

COLUMNS

Clamor for mobile marketing begins

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By **Vanessa Horwell**

Six weeks into 2011 and it is very clear that the high-stakes sprint to do all things mobile is off and running in an immense way.

If 2010 was a marathon, a long endurance race with only a few winners making it to the finish line, this year's starting block includes marketers of every size and liquidity aggregators, developers, networks, agencies, location-services and chancers all clamoring to get to the front of the line.

My question is this: What took you all so long?

The short answer is a combination of marketers' aversion to risk and a bit of follow-the-herd mentality thrown in.

While the traders over on Wall Street took risks aplenty with our money, marketers, it seems, were waiting for others to take the first few giant steps.

The long answer, below, is, well, long.

Adding new dimensions to mobile

Last year clearly demonstrated that mobile marketing was no longer a one-horse or single-dimensional player. It began to, and now is, playing a significant role in many multichannel campaigns, fundamentally reshaping the dynamics of interactive marketing in the process.

Here are some recent numbers if you don't believe me:

- Mobile marketing spend will top \$1 billion in 2011, according to Forrester Research
- Nearly half of smartphone users say they have already, or soon will, use their phones to do mobile shopping. Fifty-three percent also use, or intend to use, their smartphones for mobile banking, per ABI Research
- There will be an estimated 1.8 billion Internet-enabled mobile phones in use around the world by 2013, and 91 percent of all U.S. consumers already own and use a mobile device, according to Modus Associates

I think it is safe to say then, and as all those sprinters I mentioned earlier are likely betting on, that mobile marketing will expand in lots of new directions, and assume a much greater prominence in the marketing mix for businesses of many shapes and sizes. And to be sure, it is no longer just about retail.

I am no analyst, but one of the most significant developments in mobile marketing will be its increasing role as a link between our real world and the digital realm, that is, physical and virtual marketing.

More far-reaching synergies of this kind began appearing last year, such as GoldRun's augmented reality application, and shopkick, a location-based mobile application, of which many similar applications have proliferated. I dare say that by the end of the year, we will be sick to death of Groupon copycats, but I digress.

GoldRun, which fuses mobile, augmented reality, games, and location-based marketing, allows users to participate in enhanced interactive experiences with brands and products by inserting GPS-linked virtual characters, objects and other images in real-time environments using their smartphones.

Users are rewarded with incentives for virtual objects captured on those phones.

GoldRun's application for Swedish high-street retailer H&M Previews last year exemplifies its synergistic approach to marketing. It allows users to view, interact with and take pictures of virtual selections from the fall/winter line of H&M fashion and accessories when they stand in front of an H&M store in Manhattan.

Shopkick, which has been introduced at such retail chains as Target, Best Buy, Macy's, The Sports Authority and American Eagle Outfitters, offers smartphone users rewards for visiting stores outfitted with the application's signal technology.

Once consumers download the application and pass through a particular retail location with that technology, they receive rewards or "kickbucks," which can be redeemed at the store.

(Disclosure: I do not work with the above companies. I have highlighted them as great examples of their respective categories.)

Remember Betamax?

At this point, I would like to bring readers back to the days of the Betamax and the ferocious battle over which product would win.

In today's battle for consumer engagement and which application will perform better, however, it is not about the product per se, but about the experience.

That experience will be enabled by geo-tagging programs that can more effectively deliver digital coupons and digital content to consumers very close to point-of-purchase and in the most absolute terms. That is going to be a game-changer for marketers.

And speaking of experience, watch as the mobile Web market expands significantly, building on major gains made in the last year.

Just one indicator of the growth of the mobile Web market is that 38 percent of U.S. mobile subscribers accessed the Web in 2010, compared with 25 percent in 2009, according to the Mobile Access 2010 survey of the Pew Research Center's Internet & American Life project.

Soaring sales for iPhones and other smartphones, as well as the love for iPads and e-commerce technology will continue to drive greater use of the mobile Web, especially as costs decline for those devices and as their capabilities expand, which we are witnessing almost daily.

If 2010 witnessed a sharp rise in the number of U.S. mobile Web users accessing social networking sites like Facebook and Twitter, that trend will continue a rapid pace this year.

A significant increase and greater functionality in applications beyond the "application as a mobile strategy" will also help boost the mobile Web marketplace in 2011.

Repeat after me: NFC will be important this year (and forever after)

Despite the pooh-pooing of NFC technology by Forrester last month, Near Field Communication, also referred to as location-aware systems systems that recognize when a consumer is physically near an item or a retailer they have shown interest in, and send them notifications, alerts or special offers will become central to the growth of more advanced mobile marketing initiatives. Why?

Because NFC technology can facilitate contactless payment using an element of mobile integrated payments to complete a transaction spurred by such marketing.

This, in turn, will open up the mobile arena to many more players.

Think about it. By making mobile integral to a bricks-and-mortar retail transaction, merchants are creating an additional consumer touchpoint within the store itself.

Mobile and digital signage

I am going to cover this topic more extensively in another column, but watch the mobile digital signage space very closely.

Larger-scale rollouts of digital signage will open up broader mobile marketing opportunities, with greater integration of social media developing and user-generated content being used in more innovative and significant ways in the context of blended digital signage campaigns.

With so many developments in mobile during 2010, it is not hard to understand why now, all of a sudden, everyone wants to claim a stake in the mobile marketing game.

Mobile entrants, on your marks, get ready, go! Let us see who makes to the finish line this year.

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