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## Report: Making The Move To Mobile Coupons

by [Mark Walsh](#), Yesterday, 3:28 PM

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The hype surrounding mobile coupons and promotional barcodes this year may leave many advertisers worrying that they are way behind in this emerging form of marketing. But a new report finds that while consumers are warming to offers delivered via cell phone, technical hurdles and a limited audience mean that mobile coupons need not be an immediate priority for companies.

Instead of pushing for a widespread rollout in 2010, marketers should be laying the groundwork for a mobile coupon strategy by testing approaches that tie into current loyalty programs and promotions, according to the Forrester Research study titled "Mobile Coupons: Gold Rush or Fool's Gold?"

One factor that is encouraging advertisers to offer mobile coupons is the appeal they hold for consumers. Forrester says more than half of U.S. mobile customers are aware that they can request or use a coupon on their phones. Driving user interest are factors including higher-value promotions (not just 10 cents off a can of soup), exclusive mobile deals, and automated delivery that makes finding mobile coupons much easier than in the past.

Even so, only 3% of mobile consumers to date have asked for a coupon, and only another 3% have actually used one, according to Forrester.

For advertisers, mobile coupons remain attractive because they are cheaper to deliver and process than traditional paper ones, and give them a way to reach younger consumers (ages 18 to 24) who tend to be heavy users of mobile data services, but not necessarily coupons. They also allow companies to target people based on time and location -- like offering a last-minute deal to an in-store shopper.

In addition, many marketers believe that the growing use of more sophisticated phones will inevitably make using mobile coupons a mainstream activity, so they will have to jump in. Toward that end, Target last week announced the launch of scannable mobile coupons that can be redeemed at checkout at its stores across the country. Other major retailers such as JCPenney have also begun rolling out mobile offers.

But Forrester lays out some of the challenges facing marketers that are eager to catch up with companies like Target in coupon technology. In addition to the still-tiny user base, the firm points out that while most phones can download applications, not all can display readable bar codes or access the Web for updated promotions.

Furthermore, coupon apps may work on only a few mobile platforms, and even people who have downloaded these programs may not end up as regular users of the service.

For big-box stores and retailers like Target, McDonald's or CVS, with thousands of physical retail locations, enabling mobile coupons is a costly investment that might require new equipment like optical scanners as well as employee training and expanded advertising. And despite the lure of convenience, there is also the chance that mobile coupons could actually slow the checkout process if reading a bar code requires a cashier and customer to hand a phone back and forth while going through coupons one at a time.

To help smooth the transition to mobile coupons, Forrester analyst Julie Ask advises marketers to

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consider different approaches from simple SMS text delivery to barcodes that mimic print ads to downloadable apps, which are more versatile than other options but lack wide distribution. The report also suggests that companies focus on convenience by linking mobile coupon wallets to existing loyalty cards and POS (point-of-sale) systems for easier storage and redemption.

Capitalizing on the digital nature of mobile coupons is also key. When it comes to expiration dates, for example, "one opportunity for marketers is to leverage the information on coupons to send alerts to 'use them or lose them'," states the report.

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