

Press Release. Melbourne, 7 May 2009

RedTxt breaks new ground with new concept in mobile direct marketing

Ten years ago, Sydney Low, introduced Australia to the concept of a free Internet service funded by targeted advertising. Now the co-founder of Australia's largest free ISP FreeOnline is back with a company called RedTxt and a totally new concept in mobile phone advertising.

Low's understanding of the online advertising revenue market has led him to the new growth market for the current age - free SMS messages, funded by targeted text ads for opt-in subscribers.

However, Low is quick to dismiss any idea of simply sending annoying text ads to phones.

"It just wouldn't work. People hate spam; I hate spam," he says.

"Our research has shown that it is important that any ad is associated with a primary message that is anticipated and requested by the recipient.

Low says that what RedTxt has developed is a completely new form of direct marketing.

"This is a digital marketing channel that takes mobile phone marketing to a new level," he says.

"It enables advertisers to reach a large targeted audience with repeatable and sustainable campaigns over multiple weeks and even months if required. It is not just for delivering one-shot ads."

According to Low, Australia is a virtual gold mine of community groups that need to keep in touch with their members.

"Nearly everyone carries a mobile phone with them wherever they go these days so the best way community groups can stay in touch with members with immediacy and accuracy is through SMS text messages," Low says.

"Sporting associations is just one area, where each individual sport has literally thousands of members and associated families that need to stay in touch with their sport and to find out details of venues, fixtures and results."

In fact, says Low, many community groups do use SMS to stay in touch with members. However, the cost of SMS is high and a significant drain on the cash strapped budgets of not-for-profit groups that rely on limited membership funds, donations and fund-raising activities such as raffles.

"What these organisations need is a system that enables them to send SMS messages to their members for free. That's where RedTxt comes in," says Low.

"Our technology platform and service enables a community group like say a football association to send SMS messages to their members free of charge. We do this by dividing the 160 characters of an SMS and giving 100 characters to the football association for their message and 60 characters to an advertiser who wants to pay for the cost of the message and reach the audience with their advertising message.

"For advertisers it's great because they know exactly who their target audience is. For the community groups it's great because they no longer have to pay for their messaging, they can actually generate ad revenue, and they get to use a very simple but powerful web-based purpose built message delivery platform. They can also make sure that their members only receive appropriate ads.

"Above all, however, for community group members it's great because they only get a small text ad attached to the bottom of a message they need to receive anyway. They never get spammed with unsolicited advertising.

A vitally important aspect of the RedTxt approach, says Low, is the associative marketing element.

"RedTxt Advertisers can now become part of the community their advertising is associated with and deliver an improvement in the recipients' sports and lifestyle experience. Advertisers can provide recipients with relevant products and services and the smart brands will structure their offers to deliver an improvement in the recipients' experience.

"One of the main objects of sports sponsorship for example is how Brands can improve the experience of sports stakeholders. That develops brand loyalty.

"While companies want to sell product, the best long term strategy is for Brands to improve the experience of stakeholders and develop loyalty.

"For a Brand, this is the newest and potentially the most powerful form of associative marketing with sport."

"The days of free community-based SMS have arrived, thanks to RedTxt."

Media Contact

Russell Morris, Director Strategic Partnerships
russell@redtxt.com.au 0417379543