MobileBeyond

The Future of Mobile Communications

Kim Dushinski

Brian Prows

Mickey Alam Khan

Jay Goss

Michael Becker

Bryce Marshall

Eric Hansen

Mobile Marketing Conversations

Mickey Khan, Mobile Marketer
Kim Dushinski, Mobile Marketing Profits
Michael Becker, Mobile Marketing Association
Eric Hansen, SiteSpect
Jay Goss, Mogreet
Bryce Marshall, Knotice
Brian Prows, MobileBeyond

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Mobile Marketing Conversations
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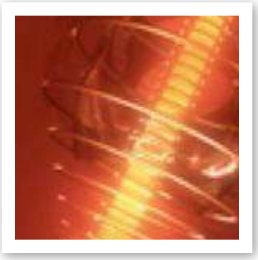
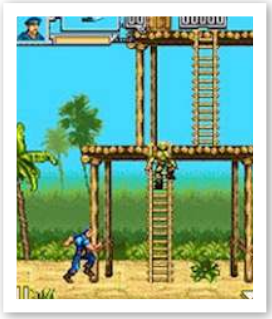
Intro by Brian Prows



MobileBeyond

Welcome to Mobile Marketing Conversations, an e-book about the expanding fields of mobile marketing and advertising. In the past year, I had the rare opportunity to record podcast interviews with some of the brightest, most informed mobile marketing experts in the industry.

Originally appearing on MobileBeyond, my blog about the future of mobile and IM-Mobile, a mobile marketing and advertising blog, subjects range from mobile marketing best practices to mobile websites, small business applications to video marketing, the mobile ecosystem to digital marketing.



Chinese Game

Choosing whom to invite was tough. After reviewing the podcasts, I finally settled on six guests who impressed me with their broad understanding, knowledge and insights.

Each of the six guests has expertise in specific segments of the mobile marketing industry. Marketers who are new to the practice of mobile marketing, as well as veterans, should find the range of topics both interesting and useful.

After the recordings were transcribed, guests and I edited the transcripts to improve clarity. What appears perfectly understandable when spoken is sometimes clouded when read. Many people, as well, also prefer the written word.

Motorola DynaTac
First Mobile Phone

At the end of each interview, I've included links to each guest's blogs, websites and other online materials, plus their email addresses, if you'd like to contact them.

You'll also find links to online articles and other materials for download in each transcript and at the end of the interview. I've also included further resources at the end for readers who would like to further explore mobile marketing, advertising and technologies.

Thanks to the guests who appeared on MobileBeyond and agreed to share their knowledge with a wider audience about this dynamic industry

I also thank MobileBeyond readers and listeners. Without you, MobileBeyond wouldn't exist.

Enjoy Mobile Marketing Conversations. I wish you much success.

Practical Mobile Marketing Advice For Small Businesses with Kim Dushinski Of Mobile Marketing Profits

Brian: Kim, welcome to MobileBeyond. How are you?

Kim: I'm great. And yourself?

Brian: I'm fantastic. I'm really glad to have you on the show. Of all the guests who've appeared on MobileBeyond, you best articulate how small-to-medium-sized businesses can implement and benefit from mobile marketing campaigns.

I think this is extremely valuable since many campaigns reviewed on the Internet and elsewhere are about large brands--Fortune 500 advertisers. Was that your intention when you wrote your Mobile Marketing Handbook? Make mobile marketing understandable and practical to SMB's?

Kim: Well, my heart is with the small business because that's sort of who I am and what I love. And also I do think that small businesses have an advantage over big corporations in terms of fewer committee meetings. They can make a decision on the fly, "Yes, I'm going to give this a shot." And it doesn't take as much for a mobile campaign to have a big impact in a small business. So, yes, I would love it if small businesses across the country in the world would dive into mobile.

Brian: When Mickey Khan with Mobile Marketer was on the show, he agreed about SMB's mounting mobile marketing campaigns. He said large brands tend to lead the way and then SMB's follow their examples.

This isn't surprising considering that mobile marketing is relatively new. Many consider the release of the iPhone in 2007 the time when mobile marketing hid its stride. So it's not surprising that small businesses only recently have adopted mobile marketing

Kim: Yes, and when they decide to get going, small businesses can launch mobile marketing campaigns faster.

Brian: Because all the mistakes have already been made by larger brands! (laughter)

Kim: Right, and they're fewer layers in the decision process.

Brian: While I read through your Mobile Marketing Handbook, Kim, one of the things that you point out clearly is the need to take a multi-channel approach when using mobile marketing and advertising. Besides convincing people to opt-in so they can receive information, why is using multiple media channels in mobile marketing campaigns so important?

Kim: Well, it's important because our media today is so interactive. We're used to, "Oh, I see a commercial. They're going to send me to a website.

If I'm on the website, I can probably find out what they were talking about in the commercial. Or if I'm reading an e-mail, they're going to provide a link to their website so I can get more information."

So, it's sort of the way it happens anyway and mobile blends nicely. But mobile doesn't stand alone very well yet because it's so new as you mentioned. For somebody to discover your campaign on a mobile device, opt-in, and handle everything within a mobile environment is a bit unrealistic.

Five Steps for a Dynamic Mobile Campaign

Brian: In your book, you outline five steps to create a dynamic mobile campaign. And the first one is determining what your target market wants and then offer it. How does someone who wants to use mobile marketing determine target market needs? What should marketers consider before launching?

Kim: I think it starts with common sense. In the book, I list six values, six things that people are looking for with mobile, the first being location-specific information.

So the reason they're interacting with you on a mobile device because they're not at their regular computer and a phone now offers them an additional way to connect with you.

Never forget people are mobile in this market. It seems so obvious that many businesses forget. They want to cram a whole website on a mobile device screen. They want to make sure a website technically "fits" on the device. But the reality is people want something different on their phone.

If I'm looking at a company's mobile website, I'm most likely trying to find their location or their business hours. Maybe I only need their phone number to see if they have something in stock.

In general, people want something specific to their location. They're searching for information: movies and start times, other nearby places, more information about your business. People are out and about and they're looking for your location.

If you want to **get** new customers in that same scenario, you advertise outside your business. So you include necessary information in your advertising or other ways you normally get new customers.

Brian: How do you do that with mobile? You highly recommend SMS text advertising because SMS is the easiest way to launch mobile marketing campaigns. But marketers know they can also use banner campaigns to reach iPhone and other smartphone users. Which should you do first?

Kim: Well, it's important to know who your customers are. In general, if your customers are the type of people who have iPhones or other smartphones--if you know your demographics--you should find out which phones your customers use by analyzing the types of mobile phones accessing your website.

If you're a retailer, do a survey of your customers as they come in. "Hey, what kind of phone do you use?" It can be as comprehensive or as simple as you'd like.

But most people do **not** have an iPhone, even though iPhones are the really cool thing that people associate with mobile marketing. Few people worldwide and in the U.S. own iPhones compared to all cell phones. Most people, in fact, don't yet have a smartphone.

So you need to consider this when doing mobile marketing. Base your campaign on your targeted phones so ads display properly.

If you want to reach the most mobile users, SMS text messaging is it, because most phones have text messaging ability and texting is what most people use on their phones besides making calls.

Brian:, You write and talk about the importance of mobile websites for large and small companies. Why couldn't I do a mobile campaign without having a mobile website? Why is it essential?

Kim: Well, you can certainly start a text messaging campaign without having a mobile website. However, what you need to understand is that people may find your regular website whether or not you're using mobile.

If people are searching for your business on their mobile device or if you're using social media (say Twitter or Facebook), you need to realize that consumers are accessing those services via their mobile device in increasing numbers.

Facebook grew from 20 million to 65 million mobile users in a nine month period. So, it's growing exponentially. Let's say your customers are using their mobile device on Facebook and they see your company link. They'll click on it and if your website doesn't display properly because it's not mobile-friendly, users may have a poor experience. As a business owner, you might not even know.

Brian: You write about mobile-friendly websites in your book and you mention several different solutions for mobilizing a blog or website, especially those services permitting mobile ad placement on your site from AdMob, Google and elsewhere. Which services do you like best? I'm also wondering if you've tried either the Wapple WordPress plug-in or the Wapple website design service.

Kim: If someone only has a blog, use a plug-in to mobilize especially if it's a WordPress blog. It's free, simple and easy, even though your blog may not display perfectly all the time.

As far as for businesses, I haven't used Wapple although I've heard about it. If someone needs to build a mobile site today with the least headaches, I'd say "run, don't walk" over to MoFuse Premium.

It's the mobile website builder that I have had the most fun using. It let me do what I wanted without a lot of thinking. I could insert graphics, nest pages, move things around. And it just worked. It was so fun and easy and it didn't make me want to rip my hair out like I've done with other mobile web building tools. That's my favorite, really, Mofuse Premium.

Brian: In the previous few weeks, I've experimented with some of the mobile site builders. I built one site with MobiSiteGalore, But I'm having problems inserting AdMob code and other issues. I've seen MoFuse Premium online and it looks like a clear-cut, powerful platform to build a mobile website.

Kim: And MoFuse has pricing ranges based on a company's needs. There's a $7.95 option that should work for any small business. If you can't afford $7.95, maybe you've got other issues besides your mobile web to worry about. They work with some of the bigger brands.

Brian: MoFuse does customize work too? So, if someone doesn't want to build their own website?

Kim: I believe they have that option, yes.

Small Business Mobile Marketing Campaign

Brian: Taking a look at a few case examples of companies, what are one or two mobile marketing campaigns that worked well and why?

Kim: Sure. Well, I've two case studies I want to share. One is a small business study and one is a large corporation.

The first I'll share is a small business example, and this was done by a company called JitterGram. One of their clients is a mom-and-pop, single location restaurant in New Hampshire that wanted to offer mobile coupons. The restaurant just started building its list and getting people opted-in (around 60 people on the list).

A big snow storm hit. Well, of course, the restaurant was going to have a slow night. So they sent out a mobile coupon via text messages to those who had opted-in to receive them--just to see what would happen. On that snowy night the restaurant attracted 16 additional people or 8 tables for dinner.

That sounds like a small result, but for a small restaurant, it took them from "Oh, my gosh! I'm losing money" to, "Hey! I paid my staff. This is great'." And they only had 60 people on their list; so it wasn't like they had invested a lot money. That's an example of how mobile can have an impact even in a small company.

Pizza Hut SMS Campaign

Brian: You mentioned you have an enterprise company example?

Kim: Sure. Well, there's a Pizza Hut campaign I think is also really interesting, and it's an SMS campaign as well. I mention SMS campaigns because they're the most quantifiable. Pizza Hut built a list of 1,080 people who were willing to get a message every week about special offers. Let me back up and tell you how they did it.

They advertised a chance to win a pizza a month for a year on cable networks. And this brings up an interesting point about the need to give people a reason for wanting to be on your list. You need to give them something exciting because just saying "let us send you specials" is really not going to work for very long. It may work for a little while and for customers who are highly attracted to your company, but it's not a long-term solution.

So the chance to win pizza a month for a year is pretty cool. People are like, "Yeah. I'd like a free pizza every month." And for Pizza Hut, what's the cost of that? Nothing. So, when people signed up for this, they received a text message that said: "You're now entered to win a free pizza every month. The winner will be notified by phone."

Two thousand people entered the contest in this limited campaign for two-weeks based on the advertising. Then Pizza Hut sent a second message that said, "Reply 'yes' to get 10 more entries to win." So now, they're incentivizing people again and saying, "Hey! Say 'yes' and you'll get 10 more chances to win and we're going to send you exclusive offers. So, reply 'yes' now."

Pizza Hut got a 54% double opt-in. 54% of the 2000 said, "Sure give me 10 more entries and I'll take a message a week." I love this campaign for a couple of reasons. They advertised it on TV to build their list. They got a double opt-in and a thousand people in a couple of weeks which is a pretty good deal.

Brian: I think your stories--Pizza Hut and the restaurant—point out that like any other advertising medium, you have to build traffic. You have to increase response with mobile over time. It's like building response in newspaper, magazine or Internet advertising.

Kim: Right. You have to do something to compel people to participate--provide them relevant value.

Mobile Marketing Considerations

Brian: Kim, when you're talking with people, especially business owners who haven't tried mobile marketing yet, what are the major objections you hear? What stops businesses from using mobile marketing?

Kim: Well, I think it's so new that people are confused about what mobile can do and what it is. Is it an ad? Is it an app? Do I have to build an iPhone app? Is it the Web? Is it a text message? There's a lot that small business marketers need to understand about mobile marketing.

Then the economy has slowed things down because businesses are less likely to invest in something new and untried. Business owners need to know who to work with. Do I use an agency?, Do I do it myself? Where do I learn how to launch a campaign? Who do I buy from? It's not always clearly defined.

Brian: They're more players in the mobile ecosystem to launch a mobile campaign compared to running a search ad on Google, for example.

Kim: Right. The carriers are always going to be a player in mobile marketing, which is different than the Internet, because ISP's that provide your broadband don't impact consumers interaction with anybody else. In mobile, it does.

Mobile carriers can turn campaigns on, turn them off, approve them and take them down. Recently Verizon stopped approving SMS messages from 4INFO, one of the biggest SMS marketers. It's been resolved, but for a few days Verizon said, "Nope, you can't do it." And the carriers will always have that right.

Brian: If you were advising a small business about getting into mobile marketing, what percentage of total ad budget would you recommend?

Kim: I don't know that I have a specific number. I would suggest looking at a company 'sis existing marketing spend, figure out what's not working and allocate that amount to mobile.

If the company is tracking marketing results, they should have a sense of things that work and that don't. If there's something old school, dare I say, Yellow Pages or other advertising that's no longer working, I'd recommend putting that money into mobile without increasing the budget.

Brian: So businesses that have moved their Yellow Pages advertising online and stopped their printed telephone directory advertising could use the savings for mobile?

Kim: Yes, I wouldn't advertise in the printed versions of the Yellow Pages. In fact, I don't even bring my Yellow Pages phone books into my house anymore. They land on my porch. I take them straight to a recycling center. Thankfully, the Yellow Pages are doing a lot more with online and actually a lot with mobile, as well. But it should cost a lot less.

As far as the major brands, there are a couple of ways to look at it. Brands could allocate a percentage of their [existing] interactive budget to mobile add [mobile] as a new category.

Brian: The MMA recently redefined mobile marketing to include all "mobile devices"—not just mobile phones. In your book and articles, you also write about mobile devices other than mobile phones. When Michael Becker appeared on MobileBeyond, he also talked about mobile devices, such as the Amazon Kindle, plus similar devices (Barnes & Noble's Nook, Sony's eReader and Apple's new iPad). Do you consider these viable devices for mobile marketing in the future?

Kim: I'd think they'd almost have to be at some level if they are connected to the mobile Internet and generate a revenue stream.

Brian: That's why I raise the issue because the Amazon Kindle is already connected to the Internet allowing owners to download books and publications. And if you look at the real estate on the Kindle device itself, Amazon is cross-selling and up-selling electronic versions of books and other publications similar to what they do online.

Amazon also has lots of demographic information about you and me regarding our buying preferences. Since that's the case with the Kindle as well, what do you think about mobile ads appearing on the device?

Kim: I think it will depend on consumers' perceived value of the offers and their acceptance of mobile ads now appearing in space that was once ad-free, although Amazon suggesting other related books and authors that interest me seems reasonable.

Also, If Amazon placed ads like "get $5 off your next order or something like that," I think that's fine.

I imagine Amazon and others will carefully watch consumer acceptance of advertising where it once didn't appear.

Look at Facebook when it tried inserting advertising. Sometimes it works fine and other times people are incensed because it's too intrusive.

Brian: Of course, in the case of the Amazon Kindle, users are already acclimated to book and other product suggestions on Amazon's website. And Amazon is already doing recommending books users might like to read. To me, that's advertising.

Kim: It is and it's so relevant that you don't mind.

There was a study done by the MMA [Michael Becker] showing that only 25% of people were open to mobile marketing. But I'd say if you ask people, "Would you be willing to get special offers from businesses with whom you already do business," they'll probably say "sure." Nobody wants to be marketed to but everybody wants relevant information.

Brian: So if there's a relationship–in this case with Amazon--that's already been established [Kindle owners want information about new books], then it's o.k.

Kim: Yes. However, If all of a sudden Kindle owners got a Pizza Hut ad on their devices, they'd probably say "What the heck? Go away."

Brian: Do you know of any other electronic devices that are good candidates for mobile marketing in the future?

Kim: Well, GPS devices installed in cars are prime, because they're location-based devices helping consumers. However, I think they're going to suffer at the hands of mobile phones. My phone, for example, has GPS. So, I'm never going to buy a car with GPS built-in.

Brian: Yes, Nuvi, Garmin and other stand-alone GPS device manufacturers are struggling because they're competing with mobile phone manufacturers who offer GPS.

Cameras, found in most feature and smartphones, offer the same challenge to camera manufacturers, just as MP3 players in phones are competing with standalone MP3 devices.

Seeing what's happening with mobile phones and smartphones, in particular, offering these features, do you ever see the day when a single mobile device replaces these devices?

Kim: Oh, I think that would be cool. I'd like to not have to carry around a bastion of devices. But battery life is a problem unless it increases dramatically or people are willing to purchase and carry replacement batteries.

Brian: The one bane right now within smartphones: the more functionality you build into a smartphone, the faster the battery drains.

Kim: Exactly. I can't even imagine using my phone as an MP3 player because then I wouldn't make it through the day with a phone. So, I think battery life is the key.

Brian: Or solar technology or another way to charge a mobile phone. I read about a mobile phone someone is developing that uses wind power. You shake it and it charges the battery.

Kim: Wow. It's like radios that you crank.

Brian: Yes. Plus look at all the exercise you'd get by shaking your phone or cranking your radio.

Brian: Kim, looking down the road in terms of the future of mobile marketing and advertising, what changes do you see?

Kim: I see mobile marketing becoming more integrated into consumers' daily lives, much the same as Internet marketing is now. Remember when on the Super Bowl, people put websites on ads?. Everyone was astonished: "There's a website."

Now it's kind of the same thing with mobile. During the last Super Bowl, there were only two mobile commercials. I expect more mobile ads in following years as mobile is integrated into business-to-consumer and, eventually, B2B marketing.

The thought of a marketing plan without an Internet marketing budget right now is unthinkable. It will be like that in mobile at some point and it will come faster than the Internet.

Brian: Well, Kim, I thank you for appearing on MobileBeyond today. You're very insightful and I highly recommend that listeners read your excellent Mobile Marketing Handbook.

Kim: Thank you very much.

Brian: Take care.

Kim Dushinski with Mobile Marketing Profits, a consulting firm that offers mobile marketing training and tools for businesses and entrepreneurs is leading the way. Using best practices, Kim trains and advises companies how to implement mobile marketing in their organizations. Visit Kim on Twitter or Facebook.

A successful entrepreneur with over 20 years of experience in sales and marketing, Kim's best-selling "**The Mobile Marketing Handbook: A Step by Step Guide to Creating Dynamic Mobile Marketing Campaigns**" is widely regarded as essential reading.

Kim is also one of the authors of the upcoming book "Social Media Superstars" edited by Mitch Meyerson. She was recently named one of the "Mobile women to Watch 2010 by Mobile Marketer, an online publication devoted to mobile marketing, media and commerce.

kim@KimDushinski.com

Direct Digital Marketing & Mobile Strategies With Bryce Marshall of Knotice

Brian: Hey, Bryce, welcome to MobileBeyond, we're glad to have you.

Bryce: It's great to be here, thanks for having me.

Brian: I was reading your Lunch Pail blog and I can tell you love blogging about integrated marketing. There's excellent content; so I want to congratulate you on an excellent blog.

Bryce: Thank you, I appreciate that. We have a lot of fun with the blog and you're right. I do enjoy sharing my thoughts on integrated online marketing and I think there are a lot of folks that find the content valuable.

Brian: I'll mention to our listeners today that the podcast is a little bit different. Bryce has unwillingly--no willingly!--agreed to do a role-play with me about thinking about goals, objectives and other issues before mounting a mobile marketing campaign.

More about the role play after we learn more about Knotice, the company, and Bryce. First Bryce, just to get started, where did "K-N-O-T-I-C-E," pronounced "Notice" come from?

Bryce: That's a really good question. I can't take credit for being there at the beginning, either for the founding of the company or when they selected the name. So, if you mean the name itself or the company, both were started about 2003. And so we've been around for a while.

But I can't take credit for the name. So we have fun with it; not everybody gets this sort of word play that constitutes the name right off the bat, but it definitely helps if folks can see the name and see the logo, then they sort of get it. Otherwise we struggle with the pronunciation specifics.

Brian: Well, tell me about Knotice. How are you different from other integrated marketing firms especially in the world of direct digital?

Bryce: Sure, we're unique in that we bring together the vital functions of direct digital marketing. And when we talk about direct digital marketing, we mean the addressable forms of online communication. We take an integrated approach to email marketing through that email address, mobile marketing through the mobile phone number, and the online URL, Web browser cookie.

So we integrate Web targeting capabilities, the ability to inject customized content within website experience and all is connected to a central database application. What we're doing is acquiring knowledge about a customer, being able to save all that profile information across those three addresses, and then be able to deploy very targeted, very relevant communications across those channels.

So traditionally running email, running mobile programs, running a website--those things have been very scattered across different departments within a marketing organization or different platforms and providers. We take an integrated approach which means all you have to do is identify a customer segment once and then you can distribute very targeted communications across channels whether based on the customer's preference or based on your marketing objectives.

Brian: Your platform is called Concentri?

Bryce: Correct.

Brian: How does that integrate with other types of major CRM systems?

Bryce: We've designed it to be very flexible in that regard. We want to interface with CRM platforms and other data warehouses to inherit all of that great knowledge that companies have stored about their customers.

So if we're developing various API integrations with the CRM system--whether data is coming from automated posts--we want to make sure that we're speaking directly to those platforms.

Brian: Walk us through Concentri as the front-end platform for measurement and reporting digital marketing campaigns?

Bryce:, Concentri is an on-demand platform. So, our customers can license the application from us directly. We can also work with our customers on a professional services basis. Essentially what we're providing is all of the tools for the marketer to run email, mobile and onsite targeting programs directly.

And again, as I mentioned, all of those vital functions behind marketing programs are contained within the application--everything from database management through the universal profile environment, through content development, deployment and then the backend reporting and analysis.

Brian: So in addition to digital channels--say I was running a Google AdWords campaign plus an email campaign plus mobile, for example--would Concentri also take into consideration non-digital channels like direct mail?

Bryce: From a content development and deployment standpoint, no. But absolutely we want to bring all of that data into the universal profile management area, because organizations not only want to integrate the approach into their online communications but also want to integrate and coordinate their direct mail with email.

So again our database environment--that universal profile area--is very flexible and we want to start associating all kinds of different data points to a profile. That can be whether someone received or acted on a direct mail piece so we understand specifically what content they received or haven't received and how they acted on it.

All data is aggregated to that customer or prospect profile and informs us how we go to market with our digital communications.

Brian: Excellent. Well, I'm anxious to get into the role-play because, believe it or not, we've never tried this before on MobileBeyond. So folks, bear with us. I think it should go well.

Bryce and I are going to role-play. I'm the owner of a regional furniture chain in the Midwest and Bryce is going to represent Knotice, of course. We hope this will reveal many issues and concerns our listeners and marketing professionals have to consider before launching integrated mobile and digital marketing campaigns.

Role-Play: Furniture Forever

So Bryce, we've just sat down to chat in my office. I own a regional furniture chain called **Furniture Forever**. We have 22 locations, Bryce, throughout the Midwest and we've been in business about 25 years. We have a strong customer base with a lot of returning customers--mostly upscale. We're similar to Ikea, a direction we moved on about 10 years ago.

As I mentioned, we target mostly upscale customers. When the economy went south, we also started targeting 25 to 49 year olds to attract a younger demographic, because we found, naturally, that our customers were aging. (Bryce and Brian laugh.)

We get a lot of referral business due to a customer loyalty program we started five years ago. Unfortunately, as I mentioned due to the downturn in the economy, our revenues and profits have been falling the past two years. We've increased promotion and advertising significantly just to maintain our current revenues and profits.

Unlike other retailers that cut back and laid people off, we decided to become very aggressive throughout this recession.

We have a fairly accurate database of our customers as well as visitors who fill out in-store cards for various promotional giveaways. And on our website we have an online form entitling people to coupons and discounts.

We send out a monthly email or direct mail newsletter, depending on how the customer opted-in. If someone's given us a email address, we naturally prefer email because it's easier to send and measure response.

The newsletters, by the way, always contain a tear-out or printable coupon for furniture discounts and other types of monthly promotions. And, as I mentioned, Bryce, we've increased our advertising and marketing, including radio and TV spots, newspaper ads, some search advertising with Google and Yahoo. Of course, we've been in the electronic yellow pages for a number of years.

Well, my Marketing Director thinks we should mount a mobile marketing and advertising campaign to boost the response that we get through other channels. He's also gung-ho on Facebook advertising, something we've never tried before. He thinks that strategy will help us reach the 25-to-49 year-old target market.

As the owner of the company, I'm a bit reluctant to spend money on mobile because we've never tried it before. Our ad agency recommends we try SMS text ads, but I'm not really convinced yet that mobile text ads will build new customer relationships and overall company revenues.

So I'm open to suggestions about what Knotice can do for us. But just where do I start?

Bryce Talks About Mobile

Bryce: That's a great question. First of all I want to congratulate you on all the success of Furniture Forever--22 locations, 25 years. That's great and your overall strategic approach, wanting to incorporate 25-to-49 year olds as an emerging customer base. I think that's a sound strategy.

As far as getting started in mobile, one of the things I want to make sure you're clear on is that sometimes people get caught up in the technology of mobile marketing and they get a little overwhelmed, when **the important part is to think about the audiences**. And if you're keen on the audiences--the folks that you want to reach or that you can't reach through mobile--then I think it brings things into a much clearer light.

As you said upfront, your strategy is to start incorporating more direct communications to that 25-to49 year old demographic. Research just came out today identifying t**he best prospects from a mobile marketing standpoint at 39.2 years old**.

The people who are most receptive to mobile marketing are actually a bit older than most people would guess. So 39 to 40 year-old folks fit right into the target demographic you've identified.

The other thing that you brought up--and I think you're straight on--is that while SMS is fantastic (we're going to talk more about SMS a little bit later), with your business, we're talking about big-ticket items, things that are purchased periodically and not that frequently.

SMS by itself is not going to be the greatest channel for you to establish new relationships as you've mentioned. What you really want to do is **take advantage of existing relationships or leads** that are generated by your existing channels--specifically, your website, and see if you can *leverage mobile for a great brand experience* that enhances all types of interactions.

This may seem counter intuitive but one of the things to consider, as far as low-hanging fruit is optimizing the online experience for cross-channel shoppers.

So I know you're getting additional revenue through your website and maybe less traffic to your stores. But if we can nurture cross-channel shoppers (people who do online research but never intend to make a purchase through the website.)

I think there's a great opportunity to start supporting some of these shoppers with very simple mobile tools like encouraging them to forward themselves coupons they find online.

Better yet, have them create a shopping cart they've built on your website or a custom design for a piece of furniture, forward information to their phones, bring the information in–store and talk with your store staff. Using mobile to help them make an in-store conversion is a much better brand experience.

Brian: So, Bryce, are you saying that mobile for my retail stores is best used to drive people into my store front after they've seen my website and made a preliminary decision?

Bryce: Yes, I definitely think there's an audience who do a lot of research online. They visit your site, maybe competitors' sites. What we want to do is embrace them online and acknowledge that maybe 20%, 50 or even 70% people who come online to see your furniture will never buy from your online store.

So let's make it easier for them to convert in the retail environment by encouraging them to take their interest in products they've shopped for on your site and forward that information to their phone, as opposed to print, give them driving directions--anything they can forward to their mobile phones. Then they'll use their mobile phone as a tool to come into the store and purchase items that interested them online.

We're really trying to **capture interest and make it easier for customers to act upon that interest in the retail environment.**

Brian: I'm very interested in what you said about brand awareness, especially among 25-to-49 year olds who probably haven't heard about us. Many probably think we're an "older store"--not a cool Ikea-type store. We've never been able to communicate that effectively to this younger audience.

Bryce: I think that's a great point, Brian because, as it's said, the medium is the message. You can try persuading younger demographics through 30 second broadcast spots or your print ads that you're the right store for them or you can drive very **high value experiences** through those technologies that they interface with everyday--online and mobile. Through that experience, they'll realize you're the right brand for them.

So again you're don't necessarily need to tell them you're the right brand. Just create the overall consumer experiences so prospective customers say "wow!" These guys have got it together and they're on top of things. That's how you change the perception of your brand through the quality of those interactions.

Taking the First Steps in Mobile Marketing

Brian: How do we start? What's the first thing I should do?

Bryce: I first want to build tools within the online experience--maybe a shopping cart or other tools that let website visitors see different models, furniture styles, fabric types, helping them make decisions by researching online.

I want them to capture that to a cart or shopping list and then consider forwarding that information to their phone via a text message.

Then with phone in hand, they go into your store, find furniture they identified online, and have your in-store team help them purchase your products.

Brian: So you don't think I should build a mobile website to attract that younger demographic. Instead, **my strategy is driving new customers to my retail stores after they've explored products on my regular website**.

Bryce:, Right, because mobile websites are going to be a poor experience for just what I call general browsing. Again the mobile web browser experience is still pretty limited. I don't want to dump folks into a site with limited navigation capabilities and poor rendering of images of a large enough size. I don't think that's going to do a lot of service to customers who only want to browse your product line.

But I still want to take advantage of your regular desktop website and make sure that people do their pre-shopping at home for big ticket items--something they're probably going to research.
Then I want to take advantage of that interest and drive them to convenient, easy to use mobile tools like a **mobile shopping list**. That's what they'll save and bring into the store on their mobile device, and reference a mobile web page displaying the items they are interested in– sort of a mobile shopping cart.

Now we've provided a seamless cross-channel shopping experience and used mobile for a very specific purpose. Use each channel for its strengths. Don't force things into a tactical landscape that isn't going to make sense to customers.

You said you get lot of your business currently through referrals. Those are things we want to enhance and take advantage of as opposed to turning your business upside down. So use mobile for the best applications to deliver a great brand experience.

That leads me to SMS tools we can use short of sending out SMS offers to those who have opted in. Letting consumers query a location database via SMS to find a store location when they're shopping is one. Sending customers text message reminders on delivery days to make sure they're home is another.

Can we send them exciting event information about grand openings and coupons for things that interested them? Use SMS to approach them in intelligent ways and drive overall satisfying customer experiences? That will potentially increase referrals.

Brian: We're going to launch our new store in Kansas City in the next 3 or 4 months. How can we leverage mobile and other digital channels to drive business to that opening?

Bryce: I think you could use mobile in a lot of ways, including *teaser advertising* about the upcoming opening. That could combine print and outdoor media, even signs at the construction site to get people to opt-n with their mobile phone and receive text message reminders about the grand opening.

It's one thing to plaster the market with newspaper ads when the grand opening event is happening. But if you can take advantage of the months prior to the opening and get people opted-in to receive text message reminders, that's a good way to drive them into the store with a great offer once the grand opening event happens.

Specifically, your email newsletters. You've got a great opportunity with a Midwest customer base--lots of followers and fans. Inspire them to forward the email or newsletter to friends and relatives in the Kansas City market. Get people to opt-in not just for the email newsletter but also into that mobile relationship, using your profile data to distribute communications by email or SMS--all very targeted messages based on what you know about them.

Brian: Taking a look at other digital channels, like electronic yellow pages and search ad advertising on Google, Yahoo and Bango, what would you recommend we do to integrate online channels when we open our Kansas City store?

Bryce: I think those other online channels have a lot to do with landing page optimization.--something that doesn't get a lot of discussion in the marketplace when talking about direct digital marketing. We want to optimize landing pages and take advantage of that implied interest to build recurring relationships, whether through email or SMS offers. **Let consumers decide how much of a relationship they want with your brand and how much time they want to invest in this relationship** with Furniture Forever.

If consumers choose email, that's not only an indication of a technology preference but they're saying "yes, I don't mind receiving an email that may take a couple of minutes of my attention every now and then." Others may opt-in to receive text messages. They may be saying '"I want to hear what about your store but I'm not willing to invest that time within my email inbox. I only want a simple text message to update me about store events."

As you open new markets and advertise within new areas, that's a great opportunity to let people opt-in to acceptable communication channels. You're giving them the power to select how they want to hear from you. It's still an efficient operation from your standpoint to deploy and then analyze those communications; you don't have to pay different providers using Concentri.

Brian: And the opt-ins are handled on the landing pages?

Bryce: Absolutely. And then with some of the other things we can do, because we can track anonymous profile activity, is understand which keywords are used within those landing pages. Are there search keywords that brought people to a particular landing page? Was there a specific banner or Yellow pages ad campaign that provides information about search queries or specific campaigns that generated response?

Create persuasive, dynamic content in direct response campaigns that delivers different messages to responders.

Take search campaigns on Google and Yahoo. There could be a tremendous disparity between customers who searched for high-end dining room sets versus sleeper sofas. Responses are coming in based on your ads for Furniture Forever, but those search terms carry a lot of useful information too, perhaps indicating they're older consumers and with higher incomes versus younger, bigger families with lower incomes.

So again there are a lot of inferences you can make based on search terms and that can help you dynamically influence landing page content.

Brian: And your Concentri platform can monitor and measure all this for us?

Bryce: Absolutely. So we want to understand in particular scenarios how different content on different landing pages deliver click throughs or opt-ins at higher rates than others. A/B testing comes into play here so we understand whether your targeting is optimizing performance, whether that's evaluated on click throughs, email or mobile opt-ins or whatever your metric.

Often marketers look at text messaging like a second cousin to their overall database marketing approach. It sort of lives in a silo. Marketers say "here is our opted-in list; we're going to blast this text message to everybody and see if this drives foot traffic."

Instead, we want to take a different approach using your demographic data. You already know purchase history information. You probably have satisfaction surveys. Segment your lists and send compelling 160 character text messages.

Then we can start looking at creative that attracts your different audiences. Understanding and segmenting your customers is part of that process.

Brian: We've done some segmentation already in terms of general demographics such as age, sex and a few other criteria. But I've read that mobile marketing can take us to the next level in terms of handset demographics, location and other information not available through other marketing channels. Could you talk about that?

Bryce: Yes, absolutely. Specific mobile devices and their browsers can provide information about user experiences.

For instance, I just recently switched devices myself. The mobile browser on my new device runs on the Android operating system and the browsing experience is a world apart from the browser that I had on my previous phones. So understanding mobile Web experiences, for instance, is helpful.

GPS is also useful within apps or map functions. So being able to map users' current locations when providing retail store locations eliminates the need for entering starting addresses.

Bluetooth technology is useful for in-store opportunities. If you already have customers in your store, you might use a Bluetooth transmitter within the store to beam information about a particular sale item or a featured brand while customers are browsing.

Those are all huge opportunities from a creative and messaging standpoint. But I think as you get those insights it may mean you need to expand your creative capabilities to adapt mobile Web user experiences for different phone browsers.

That may mean you have to develop two different web applications to take advantage of an iPhone vs. feature phone, for example. So insight is great. Are you prepared from a resource standpoint to take advantage of those things?

Knowing which handsets your customers have also may mean developing device-specific applications as well. If you're going to use or develop an iPhone app, what does that mean to customers with BlackBerrys or Android handsets?

When you consider mobile handset relevance, you need to consider other factors that impact customer needs and behaviors, such as location based services, GPS or Bluetooth.

The other factor is response time. From a mobile marketing standpoint, many factors in mobile marketing don't apply to traditional online communications. If we send an emails, based on data, 80% to 90% of respondents will read emails within three days.

Now compare email with mobile. Since people keep their devices with them all the time--whether they're driving to work, shopping or at home--understanding what they're doing is the opportunity.

These differences determine how you create and conduct a text messaging campaign. How are you going to change your creative for a Saturday morning when consumers are out shopping? What offers do you make to attract them to your retail store? The message differs in the middle of the week when you may want to announce an upcoming weekend sale.

In the middle of the week, you may send emails with text message offers knowing that people may not open the emails for several days. But when they do and opt-in for the text messages, they may save them on their phones for Saturday when they're out shopping and want to visit your store.

Brian: Good information, Bryce If I wanted to start working with Knotice tomorrow, what would you do first? Do you create a plan?

Bryce: Yes, absolutely. The first step is writing a direct digital marketing plan that incorporates mobile and sets milestones six and twelve months out. We also want to establish some quick wins.

To get started, I recommend since we know we'll launch text messaging campaigns is provision a short code so we're ready to go.

We should also prioritize the online shopping experience optimization and start working with the the Web team to make sure mobile is integrated within the website to start establishing value in mobile for future relationships.

Brian: Excellent. Well, Bryce I want to thank you for talking with me about Furniture Forever and providing some excellent ideas. I'd like to continue the conversation.

Bryce: Well, I'm very excited to get started.

Brian: Bryce, thanks for appearing today on MobileBeyond.

Bryce: It's been my pleasure Brian, I really appreciate it.

Brian: You take care of yourself.

Bryce: All right. Bye.

Bryce Marshall
Director of Strategic Services at Knotice

Bryce Marshall is the Director of Strategic Services at Knotice. An expert marketing strategist, Marshall creates powerful and profitable online marketing strategies for a wide range of companies from growing eCommerce firms to massive Fortune 200 companies. Marshall is especially skilled at creating multi-channel strategies for a wide range of companies.

Marshall believes in and practices the principles of direct digital marketing --- relevant, digital marketing communications that are addressable to a specific individual with an email address, a mobile phone number, or a Web browser cookie.

In addition to his skills as a strategist, Marshall is a recognized mobile marketing expert with an established voice in the industry. He has been featured in several leading marketing publications and national publications including USA Today, MarketingProfs Read Write Web, Restaurant Hospitality, and Internet Retailer.

He is a sought after writer, having written on a variety of topics including direct digital marketing, mobile marketing, mobile strategy, and online message relevance. He has been a featured guest on noted mobile marketing expert Cindy Krum's radio show "Mobile Presence," and a featured podcast interview guest on mobile marketing expert Brian Prows' "MobileBeyond." Additionally, he is a featured blogger on Knotice's successful and highly regarded business blog, "The Lunch Pail." (http://lunchpail.knotice.com/)

Marshall holds the prestigious expert status on The Focus Network, where he regularly contributes content and provides insight to fellow marketing professionals. He is an active member of the American Marketing Association (AMA), recently completing a stint as Akron/Canton AMA chapter president.

Some recent samples of Marshall's published work:

- "5 Tips for Boosting Online Conversion Rates," RIS News, February, 2010 http://www.risnews.com/ME2/dirmod.asp?sid=&nm=&type=MultiPublishing&mod=PublishingTitles&mid=2E3DABA5396D4649BABC55BEADF2F8FD&tier=4&id=CDBA78F421C042C8B7D1C070266BFE55
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- "Making Sense of the Mobile Marketing Landscape" http://lunchpail.knotice.com/2009/07/27/making-sense-of-the-mobile-marketing-landscape/
- "Making Sense of the Mobile Audience" http://lunchpail.knotice.com/2009/07/29/making-sense-of-the-mobile-audience/
- "Making Sense of Mobile Marketing Strategy" http://lunchpail.knotice.com/2009/07/31/making-sense-of-mobile-marketing-strategy/
- "The Return on Relevance" http://lunchpail.knotice.com/2009/02/11/the-return-on-relevance-ror/

Email: bmarshall@knotice.com

Michael Becker:
New Era Of Mobile Marketing
Mobile Marketing Association

Brian: Michael, welcome to MobileBeyond.

Michael: Thank you very much. I appreciate the opportunity to be here.

Brian: Michael, it's good to have you on the show. I looked at your Linkedin profile recently and discovered you like building businesses, traveling, cooking and mobile marketing (laughter).

Michael: Yes.

Brian: So I'm curious what you like to cook when you're not flying and on the ground.

Michael: When I am on the ground, I make a really mean lasagna.

Brian: You do.

Michael: I do it from scratch, create all the sauces and tend to put it together in big party batches. So I'll get 20 to 25 people and 4 to 5 lasagnas together and have a good time.

Brian: And then use the ingredients to create a mobile marketing campaign (laugher).

Michael: Of course, it all revolves around mobile.

Brian: [laughs] Well, one thing I experienced while doing research for this podcast: You love videos; in fact, I watched most of your 65 YouTube videos even as my eyes blurred over.

Michael: I call those my B-level horror movies.

Brian: [Laughs] They're very interesting but after a while, as I said, my eyes started to slowly close. Not that the videos aren't fascinating.

I noticed in reviewing your Web articles that you're very passionate about furthering the growth of the mobile marketing industry. You're a industry entrepreneur, a volunteer, a thought leader and an academic. You have this strong desire to share your mobile marketing knowledge in a variety of venues including working with the Mobile Giving Foundation. That's its correct name?

Michael: Yes.

Brian: Why are you so turned on by mobile? What drives you to evangelize the mobile ecosystem including legislation of standards?

Michael: That's a great question. Mobile is the foundation and the crux of all communications moving forward, whether it's for personal communications or commerce. I believe that regardless of devices mobile is the untethered engagement medium between person-to-person, person-to-brand, person-to-commerce relationship tool that will become the center of all interactions going forward.

Brian: That relates to my next question about marketing and mobile marketing. You've written "…we're entering a new era of marketing, one where the traditional rules and models are losing their effectiveness and one where consumers are awakened to the new found power and control…" and you also write about relationship marketing and so forth.

Disregarding mobile for a second, why do you think marketing practices, strategies and channels are changing so dramatically?

Michael: If you think about it, not getting overly academic, consider the foundations of marketing that started in the earlier days of bartering when we knew the people we engaged with. We considered their requirements and their needs and we'd barter our products and services together.

Then exchange emerged and there were a lot of exciting things that appeared. Then we entered the era of marketing of industrial economics where we learned economies of scale and mass production of goods--the Ford model. Anyone could have a car as long as was black. Right? And the value of that was cost-efficient and effective goods and services that were delivered to the market in an industrial economic model.

Since then with the advent and tools of the Internet--then wireless technologies--we've given control to the customer. Now the consumer is significantly part of the value creation process.

Services and product delivery are becoming valuable not only because they get products into someone's hands, but it's the overall experience consumers have with products that's critical.

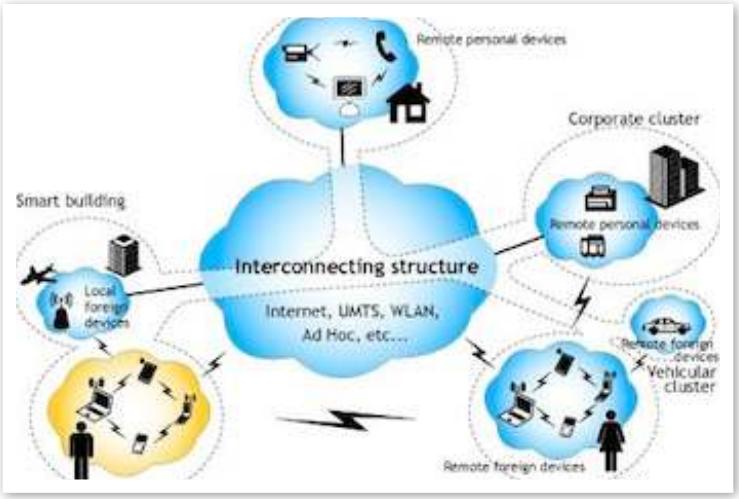
So we've moved from industrial economics--making lots of products and services for the market--into a highly commoditized, highly preference-based communication model, where that the consumer is actively involved. I see that transition in marketing taking precedence today and the market has learned how to respond.

Our job as marketers is to create mutual value exchange through the delivery and communication of products and services. That's what we do as marketers.

Then they're a number of different mediums we use in business-to-business, business-to-consumer, e-mail, direct and other types of marketing.

Social and emerging interactive media gives marketers opportunities to listen to the customer in real time and then adjust and invite the customer to become part of the value creation process.

I think a lot of marketers are struggling with that because of the structural systems in place, making it difficult for marketers to respond.



So part of the changing dynamic in marketing is the need for collaborative conversational systems with mass markets and at the individual level.

Brian: Describe multi-modal communications.

Michael: Multi-modal is the concept that consumers want to have control and are part of the conversation, rather than marketers dictating the mode or channel of communication. Consumers choose their modes or channels of communication to engage with marketers.

That mode or channel may be a mobile phone. It may be the Internet. It may be direct mail. It may be e-mail. It may be someone calling a call center. I think what's important is how we think about new interactive media like the Internet or the mobile phone. These media actually have multiple modes of communications.

For example, this podcast is being conducted and recorded over Skype via the Internet. Similarly, the mobile phone is not one path or mode but rather eight. There's SMS, MMS, e-mail, voice, the Internet, bluetooth, applications and the mobile Web.

When you look at applications, the iPhone mode is different than the BlackBerry mode. So each one of these different modes of communication significantly contributes to how consumers respond or interact with marketing messages and engagements.

Brian: That's probably why you're say that each handset--BlackBerry, iPhone or another type--is a separate channel in itself.

Michael: Yes, that's absolutely correct. In 1964, Marshall McLuhan, one of the premier thought leaders in advertising and marketing, coined the term "the medium is the message." The media we choose to use is an extension of ourselves both personally as well as from a marketer brand perspective. And each medium affects how we perceive, engage and gain value from the message.

There's a co-dependency between the message, the call-to-action and the medium used to communicate that message. So the iPhone medium is a totally different one than a BlackBerry and how people use each significantly changes their response and interaction with messages.

Brian: So marketers must take those distinctions into consideration.

Michael: Yes, certainly. It's all about context. So the context of the given situation and the relevancy or the impact that the context has on the relevancy of the engagement certainly is important to understanding the consumer's desire and/or ability to engage and interact with us.

Brian: Major brands have quickly adopted mobile marketing especially since the introduction of the iPhone. In your experience at iLoop Mobile--traveling, speaking and writing, as well as interacting with marketers and advertisers--why are major brands leading the move to mobile marketing?

Michael: It's not for lack of desire by small-to-medium enterprises, but to date it's been primarily the resources, education and understanding. Major brands have the resources invariably to help others understand the channel and make appropriate investments. For example, leasing a short code is not necessarily an inexpensive endeavor; so in many ways it's very helpful for major brands to take a leadership role.

But I also think that large Fortune 100 or 500 brands are also realizing that the consumer is moving on, whereas a small-to-medium-sized businesses serve local or regional markets. While that may be true, they still have other avenues for personal, local and regional engagement.

The larger brands see the consumption of traditional media channels--newspapers, for example--in significant decline. So brands need to understand that the consumer is embracing the mobile phone. It's a primary place of communication engagement.

Nearly 85% of the US population has a mobile phone, but roughly 35% of the U.S. Market no longer uses landline phones. 20%, in fact, have canceled their service. Another fourteen percent have landlines but don't use them. Therefore, the mobile phone is becoming the only way to reach people through the phone channel.

Likewise, other profiling factors, such as someone's martial status, whether they rent and their ethnicity are factors. Taking into account some of those factors, the lack of use of a landline phone can be as high as 50% to 60% in some customer classes. So again from a communication perspective mobile is becoming a critical medium for that interactive engagement with one's market.

Global Internet penetration--not just the mobile Internet--is 24% worldwide, ranging from about 75% penetration in North American markets to around six percent in some African markets. But the global penetration of the mobile phone--4.1 billion users--is roughly 64% of the global population. That number will climb to approximately 5.6 billion by 2013.

So again from a global footprint perspective mobile will be the primary channel of communication, while in the US market the increase of mobile Internet adoption is significantly increased by smart phone penetration. Smart phone growth has increased yearly and, as smart phones increase, so does the use of value added data services.

Both Nielsen and commScore, while their numbers don't exactly match, definitely track in parallel. For instance, one of the last studies showed the average feature phone user accounts for about 57% of the market's text messages, whereas iphone users are around 90%. A traditional or generalized smart phone user is in the high 70's or early 80's.

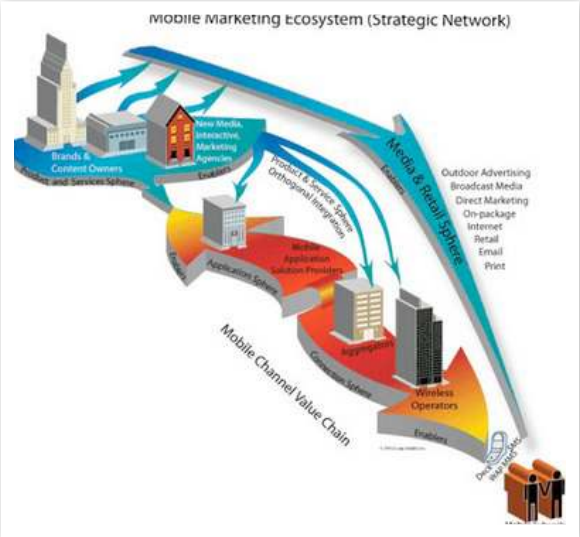
Similarly for the mobile web. If you're on a feature phone the use of the mobile web tracks at around 20%. If you're on an iPhone, it's between 90% to 95% and traditional feature phones around 16% to 17%. So the phone type is a significant factor that determines a consumer's desire to use the mobile web as a medium for engagement.

There's a study referenced by the Mobile Marketing Association that says in 2009 roughly 450 billion dollars will be spent on mobile advertising with all traditional classes of advertising in decline. For instance, regional TV and cable advertising declined about 25% and newspaper ads 23%. However, satellite radio, online search, mobile and video game advertising increased in 2009 with about a 9% increase in the mobile ad category. So while mobile has a smaller share of the pie of all channels for advertising, mobile is one of the few that increased in 2009. And I think we will see significant increases in mobile marketing budgets.

A current Aberdeen study on mobile marketing, released in 2009, showed best-in-class brands who understand mobile and adhere to the key five categories of mobile effectiveness increased their budgets by 69% for mobile, advertising being one area of that.

I think what's really important for us to recognize is that *the idea of mobile advertising versus the concept of mobile marketing needs to be separated*. I think many consider advertising and marketing to be at par with each other. In fact, advertising is the practice of placing your call-to-action in one's media through SMS, an MMS, a Bluetooth channel, a mobile web site or a mobile enhanced IVR audio system channel. Jingle networks is the perfect example of interjecting advertising in the audio channel.

We see that advertising is the mechanism of placing one's response into that. **Mobile marketing, however, is the more macro activity of engaging our consumers through and with the mobile channel not only at the initial stage of an advertising awareness activity but at every stage of the customer life cycle from transaction relationships to viral or social evangelism**. Mobile advertising will in fact increase as well all of the other capabilities of mobile marketing as referenced in the Aberdeen study.



Brian: Michael, let's discuss your favorite topic--the **mobile ecosystem**. You have an excellent description of the ecosystem online. In your YouTube videos you explain the mobile ecosystem.

The existing mobile marketing ecosystem appears complex to many, involving brands, ad agencies, mobile marketing firms, web site designers, publishers, etc. How did it become so complex?

Michael: It's interesting you say that. I don't really think that the mobile ecosystem is that much more complex than any other industry. It certainly has a number of moving parts. For instance the Internet was really no different in terms of its growth and maturity.

One of the areas that's different within mobile versus the Internet is the role of carriers with certain elements of the medium. For example carriers have very invested area of participation and control over how text messaging is done within mobile, while with the iPhone Apple has a very strict control of how applications get to the phone, unlike the Internet where it's much more open. Part of it is area of control with any one of various mobile paths.

If you think about the evolution of the mobile ecosystem and how mobile developed, it's been a maturing process in growth since 1983 when Motorola launched the first mobile phone. Around the same time in the early 1980's, the GSM Association in Europe created the idea of GSM networks.

Then in 1992 the first text messages were sent across networks, followed in 1997 when the first commercial text messages were deployed within the European sector. In 1999, premium SMS emerges where people are charged for interacting via the text messaging channel, such as the downloading of a ringtone or subscribing to a premium text service. That all happened in Europe.

At that time the ecosystem was very immature. The carriers were maturing. There was no concept of an aggregator to help broker text messaging interaction across multiple carrier networks.

The application providers were still young and there were no standards for building or integrating the various interfaces. The marketing agencies had yet to develop any internal skills how to do that.

If you fast forward from 1999 to 2000, when we slowly started practicing the concept of mobile marketing until today, the industry has matured dramatically.

We have a new class of player called the messaging aggregator which is a company that provides a standard AI and APIs and capabilities to engage and interact with consumers via text messaging and multimedia messaging over carrier networks.

We have a broad spectrum of other types of channels--other modes of mobile as we referred to earlier in this podcast. Applications and mobile Web and multimedia messaging, text messaging, voice etc. And as those applications emerged and the user experiences of using those applications matured so did the maturity of the ecosystem.

As case in point, for example, think about the guidelines of best practices of mobile in 2003, 2004 when the US started using the mobile channel for marketing. There were no global standards or understanding of best practices on how to do mobile.

The Mobile Marketing association started delivering those [standards] launching the first widely recognized set of consumer best practices in 2006 and in March of 2009 in the United States. (The top four carriers account for 87 to 90% of all mobile subscribers in the United States.)

All publicly agreed they would standardize their rules and regulations when conducting mobile marketing over their networks in agreement with the Mobile Marketing Association's consumer best practices.

As of March of 2009 we finally had one common document for SMS, the most mature channel of mobile marketing. So I think as we watch the mobile marketing ecosystem mature, we're now starting to see mass market applicability: interoperability standards, handset and feature adoption. The health of the various players within the ecosystem and the customer are all maturing in varying degrees and in parallel with each other producing a maturing ecosystem.

Now I understand that may sound somewhat complicated but when you look at it on paper (and I'm happy to share with anyone articles, studies and stories) it shows a maturing ecosystem. But again I don't think it's anything unlike what we saw with the Internet in 1993-1995 when we started watching the Internet channel mature.

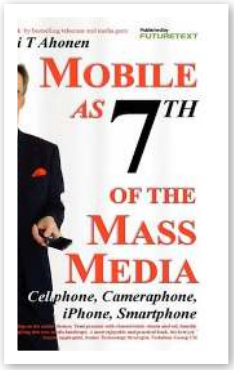
Everybody asked themselves how do we use it? In 1999 and thereabouts Adobe launched Dreamweaver to help build mobile websites. New tools from company's like mine--iLoop Mobile--helped people engage and embrace the mobile channel and with that came the ability to bring mobile to the mass market.

Brian: If you could reinvent or create the ideal mobile ecosystem--leaving aside the history you just described--what would it look like?

Michael: That's a tough question to answer. I think we're in a collaborative industry. I'm not sure if I'd necessarily try to reinvent it. We could say "well let's reinvent it alongside the Internet," but the Internet had its own growth as well and it's still growing. It's taken 15 years for the Internet channel to mature since it emerged in 1993. It became very mature in early 1999-2000. And today it's reaching about 24% of the worldwide population, even more in the most industrialized markets with penetration rates of 75% to 80%.

As a worldwide channel and a communication medium, mobile has far surpassed Internet penetration numbers and in a much shorter window. We've gone from no mobile phone subscribers in 1983 to roughly four billion by 2009 and over 5 ½ billion by 2013.

So the mobile phone has far surpassed--in terms of adoption and growth--any other communication channel in the history of communication worldwide. It's much more robust in terms of rich capability than any other preceding channel. Tomi Ahonen in his book "The Seventh Medium" said we must recognize that mobile is the most important medium.



So I wouldn't necessarily want to reinvent the mobile ecosystem. I think part of the challenge we face today is that this device--this pathway--that we've known to engage consumers has grown up, penetrated and populated our psyche so quickly. It's not that the ecosystem is necessarily complicated. It's just that we need to understand how are we going to use it.

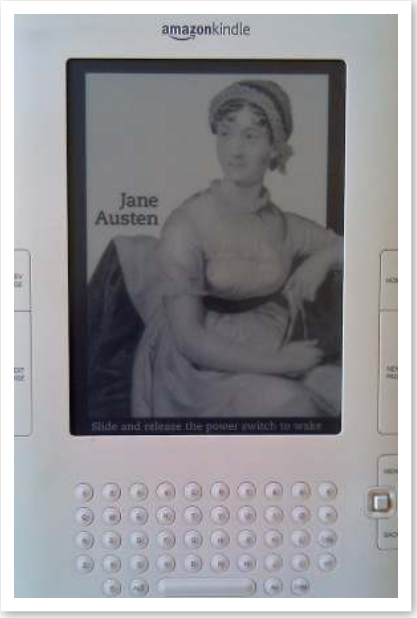
As we again interjected earlier in this podcast, the game of marketing has changed. Part of the reason why it's changed is now we have an interactive medium of one-to-one communications in the palm of nearly every consumer's hands and that ability to have one-to-one communications, as Rogers and Peppers invited us to consider in 1999-2000, is finally here.

And even then the idea of one-to-one communications on the Internet is more of a one-to-mass media channel. Today we have a truly one-to-one channel and we as marketers are trying to figure out what that means not only to us but to the consumer that's on the other end.

Brian: So, Michael, it's the timing--how quickly mobile has grown up--that raises complexities in some minds.

Michael: Yes, absolutely. It's timing. It's adoption and it's interactivity. One of the stats I heard the other day, which is important for us to understand, concerns the iPhone. The majority of mobile traffic on the iPhone is not happening over carrier networks; rather, it's happening over the Wi-Fi channel.

Similarly, you see a tremendous amount of "mobile marketing" happening over iTouches or PSP game stations or other devices that can connect to the Internet to deliver an interactive experience.



So mobile marketing is more than a carrier network. Mobile marketing is more than the particular device that may be in a consumer's hands. Mobile marketing is the idea of being able to communicate, deliver and mutually exchange value not just with a mass audience but with an individual through a modal medium that may take any number of different forms and modes.

And not only that. Marketers can do so through a direct medium or direct response medium (i.e. the consumer engaging but also through the mobile enhancement of traditional media channels such as adding mobile call-to-actions in television and in newspaper and in print or outdoor media within cinemas) and that's the really powerful element of mobile.

We can now use the mobile phone as a remote control to turn all traditional and new media channels into interactive direct response channels. And we simply could not have done that before without mobile.

Getting Started on Mobile Marketing

Brian: Michael I'd like to talk with you about about mobile marketing campaigns you review in your videos and other online material.

Many marketers are probably asking themselves—whether with large or small companies--where do I start? And you strongly recommend that mobile marketers, before charging into mobile, define their audiences, create value propositions and determine their objectives, which kind of sounds like marketing 101 to a lot of marketers. But are some marketers ignoring basic marketing principles and diving into mobile?

Michael: Well, yes and no. I think that's part of the iterative value creation that we all do. Before I can understand how I am going to use something, I have to experience that

So I think many marketers are in a trial-and-learn stage and they may not have a fully formulated strategy simply because they haven't experienced the channel themselves. And until they do, they may run a campaign to see what happens and to get firsthand experience.

Once they understand that, they'll come back and integrate mobile into their strategies. So an important thing to do in an ideal marketing 101 world is to intimately understand your audience, formulate a strategy, develop tactical plans you execute against. And, as part of that plan, you find partners and technology that you leverage and license, using robust analytics and measurement tools that monitor and then adjust your programs in real time.

Unfortunately, very few of us have the kind of time available to follow the right process exactly. So invariably we take a very agile iterative approach where we we address all of the key building blocks in mobile: strategy, creative, tactical execution, analytics and platform licensing in an iterative and a parallel approach.

So how does one get started in mobile? What you do is think about your audience and launch a campaign--preferably a text messaging program if you're trying to reach a broad ubiquitous mass market.

If you're sticking your toe in the water, you could launch a mobile website through an ad buy through channels the weather channel, which has one of the largest and most trafficked mobile website properties in the U.S. Or you may try your hand at an iPhone application.

But it's important that marketers realize when they start engaging and interacting with mobile marketing to set the right expectations.

So for example SMS affords the most mass market ubiquity with roughly 84% or 88% of all mobile handsets in the U.S. Depending on demographics, roughly 50% to 90% of a particular demographic actively uses the channel.

Compare that to the iPhone with a penetration rate of only 3% of the overall market. So if you only focus on iPhone apps you miss 97% of the potential market you can engage with mobile marketing.

Take a step back and ask yourself "how do I want to get started?" First and foremost, you want to recognize they're many paths with mobile: SMS, MMS, e-mail, voice, the mobile Web, content (the Internet), bluetooth and applications.

Then you want to look at the various cost structures and the timing and market reach to engage consumers in any channel.

Mobile Websites and Mobile Marketing

Brian: When Mickey Khan with Mobile Marketer was on the show, he recommended that SMB's create mobile websites and then launch SMS campaigns.

You and iLoop Mobile were instrumental, in part, creating the Obama mobile website. What are some factors that enhance user engagement on mobile websites?

Michael: Thank you for mentioning that. We were fortunate enough to have been invited by the campaign to build, host and manage the Obama campaign's mobile website, as we do for a lot of other brands around the country and worldwide.

One of the things you must recognize as marketers when you're thinking about the mobile Web, unlike PC's and Macs, is the difficulty of having consistent user experiences across multiple PC's and the three different primary browsers--Firefox, Safari and Internet Explorer. To have a good, consistent reliable browsing experience on a computer through two primary operating systems and three browsers is quite a challenge.

Barak Obama Mobile Web Site

In mobile they're literally thousands of platforms, including the seven different open operating systems of smartphones--Windows, iPhone, Blackberry, Palm, etc. And they're literally hundreds of browsers. So the complexities of getting consistent user experiences across all these different platforms are greater. In order to first succeed with the mobile Web, find a good partner and technology platforms to help you.

Some are available free or low-cost on the Internet and they're others that cost you more. But the idea of registering an Internet domain, throwing up some files on a website and thinking that's going to consistently work across all of variations of handsets and networks out there is simply not the case.

You need to find a partner to help you create and manage a good user experience across the phones, which is imminently doable and straightforward. If anyone wants to reach out to me, I'm happy to point them to solution providers, including myself, to help them get up and running.

But once you have a mobile website that properly renders across all the different handsets and networks, like the the Kevin Costner movie "Field of Dreams," it's not a "build it and they will come" situation.

Certainly there's mobile search and search engine optimization tools to attract people to your mobile website. But the most important way and the best way to leverage and use mobile today is to interject mobile call-to-actions into all of your existing and traditional marketing.

You can promote your site in your e-mail campaigns: "Please visit our mobile website, go to this URL." You can mention your website in your flyers and outdoor media: "Visit us on the mobile web…text message company name to a short code." (A short code is a five to six digit number analogous to a Web URL recognized by carrier networks for distributing commercial text messaging traffic.)

So you can invite consumers within traditional and new media channels to text message a keyword and generate a system response with a URL that users can click taking them to your mobile site. But launching a mobile website is one thing. To develop brand recognition and traffic flow is another.

Increasing Traffic Flow to Mobile Websites

Text messaging and adding mobile to your traditional and new media is definitely one channel. Another one is advertising with any of the mobile ad networks to drive traffic to your mobile website as well. Companies like Jumptap, Millennial Media and AdMob can all help you generate and drive traffic to your mobile website.

As marketers, we're looking to find new avenues and ways of engaging and interacting with our audience.

One of the more common ways is creating a text messaging or alert service that invites consumers to join a text alert service that sends coupons, sweepstakes and product information.

News and information, such as USA Today text messaging alert services, is another. That's a growing channel. Mobile list development is very different than any through any other channel.

In mobile you can't buy and/or rent a list. You can't rent your own list. When people opt-in for your text alert services, they're opting in for your brand's programs and the privacy rules and regulations around that are very strict.

So, for example, the Obama campaign spent three years developing a list with over fifty thousand keywords. Keywords are the promoted channels or mechanisms to invite consumers to participate. Once they had that information, they were then better able to understand the desires, wants and needs of their market.

For instance, Obama supporters who wanted to volunteer, donate or understand particular aspects of the campaign could be analyzed. The same thing happens with brands. So the text messaging list becomes a significant competitive advantage and key asset for the organization. Consumers invest trust in the brand and expect they won't be over-messaged on their mobile phones

Brian: So segmenting your lists in mobile generates greater response than through traditional media.

Michael: Yes, absolutely. That really hits the nail on the head. A large list of numbers may produce less than a 1% response rate whereas a highly targeted, well managed in-house list can positively affect your metrics. It's because people have opted-in, self-qualified themselves and have made their interest clear. As long as the marketer properly responds and respects consumers and the data that consumers have shared with them, the marketer is going to see great results.

Brian: Do you have any stats, Michael, on mobile end users who opt-out of mobile campaigns?

Michael: That's a great question. I think part of the challenge in the market is trying to figure it out; a lot of people haven't published those numbers. But some of our clients are seeing very, very low opt-out rates--less than 1%-2%--as long as messages are relevant to users.

However, when a particular brand sends non-relevant messages to their list they'll see very high opt-out rates--not just 5 or 10% but 60% or more. You need to focus on providing relevant and engaging communication that consumers value. Unlike mass market marketing, you're not marketing to a generalized demographic; you're marketing to individuals who view their mobile phones as very private spaces.

Mobile Marketing for SMB's

Brian: Michael, I'd like to touch a little bit more on SMB's and mobile marketing, which we discussed earlier. Large brands now dominate mobile marketing campaigns. When do you see SMB's adopting mobile marketing in greater numbers?

Michael: I think we're starting to see SMB's use and lease short codes more frequently and become engaged with mobile marketing. As companies like Money Mailer provide extended and value added services to SMB's, we're seeing increased usage.

For example, Money Mailer is an organization that provide shared mailed envelopes and mail services for SMB's. Money Mailer for only a few hundred dollars will mail coupons to houses near your business.

For a few extra dollars, they'll add a mobile call-to-action (for instance, "text pizza to 686868 and receive one free large pizza when you go into a local business"). Adding mobile call-to-actions in the traditional coupon channel increases redemptions. Many experience double-digit coupon redemptions through that process.

SMB's also have an opportunity to build their in-house lists for later marketing. Larger advertising networks also provide similar services to local businesses for advertising on television that leverage the capabilities of the broadcast channel. We're going to see increasing adoption of mobile by SMB's as channel enablement partners explode in the coming months.

Brian: Do you see that mostly happening in retail?

Michael: I see it happening in all sectors: retail, finance, healthcare. Healthcare is becoming huge as well as quick service restaurants--in all markets, in fact. That makes sense because mobile is in all markets.

B2B Mobile Marketing

Brian: Michael, before we finish today, I'd like to ask you about B2B mobile marketing. You mentioned at the Northern California DMA meeting a few weeks ago that business-to-business mobile marketing is quite effective.

But most mobile campaigns we read about are usually B2C large brand campaigns. How would a business--say a B2B software company--reach software IT execs using mobile marketing? And how would you approach designing a B2B mobile campaigns?

Michael: It's very simple. Marketers could provide incentives, information, alerts, mobile websites and applications that explain and share information about products. Increasingly, smartphones, for instance, offer video trailers that could impart information to executives about products or services.

The key is to trust and respect the type of information people want to get through their device. Giving users a chance to look at information initially on their mobile phones and later read further on their computers is one strategy.

Without seeing a message about information on the mobile phone, users may forget to check the e-mail or not get around to it for a few days. If users choose to have information sent to their phones it becomes a timely alert. So we want to look at each of the different channels and the value they provide, such as instantaneous news alerts or information updates.

I think another important element for marketers to realize is that the nature of marketing is becoming more and more service and product-driven. To increase service, for example, especially as cloud computing is used more for information, marketers certainly want to use mobile to send updates via text messages about products or services, such as temporary outages or maintenance schedules.

Or if customers have expressed a quote for a product or service, send them a text message when the quote is ready. So there's a whole different mindset about leveraging these channels for different types of businesses.

Brian: So whether it's B2B or B2C mobile marketing, the best advice is decide how mobile can contribute to overall marketing success by better serving the customer.

Michael: Absolutely. I think the key in this fast paced world is recognizing the co-creation of value with consumers. Take a very iterative approach. Launch services and ask your customers and market if these services are providing value to them.

If they are, continue. If not, change and enhance them as you get feedback from the market. I think that's a very easy statement to make.

But when it comes to a company's infrastructure and communication plans and how it leverages and utilizes data within the organization, that very easy statement is often challenging.

So, marketers should consider what they to do now and how to engage their audiences through the mobile channel today. And then consider improving their plans over time.

I'll give you a perfect example. L.L. Bean on their website offers a mark down service where you get the latest rebates and discounts until products are out of stock.

When they did a mobile advertising campaign through The Weather Channel, instead of developing a new e-commerce system that was incompatible with their existing business systems, they realized they could put a click-to-call link on their mobile website.

When someone saw and liked the marked down product, they clicked a button that then called the company's call center. Then the call center rep took the order.

I think it's increasingly important for marketers, such as L.L. Bean, to not try reinventing the wheel in all parts of their organizations, but see how they can leverage internal call centers that are already streamlined and functional. Then, enhance internal systems with mobile capabilities as opposed to replacing those systems.

Brian: Leveraging all your mobile assets?

Michael: Exactly. The key is taking a practical approach as the mobile channel emerges. Consumers will come up with new ways to gain value from these technologies. So learning from consumers, I think, is the way to reap the best value for marketers.

Brian: Well, Michael I know you're a visionary. So I am going to ask you to put your vision hat on about mobile marketing in the next five or 10 years. What developments or changes do you see happening in that timeframe? I know that's a tough question, but take a stab at it.

Michael: There are two different camps--the converged device camp (we all use the same kind of device). Then the other camp that believes we'll all use a plethora of different devices. I tend toward the latter. I believe over the coming period we'll have many types of devices.

I think as the Internet and mobile Internet capabilities mature, we're definitely going to see increasing uses of data services by mobile subscribers, especially in developing and emerging markets where there is no Internet and traditional infrastructure. We'll see mobile becoming the center focus of all forms of communication, marketing and commerce.

So, for example, I saw this great story the other day about a goat herder in Kenya who is managing his entire business via his mobile phone. He no longer has to carry cash and worry about being robbed, because if his phone is stolen, all personal information is in the cloud, and he can go and get a new mobile phone to restart his business. We're seeing that happen more and more.

What we'll find is a marketplace of different networks, different types of handsets but a recognition of consumer choice: letting consumers engage and interact with brands through different channels. Brands that succeed will be present when the consumer expresses need.

That's another important factor that I think we need to realize. In old world marketing, marketers practiced a model where we would strive to generate awareness of our marketing affecting or changing attitudes and consumer behaviors. Ideally, we wanted the consumer to buy and use our products.

While that mode of marketing will continue to exist, what we're going to see increasingly is a model where the consumer is in control expresses need by initiating a search. At that time, the marketer wants to be at the point of search.

So rather than the marketer generating awareness, the consumer will express need followed by the marketer becoming aware of that need and respond. That's what we're starting to see more and more: mass customization services and tailored services that adhere to individuals needs.

I also think that we are going to be seeing a resurgence and a lot more focus towards data management. Both the data managed and organized by marketers as well as the consumer organizing and managing their own information and how that information works within the market.

Brian: Michael, I've enjoyed talking with you. You're a visionary as well as a business leader and educator. Thanks for sharing your thoughts on MobileBeyond.

Michael: Thanks, Brian.

About Michael Becker

Michael Becker is passionately committed to furthering the growth of the mobile marketing industry as industry entrepreneur, volunteer, thought-leader and academic.

Michael has over 17 years of business development, marketing, and sales expertise from a number of industries—mobile marketing and instant messaging, medical, electronic book, and custom solution test industries.

As a mobile marketing industry volunteer he fulfills a number of roles. Michael is on the Mobile Marketing Association's (MMA) North American Board of Directors (2004, 2005, 2007, 2008). He also co-chairs the MMA's award winning Academic Outreach Committee and is co-editor of the MMA International Journal of Mobile Marketing.

In addition, Michael is a member of the DotMobi MAG Steering Committee and chairs the DotMobi MAG Education Council. He received the 2007 MMA Outstanding Individual Achievement Award. In 2007, he was the winner of the ASAE Gold Circle Award.

As a thought-leader and academic in the field of mobile marketing, Michael Becker has a number of pursuits. He freely shares his mobile marketing knowledge one-on-one, through webinars, and at conferences.

Presently, he's pursuing a Doctorate of Business Administration at Golden Gate University, San Francisco, focusing his research on understanding the importance of mobile enhanced customer managed Interactions.

Michael has authored over 35 articles on mobile marketing and acts as editor of articles, and columns for publications such as the MMA Academic Review, a bi-monthly column for the MMA Messenger. He speaks on a wide range of mobile marketing topics.

Michael's Blog

"Getting Started with Mobile Marketing – A look at where to begin"

"MMA Best Use of Mobile Marketing, Relationship-Building Award—iLoop Mobile Finalist" (Obama webpage development)

"How Nonprofits can raise funds through the Mobile Channel" (Mobile Marketer)

iLoop Mobile on Twitter

Michael.becker@mmaglobal.com

Mobile Marketer's Mickey Alam Khan Talks about Mobile Marketing and Advertising

Brian: Mickey, welcome to MobileBeyond.

Mickey: Thank you, Brian, very kind of you to have me on.

Brian: You have varied tastes from the Vienna Philharmonic to Elvis Presley. But I'm most interested about Cybermonday.com, which I had an opportunity to see. They offer quite a few products. Do you shop online frequently?

Mickey: Yes, I do. I'm a big fan of CyberMonday because many years ago the National Retail Federation and Shop.org, its online retail unit, decided to promote this concept of CyberMonday--the Monday after Thanksgiving. They were trying to promote it as a big day for shopping online. So I went to the site and I've supported the concept. Of course, I don't limit my purchases there. I buy things on many websites--typically books, music, movies, flowers, furniture, apparel, office supplies, computers. So it runs the gamut.

Mobile and Marketing: Two Key Interests

Brian: You seem very attracted to mobile, online marketing and media publications with broad coverage of multiple industries. What interests you in these types of publications?

Mickey: Well, my first love is marketing. I've devoted my entire career to covering marketing and how marketers use it to persuade consumers to buy their products instead of their competitors. Plus it's such a dynamic field.

When I worked for Advertising Age, I covered television, print, radio and the Internet--that was back in the early 90s. I remember covering the Internet starting in 1994 and I knew the Internet was going to change the world. So I stayed with that coverage. When I joined DM News, which was the leading trade publication for direct marketing in 1999, I covered e-commerce and online marketing campaigns. Then I launched Mobile Marketer. So I like the dynamic nature of the Internet.

Brian: Mobile marketing and mobile advertising. What attracted you to those?

Mickey: Well, it's basically spotting an opportunity. In 2007 I realized, since I used to cover mobile on-and-off through the years, that mobile's time had come because of the iPhone. And I said "if I don't launch this publication somebody else would." There wasn't enough coverage on mobile marketing, media and commerce. So I quit my job at e-marketer and launched this publication.

We went live in December 2007 and today we're the world's leading trade publication covering mobile marketing, media and commerce.

Brian: Incredible, congratulations.

Mickey: Thank you.

The Mobile Marketer Audience

Brian: Who is your target audience for Mobile Marketer?

Mickey: Brands, agencies, publishers and mobile marketing firms: that's our focus. Every single day we cover seven to eight stories focused on how brands are using mobile, either alone or in conjunction with other channels for branding, customer acquisition or customer retention.

Brian: What are brands seeking in Mobile Marketer?

Mickey: Mainly how their peers are using mobile for branding, customer acquisition and customer retention purposes. It's very important for, say, McDonalds to know what Burger King is doing with mobile. Why?, Because **the audience is moving to mobile. You and I use our mobile phones for more than just talking or texting. We browse the web. We play games. We download apps. We shop.**

So the phone has become a mini-laptop and that's created a whole new ecosystem for marketers, who need to understand how mobile devices change consumer behavior. So whatever we cover analyzes trends and how marketers use mobile to attract and retain customers.

Brian: And from the standpoint of publishers?

Mickey: Publishers are very interested in seeing how mobile affects their websites, because there's a steady move to the mobile Web. How does that affect publishers who have online operations? What happens to advertising on their regular website? How do they monetize traffic that goes to their mobile website? So they're interested in selling more ads on their mobile websites.

For example, publishers need to know how the Washington Post is doing; the Washington Post needs to know how the New York Times is using the mobile Web. And so we cover stories on new website launches and banner ad campaigns on their sites. Mobile ad campaigns run on publisher sites. So they're very integral to the growth of mobile advertising.

SMB Mobile Marketing and Advertising

Brian: The mobile marketing and advertising industries are rapidly expanding with regard to revenue and percentage of ad spend. That revenue, in part, is coming from other channels such as the Internet, broadcast and print for large brands. But how is mobile marketing impacting small-to-medium size businesses? Is there room for SMB's in mobile marketing?

Mickey: Absolutely. There's room for small-to-medium sized businesses. Keep in mind that small-to-medium sized businesses look up to bigger brands to take the first step, and that's the reason why we're covering the bigger brands first because they're setting the example. They have the budgets. They have the scale.

So Burger King doing something with mobile encourages franchisees of smaller chains. It's very important for us to have role models and small-to-mid-sized businesses are able to benefit from, say, text messaging.

If you have a store in Little Rock, Arkansas, you can ask your customers to opt-in to receive text alerts on new or discounted merchandise. That's a very simple thing to do. You need to work with a mobile marketing firm, but once you're setup, it's simple. SMS is also a good way to build your database. So keep in mind that mobile has several uses but it's absolutely right for big brands to use mobile first and smaller brands can follow suit.

Brian: And it's become easier for SMBs to launch mobile websites.

Mickey: Absolutely. You've got cookie-cutter solutions. You can set up a site for as little as five to ten thousand dollars or you can have something completely sophisticated for two hundred thousand dollars. But you need to make sure that the sites are dynamic, user friendly and not a drain on a company's resources.

So iIf you're an SMB, get into mobile by launching a mobile website, observe and see what happens. Next, get a short code, a five to six digit number [used by the carriers] to start a text messaging campaign. If you're more ambitious, launch a [mobile] application.

Brian: Multimedia or multichannel advertising approaches make mobile marketing and mobile advertising more effective since mobile usually doesn't perform well by itself: SMS plus print plus broadcast plus whatever.

Mickey: Absolutely, Brian. You're absolutely right. But remember that mobile gives legs to other channels unlike no other channel. It gives legs to retail stores. You go into a retail store and sign up for SMS alerts. Next time the retailer sends you alerts about a sale asking you to come in.

It gives legs to television. Look at what "American Idol" and "Deal or No Deal" have done? They make much more money through their text message programs than through commercials on the programs. Look at radio. Radio commercials have text callouts driving traffic to gas stations or wherever. Print. You have 2D barcodes or short codes on print ads. It makes the print ads more dynamic. Online. You can drive traffic to the mobile Web.

Brian: Is Mobile Marketer totally ad supported?

Mickey: Yes, it is, but we also do custom white papers, produce webinars and events. So we have multiple revenue streams. But I'm a firm believer in display advertising. That's the number one thing you need to do for branding. If you see our website, we have plenty of ads, touch wood by the grace of God.

But the ads are targeted. I make sure we only run targeted and relevant advertising. I'll tell an advertiser to re-tool an ad if it's not targeted because I don't want them to waste their money. We understand this audience very well and if you're running a display ad the the advertiser should offer something in return.

Emergence of the iPhone: Mobile Marketing Grows Up

Brian: Mickey, you've been an Editor-in-Chief now at Mobile Marketer for over two years. Looking back when you started the publication, how has the industry and the publication changed over that time period?

Mickey: Well, let's talk about the industry since it started around July, 2007. To me that's the year of mobile, the period when mobile got a bigger platform due to the iPhone's launch.

You have better handsets, more affordable data plans and consumers who are better educated about using mobile. Marketers are now gravitating to this medium.

So the perfect storm of all these four trends coming together has changed the way we perceive mobile marketing and advertising. And it will only get better with newer phones on the market and consumers demanding more from handsets.

Marketers Change Expectations about Mobile

Mobile Marketer now covers major trends, new campaigns and program launches (at least the major ones). People no longer just run simple banner campaigns. They want to drive traffic with a purpose to some place. They have landing pages that make sense. They're measuring stuff. They're creating websites that are more than just informational.

Some websites are transactional, like Urban Outfitters, which launched a mobile commerce site. You can buy almost anything. Ralph Lauren is allowing shopping on their mobile site. They also have apps. You look at Armani adopting text messaging. All of these companies understand the value of mobile. And it's not a question of "whether I need to be in mobile." It's a question of "I have to be there but how I do it in the right way that doesn't disrupt the user experience?"

It's very important for marketers to remember that mobile is still part of the entire marketing mix and their branding has to be consistent across channels. So you can't have a crummy experience with mobile that jars with the store experience or that contrasts with the online experience or the catalog. Mobile marketers are not making the mistake that Internet marketers did.

Brian: Which was?

Mickey: Which was basically hype and expecting too much. Mobile has its own challenges. You're dealing with carriers. You have four major gateways and every single SMS message must go through these four carriers. They're not going to allow mobile spam because it's their subscribers who are going to get affected. So they're pretty vigilant here.

Mobile websites. You still have to work with the networks and with mobile marketing firms who advertise back to the carriers. So there's a whole system of precautions and safeguards in place. This environment is not like the Wild West that the Web was ten years ago.

Brian: You mentioned a moment ago you feel that mobile marketers and advertisers are moving at the right pace. From talking with others in the industry, mobile advertising and marketing are growing--percentage wise--at incredible rates. But only one percent of all ad dollars is going to mobile. Why are some brands and agencies still resistant to mobile marketing and advertising?

Mickey: They're not resistant., One percent is good for two years, I don't see anything wrong with that. It will eventually grow to around five percent maybe in five years. But you spend money where it's right. I'd never encourage marketers to put money into the mobile channel if it doesn't serve a purpose. So they're allocating their budgets according to the knowledge they have [about mobile].

Yes, brands are more cautious because mobile is a newer channel. But see what happened to the Internet? Where's the Web in terms of ad spend? Probably under ten percent and it took fifteen years for that to happen. So you have to give it time. I'm a big believer in patience. I'd rather have one percent now than five percent now, then two percent three years from now and then the whole market crashes.

Brian: Let's pretend you're a brand, an advertiser or an agency. What slice of the ad pie would you allocate to mobile marketing and advertising today?

Mickey: Well that's an interesting question. If you're a national brand for branding purposes I'd still include television, radio and print. So I'd probably give nothing less than 50 to 60 percent to those three channels. I'd allocate some for direct marketing and direct mail. If you have a CRM program, then you want to allocate about ten percent and divide the rest between online and mobile.

I suspect online should get about twenty percent of all budgets. It's unfortunate that online is still getting under ten percent because that's the medium where most people spend their time now besides television. So it should mirror that and it will happen.

Now I might have my numbers wrong because my research isn't in front of me. Let's say you have a hundred dollars, I would give sixty dollars to mass media like print, television and radio, twenty dollars to the Internet, five bucks to mobile and the rest to outdoor and to direct marketing.

Privacy and Regulation

Brian: Back in May, 2009 in a podcast interview with Jim Peak, you discussed text spam from advertisers who don't follow proper guidelines. They're also an increasing number of devices like the Palm Pre, the iPhone and other smartphones which have built-in GPS and/or location-based applications that reveal personal information about us.

A ZDNet article about Palm Pre users talked about user agreements allowing Palm to share user information with third party advertisers. What are your concerns about mobile privacy? How can we strike a balance between enduser privacy and marketers' need for data?

Mickey: What Palm is doing is absolutely right. Even the carriers have these agreements and if you're a customer of Verizon, they'll send you periodic notices. The carriers are mindful of this. Keep in mind you have very low incidents of mobile spam in the United States. You have a few cases here-and-there that the press highlights and it's unfortunate. But I feel U.S. carriers are very responsible mobile marketers and highly mindful of the repercussions. The Federal Trade Commission and the Federal Communication Commission are also very proactive on the privacy front.

You also have privacy advocates who are very worried about mobile, GPS tracking and behavioral targeting. That's a legitimate concern. But I'm fairly certain that marketers will self-regulate themselves so that mobile doesn't become like the Internet. You will not have the same scenario, absolutely not.

You've have got four gateways--the four major carries. They're the policemen and they they're monitoring all the traffic, all the advertising that goes through their pipelines. Secondly, you have watchdogs who are waiting for one marketer to trip up and then you have zealous attorneys general in Florida and New York who are more than happy to punish marketers for misleading advertising as it relates to mobile.

So you have enough safeguards. But since this is a new medium, I think the industry, the FCC, the FTC and privacy advocates will need to sit down and formulate a mobile consumer bill-of-rights to establish standards

It's very important to make sure you don't have a "Minority Report" situation where someone who walks past a Gap Store gets bombarded with bluetooth messages. You don't want a scenario where you're walking past a whole string of stores and get texted non-stop.

Regarding GPS, we have apps in the market that let you know where your friends are and that's consensual. So there's nothing wrong with that. You say "hey, I'm in a neighborhood here in New York" or, "I'm in Soho, New York " and you know where your friend is on the Upper East Side. That's a different story. But in terms of invading your privacy I don't think that's going to happen and even if it does it will be a few stray examples. I think the industry, the watchdogs and the privacy advocate groups will hammer a solution in the next few months or maybe within a year.

Mobile Applications and App Stores

Brian: When Patrick Mork with GetJar appeared on MobileBeyond, he spoke about mobile app stores failing, and I want to quote you one line from his Mobile Marketer article. He said: "Our concern is that certain players are getting into the app business more to ride the hype without a clear understanding of what the consumer wants, what resources are needed internally to manage or grow this business or without a solid understanding on what developers need to be successful in this space."

Mickey: Well, I do believe apps have a place in the mobile ecosystem. It's like software That's what an app is: software for mobile phones. And you have to have a reason for being. The Apple iPhone App Store has what sixty three thousand apps?

Brian: Yes. You reported in Mobile Marketer yesterday and then I just learned this morning that Apple has 1.5 billion downloads [Update as of 1/10—3 billion downloads].

Mickey: Now think about that--1.5 billion downloads in two years and 63 thousand apps [Update as of 3/10—150,000 apps per Wikipedia]. Not all of these apps are going to survive and become financially viable. But they serve a purpose. They engage consumers with their mobile phones. And that's one of the reasons why the iPhone is so popular because of available apps that customize the phone to different tastes.

Brian: They're driving handset sales.

Mickey: Absolutely, because the content is unique. The iPhone device is one mobile device. Eventually somebody will come out with a device that's as good as the iPhone. What do you do then? It's the content that's the differentiator.

Yes you have lots of apps and app stores. Eventually there's going to be a shakeout similar to a hundred years ago when you had lots of car companies.

At that time, we settled for three or four auto companies. Then it came down to three and now you have only one. Ford is the only American car company that has survived over a hundred years without a bankruptcy. Truly, it's the last survivor. So think about it. Had the government not intervened with General Motors and Chrysler, you would be left with only one American car maker after a hundred and ten years.

So there there's going to be a shakeout. This is a capitalist market and It's the survival of the fittest. If your app is engaging enough and it meets a need it will survive. If it's priced right, competitive and offers value it will survive. If it's just a time waster people will play around with it for two or three days, forget about it and eventually delete it.

We don't see enough research on how many apps are deleted when they're downloaded. I suspect the vast majority are deleted, but apps play an absolutely essential role in branding. If you're FedEx, obviously you need to offer an app for phones. Let's say, for example, you ship a lot of packages, That's a fantastic way of checking and tracking your packages instead of just firing up the a mobile web browser.

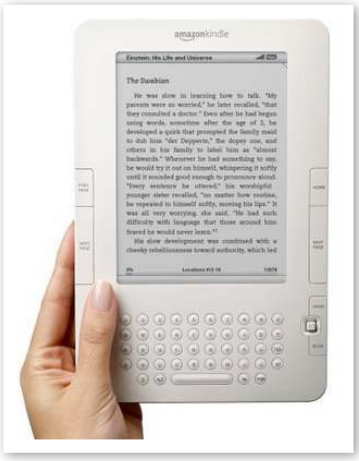
Same thing if you're a small business and don't have a credit card processing machine in the office. You can download an app from the Apple App Store and process credit card transactions from your iPhone.

Facebook, the number one app in the Apple App Store; it helps to keep you connected. Pandora, the number one music app, keeps you entertained. So you have to keep this in mind. What needs are you meeting for your target consumers?

Brian: Actually they're two factors here. What smartphone buyers are willing to pay for applications and the ROI for developers. Developers earn very little for most mobile applications sold through the Apple App Store after Apple takes its cut and developing the same application for other platforms (Android, BlackBerry, Windows, Palm, Symbian) is costly.

Growth and Convergence of Mobile Phones and other Devices

Mickey: Technology is giving us more freedom to become independent of time and space and that's where mobile is taking us. We're moving to a world where we're not tied to a desk, not tied to a bed, not tied to a car, not to tied to anything. That phone is basically your home and your office together. It's the ultimate device.



The Kindle, for example. Why do you need a [home] library? You can buy thousands of books and store them on the device.

I have a thousand books at home in my apartment and sometimes I imagine how one Kindle can store three times that number.

Mobile is here to stay. Mobile phones are turning into your tracking device, your shopping device. It's your communications device, your reading device. It's your business tool. It's everything.

Mobile isn't one channel. One of my contacts in the industry--Michael Becker from iLoop Mobile [and the MMA]--stresses this. He says that mobiles are multi-channel. A mobile phone is a video channel, a text channel, a talk channel, a Web channel, a gaming channel. So keep that in mind. Your phone is the ultimate convergence device. and you and I have already have this device.

They're 270 million mobile phones in the United States and 230 million subscribers. Clearly that means some subscribers have multiple phones., So we're talking about an 80-85% [updated] percent penetration rate in the U.S. [3/31/10 U.S population is 309M]. There's no other device in the U.S. that has such ubiquity except television.

Brian: But the majority of those 270 million phones, Mickey, aren't smartphones, like the iPhone. Most are used for making phone calls.

Mickey: But 99.9 percent of mobile phones can also send and receive text messages. And it's only a matter of time--say five or six years--before all phones will be smart in some way. There's no question right now that [most people] still have feature phones. But most consumers are on two year contracts with the carriers. So when contracts end, consumers, influenced by advertising, will upgrade [to a smartphone].

When consumers walk into stores, they'll see better phones. Even right now, you can buy a smartphone for fifty bucks. The problem is the data plan [cost]. Once carriers lower data rates, why wouldn't consumers purchase smartphones?

And regarding your point about "smartphones": Most people don't even use the word "smart"; they just say "phone." To most people, it's just a phone.

Brian: You mentioned earlier about mobile convergence, Are you saying that Sony will no longer manufacture digital cameras and MP3 players will disappear? Will a single mobile device replace other consumer electronics products?

Mickey: Yes, but that doesn't mean the other device makers will go out of business. Do you remember around ten or fifteen years ago [manufacturers] even tried tacking on several devices to a fridge. It didn't work. So some people will want that separation between church and state and you're always going to have useful independent devices.

But some features are logical [for mobile phones]. I wonder if cars will still need GPS systems if mobile phones them. Why do you need one in the your car? You tell me?

Brian: Because you might crash if you look down at your mobile phone.

Mickey: But what if your mobile phone was plugged into a [display] system in your car? Why would you want to pay for a system that costs extra when you already have GPS on your phone?

Once I was with a bunch of friends and we were going from one part of Long Island to the other to attend a wedding. And the car's GPS wasn't working.

So one of my former colleagues had an iPhone and we traveled over an hour using the iPhone's navigation feature. Yes, we had someone sitting next to the driver to give instructions. But, hey, even if you have a built-in car navigation system with voice directions, you still have to look at the screen.

So I'm fairly certain mobile will evolve but the mobile phone will incorporate the best of all devices. It won't put eliminate every device. Tape recorders still sell around the world even though many people have CD players. You still have cassettes and recorders too.

Brian: And some people still use record players.

Mickey: Yes! They still need record players In fact I recently read an article in the New York Times or in a magazine about LP's making a come back. I'm a big fan of LP's and there's still a demand.

Western Union. What is is Western Union known for? The telegraph for telegrams, right? But when did Western Union send the last telegram? In 2006.

The Future

My biggest worry is we'll have a do-not-text bill or a law banning behavioral targeting across channels. That would kill online mobile advertising and rob the charm of any targeted marketer, because you and I would get bombarded with non-targeted ads. You don't want that to happen.

Brian: So regarding SMS spam. You oppose a do-not-text but you favor the do-not-call law in the U.S.?

Mickey: Absolutely. Do-not-call is a different story. Phone calls are very intrusive and I understand why people don't want telemarketers calling them at 8 o'clock on a Friday evening, but do-not text? No.

Brian: Well Mickey, I want to thank you very much for appearing on MobileBeyond and sharing your insightful ideas about the industry. I think you have an unique perspective as a journalist covering the mobile marketing industry.

What's the best way for people to contact you at Mobile Marketer?

Mickey: You can reach me at Mickey@MobileMarketer.com. Or you're free to call me. Just do a search. I love phone calls.

Brian: You do? (laughter)

Mickey: Yeah. I love chatting.

Brian: (laughter). Well, hopefully this podcast won't cause your phone to start ringing off the hook.

Mickey: I have voicemail. Don't worry.

About Mickey Alam Khan

Mickey Alam Khan is Editor-in Chief of Mobile Marketer, the leading online publication covering mobile marketing, media and commerce, a daily "must read" for mobile marketers. The company also produces white papers and sponsors numerous webinars and live events.

Mickey has 18 years' reporting and editing experience in marketing journalism. He was formerly Editor-in-Chief with e-marketer, another online publication focused on digital marketing, media research and Internet marketing trends, using data from over 3,000 worldwide sources.

Before e-marketer, Mickey ran DM News, a web and email newsletter site. Like Mobile Marketer, DM News provides content for a variety of industries and businesses, including ad agencies, apparel, arts/entertainment, automotive, catalog/retail, consumer electronics, e-commerce, education, financial and more.

From 1993 to 1998, he was a foreign correspondent for Advertising Age.

Mickey@mobilemarketer.com

Mobile MMS Video Marketing via SMS With Jay Goss

Brian: Hi, Jay, and welcome to MobileBeyond.

Jay: Great, thank you.

Brian: Jay, you're involved with a company called Mogreet. Before we talk about your service and its success, especially your outstanding opt-in and conversion rates using MMS video services for marketers, let me quote something you wrote in your LinkedIn profile.

You wrote "mostly but not always companies are built on the backs of remarkable inventors who are in love with their product." Then you mentioned how sales and marketing for inventors doesn't necessarily drive them to do innovative kinds of things. I'm curious about that since you're head of sales and marketing Mogreet.

Jay: I think I penned that on my Linkedin profile largely due to what I've seen working with a lot of early stage companies and other people like myself who do the same sort of thing for living.

It seems more often than not the type of mindset and skill sets that get a company off the ground typically comes from the folks that really enjoy developing a product. It's a necessity--the chicken before the egg--in this case. That said, Mogreet employees are the exception to the rule. Our two co-founders focused necessarily on the company's product and technology for the first couple of years. In one case, James Citron, the CEO and one of the two co-founders of the company, spent a large part of his early years developing mobile technology for Motorola.

When the company needed to flip the proverbial sales and marketing switch, management was much more focused on sales and marketing than I've typically seen. So this is a nice, almost refreshing situation to be in where the entire management team is equally balanced on product, sales and marketing.

Brian: Let's talk about Mogreet's directions and target markets. You're both B2C and B2B. Who are your target markets beyond consumers?

Jay: We started in `07 and `08 with the B2C greeting card model, and that gave us a chance to develop and battle-test the technology and build a world-class MMS platform that allowed a single consumer to send a greeting card to another consumer.

Then in 2009, largely predicated on taking a temperature check of the advertising industry, we changed our business model, making marketers our customers. Since then we've been in the business of giving marketers a new way to communicate with their consumers with rich media on the consumer's most personal device.

In essence, we take text messaging to the next level – video. When consumers click on a Mogreet message, they're pleasantly surprised there's a video accompanying the text message (which is constrained in the U.S. to 160 characters). This is MMS vs. SMS.

Brian: You've said that 60% to 70% of all cell phones, feature phones and smartphones have video players.

Jay: The percentage is greater than that. We're able to reach more than 200 million mobile phones in the US.

I'll stay focused on U.S. statistics. A key differentiator of our technology is that we're almost always delivering our video in MMS. So that means the phone receiving the message needn't be a smartphone. It can be a dumb phone or smartphone or anything in between, because the message appears as a text message. It means we're able to send messages to all phones frequently neglected by mobile marketers focused on iPhone apps or the mobile Web. We leverage SMS and MMS. Today, fewer than 1 in 5 consumers has a smartphone. So this approach enables marketers to communicate with the haves and the have-nots.

Brian: Are you compressing video, especially for those mobile users who don't have 3G handsets or networks?

Jay: Yes. We've worked for three-and-a-half years on a technology that compresses video. People who work for the company are very skilled at compressing large files down to under 500K and delivering it as a short format video via MMS. A major part of what we do is content adaptation, meaning that we get the right video in the right format to a specific handset.

If you're a Verizon subscriber, you're receiving a mobile video message from MMS on behalf of one of our clients, let's say Reebok. When you click that message, the MMS video is then on your phone. So there's no streaming, buffering or the typical stuttering you might endure. You have that video on your phone. So it's a rather glorious user experience as opposed to streaming.

It's actually a wonderful user experience and that's part of our rationale for investing so heavily in MMS. We want to reach the maximum number of consumer handsets that we can in the US with MMS, because it means that the user experience is going to be superior, not at all dependent on having a smartphone or a phone with Internet connectivity.

Brian: Marketers using Mogreet are achieving high click-through rates, like the Reebok mobile video campaign, where you achieved CTR's of 50% or higher. Truly outstanding.

Jay: Yes with SMS. Marketers in 2009 dived into SMS waters to send plain text messages to consumers. A large part of that infatuation--and it applies to what we're doing with MMS as well---is because your text inbox is analogous to your email inbox back in the early mid-90s (maybe even more…we are all freakishly responsive to text messaging).

If you remember, in 1992 or 1993 when you received an email, it was quite an event. You looked at the email, you responded and probably got back to the person in seconds or minutes, assuming you were in front of your computer.

Conversely, look at today. Our email boxes have been overrun in the last 10 years as email became more of a personal form of communication, a business form of communication and a marketing form of communication. The email box has, from a responsiveness perspective, devolved. But you're always with your phone, not necessarily with your PC.

USA Today reported statistics indicating that 95% of all text messages are read and responded to within four minutes. Marketers value knowing that messages are going to be received and consumed within seconds or minutes after hitting the proverbial inbox.

Brian: You've also mentioned the importance of viral marketing in mobile marketing campaigns when using MMS video. It's almost like a YouTube site where consumers view videos they like, then share them with their friends. Is that Mogreet's strategy as well?

Jay: It's certainly a strategy. We encourage our clients to [think viral]. Getting a single consumer to text into a short code--like RBK to short code 21534--resulting in a video delivered to their phone is a fantastic outcome for Reebok.

But what's more fantastic is when the video is compelling, entertaining, makes the person laugh, makes the person think, whatever the objective. If consumers then effortlessly forward videos to other persons or share the text-to-short-code with others, it means they're reaching other people. So yes, the phone is fundamentally a nice viral device, because it makes it so easy to share messages, especially when you compare it to traditional forms of advertising.

If you see a fantastic ad in a magazine, you're unlikely to run to Kinko's, photocopy it five times and put it in the mail to your friends. You can't do that with traditional media. But with email, when you receive a compelling, attractive message or you appreciated an offer, you can forward it on to other people.

Your ability to do that with text messaging is exactly the same except it's coming when you're responsive to it in the first place. Text messaging is competing effectively with email.

Brian: You mentioned the Reebok campaign a couple of times, I also read about your Twilight movie campaign for Valentine's Day that featured short scenes from the movie. Tell us more how these two campaigns were structured.

Jay: Well, the opt-in is very important. The consumer needs to double opt-in during the course of the interaction with the brand, which causes the interaction with us. So they need to be notified--the equivalent of very conservative email marketing--that by texting in, they're opting-in to receive messages.

If they received the initial video from a friend--as in the example of the send-to-a-friend widget--that wouldn't opt them in. They need to take action in the form of a double opt-in. Having received a message, they need to reply to our system.

But this is the real power of mobile marketing. In the example I gave, whether it's a send-to-a-friend widget or text to a short code, when a consumer takes action--say to see a Tyler Perry movie video--that's fantastic because it means the consumer saw

The SMS which persuaded them to have the video sent to their phone.

If a consumer in that same transaction opted-in to receive video messages from Tyler Perry about a movie or a future one or when it's available on DVD, marketers now have built an asset--a mobile database. They can re-market to the consumer if the person gave them permission. It's comparable to email marketing. It's mobile CRM.

To switch gears, if it had been a television show, and it's very important to reach a person ten minutes before the show starts in a particular area code, the marketer now has the mobile number to reach a person before the show starts. This ensures consumers receive timely messages.

Brian: What about **mobile coupons**?

Jay: Yes. One of our contemporary cases and campaigns we ran was for a hotel that included a video showcasing the hotel, including the beauty of the hotel near the Pacific Ocean. At the end of the video, the message had a call-to-action to receive free champagne or a Bloody Mary during Sunday brunch. It worked by showing the video message to their server.

You can offer a promo code in the text message that accompanies the video. It could be a special offer and opportunity to engage with a sweepstakes or a contest, all of which are smart things for marketers to consider because, ultimately, marketers want people to text-in and receive a message. So it increases the response rate from the consumers.

Brian: So this approach to mobile is a multi-channel strategy by including 20 second Mogreet videos. You're sending text messages used in the majority of mobile marketing and advertising campaigns, combined with MMS that boosts multimedia effectiveness combining multiple channels that increase response. That probably accounts for the 50% result you obtained on the Reebok campaign.

Jay: Absolutely. But it's even more than that because typically campaigns start with traditional media to alert consumers about texting-in. They're looking up at the billboard. They're watching a TV spot or listening to the radio spot. They're flipping through their Sunday newspaper and the ad that they're consuming--the ad that's making an impression—says "Hey, if you'd like more information, text XYZ to a short code and you're going to receive information."

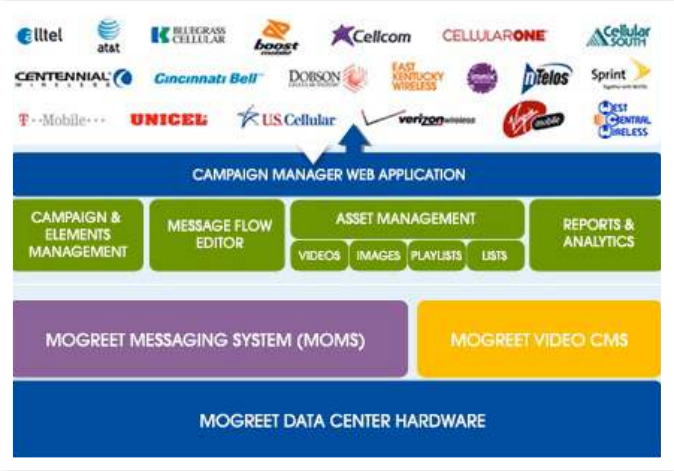
SMS campaigns have been very prevalent, especially recently; we're just adding video to SMS which is a win for advertisers, because they can convey a lot more information in 20 seconds of video than just text, especially when it's 160 character constrained.

Clients either provide us with video footage and we edit it down to 15, 20 or 30 second spots. In some cases, clients don't have any video footage and they rely on our expertise, because we spent a couple of years developing a ton of video content for our greeting card business.

We have full production capabilities in our Los Angeles studio and can develop spots for them. In the case of movie studios, they're sitting on video footage—mostly trailers--that they provide that to us.

In the case of a client that doesn't have video footage to run a campaign, we can develop that for them. Mogreet handles everything on the backend: the transcoding, the compression, the hosting, the SMS component, the database, opt-in, opt-out management, even campaign analytics, which are increasingly very important for our clients who want to monitor campaign performance. They log into our system for real time data: hour-by-hour, day-by-day, state-by-state, phone-by-phone and campaign performance. This is a turnkey end-to-end solution that our clients receive.

Time has passed when anyone with a digital advertising solution could just provide advertisers, brands or agencies a report at the end of the month or campaign along with a debriefing. Now our clients demand tracking access to campaigns in real time.



In 2008 and 2009, Mogreet built our Mogreet campaign manager. We give our clients usernames and passwords to gain access to all data. They log in to see how their campaign is performing. If you're a data junkie who wants to look at campaign data, that's great. But it's even more valuable if you use data to fine tune campaigns as they're running.

We have clients who run multiple video messages with two or three different calls-to-action communicated in text messages. They can monitor campaign performance to determine which micro-campaigns are outperforming others in different parts of the country During a 30 day campaign, clients can then optimize their campaigns. So it's extremely valuable that advertisers have access to data quickly to avoid waiting until the end of the month.

Brian: Brands and other advertisers and agencies are frequently amazed how quickly a mobile marketing or advertising campaign occurs.

Jay: We're never more than nine feet away from our phone, which says something about society, but also about a marketer's ability to reach consumers. In fact, if you think of your phone as a form of media, that means marketers are always within nine feet of reaching you with messages. That changes how they think about marketing, something they've never considered. For example, restaurant can show a video of a pizza coming out of the oven and transmit that video to people at 11:45 in the morning on a Tuesday, right when people are deciding where to have lunch.

That was never possible before in other media. This is one of the interesting things about mobile messaging, whether you're a giant brand or a mom and pop drycleaner. Everyone starts from the same point. It's a level playing field because everyone starts without a mobile database. Someone has to build it and the best time to build it was probably five years ago; the next best time is today. Brands now need to recognize that it's 1993 again and the rush to start building email databases back in the early and mid 90s is similar with mobile today.

Brian: How can Mogreets be integrated into mobile commerce?

Jay: It's very straightforward. Again, the Reebok campaign. I receive a video to my phone that gives me additional information than I obtained from print, radio or TV. But the call-to-action can drive someone to a website.

Advertisers must determine whether their products lend themselves to mobile transactions. When it comes to interacting on the Web, especially for more expensive or complicated e-commerce transactions, it's still an open question whether we have an appetite to make purchases directly on our phones.

But certainly receiving a video message, watching it, hanging on to it and using a promotional code, a discount or special offer has value. So the next time consumers use a computer or go to a retailer's store, they can use a mobile coupon. We discussed this in the hotel example earlier, as well as Reebok, brands that are increasingly well-aligned with e-commerce or physical commerce

Brian: So mobile marketing is very dependent on multiple impressions in different media.

Jay: Advertisers want to drive you to their websites or to retail and mobile is a fantastic tool for both. Once you're opted in, advertisers can re-market to you based on how you opted in. Marketers can then message you they think you are most likely to take action.

Brian: Looking, Jay, at the future of MMS video, Mogreet and new directions for your company, what's on your agenda?

Jay:, I think we're most excited about continuing to introduce this technology to the U.S and Canada. We're the only firm in the U.S. that can send commercial grade video messages across all carriers. We spent most of the time in the podcast talking about how our technology works. But a big need is obtaining the carriers' permission to send our messages over their networks.

We're also spending a lot of time making marketers aware they're not constrained by 160 characters of text. Marketers who have already used SMS can use Mogreet to help them combine text with video messages [for greater effectiveness]. We're now spreading the word about the Mogreet alternative.

Above all, we want marketers to appreciate that the shortcode is the new URL.

Brian: Jay, I want to thank you very much for appearing today on MobileBeyond. What's the best way for people to reach you?

Jay: They can email me at jay@mogreet.com. My phone number is 818-298-7259 and if they're really curious, they can get a Mogreet video message from me by texting JAY to short code 21534. And I'm reasonably sure they'll get a kick out of what shows up on their phone.

Brian: What a curious way to market yourself! (laughter)

Jay: It dawned on me, right? That's why.

Brian: –I live in Silicon Valley. So I'm always amazed why technology companies don't use their own technologies to market themselves.

Jay: We actually love to do just that.

Brian: Thanks again Jay, we appreciate your thoughts on MobileBeyond today.

Jay: Thank you very much.

Jay Goss

Jay Goss has over twenty years in marketing focusing on digital technology and innovation. As COO for Numedeon, Goss was responsible for introducing Whyville, a leading edu-tainment virtual world for tweens and teens to Madison Avenue.

Among the brands that Jay handled were Toyota, Disney, Scholastic, Fox Walden Media and Virgin Records. Jay also launched new businesses within Fortune 500 and Global 2000 organizations, including Disney, Reed Elsevier and UCLA.

Jay Goss has spoken at numerous new media marketing events including KidsScreen and YMME, and has contributed to articles in the New York Times, USA Today, MSNBC, The Wall Street Journal and Advertising Age. Goss graduated from The University of California, Los Angeles with a B.A. in Economics and Business, and an MBA from the University of Southern California, Marshall School of Business

Mogreet

Mogreet, headquartered in Venice, California, is the world's first mobile video marketing platform, enabling marketers to combine video with text messaging to reach over 200-million mobile phones in the U.S. Founded in 2006, the company has raised $7 million in venture capital.

Jay@Mogreet.com

Eric Hansen on Optimizing Mobile Websites

Brian: Eric, welcome to MobileBeyond.

Eric: Hey, it's nice to be here, Brian.

Brian: I want to go back to your bio and ask you about Harvard Medical School.

Eric: Sure. Well, that goes back probably about 15 years and I was actually a developer and a program manager for a group called the Center for Clinical Computing, a joint venture of Harvard Medical School and Beth Israel Deaconess Medical Center. So, early on in my career I actually cut my teeth building software systems and doing systems engineering for the medical industry.

Brian: So you didn't want to become a doctor instead? (laughter)

Eric: No, I wasn't actually attending (laughter) Harvard Medical School, but we were building software and systems that were being piloted by physicians and researchers at Harvard.

Brian: I see. Tell us how you got into optimization and mobile analytics?

Eric: Sure. SiteSpect was founded in 2004 and it really grew out of a number of problems and challenges that we had faced at my previous company, Worldmachine, a systems integration and web development firm. At Worldmachine we had time-and-time again worked with groups doing consulting to build out e-commerce sites or publishing sites.

We'd always get to a point in our project where we were trying to figure out the best user interface, what the webpage was supposed to look like with the goal of getting the end user to do something, to take some sort of action like making a purchase or registering for an account.

You can picture this scenario where you've got on our side developers, designers and project managers. Then on our customer side you've got the marketer and communications people and we'd all be sitting around this table debating how the webpage should look.

Ultimately, we were making a decision based on gut. In other words, this is what we think is going to be most effective. So let's design the page or the checkout process this way or, in some cases, someone would say, "well, let's just do what xyz.com would or take the Amazon.com approach. Look at Amazon and copy what they're doing."

After going through this so many times, we thought there has to be a better way. So the concept we came up with was strikingly simple. Basically, let's set up an experiment where we run multiple versions of a page--different creative elements, different copy writing, different calls-to-action, even different graphical elements or layout--and let's let end users vote with their wallets.

If we have a thousand people come to our site and we show 4 different versions of a page at random and we measure what people do, how they behave when they see those four versions? This is an experiment. So we'll have the actual user weigh-in about what's most effective, the costs to buy or take actions marketers want them to.

The genesis of the SiteSpect solution and the mobile part of it came a little bit later. But we realized that the same people we were working with on conventional websites--sites you visit on your computer--were facing challenges doing this sort of testing and optimization on mobile properties.

And there are additional challenges on mobile websites because you're not looking at a big screen. It's a small screen that's quite often oriented in a different way. More importantly, the context or the disposition of the users who are browsing a mobile site is very different than what it is when those same people are sitting at a computer at work or kicking back on the couch with a laptop.

On a mobile phone, people might be waiting in line at a grocery store. They might be trying to get through security in an airport. They could be in a cab somewhere. The situation is very different.

So SiteSpect, when we evolved to allow mobile marketers to do testing and optimization, had to take capabilities we developed in the product and make sure they'd work doing these sorts of tests and optimization projects for people who are in a mobile mindset, the mobile head space. That's how we got to where we are today.

Brian: You're certainly talking about real pains faced by many mobile marketers and mobile advertisers. Mobile is growing very rapidly, but a lot of advertisers and marketers don't know how to properly measure their mobile websites. The desktop Internet and the mobile Internet are so different.

When you approach mobile marketers, advertisers or publishers, what are their biggest pains?

Eric: What has to happen for a marketer to be able to start thinking about testing and optimization is embracing this mindset: we're going to make decisions based on data and measurement.

And this harkens back to what I described from my Worldmachine days where you make decisions based on your gut instinct. Quite often, they're wrong, but if you can measure, you can figure out where you're wrong. You can change what you're doing. A lot of people, even to this day, don't even measure. So it's like that famous quote attributed to John Wanamaker: "Half of my marketing dollars are wasted; the problem is I just don't know which half."

You need a feedback loop. So at the get-go, we encourage people to get into testing and controlled experimentation spaces that make sure they have a way to measure what happens when people visit websites.

First, measurement is key. If you know what people are doing when you come to your site, that's a good thing. But you need to reconcile what you want them to do. Knowing that 4 out of every 100 people on average might make a purchase when they visit your site is very helpful.

However, you need to have a goal; you need to have an objective. So if your objective is to increase conversions by 50% a quarter--you go from 4 to 6 to 9, etc.--then those are goals you work against to measure your progress.

Whether you're a digital or conventional marketer (I don't even know if there's such thing as a conventional marketer anymore), particularly when you're spending money, time and effort to improve your site content and your persuasiveness, it's key to see how you're improving over time.

Brian: You certainly bring out a very important point--what I would call our multimedia world--and I think you're right that you can't be a conventional marketer or advertiser because the Internet and mobile Internet changed the game.

SiteSpect's mobile service started about a year or so ago. I'm amazed that it doesn't require JavaScript or cookies and you can test and track user behavior across any kind of content without making massive changes. How does your service work?

Eric: SiteSpect is the only testing and optimization platform that doesn't use JavaScript. This means SiteSpect is a non-intrusive platform for optimization. Because of this, mobile site operators don't need to make site changes in order to perform testing and targeting.

SiteSpect's "secret sauce" makes it possible, as opposed to using JavaScript or other software that works at the network level. We manipulate and analyze bits and bytes of data as they fly over the air between a mobile site and an iPhone, BlackBerry or feature phone with a WAP browser.

This is quite unique in the space and, in fact, one of the key reasons why some of the major brands have embraced SiteSpect as their choice for optimization and mobile measurement.

Brian: Some of the things you measure are incredible, such as current and past behavior, origin of visit, time of visit and language--some of the things that mobile ad networks provide. But it sounds like your technology, your solution, goes way beyond the usual. Do you integrate with other systems such as mobile ad network platforms?

Eric: That's a good question and one that requires getting a little bit technical. I think one of the key things that challenges marketers and site operators in the mobile space is that, unlike counterparts in the PC or Mac world where there are dozens of different browsers, mobile has more than 10,000 different combinations of devices, operating system and browsers. With so many different configurations to support, you have to deal with more than half of all devices worldwide that don't support JavaScript or even persistent cookies.

This makes testing and targeting quite difficult with other solutions or other approaches. So when you talk about ad networks, SiteSpect can track what people do and then present them with tailored content. This capability required us to develop new approaches and new technology within our product. Again, it's possible because of our non-intrusive approach.

When you're able to analyze the stream of data bits and bytes that go over the network, you gain tremendous flexibility, accuracy and ability to learn things about end user behavior. This is quite difficult and not possible with other approaches like JavaScript, which is quite prevalent for desktop-based sites. JavaScript methods break down when analyzing mobile sites since it's not compatible with so many mobile devices. SiteSpect figured out a different way to do it.

Tracking and identifying people, as they view mobile websites at the ad network level, is different. Let's say I'm a mobile content provider that sells ringtones, wallpapers, apps or whatever. When I advertise on various mobile publishing sites, people see ads and click through.

I need to make sure I can connect the ad shown with the offer and language. So when people click into my site I'm able to show them a customized page based on different elements or attributes known about each particular user at a point in time.

This is the essence of *mobile landing page optimization*. It's similar to landing pages in the conventional web world, but here you're dealing with landing pages on mobile devices. But the set of data that is available to us to tailor these landing pages is quite broad, identifying the publisher ad version, time of day and day of week. We even look at things like the mobile device, geography and more. This capability tailors things quite specifically and makes a more compelling, persuasive experience on the mobile operator's website.

Keep in mind that we focus on site-side optimization--everything that happens once you've clicked to or in the site. Ad network optimization deals with where and which ads show, and to whom. That's a related but a separate part of the industry.

Brian: So the information that's gathered is related to the mobile site itself. You're not involved with mobile ad networks or carriers.

Eric: That's correct.

Brian: You were quoted in a Mobile Marketer article: "Many mobile phones have limited and no support for JavaScript or cookies"--which we already discussed. So testing compatible devices, you said, "…skews campaign data towards certain demographics." What you mean?

Eric: The skew is basically a result of segment bias, something marketers have been aware of for a long time. To measure it, you'd need to know which users could see an ad, page or an optimized site—is it all users, or only a subset? This is important. If I'm only reaching a subset, that's o.k. as long as that subset is my target audience.

If I know I have a product that appeals to certain people but those people can't see my message—then there's a mismatch. The ad is not correctly targeted. So the article you're referring to again gets back to JavaScript, only compatible with roughly 50% of the world's mobile devices.

I'm not factoring in the iPhone because worldwide, the iPhone commands a very small percentage of adoption. But if you need to work with the lowest-common-denominator mobile phones, then you need to assume there's limited or no support for JavaScript. Because if you require JavaScript, and the target users you wish to reach don't support it, then you're really missing an opportunity.

Brian: So you're saying that SiteSpect's solution, since you support the vast majority of handsets without JavaScript, is the only option.

Eric: That is correct. You and I can do another podcast 10 years from now and I bet by that time the majority of the world's handsets will be smart phones that support much more sophisticated features than today.

So maybe this won't be an issue at that point, but in the meantime do you want to put your optimization initiatives on hold? I wouldn't think so. The people who can do it now are the ones who are getting ahead, and indeed we're seeing people become quite aggressive about trying to not only get involved with mobile content optimization but address the issue while their competitors aren't.

In this economy a lot of people are cutting spending--but not everybody--and you can bet that people who are sticking it out and focusing on smart marketing methods, like measurement and optimization, are the ones who will emerge from a tough economy in a commanding position.

So the time is now. I think people need to realize the opportunities and if you don't grasp it, then you're going to miss it. Finally, we're getting some real traction--particularly with smart phone adoption up like never before. So I think the promise we've been hearing for so long about widespread mobile adoption and people buying things on their phone is finally starting to happen.

Brian: How can SiteSpect's optimization and tools help search marketers?

Eric: Search marketing from the perspective of the digital marketer helps boost business traffic through banner advertising, which is more or less what we talked about before, as well as search advertising, a slightly different beast. But it's still what I consider acquisition marketing.

So once someone types something into Google or Bing, which has a nice mobile UI, and they conduct a search, they may get some paid ads that advertisers have bought based on search keywords. Clicking on those ads will lead them into a site or landing page.

And once there, it's the same story. When people click to my site, I know they came from a search engine or from a banner placement on a publishing site. There's a variety of contexts that I know about them.

With mobile search, I know the search keywords. I certainly know things like time, day and device. And these are all different attributes I can use to deliver content that's more personalized and relevant for end users.

So I think it's great when people use their mobile phones for finding stuff, particularly as they're out and about. Maybe they're looking for movie times, buying tickets on their phone while they're at the grocery store. Wherever you have people who are looking for things, it's an opportunity to present a relevant ad, capture people's attention and increase conversions once people click through to a mobile site.

Brian: As you mentioned, search advertising is driven by mobile populations wandering around. They could be near a retail store or bank and that's where local search advertising has a fantastic effect.

Eric: That's right, I think that may prove to be quite disruptive. Is there really any such thing as a conventional marketer anymore? And this, I would argue, is the point. I may shop at BestBuy.com, but I may also be walking down the street and see something for sale in a store window. Then I may search for it on my phone and see an ad that's directing me to a Best Buy or Sears or a Wal-Mart that's down the street, offering me that same product at a competitive price.

All these different channels--offline brick-and-mortar, online mobile and email--they're converging. And what we're going to see in the near future are ways marketers can stitch these things together with pervasive campaigns combining different channels, letting us track effectiveness across channels. It's all evolving.

Brian: SiteSpect teamed up with Bango and mobile publishers to boost conversions. I'm wondering how your combined efforts help you better track mobile advertising results.

Eric: The two solutions are quite complementary. **Bango** is a mobile web analytics provider focusing on historical reporting. So a marketer can use that tool to answer questions about the most common mobile devices users have when they browse on a website. Or, for example, what days or week or times of the day is my mobile site the most active? This historical data is quite valuable and can be used within SiteSpect to define tests or ways that you want to target people.

For example, you can measure how many users on a ringtone site are bailing out before taking that last step to confirm the purchase. This information is available from an analytics tool like Bango, and it can provide insight to create tests within SiteSpect that try different messages of persuasion or promotions to see if you can boost your conversion rate.

So you're trying to analyze abandoned shopping carts and see if you can correct things so that people aren't bailing out. *Whereas Bango tells you what happened in the past, SiteSpect lets you answer questions about what will happen in the future*. Through SiteSpect's testing capabilities, you can predict what will happen if you make site or content adjustments.

Brian: SiteSpect's major advantage and benefit is discovering for website owners at what point in the sequence people are disengaged or dropping out, and then recommending changes to mobile website owners to improve outcomes.

Eric: That's exactly right. SiteSpect turns your website into a digital experimentation lab. You've got content on your site--pages and sections of the site, products or promotions--and all these are variables that SiteSpect can play around with, trying different versions, creating experiments and learning from experiments so that you better understand what your users prefer. And that insight enables you to make changes that will compel users them to take action. This helps you achieve your marketing goals.

Think back to the first thing we talked about. What is it you want to do with your site? Do you want to get more people to buy? Do you want more people to register? Do you want to have more stickiness where people just visit more regularly? What is it? Any of these goals can be measured, and different elements on your site can be tested and optimized. Testing is one of the best ways to reach or exceed your marketing goals.

Brian: Eric, I want to thank you very much for sharing your views on mobile website optimization with us today.

Eric: Thanks, Brian.

About Eric Hansen

Eric Hansen is Founder and CEO of SiteSpect, a Boston-based marketing-focused website testing and optimization firm. Since starting the firm in 2004, Hansen's team has helped numerous companies, including J.C. Penney, Overstock.com, The New York *Times*, CreditCards.com and many others that have greatly improved their website marketing performance by optimizing mobile content and placement.

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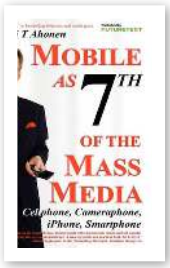
About SiteSpect:

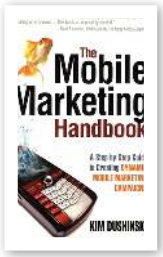
SiteSpect Mobile Content Testing and Optimization

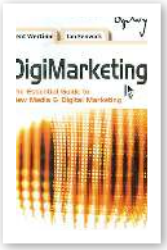
SiteSpect Demo

Ehansen@SiteSpect.com

Additional Mobile Marketing Resources







As mobile marketing continues its exponential growth, an increasing number of excellent books and other online materials are appearing.

Here are recommended books, additional MobileBeyond & IM-Mobile posts and other online articles and resources about mobile marketing, digital marketing, mobile advertising and mobile technologies.

Books and More

Mobile Marketing: Finding Customers No Matter Where They Are (Cindy Krum)

Mobile Marketing Handbook: A Step-by-Step Guide to Creating Dynamic Mobile Marketing Campaigns (Kim Dushinski)

Mobile Advertising: Supercharge Your Brand in the Exploding Wireless Market (Chetan Sharma, Joe Herzog and Victor Melfi)

Mobile Marketing: Achieving Competitive Advantage Through Wireless Technology (Alex Michael, Ben Salter)

Mobile Marketing for Dummies (Michael Becker & John Arnold)

Mobile as 7th of the Mass Media: Cellphone, cameraphone, IPhone, smartphone (Tomi Ahonen)

DigiMarketing: The Essential Guide to New Media & Digital Marketing (Kent Wertime & Ian Fenwick)

The Mobile Revolution: The Making of Mobile Services Worldwide

"Making Sense of Mobile Marketing" (Bryce Marshall PDF)

Mobile Marketing Association

The MMA is *the* association representing global mobile marketing. You'll find a wealth of information from case studies to code of conduct, a newsletter, industry links and even a Wiki explaining key mobile marketing terminology. The MMA has a North American branch as well.

Statistics, reports and other research are available at http://mmaglobal.com/research

MMA's Consumer Best Practices: http://mmaglobal.com/policies/consumer-best-practices

MMA's Global Mobile Ad Guidelines: http://mmaglobal.com/policies/global-mobile-advertising-guidelines

MMA's mobile marketing definition (updated Nov. 2009)

Mobile Marketing Glossary (PDF)

MobileBeyond Posts and Podcasts

"iPhone Sonic Music Technology at Smule with Ge Wang"

"Smartphone Mobile Security with John Hering of Lookout"

"Mobile Streaming Video at MobiTV"

"Mobile Payments Growing in Africa, India and the U.S."

"Dictionary.com Helps Mobile Phone Users Find Words"

"Mobile Japanese Culture with Kei Shimada"

"Mobile Internet Research Report Reveals Massive Mobile Internet Growth"

"GetJar Mobile Applications: a Conversation with Patrick Mork"

"Mobile Browsers Getting Faster with Skyfire"

"Smartphone Mobile Games and mPlayit's Craig Dalton"

"Top 10 MobileBeyond Podcasts and Articles for 2009"

"Nimbuzz New Generation Mobile Service"

"Smartphone Consumer Behavior and the Mobile Internet"

"Mobile Application Development Testing with Eran Yaniv at Perfecto Mobile"

"Mobile Communications and Communities in South Africa: MXit's Herman Heunis"

"HearPlanet Mobile Audio Streaming with Steven Echtman"

MobileBeyond on iTunes

"Mobile Barcode Technology Improves Marketing"

"Developing Mobile Applications for Nokia: Gian-Luca Cioletti Podcast"

"Mobile Phone Streaming Video Service for History & Travel"

"Apple iPad Redefines Mobile Advertising for Quattro Wireless"

"Wireless Healthcare with Don Jones of Qualcomm"

IM-Mobile Posts and Podcasts

"SMB Mobile Advertising with 4INFO's Kirsten McMullen"

"Multimedia Mobile Advertising: David Miller & Mobile Discovery Podcast"

"Jeremy Arnon Discusses Mobile Adversing Growth at Quattro Wireless"

"Passionate about Mobile Advertising: Smaato's Harald Neidhardt"

"Smaato Mobile Advertising Roundtable - San Francisco - 2009"

"Mobile Websites (Dot Mobi) Show Rapid Growth"

"Mobile Ad Networks and inMobi's Naveen Tewari"

"Top 10 Podcasts and Posts on IM-Mobile for 2009: Mobile Tech, Advertising & Emerging Markets"

"India 2009: Viral Growth Market for Mobile Voice & Data Subscribers"

"Local Mobile Search Advertising with Gregg Stewart of 15miles"

"Understanding Differences Between Mobile & Other Forms of Marketing Media Channels"

"New Mobile Wireless Devices Challenge the Advertising Ecosystem"

IM-Mobile on iTunes