

# MARKETING

Mobile Marketing

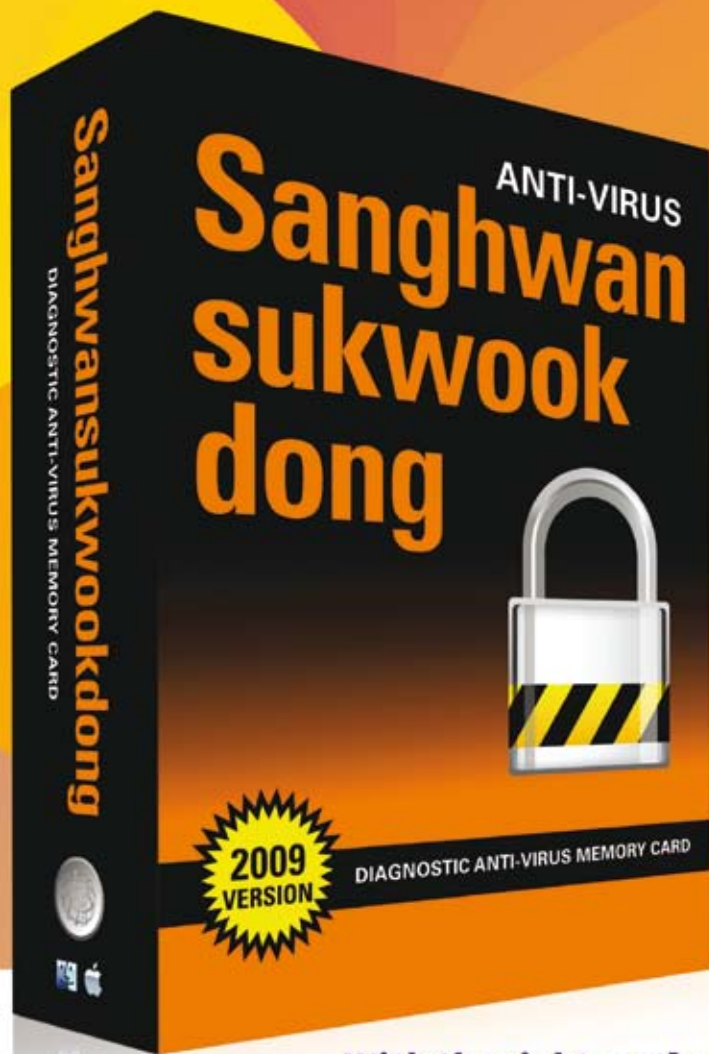
101



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# Letter from the Editor

Innovations in the mobile advertising space are moving ahead at a rapid pace. The penetration of mobile phones in the major markets of China, India, Korea, Hong Kong and Singapore now outpace most markets around the globe, with the uptake unlikely to slow in coming years as mobile phones evolve and the cost of handsets drop. This rapid uptake has opened doors to consumers previously unheard of as recently as five years ago. In this very short space of time, mobile marketing has appeared on marketers and advertisers radar, largely because of the relevance and targeted nature of mobile advertising.

Industry watchers predict mobile advertising is destined to overtake most forms of traditional advertising, including TV, as the preferred media vehicle. But despite all this, the mobile marketing space is still a hugely under-utilised and sadly misunderstood space. But there are answers.

In this second series of Marketing 101, we have drawn on the expertise of Mindshare for guidance on how to navigate this emerging field. Mindshare has been a long time supporter of inviting interaction with the digital advertising space.

Realising the full power of mobile marketing through the use of video, mobile gaming, Bluetooth, location-based services,

3G, mobile search and mobile internet is now a major strategic asset in today's fragmented media market. While mobile marketing as a stand-alone medium is powerful, understanding how mobile can be integrated across other media platforms like radio, outdoor, cinema and in particular search is also another element to this exciting field. Tying ads to online search via mobile phones, for example, is a lucrative source of new revenue, but more importantly, a useful and rewarding tool for users.

Critics have long argued that almost half of all traditional advertising does not reach the right audience and while less money is wasted online using the pay-per-click model, mobile advertising via text messages, still the most commonly used method, is arguably the most focused. Mobile marketing, used effectively, is a highly tailored, measurable and effective tool.

One thing is for sure, mobile advertising, particularly in the Asia-Pacific region is where communication is heading. While advertising on mobile is still only a fraction of the overall advertising pie, as marketers understand realise the opportunities and benefits the industry's high hopes will be met.



*Matt Eaton*

Matt Eaton, Editor  
Matte@marketing-interactive.com

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# Note from sponsor

In the digital age, the media can make or break brands. The scrutiny of brands by the media – and the control of consumers over their media consumption – is more intense than ever before. Skilful and creative management of media is the critical factor for a brand to flourish. Brands are no longer solely driven by ideas or ideals, but by a complex series of exchanges between consumer, brand and corporation. Good marketing and good business are based on an equal exchange between brand and consumer.

With its always-on, always-present characteristics, mobile provides the most pervasive technology to create response mechanisms and entry points for constructing an exchange between consumer and brand. Agencies that have extended themselves beyond simple ad placement and into content invention and exchange management will emerge as the winners within mobile marketing, as they will bring stronger integration of technologies into large-scale marketing initiatives.

In the last decade, we have witnessed a significant increase in mobile phone penetration across many countries in Asia; China alone has over 500 million users, and is still growing at

rapid rates. As mobile technologies continue their rapid pace of development, and audiences migrate to “the third screen” as a primary source of information and entertainment, mobile marketing will emerge as the most important channel for generating a consumer exchange.

No agency has had as exhaustive experience as Mindshare in mobile marketing. The mobile area is our expertise, having won more mobile awards for major campaigns around the globe including this year’s Venice Festival of Media for China’s Nike Zoom campaign. Our staff come from a wide range of mobile specialists and is active in speaking at mobile conferences and within the MMA (Mobile Marketing Association). By partnering closely with several of the region’s leading major mobile vendors and Telco operators across Asia, Mindshare is able to secure unique, never-been-done before opportunities for clients seeking to take advantage of this exciting new media.

Mindshare’s recent restructure reflects our strengthening commitment to digital and to creating the first real competitive marketing and media solutions network.



Brian Stoller  
Mindshare  
Partner - Invention, Asia Pacific

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# The Opportunity



## INTRODUCING THE MOBILE PLATFORM

For a while now mobile marketing has been hailed as the next big thing. Its ability to reach a specific target audience and record how the consumer or user responds to a marketing message makes this medium an attractive bet for marketers.

It is no secret that the mobile phone has grown in importance in Asia to such a point where young and old alike are using the device to do more than just make phone calls and send SMSs. The increased influx and uptake of next generation phones has encouraged consumers to use their phones more, from taking pictures, recording, listening to music, watching and interacting with content, surfing the net for content, and so on.

Whether it's part of a multimedia campaign, a location-based promotion, or a tailored SMS initiative, mobile marketing offers a targeted way to reach a wide audience, particularly the youth market. In line with this trend, there are a growing number of mobile marketing companies now offering technologies to provide content while serving permission-based and targeted ads.

In assessing the opportunity with mobile there are four key channels to consider:

### SMS/MMS

Short Message Service (SMS), also commonly referred to as a "text" or text messaging, is a text-only message that is transmitted between two mobile devices. Originally developed as a communications device for business, it is now the most widely used data application on earth. Advanced handset technology allows many users to also send and receive multimedia messages (MMS), which can incorporate richer media formats such as picture, video and even voice.

SMS-based marketing has always been a sticky issue to tackle because of SPAM concerns, or SPIM as its known in the mobile industry. While SMS is often lumped in with email marketing, marketers should realise that the mobile phone is a more personal and private device and unsolicited blanket SMS campaigns can irritate consumers and end up damaging your brand.

# The Opportunity

## MOBILE INTERNET

Major advances in handset technology and carrier services have allowed consumers to access high-speed internet via their phone. The most common delivery protocol is currently Wireless Application Protocol (WAP), an international standard that enables access to a simplified version of the internet. WAP sites are specifically written in WML (Wireless Markup Language) and designed for the small display screen of a mobile device. Many newer devices such as the iPhone and Google's Android have the ability to read native HTML pages. Learnings from user engagement with current WAP campaigns will shape the delivery of mobile content as this function develops.

Similar to standard internet, the applications for mobile internet as an advertising medium can include numerous graphical and interactive executions. Currently advertising is most commonly placed in the form of banner advertising on relevant portals. At a minimum, marketers should seriously consider the development of a dedicated mobile site, investigate paid search marketing options as well as mobile search engine optimisation.



## SPOTLIGHT ON MOBILE INTERNET: MOBILE SEARCH

Mobile search is an increasingly popular example of how consumers use Mobile Internet on their phones and arguably making it one of the most lucrative avenues for marketers to pursue in this growing market.

Search marketing has become a given for any marketer but the buzz about mobile search centres around being able to build a highly targeted campaign that delivers your service message when customers want immediate answers, are looking for your product or service and are possibly even in your neighbourhood.

Mobile search is not yet a one-stop shop but as the market grows it will become an important part of the media mix. The benefits are best seen in conjunction with other online and offline elements that make it more convenient for customers to access your brand. Think location, data collection, click-to and redirection to your dedicated mobile site. Also consider people searching on a mobile phone are more likely to be looking for something immediate such as where is the nearest restaurant, what is the traffic like up ahead or did my team win their sports match, rather than the general website search one might do on a big-screen PC at home.

# The Opportunity



## VIDEO

Matching the intimate nature of mobile with the highly effective features of video allows marketers to entertain their customers one-on-one. The mobile video category is currently still in its infancy. However, consumers are already beginning to download or stream short video/movie files on their phones. Possibly more exciting is the promise of broadcast mobile TV. Unfortunately, government delays in freeing up bandwidth spectrum for mobile TV have hampered its development in most markets. Japan is an exception and has shown significant uplifts both in the development and uptake of TV receptive handsets once appropriate bandwidth was made available.

Industry experts agree that it is only a matter of time before mobile TV becomes commonplace and consumers as a whole welcome the idea of mobile video content. One of the mobile video's most attractive opportunities is creating branded content. In the current market, paid subscriptions for premium mobile channels is not widespread so consumers are highly receptive to free content. Mindshare has found while users will watch long-form video, many clients find success providing two to six-minute "mobi-sodes" on their phones. As the demand for mobile TV grows, advertisers will be able to sponsor channels with premium content, for example on MTV or CBS. Within video content, advertisers can choose to display pre-roll, mid-roll, post-roll or in-banner ads.

## APPLICATIONS

Software applications for mobile are increasingly popular. The opportunity for marketers is providing an interactive solution for their customer whether it is to entertain, inform or assist. There is a vast range of applications already available from navigation systems and instant messaging to music players and games.

Businesses can choose to include embedded advertising information and banner ads on existing applications offered or to develop their own customised solutions. Branded applications are extremely interactive and if useful or entertaining enough, can become a regular part of a user's mobile experience. The phone on the left illustrates how a marketer could create a useable application. In this example, a customer might be able to enter information to track their gas mileage, sign up for oil change alerts and other calculations to make their tank go further more efficiently. It is a practical solution that sets up a value exchange with the consumer. Mindshare has found that some of the best branded mobile applications link data to applications available on the internet or social networking sites, allowing users to access information that is shared on the web. It is common for users to track their progress or share data between their various devices.





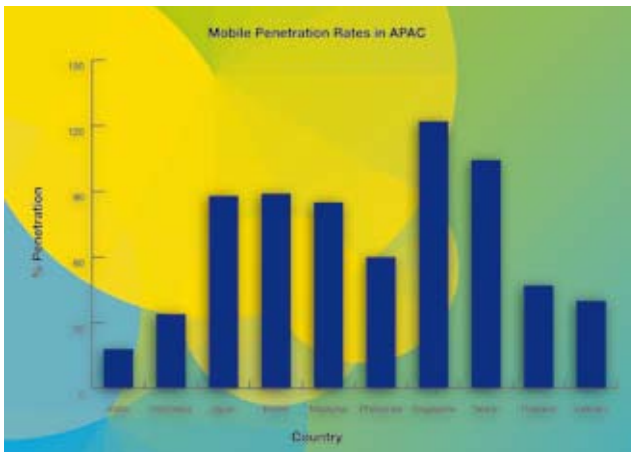
# Targeting

## REGIONAL STATISTICS

Asia Pacific boasts some of the most impressive mobile statistics around the world. While Singapore currently holds the title for the highest penetration of mobile users across Asia, it is the emerging markets of India and China, where penetration is modest but population numbers are enormous, that are really making people sit up and take notice. It is estimated that one third of Chinese web surfers access the internet through their mobile device.

Mobile internet is considered a good barometer of consumers engagement with the mobile platform and is concrete evidence of the growing number of people using their phone for more than just voice calling.

The charts below provide estimates on the region's key mobile statistics.



Country	Users (millions)	Penetration %	Mobile Internet (WAP) Users %	Dominant Technology	Most Popular Use (non-Voice)
Australia	17.98	88%	40%	2.5G	Internet/social Networking
China	545	37%	7%	2.5G	Podcasting/video
Hong Kong	6.56	91%	67%	3G	Instant messaging
India	261	18%	2%	2.5G	Mobile gaming
Indonesia	80	34%	3%	2.5G	Internet/SMS/ringback
Japan	152	88%	91%	3G	Internet/video/commerce
Korea	43.5	89%	86%	3G	Internet/video/commerce
Malaysia	23.41	85%	3%	2.5G	SMS
Philippines	55	60%	17%	2.5G	SMS
Singapore	5.41	122%	16%	2.5G	Photography/music
Taiwan	24	104%	8%	3G	Internet
Thailand	28.29	47%	10%	2.5G	Music
Vietnam	35	40%	N/A	2G	SMS

Source: GroupM 2008

# Targeting

## HOW CAN MOBILE MARKETING BE USED TO TARGET?

The mobile phone has become ubiquitous in many countries across Asia, building the kind of potential reach that marketers dream of. Compared to other platforms with mass reach, when you explore the level of accountability that can be built into a mobile campaign and the opportunity to strategically target consumers against a rich selection of criteria, mobile's advantages really come into their own.

Consider that a mobile handset is owned and operated by a single user who typically provides detailed personal information to their service provider and carries the unit around with them all day. Add to this that handsets and service providers can deliver data via a number of highly measurable channels and that consumers already view the phone as a communication device, and you can create a situation in which the crowded masses are no longer faceless. Now they can become defined individuals you can know and speak to directly, and you can start to customise your message to competitive advantage and encourage your customers to talk back.

Let's look at some of the factors that mobile offers to better target your consumer:

### ▶ **Demographics**

Demographic information can be made available from various service providers (mobile service providers, advertising platform partners or database companies). Additionally, it can be collected as you engage your consumers via mobile and online activities. Demographic information can be used to target based on many of the traditional benchmarks like age, gender and income.

### ▶ **Handset**

Handsets are an important consideration when developing your campaign as it is important to match campaign elements to the technology your consumer has. For example, can they accept multimedia messages or specific applications? Handsets can also be used to assume qualitative or psychographic information such as whether a consumer is an early adopter or more likely to be a business or enterprise user, in some cases even if they are male or female.

### ▶ **Time of Day**

Time of day can be considered one of the luxury features of mobile. Because most people carry their phone at all times, you can reach them at times that were previously inaccessible. Even better, when they are engaging in specific activities which relate to your business, such as grocery shopping, commuting to and from work, or at home getting ready for their Friday night outing. For example, a fast food company might send a promotional SMS for a meal offer at 6pm as people finish work and think about heading home for dinner.

### ▶ **Location:**

Location is a powerful tool for mobile marketing and businesses wanting to integrate mobile into an overall campaign. Bluetooth and satellite technology can be employed in different ways to reward and inform customers. On one hand, simply building in mobile response to your outdoor campaign can provide feedback on where the customer is and how effective individual creatives are. Alternatively, delivering a location-based campaign via mobile can target potential consumers while they are in close proximity to your products or services.

# Targeting

## ▶ Contextual

When users search or browse using mobile, the contextual information can be used to target your business ads to the most relevant customers. Many social networking sites and media-sharing providers such as Facebook and Mosh already store valuable information about consumers' preferences which may be then related back to your product or service. A simple example of this would be a gaming company placing banner ads on the game pages of a service provider's portal.

## ▶ Feedback

Mobile allows you to track your campaign in detail. Depending on how it is delivered you will be able to ascertain how many consumers were exposed to your message, who they were and how they responded, creating a feedback loop to fine tune your activities. Effective mobile ad delivery platforms can manage the delivery and response data of your campaign to provide significant insight into your ROI.

## SMARTPHONES

Smartphones have become the newest "it" item in high-tech gadgets spearheaded most recently with Apple's iPhone and the buzz around HTC's newest model which will be powered by Google's Android system. Smartphones differ from ordinary phones in that they run on an operating system that allows for greatly improved functionality and data processing. The most common operating systems currently in use are Symbian, RIM Blackberry and Microsoft Mobile. Combined with increased memory, smartphones can download more sophisticated applications such as email, web browsers, personal organisers and high quality games.

Sales of smartphones are expected to overtake those of laptops in the next 12 to 18 months as the mobile phone completes its transition from a simple communication device to a handheld PC. This uptake is encouraging for marketers as it demonstrates the general public's adoption of the mobile as more than just a phone and opens up new and more engaging avenues to interact with consumers.



# Implications



## MEDIA MESHING

As the penetration of broadband increases and consumers in modern markets integrate the online environment into their daily lives, a new phenomenon has emerged. Media meshing is more than just a buzzword, it describes the way in which consumers now engage with multiple media formats simultaneously and more selectively and means that the very definition of “media” is blurring.

This can present a challenge for traditional media planning in that the viewing audience appears harder to reach and has more choice as to when or even if they interact with your brand message. On the other hand, media meshing can represent an exciting opportunity to genuinely engage the customer and create a value exchange with them.

More and more, consumers are using online to augment their viewing experience. Counter to the suggestion from many media observers that the web is cannibalising TV it seems that audiences access different media platforms side by side to find out more information or respond to content as they view it. Mindshare’s research shows peak mobile internet times coincide with prime time or golden hour TV times. Marketers can use this marked consumer trend to help shape their marketing mix and the level of interactivity between various campaign elements. Go beyond making sure the look and feel of your campaign is the same across media to create genuine integration so that each element builds on another and actively encourages consumer participation in the campaign.

### **So, how does mobile add value to this equation?**

The most striking feature of mobile that makes it so attractive to marketers is the fact that people carry their mobile phone with them at all times. In theory, this makes it the perfect access point to interact with your potential customers. Just as you use a mouse to navigate in a desktop environment, in perfect practice, the mobile phone could be used to navigate through every day life, paving the way to interact with social communities as well as products and services.

# Implications

## 1. How can you use mobile technology to provide immediate access to your brand when customers are exposed to your offline messages?

Examples of this could include: building in a call-to-action ident in broadcast creatives, inviting SMS entry to a competition; registration for special promotions; or even requests for more information that are answered via automated text or listing websites on your print and outdoor campaigns that consumers can access on the go.

## 2. Think about how you can deliver additional convenience via value add or “always on” services?

For example, extending the access from your special promotion text with click-to features such as click-to-call so customers can easily get in touch with your sales and customer service centers. Alternatively, click-to-go immediately redirects customers to destinations such as a mobile website or your location map at any time of day.

## 3. Can you use this interaction to get feedback from potential customers?

Collecting data to gain a deeper understanding of who is responding could be as simple as compiling the volume of responses or as interactive as a survey delivered via the mobile platform. The mobile platform has a built-in capacity for tracking with which you can create a feedback loop to understand who your customers are and what they respond to and then go ahead and give them what they want. By integrating online and offline in some of the ways described above, you can even use mobile to help assess the efficacy of your offline campaign.

## DO'S AND DON'TS

### ▶ 1. Match the technology to the campaign

SMS is a one-to-one technology similar to email that works well for constructing a dialog with consumers, or as a response mechanism. If the campaign objective is awareness, SMS may not be the best mechanism.

### ▶ 2. Build a friendly website

WAP has had a bad reputation over the years, but as networks and phones are getting better, mobile internet has emerged as the best mass medium for reaching audiences on their mobile devices, and WAP content can be delivered via a host of channels including Bluetooth, GPRS, and WiFi.

### ▶ 3. Use the phone

The most common use of the mobile phone is still as a voice device; with the explosion of technology we often forget that we can talk on these devices. Click-to-Call links to stores and telemarketers can be a highly efficient use of mobile technology.

### ▶ 4. Integrate, don't just add

Adding mobile to a campaign may give your brand a sense of tech savvy and sophistication, but if adding mobile for mobile's sake, it may just seem novel and out-of-place. Mobile works best when it is integrated within a larger campaign concept with a clearly defined role for mobile in the communications architecture.

# Regulations

## RESPONSIBLE MARKETING

As the business community begins to understand and develop the opportunities in mobile there is a mounting need for regulation and clear ethical standards to protect consumers and provide a framework for marketers to operate within. The current state of regulation varies considerably from country to country in Asia Pacific and requires constant updating as the industry develops exponentially. Some of the main concerns surrounding the mobile platform relate to privacy, anti-spam and potential hidden charges. It is important to keep these in mind not only to protect your business in a legal sense but more importantly to avoid consumer backlash which can be far more detrimental in the long term.

Associations such as the Mobile Marketing Association (MMA) and the Asia Digital Marketing Association (ADMA) have developed guidelines and codes of conduct so that the industry can self regulate and provide resources to the market in general about mobile marketing best practice.

Some of the guidelines marketers should take into account include:

- ▶ In delivering marketing programs to consumers, marketers must notify or inform consumers of their identity or products and services offered.
- ▶ Marketers must protect user information obtained by mobile marketing programs from unauthorized use and disclosure.
- ▶ Mobile users should have right to choose how many message they receive and from whom. Marketers must implement consent (opt-in) for a specific messaging program, and databases need to be scrubbed on a three month basis.
- ▶ Marketers must deliver advertising messages responsibly to users and aim to comply with industry best practice guidelines for anti-spam (or anti-spim) regulation. This includes a mandatory opt-out function
- ▶ Charging customers for unsolicited commercial messages should be considered as a fraudulent way of marketing. Users should not be charged for receiving spam messages via SMS and WAP.

For more information on the current state of industry regulation and guidelines, refer to [mmaglobal.com](http://mmaglobal.com) or [www.asiadma.com](http://www.asiadma.com)

# Conclusion



## ARE YOU READY TO GO MOBILE?

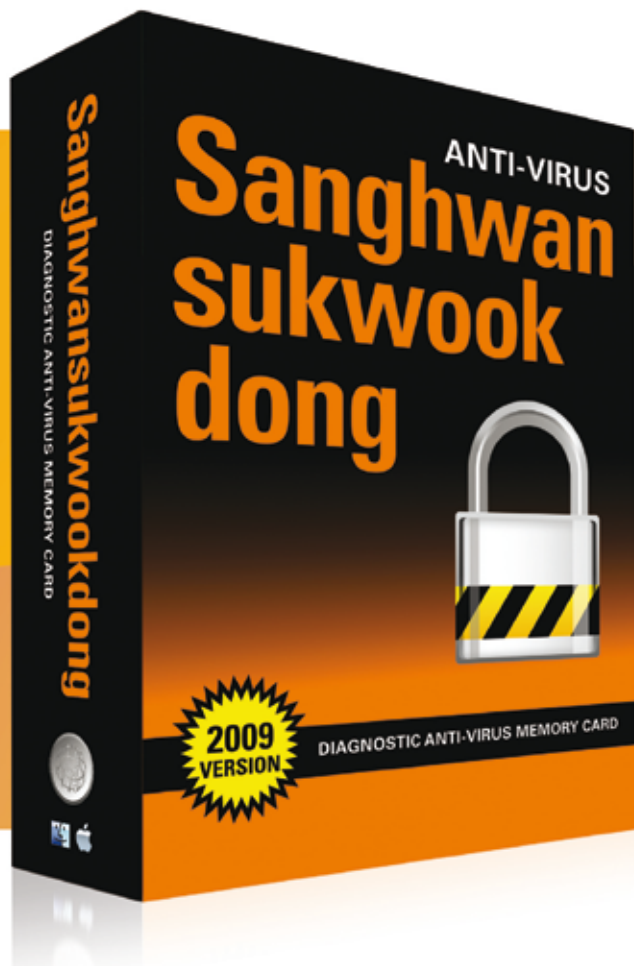
Exploring your options with mobile can be very rewarding — it is a rapidly evolving medium that can deliver not only significant and measurable returns on investment but also add up-to-the-minute caché to your brand. The key take-home points from this Marketing 101 on mobile marketing are:

Whether via SMS, mobile internet, video or applications, you can make creative use of mobile's features to deliver your message straight into the hands of your customer. Create a profile of your potential customers to personalise your campaign as much as possible. Consider how you can use targeting information such as location and time of day to create novel ways of reaching consumers.

You can use mobile to test your above-the-line elements and to check your customer's response to the mobile platform itself. Be prepared to fine tune your campaign — lessons from a critical assessment of campaign diagnostics can provide valuable insight into what works best and the preferences of your end consumer. Similarly, speaking to experts such as Mindshare about existing campaigns and new developments in the mobile space will highlight some of the key do's and don'ts for your next campaign and provide inspiration on what might work best for your business.

Be accountable in the way you use mobile. It can be a powerful way to put yourself directly in front of your target market, but used irresponsibly, it will only turn them off.

Finally, be realistic in your goals and expectations. Aim to integrate mobile as part of your larger campaign and be aware of how consumers engage with today's media. Think long and hard about how your target customer currently uses their mobile phone and how you may be able to create a value exchange with them via mobile marketing initiatives.



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