



# SALES & MARKETING

A QUARTERLY EBULLETIN FROM THE PEOPLE WHO BRING YOU  
THE MARKETING WORLD AND SALES NOW EXECUTIVE MINDXCHANGES

## Innovations in Mobile Marketing

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Mobile marketing has now gone mainstream. Mobile is being now thought of as a major marketing platform along side of print (including billboards), radio & TV (broadcasting), and online. You now see billboard and bus ads with "Text 'CAR' to 12345" for information on the latest hot car or many other innovative marketing campaigns. Ads now appear on mobile phones — sometimes as banners and sometimes embedded in a product but not often as a total screen that takes over the phone.

Mobile, however, is now poised to become the most important marketing vehicle of all time. In recognition of the importance of mobile marketing, Frost & Sullivan has done & is doing substantial research in mobile marketing and mobile payments.

Marketing on a mobile device is more personal than any other form of marketing promotion. And, it gives the brand doing the promotion a way to track demographics on the behavior of those who respond that no other marketing vehicle is able to do. In addition, the mobile phone is the only two-way marketing medium that can be fully customized to the subscriber's specific interest and precise location. And, the mobile phone is the only device that participates directly in the marketing promotions (coupons to the phone) and the redemption (phone used for loyalty identification & payment).

Here are four innovations that are taking mobile marketing to the next level:

### **Near Field Communications (NFC)**

You've likely seen the latest generation of credit card payment terminals in major retailers: They have a contactless wireless reader at the top of the terminal. The card or phone contains an RFID chip much like the one used for highway tolls. With the chip and wallet software by ViVOtech (and others), consumers can select which card they want to use on the phone's screen, wand it over the contactless terminal and the purchase is completed.

Major players here include ViVOtech, First Data, Visa, MasterCard and the major handset manufacturers. All it will take for this to enable the mobile phone to replace most credit and debit cards is for leading handset manufacturers like Apple, Nokia, Motorola, Samsung, RIM, HTC and LG to begin installing the small NFC chip in each phone. That will happen over the next few years.

### **Mobile as Part of Integrated Marketing Campaigns**

The use of a mobile phone in marketing campaigns has typically been narrowly focused — such as responding to a short code (e.g. voting for our choices in popular shows like "American Idol" and "Dancing with the Stars"). The latest innovation is to use mobile as part



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of a broader, integrated marketing campaign so that mobile becomes an accepted vehicle for marketing professionals to use.

For example, Coca-Cola might create an integrated campaign that puts short codes in print and on TV, uses the mobile for response, and then issues a coupon via the mobile phone that can be redeemed at retail for a discount. Mobile marketing firms like Air2Web, iLoopMobile, VeriSign, Singlepoint and others are now working more closely with major advertising and marketing promotion firms to make mobile an integral part of their plans.

## Mobile Coupons & Retail Loyalty

Mobile coupons were introduced by Cellfire a few years ago. Now, mobile phones are considered viable to replace paper coupons and allow digital coupons to be used by major brands that mobile subscribers then retain and redeem at retail.

An example would be to respond to a short code to get a discount off a drink at Starbucks and the reply would be a bar code that is scanned at the retail counter and the discount applied. The customer gets the discount, and while the brand doing this kind of mobile promotion does see increased sales, it doesn't learn anything about those who redeem the coupon.

Another more advanced solution has been developed by Zavers, the first firm to crack the code with respect to true real-time measurement and mobile marketing effectiveness.

Zavers is working with major retailers and marketing promotions firms to allow the mobile subscribers to instantly, find, save and redeem their digital coupons using both the Web and mobile phones and then allowing the consumer to use their existing loyalty card (or phone number) at retail to redeem the coupon. This leading technology by Zavers provides the breakthrough of providing a tie between the promotion (to generate increased sales) and the redemption (to provide analytics on the behavior of the buyer).

Additional mobile loyalty programs were recently announced by Tetherball in the U.S. and Zapa in Europe. Working with ViVOtech, a contactless sticker carrying a loyalty number is added at the back of subscribers' existing phones to associate with the personalized coupons they receive through text messages.

Subscribers tap their loyalty sticker enabled phones near store and in-store environments opting-in to receive coupons tailored specifically for them, and tap the phone to redeem coupons for a purchase. This allows information about the purchase (who, where and what) to be collected and summarized for the companies doing the promotion.

## Ad Exchanges

Mobile advertising has been around for a few years. One big problem has been the proliferation of mobile advertising firms like AdMob (recently acquired by Google for \$750 million). Now, a new innovation in mobile marketing has come about from firms like AdMarvel and Mobclix that act as advertising intermediaries or exchanges. Instead of major brands having to go out and negotiate with different mobile ad agencies, which can get



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quite complex, mobile ad exchanges like Mobclix allow brands to have one relationship (with the ad exchange) and make media buys based on data segments for each ad network that is participating in the exchange.

From these examples, it's easy to understand that you're going to see more marketing promotions integrated within the mobile phone going forward. And, as I've said in the past, mobile is likely to eventually be the largest media market of all time. Now that Zavers, ViVOtech, Tetherball, Zapa and others are working with major brands and retailers, marketing promotions can be tied directly to the purchase — something that has eluded marketing professionals for the past 100 years.

With over three billion mobile phones now in the market and subscribers carrying them around all day, it's clear the mobile marketing is poised to become the primary focus of marketing professionals in the coming years.