



Figure 5.6 Mobile app media strategy leads to awareness and downloads.

Paid Media Strategy and Execution

Paid media is instrumental in driving downloads at launch. This is essential for one key reason: Downloads are primarily what define your rank within the app store.

The higher your downloads in a given category, the higher your rank in that category. The higher your rank for a particular keyword, the higher your rank in search results for that keyword. Mind you, neither Apple, nor Google, nor any of the other app store platforms have ever come out and admitted that this is the case, but it's pretty much the general consensus in the developer community. If you observe the rank of your app on a daily basis and then map it against your downloads, we have no doubt you'll see a clear correlation between how many apps you've moved and how high or low your rank has gone for that day.

The truth is, no one knows for sure what Apple's, Google's, or BlackBerry's algorithms are for app store rank. But, we do know that achieving a high rank is instrumental to being found by your existing customers and discovered by new ones. So for the sake of argument, let's assume that if downloads do indeed have a lot to do with it, as we suspect, the equation for app store rank is most likely a factor of your last four to five days' worth of downloads, with the most recent day's numbers carrying the most weight, as some, including Baptiste Benezet, product development director at global innovation agency faberNovel (www.fabernovel.com), have proposed. The bottom line: rank matters. Paid media can create a high volume of downloads at launch, which leads in turn to an elevated rank and higher natural app store visibility.

What About App Store Reviews?

Many brands ask us, “But what about app store reviews? Don’t they count toward my app’s rank?” Our answer is yes, but indirectly. To the best of our knowledge, your app store reviews, whether positive or negative, don’t factor directly into how Apple or any of the other app stores calculate your rank. They do, however, influence whether someone downloads your app. Since every download helps buoy your rank, positive reviews will help you in this regard and negative ones will hurt. But as far as we can tell, reviews do not factor into the ranking algorithms.

There are also rumors that engagement is now a ranking factor—that is, the number of times your app is used in a certain time period and the amount of time the app is used in an average session. However, this would be very difficult for Apple to measure fairly and accurately, so we believe this to be conjecture, at least at this point.

The paid media elements of your app marketing plan will break down into pre-launch and post-launch components:

Prelaunch Paid Media Planning

The prelaunch activities include reviewing your ad options and planning your ad messaging.

Review your ad options. We’ll elaborate more on ad options in Chapter 6, but suffice it to say, you have a lot of options. Most mobile ad networks now offer some kind of pay-per-click or pay-per-download option at a reasonable cost, and Google now offers an “ads for apps” and “app extensions” option as well. Aside from these well-known networks, there are also opportunities to place advertising on some of the many blogs and YouTube channels devoted to app reviews—we’ve seen many brands have success with this model! In addition to all these, there are many niche startups that promise to help you drive downloads for a price. We’ll review these in more detail next week when we dive into advertising.

Plan your ad messaging. Keep in mind that your goal isn’t just to drive downloads; it’s to drive downloads to the most engaged users possible. Ad copy and imagery that clearly illustrate the benefits of your app will help ensure your apps find their intended audience. We’ll include examples of some successful ads for app in the next chapter.

Post-Launch Paid Media Execution and Management

The post-launch efforts boil down to all the tasks involved in managing your campaign, starting with paid media and layering in earned and *owned media*.

Manage your campaign. Post-launch, it’s simply about managing your campaign. Display media will be handled for you almost entirely by the mobile ad network. As the client,

you should simply be aware of what, if anything, your ad network account managers are changing as they manage your campaign, including but not limited to modifications to your creative and placement of your ad in different apps and on different sites. Again, we'll review this in greater detail in the coming chapter. Paid media can be indispensable in getting the word out about your app. But, the important thing for you to keep in mind about paid media is it *only works as long as you pay for it*. The goal should never be to keep paying for downloads, but rather to use paid media to create an initial lift that makes your app highly visible and easily discoverable within the app store ecosystem and in key areas around the Web. Your earned and owned plans should start in tandem with the paid component so that your paid efforts can scale down over time as earned and owned take over. The basic concept here, outlined in Figure 5.7, is that earned and owned media create an organic framework that continues to support the initial high rank you've achieved with paid media.

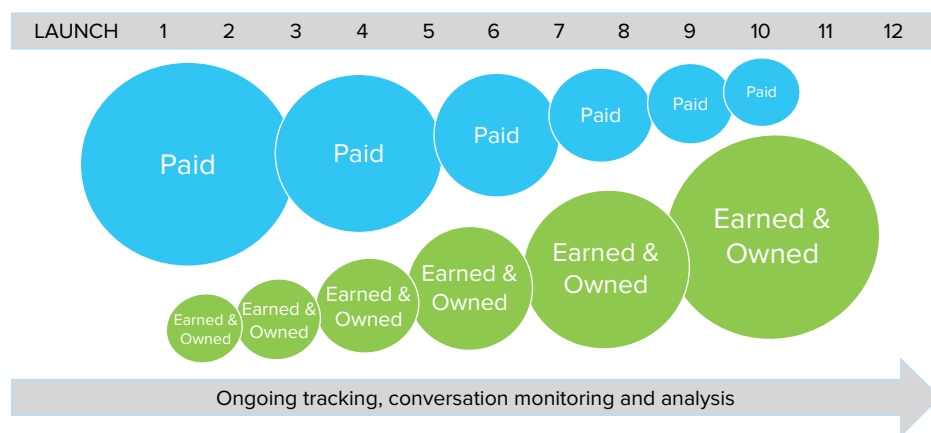


Figure 5.7 The symbiotic relationship between paid, earned, and owned media in the mobile app ecosystem.

Owned Media Strategy

In app marketing, owned media focuses on optimizing your owned spaces to maximize awareness for your app. Owned spaces include:

Desktop Website Awareness Elements Desktop elements can take many forms, from a simple banner on your homepage that links to your app store landing page to a full dedicated area of the site for mobile. We highly recommend creating a unique page on your site to showcase your mobile products and services and a unique link to this page in your site navigation. Your app can be included on this page or, in many cases, command a subpage of its own with screenshots, an overview of the app's features, excerpts from positive reviews and comments, and a link to the app's landing page in all relevant app stores.

Redirects Server-side detection can route users trying to access your website on a tablet or smartphone to a splash page that encourages them to download your native app instead. This method can be effective, but proceed with caution and always allow your users the option to go ahead and click-through to the site instead. Not every user wants to download you mobile app, so don't force the issue.

Email Your email marketing list is an ideal place to start, as these customers probably represent your most loyal user base. A preview email a week or two before your anticipated launch and then an email sent the day you are approved and in the app stores will work wonders in fueling your initial downloads.

Facebook Your Facebook followers are also among those most likely to download your app, especially when you consider that many of them view your Facebook page on a mobile device; they are only a click away from downloading. Regular posts about your app immediately prior to and after launch will jumpstart your downloads. Regular posts thereafter will keep your app top of mind, especially if you have new content and features to announce. A dedicated Facebook tab for your mobile efforts is also highly recommended, but that's going the extra mile. Simply ensuring that your app is represented in your owned social spaces is the important thing.

Twitter Like Facebook, your Twitter followers will be among your most loyal—and mobile—users. Preview tweets about your upcoming app and promotional tweets thereafter are great tools for keeping it top of mind with your users and driving downloads.

Your owned efforts in social spaces have particular value because they can potentially spread the word about your app outside your immediate circle of current customers and brand loyalists. Every Facebook share and retweet introduces your app to a given user's circle of friends, creating a wider net of awareness than you could ever accomplish through more traditional methods.

Prelaunch Owned Media Planning

Prelaunch planning activities focus on preparing content for your desktop website, email campaigns, and your pages on leading social networks.

Desktop Website Awareness Elements Work with the design and technical teams managing your desktop website (and, if applicable, mobile website) to determine what is feasible. Design and develop additional elements including promotional copy, page layout, app imagery, and other elements. Plan to fully QA and integrate them into your site by the date of your anticipated launch.

Email Design and write your full series of prelaunch and post-launch emails. Keep in mind that most of the recipients will be reading the email on their mobile device, so designing your message to be mobile-friendly is essential! In Chapter 6, we'll provide detailed guidelines for mobilizing your email campaigns.

Facebook Plan and write copy for your initial prelaunch and post-launch posts; design and develop your unique Facebook tab, if applicable.

Twitter Develop a content calendar of promotional tweets, including copy and a plan for timing your posts. Also, plan to allot time for scanning Twitter post-launch for positive and negative mentions of your app.

Post-Launch Owned Media Execution and Management

Post-launch efforts should emphasize distribution and delivery of the messaging you’ve prepared about your app.

Desktop Website Awareness Elements Ideally, your site awareness elements will be in place well before launch with “coming soon” messages. Post-launch your copy should be modified to reflect the fact that your app is now live and should include links to the landing pages in all relevant app stores. Plan to keep the dedicated awareness elements on your desktop (and mobile) sites up to date with positive reviews, press mentions, and info on updates to content and features.

Email Your initial email should go out one week prior to your anticipated launch and a follow-up “It’s Live!” email should be queued up to be sent the minute your app appears in the app stores. Thereafter, plan to send additional emails only when you have something to announce, such as new content and features, or the release of a new and improved version.

Facebook Much like your desktop website, your Facebook-awareness elements should go live prior to launch to get your followers excited about your app. Post-launch, copy should change from “coming soon” messaging to “it’s live” messaging, and content should be curated from thereon to reflect what’s happening with your app. Posting about your app daily might be a bit over the top unless you have overwhelmingly good reviews and downloads to share or negative comments to address. Weekly posts reminding your users about your app should be sufficient. You’ll also want to post about changes to the app, such as new versions or problems that have been fixed.

Twitter Twitter will be one of your best conduits post-launch, not only for spreading the word about your app but also for keeping tabs on its success or lack thereof. Regular tweets about your new app are *de rigueur*. Also, spend time daily scanning the Twitterverse for your brand keywords, especially the name of your app. Positive mentions warrant a retweet and a thank you. Negative mentions warrant a publicly tweeted reply that constructively acknowledges the negative feedback (whether you agree with it or not) and a direct message to the individual thanking him or her for the feedback.

We can’t recommend this last piece of advice enough—listen to your users! Sure, some people will slam your app for no good reason but these will be in the minority. Apps are such a new medium and we’re all in the learning phases—no one has a

formula exactly right. Hence, most negative comments you receive will be constructive, if you're willing to see them as such.

Here's a perfect case in point: There have been many instances in which a brand has been in too much of a rush to release an app to address the issues we've uncovered in usability testing with focus groups. And, in each of these cases, the app store commentary clearly reflected all the issues we discovered in the usability testing process. *Listen to your customers* and let them help you; their feedback will make your app better every time.

Earned Media Strategy

Earned media strategy completes the cycle by spreading the word about your app and capitalizing on the positive responses you are able to generate. For earned media, we concentrate on two specific areas of effort:

Influencer Outreach Influencer outreach in app marketing focuses specifically on reaching out to bloggers and requesting a review of your application. We recommend contacting bloggers in the app review space as well as niche bloggers that covers your specific vertical or type of app. For example, Kiwi Market would reach out to bloggers covering iOS and Android apps as well as to bloggers that target working moms and food bloggers. If your app is attached to a major household name, we also encourage you to reach out to the top gadget and technology blogs such as Engadget and Mashable. They're not in the habit of reviewing every app that comes along, but if you are a major household name, they may make an exception.

PR We've seen many apps get a big bump in downloads from a good old-fashioned press release. Remember that these go out to journalists and many of them will go out and download your app to review it, so that will add downloads right there. You also then have the added possibility of them writing about the app and generating downloads among their readers.

Let's look at some prelaunch and post-launch activities.

Prelaunch Earned Media Planning

Concentrate your prelaunch earned media efforts on reaching out to key influencers and maximizing the mileage you can get from press releases.

Influencer Outreach First, assess the blogosphere and determine which sites you will target. In the appendix to this book, we've included a list of app reviews, blogs, and directories that will help you formulate your plan. For industry specific blogs, we recommend using a site like www.alltop.com to determine the key influencers in your specific vertical.

PR Assemble a standard press release that clearly describes the purpose and benefits of your app and assess the various wire services at your disposal. Apple-specific wire services such as PR Mac can be especially effective at garnering coverage.

Post-Launch Earned Media Execution and Management

The focus of your prelaunch activity should carry over post-launch as well.

Influencer Outreach Your outreach campaign starts the minute your app appears in the app store. Your requests should go out in the form of a politely worded introduction to your brand and the features of your new app. Ask bloggers nicely (it doesn't hurt to flatter them a bit!) to review your app on their site and link back to your app store landing page(s) as well as your desktop site. If your app is premium, *always* offer a complimentary download code (Apple gives you 40 with each release) that will enable them to download the app for free if they are willing to review it. Be prepared for reviewers to be honest—no reputable blogger will promise you a great review. Some will request a fee for reviewing your app and other will review for free but request a fee to “expedite” your review. Whether or not these fees are worth it depends on the blog and we can't really blame app review bloggers for making this request; most of the more highly trafficked blogs have a considerable backlog of requests. So, if a blogger asks for a fee, weigh the amount of publicity you are likely to get from appearing on their site versus what they've asked you to pay. If you can project the number of downloads you think you might get and break the fee down into a cost-per-download you think you can live with, then it may be worth the investment. Last but not least, *always* send a thank-you email for a positive review.

Embedded Social Sharing This is an element that really comes into play in the process of developing your content strategy, but it also reaps great benefits for your app post-launch. Enabling your users to share content from within the app to their social networks will expose your app to that user's social sphere, broadcasting your app to an ever-broadening circle of users. Whether it's enabling them to share an image, a photo, a game score, or a piece of content, the value of empowering your users to promote your app to their social spaces from within your app's interface is tremendous.

PR Your press releases should also go out the minute your app is live. As with blogger outreach, keep tabs on the journalists who review your app favorably and *thank them*—a little gratitude goes a long way, and they will be more disposed to reviewing future versions and new apps you release.

Keeping Tabs on Your App in the Blogosphere

We recommend you scan the Web daily for mentions of your app, positive or negative. Simply setting up Google Alerts for your app name will provide you with reasonable coverage of the blogosphere. A daily search of Twitter is recommended, as well.

Friday: Outline Unique Measurement Considerations and Optimization Tactics for Native Apps

Getting metrics on your app is relatively straightforward when compared to the challenges you'll encounter with mobile web analytics. In this section, we'll share not only our expertise, but also what we learned through talking with Peter Farago, the vice president of marketing for the prominent app analytics vendor Flurry.

Analytics Options

We've said over and over again in this chapter that when it comes to apps, usage and engagement are far more important than downloads. That remains true, but there is one specific case where downloads become important—within the app stores themselves. App popularity is based on downloads because that is primarily what the app stores are set up to measure. As we discussed on Thursday, this *can* have a direct bearing on your larger objectives because awareness, popularity, and the often positive reviews and ratings that accompany popularity can spur engagement. After all, the larger your app's user base, the more chances you'll have at resonating with a portion of those users.

But that doesn't mean you should dedicate your efforts solely at maximizing downloads. Rather, you're better off aiming for quality, not quantity, when it comes to users. And there are now dedicated platforms, such as Fiksu (www.fiksu.com), that are designed to help maximize loyalty. In fact, Fiksu analysis of app usage data indicates that focusing on a smaller number of loyal app users—those that register their information, come back repeatedly, and make in-app purchases—can end up being twice as profitable as emphasizing a high volume of app downloads.

Peter uses an evocative metaphor: "I always imagine a bucket filled with water that has a leak in the bottom, but you're also filling it at the top. The water I'm adding is my new customer acquisition, the water level inside the bucket is my retention, and the water I'm losing represents churn."

The bottom line here: keep your eyes on the prize. Repeat engagement from active users is what you're after, because that's what ultimately ties back to your ROI. As Peter says, "The battle for the consumer begins after the download." But, he adds an important caveat about the inter-relationship of acquisition and retention: "I don't push on one until the other one is ready."

All-Purpose versus App-Specific

With that context in mind, you have a few choices when it comes to gaining access to app analytics. Most of the big players in desktop web analytics—Adobe SiteCatalyst, Google Analytics, webtrends—and other off-the-shelf analytics suites offer extensions for tracking native mobile apps. Bear in mind, however, that these software packages were originally designed with the desktop in mind and have been reverse-engineered to

support mobile. They all work well at tracking the basics, but run into challenges with more granular interactions that are specific to native mobile apps. So, if you're really investing in apps and want to track down to that granular level, you will probably want to consider an analytics solution tailor-made for mobile, such as Localytics (www.localytics.com), Mobilytics (www.mobilytics.com), or Flurry (www.flurry.com).

Obtainable Data

You will be able to get some data on app downloads from the app stores themselves. Along with total numbers, you might, depending on the platform, get less or more information about users' device type, OS version, and the carrier they're on. Data on new user acquisitions and the rate of acquisitions is important; you'll want to understand the factors behind user growth. For example, if you're running an acquisition campaign, you'll want to be able to gauge how effective it is. Similarly, if your app has the good fortune of being a featured app or an editor's choice, you'll want to track the impact of that free exposure on your user acquisition rate.

App stores will also be able to give you information on app deletions. Hopefully, however, the steps we've outlined in this chapter will minimize how many times your app gets removed from users' devices!

From there, you'll need to turn to a dedicated app analytics platform to get the truly meaningful data about usage and retention. Peter points out that app analytics providers start tracking on a user's first launch of an app, but they typically can't give you visibility into the initial download action.

Whether you are using a homegrown analytics solution or a free or fee-based third-party service, there is a standard set of post-download data you can expect to collect. All analytics packages should provide the following data:

- Frequency of use
- Average session length
- Total time spent

You should also be able to get custom cuts of the data that factor in audience segmentation and composition (demographics and geographic distribution) and provide benchmarks against both the universe of apps and others in your category or categories.

If you integrate the analytics platform into the coding of your app, you can also track any number of specific metrics that will be determined by what your app is and does. For example, you could set up a funnel analysis that tracks whether users complete certain tasks and the conversion rate for each task. Bear in mind, however, that even if you define engagement as a combination of frequency plus duration, that measure will vary across app categories. For instance, you might open your Citibank app

twice a month to check your account balance or pay a bill and play your Angry Birds app twice a day. That doesn't mean you value Angry Birds more than Citibank. Rather, your usage patterns for each app are simply different by virtue of the type of app.

Here's one additional consideration: If you're charging for your app, the revenues you generate from downloads will be an important metric to track as well. However, if the app market continues to develop in the way the various analyst firms we cited on Tuesday have forecast, paid app downloads may cease to be an important metric. Says Peter: "Consumers have a lot of compelling free choices, so the perceived value of an app is lower. At the same time, the reason the freemium model works so well is if you develop a compelling enough experience, you'll find that some users are willing to pay \$500 over time, some are even willing to pay \$1,000."

As we discussed on Monday in the app development checklist, determining the potential for ROI is something you should do very early in your strategic evaluations. And as we was noted on Tuesday, you should do so with an eye to building a sufficiently engaging experience that users will feel compelled to come back repeatedly and pay for additional content or functionality. Done right, you may recoup your app development costs through recurring micro-transactions that, over time, will add up to the kind of substantial spending Peter describes. The takeaway here is, don't focus on the short-term gain. Instead, consider the long-term value that the micro-transaction model can add for your app and your brand.

Measurement Roadblocks and Workarounds

Remember that one of the benefits of native apps is that they do not require a data connection for users to enjoy at least some of their functionality. For example, someone going onto a plane or into the subway could refresh the *New York Times* app on a smartphone or tablet and then read the latest articles while in the air or underground. Any links within the articles or multimedia features in the app would not be available while that user was offline, but the app will cache the articles and enable the user to read them.

This leads to what Peter calls "the on-off problem." The user may be reading an article in the *New York Times* app or playing a session (or 10!) of Angry Birds while offline. Consequently, there will be some latency involved in recording the data. If you opt to go with a third-party analytics provider, you'll have the option to code the tracking software into the app's SDK, which will enable the app to record offline sessions and upload the data from those sessions the next time the user opens the app with a live data connection.

But as a result, any average usage data (such as time spent) associated with a given app regularly needs to be recalculated, and that, in turn, will affect category averages. This is especially true when you're talking about a category-dominating app

whose popularity tends to be fleeting. As Peter explained to us, somewhat hyperbolically, “Anyone who says analytics are real-time on mobile is lying.” He added this more toned-down thought: “Real-time is really more of a theoretical concept.”

Iterative Refinement

No matter how good your app is and how well it satisfies your brand’s and your audience’s needs, you’ll still have work to do. Building an app, whether as an appendage to an existing business or as a standalone, opens the door to an ongoing process of improvement. Provided you want to increase audience engagement, setting out a roadmap for upgrades and enhancements is not an option—it’s an absolute must.

As Peter puts it, “It just depends on how serious you are about your app business. Most developers who are seriously in the game of building apps update every three weeks on average, because for them, apps are not a launch-and-forget service—they’re a live service and they have to work on the apps all the time and constantly improve them.”

Pay close attention to the download and usage data, take in the comments users post in app stores, send to you directly, or submit on app recommendation platforms like AppsFire, Appolicious, AppTap, and even Facebook, which launched its own App Center in June 2012. Factor all of this information into your development roadmap and make sure you’re addressing key user concerns or functionality requests as you move forward.

Peter Flurry, Vice President of Marketing at Flurry, on the Evolution of App Analytics

“When I was in mobile gaming before the iPhone, we couldn’t see anything. It was like driving at night on a windy road along a cliff with no headlights. Now, you get all kinds of information. It’s almost the opposite—you have to pick and choose what’s relevant from the data deluge.”

In Conclusion

Peter summed it up nicely: “Building apps is really like running a business.” In some cases, it will be your only business. What we’ve outlined in this chapter is a way to get that business up and running—and keep it running and flourishing.

Whether you work for a brand and your app is designed to support your business or your app is your business or service, it will need care and attention in order to

ensure that your users stay with you and deepen their relationship with you. The longer they stay and the more they use your app, the more valuable they will be to you.

Given that you'll most likely be traveling along the freemium route with your app, a good portion of that value will come from mobile advertising. So sooner or later, and probably sooner, you'll need to know about how to use ads to turn loyalty into dollars. We'll turn to that magical equation in the next chapter.

Week 5: Promote Your Message with Mobile Advertising



“If you build, it they will come” isn’t a guaranteed scenario in any kind of marketing, let alone mobile. More and more users are searching for and engaging with brands on their smartphones and tablets. Active outreach in the form of search, display, and other types of mobile advertising plays a big role in facilitating this interaction. In this chapter, we’ll teach you the basics of mobile advertising and how you can use it to attract more qualified and engaged consumers to your mobile content.

Chapter Contents

- Develop a mobile ad campaign strategy
- Define your mobile SEM plan
- Define your mobile display plan
- Decide where mobile email fits into the mix
- Outline your approach to mobile advertising campaign management, tracking, and analysis

Monday: Develop a Mobile Ad Campaign Strategy

In this chapter, we'll again share our own expertise, as well as what we learned from talking with the following experts:

- Nikao Yang, senior vice president of New Business Development and Marketing at AdColony
 - Jim Lecinski, vice president, U.S. Sales & Service, Google, Inc., and author of *Winning the Zero Moment of Truth* (www.zeromomentoftruth.com)
 - Jason Spero, head of Global Mobile Sales & Strategy at Google
- You'll hear from Nikao, Jim, and Jason throughout this chapter.

In her May 2012 *Internet Trends* report, Mary Meeker, partner at venture capital firm Kleiner Perkins Caufield & Byers (www.kpcb.com) and widely acknowledged mobile industry oracle, declared that mobile advertising has a long way to go before meeting its much-vaunted potential. She cited research from eMarketer showing that although mobile now accounts for 10 percent of online activity, it is currently allotted a scant 1 percent of overall ad spend, as depicted in Figure 6.1.

Share of Average Time Spent per Day with Select Media by US Adults vs. US Ad Spending Share, 2008-2011
% of total

	2008		2009	
	Time spent share	Ad spending share	Time spent share	Ad spending share
TV	43.2%	38.5%	44.1%	41.0%
Internet*	23.3%	14.9%	24.1%	17.3%
Radio	17.3%	11.2%	16.2%	10.9%
Mobile	5.4%	0.2%	6.4%	0.3%
Newspapers	6.5%	22.1%	5.5%	18.9%
Magazines	4.3%	13.2%	3.6%	11.8%
	2010		2011	
	Time spent share	Ad spending share	Time spent share	Ad spending share
TV	42.9%	42.6%	42.5%	42.0%
Internet*	25.2%	18.8%	25.9%	22.2%
Radio	15.6%	11.0%	14.6%	10.7%
Mobile	8.1%	0.6%	10.1%	1.0%
Newspapers	4.9%	16.4%	4.0%	14.3%
Magazines	3.3%	11.0%	2.8%	10.6%

Note: *time spent with the internet excludes internet access via mobile, but online ad spending includes mobile internet ad spending; due to this, the total of the ad spending shares for all the media adds up to more than 100%
Source: eMarketer, Dec 2011 & Jan 2012

137753

www.eMarketer.com

Figure 6.1 Mobile ad spending trails behind mobile usage.

Meeker is bullish on mobile. According to her, it is just a matter of time before ad spend on mobile catches up with the amount of time we spend on it. Yet, most brands remain in the test-and-learn phase with mobile ads. It's hard to gauge what the average annual spend is without mobile ad networks giving up their numbers in aggregate, but let's just say that \$25,000 test budgets are not out of the ordinary—a pittance compared to online ad budgets that regularly range in the \$100,000-plus range.

The reality is that mobile advertising is growing very fast—faster than other media or channels; it's just that the total spend across the industry is lower than desktop digital advertising. The reasons for the slower growth of investment are nebulous. Perhaps some marketers believe that because mobile ads are smaller, they have less impact and, therefore, aren't worth a significant investment. Others might be hesitant because mobile ads are more challenging to track. And, of course, while click-through rates on smartphones often surpass the desktop, the conversions they lead to often happen offline, leading to a highly challenging attribution model—and it's difficult to justify investing in an ad model when conversions are much harder to prove. These are all real challenges, and no doubt, all have an impact on how quickly brands are moving to invest. However, we believe that it's just a matter of time until we move past them.

AdMob's Jason Spero on the Growth of Mobile Advertising

As we researched this chapter, we spoke to several mobile advertising industry leaders about what will drive the inevitable uptake of mobile ads—AdMob executive Jason Spero had this to say:

"Two factors will drive brands' mobilization and the growth of mobile advertising: scale and a mature advertising infrastructure. Together, these will produce value for the entire mobile ecosystem—advertisers, publishers, app developers, and mobile users. On the scale-front, mobile usage continues to skyrocket as a result of the continued adoption of smartphones and tablets. According to a recent Google survey, eight countries around the world already have more than 40 percent smartphone penetration. Today, usage of mobile devices is very much mainstream. The scale is there, right now.

"Likewise, the infrastructure of advertising on mobile is evolving extremely fast. This is being driven by improvement in systems that, increasingly, are designed for the mobile device and mobile context, specifically. From ad formats, to ad serving, to analytics, and more, we're seeing the mobile ads ecosystem mature on a speedy timeline."

So, why do we believe that we'll be investing more in mobile advertising in the future? There are several reasons. For one, mobile ads might be small (at least in the case of smartphones), but they're also more discreet, generally limited to one at the top of the page and one at the bottom in the case of mobile display (a maximum of two at the top and two at the bottom of a search engine results page for search ads). Ads tend to stand

out a bit more when there is less ad clutter. They're also considerably more focused, with mobile ad networks offering advertisers the option of targeting criteria that far surpass the options available for desktop ads. Location is the most obvious, but others abound and vary from network to network and device to device. Options are available via mobile devices that have the potential to target messages far more precisely than the average display ad does—for example, gender, age, household income, education level, and content consumption habits to name a few. And, of course, there's the opportunity to drive immediate action that the desktop can't support, such as click-to-call or immediate in-store offer redemption.

Overall, we'd say that the lower spend is due more to the fact that mobile is still in its early days than to anything else. That said, success starts with understanding your options and being as prepared as possible, so let's look at the landscape.

Selecting the Correct Media/Ad Type

As with any other aspect of mobile, your mobile ad strategy will be defined by your customer's mobile technographics, your brand goals, and, of course, the customer journey, which we outlined in Chapter 2, "Week 1: Develop Your Mobile Strategy." The mobile ad landscape is very diverse; as mobile devices become more sophisticated, your options will become more diverse as well. For the sake of clarity in this chapter, we'll separate mobile ads into two basic categories: Search Engine Marketing (SEM) *and* Display Advertising including banners, rich media, in-app, and video). We'll explore some of the more complex aspects of mobile advertising beyond these two core categories, such as mobile social advertising, in subsequent chapters.

Search Engine Marketing

Most mobile search is conducted through mobile versions (both the browser and apps) of the major search engines (Google, Yahoo!, and Bing in the United States). At present, Google owns the vast majority of global mobile search traffic, commanding 96.6 percent as of September 2012, according to web analytics service StatCounter (www.statcounter.com)—so for most brands, the mobile search landscape will be very familiar territory. Mobile SEM targeting smartphones will be most appealing to you if:

- You have a brick-and-mortar business.
- You drive leads, subscriptions, or direct sales over the phone.
- You are marketing mobile content, such as apps.
- You have time-sensitive offers or content to distribute.
- You are doing local marketing of any kind.

Basically, you'll often (though not exclusively) find yourself gravitating toward mobile SEM for smartphones when your goal is to support in-store decision-making, offline conversions, and app downloads or other types of downloadable digital content

such as books, magazines, games, and music. Mobile SEM for tablets, on the other hand, will look much more like the traditional desktop with a few unique, mobile-centric twists. We'll discuss specific tactics tomorrow, but for today, let's look at a few high-level details.

Search Engines Your main options for placing mobile search ads are Google, Yahoo!, MSN, and Bing (the last three managed collectively through Microsoft AdCenter). You're most likely to concentrate your efforts on Google, because it commands the largest audience. Of course, that's not to say the other engines don't matter. Bing, for example, is the default search engine on BlackBerry devices, which might be very important to you, depending on your technographics. However, Google will give you the most bang for your buck at this point, so we're going to concentrate largely on Google in this chapter. Don't worry, though; many of the lessons you learn about mobile SEM on Google will be applicable as you start to run campaigns on other engines.

Search Apps and Carrier Portals The SEM campaigns you set up on Google, Bing, and the other big engines will also run in their native apps, so you're covered there. You might, however, decide you want to run SEM campaigns in niche search applications, such as Yelp (www.yelp.com) or on the mobile web portals of wireless carriers. Niche search apps are more likely to offer a display model of advertising though some offer keyword-based search ads as well; you will have to assess these opportunities on a case-by-case basis. To run campaigns on carrier portals (proprietary mobile websites that are embedded in the browsers of a particular carrier's devices), your best bet will be to work with an ad network. Many of the larger networks aggregate inventory for both search and display advertising with the wireless carriers.

Carrier Portals

Wireless carriers have their own proprietary mobile websites, also called *portals* or *decks*, that aggregate mobile content of interest to their customers—for example, sports scores, horoscopes, news, and current events. These portals are accessible only to subscribers of the wireless carrier and are often programmed to be the default homepage on the browsers of the phones they sell. Placing ads on a carrier's mobile web portal can be a very appealing proposition because the carriers can often target these ads according to very granular billing data.

Targeting You can target mobile search ads by keyword, of course, but Google offers a multitude of additional options such as device platform, operating system (OS), language, dayparting, geography, and wireless carrier and/or users on Wi-Fi networks. Other engines offer similar options.

Ad Types You'll find the Google mobile ad format very familiar. There are a few small differences; but for the most part, it's the same old search ad we're used to from the desktop, which is probably why it ends up being the first step in mobile for so many of us. Figure 6.2 shows an example.

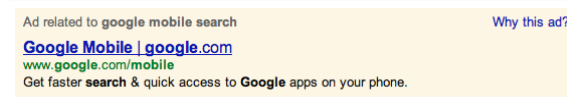


Figure 6.2 Prototypical Google mobile search ad

Tomorrow, we'll dig deeper and examine all your mobile search advertising options in detail. For now, just be aware that search is the most common and fundamental form of mobile advertising. For most of you, it will be indispensable and likely your first step into the medium.

Learning More About SEM

Search engine marketing is a highly detailed area of the digital marketing ecosystem. As much as we'd like to guide you through all its complexities, we would need a few hundred more pages to even begin to do so! Our goal here is to help you understand the nuances of SEM in regard to mobile, and we hope we've been able to do so. If you want to learn more about search engine marketing, both mobile and desktop, you have an excellent resource at your fingertips in Google Webmaster Tools (www.google.com/webmasters/tools). Create a free account and you will gain access to the Adwords Help Center and Community, a rich repository of tools, FAQs, and forums that will teach you anything and everything you ever wanted to know about search engine marketing.

Display Advertising

With display advertising, the landscape gets a bit more complex, ranging from standard banner ads to rich media to video and highly complex in-app advertising. Unlike mobile search, which is largely intent-driven, mobile display reaches users in a more ambient state as they browse and consume web or app content. Mobile display ads are often less likely than search to generate a monetary conversion (although they see higher click-through rates than their desktop counterparts). However, the richer visual experience they provide can have a far more powerful branding effect than a basic search ad. Hence, mobile display ads are highly effective for marketing purposes that are less direct, such as:

- Marketing a new product or service
- Introducing your brand to a wider audience
- Driving traffic to a website or app store download page

Consequently, mobile display media will be a common go-to choice for branding and marketing purposes. Of course, there will be crossover: Just as mobile SEM can be used to support brand experiences, mobile display ads *can* drive conversions, depending on your goals and customers. But the real power here tends to be in the experience they create. Mobile display, especially video and rich media ads, are capable of driving a much higher engagement factor than search ads can and the results can be as impressive—in some cases more so—than the desktop. Whether to invest in mobile SEM, mobile display, or both is something you'll have to evaluate on a case-by-case basis.

Ad Opportunities There are myriad mobile ad networks, and choosing the right one(s) will probably be your biggest headache. Numerous small, niche mobile networks offer very unique opportunities, but we've found the larger networks are often apples to apples in terms of their services, rates, and inventory. The differences tend to lie in targeting and tracking capabilities, customer service, and the willingness to include the occasional value-add in the form of landing pages or ad production.

Ad Targeting Ad targeting is where mobile advertising gets interesting. Your targeting options for mobile display vary from network to network, publisher to publisher, and platform to platform. Wireless carriers, for example, can offer extremely detailed targeting criteria based on customer billing data—anything from marital status to types of credit card to presence of children in the household. Networks providing in-app advertising can often target based on content consumption habits. The variety is endless—in addition to the aforementioned, some of the options you might have at your disposal include, but are by no means limited to: device type, device settings, gender, age, ethnicity, education level, household income, content preferences, education, marital status, spoken language, and exact geolocation.

Ad Types A few years ago, your mobile display ad options were limited to basic banners, but you now have many more choices. Rich media expandable banners, *interstitials* (a web page displayed before the expected content page), video ads, and in-app ads that function as an app-within-an-app are now the norm. In our experience, if you are using mobile display ads to fulfill an intent-driven function—for example, driving traffic to a hotel booking engine—you can comfortably veer toward the more basic formats. However, if you're going for more of a brand awareness angle or developing an extension to a creative online campaign, you'll probably find the richer, the better.

Tuesday: Define Your SEM Plan

We've long said that mobile isn't so much a *surf* medium as it is a *search* medium. When you are in the mobile context, particularly when you're using a smartphone or

even a feature phone (as opposed to a tablet), you're almost always surfing with specific intent. Sure, sometimes you're killing time with Angry Birds or Words with Friends, but for the most part, you're looking for something: an address, a fact, a product, a phone number. Mobile (smartphone) behavior, in short, focuses most often on *finding* rather than casual browsing. Hence, our ever-increasing need to search. Google, for example, stated in October 2011 that 40 percent of mobile searches on its network carried local intent, suggesting that there is a significant amount of intent—and imminent action—in a smartphone search. Google and Ipsos OTX released more interesting insights in a 2011 study entitled *The Mobile Movement* (www.thinkwithgoogle.com/insights/library/studies/the-mobile-movement), regarding mobile search behavior, including:

- Seventy-nine percent of smartphone users use their smartphones to help with shopping.
- Ninety-five percent of smartphone users have looked for local information.
- After looking up a local business on their smartphone, 61 percent of users called the business, 59 percent visited, and 58 percent looked the business up on a map or got directions.
- Thirty-six percent take action immediately, 39 percent within a few hours, and 14 percent within a day.

So how do you get started with mobile SEM and use it to best advantage? As we've established, mobile search marketing is at its most effective when used to reach consumers in an intent-driven state—what Google's Jim Lecinski has christened, the *Zero Moment of Truth*. When we spoke to Jim while writing this chapter, he noted the importance of “being there” with the right information when consumers are looking for it. Clearly, a big part of “being there” is having mobile-specific content, as we discussed in Chapter 4: “Week 3: Maximize Reach with Mobile Websites.” But directing customers to this content in the Zero Moment of Truth, when it is most relevant to their needs, is equally important as well. As Jim pointed out when we spoke, “mobile search is a broad and growing definition and can encompass not just the browser but SMS, voice, and myriad other ambient and visual search channels.” We'll address the potential of these emerging search channels in upcoming chapters. For now, though, let's take a look at how traditional SEM extends to mobile.

Mobile SEM Use Cases

A person using mobile search is in an action-oriented state of mind. When speaking at SES San Francisco in 2011, Andy Chu, director of Bing for Mobile, said that 70 percent of mobile searches result in a completed action *within one hour*. Meaning that, if you're searching for “flower delivery” on Bing Mobile (or Google, or Yahoo!, or any search engine), within an hour or less, you will probably buy a nice floral arrangement. The value of this kind of intent is huge, especially for e-commerce sites and brick-and-mortar or service brands. There is a probability of conversion that you'd never be able

to match on the desktop. To see how they might leverage this advantage in mobile SEM, let's look at a few hypothetical case scenarios starring our fictional Kiwi Market.

The Need to Find a Service A client services director at a large ad agency just got word after close of business for the day that an important client wants to visit her office for a breakfast meeting at 7~ AM the next morning. Frantic, she searches Google for “gourmet catering” plus her zip code. On the first search engine results page, she sees an ad for Kiwi Market's catering service in the first position. She clicks the phone number link in the ad, gets connected, and after a brief chat with the customer service rep, places her order.

The Need to Find a Product An Italian expat in NYC is craving his favorite sweet from home—a delicious, coffee-flavored hard candy called Pocket Coffee. He hasn't seen it anywhere in the city and decides to see if he can order it online. To his surprise and delight, a smartphone search for “Pocket Coffee” results in a Google SEM ad for Kiwi Market, whose local branch (only a block away) has the treat in stock.

The Need to Locate a Place A businesswoman who is a regular Kiwi Market customer at home in New York is in San Francisco on business. After a long day of meetings, she wants to grab a meal to enjoy on the flight home and she knows Kiwi Market has a few locations in the Bay area but doesn't know exactly where. A mobile search for “Kiwi Market SF” yields a Google SEM ad at the top of the page that includes a direct link to a location page.

Mobile Search Ad Formats

Google's commitment to mobile is stronger than ever, and the search giant is continually workshopping new mobile search ad formats. Let's look at the most popular ones and their benefits.

Click-to-Call Phone Extensions

Enabling a customer to call you directly from an ad viewed on their phone is a no-brainer. We might use our phones for actual voice calls less often than we used to, but it's still a natural inclination to dial when you have the opportunity. And it is an opportunity that consumers take—according to the Google Mobile Ads Blog (<http://googlemobileads.blogspot.com/>), click-through rate (CTR) increases 6 to 8 percent when you add a phone number to a mobile search ad.

The *click-to-call* ad model offers few interesting options; on a basic level, the number appears within the body of your ad and can be set to show on all devices but only be clickable on mobile. You can also choose to:

- Create a call-only ad—that is, a click-to-call is the only kind of click the ad can generate.
- Set your ads to dynamically display the number of a local location or to route directly to a national call center.
- Opt for a vanity phone number—for example, 1-800-KWI-MRKT.

This ad model provides a basic set of data in call analytics, including:

- Area code
- Duration of call
- Missed calls
- Phone-through-rate (percentage of users exposed to the ad who clicked to call)

If you have a brick-and-mortar business, conduct e-commerce or offer real-time customer support of some kind, this ad model will be invaluable to you. Figure 6.3 illustrates how click-to-call might work for Kiwi Market.



Figure 6.3 Kiwi Market mobile search ad with click-to-call link

Click-to-Download

Click-to-download ads are designed specifically to drive consumption of mobile apps. The ads appear only on the devices for which your app is designed. For example, an ad for an iPhone app will appear only on iOS devices. Clicking the download link takes the user directly to the app’s download page in the app store (iTunes or Google Play), as shown in Figure 6.4.

Click-to-download ads are actually available as image ads (running on the Google Display Network) as well as text ads. Google’s ad group policy requires that you create separate ad groups for your Android and iOS campaigns for this ad model—please note that these are the only two app platforms currently supported! Also, if you plan to include the keywords iPhone, iTouch, Apple, or iTunes in your ad creative, you will need to get permission to do so from Apple by filing a trademark approval form.

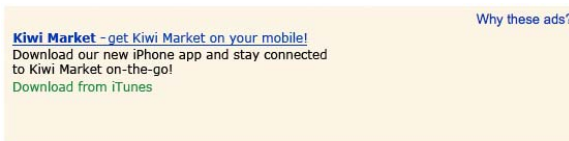


Figure 6.4 Kiwi Market mobile search ad with click-to-download link

When click-to-download ads first came out, we were skeptical. Based on observation, we felt that most people begin their app discovery journey directly in the app stores. However, over time, we’ve seen click-to-download work very well for many different types of apps, supplying a steady stream of downloads.

Mobile App Extensions

Mobile app extensions enable advertisers to add a link to their mobile app within a regular mobile ad. The ad will have two clickable links, as shown in Figure 6.5—one

to the site's URL, for example, and one to the app's download page in the iTunes App Store or Google Play. You can also choose to deep link to a specific page within your app; consumers without the app will be directed to the download page; for those who already have it installed, the app will automatically open to the specified page within the app. For example, the Shop link would take a user with the Kiwi app installed directly to that page within the app. In the beta phase of testing this ad model, Google saw a 6 percent increase in CTR for ads that included mobile app extensions compared to those that did not. So if you have a mobile app, it's worth testing out!



Figure 6.5 Kiwi Market mobile search ad with app extension link

Click-to-Offer

Click-to-offer enables you to insert a special deal into the body of your ads, as shown in Figure 6.6. Users can then redeem the deal online, offline, or send themselves the ad via text message or email for future redemption. Click-to-offer is especially appealing because it can drive sales online *and* in-store. Ads can be set up to display your phone number and other location info, thereby enabling a user to easily map your location and redeem the offer in person if they choose (and if your retail location is set up to redeem the offer at point of sale).

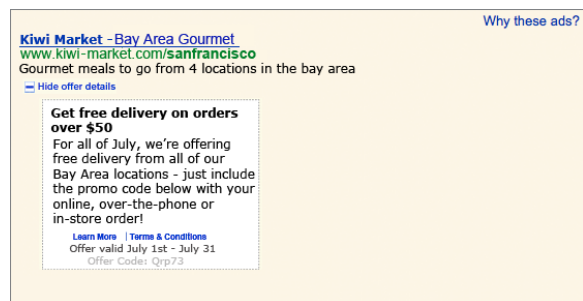


Figure 6.6 Kiwi Market mobile search ad with click-to-offer link

Mobile Site Links

Site links create more useful ads in that they include additional text and links that can catch the user's attention, driving them to additional pages within your mobile web-site and creating a faster, more efficient path to conversion, as shown in Figure 6.7. Site links are available globally and will appear in ads both above and below the fold on a mobile search engine results page (SERP). However, unlike desktop ads, mobile site links are limited to two links (in addition to the main clickable URL at the top of the ad). Note that site links will appear only on high-end devices with full Internet

browsers. Google claims that ads with site links see as much as a 30 percent increase in CTR, so this is another ad format we believe is worth testing out on mobile.

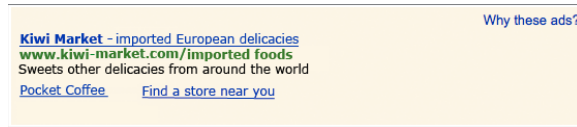


Figure 6.7 Kiwi Market mobile search ad with site links

Local and Hyperlocal Extensions

As we referenced earlier in this chapter, 40 percent of mobile searches have local intent. Location is quite possibly the most effective targeting you can do in a mobile search ad. Local and hyperlocal extensions for mobile enable users to find local locations faster and easier and speed the path to in-store purchase. Local extensions can be fairly simple—a phone number and/or a link to a maps application, as seen in Figure 6.8. Hyperlocal takes it one step further by including a map within the body of the ad itself, providing block-level data that drives more customers to your location.

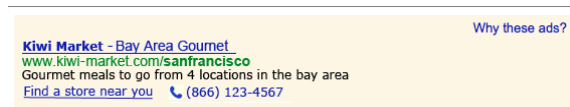


Figure 6.8 Kiwi Market mobile search ad with local extensions

Mobile Search Ad Strategy by Device Platform

Although smartphones and tablets are both mobile devices, the way we use them is quite different. As we discussed in the beginning of this chapter, smartphones tend to be about way-finding and other purpose-driven activities. Based on our observation of hundreds of mobile search marketing campaigns, the most successful mobile ads are ones that keep this action-oriented context in mind. Smartphone ads are consistently efficient in driving users to brick-and-mortar locations, connecting them with customer service reps by phone, and getting them to purchase items that are immediate needs—for example, a hotel room or movie tickets.

Tablets, however, are quite different. Tablet users tend to be heavy content consumers and, generally, in more of a browse and experience frame of mind. They are far more likely to engage in complex activities after clicking an SEM ad and far more likely to spend. According to a January 2012 study from Adobe:

- Tablet users spend 50 percent more than PC users.
- Tablets generate higher average order values, lower cost per click (CPC), and more time on site

Structure your mobile ad strategy with these fundamental differences in mind!

Tools, Tips, and Tricks: Campaign Best Practices

So now that you know the basic mobile search ad types, assuming you know how to use Google AdWords, setting up your mobile campaigns should be a piece of cake. But we have a few tips to help you through the process.

- Separate campaigns are a must.
- Use Google's mobile Keyword Tool.
- Bid to the first two positions on a mobile SERP.
- Daypart effectively.
- Send mobile users to mobile content.

Separate Campaigns

According to Google, advertisers experience, on average, an 11.5 percent increase in mobile click-through rates when they run a mobile-specific campaign as opposed to a hybrid (running simultaneously on both mobile *and* desktop) campaign. In short, campaigns that are specifically optimized for smartphones and tablets perform better than those that are not. Table 6.1 outlines the pros and cons of running separate, mirrored mobile campaigns versus hybrids or small mobile tests.

► **Table 6.1** Common Mobile Campaign Setup Options

Campaign Type	Pros	Cons
Separate	<p>More control over bidding, budgeting and optimization.</p> <p>Ability to create more relevant messaging in ad copy.</p> <p>Superior targeting.</p> <p>Ability to build history and quality score.</p>	<p>Added time and effort required to manage additional campaigns.</p>
Hybrid, desktop/mobile	<p>Simple to opt-in—advertiser only has to select High-End Device (HED) targeting in campaign settings.</p> <p>Advertisers are able to run separate reports that separate out mobile and desktop activity.</p>	<p>Cannot create separate bids for mobile.</p> <p>Unable to have mobile specific creative.</p> <p>No separate budgets.</p> <p>No ability to build history and Quality Score (QS).</p>
Small mobile test	<p>Option to slowly test High End Device campaigns at limited budgets.</p>	<p>Inability to fully capitalize on the mobile opportunity.</p> <p>Risk of losing ground to competitors who might be building history while you are not.</p>

To make a long story short, separate campaigns give you more control, allow you to create more relevant messaging, and enable you to take advantage of the increasingly granular, mobile-specific targeting that Google now offers.

Google's Mobile Keyword Tool

Mobile keywords don't always differ radically from desktop keywords, but they do differ. Google's free keyword research toolbox (<http://www.googlekeywordtool.com>) has a number of mobile options baked in that will help you construct your mobile campaign keyword strategy, as shown in Figure 6.9.

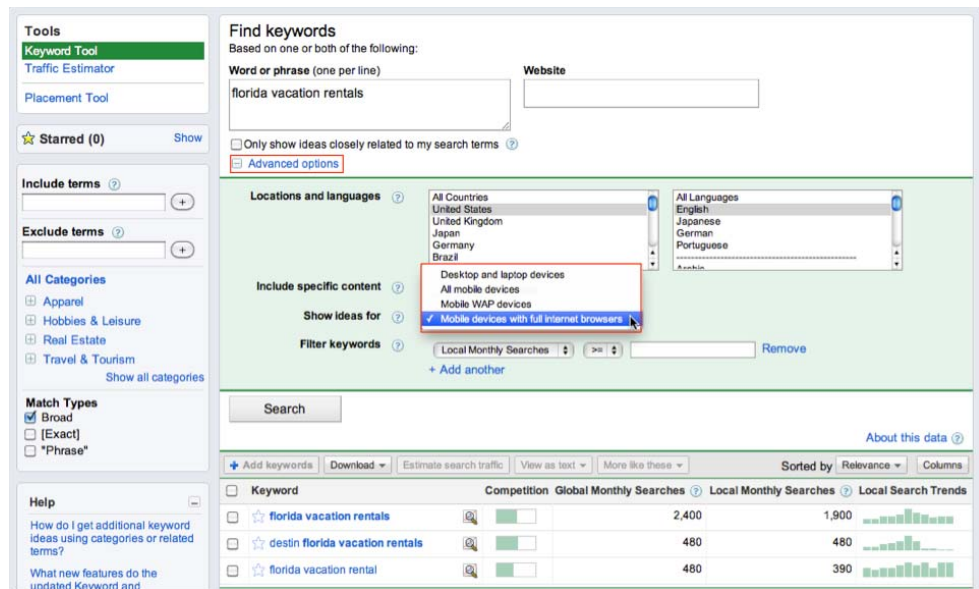


Figure 6.9 Google Keyword Tool displaying mobile options

Bid to the First Two SERP Positions

According to iCrossing, a digital marketing agency with deep roots in search, mobile ads consistently see a drop of roughly 90 percent in click-through rate between the first and fourth positions on a mobile *search engine results page* (SERP). Given that the average smartphone SERP can be as much as eight screens long (Figure 6.10), it's easy to see why this is. Scrolling is tedious even on the most sophisticated mobile devices,

and many users will simply rely on the initial handful of results that appear above the fold. With this in mind, you should set your initial bids high in order to reach the first position, and manage to maintain that position from there.

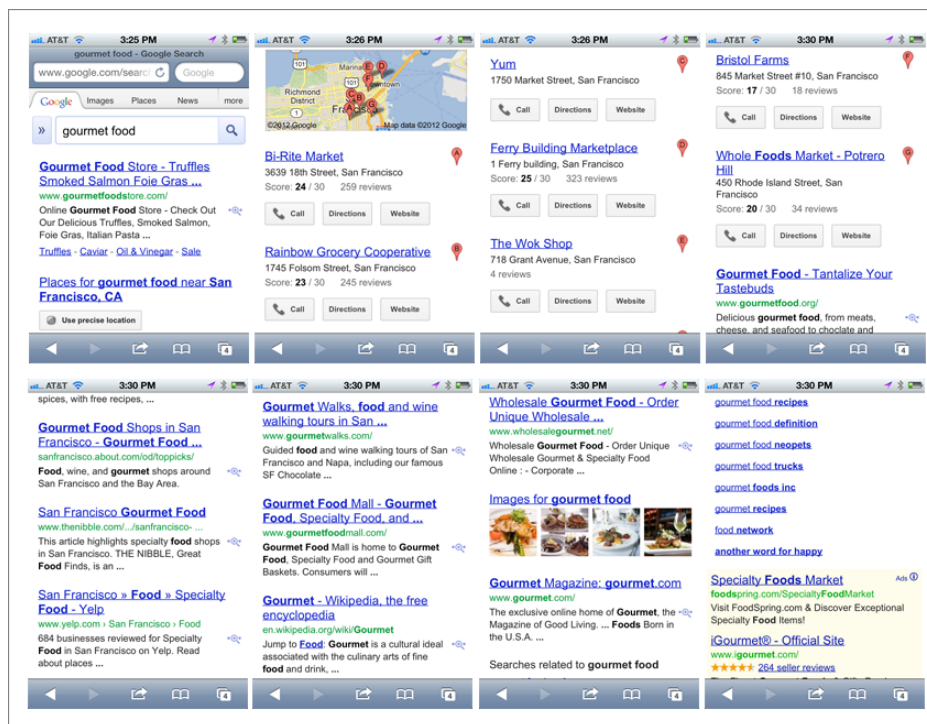


Figure 6.10 A mobile search engine results page

Daypart Effectively

Dayparting is a traditional ad planning strategy in which you run your campaigns during specific times of day that you believe will be most effective. According to iCrossing, mobile device traffic traditionally peaks in the evenings and on weekends, when users are away from their regular desktop environment. Smartphones tend to own the mornings and lunchtime; in the evenings, many users shift toward tablets (Figure 6.11). These are general trends that we find to be consistent across most verticals but, of course, there are always unique patterns from brand to brand. Examining your site's .com analytics will clearly illustrate these types of patterns and enable you to efficiently apply dayparting to your mobile search (and display) ads.

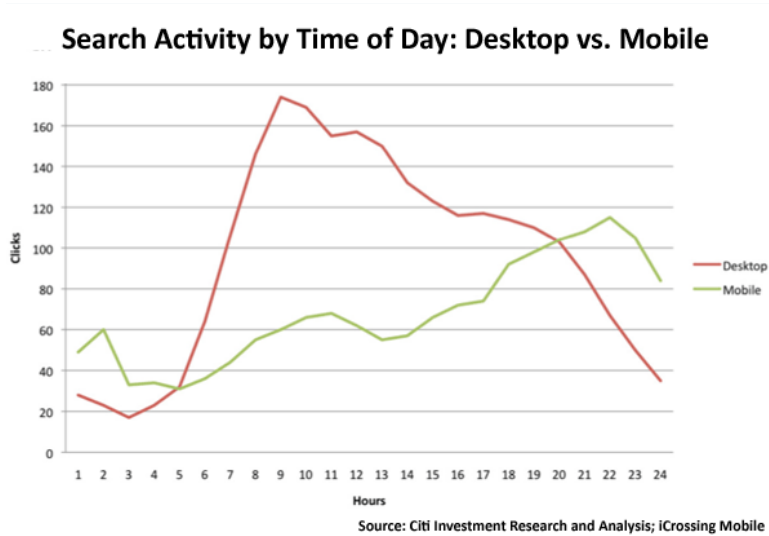


Figure 6.11 Search activity by time of day, desktop versus mobile

Send Mobile Users to Mobile Content

At this point, it almost goes without saying that you should send mobile users to mobile content! A well-constructed, highly targeted search ad will be wasted if the user is routed to a website that is unusable on his or her mobile device. According to Google's *The Mobile Movement* study, referenced earlier in this chapter, 71 percent of smart-phone users who see a TV, press, or online ad, do a mobile search for more information, but 79 percent of large online advertisers still do not have a mobile optimized site.

Google's Jason Spero on Why Mobile Content Is a Must for Mobile Advertising

"Today, businesses have recognized the skyrocketing growth of mobile and the now mainstream usage of smartphones and tablets. However, many still don't know where and how to start when they're developing a mobile strategy. In other words, the *why* of mobile has been answered for brands, but the *how* remains a difficult question.

"Brands' most common and problematic assumption is that investing in mobile is akin to just another digital investment and does not require a unique strategy unto itself. This is a critical mistake and will limit businesses' success on the platform. The technical capabilities of a smartphone or tablet, and the usage trends on these devices, are distinct from the desktop. As a result, a website or an advertising campaign that was originally designed for desktop may not translate well (or at all) on mobile. Brands need to understand mobile's unique characteristics before investing in a mobile strategy.

“We’ve seen time and again, the businesses creating experiences based on the specific characteristics of a mobile device are seeing very strong results. And yet, despite this insight, most still are not properly equipped to connect with their customers in a mobile context. Looking at websites alone, we found that 62 percent of our largest advertisers do not have websites that are optimized to be viewed on a mobile device. Indeed, there is still a lot of work still to be done.

“Businesses need to take a step back and ask themselves: How are our customers likely to engage with us on mobile—and how is it different from the desktop? Are our customers walking down the street looking for a nearby store location? Do they want to make a phone call? Are they browsing my inventory on a tablet while they watch TV? Understanding mobile usage is the critical prerequisite to developing an effective mobile strategy. Before investing anywhere else, invest in this data first.”

Wednesday: Define Your Mobile Display Plan

Mobile display is a diverse and growing ecosystem of networks, publishers, ad formats, and tools. In the next sections, we’ll describe some of the key elements in each area of mobile display and the various ways in which you might find yourself working with them.

Work with the Mobile Ad Networks

You will hear the phrase *mobile ad network* used liberally to describe very different types of vendors. We’ve categorized the various segments of the mobile display advertising business to give you a better understanding of what they offer.

Mobile Ad Networks

Mobile ad networks are vendors that purchase inventory from publishers, usually mobile websites and mobile apps, and resell this inventory to advertisers. Often, this inventory is what we would label “remnant,” because many publishers choose to sell their premium inventory ad space—their homepage, for example—directly to advertisers. However, most of the well-known mobile ad networks now offer of mixture of premium and remnant inventory. Let’s do a quick overview of the various mobile ad network models—we’ve categorized examples of some of the networks themselves in the appendix of this book.

Premium Mobile Ad Networks Premium mobile ad networks limit their inventory to a select number of premium publishers, which tend to be the mobile websites and apps that are household names and command a huge number of eyeballs—the Angry Birds and ESPNs of the world. These networks typically command the highest cost per thousand (CPM) and *cost per click* (CPC) prices in mobile advertising. They generally allow you to cherry pick inventory and select only the apps and mobile websites on which you

want your campaign to run. For example, Kiwi Market with its target audience of professional moms might choose to work with a premium network in order to target websites and applications popular with the working mom demographic, such as Oprah Magazine for iPad or iVillage's iPhone app.

Blind Networks *Blind networks* aggregate a vast quantity of inventory among less trafficked mobile sites and apps. Their costs are often much lower than a premium mobile ad network, but this comes with a catch because you have very little control over where your ad will run. The networks usually bundle their publishers into virtual segments that fit certain demographic targets—for example, sports fans or business travelers. Your ads will run within mobile websites and apps in segments that match your budget and targeting criteria, but you'll never know exactly where your ad is appearing.

Premium Blind Networks These are premium networks that utilize a blind segmentation model. They offer the same top-notch inventory as a regular premium network but don't allow you to choose where your ad will appear. You provide specific targeting criteria and desired CPM, CPC, or cost per installation (CPI), an ad pricing model designed for marketing mobile apps. The network then runs your ads within segments of its network that match up to those specifics—for example, soccer moms or business travelers. Kiwi Market's specifications might include college-educated women in the 30-to-45 age range with children in the home. However, some of them will let you include or exclude certain apps or sites from your buy.

Incentivized Networks Incentivized networks are a relatively new model but have evolved quickly with the introduction of mobile applications. These networks actually aggregate *users* as opposed to inventory. Users in the network are offered an incentive to download and, in some cases, review an application. The invitation usually comes via opt-in email, and the incentives are in the form of a small monetary sum. Advertisers (app owners) usually pay a small fee for each user exposed to their ad who actually downloads and installs their app.

The Skinny on Using Incentivized Networks to Promote Mobile Apps

Incentivized networks are a gray area in the world of marketing mobile apps. Apple is not keen on app owners buying installations and definitely frowns on any networks that promise positive reviews for a price. In mid-2011, Apple started cracking down on incentivized networks in earnest, forcing a number of applications that utilized an incentivized in-app advertising model to change their ways. These apps encouraged users to download another app advertised within the app the user was currently engaged with, for which he or she would receive some compensation, usually in form of points or credits. Many apps were forced to withdraw their content and resubmit under new app store guidelines that strictly prohibit this type of in-app advertising.

Of course, these apps were very obvious about their incentivized advertising model. Most incentivized networks operate far more discreetly, contacting users directly via email, which makes it nearly impossible for Apple to figure out which downloads they are generating.

We're of two minds on the incentivized model. Yes, it can generate large numbers of downloads very quickly, but as we discussed in Chapter 5, "Week 4: Maximize Engagement with Mobile Apps," downloads aren't really the main point. If you're considering an incentivized network, look very closely at what they promise. Consider only those that allow you to target your buy to users that fit your criteria and stay far, far away from any that promise you a positive review. Most will promise you a review in general but won't guarantee whether it's positive or negative. That model is acceptable, and it's up to you whether you want to take the risk of paying for a download that results in a bad review. But, buying a guaranteed positive review is gaming the system—something Apple takes very seriously and something that will inevitably come back to haunt you.

Given the large and growing number of mobile ad networks, describing the pros and cons of each individual network would be futile. However, to give you a representative overview of the current landscape, we've included a list of the most prominent, as well as a few interesting niche players, in the appendix.

Ad Exchanges

Mobile ad exchanges are virtual mobile ad marketplaces where advertising publishers can engage directly with advertisers to buy, place, and optimize mobile ad campaigns. Once you have some mobile advertising experience under your belt from working with a network, ad exchanges are a very valuable option because you have more transparency into where your campaign will run. You can gain much more efficiency with ad exchanges, but be aware that it's not a beginner's option. You need to understand a lot about display advertising in general, and mobile in particular, before you can really succeed using an ad exchange.

Demand-Side Platforms

Demand-side platforms (DSPs) are vendors that enable you to buy—and sell—your ad campaigns across multiple ad networks *and* ad exchanges. DSPs are considered to be especially efficient because most of them utilize a process called real-time bidding that enables you to maximize the efficiency of your ad spend. DSPs are a great option to consider for your mobile advertising needs if you have the resources to do hands-on campaign management. Your bidding, targeting, optimization options, and reporting are centralized, making it easy for you to get a firsthand view of how your campaign performs.

What Is Real-Time Bidding?

Real-time bidding (RTB) is a process of allocating and reallocating mobile ad spend, impression by impression. A DSP collects a variety of targeting data from its ad network and ad exchange partners that enables it to assign a specific, real-time value to a unique impression. The DSP's customers are then able to bid on the specific impression in real time and can target very specific types of users for a specific price. In reality, the process is automated—it's very much like Google's AdWords model, where you specify whom you want to reach with your ad and set the maximum price you want to pay. The system then bids on your behalf, based on the targeting and pricing criteria you have set.

Mobile Ad Types

Mobile ad formats were once relegated to static banners, but as devices have evolved, so too have the ad formats. Here, we break them down into a series of high-level categories. Be aware that many networks have their own unique standards and ad types. You may find yourself modifying and remastering your creative many times based on where you want to run your campaigns!

The Mobile Marketing Association (MMA, the global trade body that oversees mobile marketing and its related technologies) refined its official mobile ad guidelines in February 2012 in hopes of establishing industry-wide standards for smartphones and tablets. Table 6.2 lists the MMA dimensional standards by ad and device/application type. The Interactive Advertising Bureau (IAB, the global trade body that oversees online advertising standards and related technologies) has also released its own set of standards for successful mobile ad types (http://www.iab.net/guidelines/508676/mobile_guidance).

► **Table 6.2** MMA Ad Format Guidelines

Standard	Dimensions in Pixels	Ad Type (Formats)
MMA Standards	300 × 50	X large image banner (GIF, PNG, JPEG)
	320 × 50	XX large image banner (GIF, PNG, JPEG)
	300 × 75	X large high image banner (GIF, PNG, JPEG)
	216 × 36	Large image banner (GIF, PNG, JPEG)
	216 × 54	Large high image banner (GIF, PNG, JPEG)
	168 × 28	Medium image banner (GIF, PNG, JPEG)
	168 × 42	Medium high image banner (GIF, PNG, JPEG)
	120 × 20	Small image banner (GIF, PNG, JPEG)
	120 × 30	Small high image banner (GIF, PNG, JPEG)

IAB Mobile Rising Stars Ad Units	320 × 250 – 320 × 480 (maximum extended pixel dimensions)	Smartphone filmstrip
	300 × 600	Tablet filmstrip
	320 × 50 – 320 × 480	Mobile pull
	3320 × 50 – 480 × 50	Smartphone adhesion banner
	768 × 90 – 1024 × 90	Tablet adhesion banner
	320 × 50 – 320 × 480	Full page flex
	320 × 50 – 320 × 480	Mobile slider

So, which set of standards should you follow? Well, much of this will be dictated by the ad network with which you choose to work. During the process of evaluating them, keep in mind that the MMA is a trade organization specifically devoted to mobile with the goal of advancing the growth of the medium and helping advertisers and publishers understand the opportunity. The IAB is devoted to advertising from a higher, more holistic level. Their standards are still being codified and don't have the same defined parameters as the MMA guidelines. You should view the MMA standards as your starting point, but allow yourself some creative deviation in testing elements of the IAB formats—the best of both worlds!

The formats in which your ads must be delivered will vary from network to network and device to device. The publishers and networks you work with will provide you with the specific criteria for your campaign creative. Many will be willing to produce your final ads for you from raw creative as a value-add or for a small additional fee. However, you might also want to enlist the services of a rich media ad platform. These vendors will create, host, and track your ads in all the required formats for your particular campaign, and their services are especially valuable if you are making a sizable investment in mobile advertising and running campaigns across multiple networks and/or targeting a diverse array of devices. They enable you to support very complex campaigns with a low level of effort, albeit at an added cost. The third-party pixel-tracking service that many provide is also a very valuable counterbalance to that provided by the ad network and allows you to refine your campaign to a higher degree of efficiency.

Nikao Yang on Mobile Video

With all this talk about mobile rich media, where does mobile video fit in? We spoke to Nikao Yang, senior vice president of new business development and marketing at in-app mobile ad network AdColony, to gain his perspective.

"For advertisers, the ability to target engaged consumers on mobile devices with high-impact visuals and engagement makes mobile video ads particularly compelling. Mobile video ads can deliver an unparalleled experience that emotionally engages with the

consumer and allows the consumer to instantly interact with the brand or product on their devices through a clear call-to-action. For consumers, mobile video ads deliver a superior experience in explaining the value proposition of a brand or product versus other mobile ad units, which lack the sight, sound, and motion to tell a story or effectively educate the consumer about a product.

“Ultimately, mobile video inventory running on both smartphones and tablets is extremely valuable to advertisers—it doesn’t have to be a zero-sum game. The savvy advertiser will know to target and segment between the two device types based on their advertising needs to drive maximum ROI on their mobile video advertising campaigns.”

Thursday: Decide Where Mobile Email Fits into the Mix

The majority of emails are opened via either a webmail client or a desktop email client. According to a study conducted by digital messaging solutions provider Knotice (www.knotice.com), mobile accounted for only 27 percent of all email opens in late 2011. Peanuts, right? But then consider a few additional facts you might find eye-opening.

- According to email vendor Return Path (www.returnpath.net), email open rates grew 82.4 percent year over year between March 2011 and March 2012 and, in all likelihood, will surpass desktop open rates before this book is published.
- In a December 2011 study conducted by Spring Creek Group (www.springcreekgroup.com), a digital agency specializing in social media, 38 percent of respondents admitted to checking their email on their mobile device before even getting out of bed in the morning.
- eDialog (www.e-dialog.com), an email marketing agency, states that 63 percent of Americans, 67 percent of APAC consumers, and 41 percent of Europeans would, upon receiving an email poorly formatted for mobile, close it immediately and/or delete it altogether.
- More than one half (56 percent) of U.S. consumers who have made at least one purchase with a smartphone bought in response to a marketing message delivered via mobile email, according to email marketing provider, ExactTarget (www.exacttarget.com).
- Of all recipients who have opened an email on their mobile device, only 2.39 percent also opened that email via a desktop interface (again, according to Knotice). In fact, over 95 percent of emails are opened on one device and one device only and 97 percent of mobile recipients never see the desktop version at all.

To make a long story short, your email campaigns need mobilization just as urgently as the rest of your business. Today, we’ll look at some best practices and examples for taking this most fundamental aspect of your marketing mix mobile.

Mobile Email Delivery Options

According to Knotice's *Mobile Email Opens Report* for the first half of 2012, (www.knotice.com/reports/Knotice_Mobile_Email_Opens_Report_FirstHalf2012.pdf), iOS and Android accounted for 98.9 percent of all mobile email opens in the United States. We'd say that's a fair assessment. A quick look at your own site analytics will no doubt prove these two device platforms dominate. But the reality is with the hockey-stick growth in smartphones and tablets, you can't bank on the iPhone and Android being your only targets. As you develop your mobile email strategy, you'll want to strategize an approach that works for multiple mobile devices. With this in mind, let's explore a few options.

Text-Only Mobile Email

This is the lean-and-mean route. If you know your device audience is diverse, extending across the desktop and various smartphone and tablet platforms, you can play it safe with a text-only approach. A few basic best practices to keep in mind include:

- Use capitalization for the headline to help visually separate it from the body text.
- Use *****asterisks***** at the beginning and end of words or phrases that you want to set in **bold type**.
- Use line breaks to separate headlines, body text, and calls-to-action.
- Remember that plain text emails can't support hyperlinks—spell out URLs!

Rich Media Mobile Email

This is your preferred option if you know your mobile device users are fairly high-end and if your message truly depends on including visual design elements to get its point across. All high-end smartphones and tablets have email clients that support full HTML and CSS, so you can create a fairly sophisticated design if you choose. However, even if you choose to do a very basic HTML email, it is more complex than a simple text email version. Again, there are several different technical approaches and a number of design considerations to keep in mind. First, let's look at the technical options for actually getting the right email content to the user.

The View on Mobile Approach This is the simplest option—not so much a technical approach as it is a workaround. Here, you create different versions of your email, one for mobile and one for desktop. Then, you simply place a view on mobile link in the email *preheader* (the descriptive text that follows the subject line when the email is viewed in the reader's inbox) to deliver the user to a web page version of the email formatted specifically for mobile. It's not the most sophisticated approach because it involves an extra step in opening the user's browser, but it works.

The Media Query Approach With this approach, you take a slightly different angle by creating different style sheets for your email, one for desktop and one (or more) for mobile.

However, instead of asking the user to choose which version of the email they want to view, you make the delivery seamless by including the CSS media query `@Media` in the email's HTTP header to swap out a different style sheet according to the width and/or height of the device's *viewport* (the addressable area of the device's screen on which content will appear). This way you create one email but use media queries and CSS to create a layout customized to the device.



Note: So, what's a viewport, you ask? The strict definition is the rectangular area (in pixels) that is viewable on the device screen. Isn't this the same as the device's screen size? Well, yes... and no. For desktop and laptop computers, the viewport and screen size are one and the same, but for many mobile devices this is not the case. Many mobile devices actually have a much wider viewport that enables users to scale pages up and down to view details. The iPhone, for example, has a screen size of 320 pixels but a viewport of 980 pixels. Viewport meta tags placed in the HTTP header of your mobile email allow you to specify that the email should be viewed using a specific viewport—for example, one that matches the device's screen size.

The Responsive Approach Many high-end device platforms (iOS, for example) support media queries, the CSS3 elements we discussed in Chapter 4. As we just discussed, media queries can be used to detect the viewport of the device making an HTTP request. However, with a responsive approach, instead of implementing a separate style sheet, the media queries implement specific styles within the same style sheet to modify the way the content is presented.

The responsive approach to email design is gaining traction, and we believe it will become the de facto standard for email design in due time. As with designing a responsive website, this approach requires most heavy lifting upfront in terms of design and coding but delivers higher value post launch by enabling you to create truly fluid experience in which a single email is perfectly usable on a wide variety of popular devices.



Note: Gmail systematically removes all style sheet info from the header, and that's where media queries must be placed for the responsive approach to work. In order to accommodate Gmail and other email browsers that behave similarly (and we don't have to tell you there are a lot of them), you'll need to use inline styles to ensure that Gmail users can read your messages. The responsive approach also forces the mobile email browser to load the entire set of images intended for the desktop, which can quickly eat into the user's data plan. So, if you go for the responsive approach, you may want to go lighter on the images.

Mobile Email Design Best Practices

Now that you know your options for delivery, let's look at some design best practices:

Less is more. If you can keep your emails to 20K or less, that is ideal; but it is clearly unrealistic if you are following a responsive approach. Just keep in mind that less is more and try to keep it light.

Design for the most relevant screen size. The most common screen size for today's smartphones is 320×480 , with some mild variations between iOS and Android devices. However, the actual addressable screen real estate is much smaller. On the iPhone's native email client, for example, you must allow 20 pixels for the status bar and 44 pixels each for the tool bars at the top and bottom of the screen. So your actual addressable area is 372 pixels. This will differ from device to device and email client to email client, but assume 372 pixels is a good benchmark.

Position the good stuff above the fold. The important elements—your logo, your main message—should be front and center. Don't worry about making the layout perfectly mirror your desktop version, but rather focus on showing mobile users the valuable stuff first.

Keep it short and skinny. Limit line length to 70 characters or less to make for nice even breaks, and map your one-column design using a grid system that allows users to scale up and down as needed.

Don't skew too small with the text. The ideal font size for headers is considered to be 30 points, and 14-point fonts work best for body copy.

Plan for mis-tapping. Each text link and button should be bolstered with at least 10 to 15 pixels to negate the possibility of mis-tapping. Apple guidelines actually specify padding for all clickable areas.

Friday: Outline Your Campaign Management, Tracking, and Analysis Approach

Like any other media, mobile advertising is useless if you can't track and measure the results. Let's review your options.

Analytics Options

It's a given that most of your mobile advertising campaigns will ultimately drive to a mobile web page of some kind. In Chapter 4, we discussed your options for tracking mobile websites, but let's do a quick recap to refresh your memory. Most likely, your current web analytics solution offers mobile tracking; most of the top options do so including:

- Google Analytics
- Omniture Site Catalyst
- webtrends
- IBM Coremetrics
- Yahoo! Analytics

So, tracking activity on your mobile websites and landing pages will be relatively straightforward. The trick will be to track the flow of clicks from ad content to these final destinations. Maintaining the connection between the two can be challenging.

The ad network you work with will have its own set of tags that will be included in the ad creative and destination pages. They should help facilitate tracking clicks on ads to post-click actions. However, we recommend a couple of additional options:

DoubleClick for Advertisers (DFA) for Mobile Dynamic Advertising, Tracking and Reporting for Advertisers from Google's DoubleClick, commonly known as DART, has been available for mobile for some time now. We recommend it as a cross-check to the ad tracking tags your network puts in place. Checking the discrepancies between reporting from both sets of tags will help you fine-tune your campaigns.

Third-Party Click Tracking As efficient as DART can be, other third-party click-tracking services have evolved specifically for mobile. These services have been designed with mobile in mind from the start and can be another valuable tool in optimizing your campaigns performance.

For Kiwi Market, an option like DFA mobile or some other third-party mobile ad tracking option would provide an impartial third-party benchmark between their own analytics and their mobile ad network's tracking, which could be used to track discrepancies.

Establishing KPIs

The most obvious key performance indicator (KPI) in general will be clicks, but there are a few others to consider for both your mobile SEM and mobile display efforts. The first being actions that happen within the ad:

- Clicks to call
- Clicks to a map or store locator
- Click to offer
- Clicks to a landing page or microsite
- Clicks to an app download
- Clicks to a screen within an app
- Time spent within the ad experience
- Actions completed within the ad experience (these may be the same as the post-click actions outlined here)

Then, of course, there are the post-click actions that happen at the destination, which are far more varied and might include:

- Orders placed
- Coupons or offers redeemed
- Mobile online purchases
- Requests for information
- Email or SMS signups

- Likes, Shares, and +1s
- Videos viewed
- Polls or surveys completed

In short, your mobile ad KPIs will be much the same as any you would set for a desktop campaign. Kiwi Market would be looking at the obvious metrics such as unique users, top entry and exit pages, time on site, bounce rate, shopping cart abandonment—all segmented out and compared to their desktop counterparts to discover variations desktop versus mobile user behavior.

Measuring Success

AdWords enables you to consistently track your mobile campaigns hands-on and measure performance in real time. Many of the mobile ad networks offer the option to view your campaign performance via a web-based reporting system or, in some cases, to import your metrics into your own dashboard.

Apply Results to Ongoing Campaign Development

In the case of mobile SEM, you will optimize on a daily basis and tweak your spend, keywords, and copy to maintain optimal page position for your ad to maximize the click-through rate and conversions. For mobile display, the optimization process will mostly be led by the ad network and will be considerably more complex. The iterative refinement will be less about spend and more about refining placement of your ad from less effective publishers to more effective ones, as well as making changes to creative, copy, and call to action.

In Conclusion

Ads are only one piece of the puzzle, but one that is growing in importance as mobile web usage and app consumption skyrocket. Mobile SEM and Display will be instrumental in driving traffic to your websites and apps, but they're also evolving to become significant drivers to real-world experiences that send traffic into stores and trigger all kinds of real-world behaviors offline. So, while mobile activity still far outweighs mobile ad spend, don't expect it to stay that way for long. This point in time is a golden opportunity to test and learn before the demand for mobile ads inevitably begins to exceed the supply of mobile inventory.

Week 6: Leverage the SoLoMo Nexus

7

The ability to marry where your customers are (location) with what they're doing (context), and what they want (intent) is often referred to as marketing's holy grail. Mobile-enabled social networking platforms are fast becoming the conduit for not only peer-to-peer interactions about interests and intent but also consumer-to-marketer conversations. If you can succeed in tapping into mobile location-based services and data without overstepping that often fine line between delivering value and seeming intrusive, you will be onto something extremely powerful and potentially transformative. In this chapter, we show you how to navigate the fast-evolving geo-social ecosystem without succumbing to the many latent pitfalls.

Chapter Contents

- Understand the opportunity
- Determine use cases
- Define your partners
- Realize location-based marketing opportunities
- Define key analytics

Monday: Understand the Opportunity

If you think about it, mobile devices are inherently social because their primary function is communication, and communication is an innately social function. Likewise, because we carry our mobile devices with us wherever we go, they are also inherently about location. The ability to broadcast location on omnipresent, mobile-enabled social networking platforms, often with the goal of zeroing in on place-specific offers and deals, forms the basis of the social-mobile-location (SoLoMo) nexus.

It's a potent mix that's rife with potential. As we outlined in Chapter 1, "Map the Mobile Opportunity," the closer your target audience is to purchase, in terms of both timing and context, the more important location becomes—and the more directly you can insert yourself into that equation, the more relevant you will be. So let's look at how you can achieve that goal.

In this chapter, we'll again share our own expertise as well as what we learned from talking with the following experts:

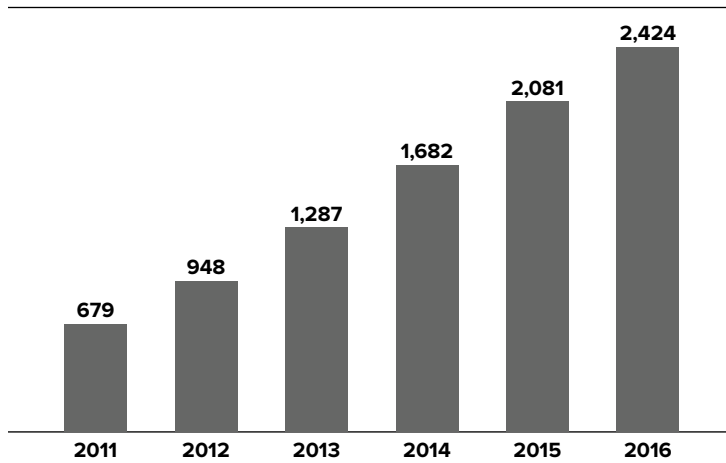
- Alistair Goodman, chief executive officer (CEO) of Placecast (www.placecast.net), a location-based marketing firm
 - Greg Sterling, founding principal of Sterling Market Intelligence and contributing editor for the online publication *Search Engine Land* (www.searchengineland.com)
 - Jack Philbin, cofounder, president, and CEO of Vibes Media (www.vibes.com), a mobile marketing and technology company
 - Jim Lecinski, vice president of U.S. sales and service at Google and author of the e-book *Winning the Zero Moment of Truth* (www.zeromomentoftruth.com)
 - Nihal Mehta, cofounder and CEO of LocalResponse (www.localresponse.com), an ad network that targets consumers based on social network data
- You'll hear from Alistair, Greg, Jack, Jim, and Nihal throughout this chapter.

Note Changing Mobile User Behaviors

First off, you need to understand the extent of the opportunity. By one estimate, it's pretty extensive. Cisco Systems (www.cisco.com), the company we usually associate with the infrastructure side of networking, predicts the number of mobile social network users worldwide will more than double from nearly 950 million in 2012 to 2.4 billion in 2016 (see Figure 7.1). That would be equal to roughly half the total mobile user population by mid-decade.

Mobile Social Network Users Worldwide, 2011-2016

millions



Source: Cisco Systems, "Visual Networking Index: Service Adoption Forecast, 2011–2016," May 30, 2012

141005

www.eMarketer.com

Figure 7.1 Mobile social networking predictions

Be advised: in the United States as well as other developed markets, social networking, like many mobile activities, is far more extensive among smartphone owners than feature phone owners. (By this point, you're probably sensing the trend here.) In other words, there are more mobile social networkers toting smartphones than feature phones at this point. The inverse is likely to hold true in developing regions, at least for the next few years. In short, social networking is becoming a core activity among mobile users. For example, the Google-sponsored "Our Mobile Planet" study (a great resource available from www.thinkwithgoogle.com/mobileplanet/en/) has found daily social network access among mobile users to be increasing not only in the United States, but the world over. To give you a sense, "Our Mobile Planet" found that 60 percent of U.S. smartphone owners log into social networks *every day* from their phones; in Latin American countries such as Mexico and Argentina, daily usage tops 70 percent. As this process advances, the platforms social networkers use likewise will assume importance as a meeting point between consumers and marketers.

Facebook, as the 800-pound gorilla of the social networking space, naturally dominates the conversation, whether on the desktop or mobile devices. According to comScore (www.comscore.com), a leading digital audience measurement firm, it enjoys by far the greatest reach of any social network. As detailed in Figure 7.2, users also spend longer than seven hours per month there, more time than on the remaining top-six networks combined.

US Smartphone Usage Metrics of Select Social Networks, March 2012

	Unique visitors (millions)	% reach	Average minutes per visitor
Facebook	78.0	80.4%	441.3
Twitter	25.6	26.4%	114.4
LinkedIn	7.6	7.9%	12.9
Pinterest	7.5	7.7%	52.9
foursquare	5.5	5.7%	145.6
Tumblr	4.5	4.6%	68.4

Note: ages 18+ via iOS, Android and RIM platforms; includes app and browser usage

Source: comScore Mobile Metrix 2.0 as cited in press release, May 7, 2012

140154

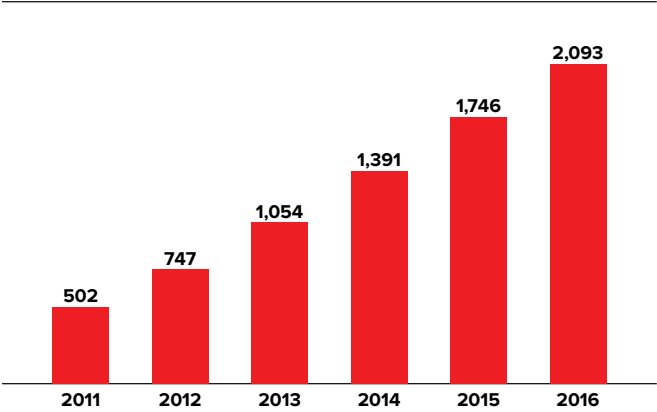
www.eMarketer.com

Figure 7.2 Mobile social networking and Facebook are practically synonymous.

Adoption of geo-location services is also on the rise. As part of its May 2012 “Visual Networking Index: Service Adoption Forecast, 2011–2016,” Cisco projects that nearly 2.1 billion consumer mobile location-based service users around the world by 2016, nearly triple the number in 2012. Granted, Cisco uses an expansive definition that comprises personal navigation, point of interest (POI), friend-finder, and family-tracker services, but the forecast nonetheless speaks to rapid uptake (Figure 7.3).

Consumer Mobile Location-Based Service Users Worldwide, 2011-2016

millions



Note: includes services such as personal navigation, point of interest (POI), friend-finder and family-tracker services

Source: Cisco Systems, "Visual Networking Index: Service Adoption Forecast, 2011–2016," May 30, 2012

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www.eMarketer.com

Figure 7.3 Adoption of mobile location-based services is expected to soar.

In the United States, as elsewhere, mobile consumers are more likely to use features like navigation (Google Maps, for example) and local recommendations (like Yelp) than geo-social services such as foursquare, which enable them to share their location with friends and discover what's in their vicinity (e.g., places of interest or commerce opportunities). According to a May 2012 study by the nonprofit Pew Research Center's Internet & American Life Project (www.pewinternet.org), 41 percent of U.S. mobile owners use *some kind* of location-based service, but just 11 percent use geo-social services.

Among smartphone owners, predictably, usage for both is more than 50 percent greater, as shown in Figure 7.4; but among both mobile phone user populations, adoption of all types of location-based services is accelerating rapidly from a small base. As you'll see on Tuesday, the real value for marketers comes from the intersection of features like mapping and services that allow consumers to share interests and intent.

US Consumers Who Use Location-Based Services, by Device Owned, May 2011 & Feb 2012 % of respondents

Use location-based information

Smartphone



Mobile phone



Total adults

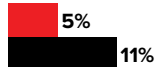


Use geosocial/"check-in" services

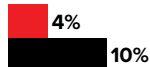
Smartphone



Mobile phone



Total adults



■ May 2011 ■ Feb 2012

Source: Pew Internet & American Life Project, "Three-Quarters of Smartphone Owners Use Location-Based Services," May 11, 2012

140240

www.eMarketer.com

Figure 7.4 Use of geo-social services is accelerating but not yet mainstream.

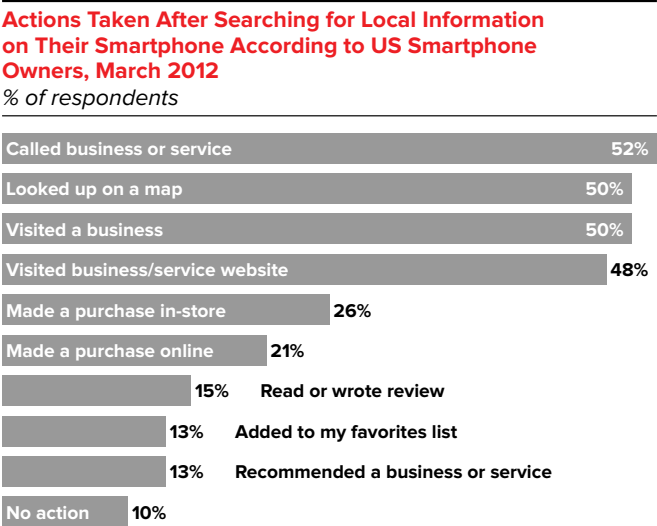
Part of the challenge for geo-social services may come from lack of awareness and understanding of how they work. For example, according to a December 2011 study by JiWire (www.jiwire.com), a location-based mobile advertising company that targets audiences on Wi-Fi networks, 27 percent of U.S. mobile users do not understand check-in services. (The report also found that 30 percent don't care about them, which is a separate issue, compared to 35 percent who love or like them.)

The important characteristic for you to keep in mind is that *proximity increases intent*. As Alistair Goodman, CEO of location-based marketing firm Placecast put it in a June 2012 interview with the online trade publication *Mobile Commerce Daily*, "A consumer near a mall on a Saturday morning has their phone and their wallet and is in a mindset to make a purchase." We know that because a large body of survey data indicates a strong correlation for search for local information and taking action locally.

For example, Google's "Our Mobile Planet" study found that:

- Half of U.S. smartphone owners visited a store after searching for local information on their phone.
- Just over one-quarter bought a product in the store (Figure 7.5).

So if you can insert yourself into that process, you stand a good chance of influencing a purchase.



Source: Google, "Our Mobile Planet" conducted by Ipsos MediaCT and TNS Infratest, May 15, 2012
140723 www.eMarketer.com

Figure 7.5 Local searches on mobile often lead to purchases.

Bear in mind that the majority of search queries—today—still come from the desktop. But as mobile effectively becomes the new desktop for more consumers, the volume of searches coming from mobile devices will eventually surpass the desktop.

As noted in Figure 7.6, local media and advertising-focused research firm BIA/Kelsey (www.bia-kelsey.com) predicts the inflection point will take place in 2015.

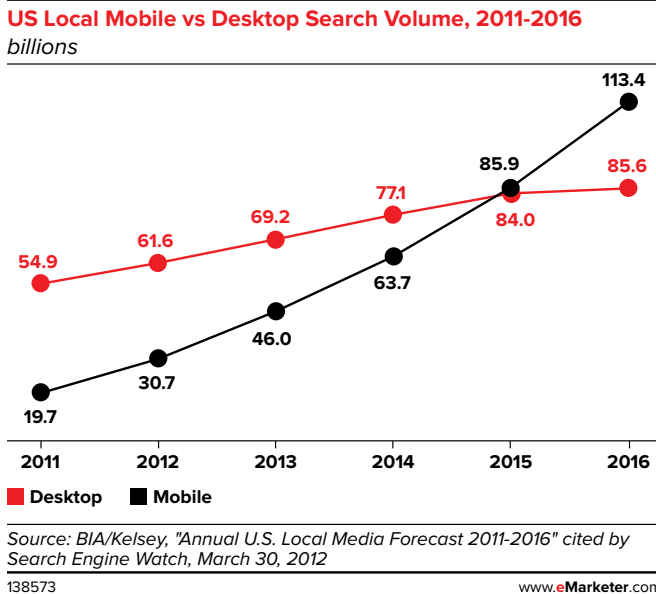


Figure 7.6 Mobile will eventually surpass the desktop in search volume.

Nussar Ahmad, Founder and CEO of Mobile Advertising Technology Company Addictive Mobility, on the Growing "Socialization" of Search

"Consumers increasingly look for information through their trusted network of friends. The way people search is changing from a traditional Google search to asking for input via open-ended questions on social networks such as Twitter. A person's trust in their social network influences their decision, be it a movie critique or a suggestion about a vehicle. Consider that 78 percent of people who want to buy a car list mobile as an influence on their purchase. This figure will only continue to grow. Social has a revealing truth to it, as it is more relevant when someone you know says something. Mobile is simply where it all begins."

Beware the Privacy Pitfalls

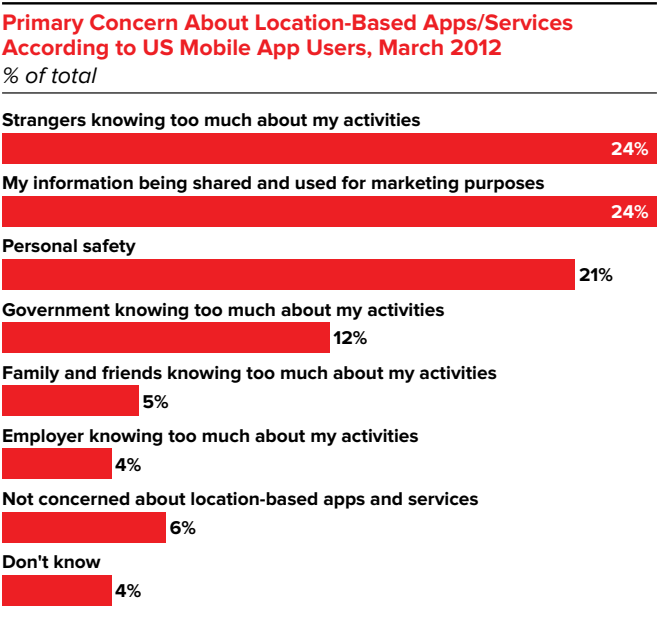
As much as SoLoMo promises potential, it is also replete with potential pitfalls. We alluded to the privacy challenges in Chapter 1, but they warrant more exploration. To be blunt, there is a fine line between using location data to provide benefits and using

location data in a way that makes consumers uncomfortable. Privacy and security concerns abound here, and they are easily excited by marketers who overstep their boundaries to the point of seeming invasive. Figuring out just where that line is can be tricky. The consumer decision-making process isn't always rational in this regard. On the one hand, consumers like the benefit of more targeted ads and offers. But on the other, they worry about the kinds of personal information they have to give up in order to receive more personalized marketing messages.

A March 2012 poll of U.S. mobile app users by global security association ISACA (Information Systems Audit and Control Association, www.isaca.org) illustrates the complex and often vexing nature of the privacy issue relative to mobile location-based services. According to the survey, which included those with smartphones, tablets, and laptops who use any app:

- Fifty-four percent feel there is an acceptable balance between the risks and rewards offered by location-based services;
- But one in five (22 percent) still feel the risks outweigh the benefits.

The big concern for consumers? As shown in Figure 7.7, nearly one-quarter fear having their information used for marketing purposes. Of course, this concern isn't stopping people from using location-based services. The ISACA study found nearly one-third (32 percent) of respondents had increased their usage in the past year.



Note: n=512 smart device owners (i.e., mobile devices that connect to the internet such as smartphones, tablets or laptops) who use any app
Source: ISACA, "2012 Geolocation Use and Concerns Survey" conducted by ORC International, April 3, 2012

Figure 7.7 Privacy issues around mobile location-based services are complex.

Location: There's a Lot at Stake with Place

You need to remember that there's a lot at stake here. As Rip Gerber, president and CEO of Locaid Technologies (www.loc-aid.com), a provider of location-enablement services for brands and developers, told the online trade publication *Mobile Marketer* in June 2012: "The mobile device feels very private, and location services or push messaging can seem intrusive. It isn't just the medium; it's the medium combined with the message and moment—if you screw up any of these elements in relation to the other, it can become not just an effectiveness issue for the marketer but a privacy issue for the consumer."

Here's one way to think about it: We live in an increasingly user-centric world. Consumers are savvier than ever about the marketing programs in which they participate and are apt to use every means at their disposal to evaluate the ROI *they* can expect from participation—not unlike the assessment you will make as a marketer. With something as potentially costly as personal security at stake, your simultaneous challenges include:

- Delivering relevant and useful content
- Demonstrating transparency about data collection and usage
- Proving privacy concerns are being addressed

Taking these steps can help build trust and ward off easily excited fears about privacy and security.

Tuesday: Determine Use Cases

By now, you should have a good sense of the opportunities for reaching your audience using location-based services and marketing parameters. Today, we're going to focus on some specific use cases and best practices. As we've done throughout the book, we refer you back to the roadmap we developed in Chapter 2, "Week 1: Develop Your Mobile Strategy." This will be your guide for incorporating any new tactic into your larger strategic objectives.

In essence, the SoLoMo options at your disposal map to the purchase funnel shown in Figure 2.9. Says Jack Philbin, cofounder, president, and CEO of mobile marketing and technology company Vibes Media: "You always want to be advancing consumers from one stage to the next. If you fail at that, it means you haven't truly engaged that person all the way to being a repeat buyer." Let's illustrate how this might work using our fictional Kiwi Market as an example.

Recall from the research done by Kiwi Market that the supermarket chain's target audience is composed of fairly sophisticated, avid mobile users with high-end

smartphones. So, in order to reach Michelle, the sample persona profiled in Chapter 2 (see Figure 2.10 for her customer journey map), the Kiwi marketing team will have marshaled an array of tactics, from mobile search marketing to display advertising to working with geo-social apps to literally putting the supermarket's various locations on the map—the one on your phone, that is.

Search and Discovery

For a category like groceries, convenience and proximity are important factors for prospective shoppers. As a retailer with multiple stores, Kiwi will want to take steps to enable customers like Michelle to find the nearest location. Michelle's journey map indicates that search plays an important role in first getting to know the Kiwi Market brand. Consequently, Kiwi needs to ensure that its website is optimized not only for mobile devices but also for local search.

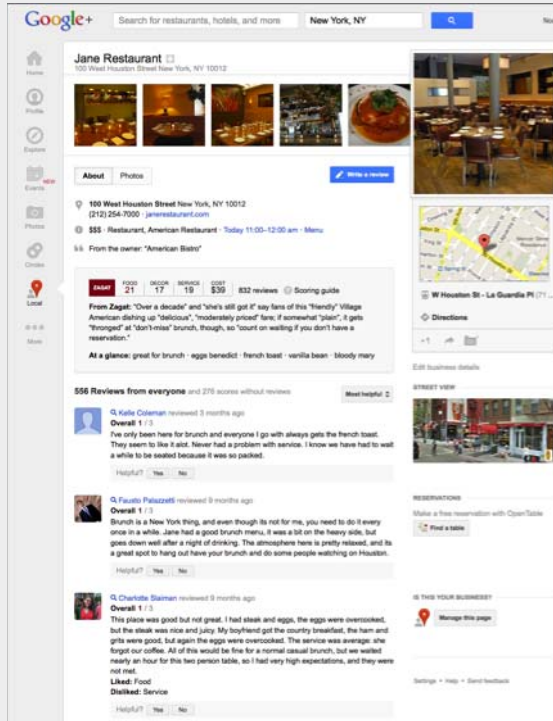
The importance of search in relation to location is not to be underestimated. Google, for example, stated in October 2011 that 40 percent of mobile searches on its network carried local intent. That percentage has climbed steadily in conjunction with rising smartphone adoption, and there's little reason to expect the upward trend will not continue.

As part of its local search optimization effort, Kiwi will want to build out its presence across local search and directory venues such as Yelp, Google+, Bing, and YellowPages.com. A free tool such as GetListed (www.getlisted.org) can help you evaluate your company's local visibility (although bear in mind it's designed for the small business owner, not national chains). Given that reaching out to peer networks for recommendations on social platforms is becoming an important way consumers make choices about where they go, what they buy, and how much they pay for it, Kiwi will also want to build profiles on Facebook, Twitter, foursquare, and others to ensure that it is covering its social discovery bases.

Remember, the name of the geo-social game is participation—the give-and-take between you and your customers that platforms like Google+, Facebook, foursquare, and others facilitate—but it's up to you to take the initiative, claim your pages on key platforms, and make the most of them! We'll go into how you do that in more detail on Wednesday and Thursday.

Google+ Local: Evolution in Progress

In May 2012, Google folded Google Places for Business (<https://support.google.com/places/bin/answer.py?hl=en&answer=142902&topic=1660711&parent=1656746&rd=1>), the company's free listing service that enables businesses to create pages that show up on Google.com and Google Maps, into its Google+ social platform and rebranded Places as Google+ Local (a sample Google+ Local page appears in the following screenshot).



This shift has yielded many benefits, including the integration of Zagat (www.zagat.com, a Google-owned company) reviews and Zagat's 30-point rating scale (in lieu of Google Places' 5-point scale), more opportunities for business owners to have dynamic social interactions with customers, and another venue for local businesses to appear in search results. Unlike Google Places pages, Google+ Local will be indexed, which will bring search engine optimization (SEO) rewards for businesses that use Google+ to their best advantage.

At the time of writing, the external rebranding of Google Places for Businesses to Google+ Local was complete, but Google had not yet migrated the back-end listing management to the new platform. We expect this integration will take place soon.

Kiwi Market can complement these efforts with mobile search advertising. We outlined some sample paid search scenarios on Tuesday in Chapter 6, "Week 5: Promote Your Message with Mobile Advertising," including search ads with a link to a local map, as pictured in Figure 6.8.

Display and Awareness

Social discovery is undeniably an important emerging marketing trend, and you'll want to take steps to ensure you're getting the most out of it. But you'll also want to

complement those efforts by building awareness for your brand and product in other ways. That's where advertising comes in. The saying goes that "all politics is local." Increasingly, that's true of advertising as well. As shown in Figure 7.8, local media and advertising-focused research firm BIA/Kelsey (www.biakelsey.com) predicts the balance of U.S. mobile ad campaigns will tip in favor of local instead of national in 2013. A rise in geo-targeted campaigns will help drive this shift.

US Mobile Ad Spending, Local vs. National, 2011-2016
billions

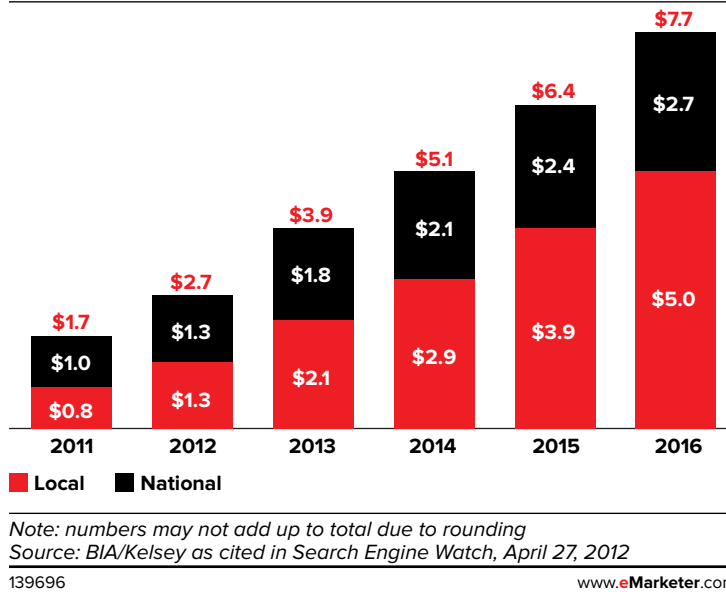


Figure 7.8 Local will soon surpass national advertising as the focus of mobile campaigns.

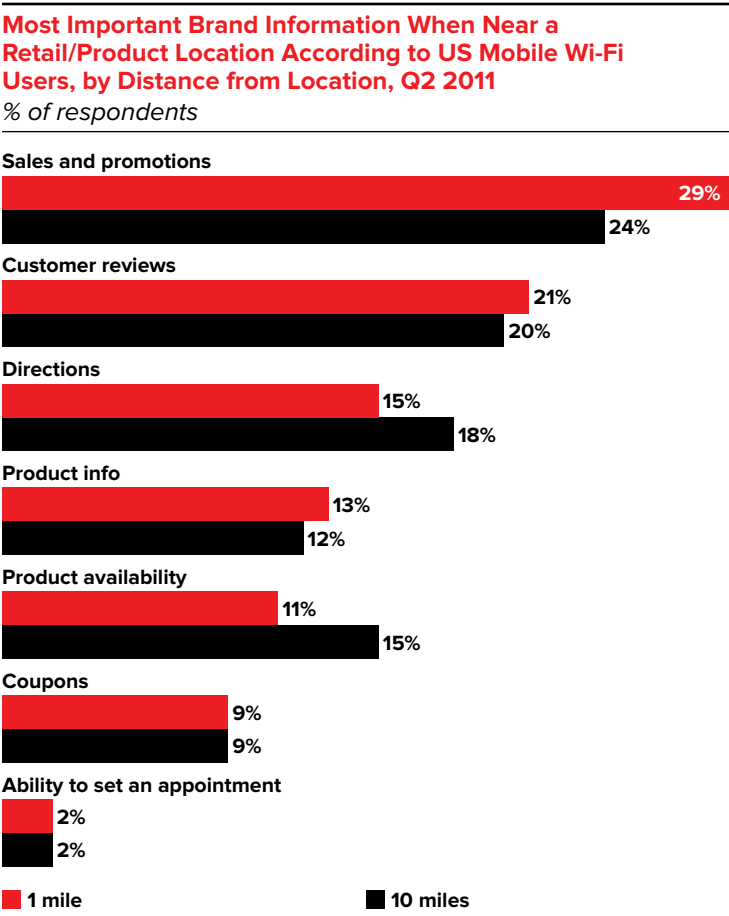
When it comes to capturing audience attention, a business like Kiwi Market has a lot of options to consider. One is mobile display advertising. We reviewed the range of mobile display ad possibilities in Chapter 6. Targeting by geo-location on the mobile web and in apps is one of the many routes you can take by working with a mobile ad network either directly or via an agency partner.

From a mobile advertising perspective, observes Nihal Mehta, cofounder and CEO of ad network LocalResponse, "Location has become a complete commodity. It's no longer super-sexy or premium because there's so much inventory that can be location-targeted. Because scale is here, you have the two things marketers want—reach and frequency—so you can do things like branding that weren't previously possible with location-based data. And branding can even be the primary goal, for example, 'Let's brand specific retailers in this particular area.'"

Nihal offers the following example: "You leave your office every day at 1:00 PM to grab lunch and fire up CNN.com on the mobile web and there's an ad for a nearby

burger place you’ve never been to before. By doing an ad buy that combines location and daypart, the burger place is betting it can get customers in the door. That’s an example of using location parameters for customer acquisition.”

Another way for Kiwi to target customers potentially interested in what’s around them is by placing ads on Wi-Fi networks. Companies like JiWire (www.jiwire.com), which maintains an ad network that reaches over 30,000 Wi-Fi locations, can help Kiwi (and you) connect with in-market customers. According to JiWire’s own “Mobile Audience Insights Report: Q2 2011,” 53 percent of U.S. Wi-Fi users are willing to share their location in return for relevant content. Although that particular data point is a little dated, we believe it to be directionally valid, and it indicates interest on which marketers can capitalize. The closer a customer is to a location, the more important sales and promotion information becomes, JiWire has found (see Figure 7.9), so Kiwi can take advantage of proximity to highlight what’s on special at a local store.



Source: JiWire, "Mobile Audience Insights Report: Q2 2011," Aug 17, 2011
131427 www.eMarketer.com

Figure 7.9 Proximity to a store heightens the appeal of sales for in-market shoppers.

However, Nihal cautions that location alone isn't necessarily the decisive parameter in every instance. "If someone is outside a Babies-R-Us, do you serve a diapers ad just because that person is outside the store? It may not be that relevant." In other words, location constitutes one element important for contextual targeting, but it should be combined with other contextually relevant information, such as intent. "Consumers are going to demand more context in their ads. It's kind of like the iPad," Nihal says. "None of us knew that we needed it, because we didn't have it, but now we want it. That's what true contextual advertising, of which location is a facet, will become—like the iPad."

You also need to think what happens beyond the click: Where is that going to lead consumers and how is it going to advance them on their journey? Jack says, "Anybody can create an ad buy and dispense the dollars, but what are you doing to engage consumers when they click on a banner ad and what's the experience they have along the customer journey? That's why location is paramount, because you can serve different ads based on where people are, but the post-click experience, which brings in the social factor *and* location, is so critical to what experience you're going to provide. And that experience is going to differ depending on where your audience is. Based on what's around people, you can tailor that experience to what they're doing."

Alerts and Engagement

Social discovery mechanisms and geo-targeted ads can work equally well for prospective shoppers and existing customers. But, for customers who have already purchased at Kiwi Market and opted in to receive SMS alerts or email offers from the company, push alerts can heighten engagement with the brand and drive people into stores. To reach these customers, Kiwi Market may want to establish a geo-fence around select store locations.

What Is a Geo-Fence?

A geo-fence is virtual perimeter created around a physical location—a retail store, for example—at a distance chosen by the retailer (such as one mile) for the purposes of sending text or push notifications to customers who have opted to receive alerts on their mobile devices when they enter the geographic area defined by the geo-fence.

According to a study sponsored by location-based marketing company Placecast, which specializes in geo-fencing campaigns, the number of U.S. shoppers interested in receiving promotional texts has risen in recent years. As of February 2012:

- Thirty-one percent of U.S. mobile phone owners not already receiving SMS message-based marketing said they were at least somewhat interested in this type of alert
- Ten percent said they were extremely interested in SMS messages.

Time, Location, and Interaction: The Keys to Offer Relevance

A lot of variables go into making an offer relevant to a potential customer. Jack Philbin, cofounder, president, and CEO of Vibes Media believes the three key factors are time, location, and interaction.

Time “You want to think about time: When is someone receiving this opportunity? What is the engagement? Assume you react differently in the morning than you would at night, or around, say, mealtimes if you got an offer from a quick-service restaurant.”

Location “You don’t want to send an offer for something in Chicago when someone is traveling in New York that day.”

Interaction “What’s the compelling engagement? Are users clicking on a trackable URL so you can start to gather profile data? If the URL is unique, you can track individual performance and determine specific preferences, likes, and dislikes.”

For those already receiving location-based alerts, a notification can be a powerful purchase motivator. A look back at Chapter 3, “Week 2: Start Simple—SMS” reveals why. By opting into a program, customers express an interest in receiving messages, and hence are more predisposed to act on them because they are presumably more targeted at their specific interests. The Placecast study found nearly one in three consumers that opted to receive text alerts visited a physical store and more than one in four purchased the product promoted in the message (see Figure 7.10).

Ways in Which Text Alerts from Retailers/Merchants Impact Shopping Decisions According to US Mobile Phone Owners, Feb 2012



Note: n=752 who have signed up to receive text alerts from retailers/merchants
Source: Placecast, "The Alert Shopper" conducted by Harris Interactive, May 3, 2012

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www.eMarketer.com

Figure 7.10 Opt-in SMS alerts can drive shoppers into stores and trigger purchases.

Kiwi can also push alerts to its smartphone customers who have the Kiwi Market app on their devices. The ability to target customers in this way requires users to activate the notification feature in the Kiwi Market app, so the company will want to remind customers about that using its other customer contact channels (such as email).

Revisiting the Benefits of Opt-In Marketing with Placecast CEO Alistair Goodman

Location-based marketing firm Placecast runs campaigns on behalf of brands and mobile carriers, all on the basis of opt-in messaging. CEO Alistair Goodman explains why.

“We’ve shifted more toward opt-in and that’s been driven by the effectiveness of those programs, the yield for marketers and brands, and a strong point of view that all of mobile marketing is going to head toward opt-in. The keys are opt-in, consumers being able to set preferences, providing transparency about what data is collected and how it’s used, and then giving consumers a lot of control over what they get inside that experience. We believe that’s the direction the market is headed.”

As a follow-up, we asked Alistair whether presenting consumers with choice and giving them the ability to configure preferences help to alleviate privacy concerns. Here’s what he had to say:

“It alleviates an enormous amount of those concerns. We have been big believers in using location data solely to send consumers relevant offers. What we’ve seen is when you’re clear and transparent with consumers, they understand why they’re getting certain things on their phone, and they are more likely to stay in programs for longer periods of time. They also have a much higher comfort level with those programs. For example, 18 percent of consumers who have been in one our programs six or more months feel the programs are getting more valuable because they’ve come to expect offers based on location, and 31 percent of them feel the programs are getting more valuable over time because the perception is the program is learning what they like. At the end of the day, privacy is not a hurdle if you’re driving value for both the brand and the consumer.”

The takeaway is the opt-in and the ability to set preferences drive trust, and these qualities help to build value over time. In the best case, exemplified by the scenario Alistair outlines, consumers come to see the marketer as a trusted partner who understands their likes and dislikes and presents offers accordingly.

Ambient Media and Conversion and Loyalty

Getting customers in the door is an important step in bringing them closer to purchase. But once they are in a location, you can take additional steps using ambient media to move them farther down the funnel and toward the end of their journey.

What Are Ambient Media?

Ambient, in the strictest definition, means “Of, or relating to, one’s immediate surroundings.” In the context of this book, we use the term *ambient media* to refer to touchpoints and triggers external to the customer’s mobile device, including: Wi-Fi nodes, quick response (QR) codes, augmented reality, geo-fences, near-field communication (NFC), surface technology, motion-sensitive and digitally enabled objects and locations, and a host of other media that we’ll explain in further detail in Chapter 9, “Week 8: Drive Awareness with Ambient Media.”

We’ll go into more detail about ambient media in Chapter 8, “Week 7: Check Out m-commerce,” and Chapter 9. For now, we want to focus on a couple of options that link specifically to location. For example, Kiwi Market could join the ranks of leading retailers that use shopkick (www.shopkick.com), a technology that recognizes and rewards customers as they enter a store. A physical sensor installed in the store triggers the shopkick app on a customer’s device, funnels offers, and rewards shoppers with points upon entry. It’s kind of like thanking them in advance for their business.

Farther on the horizon are services that will enable marketers to send highly targeted messages to shoppers based on their movements around a store. Companies such as Micello (www.micello.com), Point Inside (www.pointinside.com), and Aisle 411 (www.aisle411.com), for example, maintain indoor map databases. If that information were combined with the kinds of opt-in messaging or alerts we described in the preceding section, you can imagine how it could help marketers chart the path to purchase in a very literal way. You may not see that put into common practice immediately, but as mapping capabilities become a contested area for digital and mobile giants like Google, Apple, and Microsoft, you can be sure indoor space will become just as contested as the outdoors.

Wednesday: Define Your Partners

On Tuesday, we outlined a number of different ways you can market to your audience using a combination of social, mobile, and geo-location parameters. SoLoMo is, for the moment, less technical than say, the highly rigorous steps we showed you in Chapter 3

for SMS marketing. But bear in mind that the landscape is somewhat fragmented and many companies in the SoLoMo ecosystem have offerings that are more robust in one area than another (Google is stronger in local search than it is in social, for example), so you'll still need to work with a roster of partners to bring a mobile location-based campaign to fruition. Broadly speaking, you'll need to consider the following: social networks and geo-social apps, local search and mapping providers, ad networks and technology platforms, and, to a certain extent, the mobile carriers.

Social Networks

In the past few years, the social network landscape has exhibited a pattern of expansion and contraction typical of an emerging medium. First came innovation, witnessed by a proliferation of services, some that began on the desktop and extended to mobile (such as Facebook and Twitter), and others that began as mobile-first platforms (such as foursquare). Expansion was followed by the land-grab stage, in which many small services jockeyed for market share, a process complicated by the meteoric growth of Facebook both in the United States and worldwide. Consolidation and contraction were the inevitable outcome.

We will spare you the full complexity of the roadmap needed to track shifts in the mobile social landscape and focus on the most prominent platforms. One word of caution: the social networking space continues to evolve at a relatively rapid pace, and networks and apps often make changes to existing marketing programs or experiment with new ones, so you have to be prepared to monitor developments pretty regularly.

Facebook

The world's largest social network also has the largest number of active mobile users—543 million monthly active users (MAUs) worldwide as of the end of June 2012. That's over half (54 percent) of Facebook's total 901 million MAUs, although as Facebook stated in its April 2012 Amendment No. 4 to its S-1 filing, "While most of our mobile users also access Facebook through personal computers, we anticipate that the rate of growth in mobile usage will exceed the growth in usage through personal computers for the foreseeable future, in part due to our focus on developing mobile products to encourage mobile usage of Facebook." In plain English, that means Facebook expects the majority of future activity on its platform to come from mobile devices.

In terms of reach, Facebook is the social networking equivalent of TV. It also has the added benefit of high engagement. The challenge with Facebook is users go there to socialize first and entertain themselves second. Engagement with marketers and follow-on activities such as purchasing are certainly rising, but still fall lower on the list. For example, in a June 2012 study from Reuters and research firm Ipsos, just 20 percent of U.S. Facebook users said they had bought products because of ads or comments they saw on the social network.

Facebook has experimented with location-sharing and location-based deals since Fall 2010, but without seeming to fully commit to the effort. Now that it is a public company, however, Facebook's ability to generate revenues for itself and brands using its platform has achieved heightened importance. Simply put, Facebook is getting more serious about commerce. It has moved away from encouraging check-ins as an isolated action and toward incorporating location as an integral element of every action users take on Facebook, from tagging photos to sharing where they're having dinner. If anything, location has become more central to everything we do on Facebook, even if the trigger no longer necessarily comes from a check-in.

With the centrality of location in mind, you can—and should—claim a page for your business. Facebook offers guidelines and FAQs for doing so in its Help Center (www.facebook.com/help/location/claim). This will help you interact with an audience that may already be searching for you and enable you to message them with relevant information and offers.

For example, when Facebook users “like” your page and you then post an offer, that offer will show up in their newsfeed, and in turn, they will be able to share it with their friends, even if those people haven't yet liked your business. Moreover, in an effort to expand the reach of its deals program, Facebook has actually decoupled claiming deals from the mobile check-in, which allows users to claim a deal on the desktop *or* mobile device, regardless of their proximity to the business offering the deal. The net result is local businesses can potentially reach a far wider audience than before. Facebook also lists Offers guidelines and best practices in its Help Center (www.facebook.com/help/offers#admins).

Twitter

Twitter is not a geo-social network per se, but it does enable users to share location data—and because consumers often use Twitter to broadcast intent and location either by tweeting directly (such as “Stopping by Kiwi Market to buy supplies for tomorrow's BBQ”) or via other social platforms that link to Twitter (foursquare being a prime example), it can be a good platform for communicating location-based offers.

You have a few different options for doing so. One is simply by monitoring mentions of your brand and responding to individual comments or in bulk if your listening reveals a confluence of activity around a specific place. This is obviously a very labor-intensive endeavor. Using social media monitoring software and tapping into Twitter's *application programming interface* (API), which contains latitude and longitude (lat-long) data, can help. But in order to respond in a timely, relevant fashion, someone still needs to be “listening” and able to analyze the incoming data stream.

A second option, best used in conjunction with the first, is Promoted Tweets, one of Twitter's advertising products. Promoted Tweets enable you to target your message to specific geographies. So, an airline, for example, might want to target

winter Caribbean getaway specials only to audiences in the Northeastern United States. You can find more information about Promoted Tweets in Twitter’s Help Center (<https://support.twitter.com/articles/142101-promoted-tweets>).

A third option is to work with an ad network like LocalResponse, which captures and filters vast amounts of data publicly broadcast on Twitter and responds with relevant content on Twitter in a matter of seconds. We’ll talk more about LocalResponse in the section on ad networks and technology platforms.

Geo-Social Apps

As one of the pioneers of the check-in, foursquare set the pace in terms of bringing gaming dynamics to SoLoMo. But even the pioneers must evolve when the space they helped inaugurate starts to pass them by. Here’s what foursquare cofounder Dennis Crowley said to the TechCrunch blog after foursquare revamped its location-based app and launched version 5.0 in June 2012:

“People have pigeonholed us into, ‘Oh it’s that silly game about points and mayors and badges.’ Yeah, that’s part of foursquare. But that’s not what we’re doing with all the amazing check-in data that we’re getting from the 20 million users we have. We have well over 2 billion check-ins at this point, and that allows us to predict what’s going to be going on in downtown Manhattan two hours from now...”

To put it another way, the games are still there, but they run in the background, so the emphasis can be about what happens beyond the check-in, like using location as a mechanism for discovering local businesses (and recommendations about them) and nearby offers. That’s where the value lies for marketers. Industry expert Greg Sterling, founding principal of Sterling Market Intelligence and contributing editor for the online publication *Search Engine Land*, views foursquare as a leading indicator of how consumers are using SoLoMo. He says: “What’s going on in mobile is more the foursquare model, where people are leaving tips or star ratings or other short-form content.”

As on Facebook, foursquare enables businesses to “claim their venue.” Whether you’re sole proprietor or operate a chain of stores, you’ll want to do this, because it allows you to update relevant data about your business, gives you access to real-time analytics (who’s checking in, at what time, how frequently, and so on), and enables you to offer patrons Specials. These can be designed to target new or repeat customers, so the options run the length of the purchase funnel, from customer acquisition to retention.

You can find more information about how to make the most of foursquare and a step-by-step guide on how to claim your venue, offer specials, and use the analytics dashboard on foursquare’s Merchant Platform site (<https://foursquare.com/business/merchants>).

Local Search

In the local search arena, Yelp and Google+ Local are two of the big players you need to consider.

Yelp

Like Google+ Local, Yelp is more a local search service than a social network. But it does have a similarly social element to it: users flock to Yelp to read and post reviews of local businesses and seek out time-sensitive deals. The platform also enables businesses to interact directly with customers, via either public or private responses to posted reviews. Yelp says it had an average 78 million monthly unique visitors in Q2 2012 and users have posted over 30 million reviews of local businesses, so it has scale.

As with some of the other partners we've listed, Yelp gives business owners the opportunity to manage their page (referred to as unlocking in Yelp parlance), which means keeping business information up-to-date (description, history, photos, and the like), and tracking stats about how many people have viewed your page. You'll also be able to offer your customers Yelp Deals, which appear on the desktop site as well as the Yelp mobile app. More information can be found in Yelp's support center for business owners (https://biz.yelp.com/support/what_is_yelp).

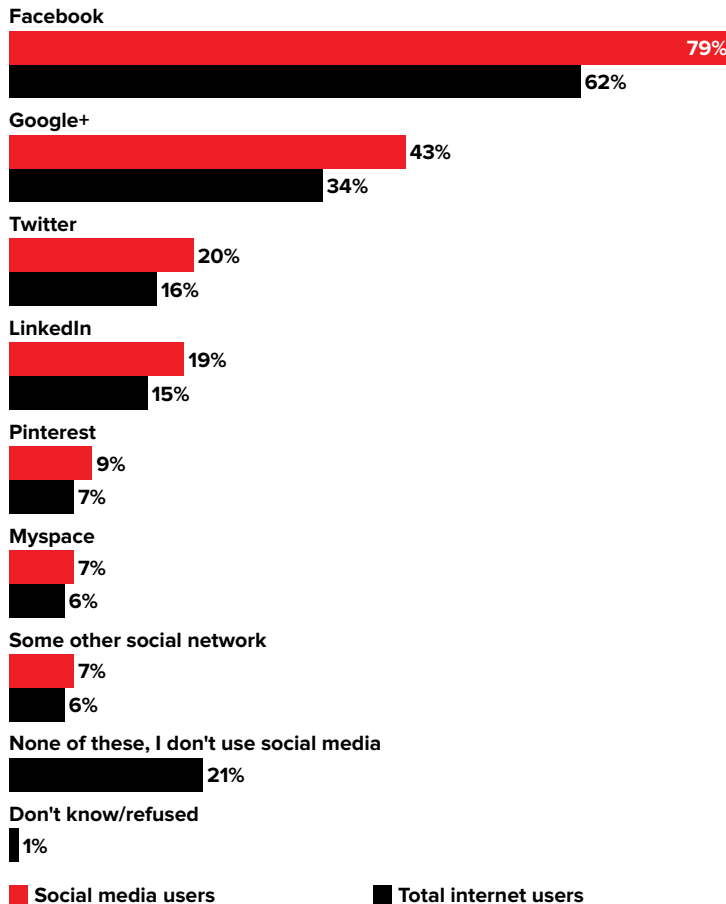
Google+ Local

We talked a bit about Google+ Local, the evolution of Google Places for Business, on Tuesday, but here's some more background. Remember that Google's stated mission is to "organize the world's information and make it universally accessible and useful." Fulfilling this mission depends on Google's ability to *access* the world's information. Competitors like Facebook, which walls off all non-publicly shared activity, represent a serious challenge to Google's mission. In the case of Facebook, there are nearly 1 billion people trading information about likes and dislikes and interacting with content in ways that are mostly beyond Google's reach.

So, think of Google+ as Google's response to this challenge—a way for the search giant to build its own rich store of consumer data so it can continue its mission, maintain the appeal of its ad-serving capabilities, and bolster its marketing and commerce initiatives. In effect, Google+ is Google's attempt to combine the reach of its local search platform with the stickiness and engagement typically associated with social platforms, particularly Facebook and foursquare. It remains to be seen whether Google will succeed in social to the same extent it has succeeded in search. Facebook still dwarfs Google+ in popularity and most key usage metrics (see Figure 7.11). Still, we believe Google+'s ability to piggyback on the popularity of other Google services means it cannot be ignored.

Social Media Sites Accessed by US Social Media vs. Total Internet Users, May 2012

% of respondents



Note: ages 18+; in the past month

Source: Allstate Corporation and National Journal, "Heartland Monitor Poll," June 7, 2012

141425

www.eMarketer.com

Figure 7.11 Google+ has grown quickly, but still trails Facebook in popularity.

Like Facebook and foursquare, Google+ Local allows you to claim and manage a page for your venue or business. As with Facebook and foursquare, we absolutely encourage you to do this, largely for the same reasons. It's another case of "the more you put in, the more you will get out of it." In the case of Google+ Local, you have the not-insignificant additional SEO benefits of having your business's page index in search results as well as another large venue within Google for your audience to discover your brand. Given the importance of search as a discovery mechanism for everything from brand information to deals, those benefits are hardly trivial.

Thankfully, the process for setting up your Google+ Local listing is relatively simple and you can get started right here: <http://support.google.com/plus/bin/topic.py?hl=en&topic=2566084&parent=1710599&ctx=topic>. Be prepared to provide Google with essential information about your business, including address, type of business, products sold, locations, supported methods of payment, and even images of your establishment (optional but highly recommended). Once you've submitted your data, you'll receive a confirmation from Google by snail mail (yes, really!) within one to two weeks with a unique pin number that you will enter online to confirm your listing. Log into your Google account, enter your pin, and your listing will be live!

Mapping

The ability to determine where you are, what's around you, and how to get where you want to go is in some way intrinsic to the mobile experience. Whether through specific map apps you use to find directions or mapping capabilities that function in the background of other apps, placing yourself in relation to the world at large is fundamentally important. Mobile users doing precisely these things drive much of the location-based activity highlighted in Figure 7.4. Consider also the relationship between searching, mapping, and commerce that you can see in Figure 7.5: Fifty percent of U.S. smartphone owners said that after searching for local information, they looked up that business on a map. Taken together, these actions help move customers along their journey to their ultimate destination.

Just as location is a vital attribute for marketers looking to target their audiences, maps are the increasingly valuable mechanism for doing so. All of the digital giants—Apple, Google, Microsoft—want to exercise more direct control over maps, especially on mobile devices, so they can determine how location information gets deployed and implemented. Of the emerging map wars, Peter Farago, the vice president of marketing for app analytics firm Flurry we encountered in Chapter 5, “Week 4: Maximize Engagement with Mobile Apps,” told *Fast Company* in June 2012: “It’s just a key thing you have to control. It’s like countries protecting their food source. I don’t want to have to import all my food in case we ever go to war.” As smart devices become progressively more capable, you can bet the richness of maps will only increase, helping transform map apps into graphical search engines.

Google, for example, already offers a wealth of place information, including reviews, if applicable, in its map results. This is another reason why having an up-to-date Google+ Local listing is so important, as that listing information drives what appears in Google Maps results.

Note that other search engines have similar procedures. We emphasize Google because of its importance relative to other search platforms and the role it plays in powering the mapping functionality on so many other sites and services.

Ad Networks and Technology Platforms

Drawing up a comprehensive list of ad networks and technology platforms that can help you hone in on your audience based on where they are and what they are doing could easily fill its own chapter. The list here is far from exhaustive, but it does include companies that are tackling challenging pieces of the SoLoMo puzzle in innovative ways.

LocalResponse We alluded to LocalResponse in the discussion of Twitter. It is an ad network that targets customers based on intent expressed publicly on Twitter and other social networks that feed status updates into a user's Twitter profile. Says LocalResponse cofounder and CEO, Nihal Mehta: "If you tweet that you're at Walgreens, you get a message back from Walgreens' Twitter account, and you get that pretty much within a minute of you tweeting that you're at Walgreens." Because many status updates include lat-long data, a retailer like Walgreens can focus the response to a specific location, such as a store with a time-sensitive special offer. "We deal only with public data," notes Nihal. "Ninety-nine percent of Facebook data is private, so that's off the table. But the majority of Twitter content is public, so we can leverage all that data and retarget against it. We make sure there's no PII [personally identifiable information]. We don't think a Twitter user name is PII because it's public. But we want to make sure we're delivering really good ads. We've seen less than a 0.1 percent opt-out rate and 10 times the industry standard in terms of performance because the ads are so targeted." LocalResponse has another service, which it calls intent retargeting, that enables marketers to buy display ads against the same types of expressed customer intent. "For us at LocalResponse, it's all about the social context. You just tweeted that you're hungry, and now you see a banner ad for Pizza Hut. That has location as a subset, because we want to send you to a Pizza Hut near you. The trigger is having broadcast some type of intent and expressed it across any type of social media, followed by going to a website where you see an ad that's highly targeted and relevant," notes Nihal. LocalResponse employs the same basic underlying data stream, but repurposes it in two different but complementary ways and targets it at different points in the customer journey.

Placecast Placecast is a location-based marketing company that specializes in the kind of geo-fencing campaigns we discussed on Tuesday. For customer acquisition campaigns, Placecast fields ShopAlerts—SMS offers—for brands via the mobile carriers (it has worked with AT&T in the United States and O2 in the United Kingdom). Consumers who opt to receive messaging from their carrier might receive an offer from, for example, a local quick-serve restaurant. Placecast also works directly with brands on loyalty programs that present customers (those who have opted into receiving brand messages via SMS) with location-targeted offers and deals designed to drive them into stores and make purchases.

shopkick Here's a quick refresher on shopkick, which we mentioned on Tuesday: The company has developed a technology that recognizes customers as they walk into a store and presents them with rewards before they reach the checkout counter. This inverts the usual order of things, but you can imagine how it could be a powerful loyalty driver. Cyriac Roeding, shopkick's cofounder and CEO, explained how the technology works in a February 2012 interview with eMarketer. "We've developed a box that emits an inaudible audio signal at 21,000 Hz, which stores plug into a power outlet," he said. "When a consumer walks into the store, their smartphone microphone detects this signal and decodes it to determine the store at which you are located. This allows retailers to only reward those consumers who actually step into their store." The app notifies that shopper of in-store specials and awards them points (called "kicks") redeemable for gift cards, music, and other items at more than 4,000 participating U.S. retailers. "You can earn kicks everywhere and spend them anywhere," Roeding said. "So, essentially, shopkick is the idea of a mall on your mobile phone."

Thursday: Realize Location-Based Marketing Opportunities

Now that you have a sense of the SoLoMo landscape and what the potential opportunities are, let's imagine some scenarios that follow the customer journey.

The first step is to ensure that Kiwi Market shows up when someone like our sample persona Michelle, the super-connected mom, performs a search looking for organic supermarkets. This involves:

- Submitting relevant business information (name, address[es] and phone number[s], URL, store hours, etc.) to directories like the Yellow Pages. These populate online databases that in turn feed search results. As we discussed in Chapter 4, "Week 3: Maximize Reach with Mobile Websites," having a mobile-optimized presence on the other side of the search result is crucial for making a positive first impression on customers.
- Developing a profile on Google+ Local, Yelp, Bing Local, and other local search destinations. Building these profiles will help improve organic search equity for Kiwi Market. They also will be especially important for reaching someone like Michelle, who, although a mobile power-user, hasn't really experimented with geo-social apps.

Still, maximizing Kiwi Market's presence on prominent geo-social destinations such as foursquare by claiming its page is worthwhile in terms of covering the bases and a precursor for offering deals later on. In fact, using assets like Google+ Local, Yelp, and foursquare pages to display special offers is a good way to induce a first-time buyer like Michelle to visit her local Kiwi Market. These can also give existing customers a reason to come back.

The second step is to build a presence on Facebook. Michelle, as we know from her persona profile in Chapter 2, uses the social network daily. So it's quite likely she will reach out to her friends and family to determine whether Kiwi Market is a good match for her goal of eating as much organic food as possible and providing her family with high-quality meals. For similar reasons, Facebook is a good place to post offers, because Michelle's peer network is likely to pass along the deals (or she will see them in her newsfeed).

Kiwi Market will want to complement these efforts by placing targeted display ads to reinforce the messages Michelle may have seen in her searches or when browsing on Facebook. Reviewing the internal market research findings, customer segmentation, and technographics we discussed in Chapter 2 can help determine the types of sites and apps Kiwi will want to target with ads. As we noted in Chapter 4, mobile display ad networks can target ads by app and site category, so Kiwi can easily reach popular recipe apps like Epicurious that fit with Michelle's love of cooking and her interest in fresh food. The ads might highlight seasonally available produce in Michelle's nearby Kiwi Market. Clicking through leads to a 10 percent off coupon. The combined impact of these tactics helps get Michelle in the door. The positive in-store experience inspires Michelle to sign up for Kiwi's loyalty program. The idea of getting SMS alerts with coupons is appealing to Michelle, a frequent texter.

Now that Michelle has opted into Kiwi Market's loyalty program, the supermarket decides to invest in a geo-fencing campaign. Working with its agency and technology partners, Kiwi establishes a geo-fence around select store locations in Michelle's city. It also makes the strategic decision to set up a handful of geo-fences around several of its competitors' nearby locations under the theory that it may be able to lure away shoppers who are interested in other organic specialty markets.

Combining different forms of media can have a powerful effect on in-market consumers. Placecast CEO Alistair Goodman notes, "One of the things we've seen is when you combine other forms of marketing with location-based alerts, you get a substantial lift in purchase behavior. For example, we've run programs with a combination of out-of-home and then alerts in proximity of the store, and in the case where consumers were exposed to both alerts, 70 percent were more likely to make a purchase. Location and time are very predictive of what a consumer is going to be interested in and intends to do, but when combined with other media, you get an even more dramatic lift."

The social component that enables sharing can also work in Kiwi Market's favor here. Because Michelle has converted into a loyal shopper, she is more inclined to promote the store to *her* friends, family, and coworkers. Michelle is not a frequent Twitter user, but she finds it convenient to tweet the link to the coupon for discounts at her local Kiwi location. That action triggers a response from a grateful Kiwi Market and a subsequent banner ad further deepening her engagement the next time she logs onto the mobile web or opens one of her preferred apps.

The bottom line is you need to be engaging at every step of the customer journey in order to get consumers to move to the next stage. “You always try and advance people through the funnel,” says Jack Philbin, cofounder, president, and CEO of Vibes Media. “And your mobile engagement and mobile activity should be trying to drive purchase and trying to drive loyalty.”

An example of a good retailer to emulate is Starbucks. Jack affirms, “Starbucks does this really well. They have the app, which is very engaging. You can load money into it and scan your barcode and buy. That’s transaction. And then loyalty, if you click on the rewards icon, a little star drops into your cup every time. It’s a cyclical experience that drives you to engage further, gets you to transact, and makes you a more loyal customer. It’s astonishing that more retailers haven’t followed suit.” It’s a virtuous cycle for the customer—and also for Starbucks, because it encourages customers to buy more.

Advice from Google Vice President of U.S. Sales and Service, Jim Lecinski, Author of *Winning the Zero Moment of Truth*

In his 2011 e-book, Google’s Jim Lecinski defines any consumer online decision-making moment as a “zero moment of truth” for marketers. In the e-book’s forward, Dina Howell, CEO of agency Saatchi & Saatchi X, writes: “The Zero Moment of Truth influences which brands make the shopping list, where shoppers choose to buy, and with whom they share the results. It’s up to us to join the conversation at this new moment where decisions are being made, and to provide the information that shoppers naturally crave, in all the ways that they crave it.”

We asked Jim what the single most important thing brands can do to connect with consumers in the Zero Moment of Truth from both a content and channel perspective. Here’s his advice:

“The biggest piece of advice I’d give? Be there. People looking for information online are raising their hands and saying, ‘I would like to know more about this topic.’ At the Zero Moment of Truth, there’s a chance to make a brand impression and give people the information they’re looking for, when they’re looking for it.”

For marketers looking specifically at a geo-location context, Jim adds: “Brands can most effectively link consumers’ checking-in activity to their digital encounters with brands by using all the research and data at their disposal to measure the impact on both online sales and interactions, and on in-store interactions with brands.”

Friday: Define Key Analytics

As outlined in Chapter 1, location sharing started life quite literally as a game. The goal was to encourage users to participate in exchange for imaginary status or virtual

rewards. But, enabling bragging rights for the person who checks in the most frequently at his or her local coffee shop offers little in the way of rewards to the owner of that establishment—unless all that activity can in some way be connected to commerce. Again, you have to think about where and how different SoLoMo actions can be linked to the purchase funnel and customer journey. At the top of the funnel and beginning of the journey, where branding and awareness-building are at a premium, metrics like shares, Likes, tips, and recommendations can be valuable, particularly to the extent that they help your audience market your brand and products for you. That is the true benefit of working with social platforms. If you can maintain an active voice in the discussion, in effect steering the conversation with timely responses to customer questions or issues or problems that arise, you can achieve a lot in terms of raising your company's profile. For the most part, this will cost you more time than money.

As eMarketer Principal Analyst Debra Aho Williamson put it in her December 2011 “Social Media Measurement: Getting to the Metrics That Matter” report, “Don’t count fans. Count what they do for you.” She added: “While friends, followers, and ‘likes’ are an easy benchmark, what is more important is the ways they share, respond, and interact in social media. And tracking influencers is even more important.”

In other words, numbers have little value unless they have activity behind them—activity that will help you realize more sales. Once you start to look at post-click activity—the actions your audience takes after seeing a geo-targeted ad or receiving a location-based alert, that’s when you can more closely connect to purchase intent. Look for a correlation between ad impressions, click-throughs, and visits to either your company’s website (or purpose-built landing pages) or a physical location. If your systems will allow it, track offers from distribution to redemption to the point of sale. Go the extra mile to get to the last mile of commerce.

You also have to look at the success of individual SoLoMo marketing mechanisms, as well as the success of a whole campaign in terms of it adding up to more than the sum of its parts. For example, Kiwi Market needs to examine whether its geo-targeted mobile ad campaign highlighting seasonally available items enjoyed a high click-through rate (CTR). It’s great if CTRs are high—that means the ad is engaging and shoppers are gaining exposure to the Kiwi brand. But positive branding metrics alone are not sufficient if Kiwi’s ultimate goal is to drive more people into its stores. So, Kiwi needs to track CTRs against a rise in store traffic and purchase activity. In other words, generating offer awareness is good, but generating sales is better—and ultimately preferable.

Nihal puts the ROI question in the following perspective: “We want to get to the point when a brand spends a dollar with us, it produces \$2 in return. We’re starting to do that by connecting the purchase funnel all the way down. So when you tweet you’re at Walgreens, you get a tweet back from Walgreens that has a link to a landing page where you can get a coupon, you redeem that coupon at the register, and that signals

that the coupon has been used, and boom, you've converted that customer." Although challenges remain, particularly at the point of sale, you have to strive to tie the success of your SoLoMo marketing efforts to the bump in sales they deliver. "Ultimately," Nihal says, "ROI is dictated by the lift in bottom line from the campaign."

In Conclusion

You want your audience to check in because that action indicates a combination of context, timing, and interest. But you also want your audience to check out, with either an in-store purchase or an e-commerce transaction. So, when an interested customer raises his or her hand, that's the signal for you to present your best offer and guide that customer toward the checkout.

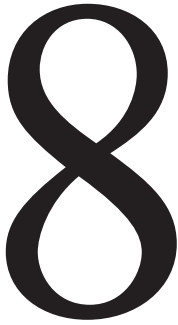
Here's some expert perspective on the rapid evolution of SoLoMo and where it is headed:

Nihal Mehta, LocalResponse Cofounder and CEO "Because there's scale in location-based marketing, you can not only retain customers who are broadcasting their location or presence, but also acquire new customers. That's a big change."

Greg Sterling, Founding Principal of Sterling Market Intelligence and Contributing Editor for Online Publication Search Engine Land "Models combining geo-targeted offers, payments, and the analytics that come with them are really powerful and uniquely suited to mobile devices in way you can't do on a PC for obvious reasons." He adds: "I have a sense these are the kinds of unique mobile opportunities that may emerge as the most potent vehicles for marketers."

Think of the SoLoMo nexus this way: Because of the combination of data your audience shares via social networks (location, context, intent, interest), it's a more refined mechanism for targeting prospective shoppers. In effect, it tees them up to make a purchase, which leads to the subject of our next chapter: mobile commerce and payments. Follow along with us as we move toward the end of the customer journey and the bottom of the purchase funnel.

Week 7: Check Out M-Commerce



Mobile is changing the way we do everything, but it's probably having a bigger impact on the way we purchase than anything else. In previous chapters, we touched lightly on how our growing attachment to mobile devices is changing the way we shop; in this chapter, we'll look more deeply into the shopping process and how mobile devices are helping us actually buy. From mobile coupons to mobile wallets, we'll examine your options for monetizing mobile and getting your customers to the virtual checkout counter.

Chapter Contents

- Understand the opportunity
- Common m-commerce approaches
- Select appropriate m-commerce channels
- Establish your mobile couponing approach
- Define payment options

Monday: Understand the Opportunity

At the beginning of this book, we pointed out three essential items you never leave home without: your wallet, your keys, and your mobile phone. In “Chart the Future Forward,” we’ll talk about how your mobile phone is likely to replace your keys, but we believe it will also replace your wallet in due time. Just as plastic slowly supplanted paper money, we predict that mobile currency will eventually become the main means of paying for goods and services.

From our observation of the U.S. marketplace, the number of customers actually completing a purchase via mobile is still rather low. As you’ll see in Figure 8.1, financial transactions on smartphones still add up to a pittance compared to desktop transactions. According to a joint report released in July 2012 by the Interactive Advertising Bureau (IAB) (www.iab.com) and research firm ABI (www.abiresearch.com), a scant 5 percent of smartphone owners have actually completed an online purchase via their device. Tablet users, on the other hand, execute a significantly higher percentage of mobile sales at 35 percent, a pattern we’ve seen validated by the site and campaign analytics of many brands. In fact, it’s interesting to note that more tablet shoppers end up buying online than at an actual cash register (34 percent).

Activities that US Smartphone and Tablet Users Have Done via Their Device While Shopping, 2012
% of respondents

	Smartphone	Tablet
Contacted friend/ relative—about product purchase	37%	45%
Used internet—check prices/availability	35%	55%
Found product info—while in-store	31%	-
Access social media	30%	46%
Scanned barcode to check prices/availability in-store	30%	46%
Acquired/ redeemed coupons/offers	23%	50%
Location-based search	22%	54%
Use mapping/nav websites/apps	21%	41%
Bought a product/ service in-store at regular checkout	12%	34%
View video	7%	29%
Bought a product/service online using device	5%	35%
Bought a product/ service in store-without using checkout line	4%	28%
Internet communication	-	51%

Note: in the past 3 months

Source: Interactive Advertising Bureau (IAB) Mobile Marketing Center of Excellence, "Mobile's Role in a Consumer's Media Day: Smartphones and Tablets Enable Seamless Digital Lives" conducted by ABI Research, July 16, 2012

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www.eMarketer.com

Figure 8.1 Shopping still trumps buying on mobile devices.

If you think about it, it stands to reason that tablet owners would be the bigger spenders—a bigger screen naturally leads to greater usability, making it easier to gather the details required to make a final decision and execute the actual purchase. In most cases, minor usability issues aside, it's pretty much as simple to buy from a website on your tablet as it is on a desktop machine. A study of mobile shopping behavior conducted by online payments provider PayPal (www.paypal.com) and research firm Ipsos Insights (www.ipsos.com) in 2011 confirms this, with the tablet owners surveyed citing that the larger screen and keyboard and touchscreen functionality provide a better shopping experience. Yet according to a June 2012 report from trade publication Multichannel Merchant (www.multichannelmerchant.com), only 29.5 percent of U.S. retailers have an m-commerce web site, so it's clear that a smartphone owner is up against some usability hurdles when he or she wants to buy. Of course, those hurdles won't last for long. Given the growing awareness of the need for mobilized websites and increasing adoption of responsive design techniques, the average smartphone user will no doubt be buying more via their device in the future as it gets easier to do so—but m-commerce via mobile browsers is only part of the story.

M-Commerce versus M-Payments

Before we start our discussion in earnest, we want to draw a distinction between m-commerce and *m-payments*. Dictionary definitions of m-commerce tend to be broad. For example, Merriam-Webster describes m-commerce simply as “business transactions conducted by using a mobile electronic device (such as a cell phone).” For this book, we will group all shopping and purchasing activities that happen on a mobile device under the rubric of “m-commerce.” This includes, but is not necessarily limited to, finding and redeeming coupons, price-checking, comparison-shopping, and purchasing. As a subcategory of m-commerce, “m-payments” refer to actual payment transactions that are conducted via mobile devices, whether through the browser, in-app, and SMS or via more future-forward channels such as near-field communications (NFC).

The U.S. and Global Market for M-Commerce

The mobile shopping aspects of m-commerce have taken off in a noticeable way in the United States. It's become increasingly commonplace to see people standing in store aisles and staring down at their smartphones as they search for product information, look for deals, and read reviews. Actual m-payments have been a bit slower to catch on, but they are ramping up fast with the increasing availability of

high-speed data, smartphones and tablets, and the advent of advanced payment systems like *mobile wallets*. Let's start off by taking a look at the U.S. and global perspective for m-commerce overall.

Mobile Shopping

Mobile shopping, once relegated to a small, digitally advanced segment of the population, is now a fairly commonplace activity, even if the actual purchase still lags behind. In the May 2012 "Mobile Phone Shopping Diaries," the IAB stated that 73 percent of U.S. consumers claim to have used their smartphones in a store for a variety of shopping-related purposes. For the most part, their activities still revolve around qualifying an in-store purchase, with 28 percent of respondents saying they used their devices primarily to find product and service information.

Yet, these same mobile shoppers also express a keen awareness of how they would like their mobile shopping options to evolve. As shown in Figure 8.2, the ability to actually pay with their phone is a strong point of interest.

Features that US Mcommerce Users* Would Like to Access in the Future, May 2012

% of mcommerce users

Proactive alerts to let me know when products I want or need are available or on sale

31%

Ability to pay for something by phone and pick it up in store

30%

Better browsing experience (e.g., Wi-Fi or 4G)

29%

Mobile loyalty cards/scheme—rewards for paying by phone

28%

Better/more price and information comparisons

26%

Mobile wallets—making it easier to pay using my phone

22%

Note: n=260; *smartphone and feature phone owners only

Source: Interactive Advertising Bureau (IAB), "The IAB Mobile Phone Shopping Diaries" conducted by On Device Research, May 17, 2012

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www.eMarketer.com

Figure 8.2 Mobile shoppers express a strong interest in mobile payments and rewards.

For marketers, it's essential to understand what smartphone users are doing now as well as what they'd like to be doing in the future. These are the elements that will inform a successful m-commerce strategy and, therefore, drive mobile assisted in-store sales as well as actual m-payments.

Tablets are a slightly different story. While it's true that some tablet owners use their devices in-store, they are in the minority, at least at this point in time. Tablets seem to lend themselves more to home use and shopping during moments of leisure. And, although tablet purchases tend to be of higher monetary value than those made on a smartphone, they also tend to be fairly straightforward, happening through a desktop e-commerce site or through a shopping app. That's not to say that tablet users won't develop their own unique mobile shopping behaviors—the larger screen size of the iPhone 5 and the future uptake of smaller tablet devices, such as the iPad Mini and Galaxy Tab, represent a new family of user interfaces somewhere between the smartphone and the tablet in terms of UI and, therefore, behaviors. But at present, there isn't a great deal of demonstrable difference between how tablet and desktop purchases are conducted. To make a long story short, you'll be focusing most of your m-commerce efforts on figuring out how to support in-store commerce and drive online sales via smartphone.

Mobile-Assisted Commerce and Showrooming

As we've established, much of smartphone m-commerce activity focuses on qualifying a purchase such as looking for coupons, reading reviews, getting product info, and looking for competing prices. Quite often, these activities lead to an in-store purchase or an online purchase conducted via the desktop at a later point in time. We refer to these purchases where mobile supports the process but the actual transaction happens via a non-mobile channel as mobile-assisted commerce.

Quite often, these activities lead to a purchase from a competing retailer or brand—a process known as *showrooming*, where the customer uses their mobile device to find a better product or offer than the one they are currently considering. Showrooming is striking fear into the hearts of brick-and-mortar brands who see their in-store sales slipping away as their customers go elsewhere or buy from online destinations like eBay or Amazon. For this reason, many are hesitant to support or encourage the mobile activities of their customers at all—but avoiding mobile isn't the answer. For these and for all retailers, it's crucial to understand how mobile can be used to strengthen the connection between a brand and its customers and to drive conversions both online and off.

Mobile Marketing and Merchandizing

“Marketing” includes all the activities you conduct, both online and offline, to help drive awareness and desire for your brand and/or products. “Merchandizing” includes all of the activities you conduct that actually get the customer to buy your product or service once they are in the store. In essence, marketing gets your customer into the store, virtual or otherwise. Merchandizing gets them to the register, whether the physical one in the store or the digital one on their smartphone or tablet.

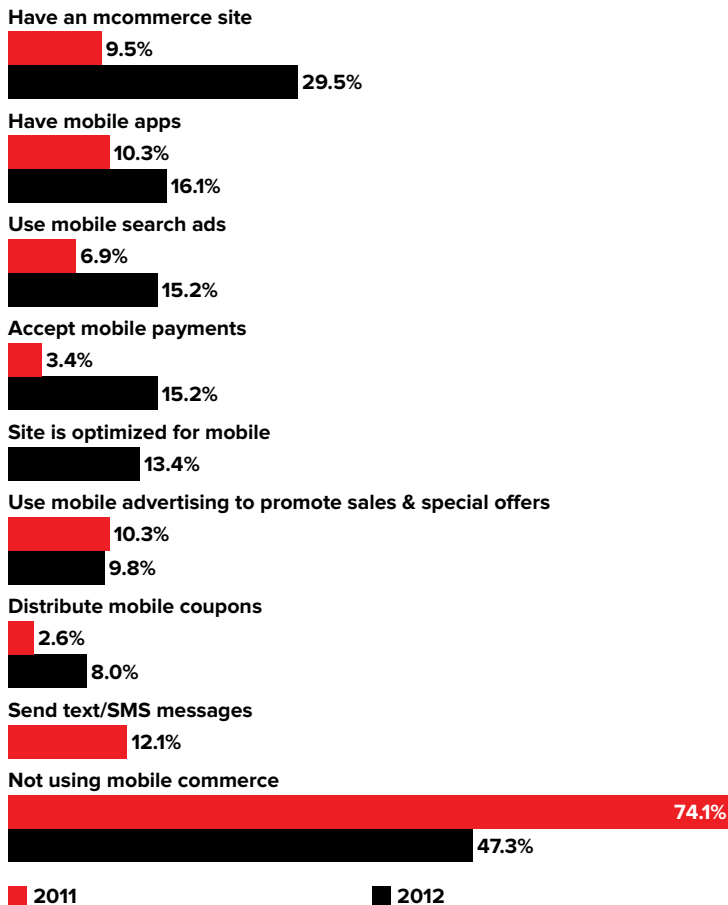
Mobile marketing and mobile merchandizing are integral elements of the m-commerce ecosystem; together, they are the key drivers of m-payments. But our efforts as marketers in these areas are currently falling far short of the opportunity. Remember that IAB report we referenced earlier? It states that while 73 percent of smartphone owners use their device in store while shopping, 53 percent of those shoppers actually walked away from an in-store purchase due to information they retrieved from their device:

- Thirty-eight percent found a better price from another store.
- Thirty percent simply found a better price online.
- Twenty-one percent found a better item online than the one they were considering.
- Thirteen percent found that the product was unavailable.
- Eleven percent read a negative review.
- Eleven percent found a similar item that was preferable and bought that instead.
- Eleven percent couldn’t find enough information to sway them to buy the in-store item.

So it’s clear that as marketers, we need to pay much more attention to engaging our customers via their smartphone, especially in the context of the in-store experience. However, as illustrated in Figure 8.3, very few retailers are investing in mobile on even a moderate basis.

Mcommerce Strategies Used by US Online Retailers*, 2011 & 2012

% of respondents



Note: n=654; *includes online merchants, retailers, manufacturers, publishers/media and wholesale distributors
Source: Multichannel Merchant, "Outlook 2012-13: Ecommerce," June 4, 2012

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www.eMarketer.com

Figure 8.3 As of June 2012, only slightly more than half of U.S. retailers use m-commerce tactics.

There's been a marked increase between 2011 and 2012 in the uptake of certain m-commerce tactics—for example, having an m-commerce-enabled site—but the playing field remains fairly level. There's plenty of opportunity for retailers who understand the landscape and the options for using mobile marketing and merchandizing to draw customers into the m-commerce funnel and drive them toward m-payments.

Mobile Payments

The February 2012 “Mobile Commerce – Reinventing the Way Consumers Shop” report from the Consumer Electronics Association” (CEA, www.cea.org) claims that 37 percent of mobile users in the United States are engaging in m-commerce and that the average U.S. consumer will spend \$575 via mobile payments in 2012. The report goes on to describe the most popular categories for these purchases as being:

- Music (43 percent)
- Movies (38 percent)
- Tickets (37 percent)
- Apparel (36 percent)
- Books (35 percent)

Interestingly enough, the consumers surveyed also report that they expect to increase their use of mobile coupons in the coming year. One in three (32 percent) plan to actively search for them via mobile and 30 percent plan to actually use mobile coupons on their device—a good indicator that we can expect m-commerce and m-payments to continue to grow. So, while we may be using smartphones to help qualify in-store and offline purchases, it’s clear that we’re also using them to actually buy.

Most experts predict mobile payments soon will generate big money. According to May 2012 projections from Gartner (www.gartner.com), a well-known research firm with its eye on the mobile market, global mobile payments will soar beyond \$171.5 billion in 2012, an increase of 62 percent (\$106 billion) from 2011. Gartner predicts 448 million people worldwide will be using mobile payments by 2016. In developing markets—particularly India, Pakistan, and Africa, where smartphone penetration is still quite low—SMS payments will continue to dominate, but large unbanked populations mean these methods will be widespread. By contrast, Gartner predicts that in North America and Western Europe, the mobile web is expected to account for roughly 88 percent and 80 percent, respectively, of the mobile payments market. The jury is still out on purchases made via NFC, but in general we expect to see m-payments really begin to take off in more advanced markets by around 2015/2016.

Gartner also tells us that while Africa and Asia-Pacific (APAC) are currently the biggest mobile payment markets, Eastern Europe is the fastest growing. Right now, Africa and APAC own 60 percent of the mobile payments market and that’s expected to hold steady until 2016. In these markets, mobile payments have gained traction by necessity; they provide rural and unbanked communities where there’s little or no high-speed data infrastructure with a means for making transactions, both online and in the real, physical world, that would be otherwise impossible. KPMG (www.kpmg.com), a prominent global tax and advisory services firm, predicts global

mobile payments will reach \$930 billion between 2012 and 2015, growing at an astonishing clip of nearly 100 percent per year. But, it's a phenomenon that is expanding fast outside of the emerging markets where it began.

In wealthier, more digitally advanced societies, mobile payments aren't about necessity as much as convenience. Why carry small change for the soda machine at work when you can simply buy a Coke by text? Why carry around a subway pass when you can simply tap and go? And really, why print or clip a paper coupon to take to the store when you can simply download one to your phone and flash it at the register or get one sent to you based on volunteered preferences and your current location? In the United States, mobile payments may have seen slower growth up until now because we simply didn't need them. But now that we've begun to see the potential of linking payments with other marketing mechanisms, we're going to want them in a big way.

Security and Privacy Concerns

If m-commerce has so much potential, what's the holdup? Well, it's pretty clear that concerns about security have something to do with it. In the aforementioned February 2012 CEA survey, half the respondents expressed that worries about the security of their payment information were their primary reason for not buying via mobile—only an estimated one-quarter of the respondents actually felt comfortable about buying via their mobile device.

It's an understandable concern, but perhaps an unfounded one. We see the current fears about security as being similar to concerns about online commerce in the mid-to-late 1990s and suspect they will fade quickly, just as they did with e-commerce. The biggest concern seems to surround using mobile wallets and other NFC-enabled devices, a topic we'll discuss in greater detail on Thursday. Another report released in May 2012 by JiWire (www.jiwire.com), a location-based mobile advertising company that releases quarterly studies on mobile activities and behavior, notes that 37 percent of U.S. mobile device owners (smartphone and tablet) have used some form of mobile wallet service in the previous three months. We think you should always approach third-party research with a grain of salt; but at the same time, all third-party reports we've assessed seem to point to the fact that the way we shop and buy is changing.

So, there is incredible opportunity to use your customers' mobile behavior to drive commerce—both online and in-store—yet few merchants taking advantage of it. Let's look at how you can get started.

Tuesday: M-Commerce Approaches

Like any other aspect of mobile, there's no one-size-fits-all approach to m-commerce. Rather, there are many different paths to purchase. A May 2012 study by research firm

Nielsen (www.nielsen.com) states that consumers use smartphones to shop in very different ways depending on the store they are in. For example:

- Mobile coupons are most popular in grocery stores (41 percent of grocery shoppers actively use them), department stores (41 percent), and clothing stores (39 percent).
- Shoppers in electronics stores are far more likely to use their mobile device to read reviews (73 percent), compare prices (71 percent), and scan quick response (QR) codes for additional information (57 percent). They may still use their mobile device to help them buy or even complete a purchase, but in different ways.

The point being, there are diverse ways to get your customers to the register, and you're going to need to tailor your approach based on a number of criteria including your brand and products. Like any other aspect of mobile, fragmentation is the name of the game.

For a business-to-consumer (B2C) brand like our fictional Kiwi Market, m-commerce presents myriad opportunities. Mobile devices will not only be a direct shopping conduit, but will also play a big role in accelerating in-store sales. Let's look at a few examples in which Kiwi Market tailors its m-commerce approach to customers and context.

The Smartphone Purchase

In Chapter 2, "Week One: Develop Your Mobile Strategy," our clients at Kiwi Market determined that a smartphone-optimized mobile site would be the cornerstone of their mobile strategy. Their research, pulled from a May 2012 report published by research firms eDigital Research (www.edigitalresearch.com) and PortalTech Reply (www.portalttech.co.uk), showed them that 64 percent of smartphone owners use their mobile devices to shop online. The 1.0 mobile site that launched after they developed their strategy was created with limited m-commerce support; the goal was to watch how customers used it and build additional functionality over time.

Michelle, our persona character from Chapter 2, is glued to her smartphone 24/7. In the early days of her customer relationship with Kiwi Market, she relies heavily on the smartphone site to look up info on products in-store and add them to her weekly delivery list. Outside the store, she uses it to check on the status of her weekly grocery delivery, obtain coupon offers, and to contact the customer service department via click-to-call. Let's look at a few scenarios in which mobile plays a fundamental role in getting customers like Michelle to the register.

The Tablet Purchase

Like any busy working parent, Michelle gets her household tasks done between breaks at work and her very limited downtime at home. Once a week, after the kids go to bed, she curls up on the sofa to watch TV and update her weekly shopping list on her iPad.

The Kiwi Market desktop site, optimized to work seamlessly on a tablet, enables her to browse weekly specials and new items and update her standard weekly grocery delivery. But it also enables her to do more, including creating customized catering menus, adding specific instructions and details regarding her guests and events, and place her orders—complex activities she would be very unlikely to engage in via smartphone.

Michelle's behavior is not unique. According to the study from PayPal and Ipsos that we referenced earlier, more than 60 percent of mobile shoppers who buy via their mobile device do so within the comfort of their own home, a trend PayPal has dubbed "couch commerce."

The Mobile-Assisted In-Store Purchase

Many in-store sales begin on a mobile device—but end at a cash register. It's an incredibly challenging attribution model, because there's no clear way to connect the dots between the smartphone and the brick-and-mortar purchase unless some kind of redemption code is used. Yet countless studies from the many research firms cited in this book tell us that smartphone and, to a lesser extent, tablet users, depend on their mobile devices to make brick-and-mortar purchase decisions. In Michelle's case, the smartphone-assisted purchase comes into play in the early days of being a customer when she stops by the store a few nights a week to pick up prepared meals to take home. Inevitably, she spies some additional treat that she thinks her husband or kids would enjoy and has to quickly determine whether it's worth purchasing. Rather than search Google for each product individually, not knowing whether she'll find mobile-friendly content, she chooses to use the Kiwi Market site on her smartphone to look them up, reading reviews from other Kiwi Market shoppers that help her finalize her decision.

The In-App Purchase

After being a regular Kiwi customer for a few weeks, Michelle graduates to downloading the mobile app, which she then uses to provision her weekly shopping list. Often, she finds herself updating her list when she stops by the store on weeknights to pick up prepared meals. While waiting for her takeout to be packaged, she browses the aisles and picks out various treats and staples for that week's order, scanning them via the Kiwi Market QR code stickers affixed to the packaging (an excellent example of mobile merchandizing) to automatically add them to her list. In this instance, the native Kiwi Market app on her phone provides her with functionality that enhances the shopping experience in a way that the mobile web simply can't (at least at this early point in the evolution of HTML5).

Wednesday: Select Appropriate M-Commerce Channels

Investment in mobile is gaining steam: 19 percent of U.S. retailers will invest \$100,000 or more in mobile marketing in 2012, says research firm the eTailing Group (www.e-tailing.com) in its April 2012 report on m-commerce. Of the retailers interviewed, 85 percent added that mobile commerce was a primary focus in 2012 (versus only 68 percent in 2011). So, how can you choose the right m-commerce channel for your brand and customers—ones that will lead to actual m-payment transactions?

Mobile Web-Based Transactions

For most brands, the mobile browser will be the most logical extension of desktop e-commerce. It's a practical choice since advances in browser-based web technologies have grown by leaps and bounds in the past several years. Theoretically, the transactional elements of your e-commerce website will be fully functional from a technical perspective in the browsers of the most up-to-date smartphones and tablets. The question is, will the user be able to get to the checkout point quickly and easily? In most cases, nuances in support for JavaScript and general usability barriers imposed by touchscreen devices—especially smartphones—will make it a challenge for your site to succeed unless you make some modifications.

If your goal is to mobilize an e-commerce site, any of the directions we reviewed in Chapter 4, “Week 3: Maximize Reach with Mobile Websites,” are a valid option. Many, if not most, hosted mobile web vendors now offer basic m-commerce support, and there are some that specialize in it. If you have sufficient technical resources at your disposal, you can probably trade up to a cloud service or integrated CMS-driven approach to building your m-commerce mobile website. Or, assuming your customers are mostly high-end device users, you can skip ahead to a responsive, HTML5 approach if you're ready for it.

Native Application Transactions

We know that consumers are spending a lot of money on apps—a projected \$26.1 billion globally in 2012, according to research firm Strategy Analytics (www.strategyanalytics.com). But, we also know that they're spending a lot *through* apps, as well. As we discussed in Chapter 5, “Week 4: Maximize Engagement with Mobile Apps,” apps cement a bond between your brand and your most loyal consumers. At this stage in the evolution of m-commerce, a first-time or casual, occasional customer is most likely to complete a purchase via your mobile site, but the most dedicated customers are more likely to buy through your mobile app, assuming you've provided them with that option.

Both Apple and Google Play take a 30 percent commission off the top for any premium applications you sell through their channels: sell an app for \$1.00 and prepare to surrender \$0.30 to the app store. The same 30 percent fee structure applies to in-app purchases for *intangible goods*—for example, points, virtual currency, or digital editions of print publications. *Tangible goods*—in Kiwi’s case, groceries—would not be subject to the same terms. Brands selling tangible goods can integrate their existing online payment option into their app and many household names find it well worth the effort to do so. Mobile websites might get the highest volume of consumers, but native mobile apps win with the most engaged consumers—the ultimate spenders. According to a 2011 study from gadget blog Retrevo (www.retrevo.com), 43 percent of mobile consumers have downloaded a mobile shopping app, and it’s a trend we expect to continue.

One of our favorite examples of in-app payments is the Starbucks Card mobile app that was rolled out to markets worldwide in 2011 after a brief, highly successful pilot period. The Starbucks model of app-based payments recently took on an even more interesting dimension with the integration of mobile payments provider Square into the equation. In the spring of 2012, Starbucks announced plans to begin using Square to process all credit card and debit card payments in its all stores. The Square model has fascinating long-term implications because it enables *proximity payments* without any effort whatsoever on the part of the users other than saying their name. The way it works is ingeniously simple: A customer with the Square app on his or her phone enters the store and Square detects their presence via GPS and relays their info to Starbucks. The user then simply has to say their name at the register and the Starbucks employee will confirm their identity via their name and photo, which will pop up on the cashier’s screen. For all the excitement over NFC, which we’ll discuss later in this chapter, we think the effortlessness of the Square model has the most promise of all for users.

SMS Payments

SMS payments are probably the most common form of digital commerce globally. In developing regions, micropayments by text are an everyday occurrence; in the United States and Western Europe, they were once a popular channel for selling mobile content such as games and ringtones, but are now mostly relegated to charitable donations and voting for television reality programs. Don’t let the last sentence fool you. Using SMS for nonprofit donations and TV voting is hugely lucrative; it’s just not a mainstream opportunity for most brands to sell actual products and services. In the United States, the widespread availability of smartphones and tablets has made it far easier to conduct transactions online.

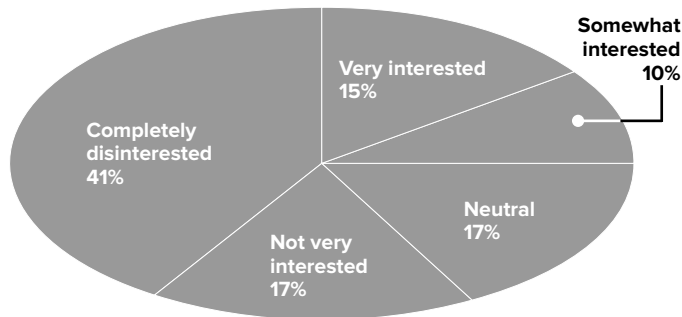
Near-Field Communications

So at this early stage of the game, what do you, as a marketer, need to know about *near-field communications* (NFC)? Well, first and foremost you need to understand the

current consumer enthusiasm, as depicted in Figure 8.4, for the technology when it comes to purchasing and payments.

Interest Among US Consumers in Using Mobile Wallet Technology to Pay for Items In-Store, March 2012

% of respondents



Note: n=246 ages 18-65

Source: Catapult, "Shopper Lab," April 1, 2012

138774

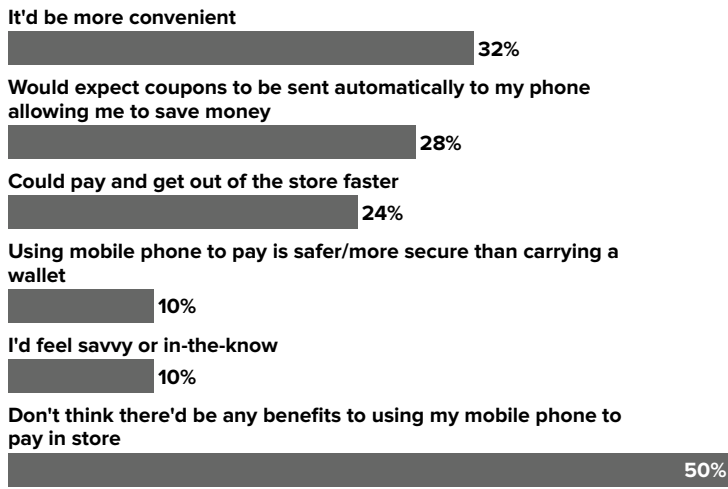
www.eMarketer.com

Figure 8.4 U.S. consumer interest in using mobile wallets to pay for in-store purchases is limited but on the rise.

While this might look disheartening at first glance, you have to consider the fact that very few U.S. consumers have seen NFC in action. That can and will change over the next 12 to 18 months. Google is making a strong push for its NFC-enabled Google Wallet technology—signs for which are appearing at retailers across the country. Google has partnered with MasterCard, one of the pioneers of NFC payments here in the United States—and any of the more than 200,000 PayPass-enabled payment terminals in the country can now accept Google Wallet. In fact, at present, most of the devices currently in circulation in the United States with embedded NFC chips are Android smartphones running the Gingerbread operating system or later. But the opportunity isn't just relegated to the latest Android users. Isis (www.paywiththisis.com), a joint venture between AT&T, T-Mobile, and Verizon that counts most major credit card companies and payment processors among its partners, hopes to bring scale to NFC-based payments. All three carriers plan to begin rolling out enabled devices in late 2012. As you can see in Figure 8.5, those who are aware of the technology have a growing sense of how it might make their lives easier.

Benefits of Using Mobile Wallet Technology to Pay for Items In-Store According to US Consumers, March 2012

% of respondents



Note: n=218 ages 18-65

Source: Catapult, "Shopper Lab," April 1, 2012

138775

www.eMarketer.com

Figure 8.5 Fifty percent of U.S. consumers can see the potential benefit to mobile payments.

One of the more interesting things about NFC-enabled mobile payments is that they aren't strictly relegated to mobile devices. In the United States, MasterCard was one of the first financial services brands to pilot contactless payments with its PayPass services. NFC-enabled credit cards and keychain fobs that could be used on public transportation systems and at select retailers were distributed to customers. At this year's SXSW, Isis (the cross-carrier joint venture) showed off a snap-on NFC-enabled sleeve for the iPhone that adds instant NFC capabilities to the device; and global bank Barclays (www.barclays.com) has debuted an NFC sticker for its Visa customers that can be affixed to one's phone. So, while it may take a while for NFC-enabled smartphones—and tablets—to enter the mainstream, there are other ways that the technology can and will filter out to the general populace.

Right now, fears surrounding privacy and security seem to be slowing the process of uptake. While Google has moved full steam ahead with Google Wallet and Microsoft has its own mobile wallet that is due to launch with Windows Phone 8, Apple, notoriously reticent to add new and unproven technologies to its devices, chose not to

include on-board NFC in the iPhone. When iOS6 arrived in September 2012, it came equipped with Passbook, an integrated app that aggregates concert tickets, boarding passes, and other types of payment confirmations—but it lacks the ability (for now, at least) to link your credit card and use the app for contactless payments. It's most likely a simple case of Apple's wait-and-see approach to investing in a new technology. In any case, we have no doubt contactless payments will come to the iPhone and all other mobile devices in some form within the next few years. So, let's do a quick overview of how this technology works. This will help you better understand just how valid privacy fears are (or aren't).

When you have an NFC chip on your smartphone, it is able to transmit payment information stored on it to a reader terminal or sticker across a distance of no more than 10cm—basically, you have to be super close to a reader for the info to be passed. So, while it's becoming standard for NFC systems to allow tap-and-go payments of \$25 or less without signing or entering a PIN code, the odds of someone being able to virtually pick your pocket with another NFC device are slim to none. That said, standard NFC does support security measures, which enable the user to set a PIN that must be entered for even the smallest amounts. In the event of theft, the credentials on an NFC-enabled device can be canceled as quickly and easily as a lost credit card.

We believe the hold-up has more to do with the small number of NFC-enabled *point of sale (POS)* terminals in retail establishments here in the United States. But, we're seeing Google Wallet stickers in more and more stores and, as the technology becomes more widely supported, we'll begin to see NFC being used for a number of m-commerce and marketing purposes including:

- Payments
- Transmission of loyalty points
- Delivery of coupons and special offers
- Ticketing and access passes
- Transmission of all sorts of marketing content, including but not limited to maps, images, music, and videos
- Transmission of social cues and currency—for example, Twitter follows and Facebook Likes and Shares.

From our perspective, it's really not a question of whether the general public will adopt NFC in support of payments and many other aspects of the brand/consumer relationship, but rather how long it will take. However, we also think NFC will share the market with truly contactless forms of payment such as Square.

RFID versus NFC

You'll often hear the terms "radio frequency identification (RFID)" and "NFC" used interchangeably, which causes no small amount of confusion. While both utilize radio waves to transmit information wirelessly, there are distinct differences. RFID has been standardized for many years and is in active use worldwide, mainly as a mechanism for tracking product inventory. RFID tags, tiny electronic components containing an antenna and memory chip, can be stored in everything from stickers to product packaging and are read with a special RFID reader device.

An important point to understand is that RFID is a one-way technology. Information can be delivered from the tag to the reader, but the reader can't deliver information back to the tag. RFID also works across fairly long distances. Active RFID tags (deemed *active* because they contain a battery that enables them to proactively send a signal to a reader) can send signals up to 300 feet. Passive RFID tags have no battery and rely on the reader to transmit their information; therefore, they are limited to distances of several feet. Because passive RFID tags don't contain a battery, they tend to be smaller and less expensive, which increases their theoretical appeal for potential use in consumer applications. In practice, however, RFID is limited when it comes to consumer use. It's a one-way technology; it can't be used to send and receive information like tickets and payments. This explains the appeal of NFC, a shorter-range technology, where two-way information can be transmitted in a range of up to four inches.

NFC, also referred to as a form of contactless payment and *proximity payment*, is possibly the most anticipated innovation—not just in mobile, but in digital marketing in general—in at least a decade. At present, NFC remains a bit of a mystery to the average marketer because so few NFC devices are in circulation. KPMG (www.kpmg.com), the tax and advisory firm we referenced earlier in this chapter, tells us that an estimated 650 million NFC-enabled devices will ship over the next three years, a marked increase over the 44 million that shipped globally in 2011, but that's a drop in the bucket. For NFC payments to really take off, retailers will need to invest in the infrastructure to accept them, and for that to happen, we predict the market for NFC-enabled devices will need to match up to the current penetration rate of smartphones in the United States. That's not going to happen right away. A 2012 report from the nonprofit Pew Research Center's Internet & American Life Project (www.pewinternet.org) predicts the global penetration rate for NFC will be roughly 65 percent by 2020.

Thursday: Establish Your Mobile Couponing Approach

In Chapter 6, "Week 5: Promote Your Message with Mobile Advertising," we explained that mobile is not so much a *surf* medium as it is a *search* medium. Well, our observation of the market tells us that a lot of us are searching for deals. In a letter

to investors sent in May 2012, Groupon CEO Andrew Mason shared that 30 percent of all transactions on the Groupon platform are executed on mobile devices. What's more, Mason stated that the average U.S. mobile Groupon user spends an average of 50 percent more than average the desktop-only user of the service. It's just one small indicator of how much opportunity is promised by mobile couponing. Consider these insights from a series of recent Mobile Audience Insights Reports, quarterly studies released by JiWire (www.jiwire.com) that further illustrate the opportunity.

- Fifty-three percent of U.S. mobile users expressed willingness to exchange their location in return for more contextually relevant content, including deals, coupons, and incentives (Q2 2011).
- Eighteen percent of mobile shoppers redeemed a coupon via their device in the 90 days prior to the survey (Q1 2012).
- Twenty-one percent had searched for a coupon on their mobile device while in-store (Q1 2012).
- Eighty percent prefer locally oriented and contextually relevant mobile ads and are 75 percent more inclined to act on the offers they see if they are local in nature (Q1 2012).

Suffice it to say, the average mobile user is very open to deals, which helps prime the mobile commerce pump. GfK (www.gfk.com), the well-known global research firm, claims that:

- Forty-four percent of high-end device owners are actively seeking coupons via their smartphone or tablet.
- Seventeen percent have already made purchases via mobile, making them a very attractive customer indeed.

A growing community of mobile device users is ready and willing to buy if you give them an incentive.

Coupon Formats and Delivery Channels

There are diverse methods for delivering mobile coupons, but the actual coupon format itself will most commonly be:

Alphanumeric Coupons: These are combinations of letters and/or numbers that can be entered into a website (desktop or mobile) or mobile application, or presented at point of sale for redemption.

Image Coupons: These might be graphical images that include an alphanumeric code that can be entered manually or a *1D barcode* or *2D barcode* that can be scanned at point of sale.

So, the formats themselves are actually quite simple—it's the means of delivering the coupon to the mobile device that are a bit more complex.

SMS: Alphanumeric codes can be easily delivered via text for online entry or be presented for redemption at point of sale. SMS can also be used to deliver an image

coupon via a clickable link that delivers the user to a mobile web page from which the coupon can be obtained.

MMS: Image coupons can also be delivered using MMS, although this is a slightly less popular option as a delivery channel given the challenges brands face in using MMS consistently, as discussed in Chapter 3, “Week 2: Start Simple—SMS.”

Barcodes: There is often some confusion here; many marketers think that the barcode is the coupon itself, but it’s really a delivery mechanism. A 1-D (commonly known as UPC) barcode or 2D barcode (commonly known as QR codes) scanned at point-of-sale delivers the embedded coupon info, whether it be an alphanumeric code or a link to some other form of digitally stored information.

Mobile email: Emails received via mobile can contain alphanumeric or image codes that can be entered or scanned at point of sale and/or redeemed online.

Direct mail: Direct mail pieces can be tagged with short codes or with barcodes that can be scanned via mobile device to deliver an alphanumeric or image coupon.

Mobile web: Alphanumeric codes encountered via a mobile web page can be copied and saved to be input later at point of sale and/or redeemed online.

Geo-fenced: Opt-in messages can be sent via SMS or push alert according to a preset list of criteria and the recipient’s location. This delivery option is essentially the same as SMS, but with an additional layer of targeting criteria added.

Wi-Fi: Public Wi-Fi networks are a highly popular touch point for mobile users and a key distribution point for download and email or text-to-self coupons and offers.

Bluetooth: Content distribution via Bluetooth (aka *Bluecasting*) has seen little uptake in the United States. Due to low consumer awareness of this marketing channel, it probably won’t play into any of your efforts in the near term. There are rumors, however, that Apple is investing heavily in further development of the current standard, Bluetooth 4, so it’s possible that our opinion of its potential will eventually change.

Redemption Hurdles

For all its promise, mobile couponing is not without its challenges. For branded brick-and-mortar retail establishments with a standardized POS system, entering a coupon code will be relatively straightforward. However, for consumer packaged goods brands, the redemption process gets much more complicated. There’s no guarantee that every retailer selling your product will have the infrastructure or proper employee training to redeem your mobile coupons, and smaller establishments may have antiquated POS systems unable to scan a barcode or may still require collection of paper coupons as proof of redemption. So unless you are doing small, targeted tests or your brand has a consolidated nationwide POS system, it’s quite difficult to ensure that redemption will be possible for everyone.

Tracking, Targeting, and Loyalty

There are clearly plenty of hurdles, so why invest in mobile coupons? Well, for one thing, they can be more cost effective—a single digital mobile coupon can often be distributed for a far lower cost than the same offer distributed via print or direct mail. But they can also be far more targeted and, therefore, more effective.

A mobile consumer can obtain a coupon as a one-off in a number of ways—by scanning a QR code or sending a text message to a brand’s short code, for example. But, delivering mobile coupons in such an ad hoc fashion is a missed opportunity. Ideally, your mobile coupon strategy should be tied to your CRM and loyalty programs and there are a number of ways to make that work.

The most advantageous way to track coupon redemption is to link unique coupon codes to customer profiles. For example, a new Kiwi Market customer signing up for an online shopping account is encouraged to offer up her mobile phone number in return for special offers, which can be customized according to several criteria, such as:

- Catering offers
- Daily prepared foods specials
- Seasonal specials
- Vegetarian/vegan

Upon signing into their accounts, existing customers are prompted to update their profiles with their mobile number for the same purpose. The customers can then choose to receive their coupons by text or via download to their Kiwi Market app. Each code is unique to that specific user and can be matched back to that unique user upon redemption. This provides the option of distributing coupons according to consumer-specific preferences and making offers more targeted, but it also allows for monitoring of redemption behaviors and enables you to determine which offers resonate with which customers.

If, on the other hand, the customer is proactively requesting a coupon by sending a text message to a short code, the process is somewhat different. The text message that delivers the coupon can encourage the user to opt in for further offers by texting back a keyword in reply—for example: “Text the keywords ‘Kiwi deals’ back to this message to opt in for future offers.” Alternatively, the message delivering the coupon can include a link to an opt-in page where the user can sign up for more offers from the vendor by setting up a customer profile or logging in to an existing account.

Theoretically, customers receiving coupons via mobile email, QR, or any number of other distribution channels can be routed through a similar process. Tying your mobile couponing campaign into customer profiles and loyalty programs will enable you to do a granular level of A/B testing, sending different types of ads based on location, customer profiles, and other personal data. But it also adds an additional step into the process; by making users go through the tedium of an extensive sign-up, you run the risk of some dropping off in the process. Some customers may just want to scan a QR

code and go, so you'll have to gauge the potential value of making the process more complicated.

Friday: Define Payment Processing Options

We've established that while mobile shopping is a widespread phenomenon, actual mobile payments are still in their infancy, although they are catching on. Certain small purchases—event tickets or digital downloads such as e-books, MP3s, movies, and apps—have become commonplace. Bigger items—clothing, household articles, travel tickets—are beginning to catch on via tablet. Odds are that, with a little bit of tweaking, your existing e-commerce site will function just fine for tablet users. But smartphones—and the advent of the NFC and contactless payments—present a whole new world of considerations. So let's look at a few of the opportunities you have for processing mobile payments.

SMS Payments

As we established earlier, SMS is the most egalitarian means of mobile payment; literally everyone who has a mobile device can use it. Of course, not every customer who has SMS is going to gravitate toward making purchases this way. It has evolved as a popular payment channel in countries with poor broadband infrastructure where feature phones still dominate. However, it has seen less uptake in parts of the world where users have the option of paying via the mobile browser or app store accounts such as iTunes. In the United States, SMS is usually relegated to smaller purchases such as tickets or mobile content, but the process is the same regardless of the amount spent.

The way SMS payments work is quite simple. The consumer sends his or her payment request via text to a brand's short code and, in most cases, receives back a confirmation request. Once the consumer sends back a confirmation text, a charge is applied to his or her wireless bill via a deal between the brand, the wireless carrier, and, in most cases, a third-party SMS payment provider (a type of specialized SMS aggregator). The content is then delivered, usually via direct download by the user's phone.

SMS payments have the benefit of reach and accessibility, and they're secure because SMS data is encrypted. But for many brands, the cost outweighs the benefit. There's a high price tag in terms of leasing and maintaining a short code, and the wireless carriers and the SMS payment provider each take a share of the payment price as well.

Direct Carrier Billing

Direct carrier billing is very similar to the SMS payment option. In this case, the customer enters a pin number in the checkout process and the purchase is added to their wireless carrier bill. Like SMS, it's a convenient, encrypted payment mechanism that has the benefit of the "out-of-sight, out-of-mind" factor. When customers don't

actually enter an amount and credit card info, odds are they're just a bit more likely to spend, at least for small purchases. In the United States, we don't see a great deal of direct carrier billing outside of mobile content like games and ringtones, most likely due to the complexities of dealing with the wireless carriers.

Mobile Web

Mobile web payments are becoming a much more commonplace option as mobile browsers mature. Free shopping carts, notably those offered by Google and PayPal, have mobile support baked in. More advanced shopping cart options, whether hosted or licensed, offer mobile support on a case-by-case basis. If your current desktop shopping cart software doesn't offer mobile support out of the box, your next best option might be to have your m-commerce website built by a mobile vendor that specializes in m-commerce. This narrows your options for development partners, but going with a mobile site vendor experienced in m-commerce will ensure that you offer the best possible user experience in the checkout process.

In-App

We touched earlier on in-app payments, and we think they're one of the most promising options for brands that are looking to build ongoing customer relationships. If the success of the mobile Starbucks Card is any indication, customers who make ongoing incremental payments for tangible goods sold by a brand to which they feel closely connected will jump at the chance to do so via a branded app. There are various options for processing purchases within your mobile app, from integrating your existing online shopping cart to working with a mobile payment provider that specializes in apps.

External Readers

A more recent innovation is credit card readers like Square (www.squareup.com) or ProPay (www.propayjak.com) that can be appended to a mobile device and work in conjunction with a native app, enabling smaller and/or mobile merchants to take payments via credit card swipe. In-app payments via readers like Square are becoming highly popular with smaller merchants and enable them to accept credit cards anytime, anywhere, and at a lower cost per payment (only 2.75 percent per swipe in the case of Square!). Square has proven to be particularly innovative on the consumer side, as well. Mobile users can verify their identity to merchants via their photograph in the Square app—the shopper simply walks to the checkout counter, says his or her name, and the merchant can verify the shopper's identity by their profile picture, which pops up on the payment system screen. Square is becoming especially popular in the foodtruck scene of U.S. cities—customers simply say their name, get their snack, and receive their receipt via email—the truest form of contactless payment yet!

Digital Wallets

A digital wallet is an account in which payment info is stored. The payment process for digital wallets is pretty simple from the user's perspective. For online payments, the user simply enters a PIN number to confirm a purchase. On NFC-enabled devices, he or she can simply tap and go for smaller amounts and enter a PIN for larger purchases. From the merchant's perspective, it's a bit more complex. Online, they can add support for PayPal, Google Wallet, and any of the other virtual wallet services fairly simply. In-store, it's a matter of installing payment processing systems that support NFC. First Data (www.firstdata.com), one of the world's biggest payment-processing providers, has partnered with Google to present merchants with NFC-enabled payment terminals that support Google Wallet.

What's a Mobile Wallet Anyway?

The term "m-payments" encompasses a lot of different behaviors, from buying through a secure shopping cart in a mobile web browser to buying in-app credits in your favorite mobile game. Mobile wallets are a unique and important aspect of this complex ecosystem. In the strictest definition, a mobile wallet is a payment account in which credit is stored, either physically on one's device or virtually in the cloud, and payment is delivered to merchants from that stored account. Increasingly, mobile wallets are also being used to deliver and store other payment-related information, such as loyalty cards and coupons.

In Conclusion

Some pundits believe mobile is actually killing the in-store experience, that as we become more and more wired in real time, we'll simply bypass physical retail altogether. It's a typical marketer's mindset to expect the new medium to supplant the old, but we don't believe this will actually happen. We expected digital to make TV irrelevant, but instead, it's enhanced the way we watch television and even the way we experience films. We expected tablets to kill print, but the magazine and newspaper industry is still alive with revenue supplemented by mobile applications. TV didn't destroy the movies, and the radio industry is still alive and kicking. CDs did pretty much kill vinyl in terms of overall consumption, but the original medium survives and in some ways, thrives in the hands of purist audiophiles.

We could go on and on, but you get the point. What's true is that technology changes human behavior and the customer experience, most often for the better. We firmly believe people won't lose the desire to see and examine an object prior to purchase but, like everything else, how they have that experience may well look very different in the near future. In Chapter 9, "Week 8: Drive Awareness with Ambient Media," we'll examine how the concept of mobility is beginning to influence the physical world and the opportunities this new wave of change presents to marketers.

Week 8: Drive Awareness with Ambient Media

The ubiquity of mobile devices has started to influence how we experience the physical world around us. As we discussed in Chapter 7, “Week 6: Leverage the SoLoMo Nexus,” part of the opportunity for marketers lies in the ability to marry location, context, and intent. Part of it also derives from technologies that trigger a connection between a consumer’s mobile device and the non-digital world—what we call ambient media. Think of it as a way to add a layer of interactivity to traditional media, places, and objects that in the past were completely static. In this chapter, we’ll discuss how you can use ambient mobile channels, including 2D barcodes, augmented reality, near-field communications, and mobile broadcasting to render the physical world, digital.



Chapter Contents

- Image technologies
- Augmented reality (AR)
- Near-field communications (NFC)
- Mobile broadcasting
- Digital Out-of-Home (DOOH)

Monday: Image Technologies

We've spent the past eight chapters delving into very concrete, highly actionable elements of mobile marketing in a step-by-step fashion. As we move into the final two chapters of the book, we enter more prospective territory containing less familiar ground. New technologies continue to stretch the boundaries even as mobile strives to become a mainstream marketing channel. Part of the future of both mobile marketing and marketing in general will be defined by the growing links between mobile, social, and geo-location, which we covered in detail in Chapter 7. Another key piece is ambient media, the subject of this chapter.

We touched briefly on ambient media in Chapter 7, but a quick refresher on what we mean is in order. In the strictest definition, *ambient* denotes “Of, or relating to, one’s immediate surroundings.” In the context of mobile marketing, the term *ambient media* refers to touchpoints external to the customer’s mobile device that trigger interactions on the device or external touchpoints with which the user can interact using a mobile device. These include, by level of adoption for mobile marketing purposes:

- 2D barcodes, such as quick response (QR) codes
- *Augmented reality* (AR)
- *Near-field communications* (NFC)
- Wi-Fi nodes and Bluetooth hotspots that enable the delivery of marketing messages
- Mobile-enabled digital signage and surface computing technology (motion-sensitive and digitally enabled objects and locations)

In short, ambient media is all about using your smartphone to activate—and render interactive—the physical world around you.

In this chapter, we’ll again share our own expertise, as well as what we learned from talking with the following experts:

- Adam Broitman, chief creative strategist at digital agency Something Massive (www.somethingmassive.com)
- David Berkowitz, vice president of emerging media at digital agency 360i (www.360i.com)
- Steve Smith, editor of online publication *Mobile Marketing Daily* (www.mediapost.com/publications/mobile-marketing-daily/)

You’ll hear from Adam, David, and Steve throughout this chapter, but first from Steve, who puts forth an expansive vision.

“The real promise of mobility,” he says, “is the way in which it ties the physical world to digital interactivity and two decades of data we have been building online. Leveraging the full multimedia capabilities of the mobile device offers an unprecedented creative cocktail of interactivity, contextual relevance targeted down to a precise object, the audio/visual capabilities of every mass medium that came before it, and the ‘radical’

marketing notion that instead of pestering and interrupting the customers during their busy day, we can actually improve their existence.”

We happen to agree, so let’s look at some ways you’ll be able to make that happen using the leading-edge technologies we will discuss over the next five days.

2D Barcodes

We discussed mobile barcodes in relation to couponing in Chapter 8, “Week 7: Check Out M-Commerce.” But we’re looking at them in a different context in this chapter, so the topic merits a brief review. Remember that mobile barcodes come in a number of formats, including 1D codes (the UPC symbols you commonly see on product packaging) and 2D codes. The major differences are that 2D codes permit a larger amount of encoded data than 1D, allow for faster scanning capabilities, and are less prone to errors. 2D codes can render a range of information, including, but not limited to:

- Links to any website URL (including video content)
- Geographical coordinates (map-based)
- Scan-to-call
- Send a text message or email
- Create an address card or calendar item
- Downloadable coupons or offers
- Social network activation (such as a “like” or “follow”)
- Initiate an app download

2D barcodes have been traditionally more popular in mobile marketing due to the amount of information they can pack compared to a 1D code. However, 1D codes are becoming more popular in certain instances, such a mobile coupon delivery, because 1D scanning systems are still dominant at the point of sale. So, as a rule, in your general mobile marketing activities, you’ll probably opt to use 2D codes for the variety and flexibility they offer, but you might want to use 1D codes as well, especially if you’re distributing offers and incentives that will be redeemed in-store.

Scanning the Differences Between 2D Mobile Barcodes

2D barcodes are two-dimensional graphical images encoded with information that can be read with a specific scanner device or by using a scanner application installed on a mobile device.

QR codes, a 2D barcode format originally developed by Toyota parts subsidiary Denso Wave in 1994 to assist in tracking vehicle production, have emerged as the Kleenex or Xerox of mobile barcodes—the brand name that becomes the generic term for an entire product category. Outside of QR, other well-known 2D barcode formats include:

DataMatrix: The first 2D code standard; developed in Europe in 1989; allows for 2,335 alphanumeric characters.

Continues

Scanning the Differences Between 2D Mobile Barcodes *(Continued)*

Microsoft Tag (<http://tag.microsoft.com/home.aspx>): Four-color high-capacity barcode launched by Microsoft in 2009; allows for 1,000 alphanumeric characters; popular with print publications because of its greater visual appeal.

SnapTag (www.spyderlynk.com/): A proprietary, image-based format created by SpyderLink; can be activated via camera or SMS short code; customizable with brand logo.

These formats are the ones you are likely to run into with the most frequency, and each will have its unique benefit or appeal depending on your objectives and campaign. That said, many other proprietary and open-source 2D code formats are available for experimentation. We're fans of QR for the simple ubiquity factor; numerous reader applications are available for this standard. This raises the odds that your customers will have an app installed on their phone, which in turn increases the likelihood they will scan your code and engage with your campaign.

User Demographics and Projected Uptake

As with many technologies we've covered in this book, mobile barcode usage has been increasing rapidly due to the rise in smartphone adoption. Research firm Yankee Group (www.yankeegroup.com) predicts that the number of 2D barcodes users worldwide will increase six-fold between 2012 and 2016, rising from 18 million to 104 million. Usage is currently at its highest in Japan, where QR codes originated, but interest is relatively high in many other countries, as shown in Figure 9.1.

**Use/Interest in QR Codes Among Mobile Phone Users
in Select Countries, Jan 2012**

% of respondents

	Currently use	Are interested	Not interested
Japan	60%	8%	32%
UK	26%	30%	44%
Russia	26%	30%	44%
Canada	25%	32%	52%
Italy	24%	36%	40%
US	24%	30%	46%
Spain	23%	29%	48%
Mexico	21%	36%	43%
Germany	21%	29%	50%
Australia	19%	31%	50%
France	17%	31%	52%
Brazil	16%	40%	44%
China	6%	49%	45%
India	1%	24%	75%

Note: numbers may not add up to 100% due to rounding

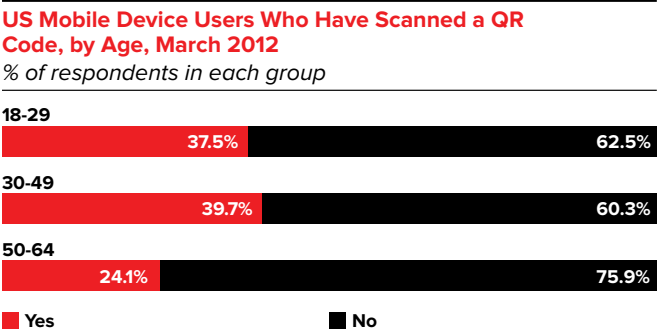
Source: TNS, "Mobile Life," April 24, 2012

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Figure 9.1 Interest in QR codes outpaces usage in most countries.

In the United States, barcode scanning tends to be most concentrated among mobile users ages 18 to 49 (Figure 9.2). That conforms to the demographic breakdown of the bulk of the smartphone-owning population.



Note: in the past 3 months
Source: Adobe, "2012 Mobile Consumer Survey Results" conducted by
Keynote Systems, July 25, 2012
143743 www.eMarketer.com

Figure 9.2 Younger mobile users are more willing to experiment with QR codes.

Enthusiasm for mobile barcodes is high among marketers and agencies as well. Globally, roughly 50 percent of marketers use 2D barcodes, and QR codes rank high on the list of mobile technologies marketers and agencies expect to implement in 2012. Figure 9.3 summarizes the results of a study of 163 marketers and 185 agencies by Econsultancy (www.econsultancy.com) and Experian Marketing Services (www.experian.com/marketing-services/marketing-services.html).

Mobile Channels/Technologies Marketers and Agencies Worldwide Plan to Use in 2012
% of respondents

	Marketers	Agencies
Mobile applications	57%	67%
QR codes	48%	44%
Mcommerce	34%	37%
Mobile advertising	31%	37%
Mobile-optimized emails	31%	30%
Mobile search marketing	28%	31%
SMS	25%	23%
Mobile coupons	10%	15%
Near field communications (NFC)	7%	10%
MMS	4%	7%
Mobile instant messaging	3%	8%
Bluetooth	2%	3%
Other	3%	2%

Note: n=163 marketers; n=185 agencies
Source: Econsultancy and Experian Marketing Services, "Marketing Budgets 2012," Feb 1, 2012
136756 www.eMarketer.com

Figure 9.3 QR codes are high on marketer and agency to-do lists.

Says David Berkowitz, vice president of emerging media at digital agency 360i, “QR codes are becoming more pervasive, and carriers, handset makers, and others are making it easier to scan the barcodes, so in the near term, QR will only get more popular.” But much of the responsibility for driving consumer adoption lies with marketers, specifically in making certain the codes are used strategically and that they create positive and useful experiences. Unfortunately, as anyone who has scanned a QR code can attest, this is not the norm.

A study by Vancouver, Canada-based mobile marketing company Mobio (www.mobio.net) underscores this point. It found that 60 percent of North American consumers who scanned QR codes in the third quarter of 2011 did so only once. Lack of relevance most likely lies behind this “try once” behavior. According to an October 2011 survey from custom research firm Chadwick Martin Bailey (www.cmbinfo.com), 57 percent of U.S. smartphone users who scanned a QR code went on to do nothing with the information.

It stands to reason: If you’ve scanned a QR code more than once, you’ve doubtless ended up on a site that is unusable on your smartphone, a 404 error page, or some other destination that is unusable or irrelevant, meaning you went through a lot of trouble for little or nothing in return. In a May 2012 interview with eMarketer, Yankee Group senior analyst Nick Holland offered this assessment: “Marketers were abusing the capability as a quick way to add a call to action with a very disappointing end-user experience. They are still being abused and overused by marketers today in a way that’s wholly inappropriate and badly executed.”

To prevent this kind of dead-end activity, heed David’s words of warning: “There’s still a lengthy learning curve, and most brands and publishers using the codes haven’t put enough thought into the user experience of what happens after the scan.” The takeaway here, as with many tactics we’ve discussed throughout this book, is to put in the up-front time to understand how QR codes can help you achieve your brand’s objectives *and* satisfy your audience’s needs before rushing to implement them. If you do decide to use QR codes in your marketing, make sure you spend as much—if not more—time focusing on the post-scan experience as you do trying to get your audience to scan your barcode in the first place.

Use Cases

Much like SMS short codes, which we covered in Chapter 3, “Week 2: Start Simple—SMS,” mobile barcodes hold promise as a mechanism for activating static media such as print and outdoor ads, in-store displays, and product packaging. In short, barcodes represent another way for mobile to bridge the physical and digital worlds.

We’ve seen mobile barcodes truly work for brands in three primary use cases: **Campaign activation:** A code is affixed to traditional media, such as print, product packaging, outdoor media, direct mail, or in-store displays as a means of adding a digital layer to a campaign that draws users in and engages them in some way.

Information delivery: A code affixed to any of the aforementioned offline touchpoints triggers an informative experience designed to help a user learn more about a product, service, or topic.

Purchase assistance: A code affixed to offline media—usually product tags, packaging, in-store displays, or direct mail pieces—delivers content that drives consumers toward purchase activities by linking to product reviews, price comparisons, coupons, and discounts.

There are certain types of industry verticals where QR codes have caught on more than others and appear to be delivering more promise. In publishing, for example, many brands seek to get more mileage from their magazine ads by adding scannable codes that link to content designed to further engage readers. According to mobile technology firm Nellymoser (www.nellymoser.com), which both tracks this activity in the top 100 U.S. magazines and develops campaigns for marketers using barcodes, as of first quarter 2012, 99 percent of the top 100 publications contained at least one code. Overall the percentage of total ad pages containing a barcode had risen into the 8 to 9 percent range as of March 2012, which was up 4 percentage points year-over-year. In that same timeframe, QR codes emerged as the dominant format, accounting for over 80 percent of the barcodes appearing in magazine ads, up from just over half a year earlier (see Table 9.1).

► **Table 9.1: QR code growth in magazine ads**

Barcode Format	March 2011	March 2012
QR codes	53%	82%
Microsoft Tag	46%	12%
Others	1%	6%

Source: Nellymoser, "Mobile Action Codes in Magazine Advertising," May 2012

In fact, companies in four consumer-oriented industries—beauty, health, home, and fashion—accounted for 45 percent of all mobile barcodes that appeared in magazine ads in the first quarter of 2012, Nellymoser found. These four industries led in deployment of barcodes in-store, as well. That's not to say the QR codes won't work in other areas, of course, but these four are leading the pack.

In terms of implementations, marketers tend to focus on using barcodes to deliver enhanced brand messaging. A September 2011 survey by the Association of Strategic Marketing (ASM, www.associationofmarketing.org/) found that among U.S. marketers who used QR codes, two-thirds of the codes linked to product information. Nellymoser's tracking studies indicate print advertisers have long favored using barcodes to showcase videos, such as product demonstrations, how-to content, and behind-the-scenes looks (see Figure 9.4).

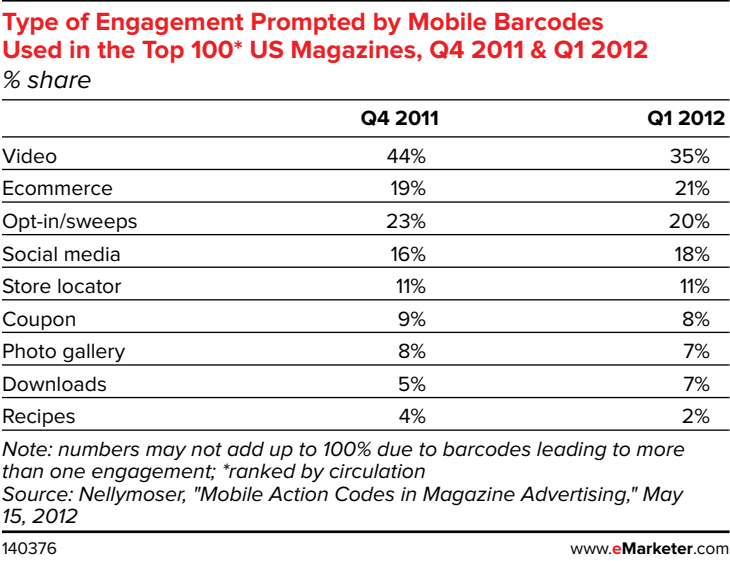


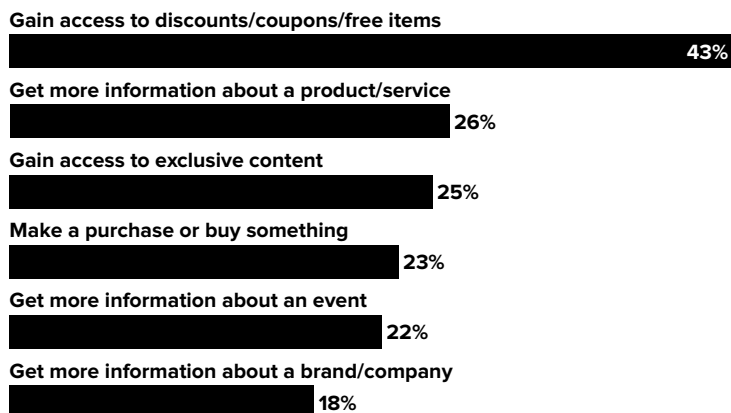
Figure 9.4 Video is the top mobile experience launched by mobile barcodes in print ads.

Using barcodes to showcase product demonstrations can be effective for more than branding purposes in certain circumstances. Retail giants such as Sears and Home Depot, for example, have added QR codes that link instructional videos and product reviews to their in-store displays because they know these types of information can trigger a purchase. Macy’s, as part of its Backstage Pass program, which we mentioned in Chapter 3, introduced QR codes to in-store displays that linked to videos containing fashion and makeup tips. Again, this is the kind of information that can influence a sale as well as prompt deeper engagement with the brand. In a May 2012 interview with eMarketer, Martine Reardon, chief marketing officer at Macy’s, said: “The idea was to offer consumers a sneak preview as to what goes on behind the scenes at Macy’s. We wanted to engage consumers with exclusive content. You could snap the QR codes to unlock videos with fashion tips and other content.”

As tempting as it is to link barcodes to experiences that will enhance your branding efforts or impart more information about your products, we do want to remind you again to think about how to use barcodes to best serve your customers’ needs as well as those of your brand. So, we’d steer you in the direction of the Purchase Assistance use case, in no small part because it is in line with consumer demands. Many surveys indicate that what consumers most want—and even expect—from scanning barcodes is access to deals. You can find the results of one such survey in Figure 9.5.

Select Content They Would Be Interested in Scanning QR Codes for According to US Internet Users, Oct 2011

% of respondents



Note: respondents who chose 8-10 on a 10-point scale

Source: Chadwick Martin Bailey, "CMB Consumer Pulse: 9 Things to Know About Consumer Behavior and QR Codes," Jan 4, 2012

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www.eMarketer.com

Figure 9.5 Consumers demonstrate strong interest in discounts obtained via QR code scans.

Yet, most marketers do not connect barcodes to deals; less than one-quarter of the codes in the ASM study linked to discounts. No doubt that ratio has evolved somewhat since the survey was fielded, but the low percentage connected to deals and coupons is emblematic of the kind of disconnect you want to avoid when implementing emerging technologies in your campaigns. As long as you're trying to change consumer behavior (and you are with mobile barcodes), you need to offer your audience a compelling reason for making the shift. Providing an incentive or reward for taking the action you want them to take is a tried-and-true technique.

Of course, adding barcodes to in-store displays and product packaging does present a degree of danger to brick-and-mortar retailers. In Chapter 1, "Map the Mobile Opportunity," we alluded to the issue of *showrooming*, the practice of researching a product in a store and then buying it elsewhere—online, by phone, or from another brick-and-mortar business. In December 2011, at the height of the holiday shopping season, Amazon ran a one-day promotion offering consumers up to \$5 off a purchase if they compared prices using the Amazon Price Check app, which enables shoppers to find the lowest prices by scanning a barcode, taking a picture of a product, or initiating a text or voice search. That may sound like a cutthroat move, but it is really better-informed, more-empowered, and smartphone-toting shoppers who are driving this level of competition.

Execution Considerations

Consumers are becoming more familiar with mobile barcodes as they grow increasingly commonplace, but you still face the challenge of a “try once” mentality. You need to think about how you can get your audience to do more than experiment with snapping a code: You want this activity to become a regular feature of how your audience engages with your brand.

Barcode Solutions

As we mentioned earlier in this chapter, you have two basic options for 2D barcodes:

Standard 2D Barcode Formats Actually, there are several standard 2D code formats internationally, but if you are doing mobile marketing in the United States, you’ll probably want to opt for QR because it’s the most popular format here. QR is a sound choice because it’s an open standard and can be scanned by a wide variety of free barcode reader apps. If you go this route, you’ll have one additional decision—whether to go with a free code generator or use a vendor that offers a commercial 2D barcode service.

Free 2D Barcode Generators Many free code generators are available online. Like any free service, some are better and more full-featured than others. A few of them can be a good first step for small tests; but if you plan to make 2D barcodes a standard component of your marketing strategy, you’d be wise to consider a commercial 2D barcode service.

Commercial 2D Barcode Services Why pay for QR when it’s open source and you can create codes for free? Well, there are a few practical reasons. For one, if you’re going to use QR extensively, you’re going to want the support, analytics, and ability to mass-produce codes that a managed solutions vendor can provide. Another appealing reason is that these commercial platforms enable you to quickly and easily change the call-to action behind a code already in circulation as well as plug in certain supporting functions, such as landing pages and SMS.

Proprietary 2D Barcode Formats There are numerous proprietary 2D barcode formats. Microsoft Tag and SnapTag are among the best known, but there are many others. The proprietary formats are appealing in that they allow you to modify the visual appearance of your code to a much greater degree than you’d be able to do with the standard QR format. Many proprietary barcode formats also offer an advanced level of tracking and analytics that make them very appealing to marketers. Some, like Microsoft Tag, enable you to generate standard QR codes in addition to their proprietary codes—the best of both worlds. But proprietary formats also have a few drawbacks. Many require proprietary readers, meaning your customers may be required to download a new app before they can scan your code. In our experience, the extra, added step of downloading a new app to simply scan a code can be a deal breaker for the average user. Others

enable the user to email or text a photo of the tag, which is an appealing option if you're dealing with users who have older smartphones or feature phones. However, that detracts somewhat from the immediacy factor that makes 2D codes so appealing in the first place.

The type of solution—and vendor—you choose will be based on your needs and your budget. Although there are many free tools online that enable you to create 2D barcodes, doing so at scale and with the appropriate analytics in place is a task best relegated to a professional vendor. Fortunately, many cost-effective options are available. The more challenging question is, how customized do you really want to get with your codes? If you need a code that looks just like your company logo, you may want to trade up to a more specialized, proprietary solution.

Best Practices for Executing Your Campaign

Most of the implementation failures we see on a daily basis—the QR code on the TV screen, the QR code on a subway car poster—can be directly attributed to faulty execution. Follow these tips to make sure your campaign works smoothly.

Make it visible. First, make sure your barcode is clearly visible to the eye on whatever medium you use to deploy it. Don't make it so small that it might be missed or hidden within other visual elements of an ad. Place it clearly and obviously within the user's line of vision. Likewise, make the call-to-action associated with the barcode obvious and transparent. Nellymoser's study found that 64 percent of all codes in print ads were accompanied by information indicating what would happen after the scan, so this practice is becoming widespread.

If you expect to make barcodes a feature of your media campaigns, consider placing them in most if not all your advertising, so your audience comes to expect barcodes from you. Of course, you can use barcodes that link to different content depending on the medium (print versus outdoor, for example) and your objective with each. Our fictional Kiwi Market might use a barcode on an outdoor ad to link to a store locator, or if the ad were located in close proximity to a store, it might link to a coupon usable at that particular location. A barcode in a Kiwi Market print ad, on the other hand, might help build awareness for the supermarket's catering business or online ordering system.

You may also want to experiment with using different barcodes on different media so you can track whether one medium or code placement outperforms the others. For example, you might find that QR codes placed on outdoor signage generate a very high scan rate versus the same code placed on a direct mail piece. Even if—make that especially if—the content the code generates is the same, using unique codes for different placements will add a level of attribution modeling you wouldn't get otherwise. Understanding where QR codes perform best will help you use them more successfully over time.

Make it possible. People can't scan your QR code if they don't have a scanner app on their mobile device. Most smartphones do not have this capability preinstalled as part of the operating system, so don't assume your target audience has the reader they'll need to read your code. Make it easy for users who don't have a scanner app to get one by including a URL in your ad copy—or, better yet, a text-to-download link for a free scanner app.

Make wise placement choices. How often have you seen a QR code on a subway poster, where you have no data connection to complete the action? Or on a digital scoreboard at a sporting event where you have no real hope of lining up the image from afar and capturing it accurately? Or, worst of all, flashed on the screen during a television commercial, giving you a scant 30 seconds to grab your phone, open your scanning app and...you get the point. When you decide to use a QR code, be wise about where you choose to put it. QR codes are at their most powerful when used as a trigger for offline media and physical objects. But remember: users still need to be able to scan a code clearly, so place it within a realistic line of vision.

Make it compelling. A key consideration, and one that will keep your audience coming back, is linking barcodes to compelling content—and content that is accessible from a mobile device. The call-to-action needs to pique your targets' interest, and the follow-through needs to deliver on the promise you set, from both a technical and a substantive perspective. (This might be a good time to review the recommendations in Chapter 4, "Week 3: Maximize Reach with Mobile Websites.") In short, make sure the links behind the code actually work and test to confirm the content renders properly on multiple devices. You don't want the first time your audience tries your barcode to be the last.

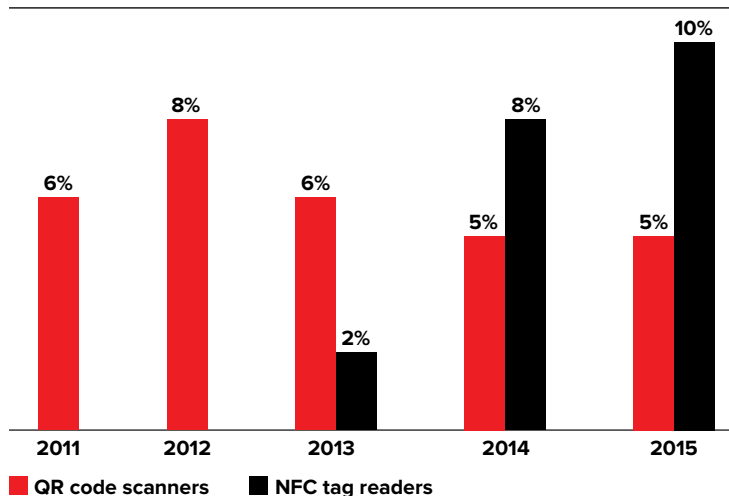
Make it pay off. Last of all, but arguably most important, make sure your code campaign actually delivers value. It can be an experience, a special offer, a piece of information, or any other of a number of interactions, but think it through and be certain that it meets the needs of your users and provides real value. Barcodes fall within that realm of mobile marketing where we've seen shiny new object syndrome take over time and again—don't fall victim to it!

The Road Ahead

Some experts see QR codes as an interim technology that will ultimately be superseded by NFC once NFC-equipped devices and point-of-sale hardware become more pervasive. Research firm Yankee Group, for one, predicts this scenario will begin to take hold around 2014 (see Figure 9.6). Part of the thinking here is that unlike barcodes, which require users to open an app and have Internet access to see the linked content, connecting to NFC-enabled content is easier, requiring users only to tap their smartphone against the item to receive the associated message or discount.—Of course, that presupposes users have their NFC capabilities turned on and not off to preserve their battery.

US Mobile Subscribers Who Use QR Code Scanners vs. NFC Tag Readers, 2011-2015

% of total mobile subscribers



Source: Yankee Group, "NFC: Not for Commerce?" May 1, 2012

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Figure 9.6 Some forecasters predict NFC will supersede QR codes.

We'll talk in more detail about NFC on Wednesday; but suffice it to say, the reality is that many if not most of the emerging technologies we're covering in this chapter will be complementary, not exclusive. Collectively, they will form pieces of a larger puzzle. David explains: "NFC isn't going to replace QR. The carriers' NFC alliance, Isis (<http://paywithisis.com>), for example, includes support for QR. People might tap their phones on in-store displays, but scan QR codes printed in magazines and newspapers. There are still far too few handsets with NFC, and then consumers need to be educated on the value proposition. That's going to take years. There are some benefits for consumers, but that's not enough to overcome inertia."

Image Recognition

We'll touch very briefly on image recognition, as it is something that hasn't yet gained much of a foothold in the marketplace. If you're not familiar with what we mean by image recognition, the best and easiest place to start might be with Google Goggles (www.google.com/mobile/goggles), a feature built into Google's Android and iPhone search apps. It enables users to search by taking pictures of objects and places rather than inputting text. Currently, it's limited to a number of categories:

Text: You can, for example, snap a picture of a menu in a foreign language and Google will offer to translate it for you.

Landmarks: Take a picture of the Eiffel Tower and Google will return information about it.

Books: Take a picture of a book cover and Google will provide additional information, as well as links to sites where you can order the book, including Google Books.

Contact information: Photograph a business card and Goggles will create an address card for you.

Artwork: Take a picture of a painting (that is, if the museum staff will let you get away with it) and you'll see links to a Wikipedia page about the artist.

Wine: Photograph the label of a wine bottle and you'll get information and links to Google Product Search to buy the wine.

Logos: Snap a company logo and you'll presumably see links to that company's website.

The Android version of Google Goggles also scans barcodes, a feature not present in the iOS version of the app.

From the user's perspective, image recognition technologies function similarly to barcodes in that users still need to open an app and take a picture in order to get a result. But as a marketer, you currently have a lot less control over what the user sees—it's more a form of visual search. The results are more dependent on the types of search engine marketing and optimization best practices covered in Chapter 6, "Week 5: Promote Your Message with Mobile Advertising," than they are with mobile barcodes, where you get to select the content to which a barcode is linked.

Even if image recognition has yet to move to the mainstream, it is something worth keeping your eye on. As the Web becomes progressively more visual and more mobile, optimizing your brand imagery for visual search is likely to emerge as an important factor in your brand's visibility sooner or later.

Tuesday: Augmented Reality

Augmented reality (AR) has long been heralded as one of those "next big things," and for good reason: The prospect of enhancing the physical world using digital technologies is tantalizing.

What Is Augmented Reality?

Augmented reality is a way of enabling a mobile user to "see" a virtual overlay to the physical world by combining and maximizing on-board mobile device features such as the camera, GPS, compass, accelerometer, and broadband connectivity.

Computer vision and overlays are the two main components to AR, explains Adam Broitman, Something Massive's chief creative strategist. Says Adam, "Computer vision, which is the detection piece, looks for vectors and objects, and says 'that is a building' [if you happen to be pointing your phone toward a properly marked building] and on top of that you can layer on GPS and other information. The computer vision piece is central to augmented reality technology. Then, there's the overlay piece, which is the digital infusion of information into a video feed" [meaning the information about the physical object or environment you happen to be viewing that is projected, in effect, onto the smartphone camera].

Users can experience AR through dedicated smartphone browsers, such as Layar (www.layar.com), Junaio (www.junaio.com), or Wikitude (www.wikitude.com), and similarly through search apps like Yelp, whose Monocle feature superimposes reviews of local establishments onto the smartphone camera's view. There are also marketer-specific apps. For example, Amazon and Ikea are two brands that offer AR shopping companions. We predict that many more will follow suit in due time. The implications for not only brands and marketers but also consumers are extremely exciting.

"The world becomes clickable. Objects and places are activated with deeper data and even purchase opportunities pour in straight from the cloud," says *Mobile Marketing Daily* editor Steve Smith. "These moments are easily shared in multiple ways. You not only get to show to others where you are and what you are doing but you can also leave traces for others who follow you physically. Tagging a space is a kind of virtual and nondestructive graffiti."

Projected Uptake

United Kingdom-based Juniper Research (www.juniperresearch.com), a respected forecaster of digital trends, predicted in February 2011 that global augmented reality revenues would soar from just \$1.5 million in 2010 to \$1.5 billion in 2015. That's an astounding hundred-fold growth.

The vantage point in 2013 looks a little different. Rather than exploding as a mainstream mobile marketing channel, as was predicted two years ago, AR is emerging in a more cautious fashion, as marketers strive to understand where and how it can enhance their campaigns in a way that adds value rather than gimmickry. At this stage, it's safe to say AR remains in the experimental realm, for marketers and consumers alike.

One possible wrinkle to the technology is that it may not develop primarily on mobile devices as we currently know them. Instead, it's possible that wearable computers, such as the Project Glass eyewear Google demonstrated to great effect at its annual I/O developers conference in June 2012, will take the lead. Google's experimental

AR-enabled glasses feature many of the same components found in today's smartphones, including an accelerometer, gyroscope, and wireless radios for pulling in web-based data. Imagine the Google Goggles visual search we described on Monday, only with the results projected right in front of your eyes. In an August 2012 edition of its weekly *Analyst Insider* newsletter, research firm ABI Research (www.abiresearch.com) stated "there is little doubt that the future of AR is not in smartphones or tablets, but in more natural, eyewear-based interfaces."

As with QR codes, which require users to have one or more apps on their phones to scan a code, entering an AR experience involves firing up a dedicated app, something Adam believes continues to hold back the advance of both technologies. He says: "The hardware will need to support an endemic augmented reality experience for it to reach the type of penetration search engines, for example, have reached."

Still, marketers are, at the very least, curious about by AR. Among those polled by the Society of Digital Agencies (SoDA, <http://societyofdigitalagencies.org/>) for the industry association's "Q1 2012 Digital Marketing Outlook," 35 percent characterized themselves as "intrigued" by AR and an additional 22 percent declared themselves "excited" (Figure 9.7). To put these findings in context, the excitement score may have been the lowest among 13 technologies included in the survey, but the intrigue score was tied for seventh. At this point, a likely conclusion is the lack of excitement relative to other emerging technologies is in part a function of a lack of awareness or understanding of AR.

David Berkowitz on the Outlook for Augmented Reality

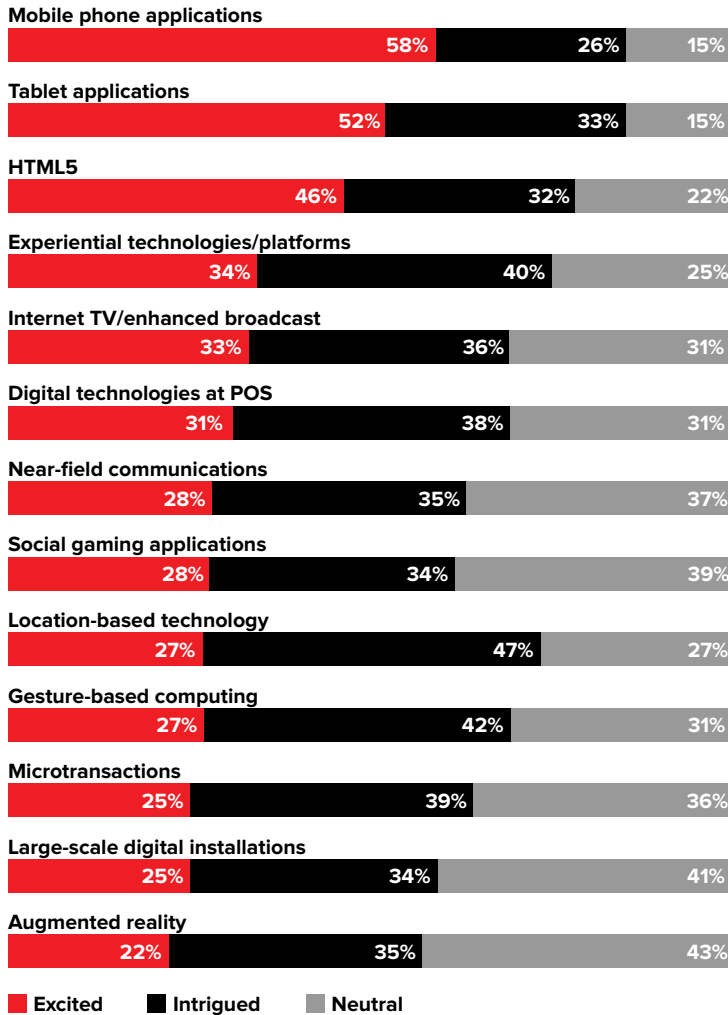
AR has some significant social implications, for example, allowing people to tag and share information on physical locations—not so much augmented reality as much as it is *annotated* reality. But does that translate into great, untapped potential for marketers? We asked David Berkowitz, vice president of emerging media at leading digital agency 360i, for his perspective. His take suggests AR will add the most value as an underlying technology that is integral to a marketing experience, not something consumers need to activate themselves:

"Augmented reality will never matter to consumers, and that's how it should be. Consider the application GoldRun (<http://goldrun.go.com/>), which superimposes digital objects over images to create entertaining photos. It's entirely about augmented reality, and yet has nothing to do with AR.

"AR is a tool developers have to create engaging experiences. What's especially exciting about AR is that with the potential to blend the digital and physical realms, the possibilities are so open-ended that we barely have a sense today of what can be done with it."

Technologies that They Are Excited to Incorporate into Their Marketing Efforts According to Brand Marketers* Worldwide, Dec 2011

% of total



Note: numbers may not add up to 100% due to rounding; *client-side
Source: Society of Digital Agencies (SoDA), "Q1 2012 Digital Marketing Outlook" conducted by Econsultancy, Feb 20, 2012

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www.eMarketer.com

Figure 9.7 Marketers express interest in incorporating augmented reality into their campaigns.

Use Cases

As a new way of literally viewing the world, the initial use case for AR was “the wow factor: things that people hadn’t seen before,” says Something Massive’s Adam Broitman, who began running AR campaigns in 2008. At that time, AR had a certain

magical quality, but, he notes, “as with all new technologies, that wears off.” Now that the novelty factor has worn off, the marketing case for AR is less about “wowing people and more about uncovering information in everything around you.”

Adam compares AR to search marketing: “Much in the same way that search marketers help consumers find a brand using search engines, augmented reality applications, such as blippar (www.blippar.com) and Wikitude, that overlay information on the real world are the beginning stage of utility-based augmented reality.”

As with mobile barcodes, activating print ads and product packaging constitute what Adam sees as “the low-hanging fruit.” He notes that for consumer packaged goods manufacturers, incorporating AR actually doesn’t require any changes to existing packaging, just awareness that the experience is accessible. Of course, even if that conserves resources in one area, it puts an additional item on the marketing department’s to-do list, so if you’re considering an AR implementation, evaluate first whether AR is really the most effective way to generate the results you want or whether another more proven, less flashy tactic will have better ROI metrics. At this stage, Adam believes AR is “not something on your must-do list; it’s not SEO [search engine optimization], for example.”

But Adam sees more interesting applications of AR taking shape in the near future. “Moving forward,” he says, “we’re going to see innovations like Google’s Project Glass as another way that people search the world. So having things properly place-marked in Google Places [now known as Google+ Local] will become important, just as you’d have your website with the proper metadata, alt-tags, and copy to optimize for search engines. Actually having your physical locations or place you want to be found properly marked will be critical because people will be looking in augmented space to find them.”

Even outside of specialty eyewear that may or may not become commercially available, possibilities exist for marketers to do more than offer enhanced information. Rather, the premise—and the promise—of AR lies in the ability to provide a new level of utility. “Imagine you’ve just brought home a piece of Ikea furniture,” says Adam. “You lay out all the pieces, hold your phone up over them, and it actually shows you, like a visual instruction manual, what to do. The potential here is far richer than simply overlaying information. Conceivably, your phone should be able to detect those objects and overlay an outline of what the end state should look like, and as you bring different parts into view, it should be able to tell you ‘that’s the right piece,’ so it’s actually more a digital assistant rather than just information. That’s when it gets really exciting, and when you can get people to go the extra mile for an experience like that.”

Execution Considerations

From a technical standpoint, AR is less mysterious today than it was a few years ago. The software you’ll need is readily available and, in many cases free. To choose the right options, you’ll first want to decide what kind of AR campaign you want to conduct:

Marker-based AR: In marker-based AR experiences, the augmented reality is triggered by the user viewing an image through the viewfinder of a mobile device, or, placing an image in front of a desktop or laptop computer’s camera. The image, or “marker,” is what sets the augmented experience in motion. This type of campaign is a great choice if you want to reach mobile *and* desktop users.

Location-based AR: In this type of AR experience, the augmented reality is triggered by location; therefore, it’s only truly effective on GPS-enabled mobile devices.

Many good free or reasonably priced augmented reality *software development kits* (SDKs) are on the market, but their support for marker versus location-based AR varies. Some of the better options include:

- Total Immersion (www.t-immersion.com/)
- Aurasma (www.aurasma.com)
- Metaio (www.metaio.com)
- Wikitude (www.wikitude.com)
- String (www.poweredbystring.com)
- Zugara (www.zugara.com/)
- Qualcomm’s Vuforia (www.qualcomm.com/solutions/augmented-reality)

In many cases, you’ll be satisfied by marker-based AR. Adding location detection as an enhancement to the experience is often possible if the SDK you choose does not supply it. But no matter your goal, you’ll need to have the right development skills at hand to execute. With its added nuances, AR is not ordinary software development, so unless you have a crack team of developers in-house, you’d be wise to seek out specialists.

A Word of Caution About AR Content

In some cases, AR is simply annotated reality—that is, text information overlaid onto a real-world vista. But, it’s often something much richer, such as animated imagery. This type of rich-media AR is exciting and engaging; but keep in mind that to be successful, it needs to be developed specifically with AR in mind. If you think you can take imagery meant for the Web or for print and reuse it as-is in an AR app, think again. That is to say, you can use the imagery, but it won’t have the expected, 3D-like image quality we’ve quickly come to expect from AR. The best effect will come from creating 3D and 2D images specifically with the AR experience in mind.

The strategic standpoint is where things get more complex. As we’ve emphasized throughout this book, you need to think about the *why* along with the *what* and the *how* when implementing a new tactic or technology. This is a point Adam underscores as well: “The strategic consideration I always tell clients about when they’re

considering augmented reality is that they need to be thinking about the augmentation part—so that they’re adding a value layer on to what already exists, as opposed to something that’s completely separate. You might think of it as mixed reality, where it’s the sum of the digital and physical parts. When you bring the physical and digital together, you make something greater.” A related and no less important consideration: “You need to make it into an end-to-end experience.” That is, don’t make AR an appendage of your mobile campaign; integrate it throughout your marketing, so it becomes a marker for your brand.

Overall, Adam’s perspective is that “there’s been some nice work out of the cutting-edge digital shops, but no one’s really taken AR to the point of being a necessity.” When asked what it’s waiting for, he quips: “It’s waiting for Apple. It’s waiting for someone to come out and make it obvious and simple. Technology is often presented in a way that it doesn’t feel human or doesn’t relate to the human experience. But Apple has always been good at focusing on what you gain from the technology, not what it is. We need a company that can speak to the advantages on a large scale in that kind of way, which is easier said than done. It’s easy to point to what the formula is, but to combine the software technology with a really elegant hardware solution and then tell that story to the whole world is much more challenging.”

For now, standard reality may be enough for most consumers and most marketers. But as more technologies intrude on our daily lives, AR might just prove to be a saving grace. “A personalized AR overlay will help filter signal from noise in any given context. In the best-case scenario, AR won’t add to the clutter so much as cut through the clutter to identify the places and objects you really don’t want to miss,” predicts *Mobile Marketing Daily* editor Steve Smith.

Wednesday: Near-Field Communications

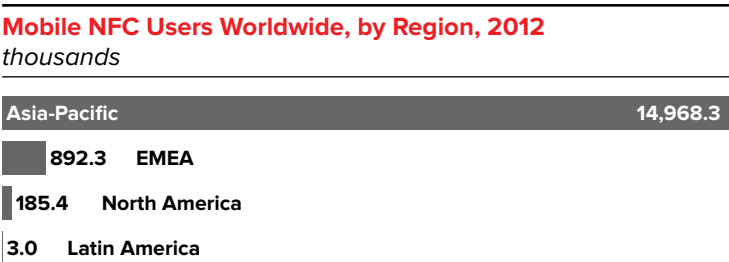
As we noted in Chapter 8, the terms *radio frequency identification (RFID)* and NFC are commonly used interchangeably, in part because both employ radio waves to transmit information between objects. RFID is the more established of two; it has been used in inventory management and asset tracking for over a decade. RFID is also able to transmit data over a longer range, but remember it is a one-way technology, limited to sending information from a tag to a hand-held reader. NFC represents an evolution of RFID in that it allows two-way communication between objects, albeit over a shorter range, and thus is more suitable for ticketing, payments, and marketing campaigns. Although RFID has seen widespread deployment in supply chain management and logistics, we believe the advantages NFC brings in data transmission and interactivity make it the better bet for marketing applications. You should certainly be aware of the distinctions between the two, which we covered in some detail on Wednesday in Chapter 8, but as you start thinking about future-forward ways to incorporate ambient

media into your marketing campaigns, our recommendation is to focus your attention on NFC rather than RFID.

Projected Uptake

We talked quite a bit about NFC in relation to mobile wallets and mobile payments in Chapter 8. Remember that if you’re one of the lucky few to have an NFC chip on your smartphone, it can transmit information across a range of up to four inches. The current emphasis is on using NFC for so-called contactless or proximity payments. The same technology that allows tap-and-go payments can also be used to transmit all sorts of marketing content, including but not limited to maps, images, music, and videos, not to mention social engagements such as Twitter follows and Facebook Likes and Shares. Built-in hardware makes for a more seamless information exchange than the image technologies we talked about on Monday and augmented reality, which we covered on Tuesday. That explains why many are pinning their hopes on NFC and betting the potential of tap and go will make other technologies obsolete.

Most forecasts for NFC assume that mobile wallets will be the driving force behind adoption; there has been less talk around the purely marketing applications of the technology. That said, once NFC-enabled devices are widely available, there’s nothing impinging on the growth of NFC-based marketing as well. As of August 2012, the trade publication *NFC World* (www.nfcworld.com) listed just over 60 smartphones and tablets that include NFC functionality, the majority of which are not available in the U.S. market. Yankee Group, the research firm we cited on Monday, estimates the total number of NFC users in 2012 at just over 16 million, over 90 percent of which are located in the Asia-Pacific region (Figure 9.8). Overall, that’s still a small number, and especially so in comparison to the total Asia-Pacific population, which is nearing 4 billion.



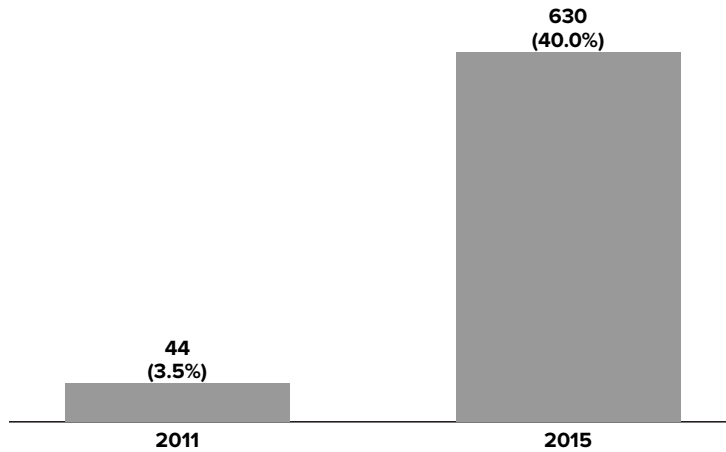
Note: NFC=near-field communications
Source: Yankee Group, "Mobile Money Forecast" as cited in company blog, July 30, 2012
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Figure 9.8 Asia-Pacific leads in NFC adoption.

In several years, however, the situation could look dramatically different. Shipments of NFC phones are expected to increase substantially. U.K.-based research firm Informa Telecoms & Media (www.informatandm.com/) predicts 630 million NFC-equipped handsets will ship globally in 2015, accounting for 40 percent of total shipments, compared to 3.5 percent of total shipments in 2011 (see Figure 9.9).

NFC-Enabled Mobile Phone Shipments Worldwide, 2011 & 2015

millions and % of total mobile phone shipments



Source: Informa Telecoms & Media, "Mobile NFC Services" as cited in press release, Sep 29, 2011

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Figure 9.9 Big growth ahead for NFC-enabled devices

Despite the limited availability of NFC-enabled devices, marketers are nonetheless energized by the potential NFC holds. As you saw in Figure 9.7, 63 percent of brand marketers surveyed worldwide are either excited or intrigued about incorporating NFC into their campaigns. Of course, the percentage of marketers and agencies actually doing so on a global level is still far lower, as shown in Figure 9.3. But we expect those figures to climb in line with the adoption of NFC devices. Given the current distribution of NFC users, it's safe to say the Asia-Pacific region and Western Europe will see mainstream deployments of NFC-based advertising before the United States does.

Potential for Marketers

As with QR codes and AR, activation of print and out-of-home campaigns, information delivery, and purchase assistance represent the low-hanging fruit for NFC. Experiments from major brands have focused on precisely these avenues. Some examples follow.

Reading, United Kingdom In March 2012, 13 major brands, including supermarket chain Morrisons, fashion retailer H&M, Universal DVD and Universal Special Projects, car maker Mercedes, TV channel ITV2, energy drink Lucozade Sport, game maker EA Games, and Unilever's Lynx, Toni & Guy, Magnum, and Vaseline brands signed onto a project spearheaded by out-of-home advertising company JCDecaux (www.jcdecaux.co.uk/) to blanket the city of Reading with over 300 NFC-enabled outdoor ads. The advertisers pledged to update the content of their ads weekly, including rotating special offers, vouchers, games, and music. The ads also featured QR codes to maximize reach.

Lexus The Japanese luxury automaker ran an ad for the Enform infotainment app suite available in its 2013 GS model in the April 2012 issue of *Wired* magazine that featured an embedded NFC tag. The tag activated video demonstrations of each app.

H.I.S. In May 2012, the Japanese-based global travel agency ran ads incorporated into the straps of a number of Tokyo subway lines, giving straphangers something new to do on their daily commutes.

John Lewis The U.K. department store chain ran an NFC-enabled out-of-home campaign in June 2012 across 100 London bus shelters. The ads were designed to raise awareness for the store's Click & Collect order online, pick-up-in-store service.

Granted, these campaigns represent early tests. More proof points are needed to move the needle from “good in principle” to “good in practice.”

The great benefit of built-in hardware, of course, is that it offers the potential for a more seamless user experience—it removes one or more steps required to actually reach the activated content. We can expect more of the kinds of implementations noted here. In theory, NFC offers the promise of activating just about any surface, so everything but the sky is really the limit once the number of NFC-capable devices reaches a critical mass!

Execution Considerations

Given the potential, you're probably wondering what you can do with NFC now. Realistically, the answer is, not a whole lot—at least at this point.

If you're a retailer, you're most likely already investigating the NFC point-of-sale payment processing mechanisms we discussed in Chapter 8. If you're outside the sphere of physical payments, you can still take advantage of NFC. The tags are relatively cheap and NFC readers can be had for a reasonable cost. With some custom coding, it would be fairly simple to run very small-scale tests with NFC-embedded objects. Kiwi Market, for example, could embed NFC chips into customer loyalty cards and enable shoppers to tap their card against an in-store reader to rack up points for each purchase.

However, if you are relying on scale, you may have a bit more of a wait. The number of mobile devices with embedded NFC is still limited, and the market continues to await drivers for mass adoption.

Thursday: Mobile Broadcasting

After the still-emerging channels we discussed on Tuesday and Wednesday, we now turn to two technologies that are far more pervasive—pretty much every smartphone and tablet on the market is Wi-Fi and Bluetooth-enabled. Yet, despite the ubiquity of these technologies in the devices we carry, they are far less widely used for mobile marketing purposes than QR codes and NFC. We think of Wi-Fi and Bluetooth as mobile broadcasting in the sense that these technologies allow you to transmit your message to large, albeit localized audiences. Wi-Fi and Bluetooth both enable the delivery of the same kinds of marketing messages and content we’ve talked about throughout this chapter, including, but not limited to, coupons, contextual or location-based advertising or offers, downloads (apps, images, music, video, games) and social interactions. Both function on the basis of hardware built into your mobile device, but they are quite different in terms of underlying technology.

Wi-Fi is fundamentally an access mode that enables your smartphone or tablet (or laptop for that matter) to connect to the Internet, often at higher speeds than you’d achieve on your mobile carrier’s network (and without cutting into your monthly data allotment). Wi-Fi networks typically operate at a range of 100 to 300 feet, hence their technical designation as wireless local area networks (WLAN).

Bluetooth, a proprietary standard developed by telecommunications equipment manufacturer Ericsson (www.ericsson.com) in 1994, was designed for secure, short-range data exchange. Today, the Bluetooth Special Interest Group (www.bluetooth.org/), a trade association with over 16,000 members, manages development specifications, protects the trademarks, and oversees standards qualification programs for new devices that incorporate Bluetooth technology. Unlike Wi-Fi, which connects you and your device to a network of many, Bluetooth establishes a direct, secure connection between two Bluetooth-equipped devices (such as a phone and headset or a phone and a computer), hence its designation as a personal area network (PAN). This process generally requires a password exchange—if you’ve ever tried to pair your phone with your car’s Bluetooth system, you’re probably familiar with the routine.

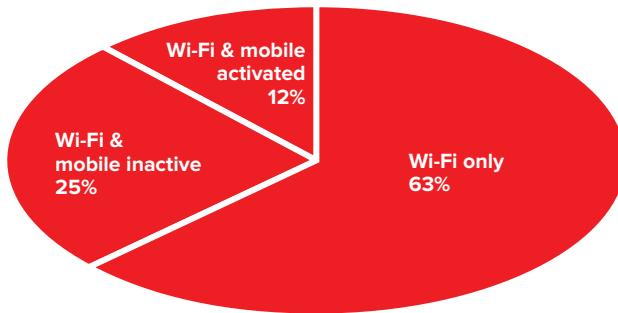
Given the technological differences between Wi-Fi and Bluetooth, you could think of Wi-Fi as enabling one-to-many proximity marketing. Bluetooth, on the other hand, functions on more of a one-to-one basis, albeit with the potential to reach many people within range of the Bluetooth network. Another distinction to keep in mind: Bluetooth follows opt-in permission-based guidelines similar to those we covered in Chapter 3 for SMS, whereby the recipient of a Bluetooth-activated message or offer needs to positively affirm willingness to receive marketing messages from whatever brand is transmitting them.

Wi-Fi

As mobile device users, we spend an increasing amount of time on Wi-Fi networks, whether at home, work, or in places such as cafes, airports, malls, and hotels. Usage of Wi-Fi among smartphone and tablet owners is nearly universal, especially for tablets, a much lower percentage of which feature cellular data connections, as shown in Figure 9.10.

Installed Base of US Tablets, by Connection Type, Q1 2012

% of total



Source: Chetan Sharma, "State of the Global Mobile Industry: Annual Assessment 2012", April 30, 2012

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Figure 9.10 Wi-Fi connections are dominant among tablet owners.

According to Informa Telecoms & Media, the U.K.-based research firm we cited on Wednesday, 70 percent of smartphone data traffic worldwide was transmitted over Wi-Fi networks as of January 2012. In some European countries with high data tariffs, that figure rose over 80 percent (see Figure 9.11). As mobile carriers around the world implement monthly data caps designed to alleviate pressure on overburdened cellular data networks, you can expect those percentages to keep going up. (Trust us. Your carrier will thank you.)

In North America, in another sign of the advance of post-PC computing, JiWire (www.jiwire.com), the location-based mobile advertising company we cited in Chapter 7, found that smartphones and tablets accounted for 52 percent of total Wi-Fi hotspot usage (35 percent for smartphones and 17 percent for tablets), compared to 48 percent for laptops. A year earlier, laptops represented 70 percent of total usage, compared to 21 percent for smartphones and 9 percent for tablets.

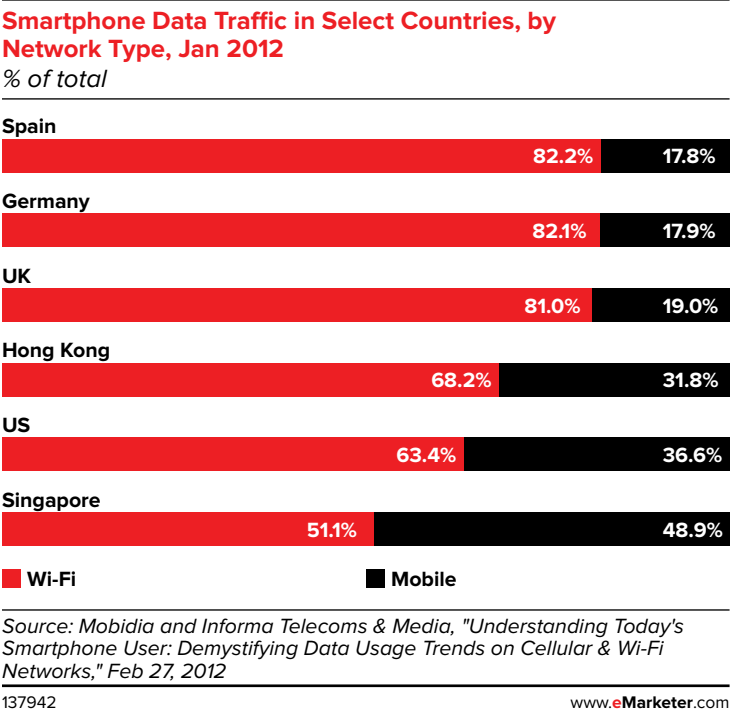


Figure 9.11 Wi-Fi accounts for a high percentage of smartphone data traffic.

Of course, the growing availability of Wi-Fi networks is also a major factor behind the explosion in Wi-Fi-based data traffic. According to JiWire, the number of public Wi-Fi locations worldwide totaled nearly 777,000 as of Q2 2012, up 35 percent from Q1 2011, and more than triple the total from 2008. Take a look at the numbers reported in JiWire's "Mobile Insights Audience Report: Q2 2012."

2008: 237,507
2009: 289,476
2010: 414,356
2011: 682,929
2012: 776,556

Another interesting development to monitor is the difference in business models behind Wi-Fi hotspots in the United States compared to the rest of the world. According to JiWire, the breakdown as of Q2 2012 was as follows:

Worldwide: 79.9 percent paid versus 20.1 percent free
U.S.: 76.0 percent free versus 24 percent paid

In other words, the United States is almost diametrically opposed to the rest of the world. But consider this: where there's free, there's also an opportunity for ad-supported, so keep that in mind as you think about use cases.

Use Cases

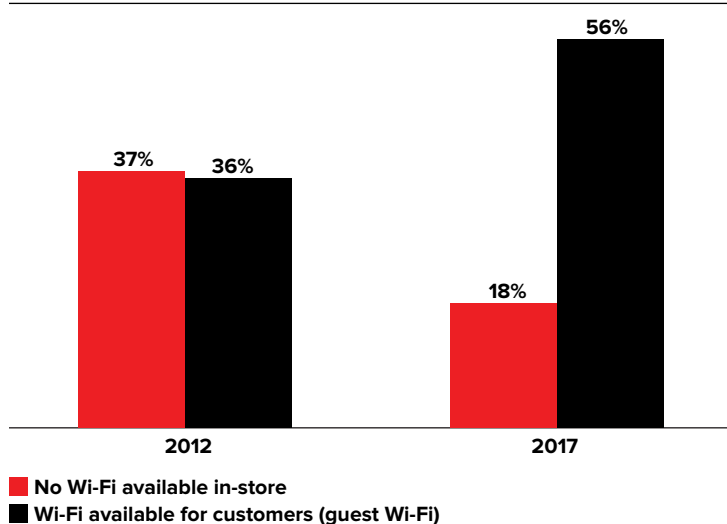
As we noted in Chapter 7, JiWire research indicates that over half of U.S. Wi-Fi users are willing to share their location in exchange for relevant content. So, if you combine pervasive usage of Wi-Fi with a high percentage of free hotspots and consumers' general receptiveness to relevant location-based offers, you have the recipe for proximity marketing. Consumers who log into Wi-Fi networks are primed for learning and engaging with what's around them. You should bear in mind how device usage differs by venue, however. For example, JiWire finds that the majority of North American Wi-Fi usage in places like restaurants and cafes comes from smartphones. Tablets, as you might expect, see higher usage in malls and lean-back venues like hotels than they do in dining establishments.

If you want to reach users on Wi-Fi networks, your best bet is to work with a dedicated ad network that has a presence across many hotspot locations, such as JiWire or Cloud Nine (www.cloudnine.com/). You may also want to consider large carrier-based Wi-Fi networks, such as AT&T, which maintains over 30,000 hotspots in the United States alone, including in numerous hotels, airports, and retail locations, or perhaps the ultimate in mobility—the increasingly ubiquitous in-flight Wi-Fi networks maintained by the likes of Gogo (www.gogoair.com/).

Depending on your business, be sure to take a close look at the retail sector. Major retailers, including Macy's and Sears in the United States and the U.K. supermarket chain Tesco, increasingly offer free Wi-Fi to customers (see Figure 9.12) because they know

US Retailers that Provide In-Store Wi-Fi, 2012 & 2017

% of respondents



Source: Motorola Solutions, "What's Driving Tomorrow's Retail Experience?" July 2, 2012

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Figure 9.12 In-store Wi-Fi looks to become a common feature for U.S. retailers.

shoppers are using their smartphones to find reviews, compare prices, watch product videos, and connect to social networks. Offering the perk of free Wi-Fi is one way retailers can control and even track that activity, which can provide insights they can use to keep shoppers' purchasing in-store.

If you're a marketer, especially if you sell your products in a Wi-Fi-enabled retail location, consider the benefits of using the store's Wi-Fi network to offer incentives. Consumers who sign on will certainly be in-market and likely receptive to your message in that context. The retailer will benefit as well, as such an offer may be just the inducement a consumer needs to prevent a showrooming incident that results in the consumer making a purchase elsewhere.

Bluetooth

Bluetooth is pervasive; it is embedded in nearly every mobile device currently on the market, as well as most laptops, many other peripheral devices, and, increasingly, in-car infotainment systems. Yet, it has seen little or no usage for marketing purposes. Digital agency 360i's vice president of emerging media, David Berkowitz, offers an explanation, "Bluetooth is stuck in this unfortunate realm of being so pervasive that it's so established that it's boring. And still, so few people understand it. It has all of the mystery without the mystique. Most people don't know what it does and don't want to know. A big challenge for Bluetooth is that people are becoming especially sensitive about battery life, so if people need to turn on something that isn't already on, that's a big hurdle."

The password authentication exchange between two Bluetooth-enabled devices likewise presents ease-of-use issues. If you've ever tried to pair your phone with another Bluetooth device, you've no doubt experienced the frustration of not knowing the right passcode to enter. Consumers will keep trying if it means being able to make hands-free calls in their car, but they will not be as tenacious if the only thing at stake is receiving a marketing message.

Use Cases

Could the situation David describes change? The short answer is, yes...but. In theory, you can use Bluetooth to accomplish many of the objectives we listed on Monday, including campaign activation, information delivery, and purchase assistance. In theory, Bluetooth offers some intrinsic advantages relative to the other technologies we've covered in this chapter, namely a highly secure, permission-based link between consumer and marketer. That said, there are substantial hurdles to using Bluetooth to do what those other technologies might be effective at doing.

First, you have the awareness challenge, as David's comments underscore. It's not that Bluetooth can't be a viable marketing delivery mechanism—it's that you have to educate consumers about the possibility and then get them to use it as such. That takes time, resources, and persistence, precisely at a moment in which you're likely

using all three to build awareness of delivery mechanisms like QR codes, NFC, and perhaps AR. Here’s some data that illustrates this challenge: CBS Outdoor and consumer insights firm Kantar Media (www.kantarmedia.com) did a study among European consumers in France, Ireland, Italy, the Netherlands, Spain, and the United Kingdom in November 2011. The results, shown in Figure 9.13, demonstrate far higher rates of awareness—and usage—of QR code and SMS short code-enabled outdoor ads than for Bluetooth-activated ads. Granted, that’s but one example, but we feel it reflects the broader challenges you’ll encounter when implementing Bluetooth-based marketing campaigns.

Awareness and Usage of Select Outdoor Ads According to Internet Users in Europe, Nov 2011		
% of respondents		
	Awareness	Usage
QR codes	39.79%	13.34%
Promotional text code in an ad	34.21%	14.53%
Touchscreen billboard advertising	20.37%	7.48%
Ad image recognition	15.53%	5.33%
Online check-in/location-based vouchers	13.98%	4.89%
Tweets/Facebook updates on digital ads	13.72%	4.43%
Augmented ads	13.69%	4.20%
Bluetooth-enabled advertising	13.13%	4.47%
Motion & gesture interaction	6.64%	1.70%
NFC	5.76%	1.40%
<i>Note: n=9,024 ages 18-54; UK, Ireland, France, Spain, Italy and Netherlands</i>		
<i>Source: CBS Outdoor, "Interactive Europe: The Outdoor Media Landscape is Changing" conducted by Kantar Media, March 21, 2012</i>		
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Figure 9.13 Consumers have limited awareness of Bluetooth-enabled ads.

Second, and related to the first, much as we’ve encouraged you to shy away from shiny new object syndrome, shiny objects do benefit from a lot of exposure (some might say hype) and consequently generate a lot of interest, some of which may lead to actual traction in the market. Bluetooth has always been seen in a more utilitarian light, which may explain its pervasiveness in applications outside marketing. It’s vital, for example, for linking your smartphone to your car’s infotainment system. With considerable momentum behind QR codes and NFC, in particular, from a wide array of sources (handset manufacturers, mobile carriers, banks, credit card and payment processing firms, advertising agencies, and technology giants, just to name a few), our feeling is that Bluetooth will remain a niche technology when it comes to mobile marketing.

Friday: Digital-Out-of-Home

Remember Steven Spielberg's 2002 film *Minority Report*? Like many future-looking science fiction films, it was meant to be a cautionary tale about the role technology plays in our lives. At the same time, because the film was expertly made, it also made some of that technology look pretty cool. And wouldn't you know it, some of the technology portrayed in the film is slowly but surely moving out of the realm of science fiction and into the realm of daily reality. For the last section of this chapter, we'll try to sort through what's still fiction and what you can really do with the two technologies we've broadly classified under the rubric of digital-out-of-home (DOOH): interactive signage and surface computing.

The first development, interactive signage, includes the kinds of digital billboards you commonly find in malls, movie theaters, office buildings, and transit hubs. It is far more prevalent than surface technology. Some digital signage is actually mobile in the literal sense, namely, the screens you find atop taxi cabs or on the side of buses or metro railways. Some of it is merely mobile-enabled, much in the same way that it triggers interactions that take place on our devices. In the realm of out-of-home advertising, digital signage is to traditional roadside billboards what the Web is to print.

The second development still falls mostly in the "coming soon" category. To wrap your head around surface computing technology, imagine an entire tabletop or wall featuring the same kind of multitouch screen you currently have on your smartphone or tablet. The big difference is surface technology enables multiple user inputs simultaneously—lots of different people can interact with a surface computing screen at the same time, each doing different things. Chances are, you've witnessed surface computing and didn't even know it. If you've ever watched the news anchors on CNN manipulate images and maps on giant, 82-inch capacitive monitors, you've seen it in action. That's probably the most visible manifestation of the technology to date, but expect to see more large-format, multitouch, interactive out-of-home ads in locations like bus shelters coming soon to urban areas.

Mobile-Enabled Digital Signage

In an age of media saturation, it's tempting to think that digital signage is everywhere, as it was in Ridley Scott's dystopian sci-fi classic *Blade Runner*. In urban areas, that often seems the case. But in fact, digital out-of-home is still a small piece of a much larger advertising pie. Research firm PQ Media (www.pqmedia.com) estimates that global spending on DOOH will reach \$8.3 billion in 2012. That's a mere fraction of the \$542.3 billion in total media ad spending eMarketer estimates for 2012. Per PQ Media, DOOH is most prevalent in the Asia-Pacific region (40 percent of the market), followed by the Americas (35 percent) and Europe (23 percent).

Even though digital signage is far from ubiquitous, many marketers consider it highly strategic when it comes to transmitting personalized and proximity-based

messages. For example, in a global survey by the Aberdeen Group (www.aberdeen.com), a research firm owned by direct marketing services company Harte-Hanks (www.harte-hanks.com), 47 percent of the retailers characterized as “leaders” and 27 percent classified as “followers” said they use digital signage to deliver personalized offers to customers. As with many of the ambient technologies we’ve talked about in this chapter, mobile devices are the activation mechanism for those offers.

Context, as we discussed in Chapter 7, is an important element of personalized and proximity marketing. Imagine you’re waiting in line at a movie theater on opening night to see the latest superhero blockbuster, and a screen near you offers exclusive content such as an app enabling you to visualize yourself as your favorite character. You are, in effect, a captive audience—you’re already primed for the film, and chances are good in that situation that you’d be receptive to engage further while you wait for your seat. Your smartphone enables you to take that step right there. Similarly, if you happen to wander around the mall following the film, you’re apt to be interested in eating or doing some shopping. Local merchants can respond by adjusting the messages on digital bulletin boards, displaying interactive menus for local restaurants and targeting consumers with coupons and special offers.

Digital signage can promote further engagement once you enter a business. Imagine a bar that instead of a traditional jukebox features a digital, screen-based version that allows diners to make song requests from their own music libraries as well as vote on songs selected by other patrons. Berkeley, California-based Roqbot (www.roqbot.com) is one such startup enabling precisely that. These are the kinds of connections between mobile devices and digital signage that we can expect to see more of in a not-so-distant future. Remember, *Blade Runner* was set in 2019, which is fast approaching.

Surface Technologies

Even more in the realm of science fiction, the notion of motion-sensitive, digitally enabled objects calls to mind the holodeck popularized by *Star Trek: The Next Generation*—a virtual world of simulated objects. Microsoft pioneered the category in 2007 when it introduced Surface—a tabletop computer (not to be confused with the 2012 tablet computer of the same name) designed and priced primarily for commercial deployment. (Most consumers had little use or interest in a \$12,000 computer, no matter how cool it looked.)

Outside of regular appearances in sci-fi films, surface computing has slowly expanded, but the actual applications of it we can expect to see in real life are a bit more mundane than what you see in the movies. Imagine the kinds of digital signage we’ve just described, only with interactive touchscreens. You’ll find them in high-traffic areas like malls and airports, where they can help shoppers and travelers navigate option-filled locations. You’ll also find them in stores, where retailers want to enable customers to interact with their products, and restaurants, where they can serve as an interactive entertainment platform as well as an eating surface. Naturally, the Surface

first surfaced in such a capacity in Las Vegas, the United States' closest approximation of the urban landscape depicted in *Blade Runner* (minus the persistent rain, of course). Increasingly, you're starting to see places such as retail locations, restaurants, and airport lounges equipped with iPads or other tablets. In these instances, the surface technology is not on the same scale as an interactive wall, but the interactive surfaces and the objects on them, namely apps, are also more familiar for the average consumer.

From entire walls or spaces that become digitally and touch-enabled to the steady incorporation of tablets into the retail and eating experience, one thing is safe to say: Wherever you look, there are going to be more screens in your line of sight and at hand. Whether they'll be able to detect your thoughts and desires, as in *Minority Report*, remains to be seen, but ambient digital and mobile media will undoubtedly infuse our awareness of the physical world.

In Conclusion

The technologies and media we've highlighted in this chapter have not seen widespread usage—yet. Something Massive Chief Creative Strategist Adam Broitman and 360i Vice President of Emerging Media David Berkowitz both caution about regarding the challenges associated with changing consumer behavior, specifically, getting consumers to adopt new and often unproven technologies. Similarly, both see Apple as a potential game-changer in this regard.

Says David, “Apple is a wildcard with anything it does. Apple could endorse Bluetooth or NFC, reinvigorate SMS or pink unicorn stickers, and it could change consumer behavior nearly instantly. Apple is just about the only company that can consistently change consumer behavior. Because of Apple, we use touchscreen handsets, listen to portable digital music, and collectively download billions of applications. Whatever Apple endorses has strong potential to go mainstream and ripple far beyond its own devices.”

The technologies and media we've discussed in this chapter are, for the most part, waiting for their ripple. But, with mobile effectively becoming the new desktop and emerging as the mainstream computing idiom, they point the way to the future. By the future, we mean not just for mobile marketing, but marketing in general, which we see as defined by three key qualities: mobile, social, and ambient.

In the next and final chapter, we'll map out the road ahead, focusing on what we see as the new four Ps you need to integrate into your marketing—Portability, Preferences, Presence, and Proximity—and **mobile innovations** to watch.

Chart the Future Forward

Over the past nine weeks, we've taken you from the basics of mobile right through some of the most intricate emerging technologies. We've taught you how to map a strategy and mobilize a .com website, leverage the social/mobile/local nexus, and plot your plan for mobile payments. So, what's next? At the rate technology is evolving, it's hard for marketers to look too far into the future with any real accuracy. The devices we use today can, and probably will, look different in two years. As we've said, it's not so much the devices that should concern you as it is the way those devices are changing our approach to marketing overall. In this final chapter, we'll discuss some of the more future-forward technologies we are watching. We'll also focus on the way they are affecting how you connect with your customers and discuss ways you can effectively plan to take advantage of them.

10

Chapter Contents

The new customer journey

The new guiding principles of digital: portability, proximity, preferences, and presence

Mobile innovations to watch in 2013

The New Customer Journey

It might surprise you to hear that we're not big fans of the term "customer journey," especially because we've used it liberally throughout this book. In order to share the insights we hoped to impart, it made sense for us to use the vernacular, but in truth, we'd like to see the term go away altogether. In fact, we'd like to do away with the word "mobile" as well, because both words are misleading. Why? Well, first off, customers don't know they're on a journey. They have little clue that they're traveling through a purchase funnel—and they definitely don't think in terms of mobile web versus desktop web, or native apps versus web apps, to the same extent you do. To them, it's all just media, and they're after relevant content, a great experience, and perhaps some good deals. So, for us to keep bucketing our efforts into silos is more than a little counterproductive. As our favorite advertising industry elder statesman, Alan Siegel, told us in the Introduction, let's not focus on the delivery mechanism, let's focus on the content, and everything else will fall into place.

Of course, that's not as easy as it sounds. We're in the midst of a tremendous shift in the way marketing works, and while change is good, it's also difficult. Surprisingly, the hardest part of the challenge isn't in knowing the technologies involved and how to use them, but in understanding the human element. As consumers, our expectations, our behaviors, and the paths we take to achieve our objectives are evolving very, very quickly—it's no longer a straight point-A-to-point-B trajectory. In truth, it probably never was, but the increasingly ubiquitous digitization of the human experience is making our journey from prospect to customer to advocate more complex and convoluted than ever. Yet as marketers, we tend to apply a very linear, old-school model to doing our jobs.

In Chapter 4, "Week 3: Maximize Reach with Mobile Websites," we discussed the move toward responsive design, an innovation that we believe will revolutionize the way we create digital content. But, we believe that as an industry, we need to take it one step further and apply the responsive approach to marketing as a whole. In this chapter, we'll share our own insights on how the customer journey is evolving and the technologies that are making it happen.

In the introduction to this book, we talked about the simple fact that just like everything else, media evolves. Not only does it evolve, it does so at an increasingly rapid pace. You are probably familiar with the concept of Moore's Law, which posits that the power of computer processors doubles every two years. That concept applies equally to the rate at which consumer behavior adapts to technical innovation. Until the mid-1990s, the customer journey was pretty straightforward (at least to outward appearances). As marketers, we assumed that a potential customer would hear about our brand in one of four key ways:

- Through a print or out-of-home ad
- From a television commercial or movie

- From a radio ad
- From a friend (word of mouth)

The general assumption was that the potential customer would hear about your brand through one of these channels and then visit a store or showroom to check it out. The pivotal moment of decision-making—what Procter & Gamble christened the “Second Moment of Truth”—happened there, at the shelf, as the customer decided whether or not to buy. The “Second Moment of Truth” came post-purchase when the happy customer recommended the product to a friend, creating a virtuous cycle in which satisfied customers create new ones for your brand.

With the advent of the Web, the aforementioned channels didn’t go away, but a new, highly powerful dimension was added in the form of branded websites. As marketers, we realized the progression from prospect to customer to advocate wasn’t anywhere near as linear as we thought. Purchase decisions were happening in real time before the customer got to the shelf—sometimes without the customer ever setting foot in the store at all. Advocacy was happening directly—and indirectly—across multiple channels and platforms and often occurred before purchase via “likes” and “shares” within the customer’s social graph.

All of a sudden, things became way more complex. The customer journey wasn’t a simple equation anymore, and we had a whole new set of marketing metrics to figure out. We started to realize that we had to be more present, in more ways, and in more places, and that we had to actually pay attention to who our customers were and what they had to say. Yet, we still had it easier than we realized. When the Web looked like Figure 10.1, your biggest worry really was “Does it work in Internet Explorer on a Mac?”

Oh, how times have changed.

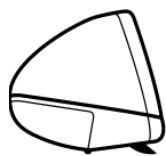


Figure 10.1 The Web in 2000

Now, the Web looks something like Figure 10.2. Most of us have yet to completely figure out digital marketing in general, let alone how to market using mobile devices. It’s beyond daunting to tell you that you need to think beyond smartphones and tablets, as well—but the fact is you do.

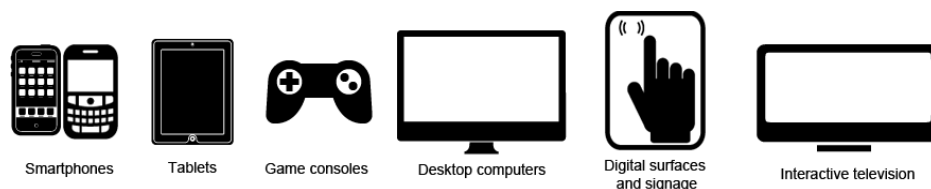


Figure 10.2 The Web in 2012

The reality is, as the world around us becomes increasingly digitized, the customer journey is becoming infinitely more complex. We're connected now 24/7 via our desktops, smartphones, and tablets. But, as the Web encroaches on physical spaces and objects, those connections can and will become more ambient, more intimate, and more powerful. Consequently, it will become far more difficult for us as marketers to determine when that Zero Moment of Truth, the moment in real time when consumer decisions are made, actually occurs. We'll need to be more nimble, in not only our use of technology, but also our approach to the individual customer.

The light-speed evolution of technology is forcing us to confront the nonlinear customer journey; clearly, you have to understand the technology, or we would not have written this book. Before this chapter ends, we'll discuss some of the most disruptive technologies on the horizon. But, understanding the technologies simply isn't enough. You also need to understand the four Ps of the new customer journey: *Portability*, *Preferences*, *Proximity*, and *Presence*.

The New Guiding Principles of Digital

We'd argue that the most exciting development in digital marketing to date has been the emergence of social media. Facebook, Twitter, WordPress, Pinterest, and the countless other satellites within the social media ecosystem forced the realization that marketing isn't a monologue, but a conversation. People will talk, and it's not really a choice of whether to join the conversation or not. With that, came the realization that those conversations are happening in real time, on smartphones and tablets, via SMS and apps and an ever-growing spectrum of non-traditional channels. Social and mobile may occupy different aspects of your marketing budget, but the reality is that the two are inextricably intertwined—one could not have evolved without the other.

Accepting that marketing is a conversation opened our eyes to the fact that we need to be present in all the situations in which those conversations occur. It has also pushed us to accept the fact that customers are individuals with their own wants, needs, and terms; and while the industry is still largely stuck in a one-size-fits-all model of marketing, we firmly believe we're moving toward a far more customized method of connecting with our customers based on the guiding principles of *Portability*, *Proximity*, *Preferences*, and *Presence*.

Portability

Our jobs were so much easier when we only had to worry about desktops, laptops, and a couple of different browsers. It may have seemed ridiculously complex to us back when it was all so new, but in reality, we had it pretty easy. Now, the content we create has to flow across multiple digital touchpoints—something it was not, in most cases, designed to do. Your site needs be equally useful, usable, desirable, findable, and engaging across desktop, smartphone, *and* tablet browsers; and it needs to provide contextually relevant content, functionality, and experiences for each.

But, it's not just about the browser anymore. Digital experiences are happening through native apps, messaging, geo-social networks, ambient delivery channels, digital surfaces, and social machines of all shapes and sizes. So, making certain the content you create and the data you collect is portable to browsers just isn't enough.

Take our clients at the fictional Kiwi Market, for example. At the end of their mobile strategy, they netted out with a robust, CMS-driven mobile website that will adequately service their customers' needs until they can roll out a responsive website a year or two down the road. But to fully extend their brand and take advantage of all the possibilities mobile presents, they'll work with their agency partners and technology providers to ensure that:

- Their content is *highly extensible* by choosing open design and technology standards and selecting partners, products, and services that support them.
- Their content is *highly accessible* by choosing to use open standard formats and protocols for their APIs.

The only constant is change and, as much as we'd like to offer more meaningful advice on portability beyond what we've already mentioned, we can't. Although we're pretty sure the medicine cabinet in your bathroom will be capable of displaying your Facebook feed by 2015 or so, we can't honestly claim to know what the data format for it will be. However, if you choose open standards, keep your content accessible, and avoid painting yourself into a corner with closed systems and technologies, you'll be more than halfway there—not to mention way ahead of the competition.

Preferences

Preference-based marketing has a long history of starts and stops. In the earlier days of the Web, there were numerous attempts to get people to opt in for ads in exchange for offers and content; to date, the only place this model has truly survived is in the form of opt-in email marketing and SMS. As marketers, we found that it was a lot easier to group customers into segments and make educated guesses as to what they'd respond to than it was to actually *ask* them. However, we think that with mobile, the preference-based model may just have turned a corner. Just as iTunes trained us that it's acceptable to pay for content, the geo-aware capabilities of mobile have begun to train us that it's acceptable to volunteer a small piece of information in exchange for something of value, such as a deal. Google Maps is a great example. Your current location is highly detailed personal information, yet most of us don't think twice about giving it up in exchange for something as simple as an address.

Think of the implications of such technology for our fictional Kiwi Market. Opt-in preferences could enable Kiwi to effectively customize the example persona Michelle's experience every time she sets foot in the store. Based on her shared preferences, Kiwi would know that Michelle is an amateur chef with a passion for classic French cuisine as well as a working mom with two young kids. The site could then

tailor the content and offers it presents to her to those specific needs and interests. Rather than casting its nets wide with general offers and broad, general content, Kiwi could begin to tailor its messaging and approach to what's actually meaningful to each consumer at any given time.

Put yourself in the customer's position: Imagine, in the future, that your mobile device includes control panel settings that allow you to publicly broadcast certain preferences and/or targeting criteria to brands and advertisers. That information would enable them to tailor their messages to you, the user. For example, you could broadcast:

- Your age
- Your gender
- Your education level
- Your native language
- Your current location
- Your hobbies, likes, and dislikes
- Brands and product categories from which you are willing to receive communications and on what basis

Then, imagine that a brand's website or app (or digital kiosk, Bluetooth node, NFC point-of-sale module—you get the picture) can tap into these opt-in preferences via an API or some form of proximity technology, and on the basis of what you have shared, understand what is appropriate to offer you, as well as when, where, and how to do it.

Proximity

As we've already referenced, the ability to actually be where your customers are has long been the holy grail of marketing and advertising. Now, thanks to mobile devices and the ever-expanding array of connected and convergent places and objects, you can actually achieve it. Proximity is one the richest and most diverse capabilities that mobile has to offer us, and it goes far beyond store locators and location-based display ads.

Location, in its most basic form, is extremely important for a brick-and-mortar brand like Kiwi Market. As you saw in Chapter 7, "Week 6: Leverage the SoLoMo Nexus," localized Google Search marketing is one of the cornerstones of the chain's mobile strategy, and they've begun to dabble in locally targeted search and display advertising. They've even begun to distribute special offers on a local level via text using geo-fencing and push alerts generated from their mobile app based on location. However, Kiwi realizes that location can be used for more than just marketing—it can enrich the customer experience as a whole.

Here's an example of how that might work: Visit the Kiwi Market website on a smartphone when you're in a store, and upon receiving permission to detect your location, the site will serve you offers and specials specific to that store, show you info on

what's in season locally, and tell you what's new and fresh in the catering department. By contrast, visit the site when you are more than a few blocks away from a store and you'll automatically receive higher-level content that introduces you to the Kiwi Market brand and offerings.

End users may not know they're on a customer journey, but just the same, they want to get to their end destination, their end goal, quickly and efficiently with as little friction as possible. Anything you, the brand, can do to make their lives easier in this regard will strengthen the connection between you. It might be as simple as helping to find your closest location via Google on a smartphone or filtering unique content and offers relevant to the spot they're in. It might be as complex as allowing them to pay for your products and services with a tap of a cellphone.

Here's what you need to remember: Layering permission-based on location and personal data over your marketing efforts will enable you to create content and experiences that are highly meaningful—far more so than anything you could do online in the conventional sense. If you know who I am—and *where* I am at right this moment—your chances of connecting with and converting me are extremely high.

Presence

Presence is a concept borrowed from the world of instant messaging (IM); one that we believe will become increasingly relevant as digital technology becomes more ambient and integrated into the physical world. In IM parlance, presence indicates a user's current state of activity as well as his or her ability to engage in conversation—for example, “away from my desk” or “in a meeting”—“please do not disturb.” Essentially, presence is what we've come to know as “status” in the age of social media. Presence, however, differs from status in that it indicates what I'm doing but also adds an additional dimension of receptivity. Whereas my Facebook status simply tells you what I'm doing right now, presence indicates what I'm doing and what it means to you if you want to interact with me. Transferred to the broader spectrum of digital marketing and layered on top of portability, preferences, and proximity, it presents far richer and more interesting possibilities than a simple status message ever could.

As we proposed earlier, imagine functionality built directly into the operating system of your smartphone that enables you to continually broadcast a custom presence to people—and brands—throughout the day. For example, you might always be “available” to your significant other for a phone call or text, but “busy” for calls or texts from friends during your working hours. The easiest scenario we can use to illustrate how a brand might leverage presence in this way would be through an app. For example, your smartphone might have a presence API that a brand could integrate into its native app to control how and when the app communicates with you via push messages. Our prototypical Kiwi customer, Michelle, for example, might choose to

relay her status to Kiwi Market at lunchtime Monday through Friday as “hungry” in order to receive messages about what’s on special that day in the Kiwi café. However, on the weekends as she ferries her kids to soccer and ballet, she might choose to be *out* to “lunch” because her kids prefer to visit their favorite fast food restaurants as a treat.

Preferences, presence, and proximity work together symbiotically to create the most synergistic connection between brand and consumer. What you’re open to right now you may not want tomorrow, and what interests you in one location may be of zero interest when you are in another. You may be open to offers from Kiwi Market, but not the fast food franchise down the street. You might only want to hear from Kiwi on Tuesdays and Thursdays when they offer vegan specials. You may want to hear about cooking classes and tastings, but only on weekends when you have time to enjoy them. The layering of presence over location and preferences has the potential to make all our fears about mobile marketing (the worries about privacy and bombarding users with too much unwanted information) a thing of the past. Portability of content—the first and most fundamental piece in the mobile marketing puzzle—makes it all possible.

The four Ps of digital may evolve somewhat differently from the way we’ve envisioned them here, but there is absolutely no question that, separately and together, they will be the hallmarks of how you connect with your customers in the years to come.

Mobile Innovations to Watch

When we discussed Kiwi’s mobile strategy in Chapter 2, “Week 1: Develop Your Mobile Strategy,” we mapped out what Michelle’s customer journey looked like, from prospect to purchaser to loyal brand advocate, including the many desktop and mobile touchpoints involved. However, flash forward from 2012 to 2015 and Michelle’s journey may well look quite different. We’re hesitant to make too many predictions about exactly what it will look like, but we have a few ideas about what you should keep your eye on.

Social Machines Odds are you don’t feel an overwhelming need to have your refrigerator text you a reminder to pick up the milk or to tell your toaster you’d like your whole wheat a little on the light side this morning. You’ve probably never wished you could “like” a brand of candy after you bought a snack from a vending machine nor had the opportunity to pay for a soda with a tweet, but none of those scenarios are very far off in the future and some are already a reality. Global brands like Coca-Cola have been tinkering with socially enhanced vending machines for some time now, and we can expect more brands to enter the space as the technology that enables this sort of interaction becomes more accessible. One of the more interesting companies on our radar, BugLabs (www.buglabs.com), has been doing some especially interesting work in this space, enabling consumer brands to connect with new and existing audiences via

vending machines and other physical interfaces through social cues. We think you'll be seeing more and more of the paradigm they are helping to shape.

Digital Glass Since its debut in early 2011, Corning's "A Day Made of Glass" has become one of the most talked about and widely viewed video series on YouTube (www.youtube.com/watch?v=6Cf7IL_eZ38). It showcases the daily lives of average citizens across the globe, enriched by the digitally enabled surfaces of their homes, workplaces, and vehicles. While the world depicted in these videos may seem far in the future, the engineers at Corning, Google, and similar design-technology think tanks may not be that far off from making it reality. Corning's flexible Gorilla Glass and Google's Project Glass are just the beginning. In the very near future, our windshields, bathroom mirrors, countertops, and just about every other smooth surface you can imagine will have the potential to transmit and receive digital information.

Voice Control Siri, Apple's digital voice assistant, is just the tip of the iceberg. Voice control has great potential to go beyond the personal assistant model introduced for the iPhone in 2012. Coupled with voice recognition, which adds an additional level of personalization and security, we foresee voice control infiltrating more corners of the splinternet; users might soon interact with signage and other digital interfaces on an effortless, more personalized level through simple speech.

Facial Recognition If you find remembering and entering passcodes and passwords tedious, just wait! In the future, you may simply have to glance at your smartphone, tablet, or other digitally enabled interface to access content, share info, and even conduct transactions. At least that's what the major players in the mobile world seem to be banking on. In June 2012, Facebook purchased Israeli facial recognition startup Face .com for as yet undisclosed (yet not hard to guess) purposes. Android 4.0 (Ice Cream Sandwich), released in December 2011, came equipped with a facial recognition option for unlocking your device. Meanwhile, patent filings from 2012 indicate that Apple has designs of its own on facial recognition. To make a long story short, the how and when of facial recognition remain to be seen, but there's a very strong possibility that it will become a regular part of your mobile experience in the near future. As with voice, once users have accepted facial recognition for accessing and controlling their mobile devices, the potential for marketers to use it won't be far behind.

Eye Control Eye control is similar to voice control and facial recognition, in that it is a form of non-touch human/computer interaction, but with a twist—eye control is more about navigation than security, access, or preferences. In a multitouch, multiplatform world where we already have our hands full with pinching and zooming every screen in sight, the ability to control interactions with a glance has the obvious potential to help us move more efficiently through our unique customer journeys. Although the marketing usages are still unclear, it's not hard to hypothesize how, coupled with facial recognition technology, eye control could allow for extremely personalized experiences.

In Conclusion

Our goal has been to arm you with an understanding of mobile that will help you plan for your clients, build your brand, and manage your partners and vendors. We hope we have succeeded and have started you on your way. As you continue your own journey as a mobile marketer, you can refer to this book's glossary of terms and the appendices, which list vendors and tools that will help as you move forward. We also encourage you to visit our blog at www.mobi1eanhouraday.com, where we will continue to analyze the latest trends, technologies and companies in the mobile industry and interview brands and marketers on how they are using mobile to achieve their goals. If you'd like to share your own experiences or ask questions, we'd love to hear from you! You can reach out to us at authors@mobi1eanhouraday.com.

Appendix A: Research Firms

A

As we discussed in Chapter 2, “Week 1: Develop Your Mobile Strategy,” your ability to gather the right data and synthesize it into actionable insights will determine a large portion of your mobile marketing success. Quantitative and qualitative research will constitute the backbone of this effort. Here, we’ve compiled a list of go-to resources that can help you map out your mobile strategy.

Appendix Contents

Subscription research firms

Research resources

Subscription Research Firms

Research firms gather data on market trends, customer demographics, and user behaviors on a much larger scale than you can achieve on your own with focus groups, customer interviews, or surveys. As a paying subscriber, you can access this data and use it to compile custom reports. Most of these firms also publish syndicated research reports on a variety of topics related to digital and mobile marketing. Many firms in the following list offer advisory and consulting services in addition to research.

ABI Research www.abiresearch.com

BIA/Kelsey www.biakelsey.com

comScore www.comscore.com

eMarketer www.emarketer.com

Forrester Research www.forrester.com

Gartner www.gartner.com

International Data Corporation www.idc.com

Juniper Research www.juniperresearch.com

Kantar www.kantar.com

Nielsen www.nielsen.com

Ovum www.ovum.com

Pyramid Research www.pyramidresearch.com

Strategy Analytics www.strategyanalytics.com

TNS Global www.tnsglobal.com

Yankee Group www.yankeegroup.com

Research Resources

Working with primary research firms and survey vendors can provide custom insights into consumer attitudes and behavior.

Primary Research Firms

Following is a short list of primary research companies with expertise in mobile that can help you gather information about your target audience.

DynamicLogic www.dynamiclogic.com

InsightExpress www.insightexpress.com

Wave Collapse www.wavecollapse.com

Survey Vendors

Customer surveys are a vital building block in the strategy development process. They can yield a wealth of information on common user behaviors and attitudes.

Crowd Science www.crowdscience.com

Crowdtap www.crowdtap.com

Qualtrics www.qualtrics.com

SurveyMonkey www.surveymonkey.com

WorldAPP KeySurvey www.keysurvey.com

Appendix B:

SMS Aggregators

As noted in Chapter 3, “Week 2: Start Simple—SMS,” SMS aggregators are specialty businesses that have established technical integration and business relationships with the wireless carriers. These relationships enable aggregators to perform two key tasks: buy SMS messages from the carriers in cost-effective bulk, and send SMS messages quickly and efficiently across the wireless carriers’ networks. These are tasks you cannot do yourself, neither as an individual nor as a major corporation.

Per the Common Short Code Administration (CSCA) website (www.usshortcodes.com/), SMS aggregators are categorized into tiers based on their capabilities and relationships with the carriers. Note that the following lists of aggregators, drawn from the CSCA site, are current as of this writing, but be aware that the roster may shift; check www.usshortcodes.com/csc_aggregators.html for the most up-to-date lists by tier.

B

Appendix Contents

Tier 1

Tier 2

Tier 3

Tier 1

Tier 1 SMS aggregators maintain direct short-message peer-to-peer (SMPP—an industry protocol for exchanging SMS messages) connections and premium settlement agreements with at least four of the five major U.S. wireless carriers (AT&T, Sprint, T-Mobile, US Cellular, and Verizon). They support carrier-grade SMS and MMS capabilities and provide a high-level 24/7 service agreement. They publish content only where the rights to that content are clearly owned by the customer (e.g., they won't knowingly plagiarize or spam).

Ericsson www.ericsson.com

mBlox www.mblox.com

Mobile Messenger www.mobilemessenger.com

Motricity www.motricity.com

Openmarket www.openmarket.com

Sybase 365 www.sybase.com

Velti www.velt.com

Vibes Media www.vibes.com

Tier 2

Tier 2 SMS aggregators maintain direct SMPP connections with at least three of the five major U.S. wireless carriers, and settlement agreements with two of the five. Unlike Tier 1 firms, they support only carrier-grade SMS capabilities, but they still provide the same type of high-level 24/7 service agreement. Similarly, they publish content only where the rights to that content are clearly owned by the customer (e.g., they won't knowingly plagiarize or spam).

Syniverse www.syniverse.com

3CInteractive www.3cinteractive.com

Tier 3

Tier 3 SMS aggregators are not aggregators in the truest sense of the word, but rather mobile marketing companies that specialize in SMS and run their campaigns on the backbone of a Tier 1 or Tier 2 provider. They tend to mark up the costs of their services beyond what a Tier 1 or Tier 2 provider would charge. On the other hand, they also offer a full-service model that the larger Tier 1 and Tier 2 aggregators often do not, including managing your campaigns for you from short code acquisition to analytics.

Aerialink www.aerialink.com

4INFO www.4info.com

i2SMS www.i2sms.net

Mobile Accord www.mobileaccord.com

Moonshado www.moonshado.com

Netpace www.netpace.com

Netsmart www.netsmart.eu

Nokia www.nokia.com

Single Touch www.singletouch.net

TeleMessage www.telemessage.com

Txtwire www.txtwire.com

Appendix C: Mobile Web Resources

C

Ensuring that your mobile site functions effectively across multiple devices and platforms involves a lot of testing. These services and tools can help you determine whether your content is optimized for the mobile environment.

Appendix Contents

Device detection

Test tools

Device Detection

As noted in Chapter 4, “Week 3: Maximize Reach with Mobile Websites,” when a browser sends a request to your site for a page, it also sends along an identifier known as a *user agent*. A script on the website detects that user agent and returns the right content for the particular device. The following device detection tools can assist in that process.

Device Atlas www.deviceatlas.com

Mobiforge www.mobiforge.com

WURFL wurfl.sourceforge.net

Test Tools

These tools can help you test whether (and to what degree) your website is mobile-friendly.

Adobe Edge Inspect <http://html.adobe.com/edge/inspect/>

Google Mobilizer www.google.com/gwt/n

Modify Headers (Firefox Add-on) <https://addons.mozilla.org/en-US/firefox/addon/modify-headers/>

W3 mobileOK Checker <http://validator.w3.org/mobile>

The iPhone 4 Simulator <http://iphone4simulator.com/>

The iPhone 5 Simulator <http://iphone5simulator.com/>

Appendix D: Mobile App Resources

D

App development is a highly complex process, requiring both technical and marketing expertise. These resources can help you at key junctures of the development process.

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App development resources

Test services

App marketing resources

App analytics firms

App Development Resources

The following app development resources offer detailed guidelines, software development kits (SDKs), tools, and other content specific to each platform that can help you start building your app.

Android Developer Resources <http://developer.android.com>

BlackBerry Developer Resources <http://developer.blackberry.com>

iOS Developer Resources <http://developer.apple.com/devcenter/ios>

Windows Phone Developer Resources [http://msdn.microsoft.com/en-us/library/ff402535\(v=vs.92\).aspx](http://msdn.microsoft.com/en-us/library/ff402535(v=vs.92).aspx)

Test Services

Ensuring that your app is functioning properly across multiple devices and wireless carriers involves a significant amount of testing. The following vendors can help you test your app and work out any technical bugs before you submit it to any of the app stores.

Belatrix www.belatrixsf.com

BSquare www.bsquare.com

Compuware Gomez www.compuware.com/application-performance-management/gomez-apm-products.html

Infostretch www.infostretch.com

Keynote Device Anywhere www.keynotedeviceanywhere.com

Mobile Labs www.mobilelabsinc.com

Perfecto Mobile www.perfectomobile.com

Smartbear www.smartbear.com

Tosca Test Suite www.tricentis.com

uTest www.utest.com

App Marketing Resources

As we noted in Chapter 5, “Week 4: Maximize Engagement with Mobile Apps,” marketing your app can be as big a job as building it in the first place. The following resources can help you with your prelaunch and post-launch earned media planning.

Press Release Services

Many apps get a big bump in downloads from a good old-fashioned press release. The prMac (www.prmac.com) Apple-specific wire service can be effective at garnering coverage.

App Review Sites and Directories

We recommend focusing your prelaunch and post-launch earned media efforts on reaching out to key influencers. The following lists of app reviews, blogs, and directories can help you determine which sites you will want to target.

148Apps www.148Apps.com
app.itize.us www.app.itize.us/wp
AppAdvice www.appadvice.com
AppCraver www.appcraver.com
AppSafari www.appsafari.com
AppStoreApps.com www.appstoreapps.com
AppStorm www.apstorm.com
Appvee www.appvee.com
Frackulous www.frackulous.com
FreeiPadApps.net www.freeipadapps.net
I Use This App www.iusethisapp.com
iFanzine www.ifanzine.com
IntoMobile www.intomobile.com/apps/ipad
iPad Apps Review Online www.ipad-apps-review-online.com
iPhone App Review www.iphoneappreview.com
iPhoneAlley www.iphonealley.com
iSource www.isource.com
iusethis www.iphone.iusethis.com
Macworld www.macworld.com/appguide/index.html
Smokin Apps www.smokinapps.com
TapCritic www.tapcritic.com
TechSpheria www.howsmyapp.com
The APPera www.theappera.com
The Daily App Show www.dailyappshow.com
The iPhone App Review www.theiphoneappreview.com
TheTopAppPreviews.com www.thetopappreviews.com
Today in iOS www.todayiniphone.com
TouchArcade www.toucharcade.com
TUAW www.tuaw.com/hub/app-reviews

Twittown www.twittown.com

What's On iPhone www.whatsoniphone.com

Android-Specific Sites

The following sites may be useful when developing Android apps.

AndGeeks www.andgeeks.com

Android App Review Source www.androidappreviewsource.com

Android AppDictions www.androidappdictions.com

Android Apps www.androidapps.com

Android Community www.androidcommunity.com

Android Rundown www.androidrundown.com

AndroidGuys www.androidguys.com

Androidmarketapps.com www.androidmarketapps.com

AndroidTapp www.androidtapp.com

Androinica www.androinica.com

Ask Your Android www.askyourandroid.com

Aviator Android Apps www.aviatorandroidapps.com

Best Android Apps Review www.bestandroidappsreview.com

Droideo www.droideo.com

Planet Android www.planetandroid.com

TalkAndroid www.talkandroid.com

Game-Specific Sites

Consider reaching out to these sites if you're developing gaming apps.

AppGamer.net www.appgamer.net

Slide To Play www.slidetoplay.com

The Portable Gamer www.theportablegamer.com

TouchGen www.touchgen.com

App Analytics Firms

As noted in Chapter 5, app-specific analytics solutions currently offer the most robust level of detail about app usage. If you are serious about investing in apps, you may want to consider one of the following firms.

App Annie www.appannie.com

Flurry www.flurry.com

Google Mobile Analytics www.google.com/analytics/features/mobile.html

Localytics www.localytics.com

MixPanel www.mixpanel.com

Mobilytics www.mobilytics.net

Appendix E: Mobile Ad Networks

If you're planning to advertise on the mobile web or in mobile apps, you'll need to engage the services of a mobile ad network. As discussed in Chapter 6, "Week 5: Promote Your Message with Mobile Advertising," mobile ad networks are vendors that purchase inventory from publishers—usually mobile websites and mobile apps—and resell this inventory to advertisers.

We've classified mobile ad networks according to three primary models: premium, premium blind, and blind. Bear in mind that these categorizations do not constitute any sort of value judgment about any of the companies that appear in this appendix; they are meant to be representative, not exhaustive.

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Premium

Premium blind

Blind

Premium

Premium mobile ad networks limit their inventory to a select number of premium publishers, which tend to be the mobile websites and apps that are household names and command a huge number of eyeballs. They generally allow you to cherry pick inventory and select only the apps and mobile websites on which you want your campaign to run.

Advertising.com www.advertising.com

Microsoft Mobile Advertising advertising.microsoft.com/international/mobile-advertising

Mobile Theory www.mobiletheory.com

NAVTEQ www.navteq.com

Premium Blind

These are premium networks that utilize a blind segmentation model. They offer the same top-notch inventory as a regular premium network, but don't allow you to choose where your ad will appear.

Greystripe www.greystripe.com

HUNT Mobile Ads (Latin America) www.huntmads.com

Jumptap www.jumptap.com

Madhouse (China) www.madhouse.cn

Millennial Media www.millennialmedia.com

Velti www.velt.com

Blind

Blind networks aggregate a vast quantity of inventory among less-trafficked mobile sites and apps. Their costs are often much lower than premium mobile ad networks, the catch being that you have very little control over where your ad will run. The networks usually bundle their publishers into virtual segments that fit certain demographic targets—for example, sports fans or business travelers. Your ads will run within mobile websites and apps in segments that match your budget and targeting criteria, but you won't know exactly where your ad is appearing.

AdColony www.adcolony.com

Admob www.google.com/ads/admob

Admoda www.admoda.com

Adfonic www.adfonic.com

BuzzCity www.buzzcity.com

InMobi www.inmobi.com

Leadbolt www.leadbolt.com

madvertise www.madvertise.com

Mojiva www.mojiva.com

Rhythm NewMedia www.rhythmnewmedia.com

TapJoy www.tapjoy.com

Appendix F: Blogs, Online Publications, and Twitter Feeds

F

Online resources—particularly blogs, industry publications, and Twitter feeds—are vital assets for staying current. Blogs and online publications offer deep dives into a range of topics from breaking news to product reviews to company announcements, while Twitter provides continually updated, at-a-glance snippets on a similar range of topics, with a healthy dose of individual personality added to the commentary. Here, we’ve assembled lists of resources that span many aspects of the mobile ecosystem.

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Blogs
Online publications
Twitter feeds

Blogs

To keep up-to-date, we follow numerous thinkers and doers, plus a handful of blogs that have blossomed into media properties in their own right. Some of these resources focus specifically on mobile, while others cross multiple platforms. This list is just a handful of our favorites. An extended and continually updated blog roll is available on www.mobileanhouraday.com.

AllThingsD www.allthingsd.com

AndroidGuys www.androidguys.com

Android Official Blog <http://officialandroid.blogspot.com>

BGR www.bgr.com

Carnival of the Mobilists <http://mobili.st>

C. Enrique Ortiz <http://weblog.cenriqueortiz.com>

Communities Dominate Brands <http://communities-dominate.blogs.com>

Daring Fireball <http://daringfireball.net>

Engadget www.engadget.com

Ethan Marcotte <http://ethanmarcotte.com>

GigaOM www.gigaom.com

Gizmodo www.gizmodo.com

Jan Chipchase <http://janchipchase.com>

London Calling <http://londoncalling.co>

LukeW Ideation + Design www.lukew.com

Marketers Studio—David Berkowitz's Marketing Blog www.marketersstudio.com

Mashable <http://mashable.com>

Mobhappy <http://mobhappy.com/blog1>

MobileGroove www.mobilegroove.com

Mobile Industry Review www.mobileindustryreview.com

MobileOpportunity <http://mobileopportunity.blogspot.com>

Mobileslate www.mobileslate.com/blog

Musings of a Mobile Marketer <http://technokitten.blogspot.com>

Open Gardens <http://opengardensblog.futuretext.com>

PandoDaily <http://pandodaily.com>

Pogue's Pages www.davidpogue.com

ReadWriteWeb www.readwriteweb.com

SmartMobs www.smartmobs.com

TechCrunch <http://techcrunch.com>

Textually.org www.textually.org

The Mobile Marketing Review www.themobilemarketingreview.com

The Pondering Primate <http://theponderingprimate.blogspot.com>

The Verge www.theverge.com

Online Publications

Beyond the mainstream business media (*Bloomberg Businessweek*, *Fast Company*, *Forbes*, *Fortune*, the *New York Times*, *The Wall Street Journal*, *Wired*, et al.), online publications, many focused partially or entirely on mobile developments, are indispensable resources for staying up-to-date on new products, companies, and other industry developments. A short (and by no means exhaustive) list of relevant publications follows. Check out the book's companion website, www.mobileanhouraday.com, for a more extensive list.

Ad Age www.adage.com

Adweek www.adweek.com

FierceMobileContent www.fiercemobilecontent.com

FierceWireless www.fiercewireless.com

MobiAD News www.mobiadnews.com

Mobile Entertainment www.mobile-ent.biz

Mobile Marketer www.mobilemarketer.com

Mobile Marketing Daily www.mediapost.com/publications/mobile-marketing-daily

Mobile Marketing Watch www.mobilemarketingwatch.com

mobiThinking www.mobithinking.com

paidContent www.paidcontent.org

VentureBeat www.venturebeat.com

Wireless Week www.wirelessweek.com

Twitter Feeds

For those of you not in the know, Twitter was originally conceived as a mobile-first service allowing users to microblog via SMS (you didn't think that 140-character limitation was a coincidence did you?). These are just a few of our favorite mobile influencers on Twitter. You can find more by following us at @themobilebook.

Brian Fling @f1ing

C. Enrique Ortiz @ortiz

Chetan Sharma @chetansharma

Daniel Appelquist @torgo

Eric Y Lai @ericylai
Ethan Marcotte @beep
Om Malik @om
Greg Sterling @gsterling
James Pearce @jamespearce
Jeff Hasen @jeffhasen
John Gruber @gruber
Joy Liuzzo @joyliuzzo
Luke Wroblewski @lukew
Peter Paul Koch @ppk
Rick Mathieson @rickmathieson
Rudy De Waele @mtrends
Russell Buckley @russellbuckley
Stephanie Rieger @stephanierieger

Appendix G: Conferences, Events, and Organizations

G

Staying up-to-date with a fast moving industry such as mobile can be challenging. Attending conferences and participating in industry organizations are two ways you can keep current with the latest trends and best practices.

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Conferences and events

Industry and professional organizations

Conferences and Events

As mobile progressively becomes a hotter topic, new events are springing up seemingly overnight. We could probably fill a whole chapter with conference listings so we've just tried to include the most prominent events here. You can find a more exhaustive and continually updated list on www.mobileanhouraday.com/digitalindustryevents.

Apps World: Apps World is the principal annual event devoted to native mobile applications (www.apps-world.net).

Digiday Mobile: Put on by the Digiday online trade magazine, Digiday Mobile is held annually in New York (<http://digidaymobile.com>).

International CTIA Wireless and MobileCON: Put on by CTIA—The Wireless Association (<http://ctia.org>), these annual events focus on the general mobile market (www.ctiawireless.com) and mobile-centric IT and enterprise concerns (www.mobilecon2012.com), respectively.

MMA Forum: The Mobile Marketing Association runs several national and international events throughout the year that are excellent networking opportunities for newbies and seasoned mobile marketers alike (www.mmaglobal.com/events).

Mobile Insider Summit and OMMA: The online trade publication MediaPost runs several mobile-focused events throughout the year, including the OMMA Mobile conference held in New York during Advertising Week and the biannual Mobile Insider Summits (www.mediapost.com/events).

Mobile Marketing Strategies: An annual event devoted to all things mobile for agency and brand-side marketers (www.mobilemarketingstrategiessummit.com).

Mobile World Congress: The premier global mobile technology and media conference is held each February in Barcelona (www.mobileworldcongress.com).

SXSW: Although not exclusively mobile, the SXSW Interactive festival held each March in Austin, Texas, is a hotbed of cross-platform workshops and ideas that are invaluable to anyone planning to integrate mobile into their marketing mix, as well as an increasingly important venue for the debut of mobile-focused companies (www.sxsw.com).

The Mobile Media Upfront: The annual mobile ad upfront event is sponsored by various online and mobile agencies (www.mobilemediaupfront.com).

Industry and Professional Organizations

Several major industry organizations are focused entirely on different aspects of the mobile ecosystem. But with mobile now crossing industry lines, many other trade and professional organizations have mobile-focused committees and resources designed to educate their members. Here, we've listed the primary organizations relevant to marketers.

CTIA—The Wireless Association: This nonprofit organization serves the needs of the wireless communications industry. It is an excellent resource for industry insights (www.ctia.org).

Interactive Advertising Bureau (IAB): Although not exclusively a mobile organization, the IAB has several task forces devoted to helping advertisers make the most of mobile. It is an excellent resource on topics related to mobile advertising and tracking (www.iab.net).

Mobile Marketing Association (MMA): The Mobile Marketing Association is the main professional organization serving mobile marketers around the world. It supports numerous working groups and committees devoted to research and standardization of best practices. It also provides numerous educational benefits and networking opportunities to individual and company members worldwide (www.mmaglobal.com).

Mobile Monday: Known to members as MoMo, Mobile Monday started in Helsinki in 2000 as a casual gathering of designers, developers, and other assorted mobile geeks convening on the first Monday of every month to share ideas and works in progress. In the intervening years, MoMo has grown to over 140 chapters in cities across the world and continues to expand as a grassroots community of mobile enthusiasts. It's one of the best networking opportunities we know of and odds are there is a chapter in your city; if not, you can always start one (www.mobilemonday.net).

The Direct Marketing Association (DMA): The DMA is the main professional organization serving the needs of the direct marketing and advertising community, for which mobile is an increasingly vital component (www.the-dma.org).

WOMMA: The Word of Mouth Marketing Association is primarily devoted to social media but will become a more relevant resource for mobile marketers as mobile, social, and local marketing converge (www.womma.org).

Glossary

accelerometer An embedded sensor that measures acceleration, tilt, and overall orientation, making the screen shift from landscape to portrait as you tilt or rotate your device. The accelerometer was first used by Apple in the iPhone, but is now a standard component of most tablets and high-end smartphones.

aggregator (SMS) Organizations with the technical infrastructure and business relationships required to send and receive SMS/MMS messages across the wireless carrier networks. The organizations function as middlemen between wireless carriers and brands. Any business or individual wanting to use SMS in the United States must procure the services of an aggregator. The aggregator provides the brand with hosting for their code, connection to the wireless carriers, bulk rate messaging, and, in some cases, campaign planning and management or access to a self-service campaign management portal for an extra monthly fee.

AJAX Asynchronous JavaScript and XML, or AJAX, is a combination of web technologies, including HTML, XHTML, CSS, JavaScript, XML, XSLT, the Document Object Model, and the XMLHttpRequest. Together, these technologies allow developers to create websites and web applications that update immediately as a user performs an action, without requiring a reload of the entire page.

alt-tags Alt-tags are text descriptions that are displayed while an image is being loaded or

in lieu of an image when a user has images turned off on a mobile device. Because images often take longer to load via mobile and some users turn off images altogether, alt-tags are considered a best practice for mobile SEO.

ambient Marketing that combines various non-desktop digital interfaces and media (such as mobile devices, surface technology, Bluetooth, augmented reality, and the like) to create real-time user experiences. Ambient media use your smartphone to activate—and make interactive—the physical world around you.

anchor text The clickable text in a web link that is visible to the user; an important element of SEO.

Android Google's native operating system for smartphones and tablets. Android versions to date have all been nicknamed after desserts and include: Cupcake (1.5), Donut (1.6), Éclair (2.0/2.1), Froyo (2.2), Gingerbread (2.3), Honeycomb (3.0), Ice Cream Sandwich (4.0), and Jelly Bean (4.1).

app definition statement A document that contains an app's purpose, users, and high-level features and content.

app extensions A form of paid search-engine marketing offered by Google that enables an advertiser to promote native mobile applications by including a download link for an app within the body of search ads on mobile devices.

application (native) An application (app) designed to be downloaded and installed on a user's mobile device. Native apps differ from web apps in that they can tap into the device's native functions and features, such as the camera or near-field communication (NFC) chip, and allow the user to save information and access some or all content and features offline. Native apps are usually designed using compiled programming languages such as C++ or Java, or, in some cases, a combination of compiled code and a front-end markup language such as HTML5. See also *native mobile app*.

application (web) An app designed to enable a user to perform a specific function or set of functions within a web browser; in the case of mobile apps, usually designed with HTML5. See also *mobile web app*.

application programming interface (API) An API is a set of technical specifications that enable one type of system to interface with another, facilitating the exchange of digital information.

app store A destination (in both website and native application form) from which free and paid native mobile applications can be discovered and downloaded. The best-known app stores are the iTunes App Store and Google Play, but numerous others exist, including native app stores for Windows and BlackBerry, versions particular to wireless carriers worldwide, and various independent storefronts such as GetJar.

augmented reality (AR) The overlay of digital information onto real-world objects and locations, as viewed through a digital interface such as a smartphone or web cam. AR experiences are triggered via geo-location,

reading, or scanning of some kind of physical marker or through a combination of both.

beta testing Performing tests of an early, working version of a website or native application to assess functionality and usability.

blind ad network An ad network model in which advertisers have no insight into where their ads run; often composed largely of remnant inventory (impressions that publishers are unable to sell). Ads are placed in "channels" of sites categorized together according to content type or intended audience.

Bluecasting The use of Bluetooth to distribute marketing messages and content such as coupons, videos, and offers. Bluecasting is usually an opt-in service in which users agree to receive messages when they are in the proximity of a Bluetooth hotspot.

Bluetooth A two-way, short-range, wireless protocol for data transmission operating on the 2.4GHz spectrum. The most familiar and common uses of Bluetooth are in wireless phone headsets, wireless mice and keyboards, and in-car systems, but the technology can also be used to distribute content from a Bluetooth hotspot to end-use mobile devices (see *Bluecasting*).

click-to-call A link placed in a mobile ad or on a mobile web page that automatically initiates a phone call between the advertiser and user when it is clicked.

click-to-download A search-engine marketing format containing a link to an app store download page.

click-to-offer A search-engine marketing format that enables a user to click to obtain a special offer or deal.

cloud platform (mobile) A service provider that offers cloud-based tools that can be used to mobilize an existing desktop website for multiple device types.

.com A colloquial term for a desktop website.

context The situational wants and needs of a user based on his or her position within the customer journey.

cross-platform toolkits A collection of tools, code samples, and APIs that enable developers to use markup code and scripted computer programming languages to develop native mobile applications for multiple platforms at once.

CSS Cascading Style Sheets, a document containing stylistic code that dictates the appearance of a website or web page. Cascading Style Sheets Level 3 (CSS3) is the most recent iteration of CSS used in conjunction with HTML5 to create dynamic cross-platform websites and applications.

customer journey The path taken by a potential customer from the initial stages of discovering a brand to becoming a loyal customer and advocate.

dayparting The practice of placing advertising to be displayed at specific times of day in which it will be most effective.

developer license A license to develop official native apps for a particular platform such as iOS or Android.

device detection The practice of detecting what type of device is requesting a web page and then delivering content that is formatted specifically for that device; usually achieved via some type of server-side script.

double opt-in The practice of requiring a mobile subscriber to opt in twice for an

SMS or MMS marketing program; most commonly required for programs involving ongoing messages or premium content.

earned media Buzz gained through editorial content, PR, and word of mouth.

feature phone A mobile phone that does not have a fully functioning web browser and which is used primarily for voice calling and texting. Feature phones are usually smaller in size than smartphones and have lower-resolution non-touchscreens.

firmware A mobile device's native operating system.

fourth generation (4G) The fourth, and most recent, generation of wireless technology standards. There are currently two competing 4G technologies, Long Term Evolution (LTE) and WiMAX. All of the Tier 1 U.S. wireless carriers have committed to implementing LTE.

fragmentation Refers to the vast diversity of devices in the mobile ecosystem with their varying platforms, operating systems, functions, and form factors, and the associated marketing challenges.

freemium Native mobile apps that are free to download but incur charges for updates or certain additional services/content.

fully hosted Mobile websites that are developed and hosted by a third party apart from the brand that owns the site.

fully native mobile apps Mobile apps developed using the app platform's native software development kit (SDK) and making little or no use of external data sources.

global positioning system (GPS) The global positioning system is a satellite navigation system maintained by the United States government.

The signals relayed by the GPS are freely available to businesses and individuals and are used by the wireless carriers to pinpoint the positions of subscribers.

haptics The use of touch as method of relaying information to a user through a digital interface—for example, the vibration a user feels when pressing a touchscreen button; also commonly referred to as haptic feedback.

hosted mobile site Refers to a mobile website hosted by a third party.

HTTP headers Key elements of the request that is made when a device (in this case, a mobile device) requests a page from a website.

HTML5 The latest iteration of the Web's primary markup language, with elements that are instrumental in building touch and geocentric, app-like mobile user experiences.

hybrid mobile apps Refers to native mobile apps that are developed using the native SDK but make use of web-based content and services to provide essential elements of the user experience.

Human Interface Guidelines Guidelines issued by Apple to aid developers in creating mobile websites and applications that fully leverage all the features and functionality iOS devices have to offer.

ideation In mobile parlance, the process of developing a creative concept for an app, mobile website, or campaign.

image technologies Refers to technologies that utilize some form of image recognition, including quick response (QR) and other forms of barcode scanning, as well as true forms of image recognition such as Google Goggles.

index The database in which a search engine stores the web pages indexed by bots.

intent The level of a user's readiness and willingness to engage and/or convert.

intangible goods Refers to digital content sold via native mobile apps such as games, credits, points, and e-books.

interactive voice response (IVR) IVR is a digital system enabling users to interact with a menu of choices by voice command.

iOS Apple's operating system for mobile devices, including the iPod touch, iPhone, and iPad; currently in its 6.0 iteration.

keyword (SMS) In SMS parlance, a keyword is a word or phrase used to identify a unique campaign running on a specific common short code. Multiple keywords can be provisioned for a single short code, which enables that one code to support numerous simultaneous campaigns.

keyword density Keyword density refers to the ratio of keywords to non-keywords within a mobile web page.

latency The lag that occurs between the time content is requested by the user and when it is actually delivered.

Long Term Evolution (LTE) The 4G wireless standard supported in the United States by all of the Tier 1 wireless carriers, LTE promises high-speed data transmission for mobile devices at speeds rivaling those of fixed broadband networks.

machine-to-machine (M2M) Technologies that enable one digital system to communicate directly with another, often using wireless technology.

m-commerce A blanket term for all shopping and buying activities occurring via mobile devices.

media queries A feature of CSS that checks for particular aspects of the device making a page request (for example, screen size) and modifies the page layout accordingly.

media strategy The use of strategic planning processes to inform the development of media campaigns and purchase of media itself.

messaging fees The costs incurred by both the sender and receiver when an SMS message crosses the wireless carrier networks. For brands, these costs usually range from 2 cents to 5 cents on average but can scale lower or higher when bought in volume and depending on the aggregator with which the brand chooses to work.

meta description An HTML meta tag traditionally used to describe the contents of a web page for the benefit of search-engine spiders.

mobile-assisted commerce In mobile parlance, the use of a mobile device to conduct a transaction in some way, usually through researching and qualifying a purchase.

mobile first A design practice, rapidly growing in popularity, in which mobile users are given primary consideration in the design of features and navigation and in the development of content.

mobile readiness A measure of the degree to which a brand is able to connect with its customers via mobile channels, particularly via mobile web.

mobile web app A mobile app designed to run in the mobile browser; most commonly designed using HTML5 and CSS3.

mobile technographics A brand's customer demographics as defined by their use of mobile technology.

m-payments Refers to any monetary transactions conducted using a mobile device as the payment conduit, whether through NFC, mobile wallet, or an external reader.

mobile wallet Applications that store payment and other related information such as loyalty cards and coupon offers in digital format on a user's mobile device.

mobile phone users Refers to all mobile phone owners, including those using feature phones and smartphones.

multimedia messaging service (MMS) A richer form of SMS messaging that supports the sending and receiving of multimedia content such as images, audio, or video to a wireless subscriber.

multitouch A form of input for touchscreen devices in which two or more fingers can be used to manipulate the screen at one time.

native mobile app A mobile app designed to be downloaded to and run on a user's mobile device.

near-field communications (NFC) A short-range, two-way wireless radio frequency ID channel that delivers data using interacting electromagnetic radio fields. NFC differs from other radio transmission standards in that it requires very close proximity (four inches or less) to transmit data, making it more secure than similar technologies such as Bluetooth.

1D barcode Barcodes that present data in a linear, one-dimensional fashion. The most familiar flavor of 1D barcode is the UPC barcode commonly found on product packaging.

open rate Refers to the percentage of recipients who open and view a message. The open rate equals the exposed recipients/messages viewed.

opt-in Opt-in refers to the process by which a mobile subscriber gives explicit consent to receive one or more SMS or MMS messages from a wireless carrier or content provider. Opt-in is required for all commercial uses of SMS/MMS messaging in the United States. In most cases, a user sending a text to a short code is considered permission to send that user a return message. Ongoing messages generally require that a specific opt-in message be sent to the sender—for example, “Text DEAL back to this short code to receive weekly coupons.”

opt-out Opt-out refers to the process by which a mobile subscriber revokes his/her consent to receive further SMS communications from a wireless carrier or content provider. The keywords STOP, QUIT, OPT OUT, END, CANCEL, and UNSUBSCRIBE are reserved for generating an automatic opt-out on most carrier networks.

operating system (OS) The native master software that runs the core functions of a computer or mobile device. Common mobile operating systems include Apple’s iOS, Google’s Android, Research In Motion’s (RIM) BlackBerry, and Microsoft’s Windows Phone.

owned media Refers to a brand’s leverageable assets for marketing, including its .com website and branded social spaces, such as Twitter and Facebook.

page view The number of times a web page is viewed by users within a specific time period.

paid media Media purchased for a specified cost per unit; usually refers to display advertising or search-engine marketing. Also commonly referred to as bought media.

personalization The modification of content or a user interface according to customer-specified preferences or observed behavioral patterns.

platforms Types of mobile devices grouped by capabilities and operating systems—for example, Android or iOS.

point of sale (POS) The physical point at which a transaction is processed in-store, usually at a checkout counter.

portability The ability of content to be extended to multiple digital touchpoints.

preferences A user’s specific wants and needs, likes and dislikes, as explicitly expressed to a brand.

premium blind A mobile ad network in which a sizable percentage of the publishers are premium, but advertisers still have little or no visibility into where their ads run.

premium content Refers to content, usually of the downloadable variety, for which the content provider charges a fee. Examples include ringtones and native mobile apps such as games and digital magazine editions.

premium SMS SMS messages that incur a fee above and beyond standard message rates, usually charged for delivery of premium content.

presence the availability and willingness of a user to receive content and/or communications from a brand at any given time.

progressive enhancement A design practice used in tandem with mobile first in which

content and features are layered on top of a core mobile user experience in layers of progressive complexity.

proximity the physical location of user in relation to a brand.

proximity payments Payments effected via mobile device at the point of sale using a variety of mechanisms, including browser, apps, SMS, or NFC.

pull A process in which a user requests marketing messages from a brand, such as mobile-originated SMS or search-engine queries.

purchase funnel The process through which a prospect becomes a customer and eventually an advocate; traditionally progresses from awareness to consideration to purchase to ownership to loyalty.

push A process in which a brand proactively presents marketing messages to a customer—for example, in-app messages.

quick response (QR) codes The most popular form of 2D barcodes used in the United States.

radio frequency identification (RFID) A wireless technology in which data is transmitted from an RFID tag to an RFID reader via radio frequencies; used primarily in inventory and supply chain management and automated collection of transit tolls.

random short code Refers to a common short code composed of randomly assembled numbers (versus a vanity code, which is explicitly assembled to spell out a word or acronym).

reach The addressable audience for a particular campaign, website, or app.

redirect The practice of automatically forwarding users to a URL different from the

one they have clicked. In mobile parlance, it refers to using redirects to send a user to mobile-specific content.

referrer The web page that delivered a user to your website.

relevance In mobile parlance, the ability of content or service to meet a customer's real-time needs.

responsive design The practice of designing a single website that modifies its format in real time to optimize the viewing experience for the capabilities and screen size of the device at hand.

search engine results page (SERP) A single page of search results returned to an end user's device by a search engine.

segments Groups of customers defined by similar personal and/or behavioral characteristics—for example, soccer moms or business travelers.

shared short code The practice of using a single short code to run SMS campaigns for multiple brands (versus licensing a single, brand-specific short code for each). Shared short codes are a popular workaround for brands looking to get to market quickly by bypassing the often lengthy carrier approvals process involved in licensing a unique common short code.

short code A five- or six-digit code that acts as a phone number from which brands can send and receive SMS and MMS messages; also known as a common short code (CSC).

short message service (SMS) SMS is a wireless carrier standard for delivering short, text-only messages, usually limited to 160 alphanumeric characters, from person to person or from a business to a consumer. SMS is

universally available on smartphones and feature phones. Commonly referred to as “text messaging.”

showrooming The practice by which shoppers use their mobile device in-store to research a potential purchase by looking for competitive information such as pricing, features, and reviews; showrooming sometimes leads to a purchase from an online merchant or another brick-and-mortar retailer.

site links Additional clickable links embedded into a search marketing ad designed to drive consumers deeper into a website, or, in the case of mobile, to click-to-call or drive them deeper into an installed mobile application.

single opt-in The process by which a subscriber opts in to a standard-rate messaging program, usually by texting to a common short code.

smartphone A mobile device that features a high-density, high-resolution color display (typically, a touchscreen interface among the latest generation devices) measuring two or more inches; an advanced, purpose-built operating system; the ability to send and receive email and SMS/MMS; a full-featured web browser that can render standard web pages except those elements built with Flash; access to and the capacity to run applications; a camera that can capture still images and high-definition video; GPS capabilities; and the ability to access both Wi-Fi and high-speed mobile broadband networks.

social machines Refers to objects that are not traditionally connected to the Internet, such as vending machines, that are rendered interactive by including some type of sensor or other digital component.

software development kit (SDK) A collection of tools, APIs, and sample code used to create applications.

splinternet A term used to describe the splintering of the Internet into different standards, channels, platforms, and access devices.

standard-rate SMS An SMS program in which the subscriber is billed according to a wireless carrier’s standard messaging rates, usually pennies per message. Standard-rate SMS programs generally require only a single opt-in.

subdirectory A URL structure in which pages are housed in a subdirectory of the main domain—for example, www.kiwi-market.com/mobile.

subdomain A URL structure in which pages are housed in a web domain that is a subcategory of a larger web domain—for example, <http://mobile.kiwi-market.com> would be a subdomain of www.kiwi-market.com.

tablet A portable, lightweight computer primarily characterized by a touchscreen navigational interface; popular examples include the Apple iPad, Samsung Galaxy Tab, and Amazon Kindle Fire.

tangible goods A term used by Apple to define nondigital content purchased via a native app interface. Examples of tangible goods include apparel, accessories, household items, and collectibles—in essence, something that is an actual, physical object versus a digital one. Tangible goods are not subject to Apple’s 30 percent commission fee that is levied on digital content (also known as intangible goods).

targeting A familiar term from online advertising, targeting refers to the available criteria by which a brand can define the audience for

a campaign. Gender, age, designated market area (DMA), household income, time of day (dayparting) and geo-location are all examples of targeting.

technical audit In mobile parlance, a process by which a qualified technologist assesses a brand's digital infrastructure to assess how it can be extended to multiple device platforms.

technographics A market research tool used to segment a brand's customers according to their use of technology.

third generation (3G) The blanket term for the third generation of wireless standards, delivering voice and data at rates as high as 2Mbps. 3G standards include UMTS/W-CDMA, CDMA2000, CDMA 1xEV-DO, EDGE, and CDMA 1xRTT.

trafficking (ad) A blanket term for all of the tasks involved in setting up and managing an online advertising campaign including, but not limited to, set up and monitoring of the campaign in an ad serving program.

transcoding Refers to the process of taking an existing website and modifying it on-the-fly to be viewable/usable on a device for which it was not originally intended.

2D barcode A two-dimensional barcode one-ups its 1D cousin by storing information both horizontally and vertically, which enables it to pack in 7,089 characters versus the 20-character capacity of a 1D code. The most commonly used form of a 2D barcode in the United States is QR; the two terms are often used interchangeably, but QR is simply one variety of the 2D barcode standard.

user agent In mobile parlance, a signifier within an HTTP header that tells a website

what type of device is requesting a web page from the site.

user interface (UI) The look and feel of a mobile website or application—the navigation, buttons, and overall layout. UI can also refer to the desktop design of a smartphone or tablet.

validate Validation is the process of assessing a design or concept's effect on the end user.

vanity short code A common short code that spells out a word or acronym that ties into your brand, making the code easier to remember.

viewport The actual viewable screen area of a desktop computer or mobile device.

WAP An acronym for Wireless Application Protocol, a very early, open, international set of protocols for the delivery of mobile data. WAP 2.0, released in 2002, opened the door to greater usage of the mobile web by enabling faster, more sophisticated mobile websites.

WebKit A rendering engine developed by Apple for the Safari web browser, WebKit now powers the browsers of most other top operating systems, including those of Android, BlackBerry (OS6+), Windows Phone, and Kindle devices, as well as select Symbian, Samsung, and Nokia devices.

white-labeling The practice of taking an existing piece of content, most commonly a native app, customizing it with a brand's look and feel and redistributing it as part of a promotional or marketing campaign; white-labeling an existing app can be a lot faster and cheaper than creating one from scratch, although generally less successful.

Windows Mobile (Windows Phone) Microsoft's original operating system for mobile devices has evolved through many incarnations from the very earliest versions of the Windows CE operating system in the early nineties to the current Windows Phone version 8 introduced in October 2012.

XHTML XHTML is a markup language based on HTML that conforms to XML syntax, enabling it to share the same cross-standard compatibility that XML supports. All modern smartphone and tablet browsers can

read XHTML web pages, and its flexibility makes it an especially popular choice for developers creating mobile web content.

XML Also known as eXtensible Markup Language, XML is a general-purpose markup language designed to facilitate the sharing of data over the Internet between systems that don't share the same internal data structures—a sort of digital Esperanto. Many other current popular document specifications, including XHTML, RSS, and ATOM, are based on XML.

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