

1. **The growth and importance of mobile communications to the advertising industry:**

- In South Africa, there are an estimated ten million cellphone owners browsing the mobile internet and an estimated five million PC users. Many PC users only have internet access at work, during office hours and in a controlled environment. Mobiles on the other hand are mostly attached to the individual user at all times.
- In Africa, mobile will often be the first screen people have personal access to, more than PCs, and more than TV. This offers advertisers the first direct, affordable route to very large untapped markets.
- A mobile handset is personal, it is mostly always on and in your pocket. Advertisers can talk to customers at the point of purchase or before decision is made. E.g. an SMS sent just before lunchtime offering a free beverage with every meal purchased may entice a customer to that outlet rather than a competitor.
- Response can be measured immediately, particularly if there is a call to action in the message. Traditional marketing and advertising methods which often lack genuine measurement tools. Consultants have racked up thousands of hours trying to come to a way to measure return on investment from traditional media – and each methodology has its weakness. With mobile there is no weakness. Just bald statistics, instantly, to gauge the delivery of your message.
- Mobile marketing is inexpensive compared to other media and you have low production costs for SMS/ MMS and WAP. Even those with shoestring marketing budgets can embark on sophisticated campaigns.
- Worldwide it is known that content drives internet usage. Effective video and music clips are forwarded on virally providing the kind of reach unheard of using traditional media.

2. **The strength of the mobile phone as a means of communication:**

- In South Africa, most adults that advertisers want to reach have a mobile – offering unparalleled reach.
- New generation handsets are sexy, full colour, multimedia, multifunctional devices that can include technology for location awareness and mobile payments.
- Handsets are portable and personal. The user is in reach, unlike landlines. The mobile has overtaken the landline as the dominant form of communication in the home. Mobiles offer marketers the unique opportunity of communicating one to one – it is just you talking directly to your consumer, without noise, filters or interference. This allows your message, to be personal and delivered privately.
- The new phones are effectively mobile internet browsers.

3. The global enthusiasm for the SMS as a cheap and efficient means of communication;

- All phones support SMS. There is no special configuration required.
- Research has shown that 90% of SMS messages are read within 15 seconds of being received. They do not lurk unread in inboxes or spam folders.
- SMS response rates are typically 15 times higher than achieved via traditional marketing.
- It is instant - you can embark on an SMS marketing campaign and literally reach tens of thousands of recipients in a matter of minutes with a targeted message and without incurring huge production costs and long production times. You are not dependent on the media having capacity or space to deliver your message.
- The message is interactive and the target can reply or respond instantly.
- SMS is totally measurable. You can tell how many messages are delivered, opened and if there is a call to action in the message, you can measure response too.
- This allows your return on investment to be calculated quickly and accurately. As mobile marketing is cheap, a 30c SMS can easily yield a return of more than R1000 – even R100000 – a sale if done properly. (These large returns were achieved by bankers marketing the chance to consolidate debt into home loans.) SMS response rates are typically 15 times higher than achieved via traditional marketing.

4. Why mobile marketing has such power to persuade:

- You can really get the right message to the right target at the right time in the right place.
- This is a direct communication – you talking unhindered to the consumer. There is so much noise and clutter in traditional media - too many channels and too many competing messages. This is a clean channel.
- Mobile marketing is permission based – so consumers are receptive to your message given that they elected to receive communication from you.
- Even if the phone is off - they will still get the message. If the radio is off they won't hear you advert or if they miss the newspaper, your advert might never get seen.

5. Mobile retail and ticketing:

- We have not even begun to use mobile phones to their maximum. Ticketing is still in its infancy but there are a few examples which prove its potential:
 - Ordering, paying for and storing a ticket for later validation and redemption using a cellphone is already in use (and has been since 2005) in Japan by the world's largest passenger rail company servicing more than 16 million passengers a day.
 - Last year mobile phone tickets for the Madrid Masters heralded a world first for sports ticketing. Fans opted for mobi-tickets which contained a unique barcode and

information about the match. The barcode was then scanned at the entrance to the Madrid Arena by staff to allow tennis fans into the grounds

- Qatar Airways, one of the fastest growing carriers in the world, launched their "mobi-pass" which allows their passengers to receive a boarding pass straight to their mobile phone
 - O2 offers its O2 Wireless Festival going customers Mobi-tickets sent directly to their mobile phone when purchasing tickets through Ticketmaster or the O2 Wireless festival sites on O2 Active and i-mode. The Mobi-ticket is delivered as a text message, and contains a unique barcode which is redeemable at the point of entrance
 - NFC and RFID are m-commerce and mobile ticketing enablers. These are the technologies that will allow you to wave your cellphone (contactless) near a device to initiate or conclude a transaction. In the UK the prepaid oyster card for London public transport – used daily by millions of commuters - is an example of this and this technology is now being built into the handsets.
 - Even McDonalds recognise the value of mobile payment. Working with SK Telecom in Korea, the company is testing a new food ordering process. Customers place orders by pointing their (RFID-enabled) mobile phones at the items they desire which are then automatically charged to their phone bill.
- Some more probable mobile shopping activities that consumers may want to do on their mobile phones – like finding stores or opening times - checking/comparing prices, is possible via internet enabled phones. Increasingly these applications are being written especially for mobile access and smart phones.
 - Sterkinekor now offers a mobile internet/WAP site where you can purchase movie tickets using your credit card and redeem via their ticketline system at the cinemas.
 - Selling electronic content via mobile is a multi billion dollar industry. Video, ringtones, graphic clips and games all tailored to your phones are all available to be bought via mobile. South African specific content such as the Shiniwam and Mugabe ringtones are great examples of local success stories.

6. Why competitions:

- Marketing via SMS is very much a three-step process: gathering; implementation and measurement. The initial step of **gathering** data is the process of accumulating customers' name and cell phone numbers (and whatever other data you identify as important to enable you to segment your market) and then storing the information in an appropriate database. This phase may require the use traditional marketing channels such as print, radio, outdoor and television and may need an incentive – like a competition - to encourage customers to respond using the medium of SMS. The best databases are those enriched with additional personal information – such as geographic location or any personal detail such as product preferences, date of birth or profession.

- You need permission to market to your customers via mobile - a competition is a good incentive to get them to part with some information such as their postal code or year of birth that will help segment your data and learn more about your customer.
- Other gathering methods may involve asking people to complete a form, download a freebie etc. Some examples are the Knorr “What’s for dinner” campaign where we set up a website with recipes and which included shopping lists which could be sent to your mobile. Baby and Company offered a free birth notification service via SMS.
- All SMS competitions can be self funding if you elect to use premium rated SMS.

7. Media fragmentation:

Media fragmentation has happened and given the proliferation of choice of general and specialist, traditional and new media now available, advertisers and marketers have been crying out for something efficient, effective and affordable that lets them talk directly to the consumer. Mobile delivers on all counts and can increase responsiveness to market trends, news events or creative opportunities that present themselves. Mobile is a medium of the common man – using this channel marketing and advertising move from being the exclusive domain of companies with big budgets and impressive creative agencies into the hands of anyone with desire to talk directly to their customers.

8. Mobile marketing technology:

- SMS: the most widely used messaging bearer - supports 160 characters of text only. However this can be extended to longer by string multiple 160 character messages together. The beauty about mobile messages is that they can be sent from almost any digital platform e.g. handset to handset; web to SMS; email to SMS or via file transfer.
- MMS: this is similar to SMS but supports graphics audio and video and the receiver must have an appropriate handset to view. MMS leverages camera phones as input devices.
- WAP/Mobile Internet: this is the next wave of internet sites – internet pages suitable for mobile viewing. It is about context versus content: pages must be kept it simple – they should be a digest version of the internet you see on your PC as phone screens are smaller, input devices are clumsy and navigation without a mouse can be tricky. Less is definitely more.
- Shortcodes: common shortcodes are five digit cellphone numbers. One number works on all networks. It is easy to remember and useful for marketing.
- IVR: computerised voice system - allows callers to interact with a voice menu by responding to prompts using their keypad.
- Voice Mail: this is an interesting mobile marketing tool - pushing voice mails directly to a cellphone user’s voice mail rather than to their screen.
- Bluetooth beaming: can be useful in closed environments such as airports and malls where customers with bluetooth activated handsets are streamed or invited to accept content.

9. Trends in the industry:

As broadband capacity grows and becomes cheaper, internet access via handsets will grow. Subscribers' hunger for new, upgraded handsets will grow as the technology advances – opening up even more sophisticated marketing opportunities.

The demand for mobile internet presence is increasing steadily as radio stations and other media channels are identifying the growth in this area of the market.

The future of mobile is all about MORE...

More subscribers; more speed; more sophisticated handsets and more content and services