending an SMS to reserve an item or breezing through a one-touch payment experience on the mobile web to have it shipped to the address on file."