



Digital Marketing Project

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Mobile Marketing

Right method

Mobile marketing is an umbrella term that encompasses various forms of marketing that are delivered through mobile devices, be it a smartphone or a tablet. It's a method of digital marketing that aims to deliver promotional messages to customers anywhere, anytime.

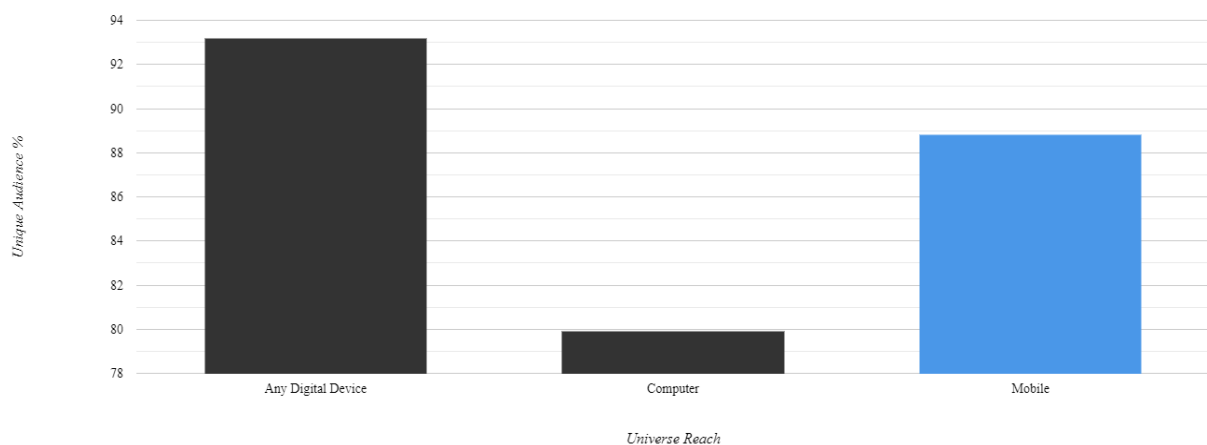
This type of marketing can be used for refining traditional internet marketing methods such as mobile-friendly websites or mobile-optimised emails through responsive web design, that considers the portrait orientation most common in mobile devices, along with screen size, operating system platform and user functionality.

Mobile marketing can also be used for location-based targeting of customers in popular social media applications such as Facebook and Instagram or proprietary mobile apps, along with enhancing communications with customers through the use of traditional SMS or MMS messages or in messaging apps such as WhatsApp, Messenger or WeChat. Other technologies such as QR codes, augmented and virtual reality as well as the emerging metaverse are all considered to be methods of mobile marketing.

“According to a report on digital and mobile trends, the total number of mobile connections in Australia reached nearly 31.9 million in 2022” (Granwal, 2022), meaning 9 out of 10 Australians can now be reached on a mobile device (figure 14).

Figure 14

How many adult Australians are reached online?



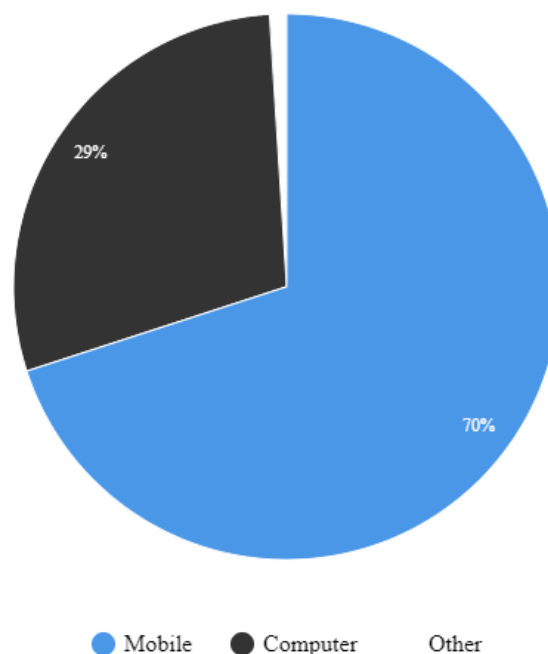
Note. Adapted from *Nielsen digital landscape report* by The Nielsen Company 2021. (<https://image.nielsen-email.com/lib/fe3311727164047d7c1272/m/2/9e5fa3ac-9b23-4658-8c72-7d4f4010db24.pdf>)

“As mobile devices become the primary computer device for a large portion of users, it should come as no surprise that most of them will use it as their primary web browser. Increased mobile speed, improved mobile devices, and lower mobile internet access tariffs mean that the internet is now more accessible from mobile devices than ever before.” (Safari Digital, 2022).

“Mobile devices now drive over 52% of web traffic and account for nearly two out of every three minutes online” (Blue Carona, 2018) with the average person spending almost 70% of their digital time on a mobile device (figure 15). In fact, people are now so engrossed by their mobile devices, that “1 in 10 millennials would rather sacrifice a finger than give up their smartphones” (Tappable, 2021).

Figure 15

Trend of total online audiences



Note. Adapted from *Nielsen digital landscape report* by The Nielsen Company 2021. (<https://image.nielsen-email.com/lib/fe3311727164047d7c1272/m/2/9e5fa3ac-9b23-4658-8c72-7d4f4010db24.pdf>)

Depending on the method employed, mobile marketing can be used to target customers at all stages within their purchase journey, whether they be hedonic browsing or knowledge building as part of an exploratory search strategy, or it can be applied more aggressively to customers adopting a directed search strategy and seeking to make an immediate purchase, as well as those that are simply seeking information as they deliberate on a future purchase (Moe, 2003).

SMS marketing

Unlike alternative messaging formats and applications, 94% of all Australians open SMS text messages and of those, 78% read every text message they receive (Essendex, 2018). Similarly, 96% use their mobile phones to send text messages (Granwal, 2022) with most Australians spending 35 minutes per day sending text messages by SMS (Essendex).

Apart from having open rates higher than any other mobile marketing method (Santora, 2020), SMS marketing is effective because “most customers prefer receiving texts over other forms of communication” (Hott, 2021). Sent messages are delivered almost instantly with 90% of messages read with 3 minutes of receipt but not only are SMS messages opened and read by customers sooner and more frequently, this type of digital marketing also has a high 45% average response rate (VoiceSage, 2018) that is 209% higher than email or social media messaging, with customers usually acting on a text message within 90 seconds (Gardner, 2020).

“Text messaging isn’t anything new, but it’s trusted and reliable. Best of all, it’s already built directly into your customers’ phones so they don’t need to download yet another app. With a text message, you can interact with people in a way that feels personal and 1:1 but fits easily into their day-to-day lives. You’re not interrupting them with a phone call or overwhelming them with too many choices. It’s quick to read and respond to, and very few people ever leave an SMS unread.” (VoiceSage, 2018)

“Texting is so popular because people need some form of gratification to survive on an emotional level ... Each successful interaction, be it a reply to a text, a like, a comment or a share, releases dopamine which is associated with reward and motivation. Dopamine determines our behaviour and actively makes us seek gratification. Essentially, dopamine is the driver of addictive behaviour. The neurotransmitter that rewards us with satisfaction is an opioid and works alongside dopamine. Once the gratification is satisfied, we stop looking for gratification. Furthermore, dopamine makes us curious. Because text messages are typically associated with rewards, we just can’t resist opening an SMS. This is why SMS marketing is so effective.” (Tomikas & Rebane, 2022)

However, despite the potential that this method of mobile marketing possesses for Tacos Anonymous Redfern to expand its marketing reach and increase awareness of their business, its application is limited by government legislation that restricts or prohibits how it can be used in practice.

In Australia, under the Commonwealth Spam Act 2003, businesses can only send ‘commercial electronic messages’ that are sent with the consent of the recipient, identify the sender and include a functional unsubscribe mechanism. Furthermore, businesses are also required to comply with the Australian Privacy Principles under the Commonwealth Privacy Act 1988, meaning that a business may only disclose personal information for the purpose of direct marketing if an individual has consented to the use, provides a simple way of opting out through an unsubscribe facility including a prominent statement that an individual can request to opt out and the individual has not already requested to opt out of such marketing from the business. (Crabb & Coci, 2017).

Right customers

Having recognised both the possibilities and limitations of mobile marketing, its integration as an ad method by Tacos Anonymous Redfern as part of the digital marketing mix that aims to increase brand awareness and the number of customers making an instore purchase, must also align with the ‘Get The Team Together’ for ‘Tacos @ The Regent Redfern’ omni-channel strategy that combines the digital marketing methods to meet these objectives.

Traditionally, the customer purchase journey has been conceptualised by marketers as flowing through a ‘funnel’ of three distinct stages: awareness, consideration and purchase (Mintz, 2022). However, the shopping patterns and decision-making processes of buyers in today’s digital environment no longer necessarily conform to this relatively rigid framework. Rather, the marketing funnel nowadays is no longer a funnel at all but a looping journey full of twists and turns (figure 16).

To this end, mobile marketing may be most effective within the loyalty loop, catering to the post-purchase experience with a promotional offer sent by SMS that not only rewards current buyers but can be easily shared and forwarded by them to prospective buyers as an incentive to make their first purchase. By implementing a referral scheme for promoting the ‘Get The Team Together’ for ‘Tacos @ The Regent Redfern’ strategy, not only can the number of new customers increase as a result, but through the retention of existing customers, the number of overall sales might also improve and contribute to achieving the digital marketing goal of the business.

Figure 16

The modern online buyer's journey



Note. From *The modern digital marketing funnel: explained* by Blue Corona, 2019. (<https://www.bluecorona.com/blog/new-digital-marketing-funnel-strategies/>). Copyright 2022 by Blue Corona.

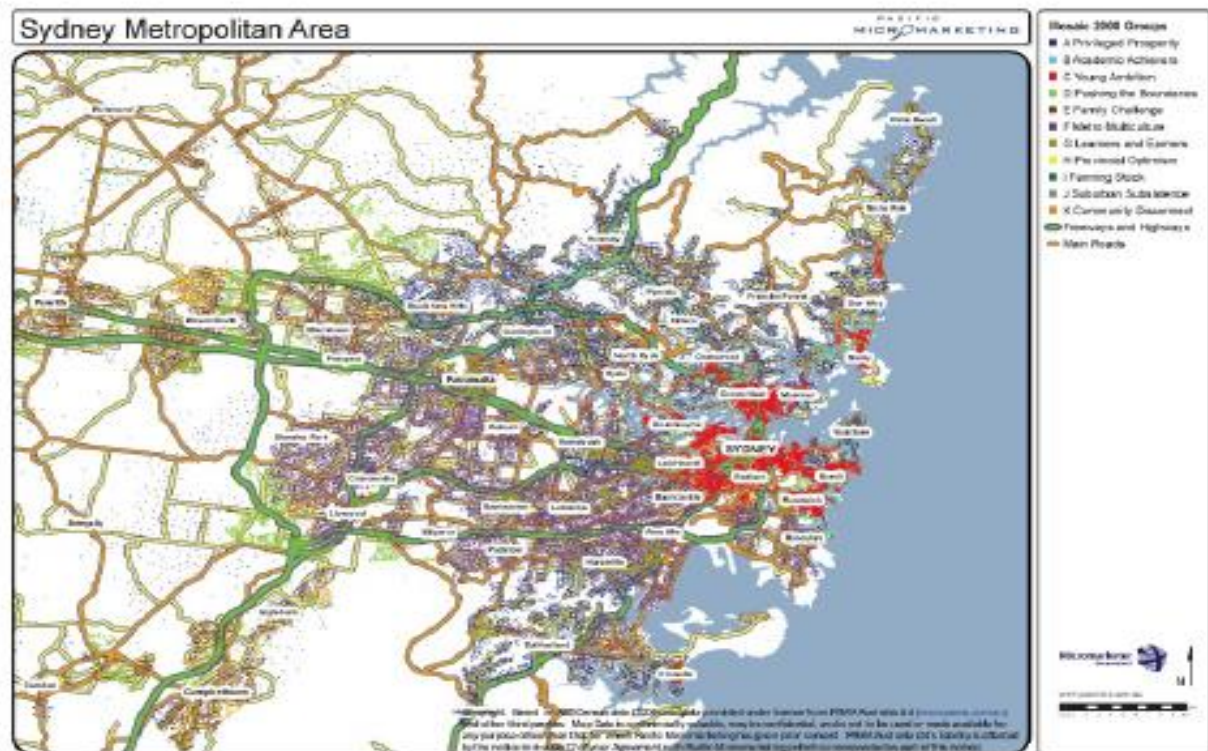
Understanding that Tacos Anonymous Redfern is the bistro within The Regent Hotel, the current buyers have been identified as the hotel patrons whose interests in visiting the hotel are to consume alcohol, watch sport on the big screen or simply to catch up with mates, chilling out in the lounge or on the deck. The prospective buyers extend to the local Redfern community within a 5 kilometre radius who aren't patrons of the hotel. Instead, these potential customers are interested in local restaurants for food to eat and meal options, either to dine in, take away or to be home delivered, recognising that these customers can also differ between those who may be in the area for work during lunchtime trading, such as the construction workers from the sites nearby and the local residents more likely to frequent the location during evening trading hours, primarily adult individuals and couples but includes families with children also.

“People with similar cultural backgrounds, resources and perspectives naturally gravitate towards one another. They choose to live among their peers in locations offering affordable advantages and compatible lifestyles. Once settled in, people often emulate their neighbours. They adopt similar social values, tastes and expectations. They exhibit shared patterns of consumer behaviour towards goods, services, media and promotions.” (Quester et. al., 2013).

A geo-demographic analysis of Redfern (figure 17) might therefore also be considered useful in further understanding the interests, shopping patterns and decision-making processes of these customers, based on the belief that lifestyle and therefore consumption are driven by demographic factors (table 2).

Figure 17

Geo-demographic group segments within the Sydney Metropolitan Area



Note. From *Consumer behaviour: implications for marketing strategy* by P. Quester et al., 2013. (<http://ebookcentral.proquest.com/lib/uts/detail.action?docID=5471315>). Copyright 2008 by Pacific Micromarketing.

Table 2

Geo-demographic group segment summary descriptions

Segment	Characteristics
<i>Young ambition</i> Inner-suburb young people earning high incomes	Aged 20–34 Mainly single, sharers and couples High levels of education Often reside in multi-dwelling accommodation 40% originate from overseas, especially Asia and Britain Possess share portfolios Substantial mortgage or rental payments Exercise regularly Enjoy going out regularly Technology enthusiasts
<i>Pushing the boundaries</i> Young families on the city fringe	Young families Engage in family-focused activities Mortgage holders residing in spacious but affordable housing Employed in administrative or blue-collar roles Above-average disposable income

Note. Adapted from *Consumer behaviour: implications for marketing strategy* by P. Quester et al., 2013. (<http://ebookcentral.proquest.com/lib/uts/detail.action?docID=5471315>).

Right messages

A referral scheme is one of the most effective ad types in digital marketing as it can “maximise word of mouth, accelerate customer acquisition and foster customer loyalty” (Huhn, 2022). By rewarding current customers for their loyalty, they are encouraged to recommend the business to their family, friends and colleagues who for the business, are potential new customers. As a method of mobile marketing, referrals are powerful because 89% of people are likely to recommend a brand after a positive brand experience on mobile (Think with Google) while on the flip side, 92% of consumers trust recommendations from people they know (Tomikas, 2021) and are four times more likely to purchase after a referral from a friend (Phillbrick, 2021). Prospective buyers that become customers this way can be extremely beneficial to a business over the long-term, as referred customers bring 25% higher profit margins (Chua, 2019) and have a 16% higher lifetime value (Phillbrick, 2021) than those acquired through other means.

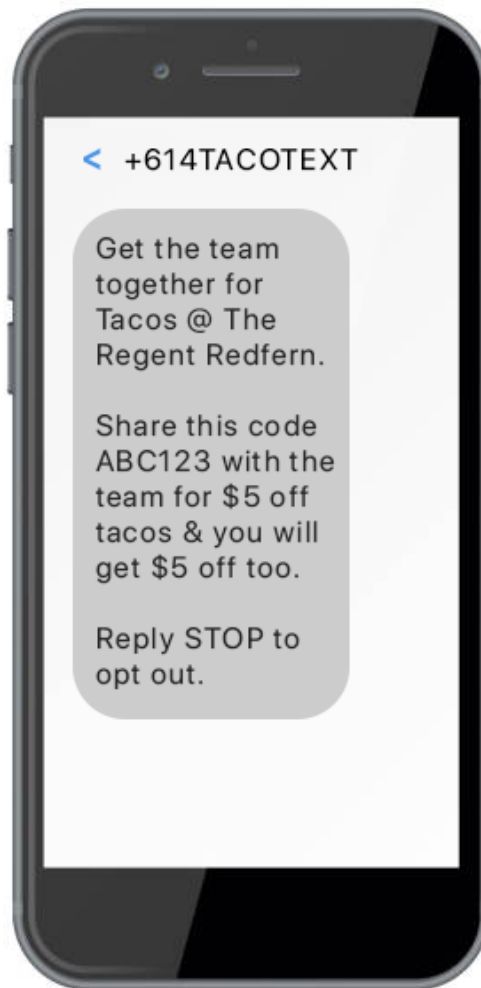
For Tacos Anonymous Redfern, a referral scheme delivered by text message would complement the ‘Get The Team Together’ for ‘Tacos @ The Regent Hotel’ strategy and could be implemented by using either a third party SMS gateway or integrating a messaging API directly into their existing mobile responsive web portal for taking online orders. Pairing a unique code to a customer’s mobile number, referral incentives would best be sent at a similar time on the same day but in the following week to when their original order was made, so that current customers will perceive value in the promotional offer that is made to them, at a time when they are most likely to find the communication engaging and relevant.

While every SMS message sent would be targeted for receipt by an individual customer, the messaging within the message must also be suitably generic for forwarding and distribution by these existing customers to their family, friends and colleagues, yet it must also contain a relatable incentive that is both easy to understand and to claim, for the offer to be considered of any value by the recipient.

Furthermore, the message must also identify the sender and include an option for opting out of further direct marketing in order to comply with Australian privacy and anti-spam laws. Being a standardised communication protocol, the message must also not exceed a maximum limit of 160 characters or else the SMS may be truncated and split into smaller messages for transmission. Specific messaging suggested to suit the campaign strategy is illustrated in the following example (figure 18).

Figure 18

SMS referral scheme ad example



Get the team together for Tacos @ The Regent Redfern.

Share this code *ABC123* with the team for \$5 off tacos & you will get \$5 off too.

Reply STOP to opt out.

Budget

Arguably, the most significant benefit to a business of SMS messaging as a mobile marketing method is its extremely low cost. With no setup fees or contracts, a third-party pay-as-you-go SMS gateway such as Cellcast can provide an all-in-one text messaging API software system for implementing the recommended referral scheme for around \$40. This would include a virtual mobile number and 1000 SMS messages that would be entirely suitable to the needs of a small business like Tacos Anonymous Redfern, as this volume would permit around 55 messages to be sent to customers on every trading day for a full calendar year.

Measuring success

While 83% of satisfied customers might be willing to make a referral, the reality is only 29% actually do (Advisor Impact, 2010.) Therefore, much like all forms of marketing, the referral scheme for Tacos Anonymous Redfern, employing SMS as a method of mobile marketing, will need to be measured and evaluated, to determine its success relative to the other digital marketing methods used as part of the strategy. In order to measure the mobile marketing's performance, key metrics should be monitored to ensure the referral scheme is progressing toward the business goals and is making the most from the budget for the overall marketing mix.

Delivery rate is a simple metric that measures whether the SMS messages are being received from the gateway while the opt-out / unsubscribe rate is the percentage of customers opting out from receiving further digital marketing. A high unsubscribe rate might suggest that the messages are being considered as spam or that customers do not find the referral scheme to be of any value.

Conversion rate can be a sure sign of success, reflected as the percentage of new customers who place an order as a direct result of the referral message. Customer acquisition costs are measurements of the spend required per redeemed incentive that is used to acquire new customers using this marketing method and are important considerations. So too, is the customer lifetime value that might contribute to the long-term profits of the business from any given customer. The participation growth rate of customers with referral codes should also be tracked, because as they increase in number, so too will the return on investment, which is the most important metric to measure for comparing the performance of this method of digital marketing against the other marketing methods employed within the strategy mix.

However, as long as the cost of rewarding existing customers and incentivising new ones remains lower than the turnover received from the new buyers acquired through the referral scheme, Tacos Anonymous Redfern should in all probability, continue to build awareness and increase customer numbers, driving sales and in turn profits, to sufficiently justify continuing the promotion beyond the initial marketing objective's two-month campaign.

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