Chapter 1: Getting Started with Mobile Marketing

In This Chapter

↙ **Seeing how mobile marketing fits into your marketing plans**

↙ **Understanding the technologies behind mobile marketing**

↙ **Determining which services you need**

↙ **Complying with rules, regulations, and best practices**

*Y*ou've probably heard about mobile marketing. Maybe you've even thought about using it — sticking your toe in the water or taking it for a spin, as they say. But you also might have heard the following things (or even said them yourself):

✦ "I wouldn't want to receive spam on my phone, and my customers certainly wouldn't either."

✦ "Mobile text messaging . . . well, it's just for kids. Certainly, I'm not going to get any value from it."

✦ "It has to be too expensive, too complicated, and way too difficult for me to employ. Only big companies like Coca-Cola, ESPN, and McDonald's can do it."

If you've heard or had these thoughts, don't be discouraged. This chapter explains why mobile marketing, done properly, isn't spam; isn't "just for kids"; and certainly doesn't need to be expensive, complicated, difficult, and only for the benefit of Fortune 500 companies. In fact, it can be an effective channel for increasing customer brand awareness, responses, interactions, and satisfaction.

When you're done reading this chapter, you'll have a clear understanding of exactly what mobile marketing is, how it can fit into your marketing strategy, and how you can use it.

Understanding and Weaving Mobile into Marketing

Many people are mystified by the term *mobile marketing*. They see the word *mobile* in front of the word *marketing,* and they suffer a palpable sense of the unknown — in many cases, fear. Well, I'm here to tell you that mobile marketing is not an arcane, mysterious, alchemical process. Rather, it simply is one of the many practices of marketing, such as retail, direct mail, Internet, e-mail, TV, radio, and advertising.

The following sections review the definition of marketing and discuss how *mobile* fits into this definition.

Reviewing marketing and its elements

Marketing is a critical function for any business. According to a 2007 statement by the American Marketing Association (AMA; see `www.marketing power.com`), marketing is

> *the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.*

In the following list, I deconstruct the elements of this definition:

✦ **Communicating:** *Communicating* means imparting information and news about your offerings and related activities to your audience members — customers, clients, partners, prospects, leads, employees, advisors, investors, the press, and all the other people and organizations that play a role in your business, as well as society at large — so that they find out what your organization does and the value it has to offer.

You probably use any number of traditional and new-media channels (TV, radio, print, live events, outdoor media, point-of-sale displays in stores, the Internet, e-mail, telemarketing, and so on) to communicate indirectly or directly with members of your audience. *Direct* communication occurs when you initiate contact directly with individual members of your audience, as in the case of sending an e-mail or initiating a call to a specific person. *Indirect* communication happens when you advertise or present some other form of promotional message through mass-media channels (such as TV, radio, or print) to expose members of your audience to your communication, but leave it up to individual audience members to initiate direct contact with you.

✦ **Delivering:** *Delivering* means providing your products or services and exceptional customer service to members of your audience.

✦ **Exchanging:** *Exchanging* means swapping value (which I define later in this list). Often, you exchange your goods and services for money, but you can determine for yourself what to take in exchange.

✦ **Offerings:** *Offerings* are simply the products and services produced by your organization.

✦ **Value:** *Value* refers to a sense of worth. People value something when they perceive that the item's worth exceeds what it costs them to obtain, consume, or use it.

REMEMBER

The days of mass market–marketing are waning. We've entered an age of connectedness — an age of hyperfragmentation of communication/media channels and market segmentation down to individual members of the audience. With mobile marketing, you're not broadcasting messages to the masses. Rather, you use mass media and the mobile channel to engage individuals in a one-to-one interactive exchange.

Defining mobile marketing and its elements

Now that I've reviewed marketing, I'm ready to weave mobile into it. As I note earlier in this chapter, mobile marketing isn't mystical; neither does it falls outside the practice of marketing. Therefore, the definition of *mobile marketing* mirrors the definition of marketing. I define *mobile marketing* as

> *the set of activities, institutions, and processes that supports marketers in their pursuit to communicate, deliver, and exchange offerings that have value for customers, clients, partners, and society at large by way of the mobile and mobile-enhanced traditional and new-media channels.*

This definition differs from the AMA's definition in that I introduce two new terms:

✦ **Mobile channel:** *Mobile channel* refers to the collection of companies and systems — wireless networks, mobile phones, application providers, marketers, and so on — that make it possible for a marketer to interact with an individual audience member directly through a mobile phone or wirelessly enabled *terminal* (a mobile device that doesn't have voice capabilities, such as a Sony PlayStation Portable or Apple iPod Touch). You can use many paths within the mobile channel to engage members of your audience; see "Understanding the Many Paths within the Mobile Channel," later in this chapter.

✦ **Mobile-enhanced traditional and new-media channels:** Marketers rely heavily on traditional and new media to build awareness among members of their audience and to promote their offerings. A *mobile-enhanced* traditional or new-media channel is one that has been mobilized by having a mobile marketing call to action introduced in it.

A mobile marketing *call to action* is a set of instructions promoted in the media that shows someone how to use his phone or mobile terminal to participate in the marketer's mobile marketing program. (For details on mobile marketing calls to action, see Book VIII, Chapter 2.)

In the following sections, I address the two main types of mobile marketing: direct and indirect.

Direct mobile marketing

Direct mobile marketing refers to the practice of proactively reaching out and engaging individual members of your audience via the mobile channel on their mobile phones. As I discuss in Book VIII, Chapter 2, direct mobile marketing may take place only if customers have given you explicit consent (permission) for you to proactively engage them — that is, text-message and/or call them.

Indirect mobile marketing

Because mobile marketing requires that individual customers give you permission to interact with them on their mobile phones directly and proactively, you can use indirect mobile marketing to expose people to your offerings and invite them to give you permission to contact them directly. Therefore, *indirect mobile marketing* refers to the practice of mobile-enhancing your traditional and new-media programs (TV, radio, print, outdoor media, Internet, e-mail, voice, and so on) and inviting individual members of your audience to pull out a phone or mobile terminal and respond to your mobile call to action. On television, for example, your call to action may ask viewers to text a keyword to a short code to cast a vote. Or, you may ask them to fill out a form on the Web or mobile Internet, including their mobile phone number, to participate in the program. For more information about managing opt-ins and about using short codes and keywords, see Book VIII, Chapter 2.

Adding Mobile to Your Marketing Strategy

It's no mistake that the definition of mobile marketing in the preceding section mirrors the AMA's definition of marketing (see "Reviewing marketing and its elements," earlier in this chapter). You should not consider mobile marketing to be separate from your other marketing activities; rather, you can and should integrate it with those activities. You can use mobile marketing both directly and indirectly to enhance all your marketing activities.

The following sections explain the key resources you need to weave mobile marketing into your overall strategic marketing plan.

Planning for the complexities of the mobile channel

Marketing to people through the mobile channel and through mobile-enhanced traditional and new-media is unlike any other marketing practice you'll face. Mobile marketing has several characteristics that set it apart from other marketing channels and practices.

First and foremost, mobile phones today are more than just telephones; they're also rich computing platforms capable of consuming all forms of media. Moreover, mobile phones come in myriad shapes and sizes, and run on a plethora of networks and operating systems that support a wide range of capabilities.

In the following sections, I discuss both the challenges and the payoffs of marketing through the mobile channel.

Complexities of mobile technology and channel

Before you begin integrating mobile marketing into your marketing programs, you need to grasp the complexities of the mobile phone and the mobile channel, including the following:

✦ Mobile phone screens are smaller than computer screens.

✦ Mobile phones have no mice or printers, and the keyboards on some models are limited.

✦ Mobile phones use numerous operating systems, networks, and Web browsers with broadly different requirements.

✦ Bandwidth may be restricted. (*Bandwidth* is the size of the pipe regulating how quickly data can be sent to a phone — to display a mobile Web page, for example.)

✦ Data connections and messaging cost money — in some cases, a lot of money.

These situations are just a few of the many complexities you'll need to contend with. I realize that they sound daunting, but don't get discouraged; you can overcome these challenges. See the next section for the advantages.

Benefits of mobile capabilities

You and your audience can take advantage of myriad capabilities that are unique to the mobile phone:

✦ Send and receive messages.

✦ Take, display, and exchange photos.

✦ Take, play, and exchange videos.

✦ Record, play, and exchange music.

✦ Ensure that your marketing is relevant to your audience members' surroundings.

✦ Facilitate commerce.

✦ Browse and connect to the Internet.

✦ Oh, yeah — and make calls, too.

Partnering with mobile service providers

To take advantage of the capabilities of the mobile channel for your marketing, you need to be able to adjust, in real time, to the diversity of the mobile channel and its complexities.

Addressing the complexities of the mobile channel can be daunting if you attempt to go it alone. To get your mobile marketing practice started, you should consider looking for help. Luckily, help is right around the corner, in the form of mobile service providers. The following sections provide an overview of the various mobile service providers and how they can assist you in getting your mobile practice off the ground.

What mobile service providers do

Mobile service providers enable mobile marketing on technical- and professional-services levels. These providers are people, companies, business practices, and marketers that help you leverage the mobile channel to engage your customers with compelling mobile and mobile-enhanced marketing programs.

Types of mobile service providers

To launch a mobile marketing campaign successfully, consider working with one or more of the following types of mobile service providers:

✦ **Traditional and new-media providers:** You need traditional media to start the direct mobile marketing engine, because you must have explicit permission to contact people directly on their mobile phones. The way to go about getting this consent is to introduce people to your mobile program by mobile-enhancing a traditional and new-media campaign. In fact, mobile marketing takes inert passive media and makes it interactive (see Figure 1-1). You can read more about obtaining consumer opt-in in Book VIII, Chapter 2.

✦ **Wireless carriers:** *Wireless carriers* (also commonly referred to as *mobile operators, wireless networks,* and *wireless operators*) provide the piping, towers, billing systems, support, outlets, and more so that you can engage your customers via the mobile channel. You may be surprised to find that hundreds of wireless carriers operate around the world. The United States has about 50 of these carriers, although the market is dominated by AT&T Mobility, Sprint, T-Mobile, and Verizon Wireless, which support about 93 percent of all the mobile subscribers in the country.

Figure 1-1:
Mobile-
enhancing
traditional
media.
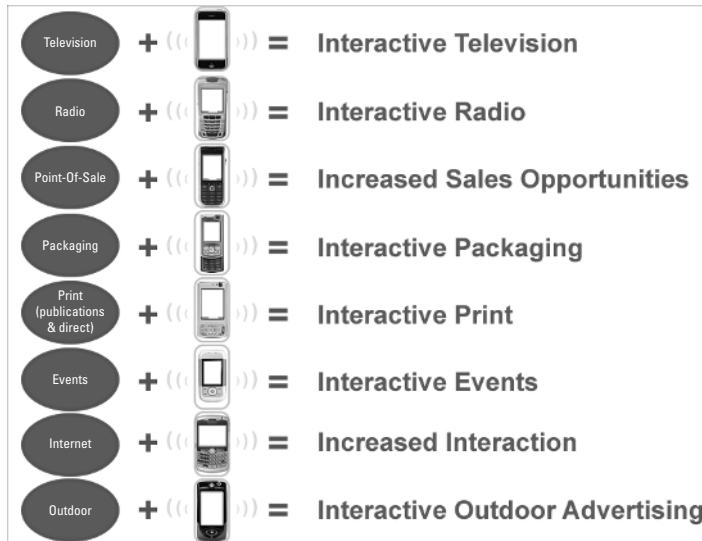
✦ **Connection aggregators:** You aren't likely to work directly with wireless carriers unless you work for a very large brand. *Connection aggregators* are the bridges that connect you, application providers, and wireless carriers. With one connection aggregator, you can gain access to hundreds of wireless-carrier networks around the world. Leading connection aggregators include VeriSign, Sybase 365, mBlox, OpenMarket, SinglePoint, MX Telecom, and Ericsson IPX.

For a complete list, visit the connection-aggregator page of the Common Short Code Administration Web site at

> www.usshortcodes.com/csc_aggregators.html

I discuss short codes in detail in Book VIII, Chapter 2.

✦ **Application providers:** These companies furnish the software and support services you need to manage your mobile marketing campaigns and your interactions with members of your audience through the numerous paths of the mobile channel. A host of important mobile services and applications are related to mobile marketing, and you should consider including some of the following in your marketing plan: messaging, mobile Internet, mobile applications, mobile video, interactive voice response (IVR), Bluecasting, content management, content production and licensing, advertising, search solutions, and mobile commerce. A handful of application providers will aggregate many of these services, but most specialize in just one.

There are all kinds of application provides out there: Those that have the capability but don't actually have any software written, those that have some technical elements built but require a rocket-scientist to use

their solution, and a handful that have developed really easy, templated solutions. When talking with your prospective application provider, be sure to have them show you what they have to offer. If you can, ask them to give you a login so that you can try their service yourself. This is the true test of a self-administrable mobile marketing application provider.

The rest of this minibook is dedicated to helping you understand how to integrate all these players and the many paths of the mobile channel into your marketing. In the following sections, I explain each path in detail.

Aligning all the players in the mobile marketing ecosystem

Now that you know a bit about mobile marketing, I can show you how all the players in the mobile marketing ecosystem fit together. Figure 1-2 shows the strategic mobile marketing ecosystem. When you look at this figure, think about where you fit in.

Note that the ecosystem is segmented into five spheres:

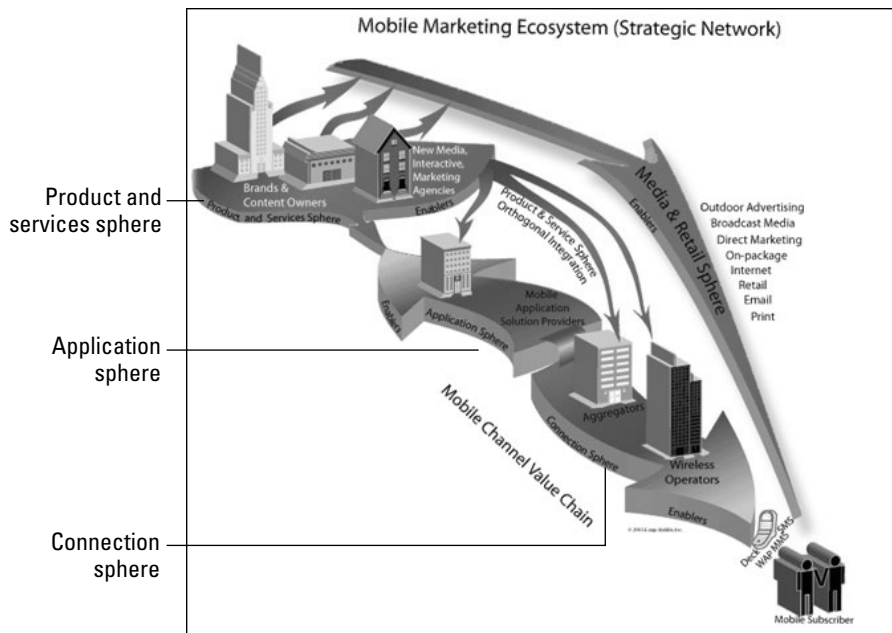✦ **Product and services sphere:** Brands, content owners, and marketing agencies

Figure 1-2:
Strategic mobile marketing ecosystem.

+ **Traditional, new media and retail sphere:** All the media players

+ **Application sphere:** The realm of the application provider

+ **Connection sphere:** The realm of the wireless carrier and connection aggregator

+ **Mobile subscriber:** The individual with a mobile phone in her hands

Note the arrows pointing from the players in the product and services sphere to each of the other spheres. These arrows indicate that each of these players may choose to work with any number of the mobile service providers and traditional/new-media and retail players described earlier in this chapter. They choose to work with one or more of these players based on their selected strategic approach to mobile marketing. You'll need to decide for yourself what your approach will be. For more information, see Book VIII, Chapter 2.

Understanding the Many Paths within the Mobile Channel

It's easy to look at a mobile phone and think, "It's just a phone." But it really isn't a phone anymore. Sure, you can make voice calls with it, but that function is just the tip of the iceberg. Today's mobile phones are also newspapers, maps, cameras, radios, stores, game consoles, video music players, calculators, calendars, address books, stereos, TVs, movie theaters, and concert halls. These devices can be much more than most people expect. You can make them what you want them to be by creating rich, interactive experiences with the many interactive paths to mobile phones, shown in Figure 1-3.

Figure 1-3: Paths to a mobile phone.

This section explains the various mobile paths and applications you can employ to reach your customers via the mobile channel and mobile-enhanced traditional media.

Understanding SMS capabilities

Short Message Service (SMS), commonly referred to as *text messaging* or just *text,* is an incredibly versatile path to nearly all mobile phones on the planet. An SMS is a 160-character alphanumeric digital message that can be sent to and from a mobile phone — that is, it consists of letters (A, B, C, D, a, b, c, d . . .) and numbers and symbols (1, 2, 3, 4, !, @, #, $ . . .) that can be exchanged among mobile phones.

Text messaging is an extremely popular service that caught on in the United States via TV shows such as "American Idol" and "Deal or No Deal," which asked people to text in to cast votes or try to win prizes. From these basic roots, text messaging has blossomed into a rich interactive medium. In the United States, billions of text messages are sent every day. In fact, text messaging has become the primary mobile communications medium. As of October 2008, according to Nielsen Mobile, U.S. mobile subscribers sent an average 357 text messages per month compared with 204 voice minutes used during the same period. Collectively, we're sending more than 2 billion text messages a day in the United States alone!

More than just a person-to-person channel now, text messaging is the cornerstone of mobile marketing. In addition to offering voting services, you can launch trivia programs, provide search capability, send information and text alerts, trigger interactive calls, deliver content, operate coupon programs (see Figure 1-4), and even charge people for content and services consumed on the phone (such as ringtones and television subscriptions).

Figure 1-4:
Text
coupon.

You can do many things with the SMS path, including the following common SMS applications:

✦ **Quiz/trivia/survey:** Random delivery of both structured and unstructured questions sent to the phone, including limiting how many times someone can participate during a given period (once a day, twice a week, once in the entire program), billing options (per interaction, per series), and clue management (whether subscribers can get hints on how to answer a question).

✦ **Reverse auction:** SMS-based auctions in which the lowest bidder rather than the highest bidder wins.

✦ **Polling/voting:** Real-time polling/voting of consumer response to media, with live results being sent immediately to consumers' phones or made available via XML and/or screen-ready charts (pie charts, bar charts, and so on).

✦ **Text alert/mobile CRM (mCRM):** Permission-based marketing that targets lists and alert messaging. You can collect information on your clients, which is where mobile customer relationship management (mCRM) comes into play. Then you can filter this data based on criteria you apply (people in the Los Angeles region 18 to 25 years old who like shoes and sports, for example) and broadcast alerts to these people: news, coupons, sports scores, whatever you think they'll value.

✦ **Viral marketing:** Personalization of messaging (name, number, message, and so on) triggered by consumers through virally promoted marketing initiatives. (For more information on viral marketing, see Book VIII, Chapter 4.)

✦ **Moderated Text2Screen and Picture2Screen:** A service that allows you to moderate user-generated text and picture messages and display them on a screen during a live event, on television, on a Web or mobile Internet site, or on a related promotional channel.

✦ **On-package promotions:** Instant-win programs in which consumers message promotion codes from product packages for prizes. These promotions also generate participation in loyalty programs.

✦ **Mobile sweepstakes:** Use of the SMS channel to encourage people to participate in marketing programs through promotional incentives such as sweepstakes.

✦ **Text2Give:** Use of SMS to enable people to make micro donations (such as $1, $5, or $10) to their favorite charities, with the donations being added to their mobile phone bills and the proceeds being sent to the charity. (For more information on SMS with a billing twist, see Book VIII, Chapter 6.)

✦ **Commerce and sampling:** Programs in which you bill for digital goods transactions and physical purchases and requests for samples to be shipped to customers' physical location. See Book VIII, Chapter 6 for more information on sampling programs.

✦ **Mobile couponing:** Programs that use SMS to deliver coupons to mobile phones (refer to Figure 1-4, earlier in this section).

Leading companies specializing in SMS-based applications include iLoop Mobile (`www.iloopmobile.com`), ipsh! (`www.ipsh.com`), Vibes Media (`www.vibesmedia.com`), and Limbo (`www.limbo.com`).

REMEMBER   The preceding list contains just a few of the nearly infinite things you can do with the mobile channel. Let your imagination go wild and then validate the mass versus niche and future market practicality of your ideas with your mobile application partner.

Enhancing your messages with MMS

Multimedia Messaging Service (MMS) is sometimes referred to as *picture messaging* to help differentiate it from SMS, which is text messaging. MMS is delivered almost the same way as text messaging but can include multimedia objects (images, audio, video, and/or rich text), often in a slideshow format.

Internationally, MMS and SMS are free for end users to receive on their phones and cost a premium to send. In the United States, end users are charged for both sending and receiving SMS and MMS messages if they don't have a messaging plan. Service providers pay a fee to deliver SMS or MMS messages to end users. MMS messages are more expensive than SMS because they're larger.

Two important features of MMS make it ideal for mobile marketing and content delivery:

✦ **Direct delivery to Inbox:** The message content is delivered directly to a recipient's messaging Inbox in the same way that SMS messages are. This system increases the likelihood that the recipient will actually see the message; he knows where to look for it and doesn't have to complete any additional steps to retrieve it or find it on the mobile Internet.

✦ **End-user flexibility:** The content can be saved to the recipient's handset and (unless it's forward-locked) forwarded to family members and friends.

Creating and delivering MMS content require a significant investment in technology. Most mobile marketers, service providers, and content providers opt to use a hosted MMS delivery platform such as Cellyspace, offered by Skycore (`www.skycore.com`). Other leading multimedia service providers include iLoop Mobile (`www.iloopmobile.com`), Comverse (`www.comverse.com`), and Acision (`www.acision.com`).

E-mailing your messages

The e-mail path is just what you think. An e-mail message can be originated and delivered from any standard e-mail system or through mobile carrier networks. E-mail can be an effective means of delivering messages to a mobile phone or mobile-enabled terminal. Messages are accessed on the phone via the mobile Internet browser or e-mail application installed on the phone.

Mobile e-mail is most popular on a class of mobile phones referred to as *smartphones,* including Research In Motion's BlackBerry, Apple's iPhone, and phones running Google's Android software or Symbian and/or Microsoft mobile operating systems. E-mail is rarely used for mobile marketing; controlling the user experience is difficult, and many technical hurdles and legal landmines still need to be overcome.

Leading companies that specialize in e-mail marketing services include Constant Contact (`www.constantcontact.com`) and mobileStorm (`www.mobilestorm.com`). E-mail marketing is the focus of Book V.

Humanizing your messages with IVR

The voice path refers to your phone's standard telephone capability — the means by which you make and receive phone calls. In addition to talking with a live person, a very popular use of the voice channel is interactive voice response (IVR). You're probably familiar with IVR, which is a common prompting system used in automated customer support. When you call most businesses today, you reach an automated prompt that tells you to say or press 1 to get this, or to say or press 2 to get that. That's IVR.

IVR can be a power mechanism for marketing activities beyond support. Sony Pictures, for example, used IVR in the spring of 2007 to promote the horror movie *Vacancy* by mobile-enhancing its television advertising. The TV ad encouraged people to call a toll-free number. When they did, they were greeted by an auditory extravaganza of screams and other sounds from the movie. When the cacophony quieted, the listener was asked to choose among various prompts to get movie listings, join a text-alert service, participate in a poll or sweepstakes, and so on.

Another example of using voice for mobile marketing is streaming audio via the voice channel. National Public Radio (NPR) uses the voice channel to stream live and recorded radio broadcasts via the voice channel of mobile phones. You can dial a toll-free number and start listening to an NPR show. Or you can send a text message or click a link on a mobile Web site, and suddenly, your phone rings. When you pick up, you'll find the live or recorded broadcast piping through the phone.

Leading IVR mobile services providers include Aptera, Angel.com, CommerceTel, and SmartReply.

Working the mobile Internet

The term *mobile Internet* is used primarily to refer to browsing Web sites on a mobile phone. The Internet connection on a phone, however, can also be used to power the data connection for installable applications (see "Building installed applications," later in this chapter). For the purposes of this mini-book, when I refer to the mobile Internet, I'm referring primarily to mobile browsing.

With the mobile Internet, you can create rich and compelling mobile experiences filled with text, colors, and images. Leading brands that are leveraging the mobile Internet include The Weather Channel, World Wrestling Entertainment, E!, NBC, and others.

You don't need to create an entire Web site for a mobile campaign, though. You can create a *microsite* or *landing page* — a smaller version of a mobile Internet site. The difference between a microsite and a mobile Internet site is that the mobile Internet site is designed to be persistent — to hang around for a while — whereas a microsite or landing page tends to be designed for a specific marketing promotion. A site of this sort may hang around for a few months, but at the end of the promotion, the marketer turns it off. Also, unlike persistent mobile sites, microsites tend to have very few pages, with content limited strictly to the promotion. Figure 1-5 shows an example of a promotional microsite.
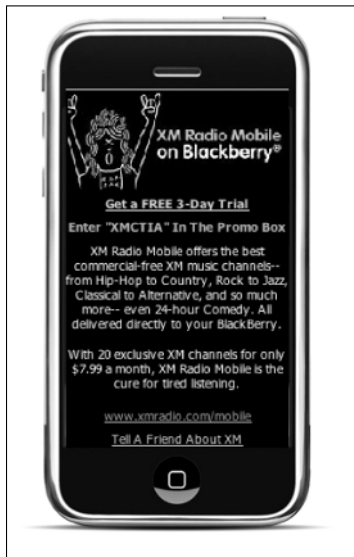

Figure 1-5:
Mobile
Internet
microsite.

Leading mobile Internet service providers include iLoop Mobile (`www.iloopmobile.com`), Crisp Wireless (`www.crispwireless.com`), StarCut (`www.starcut.com`), MAXX Wireless (`www.maxxwireless.tv`), Netbiscuits (`www.netbiscuits.com`), and dotMobi (`www.dotmobi.mobi`).

Building installed applications

Installed applications — such as games, messaging (SMS, MMS, e-mail, instant messaging, or picture messaging), audio and video players, and browsers — may be preinstalled on the mobile phone by the manufacturer or wireless carrier. Alternatively, they may be installed by mobile subscribers who download them via the mobile Internet; embedded links in received text messages; or a process called *side loading,* in which the phone is connected to a computer and the applications are sent from the computer to the phone.

Applications can provide a rich interactive experience beyond the limitations of the mobile browser. Special applications can be installed on a phone to serve streaming video (TV) and audio (radio), social networking services, and a wide range of other services.

Not all phones support installable applications, and some wireless carriers don't allow these applications to connect to the Internet after they've been installed. See Book VIII, Chapter 5 for details on delivering valuable content via installed applications.

Leading providers of installable mobile applications include Nellymoser, Action Engine, Cascada Mobile, Lightpole (location-aware content services), Cellfire (mobile couponing), Google (Google Maps), MobiTV (mobile television), and Zannel (social networking).

Making connections through Bluetooth

The *Bluetooth path* refers to the use of the Bluetooth communication channel on the phone. *Bluetooth* is a low-bandwidth radio spectrum that has a reach of about 1 to 109 yards, depending on the power of the device.

That little blue icon on your phone represents Bluetooth capability. If you use Bluetooth, you probably use it to pair your phone with a peripheral device such as a wireless headset or hands-free car kit. You also may use it to sync your phone with your laptop computer or to send pictures from your phone to your printer.

In addition to working with peripheral devices, Bluetooth can be used for mobile marketing — a practice called *Bluecasting.* A marketer places Bluetooth access points and a Bluetooth transmitter in a public area (such as a mall, airport lounge, bus stop, or movie theater) or at a live event. When a consumer walks by the access point, if his phone is set to receive

Bluetooth requests automatically, his phone beeps, and he's asked to accept a pairing request from the Bluetooth access point. If he accepts the request, the Bluetooth access point sends an image, ringtone, game, or other communication to his phone.

Leading Bluecasting providers include Qwikker (`www.qwikker.com`), BLIP Systems (`www.blipsystems.com`), and Proximity Marketing (`www.proximitymarketing.com`).

Examining Key Mobile Channel Enablers

In addition to the mobile paths described in the preceding sections, you can use a few capabilities of the mobile phone to enhance your mobile marketing programs, including location, the camera, Near Field Communication, and Radio Frequency Identification chips. I discuss them all in the following sections.

It's a snap: Using the camera

Most mobile phones today come with a camera. For this reason, Nokia, the world's leading phone manufacturer, is one of the leading camera manufacturers and distributors as well. A consumer can use the camera in her phone to opt into a mobile marketing campaign by taking a picture of an ad in a magazine, a bar code, a physical product (such as a DVD or soda can), herself, or any number of other things. See Book VIII, Chapter 2 for details on opt-in methods.

Finding the way with location

Location is a very powerful tool and one of the unique features of mobile marketing. When mobile subscribers are out and about, they *usually* know where they are, but their phones *always* know. Location information can make your programs more contextually relevant to a user's location.

You can identify a mobile subscriber's location in several ways:

✦ **User-provided information:** The consumer can provide the ZIP code, address, or phone number of his current location. (If he provides a landline number, you can look up the address in a publicly accessible database.)

✦ **CellID triangulation:** Every cellular tower is in a fixed location (big steel towers tend not to move around a lot), and each tower has an identification number, commonly referred to as CellID (cellular tower ID). If you know the IDs of the towers that a mobile phone has in range, you can triangulate the mobile subscriber's location with reasonable accuracy. (This system is how Google Maps works.) High-end phones

such as iPhones, BlackBerry models, and Nokia- and Microsoft-powered smartphones can tell your application the CellIDs of the towers they're connected to. Then your mobile application provider can look up the towers' Global Positioning System (GPS) coordinates in publicly accessible databases such as OpenCellID (`www.opencellid.org`).

✦ **GPS:** The Global Positioning System relies on a constellation of satellites surrounding the planet. The location of a mobile phone equipped with GPS can be determined down to a few yards anywhere on the planet. If the wireless carrier and phone permit this function, an application provider can access the phone's GPS data to enhance the application you're offering.

✦ **A-GPS:** Some phones are equipped with Assisted GPS (A-GPS), which combines GPS, CellID, and other enhanced network capabilities to refine the location of the mobile subscriber.

✦ **Local access points:** Low-bandwidth transmitter/receivers, such as Bluetooth and Wi-Fi, can be used to approximate a mobile subscriber's location, because the access-point transmitters are in fixed locations. When a mobile phone connects to an access point, you can approximate the mobile subscriber's location.

✦ **Fem2Cells:** The emerging minitower cellphone technology called Fem2Cells has no practical marketing use today, but I'm noting it here because some applications should be available soon, given all the creative minds out there.

With location, you can create context-sensitive experiences. When a consumer opts in to your mobile marketing campaign, you can send a location-relevant coupon, not just some generic discount for a store halfway around the country from where the consumer is currently located, or you can serve up advertising that's relevant to a nearby establishment.

TIP

Many companies, such as Yahoo!, use search terms and proximity access point data to determine a user's location. The main purpose of this type of location detection is serving location-relevant advertising.

REMEMBER

Unfortunately, location-enabled phones are still quite limited in the market-place. Not many people have them, and it's difficult for marketers to get access to this location data. Although location-enabled services are great ideas, we still have some time to wait before location services are ready for use by the average marketer.

WARNING!

Many marketers will try to build location services in which the location is the primary value proposition. Location by itself has little value, however; location is an enabling feature that gives value to other services, such as mapping, search, and advertising.

Ticketing and identification with NFC and RFID

Although the technologies are far from mainstream at this point, some phones are being equipped with Radio Frequency Identification (RFID) and Near Field Communication (NFC) chips. These systems are similar in concept to Bluetooth in that they're both short-range communication systems, but they have unique identification and commerce capabilities.

In Germany, for example, NFC-enabled phones are used to purchase train tickets. A user simply swipes the phone past an NFC reader, and the reader charges her linked billing account (a credit card) for the purchase of the ticket.

No commercialized version of RFID has been developed yet. But RFID chips can be used to identify you and can even personalize signs as you walk by. (Did you see the scene in *Minority Report* in which Tom Cruise walks by a sign and the sign talks to him? That's what I'm talking about.)

Deciding How and When to Use a Particular Mobile Path

It truly is amazing to think about all the capabilities the mobile channel has to offer — how much reach it provides and what diverse interactions you can conduct over it. Not every mobile path, feature, and function is ready or applicable for mass marketing use, however — or even for niche marketing use.

In this section, I review the various factors you should consider when you're thinking about integrating mobile marketing into your marketing plans.

Six considerations for mobile marketers

Here are six things to consider when choosing a mobile path for your marketing programs.

Interoperability

Interoperability means that the mobile channel, feature, or function works across all networks (mobile operator and/or Internet) and geographies that you'll be launching your programs in. This factor is important, because in many cases you won't know what mobile carrier or network your audience is using. Especially in mass marketing programs, you don't want to miss out on a big portion of the market because your program doesn't work on one or more mobile phone brands, carriers, or networks.

Standards

You need to consider whether industry technical and business standards have been put in place to ensure the reliability, repeatability, supportability, and sustainability of the particular path, feature, or function you want to use. Text messaging, for example, was a big technological leap forward, and standards had to be developed for the proper creation and delivery of text messages. As text messaging matured, so did the commercial models: how marketers charge and get paid when they use the service. (See Book VIII, Chapter 6 for information on making money with mobile marketing.)

Device and capability proliferation

Just because a new phone and mobile terminal has been released doesn't mean that everyone has one. The iPhone is a perfect example. There are more than 3 billion mobile phone subscribers worldwide, but only 10 million or so iPhones are in use as of this writing. The iPhone is important because it demonstrates the power and potential of the mobile channel, but from a mass market mobile-marketing perspective, its impact is limited because relatively few people have iPhones compared with all the phones that are out there.

Moreover, not all phones are created equal, and not all capabilities are on all phones. Marketers should consider a particular mobile capability as applicable for mass market use only if a feature is on most phones (SMS for example) and consumers both know about it and choose to use it. For example, the average consumer changes his phone every 18 to 36 months, so even if a new capability is built into every new phone that's released, it will take years for that capability to propagate through the market enough to be considered appropriate for mass market use by marketers.

Device and capability adoption

Just because a phone has a particular capability doesn't mean that everyone knows how to or chooses to use it. Just look at SMS. SMS has been on the market for more than 17 years worldwide (7 years in the United States), but only about 60 percent of U.S. mobile subscribers use it (versus 90 percent of 18- to 25-year-olds). SMS is just now being adopted enough to be considered for mass-market mobile marketing use.

Ecosystem and player health

When you choose the capability that you want to launch, you need to take into account the health of the overall mobile ecosystem and the health of the specific mobile service provider you'll be working with. If the ecosystem as a whole, for a particular capability or service provider, is unstable because of immaturity or poor health, this instability could affect the success of your campaign.

Geography

You must understand the country and/or region in which you'll be launching your programs. All countries are different, so you may need to find one or more different service providers in each country, tailor your applications to meet local regulations, or localize the language of your programs. If you plan to launch programs in multiple regions at the same time, you need to consider this issue in your plan and make sure that you find the right partner.

Ratings for mobile technologies

Taking into account all the variables in the preceding section, you can rate the mass-market applicability of each mobile path by using a rough criteria — for example, whether a path meets the factor for mass market applicability (can it reach 80 percent of the audience?). Table 1-1 scores each mobile channel and how it rates on the six mass marketing applicability criteria.

Table 1-1			Mobile Path Marketing Applicability Rating				
	Voice	*SMS*	*Mobile Internet*	*MMS*	*E-Mail*	*Bluetooth*	*Installed Application*
Inter-operability	X	X	X				
Standards	X	X	X		X		
Device and capability pro-liferation	X	X	X				
Device and capability adoption	X	X		X			
Ecosystem and player health	X	X	X				
Geography	X		X				
Score	6/6	5/6	5/6	1/6	1/6	0/6	0/6

Figure 1-6 depicts channel-marketing applicability visually and shows that the IVR, SMS, and mobile Internet channels are the most applicable for mass-market programs, whereas all other channels and various content types are more appropriate for niche marketing programs or simple experimentation at this point. See the nearby sidebar "Focus on your target market" for a discussion about how to adjust your perspective of these different channels.

Focus on your target market

Even if a particular mobile path isn't applicable for mass marketing use, you shouldn't ignore it. Services such as video delivery through MMS or applications are perfect for niche markets — markets in which you can be fairly sure that your audience members have mobile phones capable of accessing the mobile Internet, that they have data plans (they're paying their wireless carriers for data services such as mobile Internet), and that they know how to use the feature.

Business market segments, iPhone users, and high-end niche consumer markets are perfect candidates for a rich mobile experience, such as iPhone-specific application downloads. You can be widely successfully with this path, and many players are seeing their applications downloaded hundreds of thousands of times a month via iPhones, whereas they're not seeing these numbers on a mass market level because the application doesn't meet the mass market criteria. In short, you'll want to rely on voice and text messaging, and then start introducing the mobile Internet, and then other services until you better understand the members of your target market and the phones and services they use. Then, after you know what phone they use, you can focus on the services that these people have. For example, 85 percent of iPhone users regularly use the mobile Internet and download applications.

Figure 1-6: Mobile technology applicability for marketing.
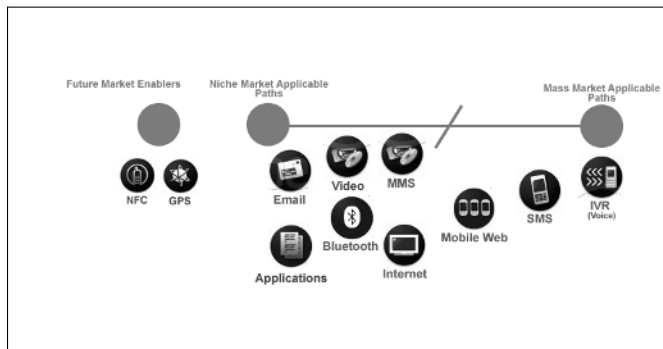
Complying with Regulations and Guidelines

Like in any industry, you must follow numerous regulations and best practices to stay in compliance with the rules of the industry, protect consumers, and ensure the best possible user experience:

✦ **Regulations** are government-mandated rules and laws that must be followed on the state and federal levels in the United States or throughout a particular region in other parts of the world.

✦ **Best practices and guidelines** are compilations of accepted industry practices, wireless carrier policies, and regulatory guidelines that have been agreed on by representative members of a particular industry.

In the following sections, I provide the industry's best practices, guidelines, rules, and regulations so that you can stay on the right side of the law and practices.

Adhering to industry standards and best practices

Every industry needs to have rules; otherwise, you'd simply have chaos. Chaos leads to costly inefficiencies that eat up a lot of time and money and that affect consumers adversely. Moreover, many industries find that some methods work better than others. These methods rise to the top and are referred to as *best practices* — the best, most efficient ways to get the job done and stay in compliance with the rules.

Balancing the demands of consumer protection and openness is difficult, but experienced representatives of every sphere of the industry ecosystem developed the mobile marketing industry's best practices; they know what is effective and what is ineffective with consumers.

Moreover, as is the case with the mobile marketing Consumer Best Practices Guidelines published by the Mobile Marketing Association (MMA), following the guidelines is mandatory. Each wireless carrier and messaging aggregator in the United States requires marketers to follow the practices outlined in this document, which provides detailed implementation guidelines for text messaging, IVR, and mobile Internet programs for the U.S. market. The guidelines are updated twice a year (in January and June), and sections are refined and added as the industry matures. You can download the MMA Consumer Best Practices Guidelines at `www.mmaglobal.com/best practices.pdf`.

Steering clear of mobile spam

Spam is unsolicited, unwanted communications — e-mail, text messages, multimedia messages, and so on — sent to a mobile phone user. Spam is regulated, however. The U.S. CAN-SPAM Act of 2003 (Controlling the Assault of Non-Solicited Pornography & Marketing Act) and European Union Directive 2002/58/EC explicitly prohibit spam, as do other regional directives and industry best practices and guidelines.

Each directive has different rules about what constitutes spam. The mobile channel is recognized as requiring explicit consent from mobile subscribers before you can message them, for example, but with e-mail, typical regulations allow you to e-mail anyone without consent as long as you provide a clear and conspicuous way of opting out (telling you not to contact them).

Other trade association guidelines

Several industry organizations produce guidelines that are applicable to mobile marketing:

✔ **Mobile Marketing Association (MMA):** In addition to its Consumer Best Practices Guidelines, the MMA publishes a global code of conduct; regional and global mobile advertising guidelines; and educational materials on topics such as IVR, Bluecasting, mobile Internet, sweepstakes, and couponing. For more information, visit the organization's Web site at `www.mmaglobal.com`.

✔ **Direct Marketing Association (DMA):** The DMA is a leading trade organization in both the United States and the United Kingdom that focuses on direct marketing practices, including mobile marketing. The UK organization's mobile council has produced several guidelines that can help you execute your mobile marketing programs properly; you can find them at `http://mobile.dma.org.uk/content/Inf-Case.asp`.

In the United States, the DMA has formed a mobile advisory board, mobile council, and a series of mobile committees to develop best practices for mobile marketing. For more information, visit `www.the-DMA.org`.

✔ **Interactive Advertising Bureau (IAB):** The IAB's mobile committee produces best practices and mobile advertising guidelines, which are available at `www.iab.net/iab_products_and_industry_services/1421/1488/mobileplatform`.

✔ **dotMobi:** This organization, which runs the `.mobi` top-level domain, also creates best practices and guidelines for the mobile Internet and offers a wide range of services. See `http://mtld.mobi` for more information.

WARNING! You can read the rules and figure out exactly what is allowed and what isn't, but the easiest way to stay clear of problems is to avoid sending unsolicited messages to anyone. Get permission first. (For details on obtaining an opt-in, see Book VIII, Chapter 2.)

Checking mobile SMS and content program certification

Marketers may want to run a nearly infinite number of mobile programs through the mobile channel and the many paths through it. If these programs have SMS, premium SMS, or mobile content elements associated with them, they must be precertified by the U.S. mobile carriers, especially premium programs.

REMEMBER Each country has different rules about what needs to be precertified and what doesn't. Contact your application provider or connection aggregator for assistance.

The wireless carriers create the rules for certification, with input and program auditing from leading trade associations. In the United States, the wireless carrier and connection aggregator agreements require all marketers to obtain preapproval certification from wireless carriers before running a program. You can obtain this certification with the assistance of your connection aggregator and/or application provider partners.

The guidelines you must follow are detailed in the MMA's Consumer Best Practices Guidelines (refer to "Adhering to industry standards and best practices," earlier in this chapter), as well as in frequently asked questions and carrier-playbook documentation published by connection aggregators. Your application provider can provide you with a summary of these rules — if you use an application provider, that is. If you don't, you'll have to dig through the rules yourself.

Avoiding contact with the National Do Not Call Registry

On October 1, 2003, the U.S. Federal Trade Commission (FTC) gave consumers a choice about receiving most telemarketing calls by developing the National Do Not Call Registry. Consumers can register their home and mobile phone numbers with the Do Not Call Registry at `https://www.donotcall.gov`. Most marketers are forbidden to place telemarketing calls to any phone number listed in the registry, but some exceptions exist, such as political organizations, charities, telephone surveyors, and companies that have preestablished business relationships with a consumer. Marketers are required to check the registry at least once every 31 days to clean their internal lists.

WARNING!

The FTC considers text messaging and e-mail to fall under the umbrella of the Do Not Call Registry. Make sure that you get consumers' consent before you contact them through these channels.

Safeguarding the privacy of children

Children (13 years old and younger) use mobile phones, too, and you must be very careful when marketing to them. In the United States, rules for marketing to children are clearly spelled out in the Children's Online Privacy Protection Act of 1998 (COPPA), which you can find at `www.ftc.gov/ogc/coppa1.htm`. The act clearly outlines how and when you can engage children, as well as rules about gathering their personal information and gaining parental consent.

TIP

In addition to COPPA, you should pay close attention to Section 4 of the MMA's Consumer Best Practices Guidelines (refer to "Adhering to industry standards and best practices," earlier in this chapter), which details the industry-accepted methods for marketing to children via the mobile channel.

Protecting personal information

You should take the security of consumers' personal information very seriously. If you don't, at best you may simply ruin any possible future relationship with a consumer; at worst you could pay a severe fine and even end up in jail (especially in Europe, which has incredibly stringent consumer protection laws).

Personal information can take many forms, including a consumer's mobile phone number, address, health and financial data, and behavioral data. (For a review of various data types, see Book VIII, Chapter 7.) In marketing, personal information is divided into two classes:

✦ **Personally identifiable information (PII):** *PII* is any and all information that can be used to identify a person.

✦ **Non-personally identifiable information (Non-PII):** *Non-PII* is information collected through the course of the marketing process, such as clicks on a Web site, that can't immediately be linked to a specific person.

Both PII and Non-PII are collected in mobile marketing interactions. The information may simply be a person's phone number, as when someone text-messages into a program, or it may include additional details such as age, name, and address. The information may be provided by the consumer during the course of his interaction with you or obtained later by combining data from multiple public and private data sources. (See Book VIII, Chapter 2 for details on collecting and using data.)

WARNING!

Regardless of how the information is collected, it's critical that you protect and safeguard all information that you collect during your interactions with consumers. Frankly, it's prudent to collect only information that you really need. Why assume the liability of having it if you don't have to?

Staying compliant in special cases

You should take great care with a few special types of programs, including sweepstakes, contests, giveaways, and premium billing programs. You not only have to make sure that you have these programs precertified by the wireless carriers, but you also have to ensure that you're in compliance with local, state, and federal laws. If you don't, you may find yourself not getting paid and possibly getting sued. The best practice is to consult an expert; your application provider and connection aggregator can help.

TIP

You may want to consult a specialty marketing firm to handle your sweepstakes and contests. Detroit-based ePrize (`www.eprize.com`) is an interactive agency that has expertise in this area.

**Book VIII
Chapter 1**

**Getting Started with
Mobile Marketing**