



# White Paper

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## The Future Is Now

### A Look At The Rapidly Changing Technology Behind Mobile Marketing

Mobile Marketing has been growing for several years now, and continues to evolve into a sophisticated mainstream form of advertising. While we are all familiar with receiving a text message on our handset for a product or service, mobile marketing has been moving rapidly beyond this simplistic feature. POPAI recently spoke with Launch Media about the future of mobile marketing.

Launch Media is a mobile marketing agency that is focused on develop new tools and technologies for various advertising models and campaigns on handsets. They specialize in retail and true cross-channel marketing implementation, recognizing the need for brands and marketers to seamlessly interact with the consumer at the point of decision. Launch Media is continuously focused on creating new technologies that make mobile marketing effortless for the brand, retailer, and customer. Join POPAI and Launch Media for a webinar on May 20<sup>th</sup> at 3pm EST to learn about the future of mobile marketing, including a discussion of mobile applications that are undergoing beta testing this summer.

LaunchMedia has integrated it's 1d/2d barcode and invisible watermark reader into a national big box electronics retailers iphone and Android applications to allow for 'in store'

barcode scanning. On May 7<sup>th</sup> there will be a pilot in 4 stores in LA, Chicago, New York and Minneapolis. Beginning August 1<sup>st</sup>, 2010, they will roll the program out on a national basis. Their 3 x 5 fact tags will include a QR code for all Sku's in all stores to link the traditional world to the interactive world. LaunchMedia has integrated our solution with both of the major retail signing solutions in the United States. The QR codes are all variable with tags to identify store and item level interactions. This will be the first consumer facing 2d barcode program of its kind in the US.

#### Why Mobile Marketing?

Mobile Marketing is an obvious progression from radio and television advertising for several reasons:

**Mobile handsets have proliferated the market.** Almost everyone in the United States has a cell phone, and almost everyone has sent or received a text message. With over 55 million smart phones in use today, with more than 160 million people on a text plan, and with 54.5 million active mobile internet users, there is a wide and ripe audience of shoppers willing and able to use mobile marketing tools.

**Mobile marketing is very personal.** With almost everyone in possession of a cell phone, mobile marketing can be targeted to specific audiences in a personal manner. In 2008, there were more than a trillion text messages sent worldwide. ComScore reported that in January 2009 alone, more than 27 million people accessed social networking sites like Facebook and Twitter from their cell phones. As people use mobile devices to access personal websites, it makes sense to target specific marketing tools to certain audiences. Using handsets to deliver personal content makes sense, as each person has the ability to receive targeted content on their handset.

**Mobile audience is growing.** More people are using their handsets to do more than just make phone calls. Mobile marketing is expected to grow from \$64.8 million in 2008



to \$3.3 billion in 2013. This year alone, marketers will spend almost one billion in 2010, up from \$760 million in mobile advertising in 2009—an increase of 30.9% over 2009.

**Shopping has changed.** Shopping is no longer confined to brick and mortar stores. More consumers than ever before are shopping online, reading reviews online first before shopping in stores, and are multi-channel shoppers.

**Cost and simplicity:** Mobile marketing campaigns are easy to create for the brand and retailer. Mobile marketing tools are also more cost effective compared to television advertising. Shoppers, who are becoming more tech savvy as time goes on, are also able to use mobile marketing tools easily, cost-effectively, and in a productive way to meet their needs.

**“Mobile marketing allows you to share valuable insights and information with customers quickly and easily. It allows you to create and change advertising programs quickly, and thereby see profits faster.”**

### Some New Mobile Marketing Tools

Where is the future of mobile marketing headed? Below are some new directions currently undertaken by Launch Media. These tools, and more, will undergo beta testing the summer of 2010 before being launched.

#### New Apps for Retail Stores

The typical iPhone application is on a customer's handset for about 18 days on average. One major reason for this is that many applications do not deliver value to the customer and are quickly removed. A *branded* mobile app needs to have a “Swiss army knife” approach for customers, enabling the app to be: a) relevant to their needs, b) easy to use, c) deliver immediate value to the customer, d) engage/interact with the customer while respecting the current cadence of the traditional business. A good mobile application will provide the customer with various features, and then allow the customer to customize the application to his/her needs. For instance, an application for a retail store may show customers products on sale, product reviews, new products just released, and also allow customers to purchase products right from their phone or to hold products so they can purchase from a store. This application will also allow retailers to deliver their weekly circular to customers on their handset, thus reducing the need for numerous paper circulars.

#### Coupons

One mobile application that has gained popularity is the ability to receive coupons right on the handset and redeem them at checkout by scanning the coupon from the handset. However, couponing on handsets is moving beyond this feature to a more sophisticated form. Imagine creating a grocery list the old-fashion way with a pen and paper. Now, imagine creating a grocery list on your handset by simply scanning the barcode of your favorite box of cereal that you've just run out of at home. A mobile application will not only let you scan your cereal's barcode to add to your grocery list, but will also search for coupons for your favorite cereal using the barcode you've just scanned. You can save all the coupons you intend to use for your next shopping trip on your handset. Best of all, you won't need your handset to redeem the coupons – simply enter in your phone number at checkout and all your coupons will be redeemed.

#### Barcodes in Stores

We are all familiar with researching and reading reviews on the internet at home for the new LCD television or netbook that's on the market. What if you could do this research in the store itself? A new feature called 2D barcode is providing this ability. 1d/2d barcodes and invisible watermarks are enabling research to be done at the point of sale. This barcode (which is different from the barcode used at checkout registers) will be placed near the product itself. The customer will simply run an application that reads 2D barcodes, point his handset towards the barcode, and click. This will pull up information about the product, such as product features, product reviews, and competitive pricing, all on the handset. The customer can learn all about the product in the store itself, and then make a purchasing decision in the store.

### Benefits of Mobile Marketing:

- Mobile marketing is a green way to promote your product or store by reducing the need for paper flyers, circulars, and signage that is difficult to see from far away.
- Mobile marketing can have the effect of changing static signage into dynamic, interactive signage. You can create campaigns more frequently and with less cost compared to creating various campaigns using displays in store.
- The high tech nature of mobile marketing may appeal to a younger audience, who are willing to try new products/brands. Young people, in turn, teach parents about the various high tech ways to shop and obtain shopping information.
- Mobile marketing allows you to share valuable insights and information with customers quickly and easily. It allows you to create and change advertising programs quickly, and thereby see profits faster.

- Easy integration of mobile marketing with social media tools such as Facebook and Twitter mean that mobile marketing can be used with a variety of already popular media to reach a wide audience. There is no need for major infrastructure or technology equipment.
- Labor savings in enormous considering the ease and effectiveness of delivering advertising to audiences. You simply need a few folks to create the mobile applications, and you're on your way to being seen by a large customer base.
- Mobile marketing allows you to access people when they are already in a shopping mode. A shopper in store can learn more about your product on his/her handset, and may be more likely to purchase the product since he/she is already in shopping mode.

**Things to keep in mind before starting a mobile program:**

- Everything you do in the mobile world should be brand relevant and deliver both value and frequency of interaction.
- A mobile program should begin with a good mobile website that is easy to navigate and has an intuitive user interface.
- Build on your existing mobile website or platform by developing multi-platform apps that deliver additional functionality.
- Use SMS, 1d/2d barcodes to 'steer' consumers to your mobile web experience in a directed manner as browsing on a mobile device can be frustrating.
- Respect current traditional marketing forms when integrating mobile. Use mobile calls to action to supplement current marketing activities, not replace them.