



# Inside The Message

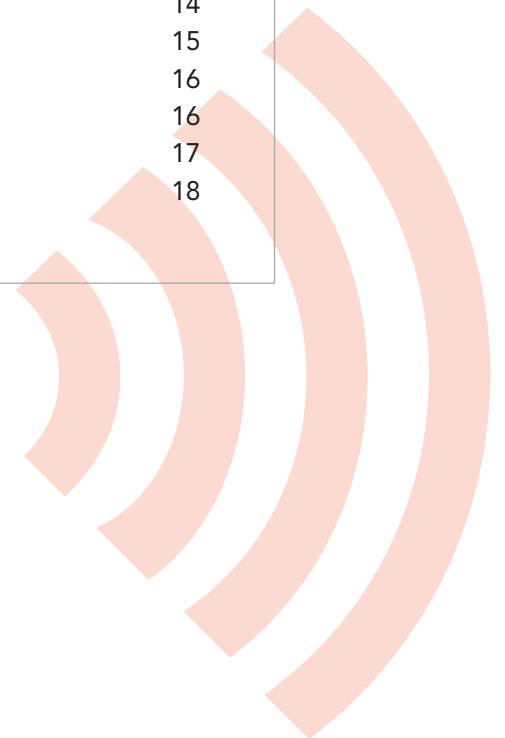
an agency discussion paper

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# 1 Executive Summary

Permission and trust are the essential criteria of successful marketing campaigns conducted through the medium of mobile text (SMS) and multimedia (MMS) messages. This is the key finding from Inside The Message, a Dynmark study of creative marketing agencies. In-depth discussions with a number of agency figureheads revealed candid views on existing mobile marketing practices, their strengths and their weaknesses.

The main area of consensus was around engaging consumers in a clear and transparent way. Mobile messaging-based marketing is a sensitive and at times inflammatory issue. By closely engaging with those who use the medium on behalf of major brands day-to-day, Dynmark has discovered that considerable untapped potential remains in the messaging medium today.

Sensitive and efficiently regulated realisation of this potential will be the key to mass market acceptance of mobile messaging as a viable form of consumer engagement.

In addition to sample group questionnaires, Dynmark's independent research involved in-depth discussions with agency leaders from Gyro HSR, Ogilvy Group and Essence Media.

It covers:

- agencies' current use of mobile through their clients
- active mobile billing ratios – within the context of other media spend
- projected mobile billing ratios
- commentary around the practice of mobile marketing
- regulatory obligations
- creative scope and technical limitations
- subjective and informed views on the market, the medium and its future development.



## 2 Inside the message

Mobile Marketing is a transient term that has drastically widened in meaning over a relatively short space of time. It used to mean sending and possibly receiving text messages: a radical idea for small businesses and large brands alike. But with its growth the semantic has expanded, absorbing the latest trends such as mobile application advertising or banner advertisements on mobile internet sites. Despite this, messaging remains the lifeblood of effective, profitable mobile marketing campaigns.

Messaging is still the most popular route to mobile consumers for the same reasons it has always been. These reasons include the intrinsically personal nature of devices, their always on / always present status, and the fact that messages are frequently opened as soon as they are received. As a mass market device, such characteristics and the functionalities which enable them are unrivalled.

With the expansion of mobile marketing and the introduction of new mobile technologies, messaging remains undaunted as a communication medium. Second only to voice calling in terms of mobile network operators' revenues, it features on all mobile devices launched to the market. It was, is and will continue to be the one killer application which mobile users familiarise with immediately on receiving a new phone.

Smartphone devices may increasingly penetrate affluent western world markets, but they all share messaging in common. It is the lowest common denominator when reaching out to a mass mobile audience.

This is the reason why it remains the preferred method of mobile marketing for the seasoned marketing and advertising professionals interviewed in this report.

Inside The Message is not a report which concentrates on the large numbers which makes the industry tick. Although it does include sample size insights into agencies' mobile spending habits, the central focus is on a detailed analysis of mobile messaging marketing today: its creative potential and the scope for invention; its regulatory problems and user experience challenges it faces.

Interviews with creative agency leaders reveal why messaging works, where it works most effectively, and where brands, agencies and organisations still need to tread carefully.



### 3 What we mean by mobile marketing

Analysis should begin with a clear definition of what Dynmark means by mobile marketing. For the purposes of this discussion paper, the term will generally be considered within a messaging context, unless otherwise stated.

As such, a contentious but useful starting point is the definition given by Jim Brooks in an interview in *Mobile Marketing Magazine* (2006):

*'For me, things like text voting, text 'n' win and raw content like ringtones are out of scope. What's in scope is brand advocacy, loyalty CRM, subscription, the areas where brands have traditionally used other channels.'*

This distinction is useful in drawing our attention how consumers have been encouraged to use their mobile phones, but we should be wary of defining certain content as 'out of scope.' Such techniques may be deliberately used as the first step in an ongoing relationship with a customer; an implicit opt-in and permission to market directly to their personal mobile phone number.

While 'text to win' may not necessarily be a direct marketing strategy for a product or service, it can be used as a legitimate channel in which to initiate contact. But perceptions of legitimacy are not international, which should be remembered in larger scale campaigns. In France, the practice of using 'text 'n' win' to incentivise consumers to submit their mobile phone number was curtailed by compulsory anonymity technology<sup>1</sup>.

Dynmark believes that Mobile Marketing should be defined by the intention of contact with a consumer, and should encompass any interaction with a consumer via their mobile handset. Within the context of current UK regulation, where unsolicited contact is not permitted to mobile phones, Mobile Marketing should only occur after a consumer has given their permission to be contacted by submitting their mobile number.



<sup>1</sup> Norcross, 2006.

## 4 What was mobile marketing?

To ascertain what mobile marketing means now and whether it is still a viable marketing option in 2010, we should qualify what it has meant up to now. Over the last decade mobile devices have changed beyond recognition. From being used exclusively for voice communications, and being considered a costly luxury, they have evolved to offer an array of multimedia entertainment facilities such as cameras, video recording and playback, mobile internet browsing, mp3 music playing and rich messaging capabilities. Converged technologies have propelled the mobile phone's evolution from a voice calling device into a powerful handheld computer.

Rapid technology evolution, together with new mobile phone packages offered by mobile network operators have presented a range of opportunities for the marketing and advertising of products and services.

Mobile marketing has been with us for a number of years in various different guises. Initially a cumbersome extension of the landline, it presented a simple added telesales opportunity. Then came widespread adoption of the SMS text message, which many agencies and brands wrangled with over the early 2000s. Now a new generation is tightening its grip via mobile applications, although many forecast a return to the mobile browser when the experience is reliably optimised across all platforms.

However, the SMS text message and its multimedia sibling, MMS - capable of sending text, audio, video and images – still have a part to play. Messages are the delivery mechanic for newer mobile technologies pointing to online content and application download links. They work on all devices and are flexible, reliable and cost effective. Not free like emails, but they will instantly alert connected devices within network signal range, promoting an instant call-to-action.

In addition to receiving messages, consumers are familiar with the process of sending them too, meaning that organisations can capture consumers' data at the same time as triggering a dialogue. Fostering a widespread consumer comfort and familiarity with this sending process helped SMS short codes and many premium rate services to first establish themselves, and then flourish in the mid to late 2000s. Simple and memorable five-digit numbers could be advertised on any platform: online, print or poster, giving a new channel of engagement which consumers were able to initiate instantly.

Mobile network operators are central to enabling such experiences. In the United Kingdom, O2, Vodafone, T-Mobile, Orange, 3 and Virgin Mobile offer a variety of tariffs for businesses and consumers across all demographics, making rich data experiences such as online browsing accessible to as many people as possible. Flat rate or "all you can eat" tariffs encouraged consumers to embrace mobile data, particularly in the early days of the messaging boom.

Now fully established in the public conscience, implementing messaging as a component of marketing and advertising strategies presents compelling opportunities to large brands and small businesses alike. Those most frequently exposed to the opportunities and real-life experiences of implementation are creative agencies.

Dynmark has sought to understand how marketing professionals and agency leaders are handling implementation for their brand clients, how mobile messaging's status as a marketing medium stands in 2010, and how they envisage it developing in the future.



## 5 A viable marketing medium today? Extreme perceptions

The broadest possible discussion about whether a mobile device is a viable marketing medium will provoke mixed responses. At one extreme there is serious consumer unease at the level of commercial intrusion, which is insurmountable. At the other extreme it is perceived as a completely legitimate area of exponential marketing opportunity, if the offering is right.

A number of studies have attempted to analyse consumer attitudes to mobile marketing, together with the attitudes of brand managers and decision makers. Conversely, little effort has been made to analyse expenditure-to-revenue ratios, or Return On Investment (ROI) within the sector. This could be because the medium has been considered too young to enable meaningful analyses, and because of associated commercial sensitivities. Or it could be because the numbers simply haven't been that impressive outside of premium rate messaging services.

In spite of this, it is widely accepted that over the last five years SMS has been, and is still currently the most commonly used and most profitable form of mobile marketing communication.

There is a catch though. In a 2007 study, 79% of consumers have said that they dislike being advertised to via the medium of their mobile phone.<sup>2</sup> As the use of SMS is most common among a younger age group (15-35) to communicate between friends and family, this group has been a specific target market for mobile marketing,<sup>3</sup> with varying results.

Statistics from Virtual Mobile Network Operator, Blyk, are quite different. Blyk offered free mobile phone contracts in return for tailored marketing messages. Although the business model proved ultimately unsustainable, their exclusive 16-24 year old userbase of over 100,000 subscribers and response rates of up to 29% helped to prove a concept. Far from being put off by the amount advertisements, evangelists of the Blyk service claimed their subscribers wanted to receive MORE advertisements. A service derived from Blyk is now being operated in the UK by mobile network, Orange.

Youth age groups are happy to develop SMS use into new areas such as online voting and participation in radio and television quizzes, as well as the adoption of services like Blyk.

It has long been recognised that the line between marketing or advertising and customer relationship management is a fine but marked one. As Goodin<sup>4</sup> pointed out in the last century, the results gained from marketing activity where the audience has a relationship with the advertiser, and the message is timely and expected, is quite phenomenal.

Used in the right way mobile could still prove to be the Holy Grail for advertisers and marketers. But whether or not mobile marketing message traffic has already peaked is a contentious issue. Theories explaining why there is more to come from the medium hinge on effective brand engagement and the obtaining of consumer permission.

<sup>2</sup> Muk, 2007; Klassen and Cuneo, 2007; Xu, 2006/2007.

<sup>3</sup> Maneesoonthorn and Fortin, 2004.

<sup>4</sup> Goodin, 1999



## 6 Permission-based mobile marketing

Dynmark advocates robust, permission-based mobile marketing to achieve critical marketing mass and wide scale acceptance of the medium. Whilst this method can take longer to build relationships – particularly in the non Premium space – it achieves greater return. Improved brand identity, longer client retention, the integration of other mobile and internet technologies all offer meaningful interactive depth.

### a. 2007 trust study: Germany, Finland, UK

A 2007 study<sup>5</sup> looked empirically at the issue of trust in SMS marketing across Finland, Germany and the UK. It found that the greatest factor affecting willingness to participate in permission-led mobile marketing was the weight and quality of the company's media presence. The study concluded:

*“as a company's reputation conveyed by the media weighs more than the customer's own experiences, mobile marketers should focus on building a strong and positive media presence and image, and thereby gain consumers' trust.”*

This suggests that mobile marketing must be integrated with traditional advertising platforms, as well as new social media channels, enabling a brand to generate adequate profile to deserve space on a consumers mobile handset.

### b. 'Opt-in' and 'Opt-out'

A study by Bamba and Barnes<sup>6</sup> highlighted the importance of consumer control within 'opt in' and 'opt out.' It found that the single most important factor for customers was to *feel that they were choosing to opt-in and given the freedom to easily opt-out.* This was found to be pervasive above all issues of brand trust.

This is an area UK phone-paid services regulator, PhonepayPlus, is attempting to enforce by imposing fines or suspending the services of those who do not operate robust opt-out mechanisms using the industry standard STOP command.

In the US, the greater prevalence of double opt-in – effectively opting in twice to confirm the beginning of a subscription service – suggests that industry internationally recognises the user's need to be in control. Although a brand's existing profile and reputation will form a key part in whether a consumer entertains a proposition in the first place.



<sup>5</sup> Kautonen, Karjaluoto, Jayawardhena and Kuckertz, 2007

<sup>6</sup> Bamba and Barnes, 2007

## 7 Mobile Marketing in the UK – Dynmark findings

From a sample of new media agency participants, Dynmark found that 74% actively offer mobile marketing, though it can still comprise a relatively small fraction of their billing income with 59% deriving less than 10% of their billing from mobile services. New media and digital agencies for whom mobile forms a significant income are in the minority, but it remains a necessary ad hoc supplement for many.

It is reasonable to assume that many agencies are planning for a substantial expansion in this sector. Interviewees estimated a surge in billing as a direct result of increased mobile penetration and rapid, far reaching growth in the space.

### a. What percentage of your clients use mobile marketing?

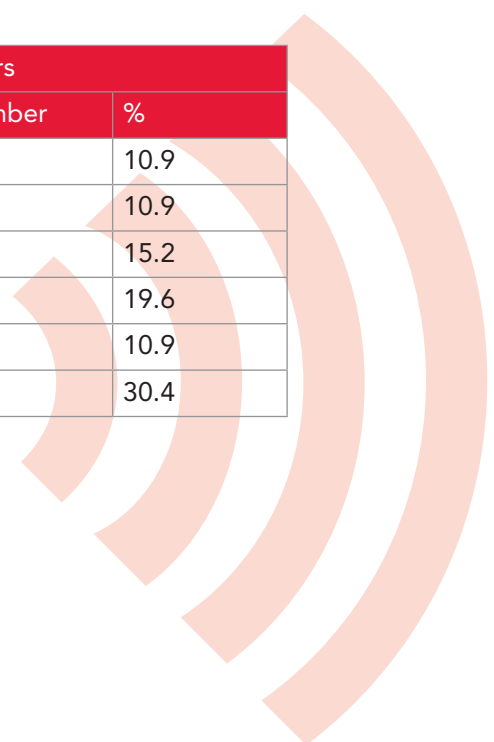
| %      | Now    |      | +1yr   |      | +3yrs  |      | +5yrs  |      |
|--------|--------|------|--------|------|--------|------|--------|------|
|        | Number | %    | Number | %    | Number | %    | Number | %    |
| 0-10%  | 17     | 37   | 14     | 30.4 | 12     | 26.1 | 7      | 15.2 |
| 10-25% | 7      | 15.2 | 6      | 13   | 5      | 10.9 | 6      | 13   |
| 25-40% | 8      | 17.4 | 7      | 15.2 | 7      | 15.2 | 8      | 17.4 |
| 40-60% | 8      | 17.4 | 8      | 17.4 | 5      | 10.9 | 5      | 10.9 |
| >60%   | 5      | 10.9 | 10     | 21.7 | 16     | 34.8 | 19     | 41.3 |

### b. What percentage of total billing will mobile marketing represent to your agency?

Of those interviewed, agencies predicted that even in five years time, only half of their clients will employ mobile marketing. This suggests a belief that the medium will continue to hold only limited appeal. Agencies who do not actively offer mobile marketing services expect the percentage of their clients employing the medium to remain low in the future. This may indicate a lack of awareness or an established attitude towards its potential, contrasting with agencies currently involved in the mobile sector who expect a significant rise in the number of clients using these approaches.

In short: those who do employ the techniques also recognise the value and see the opportunities for growth. Whereas those who do not, have not.

| Percentage | +1yr   |      | +3yrs  |      | +5yrs  |      |
|------------|--------|------|--------|------|--------|------|
|            | Number | %    | Number | %    | Number | %    |
| 0-2%       | 9      | 19.6 | 6      | 13   | 5      | 10.9 |
| 2-5%       | 11     | 23.9 | 9      | 19.6 | 5      | 10.9 |
| 5-10%      | 7      | 15.2 | 7      | 15.2 | 7      | 15.2 |
| 10-20%     | 7      | 15.2 | 8      | 17.4 | 9      | 19.6 |
| 20-30%     | 3      | 6.5  | 5      | 10.9 | 5      | 10.9 |
| >30%       | 8      | 17.4 | 10     | 21.7 | 14     | 30.4 |



### c. Does mobile marketing achieve the results expected?

Positive regard for mobile marketing is most often based on direct experience of the medium, by both consumers and agencies. Those who have executed campaigns that have met or exceeded expectations will be likely to endorse the effectiveness of mobile messaging.

A clear majority reflected this as being the case.

| Response            | Number | Percent |
|---------------------|--------|---------|
| Never               | 3      | 9.4     |
| Sometimes           | 4      | 12.5    |
| About half the time | 0      | 0       |
| Most of the time    | 3      | 9.4     |
| Always              | 22     | 68.8    |

### d. Mobile marketing techniques used

Although this is a messaging centric analysis of mobile marketing, it is important to remember the emerging mobile media which also makes up the mobile landscape. A number of mobile technologies and strategies have been employed by survey participants, such as mobile browser-based content, mobile applications and richer MMS messaging.

|   | Number using | %    |
|---|--------------|------|
| Mobile internet – banner placement, sponsorship and messages associated with mobile internet sites  | 26           | 56.5 |
| Pushed graphics and MMS (multimedia) content – user receives graphically rich content from brand  | 25           | 54.3 |
| Sponsorship of mobile games and entertainment – user obtains mobile games and entertainment applications with strong association to brand           | 16           | 34.8 |
| SMS text message delivery – straightforward message from brand  | 37           | 80.4 |
| SMS text message delivery containing URLs to mobile internet sites - straightforward message from brand with link to mobile internet site           | 27           | 58.7 |
| Mobile-based surveys – mobile-based surveys executed via SMS text message; or via a mobile internet site, linked to from within an SMS text message | 16           | 34.8 |

The straightforward delivery of advertising and marketing messages via SMS remains the most popular mobile marketing technique by a considerable distance.

Having said this, there are much newer and more cosmetically attractive technologies than SMS which are still in the process of being strategically aligned to maximise income, particularly in mobile advertising.

High profile mergers and acquisitions involving Google and Apple indicate the potential full power, particularly of advertising within mobile applications. Despite only moderate current interest in the sponsorship in news and entertainment content, this could be expected to rise in the near future with the introduction of publisher paywalls and new ways of monetising online content.

However, one interviewee warned of advertising fatigue, explaining that the experience of clicking advertisements on a mobile device, whether in an application or a browser, was still a novel one:

*"..people who are measuring their campaigns on a CPC (cost per click) basis are probably going to get a little bit of a shock as they start to fall away."*

Andrew Shebbeare

This school of thought claims that an early boon in mobile advertising numbers could rapidly reach its peak.

### e. What are the main advantages of mobile marketing?

The following responses concerned the virtues of messaging and were organised into the thematic groups.

Messaging's ability to deliver results quickly or convey time-sensitive information was the most frequently discussed advantage, with the gathering of new marketing data and low cost more frequently mentioned than analytics.

| Theme                                     | Number of mentions |
|---|--------------------|
| Ability to reach large audience           | 3                  |
| Directness                                | 3                  |
| Ease and/or speed of measurement/analysis | 2                  |
| Low cost/good value                       | 5                  |
| High response rate                        | 7                  |
| Effective (no detail)                     | 1                  |
| Trust-related themes                      | 2                  |
| Ease of use                               | 4                  |
| Location-based services                   | 2                  |
| Personalisation options                   | 4                  |
| Can be used to capture new data           | 5                  |
| Time-sensitive, fast                      | 9                  |



## 8 When agency clients ask about mobile..

Whether brands are interested in, and understand mobile marketing from the outset is crucial for marketing agencies. Dynmark interviews with agency leaders found a consensus in the view that their clients were usually divided between active involvement and a more passive, trusting role. Whereas some brands might desire transparency during the execution of a campaign, others were said to be more relaxed.

*"Some clients would.. offer a great deal of freedom to effectively look after their advertising budget or marketing budget.. and allocate it as we see fit. Some clients will be much more actively involved and identify opportunities themselves, which they want us to pursue."*

Andrew Shebbeare

There was also a degree of cynicism regarding clients' interest in mobile marketing. Considered a "trendy" approach by some brands, agencies said requests had been known merely because the idea of using a leading-edge medium was attractive, not because a carefully formulated cross-media strategy had been developed.

*"I want to do something viral. I want to do something buzz. I want to do this...'  
– they pick up on key words and key trends from the press and ask us to devise a strategy around that."*

Joe Leon

The role of agencies in this context was to guide clients towards a profitable use of mobile techniques, rather than adopt them for their own sake. Active, coherent requests of mobile marketing were said to depend on understanding. Distinctions need to be made between highly "digital literate" brands with a good understanding of the medium, and what Dynmark was told is the majority: those drawn to the novelty of the medium but lacking a clear vision of where it fits.

In many cases, agencies are required to qualify and define the role of mobile marketing techniques, rather than simply accepting a series of directions.

*"...What we do when somebody comes to us and says we want to have a blog or we want to use mobile marketing is really establish what the right reasons are for doing this, what they would be and whether they apply."*

*Part of our role is to make sure that whatever we're doing on behalf of our clients is going to generate the results that they're looking for."*

Jon Pollard

The position of the agency in many cases is one of defining the role of mobile techniques and explaining what they can achieve, rather than bringing technologies to their clients' attention.



## 9 Why is mobile attractive? (and why is it ugly?)

Qualities which make any medium attractive were summarised by one interviewee:

*"It's about cost. It's about reach of a medium. It's about innovation... And finally, transparency. So that's about accountability, measurability and results."*

Joe Leon

Cost and reach were broadly revealed as being major incentives for brands of all sizes to employ mobile marketing, occasionally with hasty prejudgements around initial engagement.

The name of the mobile marketing initiative run by Ogilvy – “engage, acquire, activate” – was also telling, with the facility of mobile marketing to acquire leads through direct responses echoed by a number of interviewees. Obtaining consumers’ mobile numbers, information and preferences in a legitimate and transparent manner is widely hailed as a core power of mobile marketing.

But gaining data and driving sales are not always the objectives of consumer engagement. The range of individual goals involved in mobile marketing campaigns – from raising general brand awareness, to triggering specific application installations – means that mobile can be the most viable channel at some times, but must be integrated into a wider marketing mix at others.

It is considered most viable as a channel through which to acquire brand engagement, often through the use of SMS short codes. Interviewees drew a marked distinction between basic “push” mobile marketing (the sending of messages) and use of the mobile as an interactive, “pull” based marketing medium, where consumers initiate contact prompted by advertising. Although the most receptive consumers are considered to be demographically segmented, one agency head expects this to gradually change.

*"It's by far the most important medium because it's completely in the markets we deal in...It's a ubiquitous medium, which exists across every individual from the age of about 12-13 upwards. Particularly in developing, emerging markets, it's probably one that's going to completely leapfrog anything to do with traditional online as well."*

Joe Leon

### a. The power of reach

Responses about the advantages of mobile marketing frequently concerned mass reach and instant readership of messages.

Although the iPhone and other high-end smartphone devices attract considerable attention from marketers, they only account for a small percentage of active handsets: “20 million iPhones and a similar number of iPod Touch devices out of 1.4bn mobiles” (Scott Seaborn).

This raises issues of scale for many campaigns: issues which significantly reduce when only considering messaging, thanks to its imperious reach. Catering to smartphones can be appropriate for campaigns in major metropolitan areas where device penetration is high, but when seeking the lowest common denominator across a wider region, messaging’s reach is unrivalled.

Furthermore, revenues of services using first generation mobile technologies of SMS and voice still dwarf comparative figures for second generation technologies such as mobile applications.

Qualities of reach and instant readership can be a double-edged sword though. Interviewees feared that consumers’ privacy concerns could stymie their attempts to measure responses and restrict access to insightful data. Mobile device ubiquity does not guarantee instant success in reaching large numbers of consumers.

## 10 Permission and intrusion

One of the most talked about subjects in mobile marketing is permission: how to obtain it, how to sustain it, how to lose it. There is a critical need to develop relationships where the balance of interactive power lies firmly with the consumer.

*"It's one of those weird mediums where... the marketing solutions are catching up with it still. So I think in some ways it's mature because it's ubiquitous but it's completely immature from a marketing perspective. And that means consumer sensitivity is incredibly high and we need to be very, very careful about how we position it and how we devise marketing solutions for our clients."*

Joe Leon

This is radically different from television advertising, where there is an assumption that programmes on commercial channels will be interrupted by advertising, but more closely aligned to dangers of email marketing. Mobile marketers clearly wish to evade public associations of SMS messages with terms such as "spam" and "junk," and there is a clear wish to avoid devaluing the medium by lowering the permission barrier too far. Reputable agencies effectively trade easy access to an audience for high-value, relevant interactions with willing consumers.

*"If we run our strategy of engage, acquire, activate, then underneath engage we have permission. Underneath acquire we have privacy, and under activate we have preference.*

*Permission and privacy are fabulous tools when used properly in creating a dialogue with a target audience because if you get people's permission and you make sure it's correct, and then you get the privacies... then you're just creating more trust and a more open dialogue."*

Scott Seaborn

By using the permission issue as an opportunity to develop brand trust, agencies and marketers can create a win-win situation. Consumers can receive relevant messages of value and marketers can expect concurrently higher response rates.

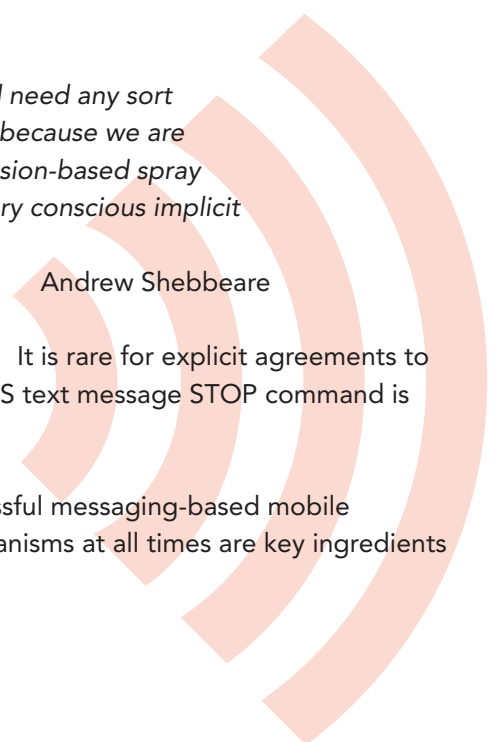
Yet some agencies steer clear of the permission issue altogether.

*"We've really avoided channels altogether where we would need any sort of permission. Not because we don't think we'd get it but because we are very much focussed on either solicited marketing or impression-based spray advertising... both of those are channels where there's a very conscious implicit exchange of permissions that I think is well understood."*

Andrew Shebbeare

This stance on consumer 'opt in' contrasted with other interviewees' accounts. It is rare for explicit agreements to be made between marketers and consumers because easy 'opt-out' via an SMS text message STOP command is accepted as a given amongst reputable mobile marketers.

Gaining and maintaining consumers' permission remains at the heart of successful messaging-based mobile marketing. Delivering relevant, timely messages and enabling 'opt-out' mechanisms at all times are key ingredients to achieving solid campaign results and maintaining brand reputation.



# 11 Looking ahead – where next for messaging?

Mobile marketing still has some distance to develop and another stage of critical mass to be earned. A number of interviewees hinted at the market's immaturity:

*"Up to about a year ago, we were... waiting to see what happens and waiting for the market to get big enough, for it to get really exciting. I think it became clear to us about twelve months ago that the critical mass was really starting to gather pace and people were starting to get more advanced handsets, that the amount of inventory available was really becoming enough for us to be able to run meaningful campaigns for our clients."*

Andrew Shebbeare

References to "inventory" allude to the often uncertain progress of mobile entertainment services, which have failed to gain traction in the UK marketplace until recently. Difficult user experiences associated with downloadable Java games and inconsistent price structures have hampered development in the space. But with the new generation of smart devices and developers unifying fragmented platforms, the outlook is growing brighter. Messaging can perform a vital adhesive role in the delivery of new services.

Advanced (IP-based) services, including location-based technologies were cited by interviewees as areas for potential growth and integration, although pitfalls were flagged through the reminder of poor user experiences in WAP and other early mobile web technologies.

In looking ahead, perceived limitations of mobile marketing and mobile messaging were expressed.

*"People wrongly thought that the format of mobile was banners on websites and SMS text. And while they both are valid...they're not actually the format. Because banners...are borrowed from the internet, and SMS is actually just email but shorter.*

*There's certainly great business to be had in SMS but it's not unique to mobile and it's certainly not the format that will create the biggest opportunities creatively."*

Scott Seaborn

The development of mobile technologies and creative experience are only now beginning to blend, allowing the true potential of the medium to emerge.

*"It's going to be streaming, and it will be very clever streaming. But of course it will all be underpinned with SMS and...the volume of SMS is going to be significant."*

Scott Seaborn

The agency view is that the future development of mobile marketing will be characterised by substantially more sophisticated rich media, but that SMS will remain important as a response channel and as a delivery channel for personalised messages.

## 12 The contemporary mobile landscape

There is no single factor which accounts for the popularity of mobile marketing amongst marketing agencies and their clients. Core values are subjective and will vary from client to client and campaign to campaign, but the number of benefits identified suggests that potential uses for the medium still stretch far and wide.

It would be remiss to overlook that there are also a myriad of opportunities for messaging outside marketing: logistical notifications, integration into customer relationship management systems, internal communications.

The creative scope for adoption and integration of messaging remains undaunted, particularly in an economic climate where relative low cost and high response rates make it an attractive proposition for many firms.

But it is not for every business and it is not without its dangers. SMS marketing may be inappropriate for brands seeking to reach older consumers and it can be harder to convince business-to-business marketers of its value. Older and more affluent consumers may remain resistant to marketing messages delivered to their mobile devices, although the surge of business-oriented devices are creating new opportunities for imaginative advertisers.

### a. The role of Regulation

Consumer participation should be secured through a longer process of integrated relationship management and confidence building. By adopting consent-based strategies persuading consumers to opt into receiving messages from trusted brands, agencies and marketers can increase consumer acceptance of the medium.

Strong regulation of the mobile in the UK was recognised by Dynmark interviewees as important in mitigating excessive volumes, or any volumes of unsolicited messages which could devalue the medium and increase consumer resistance.

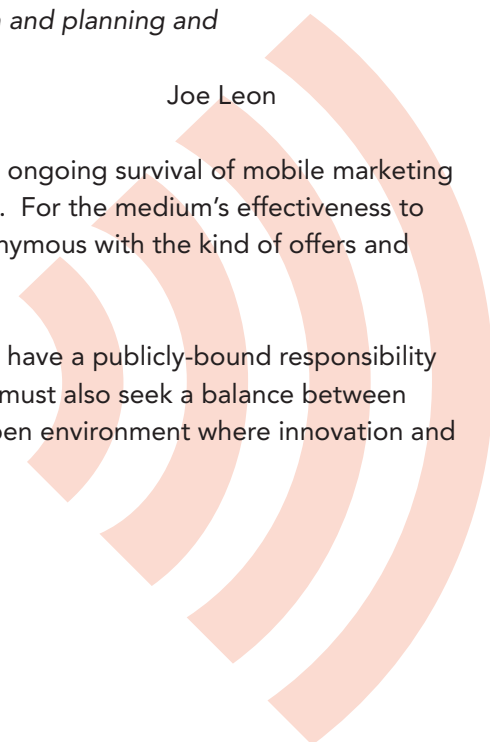
An appreciation of the necessity for such regulation was counterbalanced with an opinion that the industry lacks certain guidelines.

*“The guidelines and the standards are.. disparate. There’s no central co-ordination and that’s typical of an emerging medium. When you have a medium that doesn’t have consistent standards and guidelines, on top of that, where the creative opportunities are not obvious, then innovation and planning and execution can become very, very difficult.”*

Joe Leon

Consumer trust, legitimate ‘opt-ins’ and relevant content will be critical to the ongoing survival of mobile marketing in its SMS messaging form, both in the premium and non premium rate space. For the medium’s effectiveness to sustain, it is imperative that mobile marketing messages do not become synonymous with the kind of offers and language which are now associated with much email marketing.

Regulators too, such as the UK’s phone-paid services regulator, PhonepayPlus have a publicly-bound responsibility to uphold the laws published through their Code Of Practice. However, they must also seek a balance between principle-based regulation and prescription-based regulation: providing an open environment where innovation and creativity has the chance to thrive.



## b. In the end – personal experience

By virtue of mobile phones being such personal devices, experiences they generate will always be subjective. Two consumers who have opted in to receive the same messages in exactly the same way may have entirely different perceptions of relevance, usefulness and legitimacy.

Equally, two agencies employing mobile for the first time may have entirely different experiences with the medium, given the massive range of variables and potential to miscue.

As the medium continues to develop, potentially integrating new technologies such as location awareness, standards will improve and intelligence of the space will grow. Efforts being made by the GSMA, the global trade body for mobile network operators, reflect a broad industry need for insightful data into the mobile user experience.

This intelligence, aligned with firm regulation which closely guards but does not prohibit creativity, should ensure that messaging continues to surprise. It has come a long way, but according to agency leaders, it still has a considerable distance left to run. Messaging will remain a vital adhesive that connects sophisticated new technologies, dynamic new media campaigns and logistical business processes well into the future.

This report has been driven and informed by its interviewees. For kindly sparing their time, Dynmark would like to thank

Joe Leon, Essence Media  
Jon Pollard, Gyro HSR  
Scott Seaborn, Ogilvy Group  
and Andrew Shebbeare, Essence Media.

A final comment.

*“Mobile is now most definitely a viable channel. It’s really just a matter of it continuing to grow, standards starting to evolve and also the technology starting to get better to make it easier to work with.”*

Andrew Shebbeare

Dynmark intend to keep improving the technology and make it as easy to work with as possible.



## 13 About Dynmark

Mobile marketing and bulk SMS processing is an ever-evolving medium. As Dynmark's native space, it is a medium we have helped to lead through a range of dynamic solutions built on our state-of-the-art carrier-grade mobile messaging platform. These solutions allow our clients to easily communicate with their colleagues and customers on their mobile devices.

Whether you want a simple one-way SMS text message communication, or an interactive two-way process integrating a range of mobile media content, we can offer the right solution. You can have the keys to directly manage your own services - using Dynmark Direct's web-based SaaS solutions, or you can have your service expertly steered by our agency, Dynmark Mobile.

Our proprietary mobile services platform serves products and services via three divisions:

**dynmark**direct™

Dynmark Direct offers direct access to our award-winning mobile messaging software as an online service, hosted solution, or on-premise application so that clients can easily manage Bulk SMS, Premium SMS, MMS, mobile internet, and email. On-premise applications include stand-alone Dynmark Direct, and Dynmark Direct Plug-ins. Plug-ins add dynamic mobile messaging and mobile internet functionality to Sage CRM and Microsoft Dynamics CRM.

**dynmark** *mobile*™

If you're searching for a managed one-off Bulk SMS delivery or an integrated campaign using a raft of new mobile media, you've found the right team to help you.

We routinely handle major campaigns incorporating Bulk SMS, Premium SMS, MMS, mobile internet, email, voice, social media integration, vouchers and applications for many of the UK's largest organisations.

**dynmark**ADS

Dynmark Ads focuses on commercialising emerging mobile marketing opportunities. We match sponsors and advertisers with businesses wanting to send messages at subsidised rates, or even free of charge.

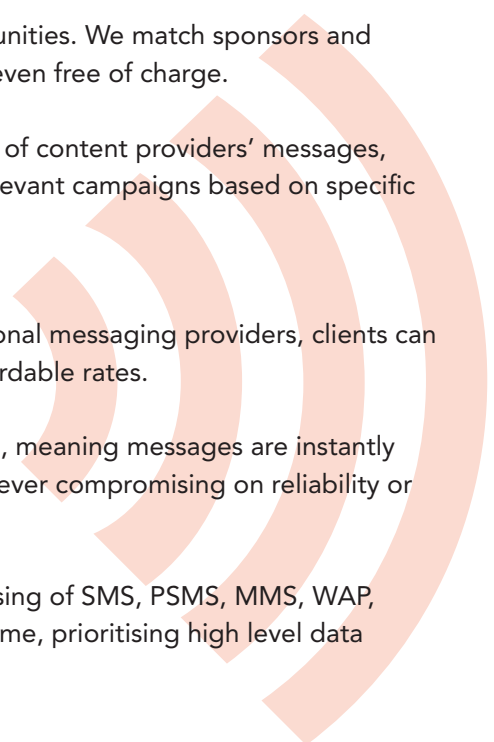
We do this by automatically adding sponsored text advertisements to the end of content providers' messages, based on a recipient's profile. Mobile marketers can deploy intelligent and relevant campaigns based on specific profiles and behavioural history.

### How we do it

Because we are directly connected to mobile network operators and international messaging providers, clients can communicate with their customers anywhere in the world and at the most affordable rates.

The Dynmark Mobile Services Platform enables least-cost routing of messages, meaning messages are instantly processed via the best cost channel. This gives client's superior rates without ever compromising on reliability or speed of delivery.

The Dynmark platform guarantees rapid, high volume, enterprise level processing of SMS, PSMS, MMS, WAP, Mobile Internet and email. It has been engineered to ensure 24/7 service uptime, prioritising high level data security and optimum resilience.



Supported by professional corporate governance from the board down, Dynmark's formal certifications include ISO 9001 and ISO 27001. We are also a Microsoft Gold developer partner and Sage Developer partner. In addition to Dynmark Mobile's full agency account management, we provide 24/7 technical support through experts trained in our APIs and applications.

Call or text 0800 328 3741. Or drop us an email at [sales@dynmark.com](mailto:sales@dynmark.com)

