



Best Practices for Increasing Text Marketing List Opt-ins and Mobile Coupon Redemption

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By Richard Slawsky | Contributing writer

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Coupons have long been part of the lives of savvy shoppers. For decades it's been a tradition for consumers to clip coupons from the Sunday paper or pick up in-store sales flyers to save a few dollars on their favorite products.

With the advent of mobile devices, though, coupons are increasingly being delivered via digital channels. According to a 2016 report from analytics firm Placed Partners, mobile is becoming the most popular way for consumers to find and use coupons. Nearly 43 percent of respondents to consumer [research conducted by CodeBroker](#), a provider of mobile marketing and mobile engagement solutions, said the mobile channel is where they typically looked for coupons compared with less than 36 percent who said the print medium was their main choice.

And a 2018 report from research firm PRRI indicated the use of mobile coupons is on track to surpass the use of print coupons within the next year, while a study by Juniper Research predicts the value of digital coupon redemptions will surge to \$91 billion by 2022, up from \$47 billion in 2017.

Despite the growing popularity of mobile coupons, though, they do face some of the same challenges as their print brethren. Redemption rates for print coupons typically hover around 2 percent, and while redemption rates for mobile coupons are better, there's certainly room for improvement.

Joining the club

Key to improving redemption rates for mobile coupons is to deliver them to the customers most likely to use them, when they need them. And one of the ways savvy retailers are accomplishing those tasks is by creating SMS marketing lists and encouraging shoppers to opt in.

Mobile coupon consumer research by CodeBroker, found that coupons delivered via email accessed through a mobile device were typically redeemed within a range of 0.5 - 2 percent. But by delivering those coupons via SMS, CodeBroker found that retailers could increase digital coupon redemption rates to as much as 10 percent or more.

Those rates don't happen by accident, though. It takes a plan.

Here are some tried-and-true actions retailers can take to get their customers to opt in for text marketing lists and improve coupon redemption rates in the process:

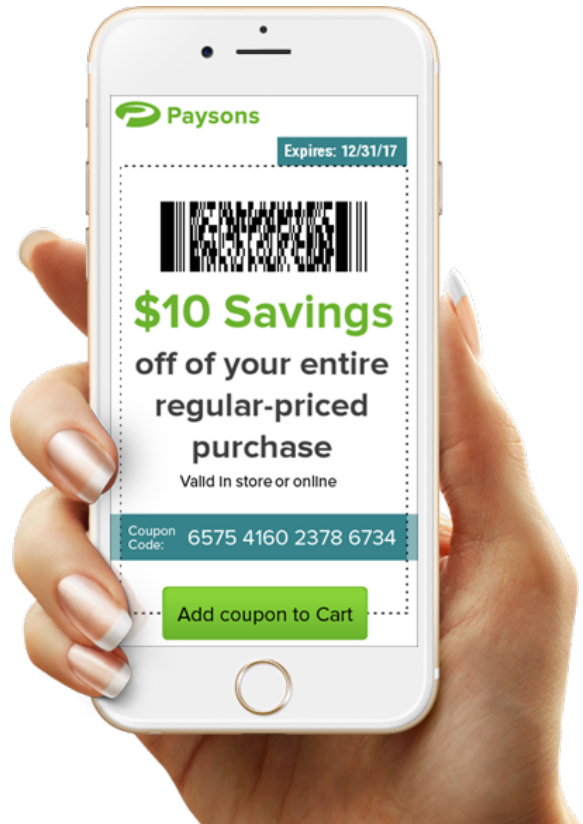
#1. Make it easy and quick for consumers to sign up

Building a robust customer database begins at the sign-up process. If it's difficult for customers to sign up, they won't do it. Don't ask customers to provide their life story; name, mobile number and address are a good start. Customize your sign-up form for the use case you have in mind to capture only the minimum relevant information.

#2. Provide an incentive to encourage them to join the list

Coupons are great incentives to drive list sign-ups, with 68 percent of respondents to [CodeBroker mobile coupon research](#) saying that they would be likely to join a retailer's/brand's marketing list if they receive an instant coupon.

For marketers looking to expand lists quickly, an instant welcome coupon is an excellent approach.



#3. Create an SMS content plan

Create a content plan and stick with it. Decide what you plan to say, to whom and when you plan to say it. Before long, customers will begin looking forward to receiving regular content via their mobile device. Retailers who create a communications plan get better engagement and higher revenue. Retailers who do ad hoc communications find that performance wanes over time.



#4. Generate exclusive content

People naturally want to feel that they're special and part of a group that has access to information and rewards that mere mortals don't. SMS is the ideal vehicle to create a sense of exclusivity – for example, to provide early notification of sales or events and delivering content that is only available to those on the subscriber list.

#5. Make that content timely

Deliver content to your SMS list before it's available on other channels. For example, use timely messages to announce new store or restaurant openings, or maybe hold the occasional "SMS-only" sale. Using SMS can keep customers checking back frequently and has proven to be a great way to drive urgency, getting consumers to respond quickly.

#6. Deliver consistent promotions

Retailers experience recurring lift when SMS promotions are scheduled to run on a regular basis. Look at your mobile marketing audience and seek out ways to target them at specific times. A regular Monday evening "members only" sale could be a shot in the arm for a slow night. If many of your customers pass by your location on their way home from work, a weekly text offer sent out at 5:30 p.m. might be just the encouragement they need to stop in.

#7. Optimize the customer experience

A focus on delivering a great customer experience keeps existing customers engaged with the brand, and holding a one-on-one conversation with your customers is a great way to help create that experience. Personalizing the SMS message to the customer by letting them know an item on their wish list or the perfect accessory to a previous purchase is on sale, for example, will build loyalty and drive conversions.

Creating additional value with mobile coupons

Encouraging customers to opt in for SMS marketing lists is a great way to start the process of building sales with a mobile marketing campaign, but it's just the beginning of the process. The next challenge is to find the best ways to encourage customers to take advantage of the mobile coupons they receive.

Digital coupons tied to an SMS campaign can be a highly effective way to improve customer engagement, increase store traffic and enhance basket size. Mobile coupons delivered via text message drive high levels of purchases and urgency, with 25 percent of consumers stating they will redeem within three days and 60 percent planning to redeem within one week.

As with SMS list opt-ins, achieving those results requires a plan. Here are some proven methods to improve redemption rates for mobile coupons and generate actionable data in the process:

#1. Employ higher-value coupons that can only be used once

Consumers overwhelmingly prefer higher-value coupons that they can use only once, versus a lower-value coupon that they can use again and again (by a 77% to 23% margin according to CodeBroker's research). To deliver single-use coupons, retailers must have the ability to generate a "smart" single-use mobile coupon with a security model that ensures:

- The customer always receives the same mobile coupon regardless of the number of times the coupon is requested and the number of channels she chooses to receive the coupon.
- Once the mobile coupon is used, it expires simultaneously and is marked as redeemed across all of distribution channels to prevent re-use.
- That it is difficult for a consumer to obtain a second copy of the coupon unless specifically allowed by the retailer.

#2. Leverage on-demand coupons

While redemption rates for mobile coupons are high compared with those for print coupons, redemption rates for on-demand coupons (which consumers specifically request in response to ads) are even higher. Research firm Aberdeen Essentials found that redemption rates for those coupons, where customers enter a code to access the offer, can approach 50 percent. CodeBroker's coupon research indicates that 60% of consumers would plan to redeem within one week which is slightly above CodeBroker's observed redemption rates of 30-50%.



#3. Conduct brief promotions

Create promotions with a short redemption period, preferably ten days or fewer. Creating a short window of opportunity inspires consumers to use their coupon offers quickly, in turn driving higher redemption rates.

#4. Don't forget the reminder message

For longer promotions (2-3 weeks) send reminder messages to people who have not yet redeemed a coupon. Inform the consumer they have only a few days left to take advantage of the offer. The best time to deliver the reminder message is 2-3 days before the promotion expires. Reminders have proven to increase redemption rates by as much as 70 percent.

A final thought

CodeBroker clients have found that digital coupons delivered via SMS helps drive sales, increase loyalty and improve the customer experience.

Unlike print coupons, SMS coupons will always be there when the customer needs them. Nearly everyone takes their mobile phone with them when they go shopping, meaning those coupons will always be in their pocket or purse. And consumer acceptance of mobile coupons is high and expected to continue to rise.



With more than three-quarters of Americans now owning a smartphone, and nearly half of consumers now preferring mobile coupons, retail and brand marketers should all be looking at delivering mobile coupons via SMS, not only to drive engagement and purchases but to improve the customer experience as well.

About the sponsor:

CodeBroker's mobile engagement solutions are used by the nation's most recognizable brands at over 24,000 locations across the United States and Canada. CodeBroker has been at the leading edge of mobile customer engagement since our founding. We were the first company to rollout one-time-use mobile barcode coupons, single-use SMS coupons, one-time-use barcode coupons in an app, omnichannel mobile coupons, omnichannel mobile loyalty engagement, and the first to launch Apple Wallet coupons.

Thanks to patented technology, CodeBroker's mobile solutions are secure, scalable, and easy to deploy, allowing retailers to quickly turn mobile marketing into bottom line results.

Founded by Dan Slavin and Pero Smrzlic, CodeBroker's mobile engagement solutions benefit from the direct input of top-tier customers, creating a platform that is focused on the needs of retail. has offices in Belmont, Massachusetts and Reston, Virginia.