Everything you ever wanted to know about **Mobile Marketing** but didn't know who to ask

Mobile Marketing By Alexander Gregori Lauretta Ngakane

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but didn't know who to ask

By Alexander Gregori with Lauretta Ngakane



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About the Authors



Alexander Gregori

Alexander Gregori is a visionary, entrepreneur and mobile marketing specialist. He worked in Germany and South Africa, building and managing companies in such diverse industries as eventing, fitness & bodybuilding, television- and radio production, real estate, public relations, marketing and communications and the music industry.

As a BA graduate of the University of Cape Town, Alexander ventured into mobile marketing by launching MOBmix in 2007 on MXit in South Africa. The mobile entertainment channel offered pay per download content. MOBmix quickly attracted over 400,000 subscribers and a variety of advertisers, representing both local and international companies.

In 2008 he co-founded Dawn Anna Investments (Pty) Ltd. in Botswana, for which he serves as a Board member and CEO. The company has a subsidiary in South Africa and specializes in strategies and implementation of mobile marketing and m-commerce solutions for the African market.

As Mobile Marketing Winner\$™ Team Leader Alexander is an internationally published author and public speaker on mobile marketing and m-commerce and co-founder of the *Thinking Mobile™ Conference & Exhibition Series*.

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Lauretta Ngakane

Lauretta Ngakane is a marketing- and communications specialist with over 15 years hands on experience in Southern Africa. She is a co-founder and Board member of Botswana based Dawn Anna Investments (Pty) Ltd. and Managing Director of its South African subsidiary.

Born in South Africa and educated in the United States, her entrepreneurial flair dates back to 1995 when she returned to South Africa after an 8 year professional career in the accounting faculty.

Her return to South Africa led to a career shift into the marketing and communications arena where she developed and implemented diverse research driven campaigns and initiatives for both blue chip and public sector organizations.

As a specialist in mobile marketing, Lauretta is a Mobile Marketing Winner\$
Team Leader and co-founder of the <u>Thinking Mobile™ Conference &</u>
<u>Exhibition Series</u>.

About this Book

While there are already over four billion people worldwide who own a mobile phone (and counting), the available technologies and mobile marketing tools differ from country to country. So do prices. But the basics of marketing never change, no matter in which country you operate. While we have kept an international perspective, this book focuses on the African- and particularly the South African markets. It was primarily written for marketers in Africa because the uptake of mobile among Africans is huge but at the same time the exploitation of its marketing opportunities lags far behind countries such as the USA.

You see, compared to the USA, the UK and Europe, there are very few fixed telephone lines in Africa, even fewer computers and almost no Internet connections. On the other hand almost everybody owns a mobile phone and the available technology equals, and in some instances even surpasses, that on other continents. Africa is therefore a very exciting growth market for both mobile marketers to build exciting customer relationships as well as for the public to benefit from finally being connected to each other and to the world.

Africa is a large continent with many countries and an equally large amount of different currencies. But all Africans know and understand the US Dollar. You will therefore find that all references to money or costs in this book are in US Dollars. We have taken great care to represent all local prices in US Dollar, based on the exchange rate between the respective local currencies and the US Dollar as it applied for most of 2009.

So this book has been written for marketers. No, actually it has been written for everyone and anyone who is somehow connected to a marketing function. It is for NGO's, Parastatals, Business Owners, Marketing-, Communications- and PR Professionals, Business Experts and -Coaches, Media Buyers as well as for Product-, Brand- and Event Managers. It is for all those people who do not really care how a mobile marketing tool works technically and are more

interested about what it can do to enhance their marketing efforts. You will not find any techno mumbo jumbo or a lot of technical "developer" terms. This book is written in plain English to address the growing needs of marketers to wrap their heads around mobile as a marketing tool in their toolbox.

The reason why this book is so valuable to you, the marketer, is really a simple calculation: we have been in marketing and communications for a combined period of over fifty years. Four years ago we added mobile marketing to our portfolio. But what is more, we have actually tried and tested the mobile marketing tools that are described in this book ourselves, burning our own money. Learning by trial and error over a period of four years, and based on an average working week of forty hours, adds up to quite an investment. Even if you use a middle-management employee's salary, instead of our current consultation fee of US\$250 per hour, as a basis for your calculation. As a result, you can now benefit from what we have invested over the last four years to learn what we know about mobile marketing today. This can help you prevent making the same mistakes as we did and it will reduce your learning cycle to the time it will take you to read this book. You will save a lot of time and money in the process and be able to get straight on the road to success in mobile marketing.

To achieve this, you obviously have to put into practice what you learn in this book. No amount of knowledge is really of any value unless you use it practically. And no case study of another company is as valuable to you as your own.

The book opens with an introduction to give you a feel of mobile marketing, our views on the subject and what these views are based on. We do not claim that our approach to mobile marketing is the only possible one. Indeed you might disagree with it. However, you will also have to admit that it is built on common sense and basic marketing principles. Mobile marketing is first and foremost about marketing (you will read this or a similar statement a lot in this book), and we insist that what we teach you is the best way to optimize your

mobile marketing return on investment (ROI). It might not be the only way, but it is the best.

The book is divided into seven parts, moving from a more general overview of what mobile marketing is and what it is not in Part I, to how you get started, which tools are available to get the most out of your campaigns and how to use them in Parts II and III. Part IV reveals how you can successfully move from e-commerce to m-commerce and actually make money, using the mobile phones of your customers, and Part V explores the legal pitfalls that potentially await you. In Part VI we discuss how you stay ahead of your competitors and share with you a foolproof ten-step approach to mobile marketing bliss. In Part VII you find three Bonus Chapters.

We urge you therefore to read this book chapter by chapter, from beginning to end. The way in which this book is written is not so much as a quick reference guide to have your questions on mobile marketing answered. Rather, it is written as a journey from understanding the basic principles of mobile marketing, to understanding its unique selling proposition (USP), to understanding how you can best utilize this USP. Reading this book chapter by chapter will save you time and money and teach you how to design your own, successful mobile marketing campaign. Each chapter builds on the previous one and if you, for example, jump straight to Part III you will have missed out on vital information to comprehend what we are saying.

The four Bonus Chapters in Part VII will help you find the right service providers, educate your customers about mobile marketing, tick off your own, personal mobile marketing campaign checklist and read up on what we, half jokingly, call "Boring Stats on Mobile".

But that is not all. This book is full of cross-references and links that direct you to further mobile marketing resources to help you stay on top of the latest industry developments. One of the greatest challenges with a new marketing tool such as mobile is that it develops very fast. And we mean VERY fast. By

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the time you read this book there might have been additional exciting developments for this tool, which can be invaluable to you. So to keep you updated on these developments we invite you to join our Mobile Marketing Winner\$ group on LinkedIn. You will then automatically receive the latest industry news, you can take part in discussions on mobile marketing or simply follow them to find our more about what other experts think and you will be able to join our free monthly mobile marketing Webinars. Simply click http://www.linkedin.com/groupRegistration?gid=1927040 to join. This gives you direct access to all of our Mobile Marketing Winner\$ resources.

Lastly, we have also written this book with a twinkle in our eyes because we believe that learning should be fun and, at best, also entertaining. So let us dive right in and enjoy the ride!

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Foreword

For a long time now we've been hearing that Mobile Marketing is...

"about to take off..."

"at the tipping point..."

"coming of age very soon..."

Every year around February, mobile industry experts an and other visitors to the GMSA Mobile World Congress in Barcelona would return home to pronounce that "this could well be the year in which Mobile Marketing would at last be taken seriously".

The fact is that Mobile Marketing has already arrived. We've been doing it for years. Yes, we've been doing it haphazardly and mostly unstructured, but all the tools are in place to do it properly and effectively. Reading this book, I could not help feeling that there is no need to wait for the big wave; it is here and you can be a part of it.

Mobile Marketing can be a somewhat difficult subject to write about, given the technological complexities associated with the medium. The authors of this book, however, have done justice to the subject matter. They manage to demystify a lot of the technical jargon - it is written in an "easy-to-read" style.

This book is particularly relevant because it has been written against the South African backdrop. It uses local statistics, case studies and references.

It's a compelling read that leaves no barriers to understanding the simple truths about the mobile phone, and how it can be utilized to effectively get the marketing message across.

Philip van Tonder

Manager SABC Mobile

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Introduction

Welcome to the world of mobile marketing! "Mobile Marketing" seems to be one of the buzzwords of today. Everybody is doing it and everybody thinks it is really cool. Or so the general canon goes. Upon closer inspection however we notice that there is much confusion and misunderstanding about mobile marketing.

For example, running a SMS campaign can be mobile marketing, depending on whether you do it right. Otherwise it just becomes spam. Also, it is only a tiny fraction of the available mobile marketing tools. A mobile website means that you have a mobile presence but it is not yet mobile marketing. In our experience even top class marketers are at a loss when they are confronted with mobile marketing. We wondered why this is so and we thought about what could be done to help.

Well, firstly, in the minds of many people, mobile marketing seems to have some kind of connection to "online marketing". Just on a smaller screen. There is also a pre-occupation with the technical aspects of both tools. But think about this: when you plan a print campaign, you don't go to the technician who built and now services the printing press, no matter how technically competent he is. You speak with your agency. Or imagine you have a toothache. Do you call the manufacturer of the dentists' drill or do you make an appointment with the dentist? Similarly, when it comes to mobile marketing, you should not go to the IT guy who builds mobile apps, but consult a mobile marketing strategist.

(Quick time out: at this point let us just clarify that we sometimes use the term "app", as in "application", to describe mobile marketing tools in general and not in the context of "smart phone apps" as you would find them in iPhone's App Store.)

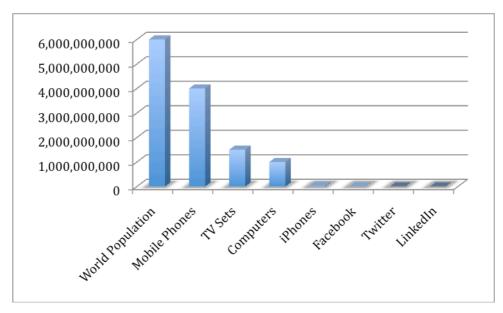
Marketers understand television, radio, print and outdoor advertising, they know about promotions, competitions etc. In short, they are quite on top of above-, below- and through the line communication tools. And they NEVER worry about the technical aspects of these tools, as in: "So, like, when I want to have an ad on TV, how does the process work from, like, when we shoot the ad and then it gets to the TV station and, like, how does it then get into the households of viewers?" Also, they never talk to a television technician when they want to design a TV campaign. Nor have we ever heard of a television technician selling a TV ad to an ad agency, or anybody else for that matter. Have you?

However, when online marketing emerged with the advent of the Internet, it was new. In the beginning it was not even yet categorized as either above-, below- or through the line. Suddenly, it seems, it was all about IT and not about marketing anymore.

Consequently companies opened up IT departments and employed "tekkies". These tech guys looked after in-house IT-requirements, built websites and were the number one source for marketers to put together online marketing campaigns. The problem of course was and is in both online- and mobile marketing that an IT guy knows little, if anything, about marketing and so a lot of trial and error campaigns cost companies a lot of time and money to learn what works for them in online marketing and what does not.

Today there is a fairly good, albeit very basic, understanding among marketers when it comes to online marketing. Also, it is now generally categorized as above the line. Google AdWords obviously helped. In addition, there are a number of digital agencies that can help their clients put together effective online marketing campaigns. But the pre-occupation with the technical aspects of this tool remains.

And now there is mobile marketing.



Population versus Media Consumers overview ca. 2009. Source: Nielsen Mobile

Oh my gosh! Another tool that marketers have to understand, learn and master. Developers relentlessly push new mobile marketing tools into the market. What started with SMS and MMS now includes Bluetooth, the mobile web, USSD, audio- and video downloads, iPhone applications (apps), mobile vouchers, mobile ticketing, mobile banking, m-commerce, location based mobile marketing tools... it is simply overwhelming. And once again the techguys are dominating.

The unsuspecting marketer, be he or she a brand manager, small business owner, "gate keeper" in the procurement process of large companies, advertising executive or small business owner, is usually introduced to mobile "marketing" by a developer who simply wants to push his product. These often "sexy" mobile marketing tools are bought without prior consideration of a company's mobile requirements in terms of its overall marketing strategy and objectives. However, this investment obviously has to make "sense", so the marketer tries to force-fit a campaign around his newly acquired tool to justify some kind of ROI.

In his attempt to achieve this our unsuspecting marketer asks the questions he is familiar with: What channels are available? Do you have a database?

What is the LSM of this group of people? What CPM do you charge? Do you have Nielsen figures? Of course NONE of these questions are really relevant in mobile marketing. In mobile you have to build your own channel and database. Only people who are interested in what you have to offer will engage you, no matter which LSM they are in. Price is calculated in CPE (Cost Per Engagement) and not CPM (Cost Per Thousand). Nielsen's guesswork approach is outdated because "a click is a click" and you can measure that yourself.

Consequently, the results of these "force-fits" are mediocre at best, devastating at worst. But the challenge is how to measure "success" of a tool that you do not understand and of which you do not know what it can achieve for you. The marketing landscape is littered with examples of "successful" mobile "marketing" campaigns, when all they have achieved is to create a database of worthless mobile phone numbers because you still do not know who your respondents are, where they live, what they like or dislike etc. The marketer boasts about the response rate to his mobile campaign, but what has actually been achieved? A brand exercise at the most. Oh really? We used to achieve that with traditional advertising media like television, radio and print. So why include mobile? Surely, this new marketing tool must have some unique value over traditional marketing tools, what with all the hype surrounding it? But what could that unique value be?

Do not despair! Mobile marketing is not really complicated at all when you understand its basic principles, its unique selling proposition (USP), its strengths and its weaknesses. With *Everything you ever wanted to know about Mobile Marketing but didn't know who to ask* we de-mystify mobile marketing once and for all. You will learn what mobile marketing is and what it is not, how to create a mobile campaign that is right for you, how to get the highest return on investment (ROI) on mobile and how to measure it. We even teach you how your mobile marketing campaigns can generate additional income for you. You will also learn about the legal pitfalls that await you when

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you go mobile and how you can prevent paying high fines. And you will have a lot of fun reading!

Part I:

How you can get into mobile marketing and why you should do it now

"The next big wave in advertising is the mobile internet"
- Eric Schmidt, CEO Google

Chapter 1: What is marketing again?

A marketers' job is...

Whenever we speak to marketers about mobile marketing we get one of three responses. Right after the initial blank stare. Some marketers argue that they are already "doing mobile" and therefore do not need any further services of this kind because they work together with what turns out to be a developer. Some marketers are considering mobile but argue that they have to complete certain other components of their marketing plan first before they can seriously think about including mobile. And then of course we get to speak to some marketers who believe that mobile is just not for them and never will be. Just the blank stare then...

Here is the problem: if you are in marketing then you cannot put a high enough value on mobile marketing. You cannot leave it to developers. You cannot leave it till later. You cannot ignore it. In fact, mobile should be at the center of all your marketing efforts. In saying this we are asking you to take quite a leap of faith, we know, but we do not say that simply because we are into mobile marketing. We say it because it just makes common sense. Bear with us for a minute and you will understand why.

Think about what you are supposed to do as a marketer. Think about what marketing actually means. At the heart of everything that has to do with marketing is communication. As a marketer you are first and foremost a communicator. But there is more. Although there are many different definitions of marketing, the better ones focus on customer orientation, customer satisfaction and customer needs. This already points to a relationship, the relationship between you, the marketer and your customer. Good marketing results in an ongoing communication relationship between you and your customer. Great marketing, ideally, results in that communication relationship being a two way street: your customer must be able to respond and inform you.

Definitions of marketing

Let us look at three exemplary definitions of marketing.

US marketing guru Philip Kotler says: "Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others." Hmmm... true, but it sounds a bit too intellectual.

The Chartered Institute of Marketing (CIM) calls marketing "... the management process that identifies, anticipates and satisfies customer requirements profitably." Not bad either, but no warmth, right? If marketing is about a communication relationship between human beings, the marketer and his customer, would it not be nice to have a bit of a personal touch?

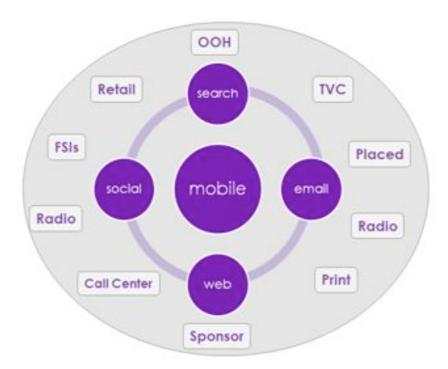
And lastly, pharmaceutical giant Adcock brings it to the point in a Teutonic way when they argue that marketing is simply "The right product, in the right place, at the right time, at the right price." That sounds very direct, no fuss, just plainly doing it "right".

Sadly it is in the "doing it right" part that many marketers fail. If marketing is about a communication relationship between the marketer and his customer, then it follows that this relationship has firstly to be built and secondly it has to be nurtured. If you cannot communicate that you have "the right product, in the right place, at the right time, at the right price" to anyone then no one can buy it, right? The marketer achieves this by using a variety of marketing tools, depending on his overall marketing strategy and objectives. These tools can include above the line advertising on television and radio or in print, or billboards, or below the line efforts such as promotions, online campaigns, direct marketing, PR... the list goes on.

And now the marketers' toolbox also includes mobile.

Doing it "right"

But here is the thing: none of these tools work in isolation. They all have their strength and weaknesses. They must all be used at the right time, at the right place and for the right audience to have maximum impact, to reach the ultimate objective, that is to result in an ongoing, two-way communication relationship with your customer. This is usually called the marketing mix. So where does mobile fit in and why do we say that it should be at the center of all your marketing planning?



Marketing Mix tools driving all leads to Mobile for one-on-one communication

Consider, again, your ultimate goal as a marketer: you want to build and nurture a communication relationship with your customer, whereby your customer can actually enter into a dialogue with you. Now please, do not make the mistake and tell us that your ultimate goal as a marketer is to sell your company's products or services. False! That is "sales".

Here is an analogy: Imagine, if you will, that you are driving around an unknown neighborhood, looking for a specific restaurant. There are, say, fifty

people in the neighborhood who all claim that they have the directions to the restaurant you are looking for. Would you rather have all fifty of them crowd around your car, knocking at your window and screaming at you "I know the directions", "No, I know", "No, I am the only one that can help you"? Or would you prefer the fifty people to keep a respectful distance and leave it up to you to approach the one who appears to be most trustworthy to you and ask him for directions?

We thought so!

Well, in our analogy you are your customer and you asking one of the fifty people for directions is your customer using his mobile phone to initiate a communication relationship with you. So at the end of all your marketing efforts, at the pinnacle of what you can achieve as a marketer, is your customer taking his own initiative to initiate a communication relationship with you. Just as it would be the ultimate goal for each of the fifty people in our analogy to have you ask them for directions.

Now let us take the above analogy a step further. Imagine you asked one of the fifty people for directions to the restaurant. You were very happy with the response that you received. Also, the person added that he can provide you with additional information to a number of other locations that might be of interest to you. All you would have to do is tell him a bit about you and keep the communication relationship going. What are the chances that you would accept his offer? One percent? Five percent? Fifty percent? Whatever the percentage, this would be the response rate that this one person out of the fifty generated by allowing you to initiate engaging him in the first place.

Once again, in our analogy the communication tool would be your mobile phone. Why? Because it is highly unlikely that you, or any of your fifty competitors in our analogy, would be physically present at the time and place when your customer requires a specific bit of information. On the other hand, chances that your (potential) customer carries his mobile phone with him

when he requires your specific information is 99.99%. So that is where you need to be: on your customers' mobile phone. Name one other tool in your marketing toolbox that can achieve that. Television? Radio? Print? Billboards? Promotions? PR? You see our point?

Does this make sense?

Let us recap:

- 1. Your job as a marketer is to build and nurture communication relationships with your customers, because that is what eventually leads to sales.
- Your ultimate goal as a marketer is to have an ongoing, two-way communication relationship with your customer, because that allows for the development of a dialogue which helps you to understand your customer better and respond to his needs, wants and desires.
- 3. Your pinnacle achievement as a marketer is for your customer to initiate this communication relationship, because that puts you above your competition and guarantees your integrity.
- 4. Your only available communication tool as a marketer that allows your customer to initiate this communication relationship at any time and from any place is the mobile phone, because it is "always with me, always on and always personal".

It is therefore common sense that mobile should be at the heart of all your marketing efforts. All of your other marketing tools should lead your customer to mobile. The primary objective in drawing up your marketing plan should be to get your (potential) customers to initiate an ongoing, two-way communication relationship with you. Unless you have the resources to speak to each and every one of your existing and potential customers personally, the only way to achieve this primary objective is with mobile marketing.