

# Marketing&Media

MOBILE PHONES • MEDIA MONITOR

## Upwardly mobile

The ability to reach consumers with an advert anywhere and at any time is opening up new opportunities. **David Casey** takes a look at the marketing campaigns that go straight into our pockets

It's estimated that there are more than 71 million active mobile phone handsets in the UK, with one in ten people owning four or more. Compare that to a decade ago when there were just 13 million mobiles, with around eight per cent of people having one or more, and it's not hard to see why advertisers and brand builders are investing more time and money in mobile marketing.

As a nation, we are effectively contactable 24 hours a day. With less than a third of people turning their mobile phones off at night, the increasing social accessibility has given rise to the demand for a constant stream of information. We expect to be able to use our phones to check emails, read news stories and surf the web. Texting short codes also allows us to receive updates on train times, weather forecasts and enter competitions, while TV programmes, radio stations, newspapers and magazines now actively encourage real-time feedback via text.

UK consumers are therefore becoming increasingly tolerant of using mobile devices as a medium of interacting with marketers. Advertisers are also realising that integrating an SMS or Bluetooth component into a campaign can not only boost the bottom line, but also give access to new markets.

"It's a way of delivering your message directly into the consumer's pocket," says Gary Bury, managing director of Alderley Edge-based mobile messaging company Mediaburst. "SMS messaging is familiar to consumers, easy to use and because of its personalised nature, advertisers are increasingly attracted to this marketing method."

But it's not just about text messaging, he says. "You maybe start with a text message, but there's then the intention to drive them to a WAP site that has more content on. That doesn't have to be paid content, rather more information that you can glean about the brand or product."

Successful mobile marketing can therefore increase brand awareness, generate a customer database, drive up attendance to events or visits to a store, improve customer loyalty and increase revenues.

Bury cites the company's recent Zookeeper promotion, which was launched by cereal-maker Kellogg's, as an example of how brands are now engaging with customers. The campaign featured on 22 million packs of cereal and encouraged consumers to text a short code to win the chance of becoming a zookeeper for a day. Each entrant then received a text message thanking them for entering the competition and also a link to a WAP site where free animal ringtones could be downloaded.

"Kellogg's reported that the campaign was a massive success – there was something like 12,000 people visited the WAP site and around 30,000 ringtones were downloaded," he says. "People were even downloading ringtones after the competition had closed – it became a viral almost. But it's all part of building a relationship and taking the promotion one step further."

Colin McCaffery, head of product and presales at Rawtenstall-based 2ergo, agrees that such relationship building is key. While targeting is necessary for all direct marketing, for mobile marketing it's vital. People tend to have a much more



IN TOUCH Gary Bury

personal relationship with their mobile phones and are therefore much less tolerant of spam messages.

"If you just spam people it doesn't work – there's more opportunity to be targeted," he says. "Most marketers appreciate that and tend to know who the customer is. Because of that, they are receiving much more relevant adverts and so you're going to get a much better response. Consumers are also becoming savvier – if a message comes from a brand they know, there's more trust there. But if the ad comes from an unrecognised source, they would either text 'stop' or just not respond."

The issue of privacy has been a major concern with Bluetooth marketing in particular. While the technology presents an obvious marketing opportunity – you could walk past a restaurant and receive a 'buy one meal, get one free' offer on your phone without the restaurant knowing your number, for example – without any prior mobile contact between consumer and brand, such Bluetooth messages could easily stray into the realm of intrusion.

So what do companies set to embark on an SMS or Bluetooth campaign need to know? Sean Crotty, associate at law firm Weightmans says that, although there a few legal loopholes, mobile marketing

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## QUICK RESPONSE

This square box could revolutionise marketing

While text messaging and Bluetooth

may not yet have brought mobile marketing to the masses as many predicted, the new kid on the block could be about to do just that. Quick response (QR) codes are two-dimensional barcodes that are designed to bridge the gap between printed material and the mobile internet. Although they have been around for some time in Japan, advertisers in the UK are only just realising the potential of the idea as a marketing tool.

The codes look like random black-and-white patterns contained within square boxes, but once a photograph of the code has been taken with a camera phone, the consumer is then guided to branded content linked specifically to that code. Although specialist software is needed to be able to do this, many new Nokia phones are now equipped with it and it can also be downloaded to any camera phone from the web for free.

"I think it's definitely going to be a growth area," says Darren Daws, managing director of Chester-based Txtlocal. "We've just started getting involved with it and are talking to a company at the moment that produces hand recognition devices and software."

should only be made to recipients who have actively consented to such communication.

"The reason for this approach is not only to comply with relevant laws but to protect target markets," he says.

"If a recipient of mobile marketing becomes so irritated that he or she withdraws permission to receive such communication, the likelihood is that any relationship between the marketing company and the potential customer will irretrievably breakdown."

This opt-in/opt-out model is fast-becoming an industry norm, driven by regulator PhonepayPlus which has clamped down on companies sending unsolicited messages. The regulator advises that providers should offer clear information on how to opt out of receiving marketing messages in the future, while there should also be a clear opt-in message for anyone engaged in Bluetooth marketing.

"We've got to increase the level of

He says that the codes also have the potential to be used in a number of ways – either on an advertisement where consumers can photograph the code to get more information about the product or be used as a pass to gain entry to ticketed events.

"A QR code could be printed on a film poster, for example, which would link to a WAP site where you could download trailers or further information to your phone.

"They could also be used by events companies which would send you the code via text and that would effectively be your ticket to a concert or festival."

In February 2008, Rawtenstall-based Zergo worked with football kit manufacturer Umbro to put a QR code into the label of the England away shirt, linking to a specially designed website. Colin McCaffery, Zergo's head of product and presales, says it provides a new way of engaging with fans.

"It really makes the customer experience easier," he says. "Brands have real trouble getting people to remember URLs anyway so this overcomes the problem. It also presents an opportunity to deliver interactive content direct to the phone, creating a more personal relationship between brand and consumer."

consumer confidence in the market as a whole and the only way to do that is to run services which are absolutely compliant," says Mediaburst's Bury.

"It's imperative that mobile marketing companies follow PhonepayPlus' guidance. There have been a lot of fines and knuckles wrapped, but in one way it's like PR to the public demonstrating that such problems have been stamped out."

While confidence in the mobile industry was undoubtedly shaken by premium rate SMS and phone scandals involving major broadcasters, McCaffery says that consumer trust is now returning and is predicting further growth.

"The industry is very heavily regulated and I think consumers understand that now. I can't see any reason why mobile marketing can't really take off, especially as the popularity of mobile internet continues to rise. I fully believe it will form an integral part of all advertising campaigns in the future." ▀

## MEDIA MONITOR

Who's hot and who's not this month



Warwick Ley

ON FIRE

While other dealmakers enjoyed their holidays over August, Ley concluded what he called the most intense 12 weeks of his career – the management buyout of Crown Paints from Dutch owner Akzo Nobel. It's thought to be worth £70m and Endless has underwritten the lot.



Dan Wright

WARM

The director of Vision Support Services bought up £8m of assets from commercial laundry supplier Hilden Group using funds from the firm's investment fund PBJ, which has now been opened up to further private investors. Watch this space for more speedy deals as the sector consolidates.



Cains Beer Company

COOL

Following heavy losses and a disputed tax bill for the six months to the end of April, Bank of Scotland pulled the plug on its support for the Liverpool brewery and the business went into administration at the end of July.



The Rich 100

FREEZING

The wealth of the region's elite has taken a battering this year, suffering its first slump for more than a decade. The credit crunch, collapse in consumer confidence and price hikes have all led to a drop of £1.25bn in the value of the list.

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