

MOBILE MARKETING

Pocket power

Mobile marketing is set for big things, as brands realise its power to drive engagement and sales, says David Murphy

By whatever metrics you want to use to measure it, mobile is powering ahead as a marketing channel. In May, the Internet Advertising Bureau (IAB) and PricewaterhouseCoopers reported that the UK mobile advertising market was worth £28.6m in 2008, a 99.2 per cent increase on the previous year. The number of people using their phone to access content online is also increasing. In the UK, the Mobile Data association reports that 17.38m people used their phone to access the Internet in December 08 compared to 16.7m a year earlier, while in the US, comScore reported in March that the number of people using their mobile device to access news and information on the Internet more than doubled between January 2008 and January 2009. And according to the mobile marketing firm, Netsize, the percentage of companies' digital marketing budget allocated to mobile is set to rise from 18 per cent in 2008, to 30 per cent in 2010.

"Everywhere I look, I see reasons to be cheerful," says Paul Berney, managing director, Europe, of the Mobile Marketing Association, the body charged with promoting mobile as a marketing channel globally. Berney concedes that the mobile marketing industry is not very good at sharing these success stories, but says there are plenty to talk about.

"You can look at the advertising-funded 'Please call me' SMS campaign in S. Africa that generated 22m commercial messages a day, or the fact that the top

10 mobile advertising networks are currently delivering 20bn page impressions every month," he says. "Whatever aspect of mobile marketing you look at, there's a very good story to tell."

MISUNDERSTOOD

One of the problems the sector faces is that, like any new channel, it is misunderstood. The term, 'mobile marketing' is somewhat nebulous, and few outside of the industry really know what it embraces. For many people, their only experience of interacting with a brand via mobile is probably when they text their vote for their favourite X-Factor contestant. Text voting, of course, has suffered a number of scandals in recent years, but Edward Boddington, chairman of AIME (The Association for Interactive Media & Entertainment) the trade body for the premium rate industry, says he's confident the industry can win back the public's trust by providing more transparency and customer care.

Text voting aside, however, mobile marketing covers a whole range of disciplines. Mobile advertising, which users see if they browse around the mobile internet on their phone, probably gets the most attention, but the sector also includes sales promotion, through text & win campaigns; direct response (all those 5-digit shortcodes you see on press ads and billboards; text voting; mobile search; mobile CRM, where companies use the phone to tell customers their goods have been despatched, or their next appoint-

ment is due; and, the hot thing right now, mobile applications or "apps".

"Mobile apps are the latest new mobile content category," says Andrew Bud, chairman of the Mobile Entertainment Forum, which represents companies providing entertainment content for mobile phones. "We have had ringtones and logos and games and mobile video, but this is the next great content category and it's very exciting. We are seeing clear evidence that apps will be a very successful content category that appeals to customers and generates revenues."

For that, the industry has not Nokia, Motorola or any of the other traditional players to thank, but the upstart Apple, whose iPhone and associated App Store, have revolutionised attitudes towards what a mobile phone is and what you can do with it. Apps are, as they sound, small applications for a mobile phone, intended to divert, amuse, and sometimes promote. Apps such as games are sold, while branded apps, created by brands to engage with customers and prospects, are usually given away for free. John Wade, director of digital strategy at digital agency Wunderman, says mobile apps have piqued marketers' attention and made brands think differently about mobile's role in the marketing mix. "In the past, brands have tended to measure mobile purely in direct response terms, such as the number of clicks on an ad," he says. "But we are seeing more openness on our clients' part to consider apps as brand engagement devices and measure them on slightly softer metrics such as brand awareness and recall."

ONE BILLION APPS

In just nine months after its launch, there were 1 billion downloads from Apple's App Store, and according to figures from Strategy Analytics, the App Store captured a 12 per cent volume

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Bob Jeffrey, CEO of ad agency JWT worldwide, explains why after years on the sidelines, mobile marketing's time may finally have arrived **page 3**

Appetite for Apps

Mobile applications are booming, as consumers discover a world of fun and entertainment on their mobiles. **page 6**

Global force

All around the world, brands are tapping into the power of mobile to amuse, engage and persuade consumers. **page 8**

Multichannel mobile

To make a success of mobile marketing, integrating the mobile activity with what the brand is doing in other channels is key. **page 11**

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Mobiventures Limited is the holding organisation for a group of companies operating in the digital communications space, providing both services and platform solutions to a global marketplace. Key solutions include proximity marketing, including but not limited to Bluetooth, as well as SMS marketing, mobile gaming and social networking solutions.

Mobiventures constantly seeks to invest in, acquire and build new businesses within this sector enabling brands to access a full range of innovative products and services.

One of Mobiventures focus companies is Propinquity Media

Propinquity Media is a proximity marketing company that combines various technologies with Bluetooth in order to add value to this underutilised technology and provide static or interactive location based services, information and rich media to mobile phones and devices.

An example of the above is its partnership with Millwall Football Club that has led to the creation of an interactive Bluetooth installation which allows two way communications between the mobile phones of the fans and a network of Bluetooth nodes that covers the total seating area of the stadium. The big screen is used to communicate to fans and the fans will be able to interact with the services via BlueTooth or SMS; this level of interaction is a mobile first and fans will be able to use the services throughout the match. Their interactions will feed into a Millwall loyalty scheme which is part of the service and the Millwall management believes that this will lead to a 10% uplift in the sale of merchandise and associated products.

In addition Millwall will utilise the hardware, software and media planning expertise that Propinquity and Mobiventures offer to create additional revenue streams.

Another example is the partnership with BBC 1xtra's Rampage Sound a Notting Hill Carnival first. Bluetooth Nodes will be installed within key areas at the carnival at Notting Hill allowing the carnival crowds to download exclusive content directly into their mobile phones. The opportunity exists for organisations such as the Metropolitan Police to utilise this immediate method of communication on issues such as anti-gun and knife crime to the public with the use of media like video.

All of the above are easy to install, involve minimal investment and provide huge returns to the host of the Bluetooth nodes (venues); also with all of the above examples, it is possible to capture the mobile number of the recipient (provided they have opted-in) to be able to provide other offers or to gather more data in the form of feedback from the recipient.

Propinquity Media is always seeking new sponsors and partners for their innovative products across a broad range of venues. So if you would like to find out more please get in touch.

Typical usage scenarios for proximity marketing:

Restaurants & Cafes / Bars, Nightclubs and Casinos
Cinemas & Theatres / Schools, Colleges, Universities &
Student Unions / Exhibitions & Events / Retail Outlets
& Shopping Centres / Airports & Train Stations.

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share of the mobile applications market in 2008, despite a handset penetration of only 2 per cent. Since the launch of the App Store, operators and other handset makers have launched their own in a bid to emulate Apple's success.

THE NEXT LEVEL

Those working on the marketing coal-face have their own views on what needs to happen now to move the channel to the next level and get more brands using it. "The challenge is getting mobile as part of a brand's integrated thinking for campaigns nine months down the line; too often it is bolted on as an afterthought so there's not enough budget or it sticks out like a sore thumb," says

Tim Dunn, head of mobile marketing at Mobile Interactive Group, which provides mobile marketing services for several large clients, including ITV.

Jonathan Bass, managing director of mobile marketing agency Incentivated, which counts British Airways and the COI among its clients, feels the industry is simply not good enough at marketing itself. "There is a lack of understanding of the marketing bit of mobile marketing in the industry," he says. "There are a lot of small, tech companies who know a lot about the technology, but not why it would be deployed, or what constitutes a good result. When we hire people, we look for marketing knowledge and experience; the mobile bit we can teach."

The other thorny issue is data, or rather the cost of it. When someone sits at

home in front of a PC surfing the internet, he or she does not worry about the cost of doing so, having paid a monthly subscription to their internet service provider. In the mobile world, until relatively recently, things were different. You paid your monthly tariff for talk time and texts, but any data you downloaded was charged by the megabyte, which led to some big bills, and left a lot of people with the perception that accessing the internet on your phone is very expensive, especially since no one knows what a megabyte of data represents.

FLAT RATE DATA

The situation today is much better, with most of the UK's operators offering flat rate (aka 'all you can eat') data tariffs, which offer unlimited internet access (subject to

a fair usage cap) for a fee of around £5 per month. Many people, however, don't realise these plans exist, and so the number of people browsing mobile websites and interacting with mobile campaigns on their phones is lower than it could be. But John Mew, head of mobile at the IAB, believes things are moving in the right direction. He says: "There is still a long way to go, and there is still a massive disparity between the amount of time a user spends on their phone and the share of media spend for mobile advertising, but things are starting to fall into place."

As evidence Mew points to a 109 per cent increase in the number of people on flat rate data tariffs in 2008 over 2007. "109 per cent growth in a year is massive," he says. "We would like everyone to be on flat rate, but it takes time to ed-

ucate people, and I think the operators have done a good job for non-contract customers, offering internet access for a one-off fee of around 50p a day."

In a sense then, mobile marketing may still be a work in progress, but according to Incentivated's Bass, those brands that have been brave enough to try it have found the results very much to their liking. "When we ran our Bowtime promotion for Strongbow, we signed up 100,000 people, and we got a 39 per cent response rate to the CRM campaign that followed," he says. "Those kinds of results should be enough to make any brand marketer sit up and take an interest."

David Murphy is editor of Mobile Marketing Magazine
www.mobilemarketingmagazine.co.uk

MOBILE MARKETING TOOLS



Mobile advertising

Nothing in the mobile space has been hyped quite as much as mobile advertising.

"Mobile advertising was tremendously overhyped," says Mark Slade, managing director of 4th Screen Advertising, which sells mobile advertising inventory. "It's quite

Mark Slade

unhelpful when you see analysts predicting hundreds of millions of pounds in the market in a short time."

Stefan Bardega, a director of media agency MediaCom, says that clients who have tested mobile have become repeat users, so while budgets are small, they are growing.

One of the difficulties brands face is that the market is very fragmented. "It is painful, because there are around 25 ad serving platforms, and the ad serving technology is not as robust as what you get for online advertising," says Harry Dewhirst, operations director at RingRing Media, which plans and buys mobile ads across all networks on brands' behalf.

Yodel Digital also plans and buys mobile media. Chairman Mick Rigby says part of the challenge, and the fun, of mobile advertising, is that new opportunities constantly present themselves.

One underused tactic in the UK is text message advertising, where some of the 160 characters available are given over to a promotional message. Rapid Mobile Media offers this type of advertising via its ad2text platform, and CEO Jeremy Copp says brands are keen to trial the system.

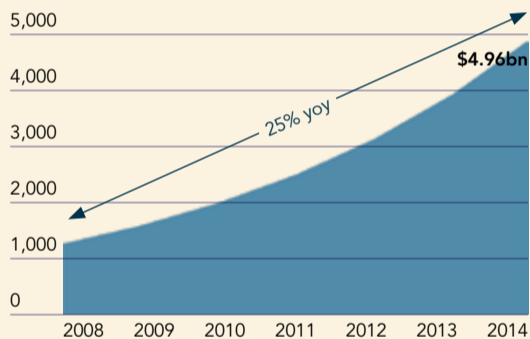
Russell Buckley, vice president global alliances at mobile ad network AdMob, says that mobile advertising is popular in English-speaking countries such as the Philippines and Indonesia, among consumers who have no PC, but use their phone to go online. "Procter & Gamble talk about wanting to address the next billion consumers, and they won't find them in the US or Europe," says Buckley. "It's all about developing markets, and smaller pack sizes. To advertise something like that, mobile is the only game in town."

Mobile Search

The mobile search market is made up of made-for-mobile specialists, such as Taptu, and the internet search giants. Google's mobile search offering can rank results based on how far they are away from the user's current location – useful if you're searching for a shop close by.

Estimated global mobile advertising spend, 2008-2014 (\$Millions)

Presently, the majority of mobile advertising spend (about 75-80%) comes from the mobile content providers, but within three years we expect the brands' spend to account for over 50% of total mobile advertising campaign spend," says Nick Lane, chief researcher/writer, mobileSQUARED.



Idle screen search enables the user to search direct from an application on their handset. Nuance, the company behind the T9 predictive text entry system has a solution called T9Nav. Tapping out the first few letters on the phone's keypad returns a list of all matching content. So tapping out '932' ('wea' for example, might bring up a weather application on the phone, as well as links to online weather resources, and the names of any contacts beginning with those letters.

Yahoo also has an idle screen solution, and Charles Sword, director of monetisation, Yahoo Mobile, Europe, says the company's relationships with mobile operators – it provides search services for 70 operators around the world - will be vital in getting its idle screen solution embedded on handsets.

The best of the rest

- **Bluetooth/Proximity marketing** – brands can send free content to users' phones, but must be careful not to be perceived as "spamming" them.
- **Mobile response** – buy a 5-digit shortcode and use it on print adverts to offer an easy response mechanism.
- **Mobile sales promotion** – Text & win campaigns can drive sales.

With JWT worldwide CEO, Bob Jeffrey
Talking advertising, technology and tie-wearing with worldwide CEO of creative agency, JWT. By James Silver



What's your all time favourite advertisement?

Bob Jeffrey: The Volkswagen ad "Think small". (<http://adage.com/century/campaigns.html>)

I don't know how tough you are about dress codes at JWT, but as a rule should advertising creatives wear ties?

BJ: The dress code here is completely casual. But years ago, when creative people were walking around, looking like slobs, I had a creative partner who deliberately wore a tie, white shirt and blue blazer because he was convinced that clients were so unaccustomed to that wardrobe that he had a greater chance of getting edgy work approved. My view is that [JWT staff] should wear whatever they want, but they should err on the side of the unexpected versus the predictable.

How has the NY advertising scene changed from the hard-drinking, hard-living world of the TV show Mad Men?

BJ: I think it's actually become too serious. My view of advertising is that conceptually we should be closer to Hollywood than Wall Street. When I travel the world and go to places like India and Brazil, it reminds me of the energy that existed in the business when I first got into it.

What is the one thing no advertising man or woman should ever be seen without?

BJ: I would say some kind of smart-phone device...

Mac or PC?

BJ: I do both!

Which city is now the global capital of advertising and which are the cities to watch?

BJ: In terms of destination and the stimulation that exists here, I'm going to say New York. Cities to watch would be San Paolo, Mumbai and Shanghai.

Name the technological invention which has had the single biggest impact on advertising?

BJ: I'm going to say TV, because TV was the first mass medium, so it was beyond advertising, it transformed the culture. Also TV in my estimation was the single biggest thing which began to export American culture to the rest of the world.

The industry has been predicting mobile marketing to be The Next Big Thing for years now. Any sign that its moment is finally here?

BJ: I believe that now more than a couple of years ago. I've always been a big believer in mobile and I've always thought it was an underleveraged weapon in our communications arsenal. But I think the ubiquity and popularity of the iPhone and the applications that exist on that is paving the way for more specific advertising applications.

When are you clients telling you the downturn will be over?

BJ: Most clients are fairly conservative and are saying the second half of 2010.

Coach or First-Class?

BJ: I'm a pragmatist, I try to fly coach as much as I can. But on long-distance flights, I pretty much fly Business class. I rarely fly First Class anymore.

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