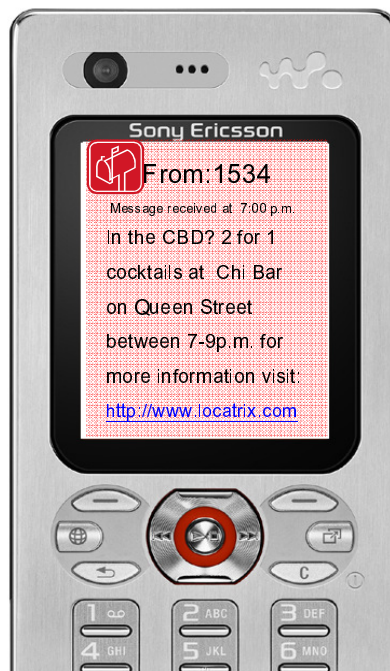


LOCATRIX

Location Enhanced Mobile Marketing

Example SMS Campaigns



“The future of mobile marketing comes down to brands being able to communicate targeted messages to niche audiences in the right language. So being able to offer marketer’s location and time based communication services on top of demographic information opens this area up to some amazing marketing possibilities, especially for building brand recognition and loyalty.” Tim Elwin, Toy Phone Media

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Location Enhanced Mobile Marketing Campaigns

Introduction

Locatrix Communications is a specialist, innovative developer of mobile location-based application services. We use the location of mobile handsets to shape and create content experiences that engage subscribers, and generate value for our mobile network operator (MNO) customers.

Given the tremendous interest in mobile marketing technologies, and specifically the opportunity to use mobile location to create contextually-relevant, targeted marketing campaigns, Locatrix has leveraged its core location competencies – privacy, proximity, and persistence – to create our Location Enhanced Mobile Marketing (LEMM) solution.

We at Locatrix extend our mantra of “*Living Location*” in everything we do, so understanding factors such as consumer behaviour and marketing process play a key role in how location-based marketing messages are received by consumers. Based on best practice and our extensive experience in positioning mobile devices for MNOs, we have developed our own Locatrix Mobile Marketing campaign examples to illustrate the potential of location-enhanced marketing. These example campaigns are presented for review in this white paper.

The Future of Marketing

Mobile advertisements are ringing in opportunity for marketers with Juniper Research predicting global expenditure on mobile advertising to increase from the current USD \$1.3B to \$7.6B by 2013 year-end.

Through an understanding of the market scope, the successes of ongoing and past campaigns and consumer behaviour, we are able to develop platforms that are of real value to MNO's, Marketers and Brands and most importantly to provide premium service to our customers.

Jim Pieretti, co-founder of Advieuc discusses “the beauty in mobile marketing” as found in “the flexibility that it allows” and it can be through endless dimensions; WAP, MMS, SMS, Infrared, Bluetooth, Gaming...and this is only the beginning.

Location Enhanced Mobile Marketing (LEMM)

LEMM takes this process one step forward, using a person's location to customise the advertising and to create campaigns that are more relevant to the individual and providing an entertaining and unique way of targeting customers.

Permission Marketing

Although there are so many points of similarity with other methods of communication in marketing, one major point of parity is that Mobile Marketing is primarily *Permission-Based*, meaning that consumers are specifically giving advertisers their consent to send and receive information. Consumers opt-in for a service as opposed to it being unsolicited. Consumers also have the opportunity to opt-out of receiving the marketing messages at any point. This permission marketing method is primarily used in SMS campaigns.

How it works

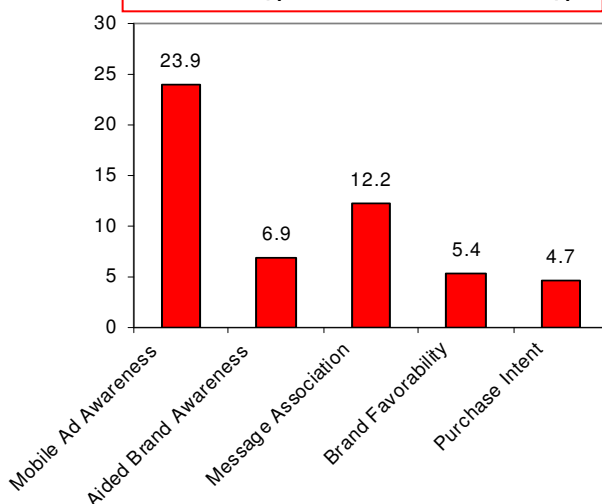
Mobile marketing is certainly diverse, with an abundance of different channels that can be used to advertise. SMS Campaigns alone can branch out to coupons, voting, text to win, one on one chats, text to screen and various other types of campaigns. It is most definitely one in which flexibility can be offered in terms of creativity. Categories are also very flexible. Studies have shown a positive response from customers regarding SMS campaigns so long as the campaigns are clear, obvious, relevant and from known and trusted sources. Studies have also shown a high recall rate in SMS campaigns; 100% Recall Rate on SMS

Follow-Up Ads, 60% Recall rate for SMS click to WAP, (4INFO, 2008).

Benefits of Mobile Marketing

- Low cost for operators (i.e. SMS messages, or Bluetooth which is free)
- Drives customer loyalty to brand being advertised
- Engage and involve customers to create a valuable experience
- Develop loyalty to MNO's as users perceive the customised service as an asset and a valuable experience of being with the MNO.
- Improves brand salience
- Increases brand recall
- Tailored, Specified and relevant marketing depending on consumer.
- Develop a customer profile and predict new market opportunities and how they will be received by consumers.
- Quick return on Investment.
- Drives revenue: for MNO's, advertisers and brands.
- Not as invasive as other forms of marketing
- Opt-out possibilities available (SMS campaigns)
- Encourages customers to use several dimensions within their handset such as receiving an SMS ad that provides a URL link which can then lead to a WAP application or be subjected to WAP banners and further advertising.

Figure 1:
The Positive Effects of Mobile Marketing on Brand Marketing



Mobile Marketing using MNO's

Where some brands chose to market and promote products on mobiles independently, others are choosing to deal directly with network providers. Working with the network operator provides further information on the customer base and means messages can be sent directly to the target audience benefiting advertisers, MNO's and most importantly: customers.

Suggestions

So where does Locatrix stand on Mobile Marketing and what do we feel is the best way to deliver it? As a company emphasizing on "*Living Location*" and providing engaging experiences to our end-users that provide ROI to our MNO customers with regards to mobile content we feel the next step forward for mobile marketing is obviously integrating subscriber location.

As with all our services subscriber privacy is of paramount importance, users who opt-in to one service gain awareness of our other LEMM services and potentially opt-in to all. Here we illustrate several example campaign proposals with our sample brands: Nxt2Txt, FindMeEvents and FindMyFave.

Example Campaigns

SMS campaigns are not only cost-effective but easily accessible. The Mobile Marketing Association (2008) claims that three in four handset users use SMS, 53% of which on a daily basis. Compare this to only 1/3 of Bluetooth capable devices that actually have Bluetooth switched on or the amount of people who use their WAP portals and you can see how accessible and most importantly reachable SMS campaigns are.

Campaign 1

Our first example revolves around an Event-Based Marketing ("FindMeEvents") initiative. Consumers can opt-in to information services about events based on proximity. Using the location of the customer and the chosen timeframe customers can receive a number of SMS messages notifying them of

nearby events and discounts. This service is completely based on permission marketing and customization of services to the user, allowing them to specify when they want to receive the marketing messages and what messages they want to receive. Marketing messages also contain WAP links to lead them to the portal where they can be made aware of similar products and marketing campaigns alongside exposure to other WAP advertisements on the portal.

Campaign 2

The example Brand Marketing campaign (FindMyFave) is an opportunity to promote brands, sustain loyalty and improve salience. Shoppers can opt-in for the service based on an advertisement sighting (billboard, poster, ad). Based on the user request, information about the nearest stocking outlet is sent immediately with access to the online portal where a map detailing the location is readily available to facilitate the tracking process of the outlet for the user. They are also automatically registered for not only the FindMyFave but the Nxt2Txt service so that they can receive shopping vouchers relative to the preferred brand.

Campaign 3

Nxt2Txt (Digital Coupon Marketing) is a self-registered service (also based on permission marketing) in which digital coupons are sent out based on selected times and days of the week. Customers can opt-in to the service and present their digital coupon (on their mobile phone) to retailers offering discounts when making their purchase.

Retailers have the freedom to select times and dates of their digital offers alongside the opportunity to make the coupons time-sensitive depending on the response elicited by customers, making them extremely flexible.

Location is particularly important in this campaign due to campaign relevance, in order for the offers to be within reasonable distance of the shoppers so that they can be used. Opt-out possibilities are available at any time.

Conclusions

Mobile marketing provides network operators, advertisers and media agencies with an unrivalled opportunity to connect with their audience in a very personal way. To manage the effective delivery of such marketing at an operator level depends on the ability to correctly contextualize the message and their delivery, and harnessing mobile location has the potential to enhance these experiences exponentially.

To achieve success, providers of mobile marketing capabilities must ensure the management of their audience privacy as well as maximize the demographic targeting to create the highest return for advertisers. The Locatrix Location Enhanced Mobile Marketing (LEMM) solution provides mobile network operators with a hosted or self deployed solution that enables them to take advantage of the tremendous opportunities mobile marketing provides.

References:

1. Mobile Marketing Info: Advieux VCast Series: Episode 2; <http://www.youtube.com/watch?v=7hRcl8H6GSW>
2. Why SMS Advertising?, 4INFO Research, 2008, <http://advertising.4info.net/mobile-research/?success=1&downloadKey=436928&>
3. Mobile Marketing Association; http://mmaglobal.com/modules/article/view_article.php/a1751

For further information on Locatrix Mobile Marketing campaigns and studies please see our Mobile Marketing Research paper, available as a PDF document on our website www.locatrix.com

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EXAMPLE CAMPAIGN 1: EVENT-BASED SMS MARKETING



Step 1:

Person sees poster or billboard advertisement saying: Send an SMS with the words "Find Me Events!" to 1534 to receive proximity-based updates about (ex.) Nightlife and Events! They then Opt-in.

Step 2:

A welcome message is then received and customers now have to select their choice of events by replying to the text message.

Step 3:

Customer has now opted-in for their type of event and selected their age category allowing the service to segment the user and create age and event relevant SMS alerts based on their location.

Step 4:

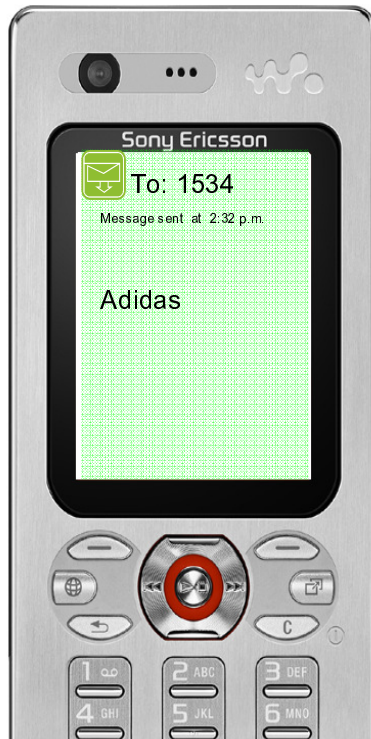
Customer receives a response and a message is sent to them at time and location relevant moments promoting events.

Step 5:

Customer receives one or more event-related messages Friday night between 6-10p.m.

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EXAMPLE CAMPAIGN 2: BRAND MARKETING



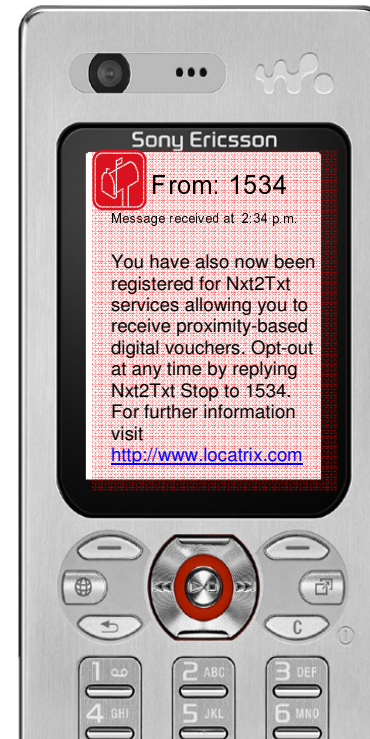
Step 1:

Customer sees advertisement for particular brand where opting in allows user to receive promotional messages and the location of nearby branches and brand-stocking outlets.



Step 2:

Customer receives an SMS with information on a nearby outlet/store and a promotion.



Step 3:

Customer receives a second message a few minutes later suggesting registration for the coupon service, with an option to unsubscribe at any time.

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EXAMPLE CAMPAIGN 3: DIGITAL COUPON MARKETING



Step 1:

Customer sees advertisement for Nxt2Txt - location and time sensitive digital coupons and decides to Opt in by texting 1534.

Step 2:

Customer receives response and has to provide information to receive coupons.

Step 3:

Customer replies to message and is registered to receive coupons.

Step 4:

Customer receives confirmation from Nxt2Txt.

Step 5:

Customer receives specific promotional messages at requested time and on requested days.