Making Sense of Mobile Marketing

Making Sense of the Mobile Landscape
Making Sense of the Mobile Audience
Making Sense of Mobile Strategy

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Making Sense of the Mobile Landscape

The online marketing universe is filled with discussion about mobile as an emerging direct digital marketing channel. Despite all the discussion, we see that many marketers are very unclear about what mobile marketing really means, or they have very different working definitions. This is justified because the term “mobile marketing” generically describes marketing interactions with an individual through the technologies found on their mobile device. The more technologies that are found, the more ways there are to describe “mobile marketing.”

To combat channel confusion, I recently began including a high-level breakdown of the mobile marketing subdivisions in our strategy discussions with clients. The goal is to understand the tactical opportunities and create an outreach strategy based on objectives and audiences – not based on technologies themselves.

<table>
<thead>
<tr>
<th>SMS/MMS</th>
<th>Mobile Web</th>
<th>Apps</th>
<th>Mobile Ads</th>
<th>Other</th>
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<tbody>
<tr>
<td>• Opt-in, direct digital marketing</td>
<td>• Mobile browser friendly sites and pages</td>
<td>• iPhone, Blackberry, Palm, etc.</td>
<td>• Mobile search</td>
<td>• Video</td>
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<tr>
<td>• Greatest reach, most ubiquitous</td>
<td>• Information &amp; interaction</td>
<td>• Silo’d audience</td>
<td>• Mobile banners</td>
<td>• Games</td>
</tr>
<tr>
<td></td>
<td>• M-commerce</td>
<td>• Rich experience</td>
<td>• SMS subscriptions</td>
<td>• Music</td>
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SMS and MMS
After voice, SMS – a.k.a. text messaging – is the most common tactic within mobile marketing. Nearly all U.S. consumers have a mobile phone of some type, and nearly all mobile phones feature SMS technology. More and more carriers are offering low cost “all-you-can text” plans, too. This means there is a possibility that SMS will exceed Internet access when it comes to identifying the broadest possible reach in digital channels. SMS – and its more-interactive cousin MMS – are components of permission-based direct digital marketing. SMS is addressable to an individual based on their mobile phone number. But, because SMS messages are sent across private networks operated by wireless carriers like Verizon and AT&T, permission is required from the consumer to interact with them via SMS or MMS. Permission is also required from the carriers, which provides some challenges when navigating the red tape.

Mobile Web
“Mobile Web” describes mobile-browser-friendly Web experiences. Apple’s iPhone is a bit of a game-changer because its browser technology is great at rendering everyday websites in a way that makes functional interaction possible. To interact with the rest of the mobile-browsing consumer universe it is necessary to develop a mobile-friendly Web alternative. The alternative should include simpler code standards as well as streamlining content and design. Though improving, mobile browsers still leave a lot to be desired and are not equipped to support much of the interactive functionality we take for granted on the web.
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The mobile Web can support direct digital marketing tactics like SMS, MMS, and even emails that contain a mobile-friendly version viewable as a Web page. Mobile Web pages should be developed for universal functionality across mobile browsers and devices so the experience is consistent for the greatest possible consumer base.

Apps

Apps have been made famous by the iPhone and the App Store. Apps are simply a custom-developed, downloadable application that is specific to a particular mobile device. So, an iPhone app can only be downloaded and used on an iPhone, a BlackBerry app only on a BlackBerry, Palm apps only on a Palm, etc. Apps are fantastic for providing a rich user experience that far exceeds what is possible with a mobile-browser-friendly Web page. Apps do not need to account for the shortcomings of mobile browsers in supporting interactive functionality.

But, because apps serve a dedicated audience only, the rich functionality and consumer experience possibilities must be balanced against the relatively limited audience of all mobile devices that can use the app.

Mobile Advertising

This category itself can be subdivided many times. Simply stated, mobile ads fall into a couple of categories: mobile banners and mobile search. Each is a spinoff of the established online ad channels, with virtually the same roster of ad partners creating alternatives for consumers browsing and searching the Internet through their mobile browser.

Additionally, ads are often placed in popular apps simply because this is where eyeballs can be found in a highly interactive and controlled environment.

Emerging and Location-Based Technologies

I use the term “emerging” carefully because it is viewed relatively speaking. There are mobile-tagging technologies – such as 2D matrix codes and Microsoft Tags – which are becoming in Europe and Asia, as well as other established technologies such as Bluetooth, GPS and RFID that are now finding homes in mobile devices.

What these technologies have in common is enabling more advanced interactions and better calls-to-action through mobile devices, including interactions that incorporate a user’s location into the marketing equation.

Other

This is my helpful catch-all category for miscellaneous media specific to, or consumable on, a mobile device. Whether a user can download ringtones and wallpapers or play video, music, or games, there is an array of opportunity for branded content and advertising.

Many astute readers will note that voice is not included in this breakdown. However right or wrong, the most commonly used technology on a consumer’s mobile device – voice – is not commonly understood as “online” or direct digital marketing. I hope this breakdown of the mobile marketing channel provides clarity and sparks ideas.
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Once a basic understanding of the mobile landscape is reached, it is best to focus on a deeper discussion around the appropriate channel approach necessary to reach an audience and meet your objectives. Understanding where to interact with customers and prospects is just as important as understanding the distinction between the channels and technologies.

The first and most pervasive tactical channel is SMS (and its cousin, MMS). SMS is the channel of maximum reach potential. While not all researchers reflect the same data, most agree that cell phone usage for individuals ranges from 87%-95%. Assuming the requisite carrier and consumer permissions are met, it is possible to access virtually every U.S. resident.

Additionally, SMS is the most utilized mobile technology across every age group – following only the digital camera – according to an eMarketer study. Sixty-five percent of mobile phone users consistently interact with SMS, and the rate jumps to 75% for the preferred advertising demographic, 26-42-year-olds.

Bottom line, SMS has to be part of any mobile strategy where reach and convenience are part of the marketing equation – no matter which demographic groups.

**Mobile Activities of US Mobile Phone Users, by Generation, September-October 2008 (% of respondents)**

<table>
<thead>
<tr>
<th></th>
<th>Millennials (14-25)</th>
<th>Generation X (26-42)</th>
<th>Boomers Matures (62-75)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital camera (still pictured)</td>
<td>8%</td>
<td>77%</td>
<td>59%</td>
<td>46%</td>
</tr>
<tr>
<td>Text messaging</td>
<td>56%</td>
<td>57%</td>
<td>55%</td>
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</tr>
<tr>
<td>Video camera</td>
<td>56%</td>
<td>45%</td>
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<td>23%</td>
</tr>
<tr>
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<td>49%</td>
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<tr>
<td>Internet access</td>
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<td>46%</td>
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<td>18%</td>
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<tr>
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<td>42%</td>
<td>27%</td>
<td>19%</td>
</tr>
<tr>
<td>Music download</td>
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</tr>
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<td>30%</td>
<td>14%</td>
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</tr>
<tr>
<td>Watch user-generated videos</td>
<td>36%</td>
<td>24%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Update social networking page</td>
<td>35%</td>
<td>18%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Watch professionally created content (TV, movies, news)</td>
<td>27%</td>
<td>21%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Download additional games from Internet</td>
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<td>22%</td>
<td>9%</td>
<td>3%</td>
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<tr>
<td>GPS</td>
<td>6%</td>
<td>21%</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

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Mobile Web

When looking at the mobile Web channel (development of mobile browser friendly applications) the numbers must be considered. Unlike SMS, mobile Web access is still limited to a fraction of all mobile phone users because of the technology requirements and data access costs from the carriers – not to mention a questionable user experience in many cases.

Citing Marist, 16% of all U.S. residents have a PDA or smartphone – the devices that realistically support functional mobile Web browsing. However, the penetration of PDAs and smartphones approaches 50% in younger, affluent demographics. If young, wealthier people are the desired audience, mobile Web development – that is the dedicated development of mobile-specific applications – makes sense.

The numbers game works the other way, too. Take a look at website analytics to discover what percent of all website visits are made through a mobile browser. Citing the experience of one Knotice client, this ratio is hovering around 10% of all visits per month. In this case, while the number is relatively small, it is significant enough to justify development of a mobile-friendly alternative to the corporate site.

Apps

Using an app as a tactical solution must be based on a strategy that seeks deep interaction with a targeted demographic group... at a price. The availability of the technology and data access plans reaches saturation levels only in the more affluent and younger demographics. Additionally, it may be necessary to develop multiple apps in order to get access to all of these users. While iPhone apps get the most buzz, iPhones still represent only a portion of the overall smartphone market. If extending reach is a marketing goal, it makes sense to develop iPhone and BlackBerry apps in parallel. Add to this equation the emerging Palm Pre, and the realization sinks in – to get in front of 75% of all smartphone owners it is necessary to support three apps.
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Consider what an investment in app development will yield. Compare this consideration to the email marketing dilemmas surrounding the overcrowded inbox, where there is savage competition between marketers to keep their email recipients both subscribed and retained. In the app universe, there is intense competition for a finite amount of the user's attention and interaction. Citing their “Q109 Consumer Insights Report,” Greystripe finds that the average iPhone app “has an engagement of 9.6 minutes per session and is accessed 19.9 times over its lifecycle – for an average total use time per user of 3 hours and 10 minutes." Given this data, and the limited audience, evaluate the development investment carefully.

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Mobile Ads

The reach of mobile advertising, such as banners on mobile-friendly Web properties or mobile search advertising, is an enormous opportunity… at some point. The mass audience still is not present, and it is not clear yet if consumers will stay engaged with the mobile experience or if the mobile Web really supports conversion events that well (M-Commerce). Keep in mind it was only recently that Google announced the rollout of the AdSense Mobile platform for management of mobile search campaigns. As with any media and channel analysis, it is important to understand where your customers and prospects are within the mobile channel, and how to engage them.

Making Sense of the Mobile Strategy

Information about the various tactical possibilities and audiences under the large mobile marketing umbrella is important because it helps inform the greater task of defining a mobile marketing strategy. Mobile marketing is especially intriguing – and the subject of considerable exploration right now – because of the high potential for intimate, timely, and extremely valuable interactions with a consumer.

As with any marketing strategy it is important to ask the essential questions: Who is the audience? What does the ideal audience look like? What is the communications objective? What is the mobile channel uniquely adept at delivering? What is the best consumer experience and brand perception to create?

Answering these questions is important. However, here is a helpful device to streamline the strategic thinking process – phrase the strategic approach for mobile marketing in the terms of a simple equation:

Content + Time + Place = Valuable Interaction

Content is the message. Time and place are the context. All three components are crucial to defining a sound strategic approach and aligning the appropriate tactical solution(s).

SMS is ideal for extremely immediate and relatively disposable content. With SMS, the goals are to reach the broadest range of consumers at the most precisely targeted time and place. SMS is great for
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migrating consumers seamlessly between off-line and online experiences, whether the marketing is responding to audience preferences or trying to gently influence their behavior to benefit the brand. SMS is analogous to email in traditional digital marketing in that it is a proven channel for driving eyeballs and qualified traffic to a Web experience.

It is the time + place part of the equation that gives the SMS/MMS channel so much power. With 160 characters it is difficult to be persuasive or directly influence consumer decision-making. But 160 characters can dramatically impact a consumer’s impression of a brand or product. Some examples include delivering valuable information through SMS subscriptions with timely discounts at meal time, delivering retail store location information on demand, reminders and alerts for important events like delivery appointments, shipping status alerts, etc.

Conversely, mobile Web and dedicated apps represent content-on-demand. Here the marketer is focused on delivering information and interactivity, but the content is edited to fit within the small display of a mobile device. Technology advancements aside (and recognizing the iPhone and dedicated apps as relative outliers to this point) the “third screen” of mobile devices is ridiculously small relative to the other screens in our lives. Remember when the Sony Watchman portable TVs were all the rage in the late 1980s and early 1990s, with the three to four inch screens? We loved them because they were new and sexy. But in retrospect, they were laughable. Today’s mobile devices are not that different, we just think the experience is sexier than it may really be.*

25 years of technology advancements separate the Sony Watchman and the Blackberry Curve, but the screens are about the same size. Juxtaposing the Watchman and the Curve illustrates that the screens on which images are rendered on the two devices are about the same size. This is important to keep in mind when crafting a mobile strategy.

Asking too much of a consumer – their time, their attention, or for them to “figure out” the Web content – is misappropriating the medium. The audience may be staring at that mobile device simply to kill time while in a lobby, airport, or elevator, while on a train, in a cab, or simply to look busy in front of their peers. If they had a laptop or TV in front of them, they would not be on that mobile app! Waste their time and
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ey will bail, choosing to kill their time on Facebook and Twitter. Given the many possible consumer uses for a mobile device, conversion events and calls-to-action should be dreadfully simple. Pushing a consumer to an 800 number is not a sin. Remember, mobile phones are also good at connecting voice calls!

If created intelligently, mobile Web and apps are drivers on the “content” part of the equation. The key is to guide consumers to interact with these assets at the most relevant time and place. This can be simply based on time-of-day, or timeliness in relation to a particular event. The place can be within a local retail store where it is possible to influence a purchase decision with information or a coupon offer, or at a precise physical location to provide information relevant to the area around them. The toolbox of SMS subscriptions and alerts, mobile banners, and mobile search advertising is ideal for providing guidance that drives interaction with content at the most relevant intersection of time and place.

Mobile marketing is not a technology puzzle per se. It is an issue of relevance in communications – as with any digital channel. Understanding the technology is important, but it is simply one leg on the stool. The content can be good, but if the targeting with time and place is poor, the content is wasted. Interaction at the right time and place, but with irrelevant content, also destroys the equation. Strategic mobile marketing is a waste of time and money if there is no consideration for the tactical decisions inherent to the “Valuable Interaction” equation.

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