

Luxury Hotels: SMS as a Direct Route to Affluent Consumers

SMS messaging offers a way for luxury marketers to directly reach consumers and contact them immediately with unique and tailored messages that stand out in today's over-branded society.

The affluent consumer has changed over the years and is becoming more comfortable using mobile devices, social media and new forms of marketing. However, this also means that consumers are learning to spot and ignore traditional messaging such as banner advertisements and forcing marketers to find ways to reach them more in a more personal, direct way.

“Customers are more astute, less trusting, have greater levels of skepticism and are less likely to respond to traditional marketing media,” said Llew Claasen, vice president of marketing at Clickatell, Redwood City, CA.



“This is where the mobile phone and the humble SMS enters and dominates the marketplace,” he said. “The adoption of SMS messaging is a growing trend amongst marketers around the globe as consumer spending slows and marketers are forced to become more creative.”

Why should SMS be a focus for luxury marketers?

When it comes to marketing, there is one thing all marketers have in common – a need to find a better way to attract and retain customers.

The customers of 2011 and 2012 are different to those of a few years ago. The global economic crisis, increased social networking, and the proliferation of mobile communications have shifted values and beliefs. Customers are more astute, less trusting, have greater levels of skepticism and are less likely to respond to traditional marketing media.

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Marketers have been quick to see the advantage in the mobile phone's “must have” status and SMS.

The reasons behind the success of SMS as a marketing medium lie in its cost-effectiveness and reach.

SMS marketing and communication costs a fraction of that of traditional methods such as advertisements, mailers and flyers. SMS are also targeted directly to the mobile phone of the customer and so have a penetration into the target audience of 90 percent.

Marketers implementing new mobile messaging and marketing programs have seen direct increases in sales as a result. There is no communication technology that is more compelling, universal and immediate, making it a winning solution for marketers across the globe.

How can luxury brands and hotels leverage location-based SMS messaging?

An important aspect of the festive season is 'gift giving,' with many consumers wanting to spoil their loved ones with something extra-special.

It is the perfect time of the year for luxury brands to reach out to consumers with contextually-relevant SMS messaging to direct them to promotions in-store.

Timely, contextually-relevant SMS messages will help keep luxury brands top-of-mind. Research shows that typically, 90 percent of all messages written are sent and read within three minutes, with more than 99 percent of all text messages being read by the recipient.



What types of messages are affluent consumers most receptive to?

Affluent customers often have very busy schedules and are most receptive to personalized priority messaging.

Personalized SMS messages that are delivered at a relevant time offer brand marketers six key benefits:

1. Relevancy and actionability

PPM messages are informed by the customer record and are always relevant to the customer's location, requirement and situation. They can also be quickly responded to, creating an almost immediate dialogue between two parties. Relevant messages that are personalized to the customer ensure they remain receptive and responsive.

2. Immediacy

Personalized priority messages are sent and received within five seconds, enabling real-time dialogue with customers, irrespective of their geographical location. This is particularly relevant to affluent

consumers whose engagements often take them beyond the realms of their home cities.

3. Ubiquity and simplicity

PPM can reach over 70 percent of the global population and are less than 160 characters long, making them easy to read and respond to. This is ideal for affluent customers who may be travelling globally and are under time constraints.

4. Versatility

There is virtually no limit to the type of messages that can be sent or received, allowing marketers to communicate with affluent customers about almost anything.

Should SMS look to drive consumers in-store, or can it also be used to drive consumers online?

This very much depends on the aims of the marketer. SMS messaging is perfect for either task. Inserting a link into an SMS message to drive consumers online is as simple as including an html link in the SMS message. Consumers can immediately click on the link and if their phone is 3G-enabled or they have access to WiFi, they can immediately access a relevant mobile Web page. Similarly, a timely SMS message can drive customers into your store to benefit from your promotion, as opposed to that of your competitors.

What are some aspects that marketers need to keep in mind when it comes to mobile campaigns?

To be effective, mobile SMS campaigns must be planned carefully and contain five essential steps:



Step one: Create and manage a contact distribution list.

There are endless ways you can acquire your customers contact numbers. For example you can get them to registers online, or complete surveys. Also, you can run a pre-festive season competition that requires their phone numbers.

Step two: Establish customer profiles from their account histories.

It is important that your SMS messages are relevant to your customers. There is nothing worse than receiving an SMS message that is not relevant. Conversely, there is nothing that helps build customer loyalty faster than sending messages that are relevant to their interests and needs.

Step three: Create your message copy.

It is advisable to limit your SMS messages to 160 characters, unless your message provider offers concatenation. The general rule is keep it short, simple and easy-to-read. The advantage of SMS

messages lie in their simplicity, not in their length.

Step four: Measure your SMS campaign success.

Tracking the results of your SMS campaign is vital if you are to measure its success. Make sure you understand what you want to measure before you send out your messages.

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