

Customer Loyalty Management Using SMS

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SMS text messaging is becoming a very important factor in loyalty program marketing. Because this is a 100% permission-based medium, those marketers who delay engaging in text-based conversations risk losing out to competitors. Retailers can quickly establish a text relationship with customers, although unlike email, customers are going to become very judicious about allowing other brands to communicate with them via text messaging. This is a clear case of “first-mover advantage.”

Tips for building an SMS-based customer loyalty program and working with a professional SMS service organization:

1) **Build an “opt-in” database.** Avoid at all costs working with text messaging companies that are willing to take a list of customers’ mobile numbers (or worse offering you such a list) to send text messages. These folks are spammers and you run the risk of having customers and the carriers coming after you for engaging in “SPAM” texting.

2) **Professional fit.** Work with the right professional service agency, whether you want a short- or long-term customer program. There are many professional SMS providers who can help with quick campaigns. Their expertise as marketing agencies with mobile technology can be very effective. Conversely, if your interests are in a long-term loyalty program, then work with a “persistent” service provider that allows you to engage in text conversations with your customers over a longer period. Look for a text message service provider that can both build a data base that tracks all of your customer text interactions and provide compatibility with your back-end loyalty program applications.

3) **Confidentiality.** Your SMS provider must provide you with assurances that your customer data remains confidential. Only you should be able to send text messages to your customers.

4) **Customer Privacy.** Your SMS provider must promise not to sell or share your “opt-in” customers’ mobile numbers to other brands. Neither you nor your “loyal” customers would be happy about that!

Vayulogic is a solution that enhanced the ability of merchants and brands to touch their customers via text messaging. Incorporated in 2008, Vayulogic launched its initial text messaging service in early 2009. Look for more updates on SMS as a critical part of future consumer loyalty programs.



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