

# Investigating Mobile Marketing

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Mobile marketing, which refers to marketing on a mobile device like a cell phone, allows you to target prospects anytime, anywhere. Assuming that mobile devices are always on and connected, they're always available as communications media. This means you can access customers and prospects when they are at home, at work, or traveling.

## What You Need to Know

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### Is mobile marketing suitable for business-to-business applications?

Mobile marketing is in its relative infancy and, so far, the emphasis has been on consumer marketing. However, it gives business-to-business marketers the opportunity to offer customers a new convenient response mechanism or a platform for delivering customer service messages. Other applications may develop as the medium matures.

## What to Do

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### Recognize Market Growth

Mobile marketing has expanded rapidly as a new channel to reach the consumer.

- There are more than 2.2 billion mobile users worldwide, twice the number of those using the Internet.
- In Europe more than 100 million advertising text messages are sent out every month.
- In the U.S., text campaigns experienced approximately 200 percent growth in 2006.

### Follow Industry Guidelines

Mobile marketing has sought to be a self-regulated industry from the outset. The mobile network operators have set guidelines and best practices for the mobile media industry, while the IAB (Interactive Advertising Bureau) and the MMA (Mobile Marketing Association) have also established

their own guidelines. A critical feature of mobile marketing is that the consumer must opt in to a service. The consumer can also opt out of a service at any time by sending the word STOP via text.

## **Identify Marketing Opportunities**

Experience to date has identified a number of mobile marketing opportunities. These include:

- enhancing direct response advertising with a text call to action, leading to higher return on investment from traditional media;
- supporting search advertising through mobile Internet portals such as Google Mobile;
- linking advertising to individual retail outlets using location-based services;
- providing a point of purchase with mobile commerce;
- offering mobile Internet facilities.

## **Plan a Campaign**

Planning a mobile marketing campaign follows the same process as traditional marketing.

- Develop strategic goals and objectives for the campaign.
- Identify the target audience.
- Set goals for the campaign-target a new market, launch a product, sell products.
- Establish campaign measurements.
- Determine the creative approach, but focus on the creative idea, not the technology.

## **Use Mobile as a Response Channel**

Mobile is becoming an important response mechanism for more traditional marketing campaigns. Customers use a convenient shortcode number on a poster, print ad, or television commercial to respond by text. This gives customers even greater choice and enables them to indicate the communication media they prefer, then use those media throughout their relationship with a company and a brand. For example, a prospect viewing a car advertisement in a Sunday advertising supplement might text their e-mail address to trigger an e-mail containing specifications and photos. Mobile starts the acquisition process and e-mail, which is an inherently richer medium than text, might take it further. Later a direct marketing text message might identify the nearest dealer using location-based services and help complete the acquisition.

Mobile also allows companies to track campaign response through brand interactivity. By including a mobile call to action in a traditional campaign, you can more accurately track response rates for specific campaigns or channels.

## **Communicate Directly via Location-Based Services**

Location-based services are available on some cell phone networks as a way to send custom advertising and other information to subscribers based on their current location. The cell phone service provider obtains the subscriber's location either from a GPS chip built into the phone, or by using other location techniques based on the signal strength of the closest cell phone tower. This location facility provides a valuable commercial opportunity. The phone subscriber could, for example, ask a service provider to suggest restaurants or garages near his or her current location via cell phone. The service provider can obtain the location of the phone from the network operator and then look up the nearest geographical match in its database, sending the information back to the caller in the form of a message.

## **Sell via Mobile Commerce**

Mobile commerce (m-commerce) is a type of electronic commerce conducted through mobile devices such as cell phones, personal digital assistants (PDAs) and other devices with a wireless connection. There are two main ways in which a small business could benefit from m-commerce:

- selling low-cost information-based products or services with direct delivery to mobile devices, with payment via the micropayment route
- offering location-based services to visitors to the area

Mobile commerce depends on the increasing acceptance of micropayments. Micropayments are payments for purchases costing \$5.00 or less, made using a mobile device such as a cell phone. Phone users register in advance for this service and pay small bills directly from their phones. The network operators manage point-of-sale accounting for their client businesses, adding customers' purchases to phone bills, or deducting costs directly from "pay as you go" plans. So far, growth in micropayments has been in the purchase of items like car parking and movie tickets. Commentators believe that the next major area of growth is likely to be in vending machines.

The network operator handles all the direct sale formalities including customer authentication, payment processing, response processing, payment authorization and refund management.

## **Utilize “Mailing Lists”**

A number of providers offer lists of preapproved cell phone subscribers in both business and consumer sectors who are happy to receive information from advertisers. Providers claim to offer accurate, usable data based on advanced profiling technology and lifestyle modeling. The lists provide highly targeted data about consumers who have a proven track record in purchasing products and services and who have shown themselves receptive to mobile marketing campaigns. These lists should enable you to develop focused campaigns.

## **Offer Phonecasting**

Phonecasting combines the creativity and popularity of podcasting with the ubiquity and ease of use of cell phones. Phonecasting is the ability to send podcast-type audio or links to audio to a user's cell phone. If you want to increase brand awareness or to promote particular products and promotions, you can use phonecasting to communicate with customers and prospects. Consumers can subscribe to your phonecast and be notified of new audio by text message. Phonecasting adds a new dimension to brand creation, user retention, and content provision.

## **Publish Text Newsletters**

SMS newsletters enable you send news content to your customers using a text message based version of the full service. You can either send short summary articles or links to full content. This can increase brand awareness, keep subscribers up to date with the latest news, and promote individual editions of your publications.

## **Enhance Customer Service**

Mobile communications can be used to enhance customer service in a number of ways.

- Send real-time alerts, reminders, and confirmations to customers.
- Provide customer service staff with access to mobile data, enabling them to respond quickly to customer inquiries.
- Receive feedback and act on responses from your customers.
- Capture customer demographics and behavior to improve future service offerings.

Speed of response is critical to customer service, and mobile communications are proving to be a fast convenient channel for reaching customers quickly and providing timely information.

## **Develop Dedicated Internet Sites for Mobile**

For mobile users, an Internet experience is about consuming information directly and immediately, not browsing for it over a period of time. With personal computers and laptops, users have access to a relatively large screen. Clicking from page to page, looking for information is fast. This simply is not possible on mobile devices, as the networks are considerably slower and navigation on a small screen is awkward. A good mobile Internet site should be built with a mobile user in mind. It considers the content that mobile users want and presents it to them in a way that they can use in a practical manner, given the constraints of their device. It takes advantage of the capabilities of modern mobile browsers, and redesigns them for more basic mobile devices. Companies who simply provide their normal Web Site via mobile devices have found that users are frustrated and can have a detrimental effect.

## **What to Avoid**

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### **You Make Communications Too Complex**

Mobile marketing solutions are not as fast as fixed-connection systems, so you should consider whether this will be a problem for your campaign. The main advantage of a cell phone is its small size, but that is also a major disadvantage if you want to communicate complex detailed images. Personal digital assistants (PDAs) offer better viewing and keyboard facilities, but at this stage, marketing communications are limited to short text messages.

## **Where to Learn More**

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### **Book:**

Michael, Alex, and Ben Salter, *Mobile Marketing: Achieving Competitive Advantage Through Wireless Technology*. Butterworth-Heinemann, 2006.

## **Web Site:**

Mobile Marketing Association: [www.mmaglobal.com](http://www.mmaglobal.com)

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