



INDUSTRY INSIGHT

Mobile Makes Customer Outreach Smarter Than Before

As an Innovation Leader for Acxiom's Global Multichannel Marketing Services Group, Josh Herman's responsibilities include business model development for addressable advertising applications in mobile, TV and online media channels. Josh recently caught up with Frost & Sullivan's eBulletin Editor, Erin Lindholm, to discuss mobile's unique positioning, how to launch a mobile campaign, the future of mobile marketing (hint: It's on the rise). Josh believes that initiatives (and budgets) for mobile marketing and customer lifecycle management are likely to increase dramatically ... here's why.

Erin Lindholm: To get started, what is unique about how mobile connects to consumers?

Josh Herman: That's easy. What's exciting about mobile is that it adds new dimensions to marketing. It adds the dimensions of time and space, which sounds a little flaky, but it's true. Think of mobile in contrast to the other methods of delivering a message: You might get the message in your mailbox that you go to it once a day. You go to your TV and get messages there, but it's different because it's not interactive and not as targeted — yet. Your computer screen and e-mail are pretty good at delivering messages, but you don't drag your laptop in front of you when you're walking through the mall or down the street.

And so what mobile does is it adds these very powerful dimensions of time and space, meaning that the consumer has access to me, the marketer, at anytime and at any location, anywhere in space — and vice versa. With the right relationship with the consumer, the mobile marketer can deliver a relevant message to them at the right time and in the right place. So that is a new dimension to add to the analytics and to the execution of marketing, target marketing, is adding those dimensions of time and space. And that's unique to mobile.

EL: Definitely. So, let's say a company is looking to take the first steps to launch a mobile initiative. Can you offer any insight? Where do you start?

JH: At a high level, I think it's really important to acknowledge your level of mobile maturity and your level of ambition for your first campaign. Declaring what success looks like on the front end helps make certain that you take the necessary actions to achieve that success. Declaring what metrics you're going to use to decide whether the campaign was fruitful, to put together a project map — preparing a mobile campaign is very similar to the core tools, techniques and disciplines for database marketing and the campaigns that go out through direct mail or e-mail. That's why it's a great fit for Acxiom.

But you also have to consider that time and space dimensions as well. Planning is the key to success and the starting point because it's really not that big of a trick to shove a message through the plumbing. The real trick is bringing together a thoughtful plan that goes beyond declaring, "I delivered a message." That shouldn't be success. Success is that I delivered a message, a *relevant* message to the right target, they responded in a way that I wanted them to respond and I provided value back. There are a couple of sequences, a sort of cascade of activity that you want when you engage someone through marketing.

EL: We keep talking about how the beauty of mobile content is that it can connect with the right user based on time, location, context. How is all this information collected and processed?

JH: That's a good question and it brings up an important distinction: Mobile has an opportunity to leap frog in sophistication online marketing. In online marketing, for the first decade the story was, "There is nothing superior to behavioral targeting and contextual targeting," and that was the mantra. But that was the mantra because that's the only thing that online marketers had to sell. From decades of database marketing at Acxiom, we know that behavioral targeting is good, but not everything, and demographic targeting is really powerful, but not everything. *The real optimal approach is the synthesis of behavioral and demographic characteristics that are the most predictive of consumer behavior and the most likely to deliver relevant content to the consumer.*



And to do that requires the sourcing of data and the management and analytics of that data. And that's where I think mobile has a terrific opportunity, because the mobile marketing platforms that we employ at Acxiom are specifically intended to leverage the database marketing engine that the chief marketing officer has already paid for and has already gotten a return on investment from for years.

The idea here is to make certain that the mobile marketing platform is architected in a way to take advantage of the richness of the database marketing engine and the consumer insights that lie therein, to be able to access that, make decisions and execute those decisions, and then, most importantly, feed the responses from the campaign back into the database marketing engine. That's a real value.

A huge advantage to us and our clients is that Acxiom has the luxury of having a galactically-huge marketing database that represents about 132 million households in the U.S. with an average of about 500 data elements per household. It's a combo platter of core demographics, as well as behavioral and interest purchase behavior data, that our database marketing clients have been employing for years and years. What's important about all that data is that it's *in that soup* that you find the ingredients most predictive and descriptive of your most profitable customers. That's what drives these targeting engines for database marketing, and now we are able to leverage in and employ that same power into the mobile marketing channel, too.

EL: Could you share a real world example of a campaign that integrates mobile with its other marketing channels?

JH: It is a little bit early. A lot of it has to do with what the maturation of marketers and organizations and getting to that stage. But we are starting to see integration, which is very exciting. For example, an e-mail campaign went out for a consumer software company. In the e-mail campaign was the opportunity to opt in to receive a coupon on your mobile device to go purchase the software at a retail outlet. The result of that was a very superior e-mail response rate — a 2% response rate, which for e-mail is terrific. Of those who opted in to receive the coupon, 55% of them went to the retail store and bought it. That's one of my favorite stories because it shows that interplay with three marketing channels: e-mail, mobile and retail.

EL: It seems like mobile is going to be something that just grows upwards and onwards from here. Where do you think mobile marketing is going to be in five years?

JH: Well, I think mobile will be much closer to the center of the marketing operation simply because if you're the CMO and your job is to balance the budget allocation across your marketing channels, I think that mobile will edge closer to the center because it will be the return on investment. Global marketing communication will start to be superior to other target marketing channels. Looking ahead, I think that the proportion of budget allocated for mobile marketing and lifecycle management through the mobile device is going to increase dramatically.