



INDUSTRY LOOKBOOK

Beverage

This Waterfall LookBook provides insight into **how mobile fits into a beverage marketer's communication strategy**, including guidelines for successful mobile execution.





Overview

Why mobile for beverage marketers

Case in point

Six beverage mobile campaigns with positive and negative lessons learned

Summary

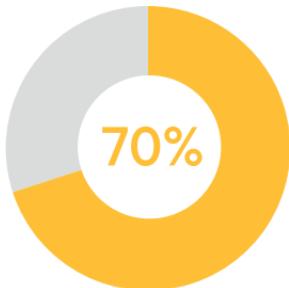
How beverage marketers can best execute a successful mobile and digital communication strategy

It's about loyalty.

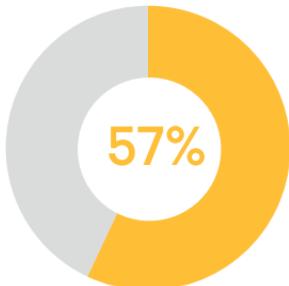
With countless beverages in the market and virtually no switching costs, beverage marketers navigate a competitive industry – new consumers make decisions quickly depending on how they feel in the spur of the moment. While strolling down aisles full of options, what makes a customer purchase one beverage over the other? Loyalty. Specifically, connecting with consumers on an emotional level to **foster genuine, long-lasting relationships.**

The most reputable beverage brands build loyalty by tailoring their marketing strategies to suit the individual. Mobile gives companies the power to **reach consumers on a widespread level, yet still makes each individual feel like the only customer.** That's the key to loyalty.

Loyalty: A Marketer's Ticket to Success



of consumers surveyed feel that loyalty programs are part of their relationship with a company (Maritz Loyalty Marketing)



of consumers modify when and where they buy products to maximize loyalty benefits
(hotels.com)

OVERVIEW



a **5%** increase in customer retention can increase
profitability by 75%



80% of future revenue comes from only **20%**
of **existing customers**

It's intuitive to say brand loyalty is important, but why does it actually matter? In a key survey conducted by Bain and Co., a 5% increase in customer retention can increase profitability by 75%. Additionally, the Gartner Group shows that 80% of future revenue comes from only 20% of existing customers. Not only is loyalty important for revenue, it also significantly cuts costs. Lee Resource Inc. states that acquiring new customers costs 5x more than retaining current customers. These numbers map out why **building loyalty and retaining customers are essential for beverage companies aiming to drive profits.**

OVERVIEW

Beverage marketers need three major types of loyalty to influence consumer decisions: hand, head, and heart loyalty. Any brand achieves hand loyalty simply by paying a marginal cost to make their beverages easily accessible. Head loyalty is achieved through rational cost-benefit analysis, which is irrelevant in an industry driven by taste. The dilemma with hand and head loyalty is that they create weak connections with the customer because they only impact one-time decisions. Thus, the key component in building brand image and driving repeat sales is **heart loyalty, turning one-time customers into repeat customers and repeat customers into brand advocates.**

Heart loyalty is extremely valuable for beverage marketers, but building heart loyalty doesn't happen overnight. It takes personalized experiences and meaningful interactions to grow each relationship with consumers – that's why **mobile makes the difference.**

Why **Mobile is Ideal** for Heart Loyalty



73% of smartphone users are interested in interacting with loyalty programs through mobile (Maritz Loyalty Marketing)



42% of mobile users consider mobile the most important resource in their purchase process (xAd 3rd Annual U.S. Mobile Path-to-Purchase Study)



64% of consumers' total time spent online is through mobile (xAd 3rd Annual U.S. Mobile Path-to-Purchase Study)

Mobile provides unparalleled flexibility to maximize marketing

Mobile is optimal for beverage companies looking to deepen brand loyalty and connect with consumers. With SMS/MMS, mobile apps, QR codes, and more, mobile provides companies unparalleled flexibility to maximize marketing efforts, all while increasing sales and generating repeat customers.

The following six case studies show innovative and effective examples of how other beverage companies have already taken advantage of mobile to build brand loyalty and earn the highest ROI through mobile marketing.





World of Coca-Cola Mobile App

As part of Coca-Cola's "Moments of Happiness" campaign, Coca-Cola implemented a mobile app, Explorer, which serves as a personal tour guide to showcase the World of Coca-Cola attraction. The mobile app actively engages customers and gives them a unique way to experience the attraction. Explorer incorporates a park map and fun facts associated with different points within the attraction. Another feature is a digital journal for visitors to track their favorite Coke flavors from around the world, which they can sample in the beverage lounge.

The most effective element of Coca-Cola's Explorer app is its location-sensing technology. Through Bluetooth-enabled technology, the mobile app unlocks relevant information and content as visitors explore specific areas within the attraction. Instead of merely visiting the attraction, customers received an interactive experience through location-sensing technology. For example, one

feature that can be unlocked is an in-app photo booth with custom frames and backdrops. This way, Coca-Cola dynamically interacts with park visitors and engages them from start to finish throughout their trip.

One aspect of the campaign that Coca-Cola can improve upon is to add more incentives to continue engagement, as mobile apps are often downloaded and quickly forgotten. For the campaign to be viable long-term, Coca-Cola needs to implement a strong messaging strategy to develop sustainable relations with the customer. For example, Coca-Cola can achieve better retention rates by including mobile coupons for customers via SMS. Mobile coupons yield successful results, with studies showing redemption rates 10x higher than that of paper coupons. This transforms a one-time app into a lasting opportunity to provide a stream of benefits and draw customers in over a longer period of time.



MOBILE APP



MOBILE
SWEEPSTAKES

Justin Timberlake Concert Sweepstakes

Bud Light Platinum implemented a mobile campaign that encompassed a 12-week digital scavenger hunt challenge. Players earned points based on how quickly they finished each task after digital clues were released, as well as the degree of their social sharing outreach. Bud Light's campaign was highly successful because of the appealing acquisition incentives – the winner was rewarded with an all-inclusive Platinum experience at one of Justin Timberlake's 20/20 Experience World Tour concerts.

The program skillfully utilized cross channel functionality allowing participants to play through any medium. For example, participants can play through an online website, a mobile app, or directly

through Facebook. By using more than one channel, Bud Light ensures the campaign reaches a broader audience. It is also important that they verified all players were US residents above the age of 21 by using an age-validation component in their campaign.

By implementing a scavenger hunt, Bud Light goes above and beyond in engaging their customers. Actively participating in the scavenger hunt reinforces the brand recognition of Bud Light, while adding the sharing component allows the brand message to spread to people who were not directly participating in the campaign.





Nestle | Le Club Perrier

First bottled in 1898, Perrier has a reputation as a leading sparkling water that is especially prominent for a more affluent demographic. To acquire more customers and target a younger audience, Perrier

launched a new mobile marketing campaign that capitalizes on mobile websites, QR codes, and interactive voice response (IVR). By using mobile in a fun and interactive way, they aimed to acquire new consumers and cultivate brand loyalty.

Perrier's ambitious campaign focused numerous aspects of mobile to create a comprehensive experience for the customer. The campaign incorporated a mobile-optimized YouTube video that changed based on view count, simulating a progressing party at Le Club Perrier. Additionally, Perrier in-store advertisements included QR Code and SMS call-to-actions to join the party. One impressive element of the campaign is the IVR promotion. IVR provides a medium for non-

smartphone users to participate in the campaign. Perrier included "hand-written" phone numbers on cocktail napkins encouraging consumers to call in; after, consumers are greeted by a woman who gives them directions to the party. An SMS message linking to Perrier's mobile site is then sent to participants. By incorporating QR Codes, IVR, and SMS in a cohesive campaign, Perrier successfully expands its reach by targeting consumers through multiple channels of engagement.

Perrier can improve its mobile campaign by emphasizing consumer acquisition strategies, such as collecting personal information about customers when they interact with the mobile campaign. Perrier's strategy is good for building brand awareness, but by collecting data about the target audience, they can ensure personalized customer engagement past the initial campaign.





SMS/MMS

Starbucks | Frappuccino Happy Hour

Starbucks promoted its popular Frappuccino Happy Hour through a creative cross-channel mobile campaign. Starbucks tapped into many forms of marketing, ranging from social media, mobile app, SMS, and MMS.

Though Starbucks marketed Happy Hour through multiple channels, they increased the effectiveness of the campaign by maintaining a consistent design. By carrying similar themes in all channels, Starbucks reached a larger audience while still keeping the overall campaign clean and uniform for mobile users. Below is a deeper look into how Starbucks managed its campaign to maximize participation and customer interaction.





SMS/MMS

The screenshot shows a mobile phone interface with a colorful geometric background. At the top, it displays signal strength, 'Verizon', the time '2:47 PM', and battery level '48%'. Below this, the screen shows a message from 'Starbucks' with the subject 'An Extra Hour of Happy'. The message includes a 'MEMBER EXCLUSIVE' badge with two stars. It features a circular graphic with the text 'say yes' and 'TO A HAPPIER HAPPY HOUR'. The text 'One more reason it's good to be a My Starbucks Rewards™ Member' is displayed next to a small image of a Starbucks Frappuccino. The main body of the message reads: 'Frappuccino® Happy Hour lasts an extra hour ([5-6pm](#)) for My Starbucks Rewards™ members only. Just use your registered Starbucks Card [May 6-10th](#) at participating US stores.' At the bottom, there is a note: 'Fill your phone with Frappuccino® fun all summer long by texting WOOHOO to 22122!' and terms and conditions: 'Starbucks Mobile Alert (12msg/mth). T&Cs and privacy policy at www.22122.mobi. Reply STOP to end or HELP for help. Message & Data rates may apply.'

Starbucks Happy Hour Closeup

Capitalize on Keywords

Customers texted keywords such as WOOHOO, FLASHY, and SAYYES to 22122 for Starbucks' Frappuccino Happy Hour mobile campaign. The multiple keywords include the same SMS message, but different MMS gif images. With multiple keywords, Starbucks can track which keywords consumers are most receptive to, giving them data to refine future marketing strategies. Additionally, Starbucks did not mention the summer surprise in any initial call-to-actions; by piquing curiosity in consumers, they motivate consumers to text in and discover the surprise.

Maximize MMS

Starbucks used light, fun images to capture the attention of consumers. The colorful, eye-catching MMS messages were especially appropriate for a warm summer vibe. By capitalizing on both SMS and MMS, Starbucks can effectively deliver content while still keeping consumers interested.

Recurring Reminders

One major flaw for many mobile campaigns is that they don't send additional reminders after an initial opt-in, meaning many consumers simply forget about the campaign. Starbucks continued to follow up with customers via SMS and mobile app to remind them about Happy Hour and maximize participation.



SMS/MMS

Pepsi | Wild Cherry Soda

In an effort to promote their Wild Cherry Soda, Pepsi created two mobile games and a mobile-compatible video advertisement. Pepsi worked extensively with Apple through iAd, a platform to connect brands with Apple users. To garner customer interest, Pepsi's ad included a call-to-action that prompted consumers to click and play either a picture-matching or scramble game. After completing the game, consumers were redirected to the video advertisement.



The largest flaw in Pepsi's campaign is its restrictive nature. Although Pepsi has been effective in targeting iOS users through Apple's

iAd, they have been neglecting the large market of Android owners. If Pepsi catered towards the Android market as well, they can significantly expand the reach of their campaign, thus boosting brand image and sales of their Wild Cherry Soda. While running mobile campaigns, it's critical for companies like Pepsi to tap into all potential customers instead of limiting itself to iOS.

pepsi wild cherry®
**EXPLOSIVELY
CHERRY**

IMAGE MATCH
GREAT JOB!

RETURN TO MENU

◀ BACK



Summerfest Beer Sweepstakes

Sierra Nevada's first-ever mobile campaign aimed to promote their Summerfest beer. The mobile campaign featured a sweepstakes which generated astounding results for Sierra Nevada, surpassing expectations by over 600%. Participants could enter the sweepstakes via SMS, social media, or Summerfest Beer's website. Matching the relaxed and carefree nature of summer, participants entered by stating what talent they can bring to a Summerfest campfire party. Brewery experts then reviewed entries and selected 70 winners with the most exciting talents to join Sierra Nevada for an all-inclusive trip to Sierra Nevada's music festival.

Sierra Nevada's campaign was unique because of the diverse number of components implemented. The campaign included a post-to-URL feature so all entries would be sent to Summerfest's microsite regardless of how they entered the sweepstakes. Participants could then check the site to measure up their competition and see all entries in real time, making the campaign extremely transparent and engaging for consumers.



MOBILE
SWEEPSTAKES

SUMMARY

In the hyper-competitive beverage industry, loyalty heavily influences consumer purchase decisions. With all the options consumers can choose from, it's not enough to bring customers in once – beverage brands need to build a loyal customer base and strengthen retention to increase sales. Mobile gives beverage marketers a competitive edge by directly personalizing their marketing campaigns towards their customers while allowing for interactive, two-way engagement.

The above six case studies illustrate the diversity of mobile strategies companies utilize to reach beverage consumers. With so many mobile features, the marketing possibilities are endless. To ensure the effectiveness of mobile campaigns, beverage marketers should keep these following three tips in mind:

1

Two-way communication is essential when developing brand loyalty within the beverage industry. It's important to **foster direct relationships** with consumers, but beverage marketers can do this in many ways. **Mobile apps, dynamic sweepstakes, and social media outreach** are all good ways to expand the scope of your campaigns while engaging customers.

2

Every individual interacts with their mobile device in a unique way. It's up to marketers to figure out what works best for their consumers. This makes **data collection and segmentation** essential for beverage marketers to accommodate each individual.

3

Because beverage marketers focus on B2C marketing, they need to **use creative and compelling means to draw consumers in**. Mobile provides a limitless palette for beverage brands to execute marketing campaigns that provide the perfect customer experience.



Waterfall's beverage clients and reference accounts include:



Peet's Coffee & Tea

Thanks for taking the time to read through Waterfall's LookBook. The Waterfall Platform has powered mobile marketing strategies for beverage marketers since 2005. To learn more about Waterfall, please subscribe to our blog, read our case studies, or discover our featured solutions by visiting www.waterfall.com.

To sign up for a free trial or for any other questions, please contact sales@waterfall.com.

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