



## 360i Point of View Mobile Marketing Overview

### Overview

Mobile marketing is on the precipice of becoming a ubiquitous marketing channel. In this first POV in a series, you'll find ten reasons mobile marketing matters right now, along with an overview of what's ahead in subsequent editions. By the time the series is done, you'll discover the trends, case studies and challenges to prepare you for how mobile will impact your business in the years ahead.

### Ten Reasons Mobile Marketing Matters Right Now

There's so much buzz about mobile marketing that it's easy to dismiss it, or to check off a few mobile tactics and say you're doing enough with mobile right now. That's probably not the case.

Here are ten reasons why mobile marketing matters right now, and why we recommend a comprehensive and forward thinking mobile roadmap as part of your integrated communications planning:

**1) Your customers probably own and use mobile devices.** comScore reports that as of February 2010, 234 million Americans age 13 and older are mobile subscribers. That's over 90% of the US population.

**2) Mobile data usage keeps rising**, with Americans especially fond of texting. Nearly two-thirds (64%) of mobile subscribers text, according to comScore, while Pew Internet & American Life Project reports teens 12-17 teens communicate each other daily with texting more than through any other channel – including talking face to face or on the phone. *More on texting in Part 2 of this Mobile POV series.*

**3) Mobile internet usage is taking off**, making it easier and imperative for marketers to connect mobile with their digital marketing programs. eMarketer reports that there are over 83 million US mobile internet users, and about half of mobile phone users will use the mobile internet within a few years.

#### US Mobile Internet Users, 2008-2013 (millions and % penetration)

	2008	2009	2010	2011	2012	2013
Mobile Internet users	50.9	68.6	83.5	98.0	111.2	126.2
% of mobile phone users	22.3%	29.2%	34.5%	39.6%	44.2%	49.4%
% of population	16.7%	22.3%	26.9%	31.3%	35.2%	39.5%

Note: as of December for each year; CAGR (2008-2013)=19.9%  
Source: eMarketer, November 2009

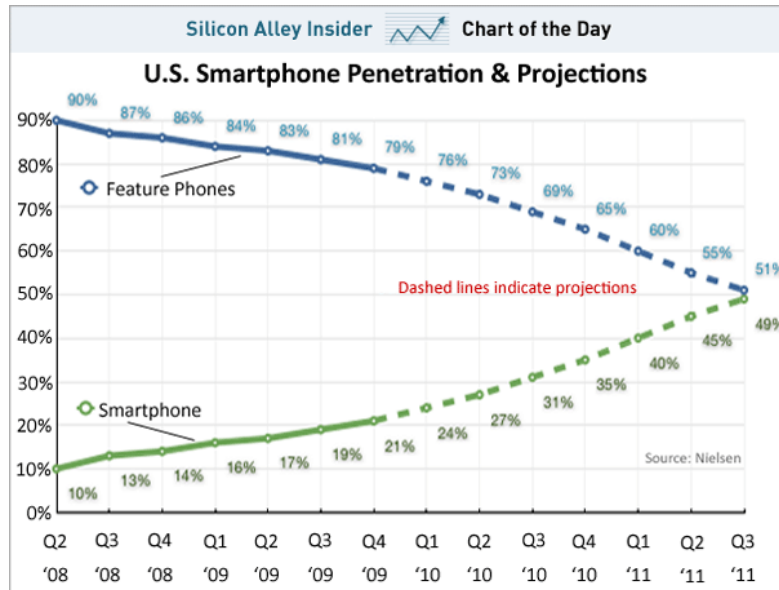
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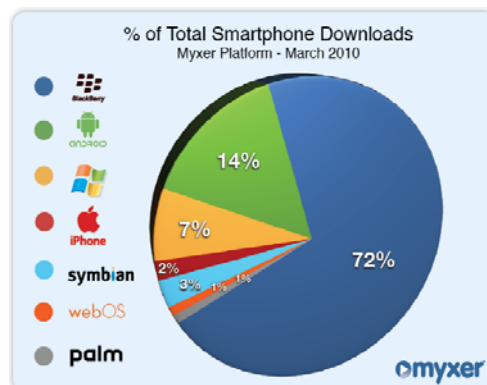


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**4) Smartphone penetration is increasing** to the point where brand marketers can deliver rich experiences through pocket-sized devices. Nielsen reports that within several quarters, smartphone adoption will roughly match adoption of feature phones (the more basic, functional phones with limited Web and app capabilities).



**5) Smartphone competition is expanding the audience** that can access rich mobile content. Mobile ad network AdMob noted US ad impressions on Google's Android operating system reached 46% of the total in March, compared to 39% for the iPhone operating system, marking the first time Android surpassed the iPhone. Also consider Myxer, which has served 34 million consumers 1.3 billion downloads of free mobile content. Skewing toward a younger audience, it has seen a disproportionate share of downloads and traffic coming from BlackBerry devices. BlackBerry has proved especially popular with this demographic in large part thanks to the interest in BlackBerry Messenger (BBM), its instant messenger service.





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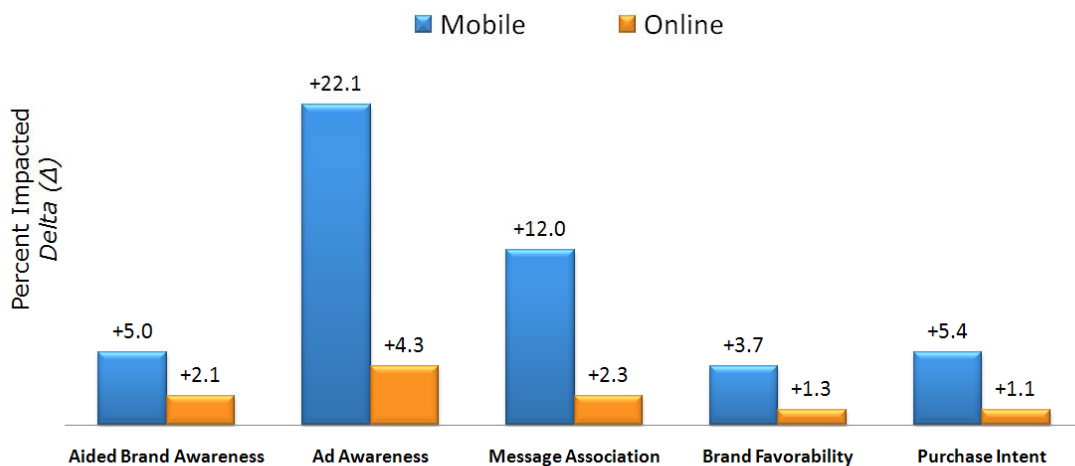
**6) Mobile is designed to be the most integrated marketing medium the world has ever known.** Along with the integration of the various channels within mobile, to be most effective it should integrate with as many other kinds of media as are included in a campaign or program, including online, TV, radio, print and out of home. Mobile devices are always on and accessed everywhere, and the portability alone makes it unlike any form of media. This arms mobile marketing with nearly limitless potential to contribute to and build on any other marketing program.



Facebook offers store decals so local businesses can have consumers connect with them via text messaging

**7) Mobile is great for branding** thanks to several factors: deep engagement, minimal ad clutter, and new and constantly evolving advertising experiences. Dynamic Logic found that its mobile MarketNorms across various brand metrics consistently surpassed online norms.

## Mobile vs. Online



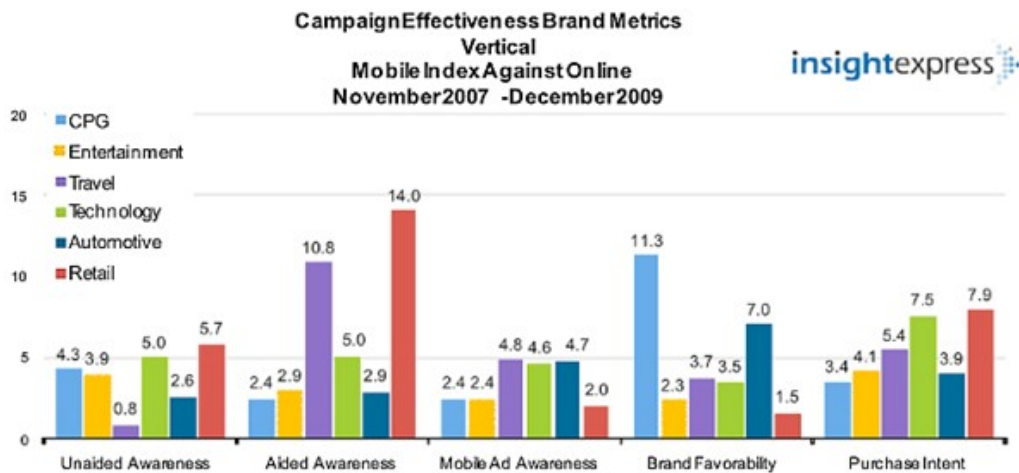
Source: Dynamic Logic MarketNorms for Online, last 3 years through Q4/2009, N=2,461 campaigns, n=3,713,053 respondents; AdIndex for Mobile Norms through Q4/2009, N=74 campaigns, n=69,524 respondents  
Delta (Δ)=Exposed-Control





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**8) Mobile marketing matters for marketers in any vertical**, with any goal. A consumer packaged goods marketer can use mobile display and video ads for branding, SMS for couponing, and applications for consideration. A retailer can similarly use mobile in different ways whether they're trying to drive consumers to the store or launch a new product line. InsightExpress further quantified some of these effects, showing strong performance across brand metrics for marketers in six vertical industries.



**9) Mobile marketing is more than just a single marketing channel.** Consider online marketing, where search, video, and social media are all very different disciplines. The same is true of mobile, and it's the reason why we couldn't just release a single POV. These various forms of mobile marketing also tend to intersect. Coupons can be delivered via text messages that then link to mobile barcodes. Mobile display ads often promote applications, mobile social marketing programs can include video, and mobile search tends to run in conjunction with a range of other promotions.

**10) The twenty-first century is the century of mobile.** The "year of mobile" phrase is played out, and it has been true for some time now. The International Telecommunication Union wrote in their 1999 Annual Report, "If 1999 was the year of the Internet, it was also the year of mobile cellular." Since then, we've had a number of milestones as the number of text messages sent annually rises well into the trillions and mobile ad spending nears the billion-dollar mark. The past few years have brought the iPhone and its continual improvements, pervasive Android devices and mobile social services that have consumed much of the bandwidth of the mobile Web. The milestones will keep coming at a breathtaking pace.

**US Mobile Advertising Spending, 2008-2013 (millions)**



Note: includes display, search and messaging-based advertising  
Source: eMarketer, September 2009

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### Upcoming POVs

Here is what you can expect to find in the rest of this series on mobile marketing:

#### Part Two: Search and SMS

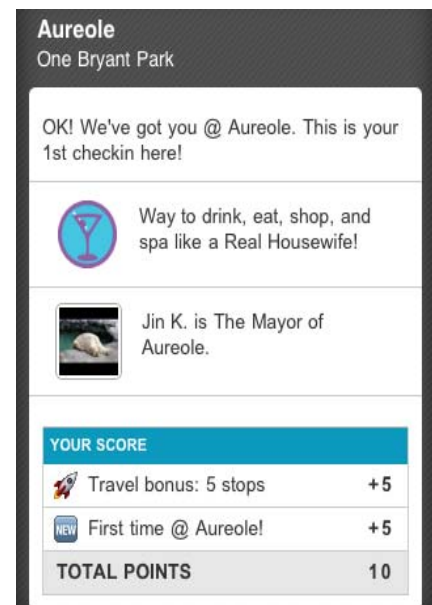
Take away the full-size keyboard and easy multitasking on a PC while adding in voice search and pinpointed locations, and it changes the nature of search. While search will remain a vital way for mobile consumers to access content and commerce, the way consumers use it on the go changes the value proposition.

Then there's SMS, the most popular data-driven activity on phones by far. It's so universal and pervasive that it's often underrated, but marketers need to keep texting top of mind. Of all mobile marketing options, it integrates especially well with other online, offline and mobile programs.

#### Part Three: Apps and Social

Do apps deserve all of the buzz they've been getting? Marketers have clearly jumped on board in a big way, with major brands in just about every vertical trying to carve out their real estate on consumers' smartphones. Building an app is relatively easy compared with driving downloads and maintaining interest. Learn when apps should be in the consideration set.

Many of the hottest mobile apps (Foursquare, Yelp, BrightKite, SCVNGR) have social components, or they're entirely about social media. Meanwhile, Facebook alone has more than 100 million mobile users. The field is nascent, with major players like Facebook offering minimal marketing opportunities while startups don't tend to scale, but mobile devices were designed around communication and that holds true as mobile social usage takes off.



*Bravo rewards housewives (and many others) with its badges on mobile social app Foursquare*



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### Part Four: Barcodes, Couponing and Commerce

It's time to get down to business. Where does mobile media fit in with the sales cycle? Given how broad mobile is, it can play several roles, and we'll focus on three areas in particular:

1. Mobile barcodes have been around for awhile, and marketers are starting to figure out how to use them, especially as smartphones proliferate. Will standard UPC codes beat out mobile-specific QR codes? Find out how various kinds of codes are used.
2. Couponing has picked up steam especially since the recession and recovery, and mobile couponing offers a number of advantages over their clipped and printed counterparts. It's hardly a seamless process right now though, so pay attention to the hurdles.
3. What will it take for consumers to make purchases from mobile devices? We're finally getting some answers, even if it's some time before mobile phones really are equipped to replace credit cards.

### Part Five: Challenges and Conclusion

By now, you'll have a feel for the power and potential of mobile marketing. It's hardly easy though, as challenges keep mounting by the day. Get an appreciation of all the hurdles you'll have ahead of you as you build your mobile footprint, and review a few final thoughts as the series comes to a close.

### Conclusion

The ten reasons to get moving with mobile were just a start. You'll find countless others in the POVs ahead, while staying grounded in the challenges. Mobile may not be a fit for every marketing program today, but it's getting to the point where it should always be considered.

This series is just a beginning, and it doesn't mean anything if all of this information remains on the page. Having worked on dozens of mobile programs for our clients, we look forward to working with you on the increasingly mobile-centric marketing future.

### Next Steps

Contact your strategic advisor at 360i to further your goals through mobile marketing.

### About 360i

360i is an award-winning digital communications agency that drives results for Fortune 500 marketers through insights, ideas and technologies. 360i helps its clients think differently about their online presence and evolve their strategies to take advantage of the new world of marketing communications – one where brands and consumers engage in interactive and multi-directional conversations. Current clients include Colgate, H&R Block, JCPenney, NBC Universal, Nestle and Office Depot, among others. For more information, please visit [blog.360i.com](http://blog.360i.com) or follow us on Twitter [@360i](https://twitter.com/360i).