

A hand holding an iPhone with a large orange 'X' graphic over the screen. The screen shows the time 12:34 PM and various app icons including SMS, Text, Calendar, Camera, Photos, Maps, Notes, and Settings. The background is black.

# **CONTAGIOUS SPECIAL REPORTS**

## **MOBILE MARKETING**

2008



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## EXECUTIVE SUMMARY

**01.01 / Media context** / market conditions driving the growth of mobile products and services

A / Time-and place-shifting of media consumption

B / Cross-channel media mending audience fragmentation

C / Social media as networking and retention tool for relationships

D / The convergence of the Internet and mobile keeps people immersed with  
their favourite apps anywhere and anytimeE / Mobile blogging services encourage the complete documentation  
and sharing of one's life

F / Permission marketing driving new mobile marketing mechanics

G / Branded utility for social networks gaining momentum as a new approach to advertising

H / Mobile search developing through location-based technology

I / Location-aware technology stimulating new services

J / New sponsorship models for music shaping future commercial  
models for entertainment industry

K / M-commerce activity diversifying from mobile content to larger ticket items

L / Powerful new social trends include: immersive living, geek culture, G-Tech and localism

## ABOUT THE AUTHOR /

Noah Koff is founding partner of MGen London and a media executive with 13 years experience in online marketing, advertising and entertainment. He has led numerous award winning mobile initiatives for clients including O<sub>2</sub>, Hutchison 3, Orange, Endemol, Red Bull and Levi's. Prior to establishing MGen, Noah held senior roles at London-based online marketing agencies including Lateral, Ogilvy Interactive and Modem Media. Before that, Noah was a pioneer in online communities working at iVillage.com and Papermag.com in the mid-90s.  
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Noah Koff /





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## 01 / pages 03-04 EXECUTIVE SUMMARY

### 01.02 / Medium-term trends in mobile

#### Messaging

- Text messaging hits plateau in UK, still maturing with mass-market in US
- Picture messaging maturing with mass-market in UK / US

#### Content

- Music downloads, games, email and web browsing to drive data revenues
- The decline of branded wallpapers due to popularity of user-generated content (UGC)
- The decline of the ringtone market spreading from Europe to the US
- Gaming growth: casual, networked, multiplayer, location-based, augmented reality
- Video-based growth: sports, mobisodes, UGC, cross-platform formats, music

#### Brands

- Ad-funded commerce gaining momentum as a new direction for mobile advertising
- Branded content growth as tactical solutions for long running promotional campaigns
- Social utilities growing as brand retention tools
- Mobile-driven approaches to loyalty programmes growing in retail sector

- Podcasting growth as sponsorship vehicle for media and entertainment industry
- Handset manufacturers, FMCG, automotive and youth brands driving mobile experiments

#### Services

- Music sponsorship services taking off through JVs between record labels and handset companies
- Search acting as catalyst for opening of operator portals
- Advertising exploding through embedding, SMS and MMS, search
- Social media growth through JVs between leading Internet communities, mobile community platform companies and mobile networks
- Microblogging growth to retain customers of live events
- Location-based technology in pilot phase to advertise local merchants
- MVNOs tailoring bundled mobile products to reach niche markets
- Super 3G driving broadband connectivity

#### Strategies

- iPhone driving convergence between Internet and mobile digital media
- 'All-you-can-eat' data subscriptions growing in US and Europe

- YouTube and Vodafone / Verizon collaborating to commercialise user-generated content
- Google's Android platform giving birth to location-based services, branded utility
- Nokia's moves into D2C content retail through Ovi; acquisition of Enpocket drives expansion of mobile marketing and advertising activity
- Short-form, ad-funded content from automotive, entertainment, FMCG sectors

#### Future View

- Multimedia Internet services will grow through friendly, cheap iPhone-like devices and data subscription packages priced for the mass market
- Collaboration between mobile operators and social networks to grow Internet communities
- Gaming will extend its popularity among both hardcore and under-served customers
- Pay-by-phone technology to expand from SMS to phone-as-wallet systems
- Technical innovation to include 4G services, content targeting, intelligent ad-serving, location-based search



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THE CHANGING LANDSCAPE /  
MEDIA TRENDS AND INFLUENCES

## 03.01 / Time / place-shifting

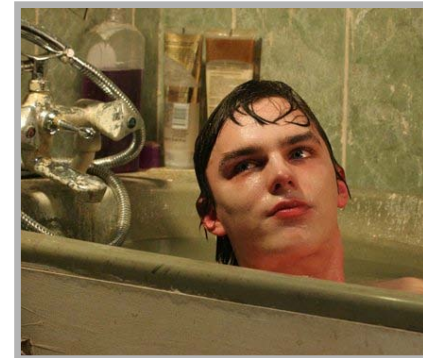
The popularity of digital platforms, including Internet, digital TV, PVRs and mobile, has made time- and place-shifting ever more commonplace as audiences determine their own media schedules. Given the landscape, broadcasters like UK's **Channel 4** and **MTV** and producers like **Endemol** and **IMG** are adapting their businesses through the development of new cross-channel products, services and sponsorship models to maintain their competitive edge in this rapidly evolving media environment.

## 03.02 / Cross-channel

Fresh approaches that link traditional media with digital media, often termed 'cross-channel', 'cross-platform' or 'multi-channel', aim to mend audience fragmentation. **MTV**, for instance, gives audiences a variety of touchpoints such as Internet and mobile to complement the linear TV broadcast. So too, **Channel 4** enables viewers to interact with content from programmes such as *Skins* and *Shameless* online (via downloads from its website to PC and mobile) as well as on **MySpace** and **Facebook**. A cross-channel approach helps marketers retain and commercialise younger audiences who increasingly embrace digital platforms as their entertainment media of choice.

## 03.03 / Social media

Thanks to surging use of online communities, 2007 saw social media grow a whopping 47% year-on-year according to Nielsen-Netratings. **Facebook** was widely seen as the Internet phenomenon of 2007 - most of all because of its adoption by the 30 to 40-year-old demographic who began to experiment with the medium. For the older demographic the main draw has been the curiosity of looking up long-lost friends. Another appeal has been Facebook's clean design aesthetic, which really clicked with the older demographic ►



Channel 4 / Skins /





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## CONTENT FOR MOBILE MEDIA / MUSIC, GAMES, MOVIES, UGC

Mobile content provision to or between end-users works in five main ways:

**A / WAP push /** uses a text message to deliver a link to a WAP page, that can be used to deliver content like music files, games, video clips or apps

**B / MMS /** can be used to deliver content including audio, video and images

**C / Bluetooth /** can be used to transfer audio, video, apps and still images between handheld devices that are a short distance from one another and/or from kiosks set up purely for media distribution

**D / Broadcast /** users with specialty DVB-H, DVB-T, DVB-S handsets can receive Mobile TV programming

**E / Wi-Fi /** can be used to transfer audio, video, apps, still images and webpages to handheld devices using the Internet

### 06.01 / Music / a core revenue driver

Music will be a significant revenue driver in mobile over the next five years. With the combined popularity of portable music devices together with a rich assortment of content offerings, it's a natural growth area.

#### Has the iPod lost its cool factor?

Following 17 consecutive quarters of growth for Apple's iPod division, powerful new music phones from a diverse group of competitors began to eat into Apple's market share back in 2006. Although Apple has sold over 100m iPods, competition has really picked up and consumers now have a wide choice of devices that compete on price and features. 67% of mobile audio users listen to music that has been transferred (or 'sideloaded') from ►





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onto sites such as **FHM**, **Bebo** and **YouTube**. The website also boasts mobile phone applications that claim that they will transform your mobile into 'a weapon of mass seduction'. 'Get in There' is a prime example of the FMCGs experimenting with mobile content as a means to extend an online campaign, as well as using viral media to extend campaign reach and interaction time.

**Audi product information** / The automotive sector has also been experimenting with branded downloads. **Audi UK**, for instance, through the digital agency **GT**, used mobile linked to a central strategy to promote its **RS4** product launch. A cross-channel campaign incorporated the Internet, Transvision screens on public buses, PSP and iPod downloads and iTV content. The use of mobile included the download of an e-brochure via Transvision screens. On [www.audi.co.uk](http://www.audi.co.uk)'s WAP site, downloads such as wallpapers, screensavers and mobile games were available. To promote its **Q7** model, Audi used mobile as a direct response mechanism linked to a press ad. Prospects were able to send a text message to a number advertised on the press ad to receive a WAP link on their mobile. The link enabled them to explore the vehicle inside and out as well as request more information and a pdf brochure. In turn, this provided Audi with a valuable database that enabled measurement of the above-the-line campaign effectiveness.

**Budweiser Super Bowl extension** / Brands like **Budweiser** are experimenting with permission-based approaches as part of their mega Super Bowl campaign. Given the high popularity of Super Bowl ad spots, such that large numbers of people actively seek them out on the Internet, Bud hatched a plan to direct consumers between TV, Internet and Mobile mediums to watch and rate TV ads and share them with friends. The digital advertising campaign promoted text a call to action to sign up to see the Bud Light 'Secret Spot'. Then following the final Super Bowl TV ad, participants received a text message with a code to 'unlock' the secret 8th spot, available for viewing via their mobile or on [www.budbowl.com](http://www.budbowl.com). The Super Bowl activity illustrates how mobile can be used to extend the life of mega TV campaigns, which increases the engagement time and ROI for the campaign overall. ▶



Lynx / Get in There /



Budweiser / Budbowl /



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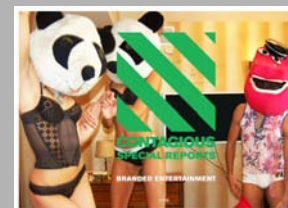
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