

## Marketing Mobile with Mobile: Lessons in Strategy

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Selling mobile content and services has many of the challenges inherent to early technology products. 4INFO test results demonstrate that companies with mobile products have a quantifiable advantage in gaining consumer attention and response when advertising on mobile channels, and that within these channels there are several key factors that play a significant part in the success of individual campaigns.

4INFO is expert in marketing mobile products with mobile advertising. 4INFO launched as an SMS-based search engine in 2005, and has added a variety of advertising-supported consumer text message information services since that time. 4INFO experimented with multiple mobile and traditional marketing channels to expand consumer usage. Testing included text message and mobile internet ad networks, other mobile advertising networks, online channels and traditional media advertising. 4INFO also intensively studied the results achieved by other advertisers using the 4INFO text message ad network.

### Using Mobile to Market Mobile

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There are several advantages to using mobile advertising channels to promote a mobile service or product, most primary being the sophistication of the user. A consumer who is viewing or using mobile advertising channels is more advanced in their usage of mobile services than a member of the general population. Simply by being present to view mobile advertising, the consumer has shown some evidence of being predisposed towards an interest in mobile products and services. They've demonstrated that they can open a mobile web page, view a text message, utilize a carrier interface, or otherwise engage with their phone for more than just voice services.

In addition to the mobile savvy/early adopter population, the overall mobile audience is increasing as well. As technology makes mobile handsets increasingly simple to use, the size of the mobile audience continues to increase. Ease-of use is a catalyst for increased usage of the phone and its features. As reported in Advertising Age<sup>1</sup> a senior analyst at M:Metrics, said the number of Americans who watched mobile video grew 60% between January and November [2007]. This demonstrates the headway that advanced mobile technology adoption is making in the United States today. Mobile phone subscriptions in the United States have increased from 195 million in 2005 to 243 million in 2007<sup>2</sup>. It is predicted there will be over 290

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1 Advertising Age, "Who's making a mark in mobile? Content players," February 4, 2008.

2 CTI-The Wireless Association, Wireless Quick Facts, December 2007.

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million mobile subscribers by 2010 in the United States, representing 90% of the population<sup>3</sup>.

## **The Mobile Advantage**

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A review of 4INFO advertisers over 2007 and select samples of 2008 demonstrates the advantages in mobile advertising channels for businesses engaged in selling mobile products.

### **Conversions**

Conversion rates for businesses selling mobile products are higher than for businesses offering non-mobile products. A comparison of applicable advertisers on the 4INFO text message ad network over a seven week period in 2008 shows that the conversion rates for advertisers offering mobile products averaged 65% higher than the rates achieved by advertisers offering non-mobile products. Mobile products perform better on mobile advertising channels.

4INFO also validated this internally through a paid search marketing campaign for 4INFO NCAA football score alerts, utilizing similar keyword targeting and creative on both mobile and traditional online channels. Advertising on the mobile web (WAP) produced nearly eight times the conversions at an 84% lower cost per acquisition. Mobile channels yield more conversions at a lower price than traditional media channels.

### **Recall**

In a survey of 4INFO users conducted at the end of 2007, the recall of mobile brand advertisers was equal to big name consumer brand advertisers. Consumers were asked “Can you recall the name of any advertisers on your text messages?” Over half of the advertisements recalled by users were for mobile products, despite those brands representing a lower volume of advertising impressions. Specific mobile advertisers such as Free411, MobiTV, and Thumbplay were all named in unprompted recall. In addition, mobile products had a greater portion of consumer attention, even when the consumer couldn’t recall an exact brand name. Positive responses included “ring tones,” “tv for my phone,” “GPS for my phone,” and “stuff for my phone.”

## **Look Beyond the Deck**

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Competition is hot in mobile. Companies from the internet, handset manufacturers, and network operators are both competitors and partners. These players are all seeking to extend the way people use mobile, while protecting their individual interests and market share. Businesses offering mobile products can gain a huge audience through “on-deck” placement of their product, but must convince carriers that their content/product is worthy of front page promotion. Businesses without carrier partnerships do not have any access to this placement, and must seek other channels to balance the scales.

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<sup>3</sup> eMarketeer, August 2006.

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Off-deck mobile advertising offers the opportunity to work with carrier-independent distribution/inventory providers. Most mobile ad networks offer targeting by carrier, which provides businesses with carrier-specific products access to users of that carrier, without relying on on-deck placement to reach this audience. This is a valuable method for reaching additional mobile audiences and a critical tool for hot mobile products, such as GPS, navigation, tourist information, music sharing, photo sharing, and mobile payments.

4INFO was able to build a consumer base in excess of four million unique users without on-deck advertising or placement of any kind. 4INFO used mobile marketing via WAP banner ads and text message ads, online pay-per-click campaigns, and traditional media placement only.

## **Optimize Off-Deck Mobile Campaigns**

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### **Increase Relevance**

Businesses must think beyond creating relevancy through mobile search terms when crafting a mobile campaign. Increasing the relevancy of advertising is critical in gaining consumer attention on the mobile channel. Relevancy is normally achieved through keyword advertising, where contextual text ads are driven by the keywords entered by the consumer. The consumer receives relevant information in the moment they are seeking it, and typically visits a business web site where the consumer can actively engage with the business. While this is very effective, the audience for mobile search is still small as compared to the overall audience of mobile users. Businesses marketing on mobile advertising networks needs to reach a broader mobile consumer base through non-keyword based targeting.

Relevance can be achieved under these circumstances, by utilizing targeted channel deployment. 4INFO was able to increase conversion rates 60-100% by writing specific relevant copy in text message advertisements and targeting by audience channel. The social, financial, and technology makeup of the audience should be considered in designing each advertisement. Match content to the audience vertical, to attract the attention of the consumer at the moment they are most likely to react to your call to action.

In one example, 4INFO ran advertising on user-requested text message content. The product was a free celebrity gossip alert service. The original non-optimized advertising was essentially a description of the service:

*\*Gossip news on your phone! Reply CELEB*

Subsequently, the channels were sub-divided to provide access to specific types of consumers, and the advertising copy was optimized to the individual interests of that audience. The increases in the conversion rate were dramatic.

Channel	Optimized Ad	% increase in conversion rate
Free Mobile Services	*Free gossip news! Reply CELEB	98%
RP/Gamers	*Did you hear? Reply L	81%
Sports Fans	*She did what? Reply BRIT	61%
Dating Sites	*Hot Gossip! Reply CELEB	60%

Figure 1: Impact of creative modifications.

Changes as simple as adding the word “free”, or adding a sense of mystery with unanswered questions reaped significant rewards in improved conversion rates.

### Increase Frequency with Interactivity

It is common wisdom that increased advertising frequency leads to increased results, and the mobile channel does not show significant difference from other channels in this respect. In 4INFO’s 2007 user survey, consumers were most easily able to recall the advertisers that had run the greatest volume of ads during the year. However, mobile offers an opportunity to increase impressions through consumer interaction.

For example, the following Borders campaign utilized several interactive features. The advertiser purchased impressions with the interactive component bundled in. In this program there was no incremental cost to creating ongoing interaction with the consumer. The initial call to action was a non-branded survey question, designed to create interest. Once engaged, the consumer was introduced to the brand and could continue to interact via text message to get a coupon or find a store.

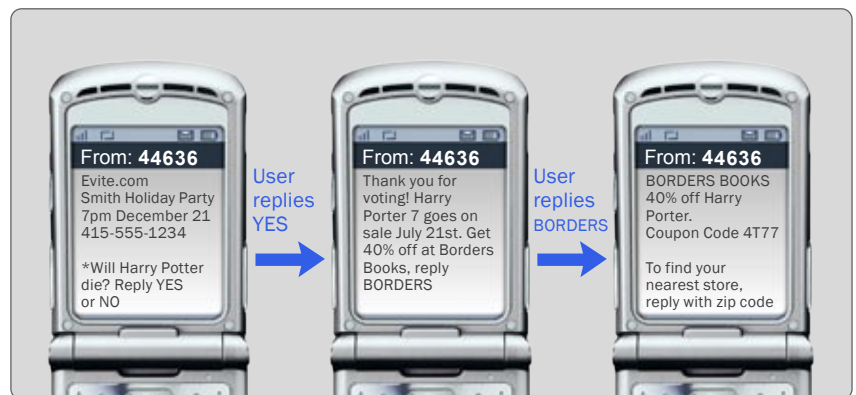


Figure 2: Sample interactive advertising flow.

Mobile advertising is most frequently delivered via a “push” campaign, such as a text advertisement placed on SMS content, or as a “pull” campaign, such as a banner ad placed on a mobile web site. Both of these campaign types open the possibility for interactivity with the consumer beyond the initial impression. Campaigns that create a dialogue with the consumer are more effective in generating conversions than simple media placement campaigns.

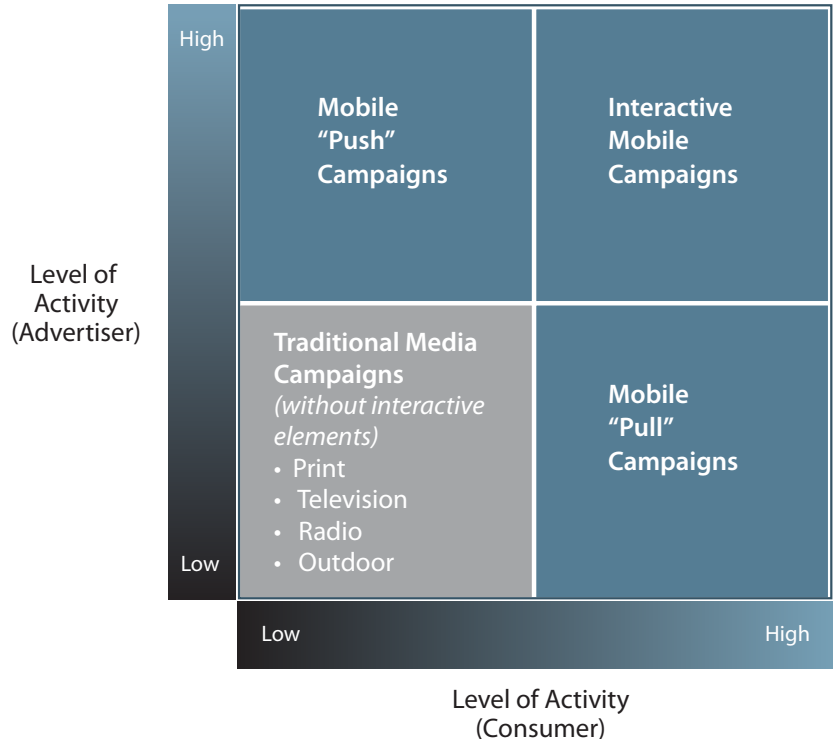


Figure 3: Mobile interactive advertising framework.

### Analyze Your Audience

Monitor results closely, early and often. Mobile advertisers that track and measure consumer behavior for analysis and segmentation, and modify their campaigns improve their conversion volume while reducing the cost per action. One advertiser on the 4INFO ad network identified a specific niche of their consumer audience that was prevalent on an entertainment content channel. In a subsequent campaign, they targeted this channel for increased advertising impressions, and simplified the consumer engagement flow (offering a discount coupon code, redeemable over the phone, online or in stores) and were rewarded with a 20% increase in response rate, despite a 25% smaller ad buy.

### Tailor Campaigns to the Technology

There is no such thing as a silver bullet in mobile marketing. Advertisers that are familiar with their mobile application options and the benefits and limitations of each channel can maximize conversions by channel, and reach a greater portion of the mobile consumer audience. Provide a better user experience for the platform, by tailoring to that technology, whether in SMS, WAP or other mobile channels.

Text message marketing offers 160 characters and can link to a download, web site, phone number or offer text response options. Text is the largest market with 39.6%

of US mobile subscribers using text messaging, according to M:Metrics<sup>4</sup>. M:Metrics also found that 7% of US subscribers have sent text messages in response to offline ads. Text messaging is frequently used as a discovery vehicle for mobile content and media rich mobile applications. Advertisers can maximize the value of a text campaign by writing channel specific creative with a clear call to action.

Mobile web sites, also known as WAP sites, extend a brand's presence and offer an immediate response channel for users with data plans. The mobile web is less established than text messaging, with 9.6% of mobile users saying they browse for news and information, but has good engagement levels for early adopters. Maximize the value of this channel through graphic branding and creating a clear incentive for the consumer click-through.

Mobile video is still a fairly small market, with adoption in the low single digits. However, consumers of mobile video content are frequently passionate "innovator" fans, who actively seek new products and influence other consumers' opinion of these products. Offer short branded advertising with an entertaining user experience, to enhance the word-of-mouth generated by this type of leading edge advertising.

## Summary

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Businesses selling mobile products know that their potential customer is at the other end of the cell phone, so reaching that audience is critical to effective marketing. The benefits offered by using mobile channels to market mobile products are measurable and significant. Strategies for campaign optimization should be consistently monitored and employed to maximize the success of mobile marketing programs, leading to even greater value for the mobile business.

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4 MarketingSherpa (2007), <https://www.marketingsherpa.com/barrier.html?ident=28540>, "Mobile Marketing," retrieved 5/21/07