

# Mobile Marketing: Making a Good Connection

Though the practice of mobile marketing is still in its infancy, the budding channel carries outsized expectations. But the ability to reach people anytime, anywhere, must be weighed carefully against the potential for irritating people and damaging brand relationships. How can marketers harness the power of this nascent medium to drive growth for their brands?

M I L L W A R D B R O W N ' S P O V

A u g u s t 2 0 0 6

According to The Shosteck Group, the value of the global mobile advertising market could reach \$10 billion by 2010. While this claim is strongly reminiscent of the overblown estimates made by the Internet advertising start-ups in 1999, advertisers don't want to take a chance on missing the boat. Amidst the hype, major marketers are beginning to commit serious budgets to mobile marketing. While telecommunications companies led the way, pharmaceutical, fast food, automotive and consumer packaged goods companies are now climbing on board. They are all attracted by the promise of combining pinpoint targeting (of people, time and location) with the ability to extend a tangible brand encounter into a digital and interactive one.

Mobile marketing, interpreted most broadly, could describe any approach to communicating with consumers while they're on the move: all manner of electronic devices (MP3 players, PDAs, etc.), as well as more traditional media such as outdoor advertising. However, at present, the most ubiquitous outlet for mobile marketing is the mobile phone, with over 2 billion subscribers worldwide.

With penetration among young and old, rich and poor, the universe of mobile phone subscribers seems ripe for mass media applications. But techniques which succeed on television or the Internet can't simply be transferred to the phone. On both the "first" and "second" screens, advertising grew up alongside the genre. However, advertising has come to the "third screen" at a point when it is already mature, both as a communication medium, and as an integral and personal part of people's lives. Advertisers must tread carefully, taking into account the unique status of the mobile phone, to avoid alienating consumers and provoking a backlash.

## The Consumer Viewpoint: It's MY Phone!

Some people view the mobile phone as an indispensable lifeline to friends, family and colleagues; others regard it as a mixed blessing or a necessary evil. Either way, it is an essential tool for navigating life at the frenetic pace of the 21st century. Wherever people lie on this spectrum, they all share the belief that their mobile phone belongs to them, not to the service carrier, and certainly not to advertisers.



Even young people, the group most likely to engage with brands via this medium, are not enthusiastic about the idea of seeing ads on their phones. A study featured in the Yahoo! Summit Series (September 2005) reported that across China, India, and the United States, 13- to 24-year-olds were least favorable toward

**NIGEL HOLLIS**

Chief Global Analyst  
Millward Brown  
nigel.hollis@us.millwardbrown.com  
www.millwardbrown.com



advertising on their personal electronic devices compared with other new or traditional media. The study highlighted the variation in acceptance of mobile advertising across countries: in India, 30 percent of youth were positive toward mobile phone advertising, versus 23 percent in China and 9 percent in the United States.

### ***Unsolicited and irrelevant mobile advertising will be even less welcome than e-mail spam***

We expect consumer response to mobile advertising to range from grudging acceptance to tempered enthusiasm, with acceptance always conditional, e.g.

- I'll endure advertising on my phone *if* I have some degree of control, such as the ability to opt in or out.
- I will tolerate advertising on my phone, and even watch some ads, *if* you give me something of value in exchange.
- I will accept advertising on my phone *if* it's relevant and interesting to me.

People do not want their personal space to be violated by unwelcome messages, nor do they want to share their mobile screen without some form of incentive or reward. Therefore, unsolicited and irrelevant advertising will be even less welcome than e-mail spam.

#### **The Advertiser's Viewpoint: Can We Talk?**

The ability to engage in a real dialogue with consumers is very attractive to most advertisers. However, the path to realizing the potential of mobile is strewn with challenges. The proliferation of new forms of advertising and branded content, created to go beyond the limitations of SMS-based direct marketing, makes life complex for advertisers and their agencies. The challenge is further exacerbated by the lack of shared standards across devices, networks, and

content providers, as well as network databases that promise, but rarely deliver, the ability to target individual users.

All of these challenges are technical and tactical in nature. The ultimate challenge, however, is winning the hearts and minds of mobile phone users who are already bombarded by hundreds of marketing pitches every day. The flashiest new technology will not serve the cause of mobile marketing if it is used to serve up unwanted or irrelevant messages. Successful integration of mobile into the marketing mix must take into account the need to build trust among consumers by first gaining permission and then offering relevant communication.

#### **Gaining Permission**

Advertisers can connect to mobile customers who have granted explicit permission to receive marketing messages by working through the wireless carriers. Networks all over the world are adopting some form of "paid viewing" model, by which people are compensated for viewing ads. For instance, MoviDirect in Mexico provides free airtime to subscribers who submit a brief profile and agree to receive text messages on products, services, and promotions.

A better way to gain permission is to pull people to mobile communication through messages in other media. Many TV programs encourage interaction from the audience through the casting of votes or entry into contests, either online or through text-messaging. This type of interactivity is also featured in integrated ad campaigns in which TV, radio, or billboard ads feature "short codes" which consumers can use to respond to offers using their phones.

Obviously, advertisers need to be careful about targeting their offers to audiences who have the necessary skills to respond. Most young people are proficient in text-messaging, but older phone users may not be, or they may



## *The mobile connection offers a wide range of possibilities for establishing relevance*

find the process too cumbersome to bother with for very long. Therefore, some of the newer, more sophisticated applications, such as those which involve e-mailing a photograph of a product or ad in return for a WAP link for specific content, must be targeted carefully.

Once a connection has been made with a willing audience, the next challenge is to hold the attention of that audience by establishing relevance. Here the mobile connection offers a wide range of possibilities. The route chosen will vary according to the nature of the brand and the marketing objective.

### **Objective: Deliver News**

Brands with news to convey might logically choose to align themselves with a news headline service, such as the recently launched MSNBC.com Mobile beta service. This service is free, supported by advertising revenue generated from 15-second pre- and post-screening ads. Sponsoring services which people appreciate, such as weather updates, pollen counts or highway construction delays, can increase brand saliency and build rational brand affinity.



It may also be productive to target some group other than the end-users. In the UK, GlaxoSmithKline achieved dramatic sales increases for its hay fever remedy Flixonase through a campaign targeted to pharmacy assistants. The assistants responded to invitations (from direct mail or the GSK sales team) to register for weekly SMS communications dealing with local pollen counts, information about allergy treatments, and weekly quizzes.

### **Objective: Create Brand Engagement**

Marketers whose objective is to create brand engagement among a specific target might choose to shape a promotion around an event sponsorship. Last March, Tyson Foods used mobile to activate its sponsorship of USA Gymnastics. Spectators at the Tyson American Cup gymnastics competition were invited to text a message to gymnast Chellsie Memmel for a chance to win VIP seats at the competition. The winner was notified midway through the event and invited to join Memmel on the floor to watch the remainder of the program. Everyone else who entered the promotion — 57 percent of the audience participated — received a follow-up message from Chellsie, thanking them and reminding them of ways to stay in touch with Tyson online.

Another approach to generating engagement was used by Secret deodorant in extending the “Share Your Secret” campaign via mobile. For one day, secrets texted to a short code posted in Times Square were displayed on the Reuters sign.

### **Objective: Generate Direct Response**

Advertisers who want to drive sales can always fall back on the tried-and-true price promotion. In Israel, Coca-Cola has used MMS to provide shoppers with coupons that can be swiped directly from their phones. Similarly, Hutch India provides customers with coupons good for a two-for-one deal at retail outlets. In the UK, a more subtle approach has been used successfully by an insurance company to reduce turnover: customers receive an SMS a few days before their policy expires.

### **A case study: Text 0403 Warren**

For a telecommunications company, using mobile communications to build a brand makes all the sense in the world. In Australia, Virgin Mobile did just that, launching a 5-cent text service with its unique “Warren” campaign in 2003.



Faced with stiff competition from Telstra, Optus and Vodafone, Virgin Mobile deployed \$AU 2.5 million (only 2 percent of all mobile phone company expenditure on marketing) into an integrated campaign on TV, radio, Internet and text which featured “Warren,” a lovable loser in search of a dream date. The campaign was designed to grab the attention of teenagers, a group more price-sensitive than brand-loyal, in a market which endures 50 percent churn every year.



The campaign succeeded because it advertised a relevant benefit (the ability to keep in touch with your social network for less) and tapped into a relevant theme among the target (the quest for true love) while using cheeky, irreverent humor. Interactivity through the text service was a critical part of the campaign's success. A viewer who sent a text message would receive a response from Warren, such as “Danger, hot Australian lover approaching a sexy lady. Let's run away together. Meet me at hotwarren.com.au.” Calling 0403 Warren triggered one of a number of messages in Warren's voicemail. In ten weeks, “Warren” received 600,000 texts and calls and over 2 million hits to [www.hotwarren.com.au](http://www.hotwarren.com.au), plus the added bonus of positive PR coverage. This interactivity not only engaged customers, but helped to increase familiarity with Virgin Mobile and its new text service. Every \$1 spent

on “Warren” delivered an incremental profit of \$5 to Virgin Mobile. Acquisition increased by 49 percent, and Virgin Mobile's market share reached record levels.

### *Techniques which succeed on television or the Internet can't simply be transferred to the phone*

So what lessons can be learned from the Virgin Mobile success?

1. Mobile was not the lead medium, and the mobile component was used to pull, not push. The integrated campaign used TV, radio, Internet, taxi and washroom ads to make people want to “talk” to Warren.
2. Relevance is not just about information. Warren appealed directly to the emotional concerns of the tribal teen audience, using humor and a relevant campaign theme.
3. Word of Mouth and positive PR can boost the impact of a campaign well beyond its direct investment. By its very nature, this campaign encouraged Word of Mouth and pass-along.

The world of mobile advertising will continue to evolve. As bandwidth and technology improve, mobile phones will market to a vast number of people using Internet- and TV-style ads, search, and branded content. We believe that for most brands, mobile marketing will be used most effectively for facilitating dialogue with consumers. By adding the third screen to the mix, marketers can stay connected across physical brand encounters, traditional media exposures and phone contact, thus creating more extended conversations with consumers.

For more about Mobile Marketing, see [www.mb-blog.com](http://www.mb-blog.com)