Marketing finds a new goldmine in mobiles
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Expansión

Short messages via the mobile phone have become an effective and indispensable tool when carrying out advertising campaigns.

The increasing importance of wireless marketing via mobile phones, electronic diaries and, above all, short text messages (SMS) is justified. According to Forrester, twenty percent of European marketing chiefs carry out campaigns on SMS and 56% will do it this year, dedicating seven percent of their budget to it.

But not only companies feel attracted by this medium. A study by Netsurvey, commissioned by Ericsson and the mobile marketing company Mediatude, shows that 60% of users would be prepared to receive advertising messages tailored to their profile. Moreover, according to Myalert, the effectiveness of SMS is between five and thirty percent greater than other direct marketing media, offering a higher response index for a lower cost.

However, in order for an advertising initiative via SMS to reach these expectations it is essential to observe four indispensable rules: offer interactivity and personalisation, have the approval of the receiver, combine channels and create communities. Firstly, messages must be interactive and personalised. Interactivity must be manifest in the participation, the response, and the gratification of the receiver and in the sending of up-to-date offers. An example is Danone's Dan'up competition in which the user is informed immediately if they have won a prize. For its part, personalisation lies in content, geography, time, culture and knowledge of technology. For example, localisation services, that for the moment are limited to petrol stations, all-night chemists', automatic teller machines, traffic situation or restaurants are being increasingly exploited by operators, conscious that users value the information they receive according to the context (at a given time and place).

On the other hand, the sending of messages will be more effective with the previous consent of the user. Traditionally, mobile telephones have lacked filters to avoid the infiltration of junk mail (spam). It is predicted that, in the future, the multimedia potential of the third generation mobile telephone will increase the traffic in unsolicited messages. That is why it is necessary to establish rules of behaviour in order to avoid the misuse of the medium. In this sense, an international organisation has been created, the Wireless Advertising Association (WAA), to regulate and set out a series of recommendations aimed at manufacturers, operators, software suppliers, agencies, advertisers and providers of wireless marketing services.

Moreover, the mobile channel must be combined with other traditional media (online and offline) that offer complementarity. Traditional, one-directional media, like the television, the radio and the press, can offer interaction via wireless appliances and
allow the participation of the audience, who can respond, compete or vote in real time. On the Internet too, though with a lower response rate, users are encouraged to send SMS messages.

Lastly, the creation of communities is fundamental, where individuals interact with other users via their own virtual identity in order to share interests, lifestyles or friendships.

**Future**

In order to guarantee the success of marketing via SMS it is necessary to overcome some obstacles that have brought about the collapse of WAP and also threaten GPRS, the latest technology that allows surfing on the Internet via the mobile. Amongst these barriers are the incompatibility of content, especially with older terminals, the multiplicity of standards, the limits of speed and image in relation to broadband, the lack of content and the text format, limited to a reduced number of characters.

The manufacturers of mobile appliances have come together to place MMS (Multimedia Messaging Services), a direct development of SMS, as a standard in the market. This new technology will allow the sending and receiving of far richer contents, that can incorporate sound, video clips, photographs and images with text messages. Everything points to its being converted into the killer application of the third generation, reaching 65,000 million MMS messages sent by 2008, according to the Havet consultancy. To sum up, wireless marketing tools open up enormous development possibilities for the entertainment industry, consumer goods and the banks. In the coming years we will see how they take advantage of them.

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**The Question**

"What golden rules of marketing have changed in the wireless environment?"

**Towards necessary transparency**

Lluís Renart, IESE Teacher

For years, the person making a telephone call was the one who paid its cost. The appearance of telephone numbers with the charges automatically reversed allowed the receiver to take care of the cost of the call. Now, certain text messaging applications (SMS), that allow the user to participate in marketing actions sending a short message via their mobile phone, are placing themselves at the other extreme. These charge the sender figures much higher than the normal rates, reaching the point of generating gross margins of up to 95 percent.

The abuse by some companies, as happens with certain television competitions, could convert marketing via SMS into a trick for the gullible, even bringing discredit to the new medium or to those who make ill use of it.

Facilitating easy and quick communication between a company and its customers is good, provided that it is done ethically, loyally and transparently.
Increase the level of personalisation
Pedro Alberto Gómez, e-business Manager

"I am myself and my circumstances", said José Ortega y Gasset some time ago. The circumstantial character (time and space) is the main variation that a wireless environment brings to the management of marketing.

The so-called mobile Internet will lead to a much more tactical concept of marketing, where strategies will have to be linked tightly to the circumstances that each individual finds himself in at any given time, and include a level of personalisation unimaginable to date.

Users will move in an environment where customers are always connected, it will be known where they are and what circumstances they are in. Thus, services based on localisation will be developed (offers from restaurants close to the potential customer), and on the presence of the customer (situations that could arise as users of an airport), or on the value of the immediacy of the information. The golden rules of marketing have not changed, just the circumstances.